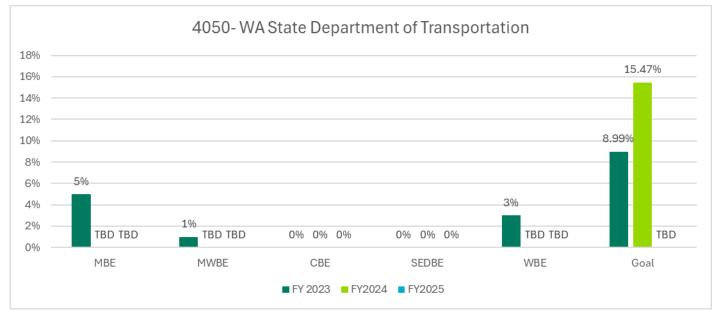




Fiscal Year 2025 Business Diversity Spending Goal Plan Washington State Department of Transportation

Governor's Supplier Diversity Subcabinet approved best practices.

(Agency graph showing spending comparison from FY22 and FY23. FY24 not included)



FY 2023 – No spending goal established FY 2023 – 8.99% FY24 Spending Goal – 15.47% FY24 Spend - TBD

FY25 Spending Goal: 6.47% (15.47 anticipated by agency)

Summary statement:

WSDOT continually updates and improves the way it works with diverse businesses. The agency's strategic plan, and diversity, equity and inclusion efforts ensure purposeful engagement with its employees, communities and partners, as it delivers a statewide multi-modal transportation system. WSDOT is striving to become an agency that looks like the people it serves, focusing on increased contracting opportunities for certified minority-, women- and veteran-owned firms.

To this end, the 2024 Disparity Study shows that WSDOT is using certified Disadvantaged Business Enterprise (DBE) Program firms close to their availability within the state and above their availability on federal contracts. The study also revealed that the availability of certified firms in the agency's contracting market has slightly decreased from 19% in 2017, to 17.9% in 2024. In response to the Disparity Study data, WSDOT is reviewing the following possible steps for 2025:

- Expanding efforts for smaller contracts.
- Expanding the Capacity Building Mentorship Program, to promote stronger primesubcontractor relationships.
- Increasing resources to assist small firms with bonding.
- Developing new performance measures to evaluate whether DBE program changes are increasing participation.

Steps your agency has completed to prepare for forecasting and steps remaining:

Contract Services has a forecasting list on its website, and WSDOT continually updates an advanced schedule of projects there. The current postings include contracts planned for advertisements from July 1, 2024, through June 30, 2025. All advertisement dates are tentative, and information may change in the future. All projects are dependent on funding availability.

How are supplier diversity efforts managed within your agency:

WSDOT Procurement oversees supplier diversity, and the Office of Equity & Civil Rights' Construction Contract Services Office oversees project contracting diversity. The agency uses the B2GNow system to monitor professional-service and construction projects for diverse business spending, and to ensure subcontractors are paid promptly and in full. We are working to integrate goods-and-services, information-technology, and administrative contracts into this system. Reporting responsibilities are shared between Procurement and OECR.

Is your agency currently using the Outreach Module in Access Equity for marketing and connecting with Diverse Businesses?

WSDOT uses the newest virtual platforms and electronic communications, and yes, this does include Access Equity. Other tools include weekly agency bid openings and newsletters; WSDOT's Diversity Management and Compliance System (DMCS); and Washington's Electronic Business Solution to ensure we remain inclusive and allow all companies to participate in our contracting and consulting projects. WSDOT's DMCS does include the Outreach Module; however, we continue to have the best results using distribution lists and the GovDelivery email service. In addition, WSDOT continues to conduct traditional public meetings and outreach events.

Are you using the Contract Compliance module in Access Equity to report your contract & purchase orders that include subcontractors (including statewide contracts)?

WSDOT requires all contracts to be reported in WSDOT's Diversity Management and Compliance System, which is the same system as Access Equity.

How does your agency track efforts to notify businesses about purchasing and opportunities to bid on contracts?

WSDOT uses numerous workgroups to proactively pursue strategies to improve engagement with under-represented or under-served groups. Additionally, WSDOT publishes a weekly newsletter of bid openings and provides detailed information on the department's website on recent contract awards and upcoming business opportunities.

Your agency plan, according to EO 22-01, should already be implemented. How has your plan aided in your efforts to increase your agency plan from last year?

To increase small business, and minority-, women- and veteran-owned business participation in WSDOT contracting and consulting, the agency developed and implemented the <u>State-Funded</u> <u>Contracts - Diversity Roadmap</u>. Many small firms are also minority-owned or women-owned businesses, and increased use of small businesses will therefore benefit diverse firms. Following the Diversity Roadmap in 2024, WSDOT developed new certification rules for the Small and Veteran Business Enforceable Goals program. This standardized certification with the state Office of Minority & Women's Business Enterprises and allowed for contract goals up to 20%, depending on project conditions. Following the 2024 Disparity Study results and recommendations, WSDOT will continue developing new efforts to increase the use of diverse businesses on state-funded contracts.

Did your agency's spend decrease for FY24? If so, what was the reason(s)? What perceived barriers did you face?

Although WSDOT anticipates no decrease in spending on diverse-business relations or support for FY24, the agency continues to seek ways to improve the use of diverse firms in Washington. Recommendations from the 2024 Disparity Study include expanded opportunities for smaller contracts, increased bonding assistance, and increased technical assistance for Black-owned businesses.

What new efforts are you going to implement to try to increase your spending with small-minority and women-owned businesses?

The 2024 Disparity Study recommended that WSDOT enhance diverse-business programs. The agency is considering multiple efforts including:

- Enhancing race- and gender-neutral measures.
- Revising the eligibility standards for the minority, small, veteran, and women's business enterprise programs for state-funded contracts.
- Using the DBE availability estimates to set the Small Business Enterprise and Veterans Business Enterprise contract goals.
- Expanding the small works roster set-aside from \$300,000 to \$500,000.
- Supporting consulting firms' relationships with DBEs by permitting markups.

- Expanding the Capacity Building Mentorship Program.
- Increasing resources to enhance DBE surety bonding limits.
- Targeting support for North American Industry Classification System codes, in which Black-owned DBEs do not fully participate,
- Using the study to set the triennial DBE goal for Federal Highway Administration- and Federal Transit Administration-funded contracts.
- Using the study to set DBE contract goals and consider using above-contract goals in evaluating good faith efforts.
- Enhancing DBE Program policies and procedures.
- Developing new performance measures for program success.