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

Supplier Diversity

Applies to: Any state office or activity of the executive branch of state government, including state agencies, departments, offices, divisions, boards, commissions, institutions of higher education as defined in [RCW 28B.10.016](http://apps.leg.wa.gov/RCW/default.aspx?cite=28B.10.016) and correctional and other types of institutions ([RCW 39.26.010(1)](https://app.leg.wa.gov/rcw/default.aspx?cite=39.26.010)) ([RCW 39.26.100](https://app.leg.wa.gov/RCW/default.aspx?cite=39.26.100)) ([RCW 39.26.102](https://app.leg.wa.gov/RCW/default.aspx?cite=39.26.102)) governed by RCW 39.26.

**Authorizing sources**:

* State Law [**RCW 39.26.090(6)**](https://app.leg.wa.gov/RCW/default.aspx?cite=39.26.090)
* State Law [**RCW 39.26.005**](https://app.leg.wa.gov/RCW/default.aspx?cite=39.26.005)
* State Law [**RCW 39.26.240**](http://app.leg.wa.gov/RCW/default.aspx?cite=39.26.240)
* State Law [**RCW 39.26.245**](https://apps.leg.wa.gov/rcw/default.aspx?cite=39.26&full=true#39.26.245)
* State Law [**RCW 39.26.160(3)(b)**](https://app.leg.wa.gov/RCW/default.aspx?cite=39.26.160)
* State Law [**RCW 43.60A.200**](https://app.leg.wa.gov/RCW/default.aspx?cite=43.60A.200)
* State Law [**RCW 39.26.010**](https://app.leg.wa.gov/RCW/default.aspx?cite=39.26.010)
* [**Executive Order 19-01**](https://www.governor.wa.gov/sites/default/files/exe_order/19-01_VeteranAndMilitaryFamily%20.pdf)
* **DES Policy 210-01**

**Related sources**:

* State Law [**RCW 39.19.010**](https://app.leg.wa.gov/rcw/default.aspx?cite=39.19.010)
* State Law [**RCW 39.19.030**](https://app.leg.wa.gov/RCW/default.aspx?cite=39.19.030)
* State Law [**RCW 39.19.060**](https://app.leg.wa.gov/RCW/default.aspx?cite=39.19.060)
* [**Executive Order 05-03**](https://www.governor.wa.gov/sites/default/files/exe_order/eo_05-03.pdf)

**Effective date**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Last update**: N/A

**Sunset review date**: 5 years from Effective date

**Approved by**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, Director

# Reason for Policy

The purpose of this policy is to ensure that all procurement professionals use race and gender neutral strategies to increase the amount of contracts that are awarded to small, diverse, and veteran-owned businesses.

Small, diverse, and veteran-owned businesses face barriers that prevent their equitable access to state goods and services contracts and procurements, including the underutilization of these businesses as subcontractors. Specifically, the legislature finds that minority and women-owned businesses are significantly under-represented and have been denied equitable competitive opportunities in contracting. The legislature directs state agencies to develop procurement policies, procedures, and materials that encourage and facilitate the purchases of goods and/or services from small, diverse, and veteran-owned businesses to the maximum extent practicable.

The state promotes the purchase of goods and services from Washington small businesses, diverse and veteran-owned businesses. Therefore, supplier diversity considerations will be included in all aspects of contracting and procurement. This policy establishes the supplier diversity procurement criteria authorized in statute and furthered in Executive Order 19-01 and other documents. Furthermore, this policy supports and enhances the practices found in the [Tools for Equity in Public Spending](https://omwbe.wa.gov/state-supplier-diversity-reporting/tools-equity-public-spending), and assists in implementing the recommendations made in the [2019 State of Washington Disparity Study](https://omwbe.wa.gov/governors-subcabinet-business-diversity/disparity-study).

This policy is presented in two parts: Part 1) agency leadership requirements (Section A); and Part 2) roles and responsibilities for procurement and contracting professionals (Sections B-D). The policy addresses the “what”: supplier diversity requirements, roles, and responsibilities. “How” to implement the policy is addressed in the supplier diversity procedure. Each section of the policy has a corresponding section of the procedure.

# Policy

1. **To demonstrate promotion of supplier diversity, agency leadership will:**
2. Ensure agency compliancewith OMWBE’s annual agency supplier diversity inclusion plan;
3. Identify which agency leader(s) has/have the responsibility for increasing the agency’s spending with small, diverse, and veteran-owned businesses;
4. Use agency supplier diversity procurement goals, as developed by OMWBE, to set a timeline for achieving the goals; and
5. Complete supplier diversity training within six (6) months after the effective date of this policy, or within 90 days for new agency leadership.
6. **Procurement and Contracting Professionals will implement supplier diversity on all competitive and non-competitive procurements through:**

1. Forecasting of agency purchases.

1. Conducting outreach to small, diverse, and veteran-owned businesses.
2. Making procurements transparent with regard to supplier diversity, by publicly posting:
3. Forecasted opportunities.
4. Outreach plan and goals.
5. Agency leader(s) who have the responsibility for increasing the agency’s spending with small, diverse, and veteran-owned businesses (by posting OMWBE’s annual agency supplier diversity inclusion plan on agency or OMWBE’s website satisfies this requirement).
6. The agency progress in achieving supplier diversity goals, in order to demonstrate compliance with this policy.
7. Completing supplier diversity training.
8. Within 6 months of the effective date of this policy, personnel who are responsible for small purchases, competitive procurements, and contract management activities shall complete the mandatory training available in The Learning Center and titled WA-State Supplier Diversity in Procurements.
9. Employees assigned these responsibilities after the initial 6-month implementation period of this policy shall complete the required training within 90 days of assignment. Specifically, this applies to all new employees, employee’s assigned new responsibilities/duties, and employees in new positions, who are responsible for competitive procurements.
10. Documenting compliance with this policy.

**C. Procurement and Contracting Professionals will implement supplier diversity on all competitive procurements through:**

1. Option A: Awarding competitively procured contracts with an initial contract value less than $150,000 to the highest-ranked responsive and responsible small (that meets the size or gross revenue as defined in RCW 39.26.010(22)(a)(i)(ii) or veteran-owned business to bid that provides the best value to the state, unless there was no responsive and responsible bid from a small or veteran-owned business.

Option B: Awarding 25% of all competitively procured contracts to the highest-ranked responsive and responsible small (that meets the size or gross revenue as defined in RCW 39.26.010(22)(a)(i)(ii) or veteran-owned business to bid that provides the best value to the state, unless there was no responsive and responsible bid from a small or veteran-owned business.

1. Conducting a pre-bid conference for each competitive solicitation.
2. Using solicitation/contract language that encourages the participation of small, diverse, and/or veteran-owned businesses.
3. Procurement and Contracting Professionals will use one or more of the strategies listed below. Selecting appropriate strategies will be based on the results of outreach, analysis of business needs, and relevant market research.
4. Conducting an unbundling analysis for every competitive solicitation
5. Awarding evaluation points to small (that meets the size or gross revenue as defined in RCW 39.26.010(22)(a)(i)(ii) and veteran-owned businesses.
6. Using a subcontractor inclusion plan, where a vendor intends to use a subcontractor to fulfill the contract terms.
7. Using a small (that meets the size or gross revenue as defined in RCW 39.26.010(22)(a)(i)(ii)/veteran-owned business reserved award contract.
8. Awarding evaluation points to Small Business Administration HUBZone certified businesses.
9. Other strategies, as determined by each agency.
10. Making procurements transparent with regard to supplier diversity, by publicly posting bids from the awarded contractor(s).

**D. Exception(s) to this policy.**

1. Emergency Purchases, as defined in RCW 39.26.130 [LINK] and DES Policy #DES-130-00 [LINK].

# Procedure

**Procedure:** Enterprise Services Procedure #PRO-DES-090-06 [LINK]

# Guideline

**Guideline:** Enterprise Services #GDL-DES-090-06 [To be developed based on feedback received on policy]

# Frequently Asked Questions

**FAQ:** Enterprise Services FAQ [LINK]

# Glossary

**Glossary:** Enterprise Services Definitions and other supplemental information [LINK]

# Appendices/Tools

[Sample Contract Language](file:///%5C%5Cdes.wa.lcl%5Cdoc%5CCPRM%5CEnterprise-Policy%5CPol_Pro_Gdl%20Documents%5CGreen%20Purchasing%20Policies%5CDrafts%5CSample%20Recycled%20Products%20%20Language.docx) [To be developed based on feedback received on policy]

Tools for successfully implementing the requirements in this section are located [LINK].

Debrief Guideline [#GDL-DES-170-00](https://des.wa.gov/sites/default/files/public/documents/About/Procurement_reform/Policies/ComplaintProtest/GuidelineDebrief.docx?=b7335)

Bonds Policy [#DES-POL-190-00](https://des.wa.gov/sites/default/files/public/documents/About/Procurement_reform/Policies/DES-190-00GnSProcurementBonds.pdf?=d2a9f)

# History

## Adopted

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## Replaces

N/A