

# Supplier Diversity Inclusion Plan

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## **DES' plan to increase participation of small minority-, women- and veteran-owned firms.**

At DES, business diversity is championed at the very top of the organization. DES Director Chris Liu, Deputy and Assistant Directors, Business Diversity Managers and staff regularly are in the community and connecting with diverse businesses.

Statewide Results Washington goals and DES goals aim to increase utilization in contracting and procurement to:

- 10% for minority owned businesses;
- 6% for women owned businesses; and
- 5% for veteran owned businesses.

In FY 2017, DES spent \$143,883,242 on goods, services, and construction. Enterprise Services had 1.26% utilization with small minority-, women-, and veteran-owned businesses (.01% for minority-owned, .08% for minority/woman-owned, .73% for women-owned, and .28% for veteran-owned). DES established the following Plan to bridge the gap between actual performance and the goals articulated in Results Washington as well as DES agency goals.

## **GOAL 1: Increase the number of diverse businesses on master contracts and internal contracts through early identification of procurement needs, market research, and business engagement.**

**Strategy 1:** Proactively identify contracting and procurement needs in state master contracts and regularly and thoughtfully ensure upfront, proactive diverse business engagement.

### **Action Steps:**

Identify planned procurements and inclusion strategy:

- Develop forecast for master contracts through June 2019.
- Conduct preliminary evaluation (“Master Contract Redetermination”) process on all upcoming contracts to determine if they meet business criteria to continue to provide as a state master contract.
- For those continuing as a state master contract, conduct market research, customer and diverse business engagement strategy and timeline, including hosting pre-development industry conferences, as applicable.
- Confirm procurement strategy including procurement approach:
  - In state
  - Through a cooperative contract
  - Using unbundling considerations
- Confirm diverse business inclusion strategy for each procurement.
- Communicate procurement forecasts and engagement opportunities with customers and business community.

- Develop focused, contract-specific, diverse business procurement training sessions based on master contract rebid forecast, to increase diverse business participation.

**Strategy 2:** Proactively identify contracting and procurement needs for Enterprise Services agency procurements and engage diverse businesses.

**Action Steps:**

Identify planned procurements and inclusion strategy:

- Work with internal DES programs to proactively create a DES contracting and/or purchasing estimated forecast through June 2019, based on review of current or past contracts and historical, predictable or repeatable program business purchasing needs.
- Develop process for internal procurement planning for all internal contracts.
- Develop a change management and culture strategy for bringing programs and procurement together to create proactive, preplanned, better value contracts that look at diverse businesses as a priority consideration.
- Confirm diverse business inclusion strategy for internal procurements.
- Develop market research, enterprise services program engagement, and diverse business engagement strategy and timeline.

**Strategy 3:** Develop training program, implementation strategy, and metrics for on-going success for early and effective engagement with diverse businesses at all levels.

**Action Steps:**

- Develop diversity foundational training program with agency stakeholders and subject matter experts on the value of market research and best practices, including DES program purchasers, program contract managers and end users who will best effect change across the agency.
- Determine if additional training is needed to support agency changes in how we do business.
- Develop metrics for forecasting, engagement, and inclusion.

**GOAL 2: Increase utilization of diverse business through contractor required inclusion plans.**

**Strategy 1:** Inclusion plans in public works contracts.

**Action Steps:**

- Require inclusion plans in all public works contracts estimated at over \$500,000.
- Track results using software system B2GNow.
- Provide employee training, tracking, and accountability for achieving results.
- Enhance inclusion plan processes such as offering points on bid evaluations, evaluating past performance, and training programs.

**Strategy 2:** Inclusion plans in goods and services contracts.

**Action Steps:**

- Pilot inclusion plans in master contracts.
- Develop templates, guidance documents, and training for contracts and procurement staff.
- Develop and implement early engagement with industry and diverse subcontractors.
- Implement tracking and reporting mechanism.

**GOAL 3: Increase utilization of diverse business by engaging diverse vendors on master contracts.**

**Strategy 1:** Implement program for engaging diverse business on master contracts.

**Action Steps:**

- Use current Strategic Plan for engaging diverse businesses on master contracts.
- Pilot strategies in the Buildings and Grounds division at Enterprise Services.
- Evaluate best practices from pilot as well as opportunities for expanding program throughout Enterprise Services.

**GOAL 4: Building trust and opportunity through community engagement and targeted recruitment.**

**Strategy 1:** Form the Business Diversity Advisory Group for Enterprise Services goods and services procurements to help DES improve its processes for including diverse businesses in procurement strategies and to gain feedback on opportunities for building enhancements for greater inclusion.

**Action Steps:**

- Develop charter for Business Diversity Advisory Group (BDAG).
- Launch invitation to small and diverse business community to participate as members.
- Launch monthly advisory meetings.
- Utilize BDAG to assist with identifying contract specific pre-development industry conference and procurement training sessions, as identified in Goal 1 above.

**Strategy 2:** Actively engage with the diverse business community.

**Action Steps:**

- Work with DES Marketing Team, CPRM Events Committee, and Marketing and Relationship Manager to connect businesses and upcoming opportunities, such as proactively conducting annual external events and activities, and creating commodity-focused specialized events for opportunities for meaningful engagement, education, awareness and matchmaking.
- Monthly meetings: Continue membership and participation in monthly meetings on minority business, construction, and design services including, but not limited to the National Association of Minority Contractors, Tabor 100, Washington Construction Design Entrepreneurs, etc.

- Reverse Tradeshows and special events: Continue presenting, training, and connecting with businesses, but with a more focused, intended approach, at annual tradeshows, special events, and programs that assist DES in reaching diverse businesses (examples include Alliance Northwest, Tribal Business and Contractor Outreach, Pierce County Purchasing Forum, North Puget Sound Small Business Summit).
- Advertising: DES regularly presents as part of the Commission on Hispanic Affairs Radio Outreach in Spanish.
- Limited English Proficiency: DES also contributes to cultural competency and Limited English Proficiency through investment in annual translation of the Washington Small Business Guide into Spanish, Russian, Vietnamese, Korean, and Traditional Mandarin Chinese.

**Strategy 3:** Lower barriers to doing business with the state by working with other agencies to improve the experiences of diverse businesses when working with state regulatory requirements.

**Action Steps:**

- DES collaborates with several agencies in consortium with the Governor’s Office of Regulatory and Innovation Assistance (ORIA) to assist small businesses with meeting regulatory requirements. By working with agency small business liaisons, DES is able to help develop small and diverse businesses for successful business in the state of Washington, including the possibility of providing goods or services to Washington state programs<sup>1</sup>.

**GOAL 5: Monitor utilization of diverse businesses in Goods and Services and Public Works monthly to better identify challenges and solutions throughout the year.**

**Strategy:** Regularly monitoring DES progress in order to identify growth opportunities and adjust strategies.

**Action Steps:**

Program progress: DES diversity team leads weekly huddles with executive leadership to address barriers to program implementation and diverse business utilization.

Goods and Services spending: DES manually pulls monthly reports out of Agency Financial Reporting System (AFRS) showing DES goods and services utilization of small and diverse businesses. DES also pulls quarterly contract usage reports for diverse firms on master contracts. Continue to work with OFM and One Washington to work toward a successful eProcurement system to assist with tracking diverse spend across the state through future tools that will help identify strengths and gaps at a much more detailed level.

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<sup>1</sup> Under Executive Order 12-01

Public Works spending: DES implemented automated inclusion reporting in public works for prime and subcontractor payments to small and diverse businesses in the software system B2GNow. Project managers meet with primes weekly to go over their inclusion efforts.