

# Executive Summary

The Capital Projects Advisory Review Board (CPARB) has compiled recommended practices and guidelines to sustain and increase opportunities in public works contracting for minority-, women-, and veteran-owned businesses and small businesses (small and diverse businesses) by addressing barriers to accessing opportunities, capital, and training. The recommendations identify five groups with the power to make changes: public owners, prime contractors, small and diverse businesses and organizations that exist to support them, and the Legislature.

Creating meaningful change requires an expanded view of equity and access in public contracting. Progress on equity stalled over the past 20 years, and that cannot be repeated. All parties involved in public contracting must acknowledge, examine and tackle the proven disadvantage caused by inequity. This will ensure firms have what they need to develop and thrive, compete, and become first choice in public works.

The State of Washington is a diverse state with 39 counties with differing demographic densities and capital investment levels facing different economic and geographical barriers to equity and diversity in alternative and public works contracting. In some regions the greatest challenge is building connections and support for businesses to engage with public owners. In other regions, an established pool of small and diverse businesses needs support to thrive, grow and be competitive in projects.

To this end, the board focused on access to opportunities, access to capital, and access to training as fundamental areas to improve in making small and diverse businesses first choice. The report attempts to answer the following questions for each category:

- What are the most impactful barriers?
- What can each of us do to make the future better?
- Are there changes to be considered by the legislature?
- How do we hold ourselves accountable?

Within Access to Opportunities, many barriers have been identified through previous reports such as the 2019 statewide disparity study. Opportunities include networking/outreach, pipeline, and rosters. Supporting small and diverse businesses in their development will create a healthier, more efficient and more competitive environment for design and construction in public works and the Washington state economy.

Within Access to Capital, opportunities exist to support small and diverse businesses' access to capital through all phases of a business's involvement, before, during and after contract signing. The committee identified areas where each of the five groups can proactively work within current statutes to ensure small and diverse businesses have access to the capital they need to thrive and grow. Further legislative effort around prompt pay, bonding, and defining of small business for the purpose of support programs would provide avenues to further allowable tools in practical ways, supporting small and diverse design and construction businesses in their development and capitalization.

Access to training opportunities for small and diverse businesses are abundant, but can be daunting and confusing. Legislative action could create coordination to make opportunities accessible in a central location and identify gaps and overlap between them. Trainings should also be targeted towards businesses' actual needs, including on-the-job components to put learning into practice, and track and measurable outcomes. Trainings for public agency and prime contractor staff should focus on inclusion in contracting to ensure all staff on a project understand the importance of inclusion goals and plans and how to implement them.

The purpose behind all these recommended practices is to change the hearts, minds and culture of public agencies, contractors, and the construction industry while at the same time empowering small and diverse businesses to develop and grow, and create a Washington State design and construction environment where they are safe to become first choice contractors in public works.

## **Executive Summary**

## **Diverse Business as First Choice**

## **Access to Opportunities**

**Owners**

**Prime Contractors/Consultants**

**Small and Diverse Business/Support Organizations**

**Legislative**

## **Access to Capital**

**Owners**

**Prime Contractors/Consultants**

**Small and Diverse Business/Support Organizations**

**Legislative**

## **Access to Training**

**Owners**

**Prime Contractors/Consultants**

**Small and Diverse Business/Support Organizations**

**Legislative**

## **Resources/References**