

Annual Report 2018



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

DBE, SBE, MWBE Certified

Welcome from the Director

It is with great pride, that I provide this annual report of the Office of Minority & Women's Business Enterprises activities. I am pleased to inform you of our programs designed to increase the participation of small, minority- and women-owned businesses in state and federal contracting and procurement.

A dedicated team of 19 professionals implements our programs with a biennial budget of \$4.5 million. We also have an [Advisory Committee](#) that includes leaders who represent the interests of small, minority- and women-owned businesses throughout the state.

Our agency:

- Certifies small businesses owned by minorities, women and other socially and economically disadvantaged persons.
- Supports the Governor's Business Diversity Subcabinet.
- Compiles and reports the amount of money state agencies and higher educational institutions spend with certified businesses in contracts and procurement.
- Collects and publishes agency supplier diversity plans.
- Hosts the public, online Directory of OMWBE Certified Firms.
- Provides education and outreach to small business owners and business assistance organizations.
- Helps agencies, higher educational institutions, and prime contractors increase participation of certified businesses in contracts and procurement.
- Implements the Linked Deposit Loan Program.

Our Mission

We promote equity and increase participation in public contracting and procurement for small businesses owned by minorities, women and disadvantaged persons through education and certification.

**OMWBE's Statutory Charge
Chapter 39.19 RCW**

Best regards,

Lisa van der Lugt
Director, Office of Minority and Women's Business Enterprises
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The Legislature finds that minority and women-owned businesses are significantly under-represented and have been denied equitable competitive opportunities in contracting. It is the intent of this chapter to mitigate societal discrimination and other factors in participating in public works and in providing goods and services...

- Intent section of legislation that formed the OMWBE

OMWBE CERTIFICATION

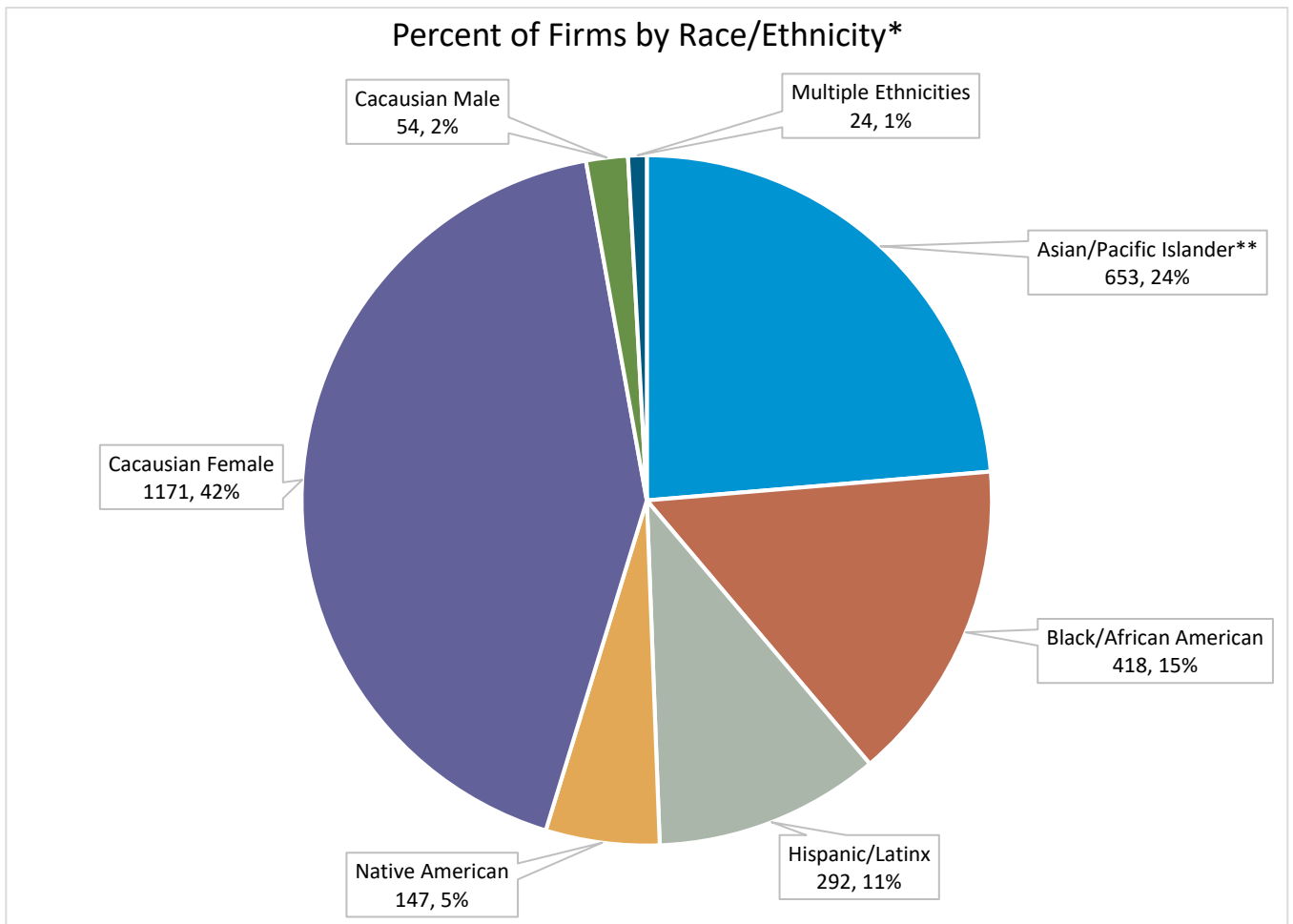
The OMWBE is the sole certifying agency for small businesses owned and controlled by minorities, women, and socially and economically disadvantaged persons in Washington State.

- **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.
- **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.

As of the end of Fiscal Year 2018, **2,759 businesses** were certified with the OMWBE. This is an eight (8%) percent increase over FY 2017.

State certifications		Federal certifications	
Minority-owned businesses	913	Disadvantaged Business Enterprises	923
Woman-owned businesses	1,064	Small Business Enterprises	98
Minority woman-owned businesses	434	Airport Concessionaires	62
Combination businesses enterprises (owned by a minority male and a female)	29		
Socially and economically disadvantaged businesses	7		
Total	2,447	Total	1,083

**771 firms have both state and federal certification.*



**The OMWBE database includes firms certified multiple times for every certification type for 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.*

***Includes Sub-Continent Asian.*

GOVERNOR'S SUBCABINET ON BUSINESS DIVERSITY

The OMWBE participates on and supports the Governor's Subcabinet on Business Diversity. In 2018, the subcabinet's work focused on these primary areas:

- **Disparity Study** - The Department of Enterprise Services (DES) contracted with an organization in 2017 to conduct the first statewide disparity study. In 2018 they conducted interviews and surveys. Results and the final study are expected in spring 2019.
- **Technical Assistance** - The subcabinet identified the need for more clarity on available resources for small businesses. A new Small Business Assistance site was developed and is housed on the OMWBE website. It contains direct links to the Office of Regulatory Innovation and Assistance (ORIA) pages and the Small Business Guide as well as other resources.
- **Legal Framework** - The subcabinet obtained a formal opinion from the Attorney General in 2016 regarding RCW 49.60.400 (I-200). This identifies a clear and deliberate path so that state agencies can achieve a durable and sustainable solution. The subcabinet has aligned work on the disparity study and action teams with this opinion.
- **Community of Practice** - The OMWBE chairs the Community of Practice and supports the Action Teams. A common online gathering place for contracting and procurement inclusion materials such as; draft policies, templates, tools and more will be housed on the OMWBE site. Action Teams met regularly to share best practices and innovative solutions. Access to the site will open up to agency contracting and procurement professionals in 2019. Action Teams included,
 - **Planning/Forecasting**
 - **Internal Processes**
 - **Master Contracts**
 - **Provider Networks & Client Services**
 - **Using Data**
 - **Public Works**
 - **Outreach**
 - **Business Assistance**
 - **Purchase Cards**

Member Agencies

Office of Minority & Women's Enterprises

Commission on African American Affairs

Commission on Asian Pacific American Affairs

Commission on Hispanic Affairs

Department of Veterans 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

Governor's Office

- Internal Agency Culture

AGENCY AND HIGHER EDUCATIONAL INSTITUTION SUPPLIER DIVERSITY RESULTS

State law requires the 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. The OMWBE posts this information on its [website](#).

Governor Inslee’s strategic framework, Results Washington, includes a goal to increase state agency and higher educational institution utilization of certified small businesses in contracts and procurement to the following percentages:

- **Minority-owned businesses: 10%**
- **Women-owned businesses: 6%**

Below are the FY 2018 results for state agencies and higher educational institutions.

State agency FY 2018 dollars spent with certified firms as % of all eligible spending ^[1]				
	Total Eligible Spend	Dollars Spent with Certified Firms	% of Total Spend	Results Washington Goal
Minority Owned Certified Businesses ^[2]	\$2,892,743,350	\$89,717,491	3.10%	10%
Women Owned Certified Businesses		\$64,463,981	2.23%	6%
Total OMWBE Certified Businesses		\$154,181,472	5.33%	16%

Higher educational institution FY 2018 dollars spent with certified firms as % of all eligible spending ^[1]				
	Total Eligible Spend	Dollars Spent with Certified Firms	% of Total Spend	Results Washington Goal
Minority Owned Certified Businesses ^[2]	\$2,064,827,256	\$15,218,920	0.74%	10%
Women Owned Certified Businesses		\$8,969,239	0.43%	6%
Total OMWBE Certified Businesses		\$24,188,159	1.17%	16%

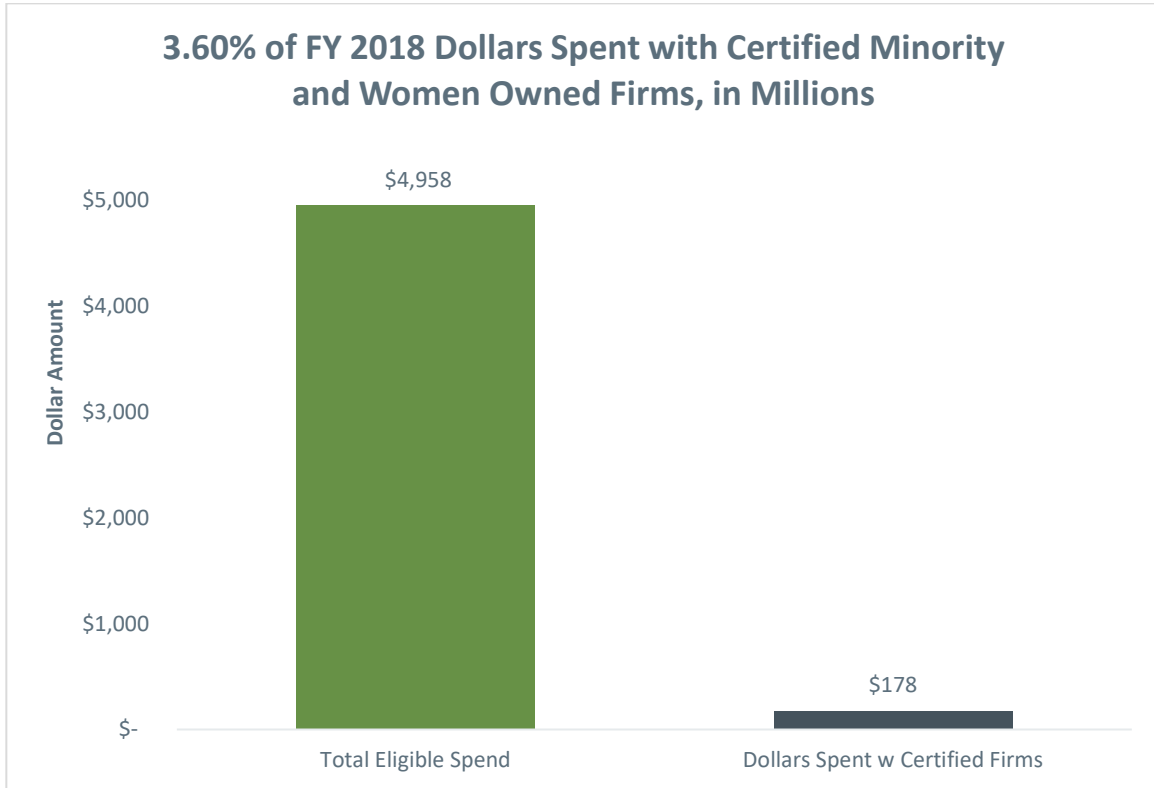
[1] This [link](#) contains a list of objects and subjects that make up the total eligible spend.

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

Combined Total FY 2018 dollars spent with certified firms as % of all eligible spending ^[1]				
	State Agencies and Educational Institutions Combined Eligible Spend	Dollars Spent with Certified Firms	% of Total Spend	Results Washington Goal
Minority Owned Certified Businesses ^[2]	\$4,957,570,606	\$104,936,411	2.12%	10%
Women Owned Certified Businesses		\$73,433,220	1.48%	6%
Total OMWBE Certified Businesses		\$178,369,631	3.60%	16%

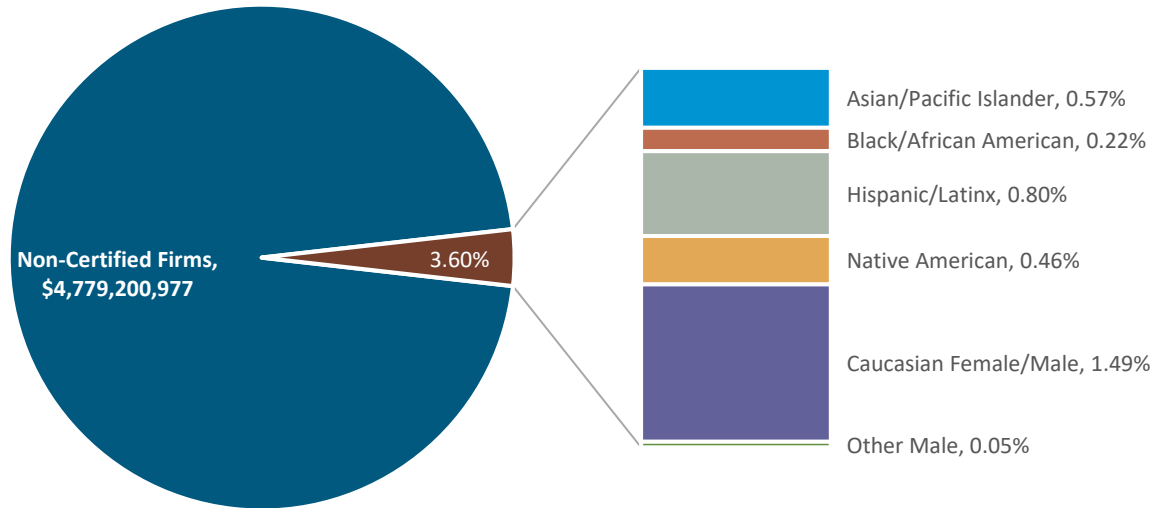
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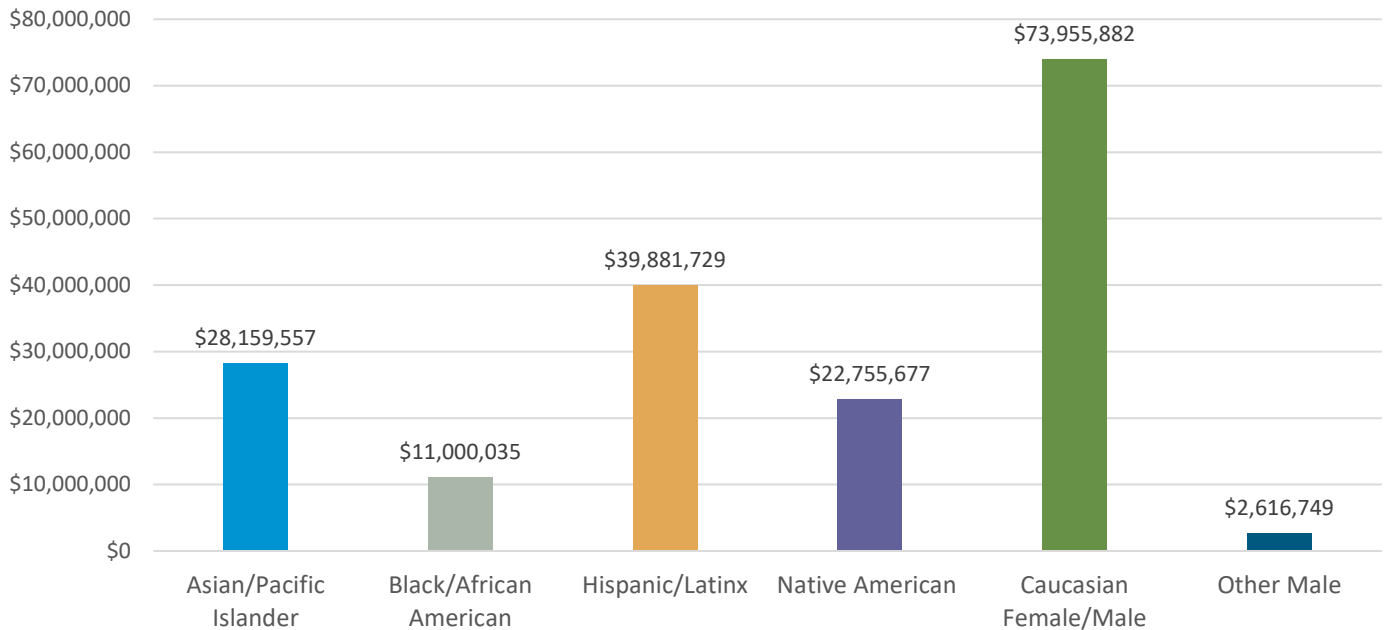


FY 2018 Agency and College spend with certified businesses by race/ethnicity and gender of business owner

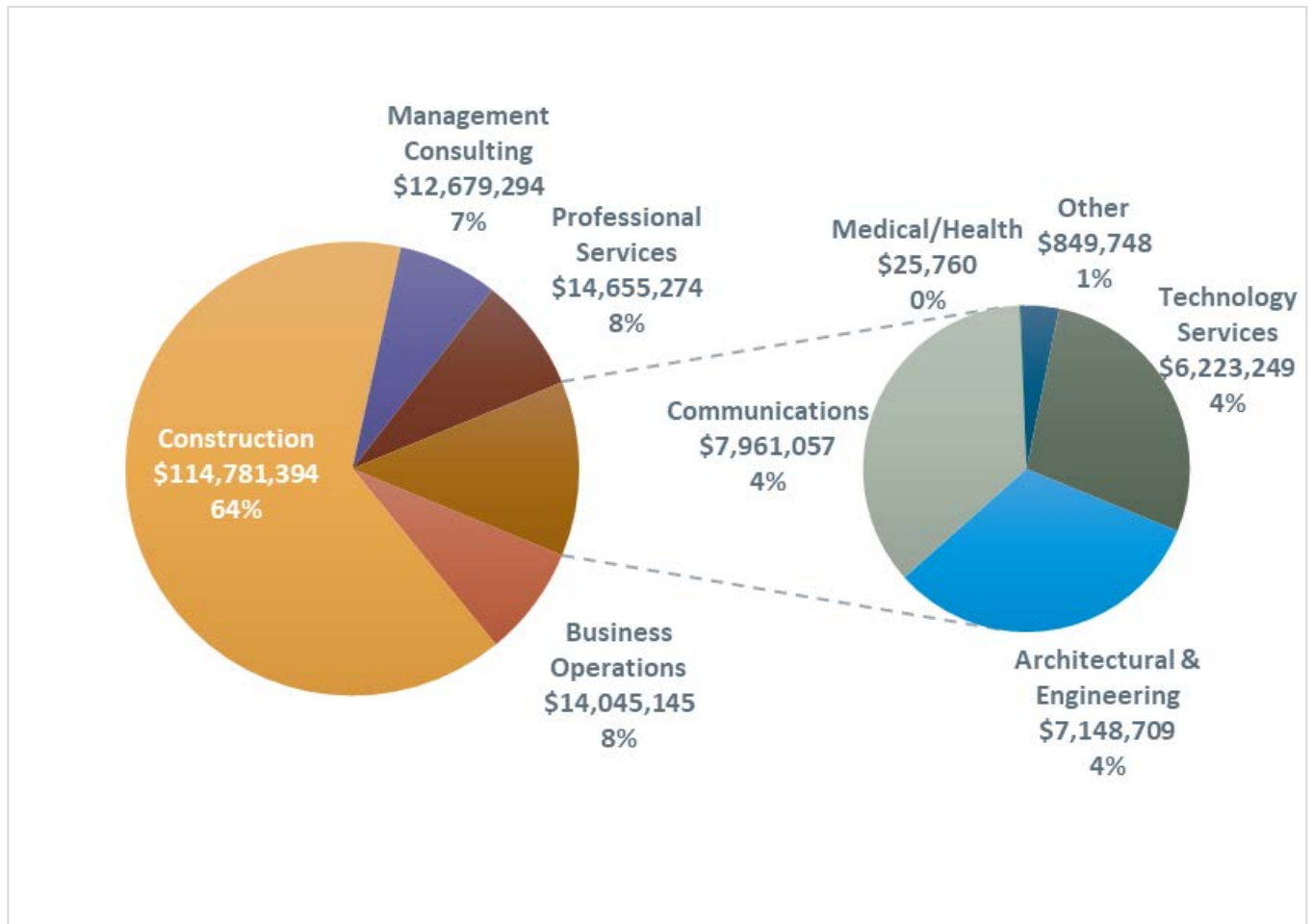
3.60% of FY 2018 Dollars Spent with Certified Firms



FY 2018 - All Certified Firm Spend by Race/Ethnicity



Dollars spent with certified businesses by industry



Industry descriptions:

Construction: Highway and building related construction, including renovation and demolition, paving, installation, painting, signage, surveying and mapping, sand/gravel, construction supplies and equipment, flooring, roofing, and flagging.

Professional Services: Specialized services, lawyers, counseling, travel agency, design, accounting, reporting, security, interpreter services, and non-medical laboratory.

Technology Services: Information systems management, development, and equipment.

Architectural & Engineering Architectural and engineering services.

Business Operations: Services, products and equipment for business operations, and building services.

Communications: Design/distribution of ad materials, broadcasting services, and web and video productions.

Management Consulting: Consulting/research on safety, management, strategic planning, public relations, and human resources.

Medical/Health: Health care professionals, equipment, and testing.

Other: Catering and other services not in other categories.

AGENCY SUPPLIER DIVERSITY PLANS

State law requires agencies to adopt plans to increase the participation of certified minority and women-owned businesses. The OMWBE provides assistance to each agency helping them consider best practices to increase their supplier diversity. Each agency's supplier diversity plan is posted on the OMWBE's [website](#).

The OMWBE must notify the Governor, State Auditor and the Joint Legislative Audit and Review Committee if agencies do not comply ([RCW 39.19.060](#)). All agencies submitted FY 2019 plans.

CERTIFIED FIRM DIRECTORY

The OMWBE Certified Firm Directory is a publicly available online tool that shows real time certification status and business contact information for all OMWBE certified businesses. The directory is searchable by key words, descriptions, location and more. In FY 2018, OMWBE created a [short video](#) for how to use the directory. The OMWBE actively promotes the Directory when working with agencies, colleges, and prime contractors.

OUTREACH AND EDUCATION

The OMWBE conducts outreach about qualifications for certification and its benefits, available resources for small minority- and woman-owned businesses, and best practices in supplier diversity - including targeted outreach to match public entities and prime contractors' purchasing or contracting needs with certified firms.

The agency's website includes bid opportunities and relevant events, available free training through partners, announcements, and information on a variety of other resources. The OMWBE also utilizes email newsletters to certified firms and social media to provide news, information and notice of bid opportunities.

In FY 2018, the OMWBE produced four short videos. Two of these videos interview certified business owners, highlight why they pursued certification, and what it means to them to be recognized as a minority- or women- owned business. The other two videos are animated how-to videos to help customers and partner organizations use the OMWBE's systems and features.

OMWBE videos

[Why Get Certified - Priscilla Martinez](#)

[Why Get Certified - Rani & Dave Bal](#)

[How to Apply for Certification](#)

[How to Use the OMWBE Directory](#)



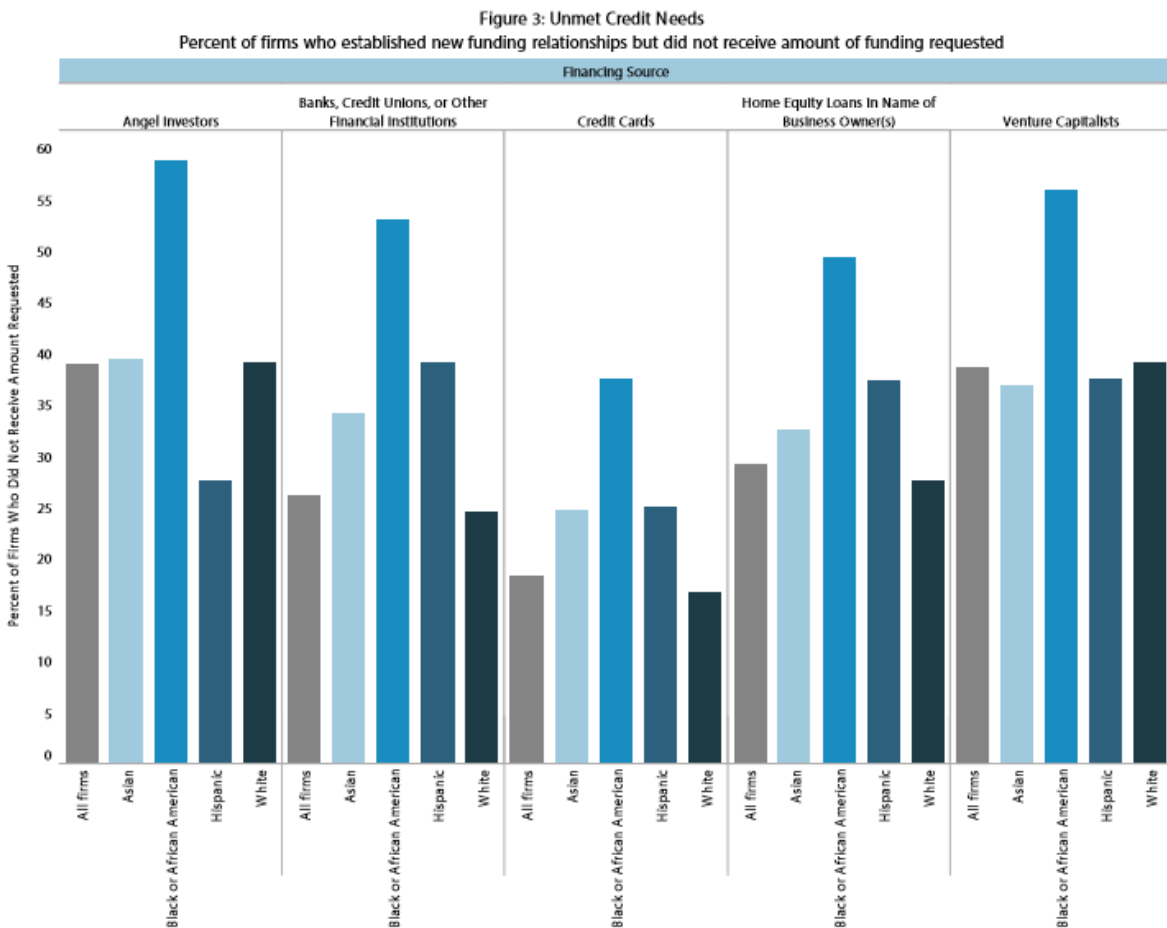
OMWBE staff talk with hundreds of businesses at the 2018 Alliance NW.

LINKED DEPOSIT LOAN PROGRAM

Businesses certified by the OMWBE and veteran-owned firms certified by the Department of Veteran’s Affairs are eligible to participate in the state’s Linked Deposit Loan Program. The program allows a certified business to receive an interest rate reduction of two percent on a business loan from a participating lender.

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 certified minority- and woman-owned businesses, and up to \$15 million for veteran-owned businesses.

As of the end of June 2018, 465 OMWBE-certified firms held \$157 million of Linked Deposit loans that are in repayment or have available lines of credit.



Programs like Linked Deposit continue to be important as this figure shows. Alice Robb, “Financing Patterns and Credit Market Experiences: A Comparison by Race and Ethnicity for U.S. Employer Firms”, p27, Table 9 (using data from ASE Table SE1400CSCB10) https://www.sba.gov/sites/default/files/rs440_financing_patterns_report_1.pdf

STRATEGIES FOR FY 2018

The OMWBE focused on the following strategies in FY 2018:

- Review certification processes to eliminate any unnecessary barriers to small business and improve certification timelines.
- Implement and continually improve the new online application system.
- Conduct targeted outreach in partnership with agencies and education institutions.
- Create a targeted outreach program to match public entities and prime contractors with small minority- and women-owned firms.
- Improve agency website for usability and easier access to services for small businesses.



As long as I have my business, I will be certified with OMWBE.”

FY 2018 Key Accomplishments

- **100% of agencies submitted supplier diversity plans for FY 2018. Dozens of agencies met one-on-one with OMWBE staff to review their plans and improve their strategies.**
- **Implemented Phase 2 of a secure online application system.**
- **Implemented a targeted outreach program to increase number and use of certified firms. The number of certified firms increased 8 percent over FY 2017.**
- **Over 90% of customers continue to rate their experience as good or excellent.**
- **Started a new quarterly e-newsletter with over 3,000 recipients.**
- **Developed 4 videos to help businesses understand why and how to get certified.**
- **Met with 4 bank representatives to clarify and improve loan program outreach.**