

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.10.016](#) 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.

The state promotes the procurement of goods and services from Washington small, diverse, and veteran-owned businesses. Therefore, supplier diversity considerations will be included in all aspects of goods and services procurement.

This policy establishes the supplier diversity procurement criteria authorized in statute and furthered in Executive Order 19-01. Furthermore, this policy supports and enhances the practices found in the Governor’s Subcabinet [Tools for Equity in Public Spending](#), and assists in implementing the recommendations made in the [2019 State of Washington Disparity Study](#).

The policy addresses the “what”: supplier diversity requirements, roles, and responsibilities. “How” to implement the policy is addressed in the Supplier Diversity Policy Handbook. Each section of the policy has a corresponding section in the Policy Handbook.

Policy

A. Leadership requirements. To execute supplier diversity measures, agency leadership will:

1. Designate one or more agency executive leader(s) with responsibility for increasing the agency’s spending with small, diverse, and veteran-owned businesses, and publicly post the name and contact information of such leaders.
2. Complete supplier diversity training by April 1, 2023 or within 90 days for new agency leadership.

B. Training. Complete supplier diversity training:

1. Agency personnel who are responsible for all types of procurements must complete mandatory training by April 1, 2023.
 - a. Employees assigned these responsibilities after the initial implementation period of this policy shall complete the training within 90 days of assignment. Specifically, this applies to all new employees, employees assigned new responsibilities/duties, and employees in new positions, who are responsible for all types of procurements.

C. Implementation. Agencies will achieve supplier diversity goals by ensuring that their procurement professionals:

1. Forecast agency purchases.
2. Conduct outreach with small, diverse, and veteran-owned businesses.
3. Conduct an unbundling analysis for every competitive solicitation.
4. Award competitively procured contracts with an initial value less than \$150,000 to the highest-ranked responsive and responsible small or veteran-owned business, unless there was no responsive and responsible bid from a small or veteran-owned business.
5. Conduct a pre-bid conference for all complex competitive solicitations or those that could result in multiple awarded contracts.

6. Remove barriers from solicitation/contract language, where appropriate, in order to encourage the participation of small, diverse, and/or veteran-owned businesses, in these areas (but not limited to):
 - a. Insurance requirements.
 - b. Procurement bond usage.
 - c. Experience/qualification minimum requirements.
 - d. Use of a specific manufacturer.
 - e. Lengthening bid response time.
 - f. Payment sooner than 30 days.
7. Use all applicable procurement inclusion strategies below (7(a) – 7(d)) in every competitive solicitation based on the results of outreach, analysis of business needs, and relevant market research.
 - a. Award evaluation points to small and veteran-owned businesses.
 - b. Require a subcontractor inclusion plan to incentivize vendors to use small and veteran-owned subcontractors.
 - c. Use reserved award contracts with small and veteran-owned business
 - d. Other strategies, as determined by each agency.
8. Make procurements transparent by publicly posting bids and bid award documents for each competitive procurement.
9. Document compliance with this policy.

D. Exception(s) to this policy.

1. This policy shall not apply to purchases from DES Statewide Contracts or DES approved cooperative contracts, as defined in [RCW 39.26.010\(15\)](#), because DES develops Statewide Contracts and approves cooperative contracts in line with the strategies in this policy.
2. This policy shall not apply to Emergency Purchases, as defined in [RCW 39.26.130](#) and [DES Policy #DES-130-00](#).
3. This policy shall not apply to any competitively procured contracts if application of the policy would cause a violation of the applicable terms of any international trade agreement to which the State of Washington is subject.

4. This policy shall not apply to any competitively procured contracts that utilize federal funds if application of the policy would violate any federal laws or risk the loss of any federal funding.
5. If necessary to support a business need, agencies may request an exception to this policy. Such requests must be addressed to the DES Director and signed by the Agency Head. The request must include a detailed explanation of the proposed exception, how it is necessary for the agency to fulfill its mission, and how granting the request aligns with the intent of this policy.

Resource(s)

Supplier Diversity Policy Handbook

History

Adopted

October 1, 2022

Replaces

N/A