

# WHAT DOES SUPPLIER DIVERSITY HAVE TO DO WITH BUSINESS DEVELOPMENT?

DES Contracts & Procurement Division  
Procurement Inclusion and Equity  
October 21, 2021

# AGENDA

Department of Enterprise Services (DES)

Role in Supplier Diversity

State Recognized Businesses

Where to start?

**WASHINGTON STATE  
DEPARTMENT OF  
ENTERPRISE SERVICES (DES)**

# DEPARTMENT OF ENTERPRISE SERVICES

## **DES provides variety of services that strengthen the business of government**

- Public works contracting
- Master contracts for goods and services
- Facilities and leasing
- Information technology contracting assistance
- Technology leasing
- Small agency financial and human resource solutions
- Print and mail services
- Fleet operations and Surplus operations

# DES CONTRACTING

**Good and services contracting:** DES oversees state master contracts with more than 1,200 private vendors who provide more than \$1 billion worth of goods and services each year. DES purchases over \$100 million a year in goods and services for DES operations.

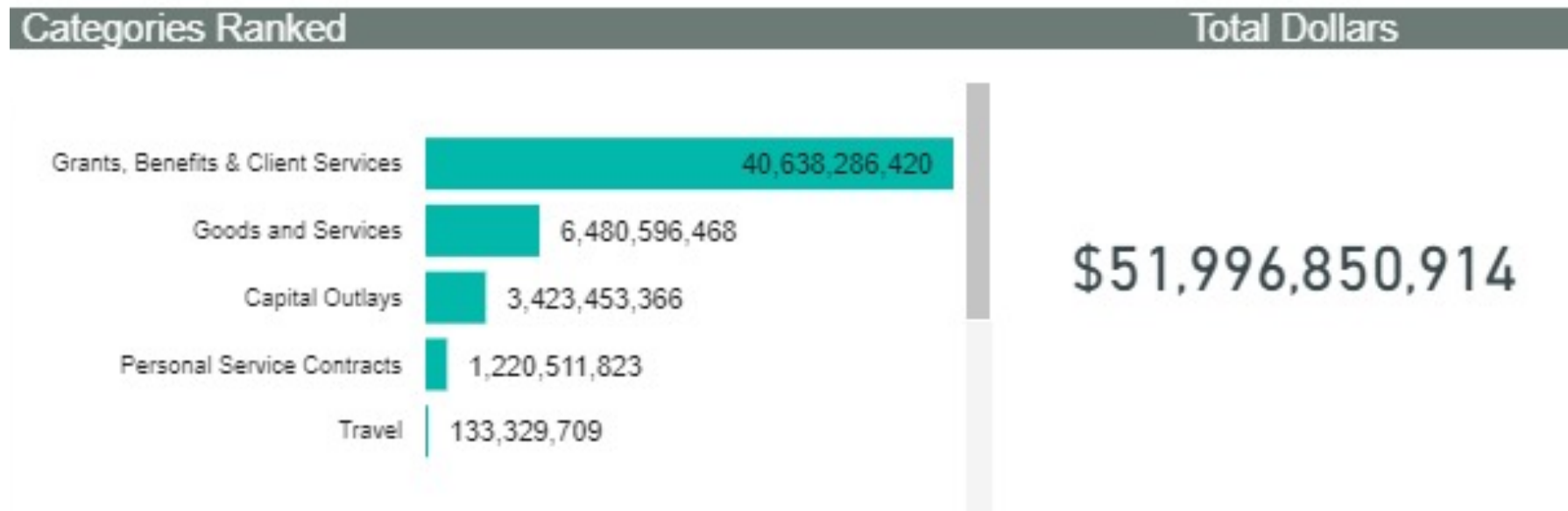
**Public works contracting:** Across the state, DES manages nearly 400 design and construction projects worth more than \$290 million each year.

# **ROLE IN SUPPLIER DIVERSITY**

# HOW DOES THE STATE SPEND?

**Check out Open Checkbook** ([state agency payment information](#))

July 2019 – June 2021



# GOODS AND SERVICES – STATE AGENCIES

Type of Contract	Competed and posted in WEBS	Size of opportunity	Access to information
Master Contract	Yes	\$0 to \$120 million	<ul style="list-style-type: none"> <li>Contract information is on <a href="#">our website</a></li> <li>Sales data is quarterly posted on <a href="http://data.wa.gov">data.wa.gov</a></li> </ul>
Agency Contract	Yes	Usually over the direct buy limit	<ul style="list-style-type: none"> <li>Awarded contracts are annually posted on <a href="http://data.wa.gov">data.wa.gov</a></li> <li>Contract information can be requested</li> </ul>
Direct Buy	No	Under \$30,000 (\$40,000 for small and certified veteran owned businesses)	<ul style="list-style-type: none"> <li>Scopes with contracts are posted annually on <a href="http://data.wa.gov">data.wa.gov</a></li> <li>Purchases made by check are posted in <a href="#">open checkbook</a></li> </ul>

*There are some exceptions to this such as emergency purchasing and sole source contracts.*



# PUBLIC WORKS– STATE AGENCIES

Type of Work	Agency Lead	Posted in WEBS	Information
Vertical Construction	DES	Yes	<ul style="list-style-type: none"><li>• DES builds and maintain buildings for the state.</li><li>• DES manages vertical construction projects for state and local agencies.</li></ul>
Civil Construction	WSDOT	Depends	<ul style="list-style-type: none"><li>• WSDOT is responsible for buildings, highway systems, and ferries for the state.</li><li>• WSDOT partners to maintain local roads, railroads, airports, and alternatives to driving.</li></ul>
Other	Multiple	Depends	<ul style="list-style-type: none"><li>• Other agencies, to include four year universities, with construction authority may manage their own construction and design projects.</li></ul>

# ENTERPRISE POLICY

Policy, procedures, and training for goods and services

Delegation of authority

Establishes how the state operates for billions of dollars each year

# DRAFT SUPPLIER DIVERSITY POLICY

## **To demonstrate promotion of supplier diversity, agency leadership will:**

Ensure agency compliance with OMWBE's annual agency supplier diversity inclusion plan;

Identify which agency leader(s) has/have the responsibility for increasing the agency's spending with small, diverse, and veteran-owned businesses;

Use agency supplier diversity procurement goals, as developed by OMWBE, to set a timeline for achieving the goals; and

Complete supplier diversity training within six (6) months after the effective date of this policy, or within 90 days for new agency leadership.

# SUPPLIER DIVERSITY ON ALL COMPETITIVE PROCUREMENTS:

**Option A:** Awarding competitively procured contracts with an initial contract value less than \$150,000 to the highest-ranked responsive and responsible small (that meets the size or gross revenue as defined in RCW 39.26.010(22)(a)(i)(ii) or veteran-owned business to bid that provides the best value to the state, unless there was no responsive and responsible bid from a small or veteran-owned business.

**Option B:** Awarding 25% of all competitively procured contracts to the highest-ranked responsive and responsible small (that meets the size or gross revenue as defined in RCW 39.26.010(22)(a)(i)(ii) or veteran-owned business to bid that provides the best value to the state, unless there was no responsive and responsible bid from a small or veteran-owned business.

# LEARN MORE

[DES Enterprise Policy Website](#)

## **How to comment – October 31, 2021**

Complete the [feedback form](#) and email it to [DESmiEnterpriseProcurementPolicy@des.wa.gov](mailto:DESmiEnterpriseProcurementPolicy@des.wa.gov).

# **STATE RECOGNIZED BUSINESSES**

# WASHINGTON STATE SMALL AND DIVERSE BUSINESSES

Washington Small Businesses

Washington Veteran Owned Businesses

OMWBE Certified Firms (MBE, MWBE, WBE, CBE)

*\*State agencies may recognize other certifications based on funding sources.*

# SMALL BUSINESSES

## **Washington Small Businesses** (RCW 39.26.010)

Self-identified in DES's Washington's Electronic Businesses Solution (WEBS).

Attest to meeting the criteria for a small business in WEBS annually.

Washington State Enterprise

Less than 50 employees or have gross annual revenue of less than seven million dollars.

Or OMWBE certified.



# VETERAN OWNED BUSINESSES

**Washington Veteran Owned Businesses:** The Washington State Department of Veterans Affairs (WDVA) is the sole certifying agency for Washington State Veteran and Service Member Owned businesses ([www.dva.wa.gov](http://www.dva.wa.gov)).

## **Businesses must provide:**

Proof of Honorable Veteran Status

Proof of 51% ownership (or 50/50 if spousal or veteran split)

Proof the business is a Washington State Enterprise

# MINORITY AND WOMEN OWNED BUSINESSES

## **Businesses must be:**

- For-profit.
- A small business according to the U.S. Small Business Administration (see application information)

## **Eligible owner(s) must:**

- Be female, African American/Black, Asian America, Pacific Islander, Hispanic/Latino, Native American, Native Hawaiian, or Alaska Native
- Be a U.S. citizen or legal permanent resident (federal only).
- Own at least 51% of the business.
- Control managerial day-to-day operations.
- Have a personal net worth less than \$1.32 million not including primary residence or applicant business.

**WHERE TO START?**

# HOW DOES THE STATE ENGAGE BUSINESSES?

## **A buyer of goods and services must:**

First, look to see if there is a master contract that will meet their needs.

Then, see if their own agency has a contract that meets their needs.

Only then can they do a direct buy purchase or do a competitive procurement.

- Where would your clients typically fall? Are they included in the DRAFT Enterprise policy?

# CONSIDER STRATEGIES THAT ALIGN FOR BUSINESS SUCCESS

- Where businesses are in their growth (i.e., cash, time, etc.)
- A strategy that fits with above
- Who should be clients A, B, and C customers?
- How does government fit in?
- If clients want to respond to a competitive procurement, what should change their “bid, no bid” plan?

# IS THE STATE PROCESS WORKING FOR WASHINGTON SMALL BUSINESSES?

Let us know how we can do better.

DRAFT supplier diversity policy feedback through Oct. 31

DES Business Diversity Advisory Group (BDAG)

BDAG Community meeting on Oct. 19 from 10 AM – 12 PM

# MY INFORMATION



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# CONTACT US

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