



4.1.a: Supplemental - Increase State Utilization



Update on Strategies to Increase State Utilization of Minority, Women and Veteran Owned Businesses (4.1.a)

Prosperous Economy Goal Council

April 11, 2016



Goal

- By 2017, increase state agency and educational institution's utilization of state-certified firms in public works and other contracting and procurement to:
 - 10% Minority owned businesses
 - 6% Woman owned businesses
 - 5% Veteran owned businesses

2

2014 Results

Minority owned businesses = 0.63%	}	1.02%
Women-owned businesses = 0.39%		
Veteran-owned businesses = 0.23%		

Notes about 2014 reports:

- ▶ *Calendar year*
- ▶ *Did not include payments to subcontractors*

3

Historical Results

Fiscal Year	Participation Base	MBE\$	WBE\$	Total MBE & WBE	Total%
1998	\$1,710,234,427	\$122,849,917	\$104,835,049	\$227,684,966	13.31%
1999	\$1,188,596,139	\$58,227,322	\$65,310,972	\$123,538,294	10.39%
2000	\$1,177,393,600	\$50,233,976	\$49,521,610	\$99,755,586	8.47%
2001	\$2,105,465,856	\$37,126,354	\$42,319,640	\$79,445,994	3.77%
2002	\$1,949,464,683	\$29,572,820	\$33,118,896	\$62,691,716	3.22%
2003	\$2,411,656,303	\$20,177,924	\$27,979,061	\$48,156,985	2.00%
2004	\$2,628,141,272	\$18,571,986	\$25,047,388	\$43,619,374	1.66%
2005	\$2,819,972,125	\$21,556,777	\$33,012,660	\$54,569,437	1.94%
2006	\$2,724,256,802	\$32,459,989	\$47,765,077	\$80,225,066	2.94%
2007	\$2,913,014,217	\$22,994,328	\$45,587,717	\$68,582,045	2.35%
2008	\$2,089,544,098	\$26,697,254	\$25,167,703	\$51,864,957	2.48%
2009	\$2,039,715,870	\$44,037,684	\$19,485,502	\$63,523,186	3.11%
2010	\$2,346,280,437	\$44,486,621	\$22,748,661	\$67,235,282	2.87%
2011	\$2,371,284,584	\$41,539,287	\$52,173,632	\$93,712,919	3.95%
2012 (Quarter 1-3)	\$2,217,744,894	\$39,308,715	\$35,406,506	\$74,715,221	3.37%
2014*	\$3,366,884,839	\$21,275,589	\$13,121,402	\$34,396,991	1.02%

*no subcontractor spend date

4

Why aren't we meeting goals?

What we're hearing from agencies and businesses...

Firms don't see benefit in being certified.

Certification process is too long and complicated.

Agencies don't know what strategies to use.

Agencies need guidance and support.

Not enough certified firms.

Inconsistent and difficult processes.

5

Business Diversity Subcabinet

- Formed in 2015
- Charged to increase ways for small and diverse businesses to participate in Washington state contracting opportunities
- Cohesive statewide strategy

6

Business Diversity Subcabinet

Dept. of Transportation Dept. of Social and Health Services Health Care Authority Dept. of Enterprise Services Dept. of Corrections Dept. of Labor & Industries	→	Represent more than 2/3 of state spending
Dept. of Veteran Affairs	→	Community of practice
Office of Minority & Women's Enterprises Commission on African American Affairs Commission on Asian Pacific American Affairs Commission on Hispanic Affairs	→	Community transparency, reporting and communication
Attorney General's Office	→	Single source legal counsel
Governor's Office representative(s)		

7

Business Diversity Subcabinet

Approach

- Assemble team of subject matter experts
- Deep analysis of current state of procurement
- Identify root causes of problem
- Develop recommended roadmap of improvements
- Implement recommendations
- Monitor and report on progress

8

Business Diversity Subcabinet

Action plan

1. Create **community of practice**:

- Adopt and share procurement tools and processes that work
- Foster culture of diversity and inclusion
- Improve communication, engagement and assistance
- Improve procurement planning

9

Business Diversity Subcabinet

2. Improve **measurements** – What suite of measures will provide best dashboard to monitor results?
3. Better understand and improve **legal and policy** frameworks

10

Business Diversity Subcabinet

Quarter 1 activities

- Community of practice
 - Provide guidance and examples of inclusion plans
 - Strategies to increase opportunities with statewide master contracts
 - Improving procurement technical assistance
 - Develop tools, guides and practices

11

Business Diversity Subcabinet

- Working on dashboard to measure success (instead of single measure)
- Clarifying current legal framework
- OMWBE improving processes and starting regulatory review
- Scoping and procuring disparity study

12

Business Diversity Subcabinet

Disparity study

- Examines:
 - Number of specified individuals or groups available to participate in certain opportunities
 - Those who actually get selected

Regular updates available:
<http://bitly.com/WAbizDiversity>

13

What OMWBE is Doing

Done:

- Surveyed customers
- Improved customer service
- Put more resources into certification (more in June)
- New fact sheets

Doing:

- Simplify applications (late April 2016).



14

What OMWBE is Doing

To-do:

- Review certification requirements and process (ongoing over next several months)
- Allow online applications (still exploring)
- Strategic plan for outreach:
 - Targeted to need
 - Bilingual Spanish
 - Increased engagement with eastern and southwest Washington



15

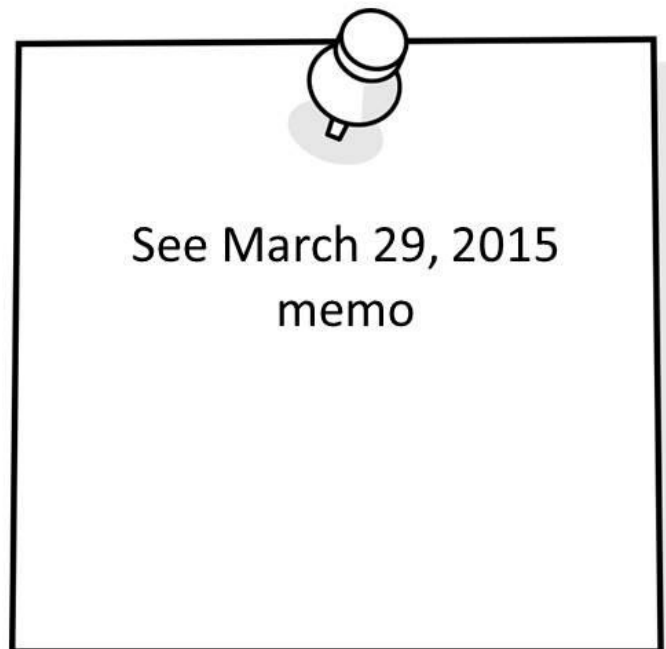
What OMWBE is Doing

To-do:

- Review certification requirements and process
- Online applications
- Improve language access
- Strategic plan for outreach:
 - Target to need
 - Increase engagement with eastern and southwest Washington

16

2015 and 2016 Agency Reporting



17

Questions?



18

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