

Diversity, Equity, and Inclusion in Public Spending



Washington State Office of Minority
& Women's Business Enterprises

ANNUAL REPORT

FY 2021

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All data in this report was collected in Fiscal Year 2021, between the calendar dates of July 2020 and June 2021. Important updates are also included that occurred after the end of FY 2021

Purpose of the Report

M/WBE is the collective term for both Minority and/or Women’s Business Enterprises, including MWBE, MBE, and WBE certification types.

Each year OMWBE submits an annual report to the governor and the legislature outlining the progress of our agency—and all state agencies—to provide maximum opportunity for M/WBEs to participate in public contracts for public works and goods and services. We help our partners in government and higher education build diverse spending goals into their annual supplier diversity plans, and we provide additional assistance throughout the year to help them achieve these goals. See OMWBE [RCW 39.19.030](#)

We measure Washington’s progress towards equity by tracking government spending with the private sector and comparing it to the amount of total spending with OMWBE certified businesses.

Over the past seven years, public spending with OMWBE certified businesses has averaged 3.12% – considerably lower than the number of minority- and women-owned businesses that were available and willing to do work during this period. This indicates M/WBEs do not enjoy equal access to all aspects of state contracting opportunities, a fact that was documented in the [2019 Washington State Disparity Study](#).

In order to increase M/WBE utilization, we are implementing Access Equity. This statewide system will automate data collection and spending reports for agencies and colleges. Access Equity also tracks subcontractor data, a missing piece of the puzzle that accounts for a substantial portion of public spending with certified businesses. We are onboarding agencies to use the system by July 2023. In addition to this, we are helping agencies meet the requirements outlined in Executive Order 22-01 (see page 8) and conducting regular Toolkit Workshops to share tips, tricks, and best practices to remove barriers and increase opportunities for certified businesses.



This report includes an update on each of OMWBE’s four Core Services. Read on for details.

CERTIFICATION

**SUPPLIER
DIVERSITY**

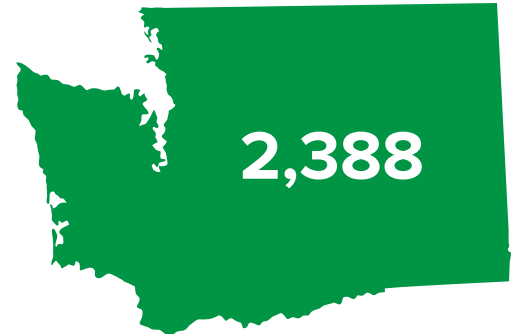
**LINKED
DEPOSIT**

**GOVERNOR’S
SUBCABINET
ON BUSINESS
DIVERSITY**

OMWBE certifies small businesses owned and controlled by minorities, women, and socially and economically disadvantaged persons with the goal of doing more business with the government. We offer two general types of certification, Federal Certification and State Certification, each with their own unique certification types.

State Program

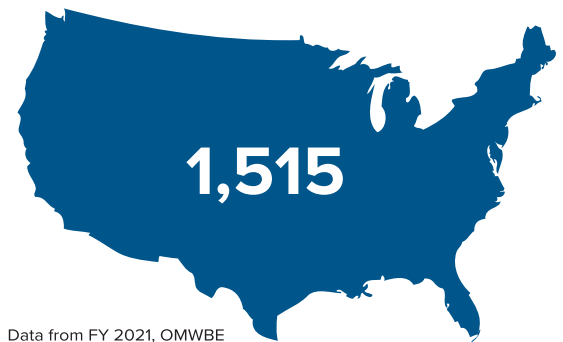
State agencies, higher educational institutions, and some local governments and private companies look for OMWBE certified firms to meet their supplier diversity goals.



- **MBE** - Minority Business Enterprise – owned by minority men
- **WBE** - Women’s Business Enterprise – owned by non-minority women
- **MWBE** - Minority Women’s Business Enterprise – owned by minority women
- **CBE** - Combination Business Enterprise – owned by non-minority women and minority men
- **SEDBE** - Socially and Economically Disadvantaged Business Enterprise – owned by non-minority men who are found to be socially and economically disadvantaged on a case-by-case basis.

Federal Program

Agencies that receive funds from the United States Department of Transportation are required to set and meet supplier diversity goals. Public entities that manage these projects and their prime contractors look to the OMWBE Directory for federally certified firms.



- **DBE** – Disadvantaged Business Enterprise – owned by minorities and women and non-minority men who are found to be socially and economically disadvantaged on a case-by-case basis
- **ACDBE** – Disadvantaged Business Enterprise for concessionaires located at airports
- **SBE** - Small Business Enterprise – for small businesses. This program is race and gender neutral

Over \$1 Billion Available in WSDOT Project Funding

Businesses in the Transportation Industry are preparing for an influx of federally funded projects, as part of the \$1 trillion federal infrastructure bill that passed in November 2021. The funding from this bill will be used by agencies such as the Washington State Department of Transportation. WSDOT uses our certified directory to find qualified DBEs to fulfill their contracting needs.

Data from FY 2021, OMWBE

Federal and State New Files Average Processing Times

Federal

Fiscal Year/Months	Number of Files Completed	Average Processing Days
FY19 July 2018-June 2019	297	90
FY20 July 2019-June 2020	309	74
FY21 July 2020-June 2021	355	94

State

Fiscal Year/Months	Number of Files Completed	Average Processing Days
FY19 July 2018-June 2019	385	71
FY20 July 2019-June 2020	505	71
FY21 July 2020-June 2021	516	81

FY2021 - Total Number of Certified Firms

2904 businesses were certified with OMWBE as of the end of Fiscal Year 2021.

FEDERAL CERTIFICATION

- ✓ Disadvantaged Business Enterprise (DBE) 1294
- ✓ Airport Concession Disadvantaged Business Enterprise (ACDBE) 114
- ✓ Small Business Enterprise (SBE) 107

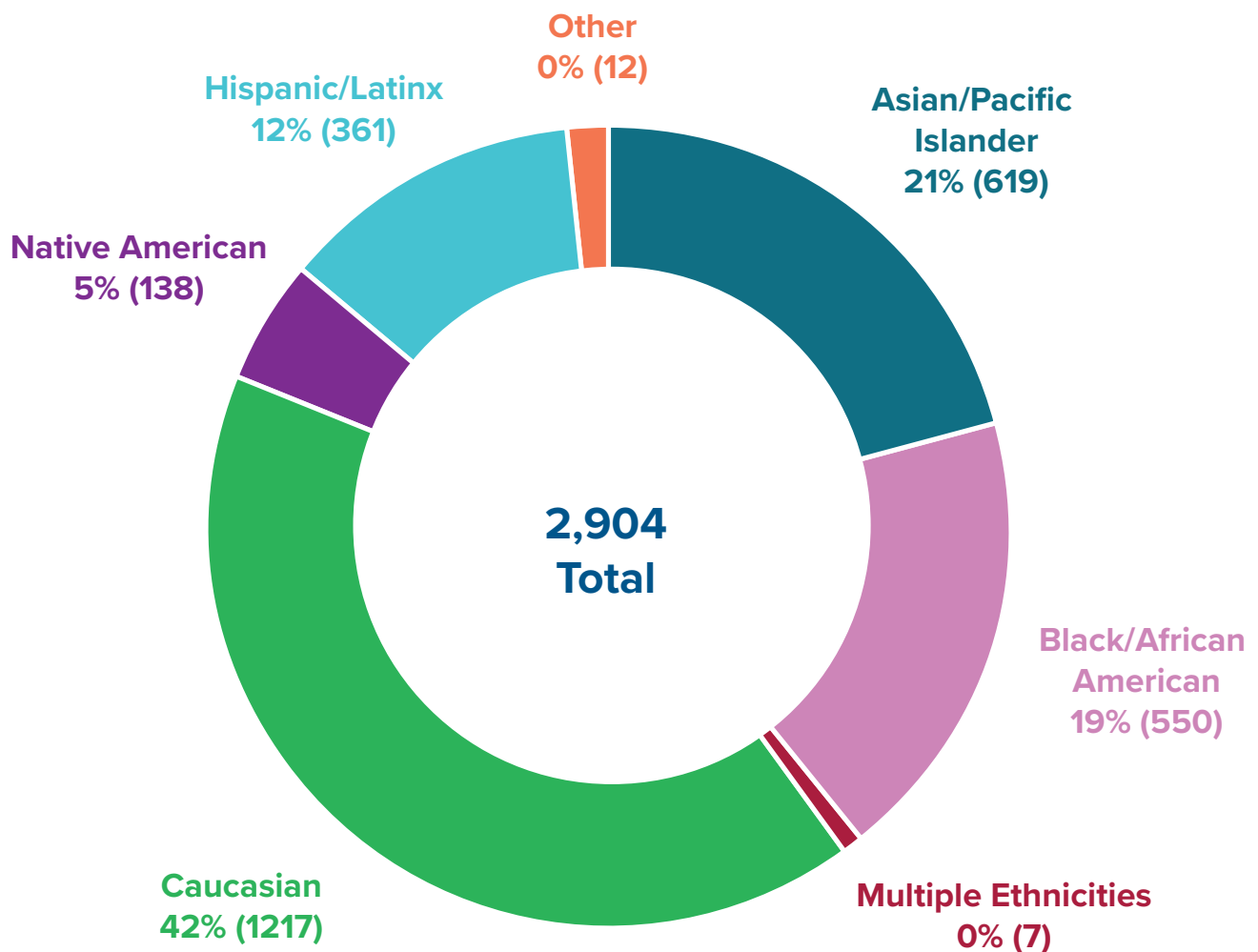
STATE CERTIFICATION

- ✓ Minority Business Enterprise (MBE) 866
- ✓ Minority Woman Business Enterprise (MWBE) 522
- ✓ Woman Business Enterprise (WBE) 970
- ✓ Combination Business Enterprise (CBE) 22
- ✓ Socially and Economically Disadvantaged Business Enterprise (SEDBE) 8

The **OMWBE Certified Business Directory** is a publicly available online tool that shows real-time certification status and contact information for all OMWBE certified businesses. The directory is searchable by keywords, descriptions, location, and criteria such as industry NAICS codes.

OMWBE actively promotes the directory when working with agencies, colleges, and prime contractors. Many agencies and political subdivisions seek out certified businesses because they want to do more work with small, local, minority- and women-owned businesses.

FY 2021 - Percent of Certified Businesses by Race/Ethnicity 2,904 Total Firms, % Based off Total Count



Data from FY 2021, OMWBE

The OMWBE database includes businesses certified multiple times for every certification type (Example DBE & MBE). The above numbers reflect the group for one unique file number. This data is a combination of both Federal and State Certifications.

The 'Other' category includes socially and economically disadvantaged business enterprises or small business enterprises, part of the Disadvantaged Business Enterprise program.

Agency and Higher Educational Institution Supplier Diversity Results

State law requires OMWBE to report the amount of money each state agency and higher educational institution spends in contracts and procurements with certified minority- and women- owned businesses.

Below are the FY 2021 results for state agencies and higher educational institutions. This information is also posted on our website under State Supplier Diversity Reporting.

Data from FY 2021, OMWBE

State Agency Total FY 2021 Dollars Spent with Certified Businesses as % of all eligible spending [1]			
Certification Type	Total Eligible Spend	Dollars Spent with Certified Firms	Percentage of Total Spend
Minority Owned Certified Businesses [2]	\$3,528,247,128	\$78,469,851	2.22%
Women Owned Certified Businesses		\$57,587,314	1.63%
Total OMWBE Certified Businesses		\$136,057,165	3.86%

Data from FY 2021, OMWBE

Educational Institutions FY 2021 Dollars Spent with Certified Businesses as % of all eligible spending [1]			
Certification Type	Total Eligible Spend	Dollars Spent with Certified Firms	Percentage of Total Spend
Minority Owned Certified Businesses [2]	\$2,047,868,515	\$12,901,256	0.63%
Women Owned Certified Businesses		\$6,148,359	0.30%
Total OMWBE Certified Businesses		\$19,049,615	0.93%

[1] This link contains a list of objects and subjects that make up the total eligible spend.

[2] Includes businesses owned by a minority woman and by a minority man and a woman.

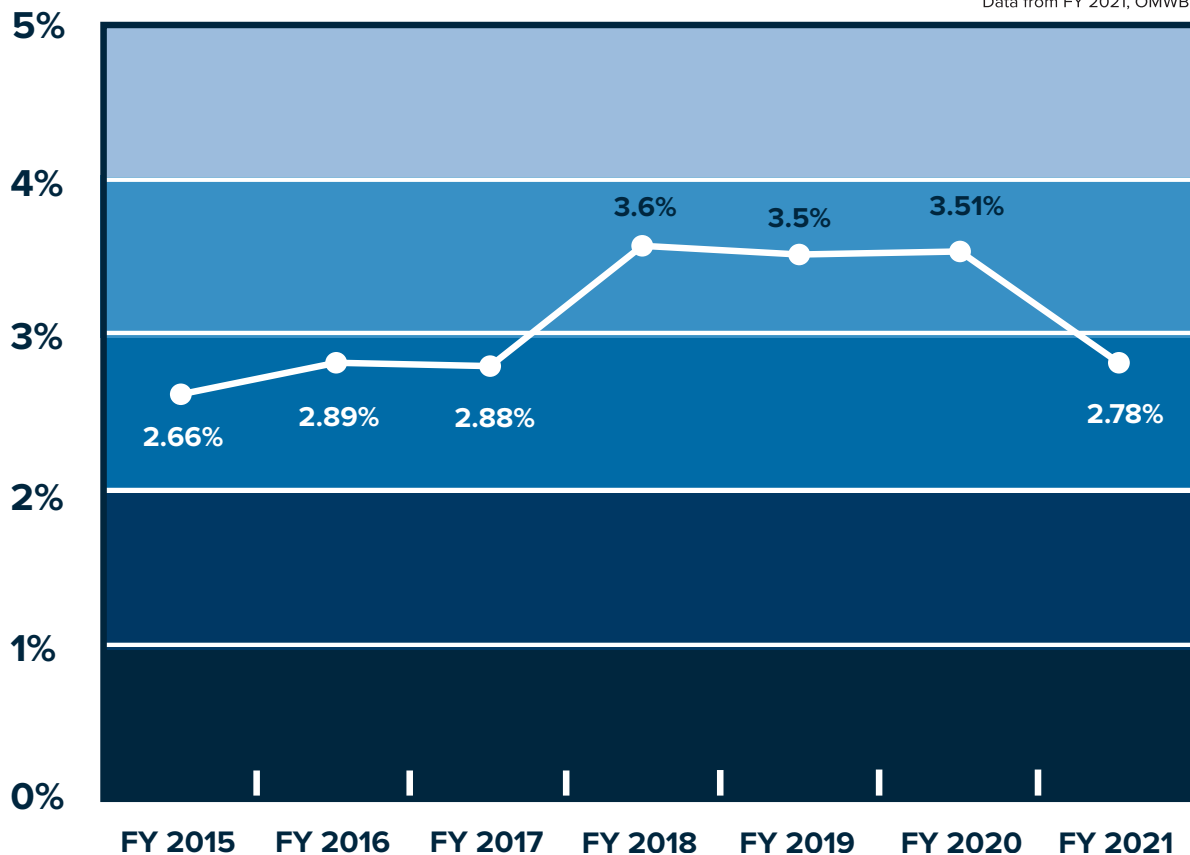
Agency and Higher Educational Institution Supplier Diversity Results

Data from FY 2021, OMWBE

Combined FY 2021 Dollars Spent with Certified Businesses as % of all eligible spending [1]			
Certification Type	Total Eligible Spend	Dollars Spent with Certified Firms	Percentage of Total Spend
Minority Owned Certified Businesses [2]	\$5,576,115,643	\$91,371,107	1.64%
Women Owned Certified Businesses		\$63,735,673	1.14%
Total OMWBE Certified Businesses		\$155,106,780	2.78%

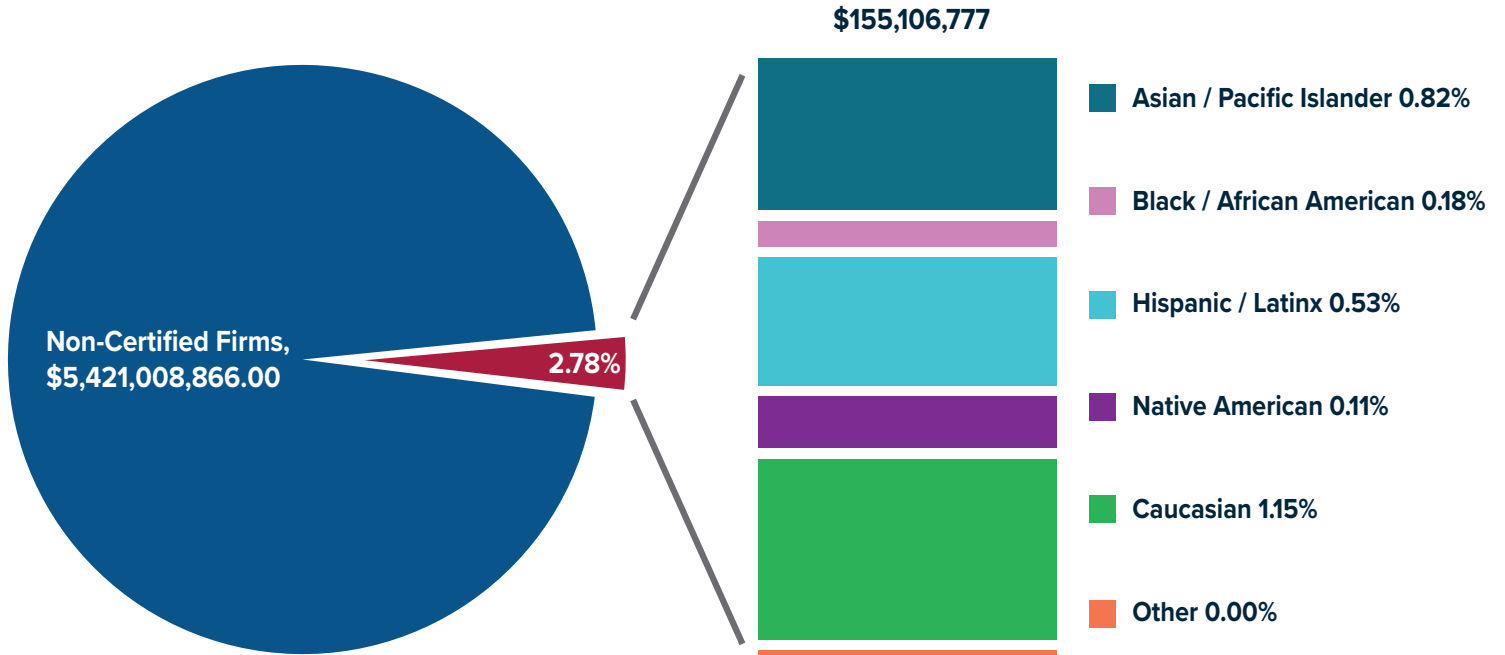
Seven Year Look - Percent of Public Spending with Certified Businesses

Data from FY 2021, OMWBE



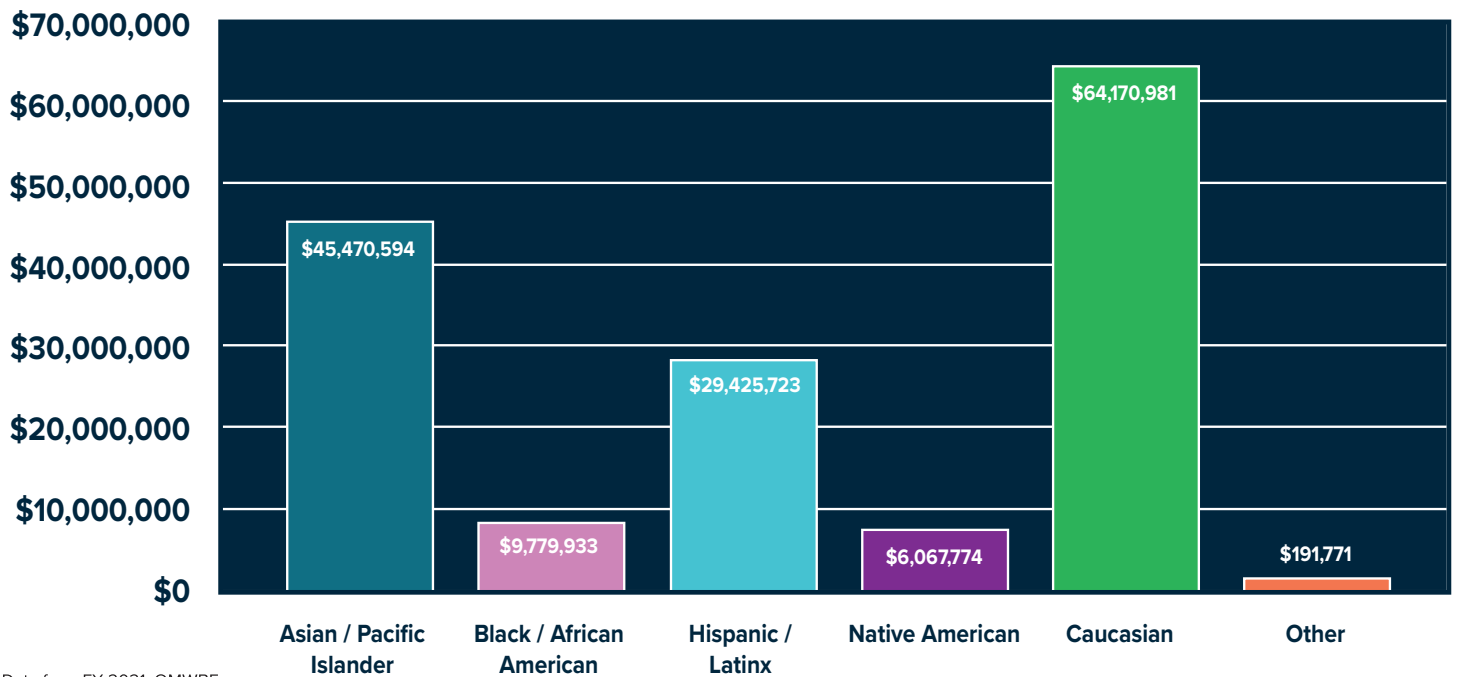
FY 2021 - Dollars Spent with Certified Firms

In FY 2021, the amount spent with OMWBE certified firms was 2.78% of the overall spend of public contracting and procurement dollars in Washington, a 0.73% decrease from FY 2020.



Data from FY 2021, OMWBE

FY 2021 - All Certified Firms Spend by Race / Ethnicity

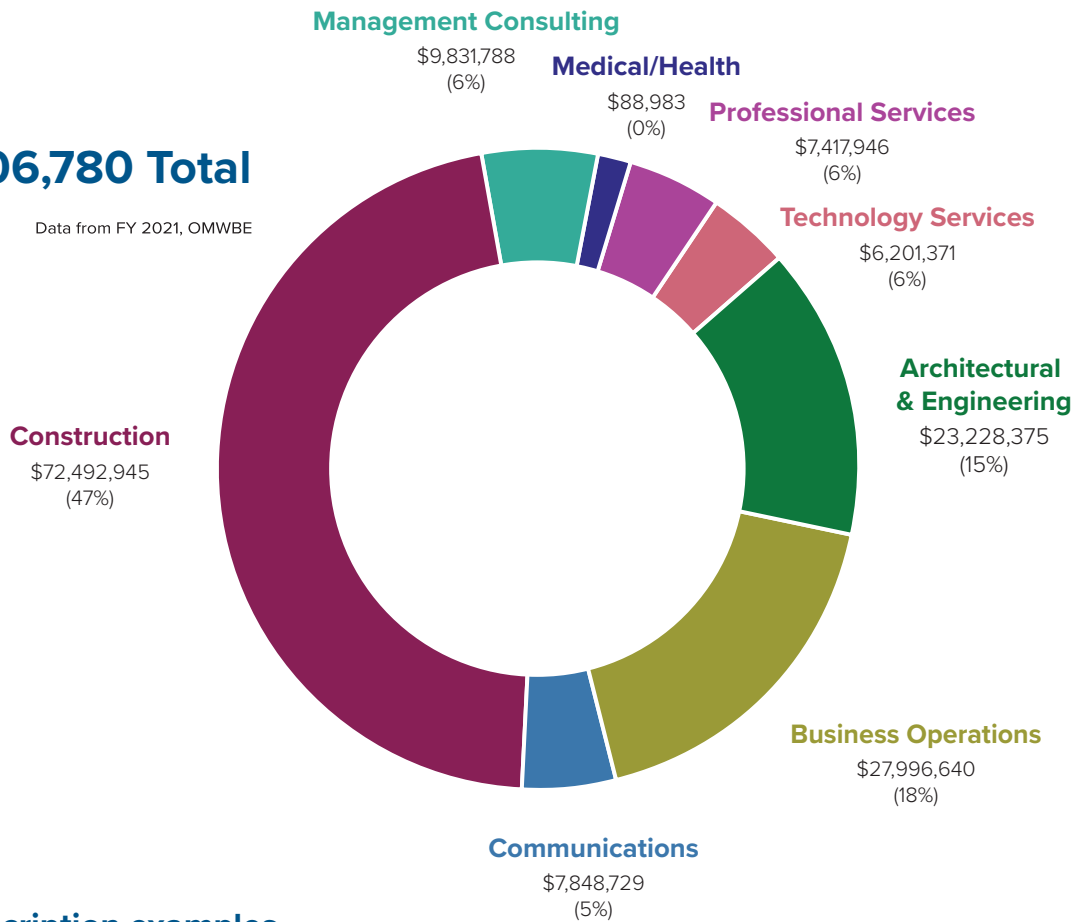


Data from FY 2021, OMWBE










FY 2021 - Dollars Spent with Certified Firms by Industry

\$155,106,780 Total

Data from FY 2021, OMWBE



Industry description examples

 Construction	Highway and building related construction, including renovation and demolition, paving, fencing, roofing, flooring, concrete/asphalt, guardrail, utility line, cable laying, plumbing/heating, electrical, mechanical, installation, painting, signage, dump trucking, construction supplies and equipment, and flagging.
 Professional Services	Specialized services, lawyers, court reporting, counseling, employment services, travel agency, interior design, photography, accounting, real estate/appraisal, reporting, security, interpreter services, telephone answering services, non-medical laboratory testing, and environmental consulting.
 Technology Services	Information systems management, development, maintenance, and equipment/software.
 Architectural & Engineering	Architectural and engineering services including civil, drafting, urban planning, building inspection, landscape architecture, acoustical engineering, surveying and mapping, and traffic engineering.
 Business Operations	Services, products, and equipment (retail/wholesale) for operations and building services including catering, janitorial, grounds maintenance, automotive parts, cleaning supplies, and window shade/blinds.
 Communications	Graphics design/distribution of ad materials, advertising, marketing, web and video production, and broadcasting services.
 Management Consulting	General/administrative consulting, safety research, strategic planning, public relations, human resources, organizational development, educational support services, and transportation management services.
 Medical/Health	Health care professionals, equipment, and testing.
 Other	Other services not in other categories, such as: child day care, hardware stores, nursery/garden centers, artists, grocery stores, local trucking, moving and storage services and charter bus services.

Linked Deposit Loan Program

Linked Deposit Loan Program

Businesses state certified by OMWBE and veteran-owned firms certified by the Department of Veteran's Affairs (DVA) are eligible to participate in the state's Linked Deposit Loan Program. The program allows a certified business to receive an interest rate reduction on a business loan from a participating lender sourced from a pool of funds that are set aside for OMWBE and DVA certified business borrowers. With this program, OMWBE is providing access to affordable capital for historically excluded minority and women owned businesses and DVA is providing additional economic opportunities for Veterans and Servicemembers.

LINKED DEPOSIT LOAN PROGRAM

Washington State Office of Minority & Women's Business Enterprises (OMWBE)



The Linked Deposit Program provides affordable capital for OMWBE state certified firms.

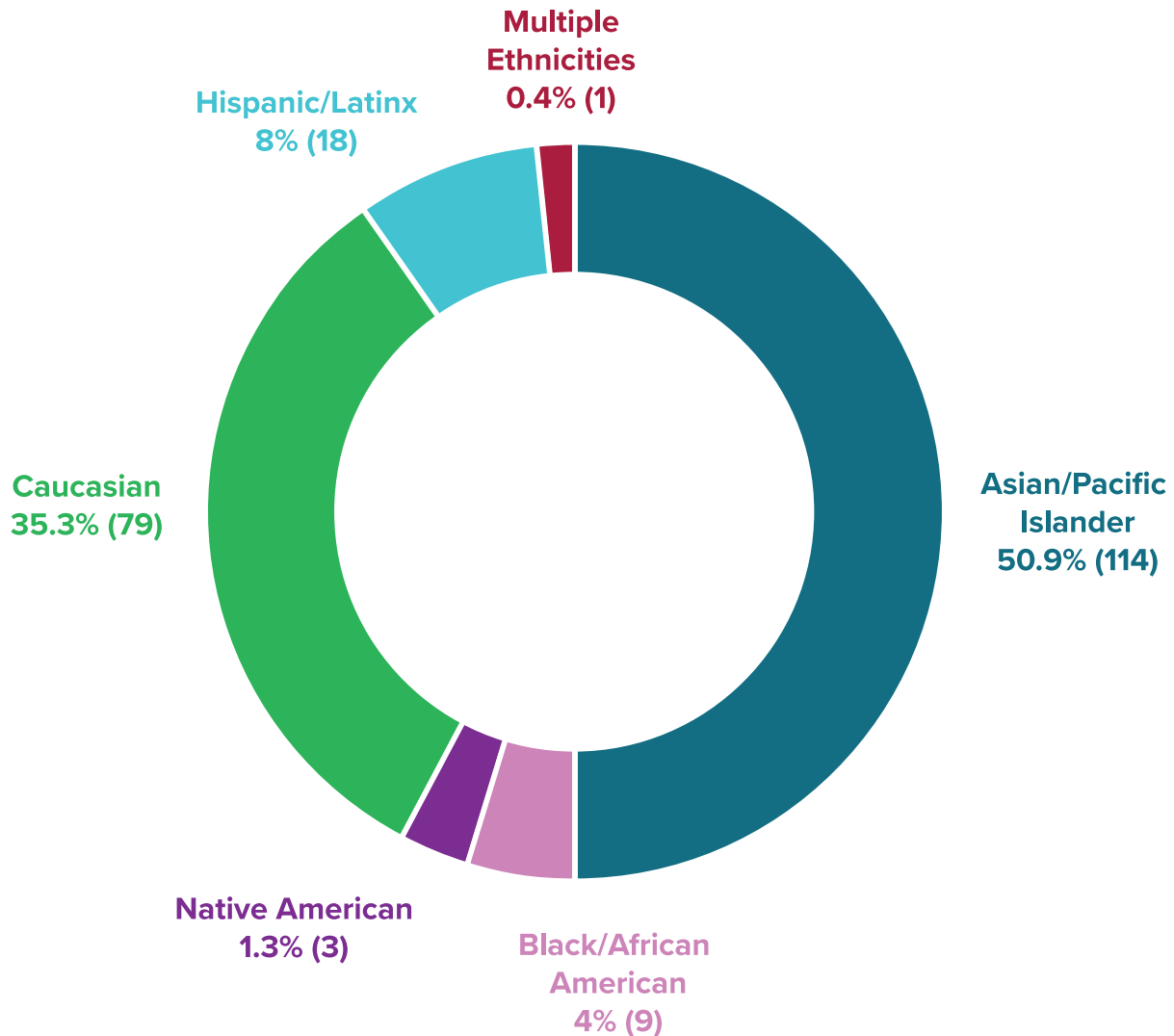
The Office of the State Treasurer is authorized to use up to \$190 million of the state's short-term surplus funds to purchase a certificate of deposit (CD) equivalent to the dollar amount of a financial institution's loan to certified businesses. Up to \$175 million is available for loans for state certified minority- and women-owned businesses, and up to \$15 million for veteran-owned businesses.

During 2021, there were 12 banks and 1 credit union participating in the program. The 2021 participating lenders included:

- **1st Security Bank of Washington**
- **Columbia State Bank**
- **Heritage Bank**
- **Liberty Bay Bank**
- **Timberland Bank**
- **US Bank**
- **Whatcom Educational Credit Union**
- **Bank of the Pacific**
- **EastWest Bank**
- **KeyBank**
- **RiverBank**
- **UniBank**
- **Washington Trust Bank**

OMWBE thanks our participating lenders, and we hope to continue to expand our list of lenders and provide opportunities for affordable access to capital across Washington State.

OMWBE Certified Firms with Linked Deposit Loans in FY 2021 by Race/Ethnicity



Data from FY 2021, OMWBE

- As of June 2021, there were 313 OMWBE certified firms held \$109.9 million in Linked Deposit Loans that are in repayment or have available lines of credit.
- The number of loans in the program fluctuate on a monthly basis each fiscal year because each month new loans may be enrolled and loans will exit the program if they have reached their loan term, or if the business is decertified.
- Interest rates dropped nationally due to efforts to counteract the continued economic impacts of COVID-19. As the Linked Deposit Program is funded by interest generated on deposits, the interest rate reduction minimum in the FY 2021 ranged from 0.56% - 0.85%. Although, some participating lenders maintained the full 2% reduction rate regardless of the minimum required amount, passing on the maximum savings to certified businesses.

The charts in the first half of this report all refer to public spending and program data from Fiscal Year 2021, which ended on June 20, 2021. We have included a few important updates on the following pages that took place in Q3 and Q4 of 2021, as well as the beginning of calendar year 2022.

Message From the Director

Greetings All,

Thank you for your interest in our annual report. This year we are reporting on Washington State public spending with minority- and women-owned businesses for Fiscal Year 2021. Our previous report covered the first few months of the COVID-19 pandemic, which makes this the first year that 12 months of spending data were impacted. In addition to the spending reports from state agencies and institutions of higher education, we also have some important updates to share on the work our agency does and its far reaching impacts.

The first, and particularly momentous item, was the signing of Executive Order 22-01 for Equity in Public Spending by Governor Inslee on January 7th, 2022. This executive order is the product of several years of collaboration by the Governor's Subcabinet on Business Diversity. It directs all cabinet agencies to adopt the Tools for Equity in Public Spending, including best practices and procedures for equitable contracting and procurement. Our talented (and growing!) Supplier Diversity team is working with agencies and universities alike to ensure successful adoption of the toolkit. We are also working with agencies on their Annual Agency Inclusion Plans, which establish goals for diverse spending and document actionable steps that will be taken to achieve those goals.

In Certification, we are focused on supporting the small and diverse business community. We are in the process of standing up a new Small Business Assistance program to maximize the benefits of OMWBE certification. This program will help prepare businesses to bid on state contracting and procurement opportunities and will connect entrepreneurs with the tools and partners they need to achieve stable, long-term growth. To accomplish this, we have created several new internal positions, and we have promoted experienced OMWBE team members to fill those roles and take on managerial positions. Our #1 goal with outreach is to increase the pool of certified businesses both generally and in the transportation industry, where we anticipate many new projects following the historic federal and state transportation bills.

Despite the many challenges the pandemic has presented, the past two years have also brought some exciting organizational changes. With the help of an OMWBE-certified consultant, we redeveloped our agency's strategic plan as well as our mission statement and core values. In addition to creating numerous job opportunities across the agency, we are excited to see employee satisfaction scores rise substantially in every category of measurement over the last year. Our Employee Engagement Committee has been instrumental in developing the culture and camaraderie at OMWBE, and our new Operations Leadership and Governance teams are doing their part to navigate organizational growth and foster individual development in employees.

We are excited about what is to come over the next few years, and to continue working with small and diverse businesses and our partners in state government as we nurture a culture of pro-equity, anti-racism in Washington State.

Sincerely,

Lisa van der Lugt, Director

Office of Minority and Women's Business Enterprises

360-664-9750

omwbe.wa.gov



Governor's Subcabinet on Business Diversity

The Subcabinet formed in 2015 to identify barriers minority- and women-owned businesses face doing business with the state, and to guide Washington on its path towards contracting equity. To do this, the Subcabinet conducted the [2019 Disparity Study](#) which recommended several process improvements and ways to eliminate barriers to participation. This has allowed us to prioritize the most impactful changes, and we are making significant strides towards that end.

OMWBE welcomes the Office of Equity as the newest agency to join the subcabinet – We have begun working with the Office of Equity to support the statewide Pro-Equity, Anti-Racism (PEAR) plan, and we look forward to future collaborations that support the diverse business community in Washington.

Supplier Diversity – Agency Support

Every year, OMWBE helps state agencies create new Annual Inclusion Plans that establish diversity goals and inclusive outreach practices for contracting and procurement opportunities. With the release of EO 22-01, we are also conducting Toolkit Assessments to gauge individual agency use of the toolkit and to identify areas for improvement. The overarching goal of our Supplier Diversity program is to increase the participation of certified minority- and women-owned businesses as required by [RCW 39.19.060](#).

- [Agency Inclusion Plans](#) are posted annually on OMWBE's website
- Sign up for monthly updates from our [Supplier Diversity Newsletter](#)



Subcabinet Member Agencies:

Office of Minority & Women's Business Enterprises

Commission on African American Affairs

Commission on Asian Pacific American Affairs

Commission on Hispanic Affairs

Department of Veteran's Affairs

Department of Corrections

Department of Enterprise Services

Health Care Authority

Department of Labor and Industries

Department of Social and Health Services

Department of Transportation

Attorney General's Office

Office of Equity

Governor's Office

Two New Executive Orders on Equity

January 2022 marked an important milestone in the state's path towards contracting equity. The year began with Governor Inslee signing two new executive orders, both of which aim to level the playing field, creating more opportunities for minority-, women-, and veteran-owned businesses.

[Executive Order 22-01 for Equity in Public Contracting](#) – Instructs Executive and Small Cabinet Agencies to adopt the [Tools for Equity in Public Spending](#) and to begin using the [Access Equity](#) business diversity data management system.

OMWBE is conducting regular workshops on different subjects in the toolkit including Forecasting, Internal Processes, Outreach, and Inclusion Plans. These workshops will take place throughout the rest of 2022 and beyond.

[Executive Order 22-02 on Achieving Equity in Washington State Government](#) – rescinded Directive 98-01, a longstanding and overly restrictive document that told agencies how to interpret I-200. This EO also designates OMWBE as the lead agency responsible for implementing the [Washington State Roadmap to Contracting Equity](#).



Every year we collect spending data from agencies and colleges to create our annual report. However, the data does not include every subcontractor that worked on a state funded project. This makes it difficult to track M/WBE participation. It is also hard to identify opportunity gaps where certified businesses are underutilized—an important task when you consider M/WBEs make up a large portion of the small businesses that work on state projects as subcontractors.

In order to remedy this data discrepancy, we are following the #1 recommendation from the 2019 Disparity Study to implement a new system that collects spending data with greater accuracy, even down to the subcontractor level. We call this system Access Equity, and it has other benefits as well. In addition to streamlining data collection, Access Equity reduces errors, standardizes data formats, and provides real-time access to diverse spending reports. We are currently working with agencies and colleges to adopt the new system, starting with the largest organizations that represent 2/3rds of Washington State spending in contracts and procurement as well as public works.

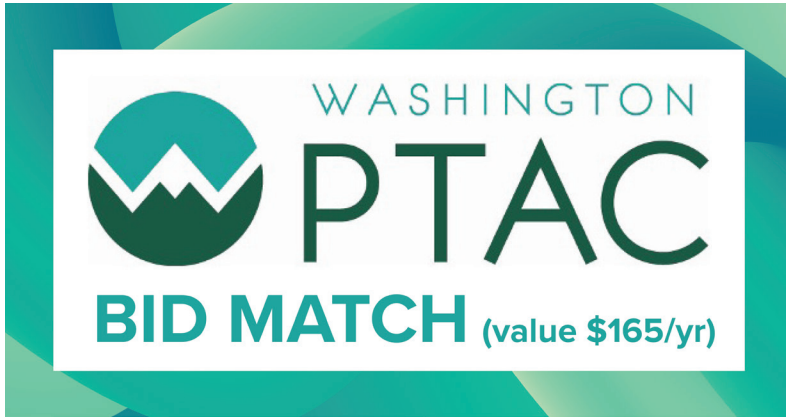


“M/WBES make up a large portion of the small businesses that work on state projects as subcontractors”

Outreach and Education

PTAC Bid Match

Getting certified is one thing, but finding opportunities to bid on is an entirely separate matter. Thankfully, there are several organizations that help connect entrepreneurs with contracting opportunities in various industries. One such organization is PTAC – the Procurement Technical Assistance Center. PTAC advises businesses on how to win government contracts and subcontracts.



In the fall of 2021, OMWBE partnered with PTAC to provide 300 free 12-month subscriptions to PTAC Bid Match. This service scans over 1,500 federal, state, and local government websites to find opportunities based on industry keywords. These opportunities are then emailed to subscribers daily.

Listen to what our certified businesses had to say about using Bid Match!

“After reviewing and testing my Bid Match criteria, I am now receiving highly relevant bids for my business”.

“Bid Match saves me a ton of time searching for Federal contracting opportunities and has opened the doors for bidding on out-of-state contracts”.

“This complimentary service has made all the difference in me learning how to position myself with relevant contracting opportunity when they arise. Bid Match is essential for new contractors”.

Alliance Northwest - Where Government and Business Connect

When it comes to doing business with the government, Alliance Northwest is one of the best forums for small businesses to network and share their Capabilities Statements with state agencies. This past year, we sponsored 200 tickets for certified businesses to attend the virtual Alliance Northwest conference for half the registration fee. We look forward to providing more opportunities like this through our new Business Support Services program!

**SAVE THE DATE FOR
MARCH 9, 2023,
IN-PERSON**

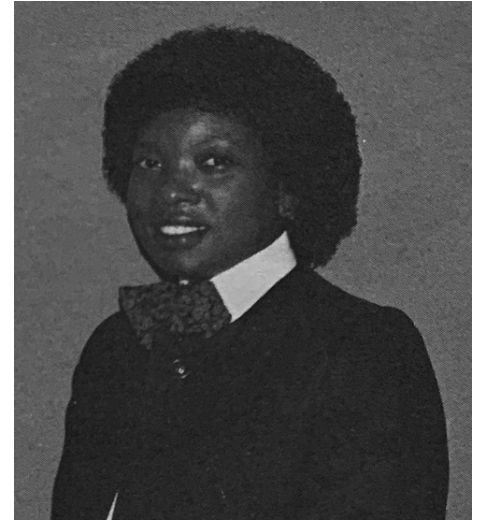


Looking back on the origins of OMWBE, which was created in September 1983.

From the agency's first Annual Report in 1984:

"For OMWBE, 1984 was an exciting, eventful year of beginning. While much remains to be done, we have made a substantial start. We have a firm foundation upon which to build for the future.

This report briefly highlights our accomplishments so far - from the challenge of assembling a professional, supportive staff - through the development of a thorough body of regulation - to the publication of a comprehensive directory of certified minority- and wome-owned firms.



We are making progress. Prior to the establishment of OMWBE in September 1983, it is estimated that minority and women business participation in state contracting was at a rate of .01 percent. By the end of 1984, after much effort, that figure had grown to 19 percent. This progress and many procedural advancements could not have been achieved without the cooperation and support of MWBEs.

In addition, guidelines for reporting by state agencies and educational institutions were developed and distributed within the first six months of the Office's operation. This is particularly significant because few such reporting mechanisms were in existence prior to the establishment of OMWBE.

Other measures of succes include the creation of a spirit of fairness that fosters opportunities and true entrepreneurship. This has been reflected in the support we received from the private sector, as well as from state agencies and educational institutions. Among those who deserve special recognition are the Boeing Company, Weyerhaeuser Company and Pacific Northwest Bell. These firms are leaders in demonstrating the private sector's committment to assisting government. Boeing helped us develop the first phase of our compliance program. Weyerhaeuser provided technical assistance in systems review and helped us produce this annual report. Pacifice Northwest Bell gave technical assistance in systems review and helped with the production of binders for the Office's policy and procedure manual. Many state agencies assisted by loaning staff and equipment. We are indebted to them for their help.

Understanding that we want an MWBE program of integrity, we have identified some areas where the overall effort could be strengthened. These will be sumitted to the 1985 Legislature for approval.

In our first year, I believe we have demonstrated abilities to deal effectively with a broad spectrum of people and organizations, while responding to diverse interests. We are grateful for the support and confidence we have received and we look forward to the coming year with enthusiasm."

A handwritten signature in cursive script, reading "Carolyn V. Patton".

Carolyn V. Patton - OMWBE Director

Washington State Office of Minority
& Women's Business Enterprises

ANNUAL REPORT

FY 2021



Washington State Office of
**MINORITY &
WOMEN'S**
Business Enterprises

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