



Washington State
**DEPARTMENT OF
ENTERPRISE SERVICES**

SUPPLIER DIVERSITY – UNBUNDLING WASHINGTON CONTRACTS FOR GOODS/SERVICES

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PRESENTERS

Julie Aalberg
Washington State Department of
Enterprise Services

Stacia Wasmundt
Washington State Department of
Enterprise Services

OVERVIEW



- Department of Enterprise Services (DES) is the state's lead procurement agency.
- DES also procures and manages around 200 statewide contracts with around 1,500 vendors.
- DES is responsible for developing and implementing procurement policies and procedures for Washington agencies.

STATUTORY DIRECTIVE



RCW 39.26.005

Legislature intends that the state develop procurement policies, procedures, and materials that encourage and facilitate state agency purchase of goods and services from Washington small businesses.



RCW 39.26.090

Developing procurement policies and procedures, that encourage and facilitate the purchase of goods and services from **Washington small businesses, microbusinesses, and minibusiness, and minority and women-owned businesses** to the maximum extent practicable . . .



Executive Order

EO 22-01: Equity in Public Contracting requires cabinet agencies to use the Tools for Equity to improve the scope and equity of public spending in Washington

SUPPLIER DIVERSITY POLICY

POLICY ON SUPPLIER DIVERSITY

- Enterprise Services Policy No. [POL-DES-090-06](#) – Supplier Diversity
 - Effective April 1, 2023
- [Supplier Diversity Virtual Handbook](#)



Enterprise Services Policy No. POL-DES-090-06

Supplier Diversity

Applies to: Any procurement by the executive and judicial branches of state government, including state agencies, departments, offices, divisions, boards, commissions, institutions of higher education as defined in [RCW 28B.10.015](#) and correctional and other types of institutions ([RCW 39.26.010\(1\)](#)) ([RCW 39.26.100](#)) ([RCW 39.26.102](#)) governed by RCW 39.26.

Authorizing sources:

- State Law [RCW 39.26.090\(6\)](#)
- State Law [RCW 39.26.005](#)
- State Law [RCW 39.26.240](#)
- State Law [RCW 39.26.245](#)
- State Law [RCW 39.26.160\(3\)\(b\)](#)
- State Law [RCW 43.60A.200](#)
- State Law [RCW 39.26.010](#)
- [Executive Order 19-01](#)
- [Executive Order 22-01](#)
- [DES Policy 210-01](#)

Related sources:

- [Executive Order 05-03](#)

Effective date: April 1, 2023

Last update: N/A

Sunset review date: 5 years from Effective date

Approved by:  Tara C. Smith, Director


Reason for Policy

The Legislature has directed the Department of Enterprise Services to develop procurement policies and procedures that encourage and facilitate the purchase of goods and services from Washington small businesses, microbusinesses, minibusinesses, diverse, and veteran-owned businesses to the maximum extent practicable. Supplier diversity adds value such as innovation, quality improvements, efficiencies, and cost savings.

The purpose of this policy is to ensure that all procurement professionals and those with acquisition responsibilities use approved, legally compliant strategies that encourage and facilitate the purchase of goods and services from small, diverse, and veteran-owned businesses to the maximum extent possible. Agencies must take action to remove barriers that prevent small, diverse, and veteran-owned businesses from receiving equitable access to state goods and services procurements.

SUPPLIER DIVERSITY TOOLS

- C-1 – Forecasting
- C-2 – Outreach
- C-3 – Unbundling
- C-4 – Contracts under \$150,000
- C-5 – Pre-Bid Conferences
- C-6 – Solicitation/Contract Language
- C-7 – Other Strategies
- C-8 – Transparency



Open the
Market to
Small/Vet bus's

UNBUNDLING – WHAT AND WHY

- “Unbundling” is a procurement practice that separates a contract into segments like geographic area, category, type of good and/or services, and/or scope.
- The following is a direct quote from the Disparity Study:
“Unbundling” contracts into smaller segments by dollars, scopes or locations was endorsed by many firm owners as one method to provide fair access to State projects . . . It will also enhance their subcontracting opportunities.

UNBUNDLING – HOW

- A DES Worksheet that is easy to use
- Notes from practitioners – how are they doing it?

Unbundling Analysis Worksheet

Directions: Review each consideration row and select the column which best aligns with the contract scope of work. If any of the “More likely to unbundle” considerations apply, but the agency decides not to unbundle, please explain the decision below.

This worksheet must be included in contract(s) file(s).

Contract No:

Consideration	Unlikely to unbundle	More likely to unbundle
Geographic Area	Contract contains work in one location or in a nonspecific area (i.e. virtual)	Contract contains work in more than one location
Size and Complexity of the Procurement	Simple and/or small	Complex and/or large
Split by Category	One good/service	Wide range of goods/services
Split by Manufacturer	0-1 Manufacturers	Two or more manufacturers
Products and Services	One product or one service	Two or more products and/or services
Timing and Delivery of the Work	Non-flexible delivery schedule	Flexible delivery schedule

Decision: (Unbundle/Do not unbundle)

Explanation:

INFORMATION TECHNOLOGY PROFESSIONAL SERVICES (ITPS)

BACKGROUND

- Research
 - Completed 6/3/21 by Michellee Jemmott
 - Feedback incorporated from Business Consulting Solicitation
- Outreach
 - Listening to current two-tier customers and vendors
 - Business Diversity Advisory Group BDAG, plus several meetings with TABOR 100
 - Consultation with PIE Program on Equity, Inclusion and engaging small, diverse and Veteran owned vendors
 - Collaboration with the PIE team in engagement and in research techniques
 - ITPS internal team formation
- RFIs Completed
 - IT Project Management and IT Development and Information and Cyber Security Services.
 - 2nd WEBS RFI's posted for additional feedback before posting the solicitation

WHAT WE HEARD FROM STAKEHOLDERS

- 700+ vendors on the roster:
 - Qualifications, certifications and experience not verified
 - Vendors are unavailable at the time of selection
 - Vendors not receiving work
- Agencies must complete their own formal solicitation process:
 - Two-Tier Contract
 - Minimal value created

DIVERSITY AND EQUITY GOALS

- Encourage small and diverse businesses to participate in these contracts
- Remove barriers and help educate the vendor community on available resources
- In partnership with the Procurement Inclusion Equity (PIE) team and our small, diverse and certified veteran-owned businesses, our goal is to engage and encourage strong participation.

UNBUNDLING ITPS

- More opportunities for Washington small, diverse and certified veteran businesses
- ITPS re-bid will provide an opportunity for us to partner with small and certified veteran-owned businesses and allocate a specified number of reserved awards per category.
- Incentivizes larger corporations to subcontract
- Improved vetting process
- More detailed spend analysis

UNBUNDLING ANALYSIS WORKSHEET

Consideration	Unlikely to unbundle	More likely to unbundle
Geographic Area	Contract contains work in one location or in a nonspecific area (i.e. virtual)	Contract contains work in more than one location
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Decision: (Unbundle/Do not unbundle)

Explanation:

ITPS SOLICITATIONS

- Active Solicitations
 - IT Project Management (#14822)
 - IT Development (#16322)
- Upcoming Solicitations
 - Information and Cyber Security
 - IT Consulting

<https://des.wa.gov/purchase/how-use-statewide-contracts/it-professional-services-itps-contracts>

QUESTIONS

THANK YOU



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