



Department of Enterprise Services (DES)

Agency Supplier Diversity Inclusion Plan · Calendar Year 2022

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Department of Enterprise Service's Supplier Diversity Inclusion Plan

The Department of Enterprise Services recognizes that, in order to achieve our mission and vision in service of those who reside in Washington, we must embed the values of diversity, equity, and inclusion in all aspects of our work.

DES recognizes that although we cannot change the oppressive and discriminatory practices of the past, we have control over the workplace culture we create today and in the future. As a department and as individuals we will accept our responsibility and seize every opportunity to dismantle enterprise, administrative, and divisional policies, procedures, systems and practices that perpetuate inequity.

Achieving equity in contracting is a priority for DES, in both the administration of procurement activities in public works contracting as well as in goods and services.

DES is the statewide lead procurement agency for the purchase of goods and services, as authorized in [RCW 39.26](#). DES also delegates to other agencies the authority to purchase goods and services under this statute, following the [Delegation of Authority Policy](#). In addition, DES enacts procurement policy which delegated agencies must follow in order to retain their purchasing authority, this includes the [Direct Buy](#) and [Contract Management](#) Policies, and the newly created [Supplier Diversity Policy](#).

The Procurement Inclusion and Equity Program (PIE) maximizes opportunities for certified and small businesses to contract with the state. PIE was established in 2019 to create a sustainable increase in the purchasing of goods and services from certified, small, and diverse businesses. PIE drives positive change in statewide procurement practices to eliminate barriers and maximize access and opportunity for all.



To accomplish this, the PIE Program works to create and implement new procurement processes consistent with the [Tools for Equity in Public Spending](#) to provide guidance, policies, solicitation language, templates, tools, etc. to state agencies. To ensure the *availability* of small and diverse businesses, the PIE Program identifies and provides technical assistance to businesses who sell goods and services in areas for which the state purchases. See the [DES Business Diversity webpage](#) for additional information.

DES works closely with our partners in OMWBE to support this work across the enterprise on the [Roadmap to Contracting Equity](#) in a number of ways that are described below. One important aspect of increasing the availability of small and diverse firms is the ongoing communication from DES to OMWBE when diverse firms are awarded contracts but are not yet certified.

With the issuance of ***Executive Order 22-01 - Equity in Public Contracting***, DES was directed to further its efforts in collaboration with our partners in OMWBE:

A(5). The Department of Enterprise Services (DES) will bolster the number of certified minority-, women-, and veteran-owned businesses on Master Contracts by examining existing policies and practices and improving access to information for minority-, women-, and veteran-owned businesses.

A(6). The Washington State Department of Transportation (WSDOT) and DES will review bonding, insurance, retainage, and experience requirements to make recommendations to eliminate barriers to minority-, women-, and veteran-owned businesses in those areas.

C. 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, and
2. Find and implement appropriate 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.

These areas will continue to be a focus for DES in this fiscal year, and will be reported to the Governor's office and OMWBE.



Authorizing Individuals:

- Tara C. Smith, Director
- Jaime Rossman, Assistant Director for Contracts and Procurement/Chief Procurement Officer
- Shana Barehand, Business Diversity and Marketing Manager
- Bill Frare, PE, Assistant Director of Facility and Professional Services
- Charles Wilson, Public Works Diversity Program Manager

Specific measures the agency will take to increase participation of certified businesses:

DES is implementing 11 of the 12 [State of Washington Disparity Study 2019](#) recommendations that are applicable to goods and services, as listed below and described in the link.

1. Implement an Electronic Data Collection and Monitoring System for All State Agencies
 - DES collects data on agencies that access master contracts, and all agencies are required to report all contracting spend outside of master contracts to DES annually
 - AccessEquity is managed by OMWBE via EO 22-01
2. Increase Access to State Contracting Information
 - DES regularly updates and improves accessibility to bidding opportunities via our website and the WEBS system
 - Ongoing and direct feedback from vendors about barriers to information in WEBS is taken into account to make improvements to the system regularly
 - Changes to the Sole Source Policy were made in 2022 to increase transparency and require agencies to provide additional information in the system
 - The DES website is undergoing a major reconstruction to improve navigability and access to information specifically on the contracting pages of the site, set to launch in October 2022
3. Increase Outreach to M/WBEs
 - In goods and services, the PIE Program conducts three types of outreach; general outreach, targeted outreach and outreach during the solicitation process.
 - DES conducts outreach to small, diverse, and veteran businesses for each solicitation. DES has developed outreach guidance and email templates that are used during each procurement. This guidance and template have been shared out to multiple agencies to assist them in their solicitation outreach efforts. To increase its outreach, DES also posts solicitations beyond WEBS to ensure that small and diverse businesses are aware of these opportunities. To do this DES prepares a one-page advertisement, which is posted to the OMWBE website and sent out to various community stakeholders to maximize our reach to small and diverse businesses.



- The PIE Program participated in 10 virtual networking events in 2021. Our goal for 2022 is to return to hosting at least two in person networking events. A newly hired Community Outreach Specialist will be dedicated to coordinating the state networking and matchmaking events.
 - The PIE Program also conducts general outreach and training by partnering directly with small and diverse businesses, support organizations and attending events where small and diverse businesses are present. In 2021, we attended and participated in 67 events and strategically partnered with eight organizations.
 - Currently, the PIE Program has two dedicated positions conducting outreach. One will focus on marketing the master contracts that have small, diverse, and veteran businesses to buyers. The other will work to create a pipeline of small, diverse, and veteran businesses to meet the state's goods and services purchasing needs. We are currently looking at where there are gaps in available state OMWBE certified businesses and goods and services being purchased by the state. This will help us determine where to target our small business support program.
4. Increase Technical Assistance to M/WBES and Small Firms
- DES partners with PTAC to provide technical assistance to small, diverse, and veteran firms to better understand how to successfully bid on state contracts. In 2021, PTAC provided 241 instances of Technical Assistance to businesses interested in bidding on state solicitations through DES's support.
 - This year, DES' customer service team is focusing on helping the small and diverse businesses that the PIE Program refers and the others that need help navigating the state contracting systems and WEBS. This year, the customer service team provide 4,030 instances of assistances to businesses.
5. Lengthen Solicitation Times
- Increasing the time that businesses have to respond to a solicitation provides a more meaningful opportunity to comply with all solicitation requirements. Solicitation times were increased from 30 to 45 days.
6. Review Contract Size and Scope
- DES actively seeks opportunities to modify the method of award on master contracts by unbundling large contracts that can be broken down into geographic or other categories to increase the number of goods and services contracts in certain commodities
 - Successful changes to contract sizes and scopes in 2021 will continue to be emphasized in the coming year and beyond.

7. Raise the Direct Buy Limits

- In 2020, DES increased direct buy limits based on extensive stakeholder listening and market research.
- In 2022, DES extended the current purchasing levels in the [Direct Buy Policy #DES-125-03](#) until March 2025.
- The updated limits are intended to align with the statutory intent of encouraging and facilitating state agency purchases of goods and services from Washington veteran-owned and small businesses, which in turn greatly improves opportunities for spending with certified minority- and women-owned businesses.

8. Review Insurance, Surety Bonding and Experience Requirements

- In public works, this work is in the early stages in 2022.
- In 2021, the PIE Program engaged in each solicitation and routinely scrutinized potential barriers such as insurance, bonding, and experience requirements in the preparation of solicitation documents for master contracts before they are issued. Going forward, training and support is provided to procurement professionals to learn how to right size insurance requirements.
- DES worked with our legal experts to create a suite of trainings to help procurement professionals understand different types of insurance to help them determine which insurance is most appropriate for the contract they are negotiating.
- DES Legal and our Office of Risk Management conducted a two-hour overview training and six one-hour insurance trainings. These trainings are available online to all agencies and were advertised through DES' Contracts Connections bi-weekly bulletin, as seen here below:

- [Insurance Requirements – State Contracts for Goods and Services: Exhibit C](#)
- [Additional Insured Status](#)
- [Contractor's Certificate of Liability Insurance](#)
- [Cyber Liability Insurance](#)
- [Professional Liability Insurance](#)
- [Excess and Umbrella Coverage](#)
- [Workers' Compensation & Employer's Liability Coverage](#)

9. Provide Training to State Staff

- DES monitors the status of required training for procurement professionals across the state when conducting agency risk assessments that will inform the level of delegated authority an agency will receive.



- DES will be implementing mandatory training in the fall of 2022 with the Supplier Diversity policy roll out.

10. Develop a Pilot Small Business Enterprise Target Market

- The PIE Program looked at the 18-month forecast of state master contracts and grouped them into nine categories. The PIE Program and contract specialists then led three target market projects that engaged, trained, and reached out to specific industries that had the potential for small and diverse business participation, with two more planned for 2022.

11. Adopt a Pilot Small Business Enterprise Mentor-Protégé Program

- This is planned for implementation in 2022

12. Develop Performance Measures for Success

- In public works contracting, data is collected via the B2Gnow system, and reported to OMWBE through an interface.
- DES will continue to support OMWBE as they lead efforts around enterprise-level electronic data collection and monitoring.
- In 2021, DES collected key performance indicators and financial data quarterly to show progress on the PIE Program Strategic plan.
- In 2022, the DES Director is implementing a cross-agency scorecard to highlight key performance indicators to increase visibility and transparency.
- Existing KPI and data for master contracts includes the following.
 - Number of solicitations out of total solicitations that utilizes new DES Small Business Policy.
 - Number of small and diverse businesses identified for each procurement, including number of them to which we reached out.
 - Number of small and diverse businesses that bid on each solicitation, and number of awards made to small and diverse businesses on each, in comparison to the total number of businesses awarded.
 - Total spending on master contracts, by DES and by all agencies, including total amount spent with small and diverse businesses, and percentages of each.
 - Total number of businesses in WEBS, including number of small, diverse, and veteran owned businesses, and percentages of each.
 - Number of targeted events and people reached at each event.
 - Number of Technical Assistance provided by PTAC and DES, including calls from vendors to the customer service line.



- Number of general outreach events planned and attended.
- Number of community engagements

Forecasting

- DES conducts three types of goods and services procurements: master contracts, DES Agency procurements, and DES Agency direct buys. Master contracts are forecasted out for two years based on the current contract's expiration date. DES Agency procurements are forecasted out six months based on DES program requests. DES agency direct buys are not generally forecasted due to the nature of the purchases which are based on emergent operational needs.
- DES also identifies planned procurements and contractors with inclusion plans and post to the following DES website:
 - Public Works – [Design & Construction](#)
 - Goods and Services - [Master Contracts](#)

Master Contracts

- DES administers the state's master contracts program for all state agencies.

RCW 39.26.080

Procurement policy—Director's responsibility and authority—Master contracts

(1) The director is responsible for the development and oversight of policy for the procurement of goods and services by all state agencies under this chapter. When establishing policies, standards, and procedures, the director shall account for differentiation in procurement practices and needs among state agencies and strive to establish policies, standards, and procedures that promote greater efficiency in procurement.

(2) The director is authorized to adopt rules, policies, and guidelines governing the procurement, contracting, and contract management of any and all goods and services procured by state agencies under this chapter.

(3) The director or designee is the sole authority to enter into master contracts on behalf of the state.

- DES, as an operating agency, accesses master contracts through the DES website and master contract portal pages. [Master Contracts](#)

Outreach



- In public works, DES hosts and attends outreach meetings and networking events where prime contractors, diverse subcontractors, and agency staff can connect and share information about upcoming contract opportunities. Examples include:
 - National Association of Minority Contractors (NAMC)
 - Regional Contracting Forum (RCF)
 - Construction & Design Entrepreneurs (CDE)
 - JOC Outreach Event
 - Meet the BIGs (Vancouver and Spokane)
 - North Puget Sound Small Business Summit
 - APWA Washington Conference
 - Manson construction Co. Small Business Training
 - Spokane Black-Owned Business Expo
 - Walsh, Bates, Blue Book Meet and Greet Event

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Internal Processes

- The DES Director will lead the efforts to implement and monitor the activities described in this Inclusion Plan, with the support of the Chief Procurement Officer (goods and services contracting) and Assistant Director over Facilities Professional Services (public works contracting).
- New methods of monitoring the agency's own spend, at a division or program level, are being developed in order to increase transparency and accountability.
- DES is excited about opportunities to collaborate even more closely with our partners in OMWBE and the Office of Equity to create a statewide

Communication and Training Plan

- The DES Director will include a link to this Inclusion Plan in the weekly DES newsletter.
- The PIE Program within goods and services will lead efforts to engage all DES contracting professionals with the requirements of the Inclusion Plan. These supplier diversity advocates have developed best practices for supplier diversity, including tools and guidance, and will ensure that supplier diversity best practices are used for each solicitation. These best practices and tools are posted to the DES Desk Manual, which is the procurement guidance for DES that our procurement professionals must follow and closely aligns with the rollout of DES's Supplier Diversity Policy in 2022.
- DES's Internal Contracts Unit works closely with purchasing staff across the agency and will use the Inclusion Plan as a communications tool to reiterate the Director's priority to improve our own spending levels with diverse businesses.
- Public works staff is provided training and given support in facilitating and maintaining their role in the agency's diversity and inclusion efforts. Public works is developing an internal training plan to help staff better understand their role for diverse business inclusion. Training is important because it represents a good opportunity for Public Works staff, client agencies, and contractors to grow their knowledge base and improve their job skills in applying effective diversity and inclusion programing.
- DES has created a [road map](#) to share best practices in public works contracting and ideas to increase use of certified minority-, women- and veteran-owned businesses. The road map provides a visual representation to communicate public works diversity and inclusion efforts.

Agency contract goal tracking:

<Describe how the agency will monitor the use of MWB to track spending in relation to 2022 goals (note: OMWBE will follow up with each agency's aspirational goals in the next year)>

- At this time, OMWBE has not yet established aspirational goals. In the interim, DES has established internal goals at 10% Minority and 6% Women.
- As of July 2021, DES's internal spend on diverse businesses was 1.9%.



Contractor monitoring

- In goods and services, there are few contracts with subcontractors to monitor based on the applicability of the commodity. DES requires the use of subcontractor inclusion plans when subcontractors are expected, these inclusion plans are made part of the contract and all contracts are managed for compliance. The managers of the contract are responsible for ensuring compliance with the contract terms. This includes ensuring compliance with the subcontractor inclusion plan that is submitted and incorporated into the contract. Subcontractor spending is tracked through the Purchasing Contract Management System



Tara C. Smith

4/6/2022

Tara C. Smith, Director
Department of Enterprise Services

Date