



TOOLS FOR EQUITY In Public Spending

Subcontractor Inclusion Plans Workshop May 11th, 2023

Requirements

- **Executive Order 22-01** – Review, incorporate, and adopt, as appropriate, the Washington State Tools for Equity in Public Spending.
- **RCW 39.19.060** – Compliance with public works and procurement goals—Plan to maximize opportunity for minority- and women-owned businesses
- **RCW 39.26.090(6)** – Encourage and facilitate the purchase of goods and services from Washington small businesses, microbusinesses, and minibusinesses, and minority and women-owned businesses to the maximum extent practicable
- **DES Policy POL-DES-090-06** – Supplier Diversity



TOOLS FOR EQUITY

In Public Spending

- Outreach
- Forecasting
- Internal Processes
- Statewide Contracts
- Subcontractor Inclusion Plans

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INCLUSION PLANS

- Expectations for a prime contractor to use diverse businesses for subcontracting
- Can be considered part of a complete bid
- Subcontractors can turn up in surprising places.



Inclusion Plan Template

- Project Goals – set by the agency
- Contract Goals – anticipated, set by the bidder

| Inclusion Plan Criteria | | |
|---|-----------------------|--|
| Aspirational goals for small and diverse business participation: <i>(Of the total contract work, what is the percentage of diverse business participation proposed for this project?)</i> | | |
| 1. Anticipated Certified Diverse Business Participation (Goals) | | |
| State certification category | Project Goals | Anticipated Percent of Contract Amount |
| OMWBE certified businesses | <u>[OMWBE Goal]</u> % | |
| Veteran-owned business | <u>[VOB Goal]</u> % | |
| Small/mini/micro business | <u>[Small Goal]</u> % | |
| 2. The firm's "Diverse Business Subcontracting list" | | |
| 3. Planned efforts by the firm to meet or exceed the aspirational inclusion goals. To include, but not limited to the following: | | |

Inclusion Plan Template

Narrative section

- List of subcontractors
- Description of efforts to do outreach
- History of using small businesses and diverse subcontractors

| Small/mid/micro business | Joint venture |
|--|---------------|
| 2. The firm's "Diverse Business Subcontracting list" | |
| 3. Planned efforts by the firm to meet or exceed the aspirational inclusion goals. To include, but not limited to the following: | |
| a. General Description, including any applicable policies and procedures, | |
| b. Mentoring, Training and Capacity Building Programs | |
| c. Prompt Payment, Retainage and Dispute Resolution | |
| 4. A description of firm's planned efforts at outreach to the small and diverse business community | |
| 5. A description of firm's process for ensuring small businesses have enough time and information to provide your firm with bids | |
| 6. An explanation of how firm ensures small businesses understand the bid and specifications and are able to learn ways to improve if they are not selected (i.e. pre-bid meetings, debriefing, etc.) | |
| 7. A description of how firm considers small business in the development of bid packages | |
| 8. Who will be the firm's "Diversity Expert"? | |
| 9. A list of projects (5 max.) with diverse business participation in the last five (5) years | |
| 10. Acknowledgement of firm's awareness and commitment to reach out to diverse | |

Inclusion Plan Template

Acknowledgements

| |
|--|
| 9. A list of projects (5 max.) with diverse business participation in the last five (5) years |
| 10. Acknowledgement of firm's awareness and commitment to reach out to diverse businesses and helping Washington State meet or exceed the state's diverse businesses utilization goals |
| 11. Acknowledgement that proposing firm has education and training programs to communicate to your employees your firm's expected employee behaviors and performance relative to implementing the Diverse Business Inclusion Plan |
| 12. Any additional information the firm would like to include as a part of their plan. |

Subcontractor Inclusion Plans

Using Them



- When to use them?
 - With any solicitation where subcontractors can be expected to be used
 - (which really could be any solicitation)
- Why use them?
 - Allows opportunity of funneling spend to small, diverse, veteran, women-owned businesses in “large” contracts
- (How) Can we do this?!?
 - Feds do this!!! See CFR 200.321.b.6
 - Generally, can't be scored but are pass/fail
 - Vendor voluntarily provides goals/information

Subcontractor Inclusion Plans

Accountability

- What do I do with them?
 - Make sure it's a non-zero "passing" response
 - Then file them and wait!
- How do I enforce them?
 - Have the Contractor provide the supporting information
 - They volunteered their goals after all the burden is on them to prove they met them!
 - Access Equity can help you do this.
- What does the DES do for enforcement?
 - Agency/Single Purchase Perspective
 - Typically too late if there is a violation, but we can hold them accountable on future contracts



Poll Time!



What are the barriers to using
Subcontractor Inclusion Plans?

Questions And Answers



Access Equity

Contract Compliance Module



- Tracking subcontractor spend on state contracts
- Starts with Subcontractor Inclusion Plan (SIP)
- Prime states intention to use diverse businesses in SIP
- SIP should request goals in either percentages or dollar amounts
- You identify contracts that will have subcontractors based on SIP
- Contracts with subcontractors are entered into Access Equity



Access Equity

Contract Compliance Module



- **Contract Agent**
 - Enters contract into Access Equity Compliance Module
 - Record goals from SIP
 - Record payments to Prime
- **Secondary Contract Agent**
 - Monitors contract to ensure Prime is paying Subcontractors
 - Determines if genuine effort is being made by Prime to meet SIP goals
 - Resolves monthly audit alerts
 - Close-out activities

Access Equity

Contract Compliance Module



- Primes use Access Equity for:
 - Add Subcontractors to Contract Record - unless you make the business decision to do it for them
 - Report payments to Subcontractors
 - Subcontractors confirm payments
 - Both Primes & Subs to take B2Gnow Training
- State staff will need to use Access Equity for:
 - Vendor registration
 - Payment monitoring
 - Resolve non-payment issue
 - Determine if Prime made genuine effort to fulfill diverse spend goals from Subcontractor Inclusion plan

Access Equity

Contract Compliance Module



Access Equity Help Center

This page contains help documents to support your use of Access Equity. Please consult the user guides below, and reach out to your organization's Account Administrator if you have further questions. The Access Equity User Guide contains instructions on how to use the Contract Compliance and Outreach Modules. Vendor Guides and Sample Contract Language are also available for reference.

[Access Equity User Guide](#) - PDF

[Vendor Self Registration Guide](#) - PDF

[Prime Contractor Guide](#) - PDF

[Subcontractor Rapid Payment Confirmation Guide](#) - PDF

[Contractor Compliance Reporting](#) - PDF

[Sample Contract Language](#) - Download in MS Word



<https://omwbe.wa.gov/access-equity-help-center>

Supplier Diversity Toolkit 2023 Workshops



- Statewide Contracts – July 20th
- Forecasting – August 24th
- Internal Processes – September 28th

10:00 to 11:30

OMWBE Supplier Diversity is continuing to find ways to make it easier for state agencies and educational institutions to track and report spending with certified minority- and women-owned businesses.

DES

Lunch and Learn Series



June 6: \$150,000 contracts

Policy §C-4 says that “Agencies will achieve supplier diversity goals by ensuring that their procurement professionals [will] award competitively procured contracts with an initial value less than \$150,000 to the highest-ranked responsive and responsible small or veteran-owned business, unless there was no responsive and responsible bid from a small or veteran-owned business.” We will discuss what this means and how state agency practitioners can implement this strategy.

June 13: Unbundling

Policy §C-3 says that “Agencies will achieve supplier diversity goals by ensuring that their procurement professionals [c]onduct an unbundling analysis for every competitive solicitation.” We will discuss what this means and how state agency practitioners implement this strategy.

June 20: Pre-bid conferences

Policy §C-5 says that “Agencies will achieve supplier diversity goals by ensuring that their procurement professionals [c]onduct a pre-bid conference for all complex competitive solicitations or those that could result in multiple awarded contracts.” We will discuss what this means and how state agency practitioners implement this strategy.

June 27: Small/Veterans Business Points

Policy §C-7a says that “Agencies will achieve supplier diversity goals by ensuring that their procurement professionals . . . [a]ward evaluation points to small and veteran-owned businesses.” We will discuss what this means and how state agency practitioners implement this strategy.

Tuesdays in June, 12:05 – 12:55 p.m.

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