

Executive Order 22-01 – Equity in Public Spending Implementation Guide

Purpose: This is supplemental information to help with understanding how your agency can comply with Executive Order 22-01, and how OMWBE, DVA, and DES will provide support as your agency implements changes to its contracting and procurement processes.

A. [Executive Order 22-01](#) Agency Directives: To facilitate statewide, uniform progress in equity and inclusion in state contracting and procurement for OMWBE and Department of Veteran Affairs certified minority-, women-, and veteran-owned businesses. Executive and small cabinet agencies shall take steps, including but not limited to these listed below, to implement recommendations from the 2019 Washington State Disparity Study:

1. Supplier Diversity Toolkit: The executive order directs agencies to adopt the [Tools for Equity in Public Spending](#) that are appropriate for their agency. These tools include:

- **Planning and Forecasting** - Forecasting future spending and making this information public is important so businesses can be prepared to respond competitively to procurement opportunities.
- **Master Contracts** - Master Contracts are used by state agencies when purchasing specific items the State has a Master Contract for—unless the master contract cannot justifiably satisfy the agency’s needs (note: justification can include selecting a certified minority, woman, or veteran-owned business). Contractors compete to be on Master Contracts, and the selected contractors are the only vendors state agencies can use for that item.
- **Outreach** - A key part of ensuring minority-, women-, and veteran-owned businesses have opportunities to do business with Washington State is making sure they are aware of and can access the State’s projects and programs. Making businesses aware of programs and work opportunities can involve working with community organizations, holding events, directly contacting businesses, or other methods to reach small and diverse businesses.
- **Internal Processes** - Agency processes often make working with the State more difficult by unintentionally creating barriers that prevent minority-, women- and veteran-owned businesses from accessing public contracts and procurements. Clearly defined and documented processes help vendors prepare for and understand the bidding process, allow for continuous improvement, and support consistent use of the Tools for Equity in Public Spending.
- **Contract Inclusion Plans** - Inclusion plans outline commitments a contractor, vendor, or consultant will make towards the state's goal to increase spending with diverse businesses. They also allow collaboration with an agency to develop a comprehensive strategy to engage and identify the eligibility and availability of diverse businesses.

2. The executive order requires agencies to do the following activities prior to entering into new contracts:

- a) **Certified Business Directory Search** – The executive order requires agencies to search directories for certified minority-, women-, and veteran-owned businesses who are able to provide the goods or services the agency seeks *prior* to entering into new contracts, [including master contracts](#).

Minority- and Women-Owned Businesses

Agencies should plan to search OMWBE’s Directory of Certified Businesses and Department of Veterans Affairs certified veteran-owned business directory to fulfil this requirement. Here is how to search the directory:

1. You may access [OMWBE’s Certified Business Directory](#) here
2. To find a business that will count towards the state spend, make sure you select these certification types in your search: CBE; MWBE; MBE; WBE
3. If you are looking for a specific certified business, you can search through these options:
 - Search by Business Name or DBA (doing business as)
 - Search by Contact Person
 - Search by Reference (it is best to use either UBI # or Certification #)
4. If you have an open search, please use these options:
 - Search by Business Description
 - Search by Location
 - Search by Commodity Code
5. Tips for an open search:
 - When searching by business description, limit what is typed to one word.
 - When searching by commodity code you can use keywords, or you can browse the codes.
 - Clicking the “Browse Codes” option will bring up general industries and if you need to narrow your search further, please use the “Drill Down” button on the left.
 - If your search includes multiple industries, please use the “Add” button (located in the “Browse Codes” button) and continue your search. After adding, you can include lower-level codes as well, by selecting the option.
 - Narrow down your search by using multiple options.

Veteran-Owned Business Directory Search

Agencies should search Department of Veterans Affairs certified veteran-owned business directory to fulfil this requirement.

- For assistance searching for veteran-owned businesses, please contact Shamekia Moultrie at shamekiam@dva.wa.gov

- b) **Outreach** – This executive order requires agencies to conduct outreach to ensure certified minority-, women-, and veteran-owned businesses are notified of any opportunities to compete for award of such contracts. For more information on the outreach tool from the Tools for Equity in Public Spending and you can find details here: [Outreach | Office of Minority and Women's Business Enterprises \(wa.gov\)](#). Agencies should host pre-bid conferences and provide opportunities to meet with agency representatives to learn about commonly acquired goods and services.
- c) **Pre-bid Inclusion Plan Discussion** – This executive order requires agencies to ensure that, as appropriate, contracting inclusion plans are discussed at pre-bid conferences, and to ensure that contracting inclusion plans are required when subcontracting opportunities may be part of the contract. You can review examples of inclusion plans on the OMWBE website: [Inclusion Plan Examples](#)
- d) **Inclusion Plans for Subcontracts** - Contracting Inclusions Plans outline commitments a contractor, vendor, or consultant will make toward the state's goal to increase spending with diverse businesses. Inclusion plans can be used in a wide variety of procurement types and for a wide variety of work areas. Work areas could include, public works, goods and services, professional services, etc.
- **Contracting Inclusion Plans** are appropriate when the contract holder will, or plans to use subcontractors:
 - **Subcontractor:** a person or entity, other than the contract holder (prime - not only public works), that offers to provide or provides supplies, materials, equipment, or services of any kind under a contract or a subcontract entered in connection with the contract holder; and
 - Includes a person that offers to provide or provides general supplies to the contract holder or a higher tier subcontractor.
Note: This is an often-overlooked opportunity to track diverse spend.
3. **Enterprise-level Electronic Data Collection:** The executive order charges the Office of Minority and Women’s Business Enterprises (OMWBE) to lead efforts for enterprise-level electronic data collection and monitoring to identify gaps in the OMWBE directory and to track participation in public contracting and procurement per its authority and direction in [39.19 RCW](#).

- **Enterprise level data collection:** – OMWBE is currently in pilot phase with 5 agencies and 3 educational institutions. (The selected agencies and higher ed comprise nearly 2/3rds of the state spend.)
- **Identifying gaps in the directory** – DES and OMWBE are partnering to encourage vendors to certify as Minority- and/or Women-Owned when they self-identify in WEBS. Those vendors can click on “send me OMWBE certification information” to get connected to the OMWBE Certification Team. Additionally, OMWBE and DES are pulling data from WEBS to proactively identify and contact businesses that may be eligible for certification.
- **Tracking participation in public contracting** – OMWBE currently collects statewide spending data and produces an annual report for each agency: [Agency Reports and Plans](#). This is done through enterprise reporting. The existing process does not capture subcontractor data. Instead, agencies must manually track this data through an excel spreadsheet and submit it annually to OMWBE. This process requires the collection, sorting, and correcting of data from multiple sources. Implementing an automated system will improve the accuracy, consistency, and timeliness of the data. This process will improve with the implementation of Access Equity, the business diversity management system.

- 4. Adoption and Implementation of Access Equity:** This executive order states that the Office of Minority and Women’s Business Enterprises (OMWBE) will lead efforts for enterprise-level electronic data collection and monitoring. This will be accomplished through the new business diversity data collection and compliance tool, Access Equity.
- OMWBE is coordinating the transition to the new Access Equity System which will be operational by June 2023.

B. Designating staff to oversee implementation of the executive order:

Each executive and small cabinet agency must designate a staff person or persons to oversee the implementation of this Executive Order for the agency to be included in the OMWBE inclusion plan. This staff person or persons:

- 1. Must have direct access to the agency's head or key executive sponsors responsible for operationalizing contracting and procurement change.**
 - The ideal candidate should meet the following qualifications:
 - Be part of, or have direct access to the agency’s executive leadership team
 - Be a transformational leader and/or DEI champion
 - Experience in public contracting
 - Authority to allocate resources necessary and direct teams to drive culture change

2. Must ensure that, in consultation with OMWBE, the appropriate tools and recommended best practices are integrated in their agency's culture and business practices and used to meet their agency's procurement diversity goals.

- This person should:
 - Have experience searching directories for M/W/VBEs
 - Be an advocate for principles of equity and the importance of inclusive practices in public contracting within their agency
 - Be a collaborator ready to devote resources to consult with OMWBE and DVA
 - Have relationships with key contracting/procurement stakeholders
 - Have authority to direct work to key contracting/procurement

3. Should be directly involved in the preparation of the OMWBE Inclusion Plan (referred to as the Agency Goal Plan) and/or the DES Risk Assessment.

- This person should:
 - Have supplier diversity background/knowledge (OMWBE will provide training to those who may not have experience searching directories)
- Directly involved in the preparation of OMWBE Inclusion Plan (Agency Goal Plan) and/or DES Risk Assessment for purposes of knowledge continuity, to ensure that the agency's practices are aligned with the standards established in this executive order.
- **How OMWBE Agency Goal Plans differ from Contracting Inclusion Plans**
 - **OMWBE Agency Goal Plans** are internally developed, completed, and submitted by state agencies to the Office of Minority and Women's Business Enterprises. These reports detail how the agency will increase equity in public spending, use the tools, and monitor contracts.
 - A plan, developed in consultation with the director and the advisory committee, to ensure that minority and women-owned businesses are afforded the maximum practicable opportunity to participate in the execution of public contracts directly and meaningfully for public works and goods and services. The plan shall include specific measures the agency will undertake to increase the participation of certified minority and women-owned businesses.
 - **Contracting Inclusion Plans** are developed externally by contractors, vendors, consultant, etc., on behalf of that respective entity. These reports outline commitments the entity will make towards the state's goal to increase spending with small and diverse businesses. They also allow collaboration with an agency to develop a comprehensive strategy to engage and identify the eligibility and availability of small and diverse businesses.

- Information on [OMWBE Agency Inclusion Plans](#) can be found here
- Information on [Contracting Inclusion Plans](#) can be found here (also, see the Inclusion Plan content in the Supplier Diversity Tools for Equity in Public Spending section above for more information)
- Information on Department of Enterprise Services' [Procurement Risk Assessment](#) can be found here

C. Training and technical assistance:

OMWBE will offer training, guidance, and technical assistance, in partnership with Subcabinet agency members, to state agencies to assist in implementing this order.

OMWBE will partner with the DES to:

1. Consult with and provide technical assistance to agencies on the use of the Washington State Tools for Equity in Public Spending

OMWBE's Supplier Diversity team hosts [Toolkit Workshops](#) to assist agencies with implementing the tools, share best practices, and connect with others in a similar state of readiness.

- Doug Mora—OMWBE Toolkit Manager—facilitates the sessions
 - douglasm@omwbe.wa.gov
 - supplierdiversity@owmbe.wa.gov
 - The sessions are interactive and designed such that participants (preferably procurement specialists) will leave with tangible results and work products.
2. Find and implement ways for each state agency to advance disparity study recommendations in a strategic, coordinated approach to improve contracting opportunities for minority-, women-, and veteran-owned businesses statewide.
 - The OMWBE Supplier Diversity Team is methodically assessing agency toolkit use in March and April of 2022 and will provide agencies with individualized action plans. OMWBE's Supplier Diversity Team will follow up with agencies to assist with implementation of the action plan and assess the impact of the action plans in June and July 2022.

D. Timeline for Implementation:

Executive and small cabinet agencies shall adopt and incorporate, as appropriate, the Washington State Tools for Equity in Public Spending within six (6) months of the adoption of this executive order. These agencies must periodically update their plans and actionable steps to achieve equity in public spending and review with OMWBE annually.

- In order for an Agency to be in compliance within the allotted six (6)-month timeline for adopting the Tools for Equity, an agency ideally will have completed the following steps no later than July 8, 2022:

1. Submit to OMWBE the agency's Supplier Diversity Contact Agency Leader designated as the person responsible for operationalizing the executive order
2. Participate in the OMWBE Supplier Diversity Toolkit Assessment
3. The agency's Supplier Diversity Contact is encouraged to attend at least two OMWBE Toolkit Workshops that are appropriate for the agency
4. Submit 2022 Annual Agency Goal Plan
5. Develop, in collaboration with OMWBE, an action plan based on the results of the agency's Supplier Diversity Toolkit Assessment
 - The Supplier Diversity Toolkit Assessment is currently being developed and will be operational by the end of April

E. Reporting Requirements:

Beginning no later than the end of FY 2023, OMWBE and Department of Veterans Affairs shall report quarterly on each agency's progress toward its goals for participation by certified minority-, women-, and veteran-owned businesses over the baseline established in FY 2022.

- OMWBE will establish baseline goals this year
- OMWBE is currently developing this goalsetting and tracking process. More information will be forthcoming.
- OMWBE will include veteran-owned spend data in Access Equity reports