

## Business Equity/Diverse Business Inclusion Committee Capital Projects Advisory Review Board

23 July 2021

Committee focus:

- Comprehensive review of RCW 39.10 with the lens of equity (include RCW 39.04 & 39.80).
- Create consistency in statutory language.
- Evaluate and bring forth effective strategies and opportunities for firms to compete.

<input checked="" type="checkbox"/> Olivia Yang	Washington State University	CPARB /Committee Member
<input checked="" type="checkbox"/> Santosh Kuruvilla	Exeltech	CPARB /Committee Member
<input type="checkbox"/> Lisa Van der Lugt	OMWBE	CPARB /Committee Member
<input type="checkbox"/> Bill Frare	DES	CPARB /Committee Member
<input checked="" type="checkbox"/> Irene Reyes	The Glove Lady	CPARB /Committee Member
<input checked="" type="checkbox"/> Janice Zahn	Port of Seattle	CPARB /Committee Member
<input type="checkbox"/> Jackie Bayne	WSDOT OEO	Committee Member
<input type="checkbox"/> Cheryl Stewart	Inland Northwest AGC	Committee Member
<input checked="" type="checkbox"/> Chip Tull	Hoffman Construction	Committee Member
<input checked="" type="checkbox"/> Aleanna Kondelis	Akana	Committee Member
<input checked="" type="checkbox"/> Brenda Nnambi	Sound Transit	Committee Member
<input type="checkbox"/> Linda Womack	MBDA	
<input type="checkbox"/> Bill Dobyms	Lydig	CPARB
<input checked="" type="checkbox"/> Bobby Forch	Forch Consulting	
<input type="checkbox"/> Lily Keefe	Sound Transit	
<input type="checkbox"/> Cathy Robinson	City of Lynnwood	
<input type="checkbox"/> Sarah Erdman	OMWBE	
<input checked="" type="checkbox"/> Shelly Henderson	Mukilteo School District	
<input type="checkbox"/> Van Collins	ACEC Washington	
<input checked="" type="checkbox"/> Cathy Ridley	Exeltech	
<input checked="" type="checkbox"/> Maja Huff	Washington State University	
<input checked="" type="checkbox"/> Keith Michel	FORMA	
<input type="checkbox"/> Jerry Vanderwood	AGC	
<input checked="" type="checkbox"/> Jolene Skinner	L&I	
<input checked="" type="checkbox"/> Charles Wilson	Department of Enterprise Services	Delegate for Bill today
<input checked="" type="checkbox"/> Stephanie Caldwell	Absher Construction	
<input checked="" type="checkbox"/> Carrie Whitton	FORMA	

## AGENDA

Item	Purpose	Start
Welcome and committee member introductions	Information	10:00 am
Review & approve agenda	Action	10:05 am
Review & approve 6/25/21 meeting minutes	Action	10:10 am
Invitation to the public to participate	-	10:15 am
Report from External Stakeholders Co-Chairs	Discussion	10:20 am
Report from Best Practices Co-Chairs	Discussion	10:50 am
Review & Confirm Kanban	Action	11:20 am
"Final word" (from committee members)	Discussion	11:40 am
Adjourn	Action	12:00 pm

# **Business Equity/Diverse Business Inclusion Committee Capital Projects Advisory Review Board**

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## **DIGITAL CONFERENCE ACCESS**

The committee meeting will be conducted entirely by Zoom digital conferencing.

Online <https://wsu.zoom.us/j/97615048848>

Meeting ID: 976 1504 8848

Join by telephone

Dial: US: +1 253 215 8782 or +1 669 900 9128 or +1 646 558 8656

Meeting ID: 976 1504 8848

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## **MINUTES**

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### **Item: Welcome and committee member introductions**

- Call to Order
- Quorum confirmed -- 8 appointed committee members
- Aleanna, Irene, Janice, Chip, Santosh, Olivia, Brenda, and Charles (representing Bill)

Action by: BE/BDI Committee

Status: Approved and complete

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### **Item: Review & approve agenda**

- Agenda Approved.

Action by: BE/BDI Committee

Status: Approved and complete

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### **Item: Review & approve 5/28/21 meeting minutes**

- No updates required

Action by: BE/BDI Committee

Status: Approved and complete

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### **Item: Subcommittee Report – Best Practices**

- Aleanna presented Diversity and Inclusion Matrix (aka measles chart). Chart is comparing available disparity studies and recommendations, listing assignments for the subcommittee work groups.
- Looking for volunteers and call for recruitment for items in the matrix that need a leader.
- Feedback requested from anyone willing to provide feedback – invited to do so in the document in the Teams site. We would welcome all voices and perspectives.
- Bobby Forch invited to join Contracts Issues Work Group.
- Topic of business culture discussed.

Action by: Aleanna – revisit nomenclature within the Matrix at next subcommittee meeting. Olivia - invite Bobby to the Contracts Issues Work Group reoccurring meetings.

Status: Active

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### **Item: Subcommittee Report – External Stakeholders**

- Welcoming anyone who would like to join the committee.
- Working closely with the Best Practices Subcommittee to be sure that all barriers are being included.
- Presented report from subcommittee.
- Asking for people to report to this subcommittee any challenges as they are heard. Provide your opinions, they are welcome. A simple email would suffice.
- Bobby Forsh has committed to contributing to both subcommittees.
- Discussed the intent to send out a survey once CPARB permission received, hopefully in September, to

## **Business Equity/Diverse Business Inclusion Committee Capital Projects Advisory Review Board**

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obtain feedback as to the accuracy of the challenges we have identified.

Action by: Irene  
Status: Active

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Item: **Review & Confirm Kanban**

- Santosh showed updated Kanban.

Action by: Santosh  
Status: Active

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Item: **"Final word" (from committee members)**

- Appreciate the leadership work on this committee and subcommittee.

Action by: Committee  
Status: Active

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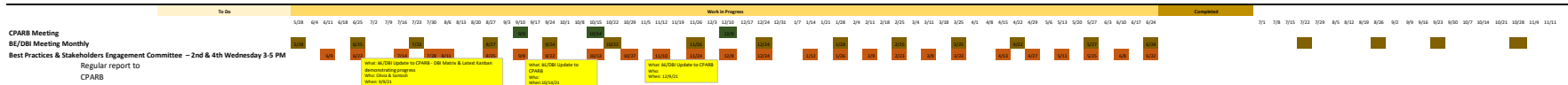
Adjourn 11:28

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**Zoom Meeting Recorded.**

**Record of Zoom Meeting Chat:**

- **Janice Zahn**26:07  
Hello everyone. Sorry to be late.
  - **Stephanie Caldwell**31:19  
Are the committee reports available to the public?
  - **Stephanie Caldwell**33:43  
Thank you.
  - **Jolene Skinner, L&I**56:34  
I have to jump to another meeting and will be back in a little bit.
  - **Santosh Jacob Kuruvilla**56:51  
Thank You Jolene
-



Task	Start Date	End Date	Who
Identify groups/associations and point person	5/09	5/15	Who: Orlan & Linda When: 5/09
Identify and Gather Barriers	5/15	5/22	Who: Orlan & Linda When: 5/15
Identify and Gather Working Solution/Best Practices	5/22	5/29	Who: Orlan & Linda When: 5/22
Committee Recommendations for Vetted Barriers and Solutions	5/29	6/05	Who: Orlan & Linda When: 5/29
Gather KRAs and KPIs?	6/05	6/12	Who: Orlan & Linda When: 6/05

Still being developed.....  
Comments are welcome!

Task	Start Date	End Date	Who
Best Practices (Chairs - Aleanna Kondellis and Brenda Nambi)	6/12	6/19	Who: Aleanna Kondellis When: 6/12
Best Practice Manual Work Group Activity	6/19	6/26	Who: Aleanna Kondellis When: 6/19

Task	Start Date	End Date	Who
Best Practices Manual Work Group Activity	6/26	7/03	Who: Aleanna Kondellis When: 6/26
Best Practice Manual Work Group Activity	7/03	7/10	Who: Aleanna Kondellis When: 7/03
Best Practice Manual Work Group Activity	7/10	7/17	Who: Aleanna Kondellis When: 7/10
Best Practice Manual Work Group Activity	7/17	7/24	Who: Aleanna Kondellis When: 7/17
Best Practice Manual Work Group Activity	7/24	7/31	Who: Aleanna Kondellis When: 7/24
Best Practice Manual Work Group Activity	7/31	8/07	Who: Aleanna Kondellis When: 7/31
Best Practice Manual Work Group Activity	8/07	8/14	Who: Aleanna Kondellis When: 8/07
Best Practice Manual Work Group Activity	8/14	8/21	Who: Aleanna Kondellis When: 8/14
Best Practice Manual Work Group Activity	8/21	8/28	Who: Aleanna Kondellis When: 8/21
Best Practice Manual Work Group Activity	8/28	9/04	Who: Aleanna Kondellis When: 8/28
Best Practice Manual Work Group Activity	9/04	9/11	Who: Aleanna Kondellis When: 9/04
Best Practice Manual Work Group Activity	9/11	9/18	Who: Aleanna Kondellis When: 9/11
Best Practice Manual Work Group Activity	9/18	9/25	Who: Aleanna Kondellis When: 9/18
Best Practice Manual Work Group Activity	9/25	10/02	Who: Aleanna Kondellis When: 9/25
Best Practice Manual Work Group Activity	10/02	10/09	Who: Aleanna Kondellis When: 10/02
Best Practice Manual Work Group Activity	10/09	10/16	Who: Aleanna Kondellis When: 10/09
Best Practice Manual Work Group Activity	10/16	10/23	Who: Aleanna Kondellis When: 10/16
Best Practice Manual Work Group Activity	10/23	10/30	Who: Aleanna Kondellis When: 10/23
Best Practice Manual Work Group Activity	10/30	11/06	Who: Aleanna Kondellis When: 10/30
Best Practice Manual Work Group Activity	11/06	11/13	Who: Aleanna Kondellis When: 11/06
Best Practice Manual Work Group Activity	11/13	11/20	Who: Aleanna Kondellis When: 11/13
Best Practice Manual Work Group Activity	11/20	11/27	Who: Aleanna Kondellis When: 11/20
Best Practice Manual Work Group Activity	11/27	12/04	Who: Aleanna Kondellis When: 11/27
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Best Practice Manual Work Group Activity	12/11	12/18	Who: Aleanna Kondellis When: 12/11
Best Practice Manual Work Group Activity	12/18	12/25	Who: Aleanna Kondellis When: 12/18
Best Practice Manual Work Group Activity	12/25	1/01	Who: Aleanna Kondellis When: 12/25
Best Practice Manual Work Group Activity	1/01	1/08	Who: Aleanna Kondellis When: 1/01
Best Practice Manual Work Group Activity	1/08	1/15	Who: Aleanna Kondellis When: 1/08
Best Practice Manual Work Group Activity	1/15	1/22	Who: Aleanna Kondellis When: 1/15
Best Practice Manual Work Group Activity	1/22	1/29	Who: Aleanna Kondellis When: 1/22
Best Practice Manual Work Group Activity	1/29	2/05	Who: Aleanna Kondellis When: 1/29
Best Practice Manual Work Group Activity	2/05	2/12	Who: Aleanna Kondellis When: 2/05
Best Practice Manual Work Group Activity	2/12	2/19	Who: Aleanna Kondellis When: 2/12
Best Practice Manual Work Group Activity	2/19	2/26	Who: Aleanna Kondellis When: 2/19
Best Practice Manual Work Group Activity	2/26	3/05	Who: Aleanna Kondellis When: 2/26
Best Practice Manual Work Group Activity	3/05	3/12	Who: Aleanna Kondellis When: 3/05
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Best Practice Manual Work Group Activity	3/19	3/26	Who: Aleanna Kondellis When: 3/19
Best Practice Manual Work Group Activity	3/26	4/02	Who: Aleanna Kondellis When: 3/26
Best Practice Manual Work Group Activity	4/02	4/09	Who: Aleanna Kondellis When: 4/02
Best Practice Manual Work Group Activity	4/09	4/16	Who: Aleanna Kondellis When: 4/09
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Best Practice Manual Work Group Activity	4/02	4/09	Who: Aleanna Kondellis When: 4/02
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Barrier (setting priorities) (non-legislative preference)  (x) = External Engagement Subcommittee Identification of barriers	Barrier Description RCW 39.10, 39.04	Working Solution/Best Practice	Committee Recommendation (vetted barriers and solutions)	Lead	Disparity Study/Study					
					DES/OMWB E -2019	Local Govt (MRSC) -2020	Sound Transit -2020	Port of Seattle -2019	WSDOT -2017	City of Tacoma -2018
<b>Section 1: Planning ("start early")</b>										
Outreach (external and internal, engagement, stakeholders) (1)	Too many and inconsistent definitions and options for outreach, diverse businesses, and subcontractors, don't know where to put their valuable time and effort.	<ol style="list-style-type: none"> <li>Standardize outreach definitions</li> <li>Combine efforts between owners, professional organizations, diverse business community</li> <li>Good faith efforts separated from good business practices (see UW guidance to contractors)</li> </ol>		Irene/Linda	X	X	X	X	X	X
Networking (network access, no "old boy network") (1)	Small, diverse businesses excluded from "inner circle" of construction network. Long-standing partner peers.	<ol style="list-style-type: none"> <li>Resources to increase network</li> <li>Resources to access network</li> <li>Similar # of representatives on boards and committees/decision making bodies (not one token diverse)</li> <li>How to use professional organization and advocacy groups</li> </ol>		Chip/Lily						
Internal policies (SOPs, programming)  <i>See also Inclusion Plans and Contract Language</i>	<ul style="list-style-type: none"> <li>Owner and prime contractor lack useable policies and intentional, actionable strategies for diverse business inclusion practices; observed few and far between, and inconsistent</li> <li>Owners often have conflicting procurement priorities that make it hard for target markets to prepare (11)</li> </ul>	<ol style="list-style-type: none"> <li>Develop or highlight examples of SOPs</li> <li>Central repository/links for existing</li> <li>Professional training/consultants</li> <li>OMWBE Public Works Action Committee draft policies</li> <li>City of Seattle</li> <li>Sound Transit</li> <li>Port of Seattle</li> </ol>		Aleanna/Brenda	X	X	X	X	X	X
Contract Sizes and Scopes ("right-sizing", aka "unbundling") (4) (8)	<ul style="list-style-type: none"> <li>Contract sizes and scopes, do not match the target diverse business market</li> <li>Mega projects not broken down appropriately</li> <li>Work distribution confused with programming and funding</li> </ul>	<ul style="list-style-type: none"> <li>Develop advice on how to right-size contracts based on target audience and availability</li> <li>Develop advice to Primes on GC/CM packaging and low-bid tips and tricks</li> </ul>		Aleanna GC/CM Best Practices	X			X	X	X
Shared Rosters	<ul style="list-style-type: none"> <li>Being on several rosters with dozens of other businesses yield very little opportunity to compete for small-work; would be easier on the paperwork and monitoring if all owner use the same rosters...by type</li> <li>Rosters are not limited to small, diverse businesses, so diverse firms are still "competing" against large primes</li> <li>Statutes sill require all interested eligible firms to be on rosters, with very little room to limit firms on the roster or limit competition within a contracting program</li> </ul>	<ol style="list-style-type: none"> <li>Develop non-legislative tips for using rosters more effectively</li> <li>Encourage the use of MRSC for small works</li> <li>Discuss based on owner size</li> <li>Look at legislative changes that may help further the efficiency of small works and A/E rosters.</li> </ol>		Olivia/Van  MRSC		X				
Forecasting (4)	There is not enough notice of upcoming work so diverse businesses, and their partners have time to plan and team in a meaningful way	<ol style="list-style-type: none"> <li>Support Owners in standardizing their capital plans and budgets</li> <li>DES</li> <li>City of Seattle</li> </ol>								
Goal Setting  <i>See legal comments</i>	Inclusion goals are generic and not thoughtful to the project, scope, size, and firm availability. The result is unrealistic inclusion processes. Many owner's and prime do not know how to set goals or are counseled not to	<ol style="list-style-type: none"> <li>Federal goal setting policies</li> <li>City of Seattle approach</li> <li>Sound Transit Approach</li> </ol>		Aleanna/Brenda	X		X	X	X	X
Owner develops compliance team	Many owner contracting and delivery teams are not trained and do not know how to administer diverse business inclusion policies. Many owners do not have contract compliance staff and therefore and efforts or contract requirements are not enforced, in some cases not reviewed at all.	<ol style="list-style-type: none"> <li>City of Seattle</li> <li>Sound Transit</li> <li>King County</li> <li>Port of Seattle</li> </ol>		City of Seattle	X					



Advertisement and solicitations (4)	<ul style="list-style-type: none"> <li>Short solicitations times</li> <li>Confusing processes</li> <li>Not enough information for new firms to understand the process or how to be responsive</li> <li>Inconsistent advertising policies</li> <li><b>No consistency in posting bids and opportunities</b></li> </ul>	<ol style="list-style-type: none"> <li>Samples and examples of advertisement and solicitation documents</li> <li>Samples and examples of advertisement and solicitations by contract type and size.</li> </ol>								
<b>Section 3: Contract Requirements</b>										
Bonding (9)	Diverse firms not able to bond per project spec	<ul style="list-style-type: none"> <li>Sample contract flow-down provisions</li> <li>Town-hall with bonding companies</li> </ul>		Olivia/Van	X	X	X	X	X	X
Insurance (9)	Diverse firms not able to insure per project spec	<ul style="list-style-type: none"> <li>Sample contract flow-down provisions</li> <li>Town-hall with insurance companies</li> </ul>		Olivia/Van	X	X	X	X	X	X
Indemnification	Firms asked to indemnify design and owner beyond available underwriting.	Sample language per contract type, with description of what and how to adjust education and training		Olivia/Van						
Inclusion Plans (EEO)	Not all owners are using Inclusions Plans and know how to use them Primes are not using them for larger packages No enforcement of Inclusion Plans	<p>Samples and SOPS</p> <ol style="list-style-type: none"> <li>WSDOT</li> <li>City of Seattle</li> <li>DES</li> <li>Sound Transit</li> <li>King County</li> <li>Port of Seattle</li> </ol>		Aleanna/Bobby Owners	X					
Solicitation Times (4) <i>(See Advertisement and solicitations)</i>	<ul style="list-style-type: none"> <li>Solicitation times are too short and overlap other deliverable timeframes.</li> <li>Unfair advantage to incumbents that can dust off their previous winning submission.</li> </ul>	Guide and policy samples			X	X	X	X	X	X
Prompt Pay/Quick Pay (change orders?) (12)	Lower tier subs are often waiting 120 days+ to receive payments because of the layers of flow from owner to prime and so on. This puts a large constraint on businesses at lower tier to essentially fund the work on credit.	<ol style="list-style-type: none"> <li>Statute support – 30 days, interest</li> <li>Federal requirements</li> <li>Prime pays regardless of being paid by the Owner (City of Seattle)</li> <li>Lower tiers pay-when-paid (not 7 days)</li> <li>ACH leverage</li> </ol>		Olivia/Van	X	X	X	X	X	X
Experience Requirements (4)(10)	Experience requirements are unrealistic unless you already have contracts with an agency. Incumbents the only ones who can win. (e.g. 5 years' experience with a public agency of "x" size, etc.) Flow-down provision misunderstanding	<p>Draft experience guidelines that are scalable given the risk of the contract.</p> <ol style="list-style-type: none"> <li>City of Seattle</li> <li>University of Washington</li> <li>Port of Seattle</li> </ol>			X					
"Bid Shopping"/bait n switch (14)	During bid/solicitation phase firms are courted and asked to provide works and contributions; then upon Award of contract Prime seeks other firms, rebids, claims pricing problems, etc Also, teaming agreements (we hired you to do...track it, perform.)	<ol style="list-style-type: none"> <li>Teams agreements and inclusion plans required as part of the process</li> <li>No changes unless approved by the owner</li> <li>Any inclusion plan names are conditions of award</li> <li>City of Seattle has a process</li> <li>Federal Programs has a process</li> </ol>		Olivia/Van						
Scoring and Debriefs (4)	<ul style="list-style-type: none"> <li>Scoring not consistent with solicitations and appears the "favorite" was picked.</li> <li>Often debriefs are not helpful to non-successful firms on how to really improve.</li> </ul>	<p>Samples</p> <ol style="list-style-type: none"> <li>City of Seattle</li> <li>UW</li> <li>Sound Transit</li> <li>DES (?)</li> </ol>		DES						
<b>Section 4: Monitoring, Reporting, Tracking</b>										
Data Collection System (BDMS, B2G)	No one is collecting inclusion data consistently and accessible to the public	<ol style="list-style-type: none"> <li>OMWBE/BDMS/One-Washington</li> <li>PRC/CPARB summaries</li> </ol>		Aleanna/Brenda	X	X	X	X	X	X

<p>Enforcement (even "private" terms) (5)</p> <p>(See also inclusion plans)</p>	<p>Many diverse firms are asked to "team" during solicitation to get diversity points, asked to be named on teaming agreements and inclusion plans and then once work is won are told by primes that the budget or project must go with another approach or firm, etc.</p>	<p>Substitution requirements extend to teaming agreements, and must use evidence-based to remove or substitute team members or risk termination</p> <ol style="list-style-type: none"> <li>1. Federal</li> <li>2. WSDOT</li> <li>3. City of Seattle</li> </ol>		<p>Olivia/Van</p>	<p>X</p>					
<p>Contractor Performance/Evaluation Programs (5)</p>	<p>For Inclusion Plans to be material to award and contracting, there must be evaluation and enforcement programs with scoring and/or consequence to not making the grade</p>	<ol style="list-style-type: none"> <li>1. Federal programs</li> <li>2. City of Seattle</li> <li>3. UW</li> </ol>		<p>Olivia/Van</p>						
<p>Reporting Type</p>	<p>The State might be more data if there were sample reports and types of reporting protocols that Owners/Primes could follow</p>	<p>Samples and examples</p>								
<p>Business Growth Monitoring (9)</p> <p>See also, inclusion and utilization monitoring</p>	<p>No metrics/reports are available for understanding if diverse business inclusion is working and diverse businesses are growing. <b>We need to know the "best practices" are working.</b></p>	<p>(Testimonial – Adept Mechanical)</p>		<p>BDEI Committee</p>				<p>X</p>		<p>X</p>
<p>CPARB/PRC Application</p>	<p>Recommendation that owner's wanting to use alternative public works and/or be certified to use the tools should show internal controls and increasing evidence of diverse business inclusion in their capital portfolio.</p>	<p>Application language should be suggested, and PRC process revisited.</p>		<p>Janice Zahn/Bill Dobyns</p>						
<p>Data Collection Process</p>	<p>No internal controls or practices for collecting data</p>	<p>See other similar topics</p>		<p>Aleanna/Brenda</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>	<p>X</p>
<p><b>Section 5: Discrimination and Harassment</b></p>										
<p>Women-owned firm inequity (2)</p>	<p>Women/minority-owned firms are less likely to receive awards over their white and male counterparts.</p>	<ol style="list-style-type: none"> <li>1. Port of Seattle</li> <li>2. Sound Transit</li> <li>3. City of Seattle</li> </ol>								
<p>Workplace Safety (antiharassment, violence) (3)</p>	<p>Employees of color and women often are victims of violence, harassment, hazing and other forms of inappropriate treatment</p>	<ol style="list-style-type: none"> <li>1. Site safety protocols</li> <li>2. See something say something</li> </ol>		<p>City of Seattle</p>						
<p>Retaliation and Retribution (4)</p>	<p>When complaints are filed regarding bid processes, etc. businesses that complain are "black-balled" or ignored and labeled as a nuisance, left out of processes...or much worse</p>	<p><b>Federal processes, federal laws</b></p>								

How do we prioritize and understand the consistency between the recommendations?



Report External Stakeholders Sub-Committee July 14, 2021

## Disparity Study Qualitative Findings

(The numbers in red text are the Qualitative Findings of the Disparity Study, and the bulletized points are the various challenges the team added. The last few highlighted in green were added to capture most comments we have compiled.)

1. M/WBEs experience negative bias & exclusion from networks.
  - Attending networking events, acceptance in the “good old boys” network
  - Identifying which trade associations to join and meetings to attend.
  - Prime contractors keep using preferred peers and sub-contractors.
2. Women continue to suffer from sexism, harassment & hostile work environments.
  - Men always are more than likely to be awarded contracts.
  - Caucasians are sometimes the front companies.
3. Blacks reported some instances of worksite harassment and bullying.
  - There is a vital need to stop systemic racism in the workplace and contracting.
4. Most M/WBEs reported it is extremely difficult to obtain work on State projects.
  - Labeled as not big enough for the project based on number of employees.
  - Retribution and Retaliation (past complaints about bid process)
  - Responding to Bids and Solicitations
  - Experience Requirements
  - Not big enough based on size or revenues.
  - Identifying the Influencer and the Official Decision makers in a project.
  - Solicitation and bid short due dates.

- Non-responsive Individual points of contact from owners and prime contractors
- Small firms found it difficult to access contracting information.
- Contracts were often too large for small firms.
- No State Procurement Project Forecast
- Retired Former Public Employees are becoming mwbe/business owners and are directly competing with their former MBE customers or vendors.

5. M/WBE certification conferred few benefits.

- Lack of benefits to MWBE
- No goals set aside for certified firms.
- No measurements of accountability when Primes and Owners do not utilize MWBEs.
- No OMWBE representative is identified as an advocate in construction.
- Need an agency to police and monitor results and hold people accountable.

6. Long established firms recounted the negative impact of Initiative 200.

7. Small firms found it difficult to access contracting information. (#4)

8. Contracts were often too large for small firms. (#4)

9. Insurance, bonding

- Access to finance
- Lack of basic business financial knowledge
- Lacking the connection to insurance brokers
- Need a pool of insurance brokers and agents for the MWBEs
- Need more training about bonding.
- Some MWBEs have bad credit or no credit.
- Bond requirements are not met by MWBEs
- Bond rates are based on credit and experience.
- Some small businesses do not have an experienced bookkeeper.

10. Experience requirements (#4)

11. Antiquated & decentralized state systems are challenges.

- Conflicting procurement priorities

12. Prompt Payment (added)

13. Help in finding labor and work force in all projects. (added)
  - Union labor is costly according to others.
14. "Bait and Switch" is that a firm has been part of the bid submittal and after the prime contractor has been awarded, the prime contractor shopped around and eventually ended up replacing the MWBE Firm for a lower quote/ contract without any accountability. (added)

## **Recommendations and Suggestions by Colette and Co.**

### **M/WBE Suggestions**

- Adopt mentor-protege programs.
- Reduce contract sizes.
- Review qualification, financing, bonding & insurance requirements
- Centralize procurements.
- Adopt a race & gender-neutral small business target market program.
- Implement race- & gender-conscious contract goals; inclusion plans are not effective.

### **State Staff Suggestions**

- Increase outreach to targeted industries.
- Provide more training & resources to contracting & procurement personnel to advance equity & inclusion.
- Adopt agency specific contracting forecasts.
- Provide technical assistance & supportive services to M/WBEs.
- Review insurance & bonding requirements

### **Disparity Study Recommendations**

- Implement an electronic data collection & monitoring system.
- Examine current policies & provide best practices.
- Conduct pre-bid conferences.
- Post winning bidders/proposers to WEBS

- Conduct additional outreach efforts.
  - Conduct special outreach to M/WBEs in industries where they have received few opportunities .
  - Focus outreach on agencies with low M/WBE utilization Disparity Study Recommendations
- Increase technical assistance to M/WBEs & small firms.
- Lengthen solicitation times.
- Review contract sizes & scopes
- Raise the Direct Buy limits
- Adopt “quick pay” policies.
- Review insurance, surety bonding & experiences requirements
- Train state staff on how to increase diversity in contracting Disparity Study Recommendations
- Develop pilot race- & gender-neutral SBE programs
- Bonding & financing support
- Target Market program
- Mentor-protégé program
- Develop performance measures for success.

## Additional Reading:

# USE OF RACE- OR SEX-CONSCIOUS MEASURES OR PREFERENCES TO REMEDY DISCRIMINATION IN STATE CONTRACTING

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[Use Of Race- Or Sex-Conscious Measures Or Preferences To Remedy Discrimination In State Contracting | Washington State](#)