

Supplier Diversity Inclusion Plan •Fiscal Year 2018

Agency: Commerce

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Agency's plan to increase participation of certified small minority, women, and veteran owned firms:

- 1. Continue To Update Agency Purchasing System With All State-Certified Vendors:** We have updated Commerce's purchasing system database to include and highlight (in YELLOW) all OMWBE-certified businesses registered as state vendors. This provides timely information about possible certified firms when a purchase is being planned. This is a significant resource, as our agency's purchasing functions are highly decentralized. This year, we will add certified veteran-owned firms to our database.
- 2. Training for Purchasing Staff:** Approximately ten percent of our employees serve as purchasing coordinators and make decisions about from whom to make purchases. While Commerce leases its space, has a small staff (300), and does not generally make large purchases, we believe that providing more training and guidance for our purchasing staff will lead to more diverse purchasing over time.
- 3. Reach out to Businesses to Encourage Certification:** While we frequently promote the benefits of certification to the business community as part of our economic development and small business services and policy work, we will be more intentional about reaching out to every vendor we do business with to explain certification and encourage them to become certified if they are eligible.
- 4. Provide Additional Support and Continue to Require Diverse Business Inclusion Plans in Competitive Procurements:** Since May 2015, Commerce procurement templates have included a requirement for prospective vendors to submit Diverse Business Inclusion Plans as a component of their proposals. Proposals not including Diverse Business Inclusion plans are to be deemed as non-responsive by Commerce. What is needed now, and what we will do for FY18 is actively provide additional guidance, training and assistance on diversifying our spend through competitive procurements.

5. **Identify Upcoming Purchasing and Contracting Opportunities:** We are identifying future purchases, needs and contracts for the agency, and for FY18 we will develop a system to regularly collect and review this information so that we are better able to identify ways to leverage the purchases. For example, one of our larger contracts is for janitorial services at our HQ building. That contract will be re-bid in March 2018 and we are already beginning to identify potential certified vendors to notify ahead of time. This will become a standard practice at Commerce through training and agency-wide procedures to adopt some of the best practices around reaching out to qualified firms.

6. **Pass-Through Funding:** As we have included in our last two plans, Commerce has continued its work to begin tracking minority-, veteran-, and women-owned participation in its pass-through funding. Commerce's best opportunity to increase opportunities for diverse businesses is with the funds that are awarded throughout the state for programs, services and projects that strengthen communities. Last biennium, Commerce awarded nearly \$2 Billion in grants, loans and contracts. Commerce distributes funding through more than 6,000 grants, loans and contracts each year. Funded projects range from: infrastructure, investing in energy efficiency and renewable energy, building community facilities and affordable housing to providing assistance to vulnerable populations, such as crime victim, low-income persons and homeless youth. Funding generally goes to local governments, not-for-profit organizations, and sometimes businesses.

While we are aware that currently, only direct spend is counted as contributing to the Results Washington goal, we intend to report our data when it becomes available and we will work to influence a revision to the definition of what is included for the Results Washington goal. This policy decision was studied and recommended by the Commerce Minority Business Roundtable, a group of diverse business representatives working together with Commerce to improve minority business access and success.

Data collection on sub-contractor spend is being collected from our contractors as of November 1, 2017. The agency's Contract Management System has been revised to hold this information and to provide a variety of useful reports that will allow us to see the current state of diverse spend associated with our pass-through monies. This is a first step toward requiring inclusion plans for pass-through funds.

Contract templates have been revised to require this reporting at the sub-contractor and sub-sub-contractor levels. This will provide greater clarity and visibility into Commerce pass-thru spending and will encourage increased diverse participation in the capital and non-capital projects we fund throughout the state.

In addition to helping create more opportunities for certified businesses, this visibility will allow Commerce to increase our outreach, technical assistance, and programs to rural and underserved communities across the State. These efforts will increase community capacity, and will help strengthen communities.