# GLOSSARY SUPPLEMENT

# DES PROCUREMENT SUPPLIER DIVERSITY POLICY

**Effective date**: {DATE}

Definitions pertinent to the supplier diversity policy:

“Agency Leadership” is the agency head and the agency head’s direct reports. Examples include: The Executive Director, Deputy Director, Secretary, Assistant Secretary, Chief of Staff, Commissioner, Board Chair.

“Contract value” is the initial contract value.

“Disparity Study” in 2019, the State of Washington completed a disparity study that provided an in-depth analysis of what types of businesses with whom it spends money, in order to determine if any groups are underrepresented. The results of the Disparity Study help inform the State’s work to improve diversity and inclusion in government contracts, and provides a better understanding of where to focus efforts to benefit our state for generations to come.

“Forecasting” is a method used to assess and determine future needs.

“Forecasting, Supplier Diversity” is the process of identifying the industry categories where the most spending occurs in order to develop a strategy to expand diverse businesses for government contracts.

“Goods and Services” is a category of state procurement that includes products or expertise that the state purchases from a business. This category is distinct from Public Works.

“HUBZone” (Historically Underutilized Business Zones) is a program that helps small businesses in urban and rural communities gain preferential access to federal procurement opportunities. These preferences go to small businesses that obtain HUBZone certification in part by employing staff who live in a HUBZone.

“Inclusion Plan” is a detailed plan showing the actions a business will take toward meeting small and diverse business goals on a specific procurement.

“Inclusion Plan, Subcontractor” is an inclusion plan that requires a Bidder to describe its use of small, diverse, and veteran owned businesses as subcontractors and its efforts to include small, diverse, and veteran owned businesses for ancillary services that the Bidder does not directly perform. A subcontractor diversity inclusion plan may cover small and/or veteran owned businesses, or may cover only certified women and minority owned businesses.

“Minority and Women Business Enterprises (M/WBEs)” are businesses certified by the Office of Minority & Women’s Business Enterprises (OMWBE) in the state of Washington.

“Multi-Award” is a contract that allows more than one business to provide the same or similar services to the same customers in the same geographic areas, increasing availability to customers and increasing the number of businesses that can participate.

“Outreach, General” is the act of communicating, sharing information, and building relationships.

“Outreach, Targeted” is outreach conducted during the solicitation process.

“Pre-bid Conference” is a meeting held by the buyer with potential bidders/proposers prior to the opening of the solicitation for the purpose of answering questions, clarifying any ambiguities, and responding to general issues in order to establish a common basis for understanding all of the requirements of the solicitation. The pre-bid conference may result in the issuance of an addendum to all potential providers. They may be optional or mandatory; in certain situations, a mandatory conference may be advisable.

“Primary Contractor” (see also: “Supplier”) is the individual or firm that is responsible for completing the work. A subcontractor may be hired by the primary contractor to complete a certain task.

“Procurement” is purchasing, renting, leasing, or otherwise acquiring any supplies, services, or construction; includes all functions that pertain to the acquisition, including description of requirements, selection, and solicitation of sources, preparation and award of contract, and all phases of contract administration. The combined functions of purchasing, inventory control, traffic and transportation, receiving, inspection, storekeeping, salvage, and disposal operations.

“Reserved Award” is a contract that designates a number of contract awards specifically for Washington small, and/or veteran-owned businesses.

“Small business” (reference RCW 39.26.010(22): An in-state business, including a sole proprietorship, corporation, partnership, or other legal entity, that:

(a) Certifies, under penalty of perjury, that it is owned and operated independently from all other businesses and has either:

(i) Fifty or fewer employees; or

(ii) A gross revenue of less than seven million dollars annually as reported on its federal income tax return or its return filed with the department of revenue over the previous three consecutive years; or

**\*DOES NOT APPLY TO SECTIONS C1, C4(b, c, d), of the Policy and Procedure when applying a preference\*** (b) Is certified with the office of women and minority business enterprises under chapter [39.19](http://app.leg.wa.gov/RCW/default.aspx?cite=39.19) RCW.

“Solicitation” is an Invitation for Bids, a Request for Proposals, telephone calls, or any document used to obtain bids or proposals for the purpose of entering into a contract.

“Subcontractor” is a business that carries out work for the primary contractor.

“Supplier” is the primary business the state signs a contract with for a procurement. A supplier is any individual or business having a contract with a governmental body to furnish goods, services, or construction for an agreed-upon price.

“Supplier Diversity” is an intentional practice that includes specific groups based on priorities and/or law. Supplier diversity programs often look at remedying discrimination in the form of dispirit, or unintentional barriers, for groups protected under the federal civil rights act. In addition to minority- and women-owned businesses, priority areas often include veteran status and job creation. Discrimination includes both intentional and disparate impact (i.e. not intentional but resulted in discrimination, such as a business practice that prioritizes incumbent businesses if they were historically with a specific group of people).

“Unbundling” is a procurement practice that separates a contract into segments like geographic area, category, type of good and/or services, and/or by scope. Within larger contracts, there may be potential to have a portion segmented to promote competition for small businesses that meets a state procurement goal. This allows more competition by increasing the number of businesses that can compete.

“Unbundling Analysis” is the process by which an agency determines if a contract may be able to be unbundled. When identifying the scope of work for a contract, an agency can determine which portions may be suitable for a standalone or subcontracted agreement. Questions to ask in an unbundling analysis include: (1) is contract work in more than one location; (2) is this a large and complex procurement that could be simplified; (3) is the contract for a wide range of goods and/or services; (3) does the contract have a flexible or long timeframe. If the answer is yes to any of these questions, a contract may be a good candidate for unbundling.

“Veteran-owned business” (reference RCW 43.60A.200): Veteran-owned businesses certified by the Department of Veteran’s Affairs.