

ENTERPRISE SUPPLIER DIVERSITY POLICY UPDATE



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SUPPLIER DIVERSITY POLICY

WHY THIS POLICY MATTERS

The state has committed to dismantling barriers to inclusion and equity in its procurement practices.

For real change to occur, a supplier diversity policy is needed that will require agencies to align their practices with recommendations from a statewide Disparity Study and the Governor's Subcabinet on Business Diversity.

Once adopted, supplier diversity considerations will be included in **all aspects** of state contracting and procurement.

SUPPLIER DIVERSITY POLICY GOVERNANCE

GOVERNANCE

The statewide Disparity Study calls for changes to current state procurement practices and policies so they will not perpetuate systemic disparities.

Executive Orders and RCWs also call for increasing utilization.

The Governor's Subcabinet on Business Diversity attained an AGO Opinion and established a legal path forward to contracting equity.

SUPPLIER DIVERSITY POLICY- GOVERNANCE

Governance:

State Law **RCW 39.26.090(6)**

Executive Order 19-01



State Law **RCW 39.26.005**

State Law **RCW 39.26.240**

**State Business Diversity Subcabinet and
OMWBE: Tools for Equity in Public
Spending**



State Law **RCW 39.26.245**

Washington State 2019 Disparity Study

State Law **RCW 39.26.160(3)(b)**

AGO Opinion – legal path forward

State Law **RCW 43.60A.200**

Office of
Equity



Roadmap to Contracting Equity

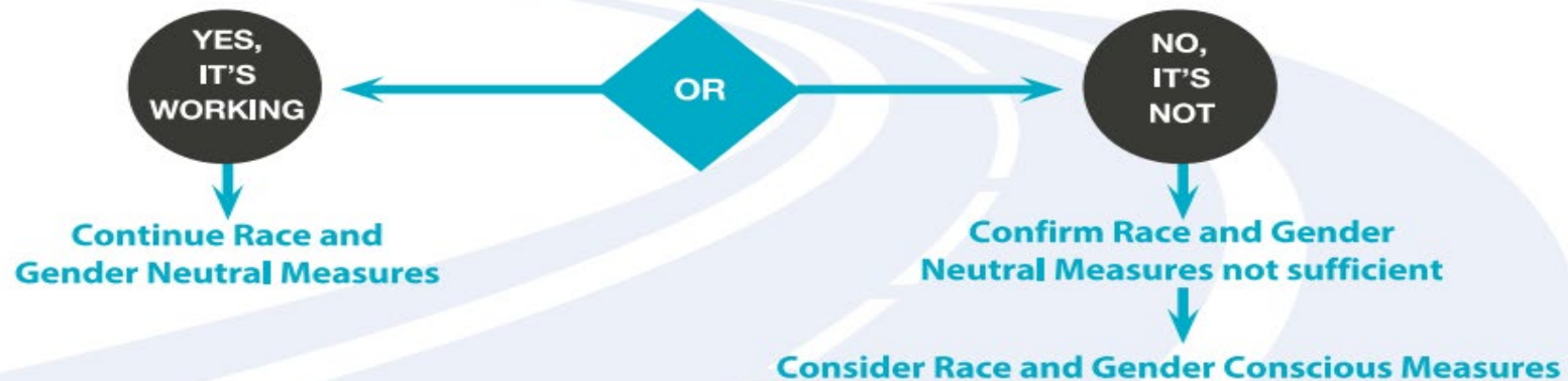
Governing Body — Governor's Subcabinet on Business Diversity

Attorney General's Legal Opinion (No. 2017-02)

Disparity Study

Standardize Race and Gender Neutral Measures*

Evaluate Race and Gender Neutral Measures



*** Among agencies - policy, procedures, measures, training, adjustments.**

Subcabinet agencies and partners: Department of Enterprise Services • Department of Social and Health Services • Department of Transportation • Health Care Authority • Department of Corrections
Department of Labor and Industries (Represent 2/3 of state spending)

Office of Minority and Women's Business Enterprises • Department of Veteran Affairs • Commission on African American Affairs • Commission on Asian Pacific American Affairs • Commission on Hispanic Affairs
Department of Commerce • Governor's Office for Regulatory Innovation and Assistance • Attorney General's Office

The path to standardizing race and gender neutral measures among agencies

Tools for Equity in Public Spending

The toolkit provides support for agencies including resources such as model policies, tools and best practices

**2021 Coordinated toolkit implementation:
Introduce new tools quarterly**



**Follow up Support Sessions:
share plans for implementation
& ask questions**



**Final Support Sessions:
share implementation progress
& lessons learned**

Existing Toolkit Resources

Current Voluntary Measures

- Improved agency guidance on supplier diversity best practices
- Established tools for agencies to increase supplier diversity with planning & forecasting, internal processes, master contracts, inclusion plans, and outreach
- Merged statewide small business information for easier access
- Improved certification process
- Utilize state's data sources to help inform supplier diversity efforts

In Progress

- Establish new aspirational goals for each agency
- Establish internal agency culture action team and technical & business assistance action team
- Improve methodology for tracking and monitoring genuine efforts through launch of Business Diversity Management System
- Conduct proof of concept; measuring participation in client services and provider contracts
- Include diverse spending data from purchasing cards
- Launch model policies

Subcabinet Agencies and Partners



ACTIVITIES COMPLETED TO DATE

SUPPLIER DIVERSITY POLICY

Activities completed to date:

- October 23, 2019: Concept shared at policy workshop
- June 30, 2020: Policy outline shared at policy workshop
- June 2020 – early 2021: Worked with a development work team on an initial policy draft
- May 2021 – June 2021: Complete rough draft of policy, procedure, glossary, and FAQ
- May 2021: Scheduled policy workshop for August 18, 2021

SUPPLIER DIVERSITY POLICY HIGHLIGHTS

REVIEW OF POLICY MATERIALS

Five draft documents: Disparity Study Table, Policy, Procedure, Glossary, FAQ

Overview of Disparity Study Table

Disparity Study Recommendations	Draft Supplier Diversity Policy/Procedure/FAQ Section	Reason not included in Policy/Procedure/FAQ Section
1. Implement an electronic data collection & monitoring system	Procedure: gather outreach data (B2(7)); transparency data (B3(2)(g)); pre-bid conference data (C2(5),(6)); subcontractor inclusion plans (C4(c)(10)); workforce diversity inclusion plans (C4(d)(9)); and supply chain diversity inclusion plans (C4(e)(9)).	
2. Examine current policies & provide best practices		Outside scope of supplier diversity policy
3. Conduct pre-bid conferences	Policy: C(2) Procedure: C(2)	
4. Post winning bidders/proposers to WEBS		Already addressed in new WEBS rules/tools

SUPPLIER DIVERSITY POLICY

Draft policy includes the following topic areas:

- Leadership Expectations
- Forecasting and General Outreach
- Prebid Conferences
- Procurement Strategies, such as targeted outreach, unbundling, inclusion plans, reserved award, and procurement language
- Transparency
- Training

ADVISORY GROUP ASK...

Please review the policy materials by June 23rd

Feedback should be made by email only to:
DESmiEnterpriseProcurementPolicy@des.wa.gov

We are especially interested in the advisory group's input regarding:

- Are there any major gaps or significant barriers?
- Input on the messaging intended to be sent with the policy materials to the broader audience (see slide 15).
- Are we asking the right questions for soliciting meaningful feedback (see slide 16)?

THE ASK...

DES would love your input regarding the messaging intended to be sent with the policy materials to all workshop attendees as well as posting it on our webpage.

Key messages – general release of draft for feedback

The state has committed to dismantling barriers to inclusion and equity in its procurement practices. A statewide Disparity Study calls for changes to current state procurement practices and policies so they will not perpetuate systemic disparities.

For real change to occur, a supplier diversity policy is needed that will require agencies to align their practices with recommendations from both the study and the Governor's Subcabinet of Business Diversity.

DES is developing a supplier diversity policy that will significantly change how agencies do their own procurements and also affect state master contracts.

Providing input before a final draft of the policy is generated is the most effective way to bring your thoughts, information and feedback to the table.

DES is seeking feedback on an initial discussion draft of the policy, procedure, glossary and FAQ for 90 days through October 27, including at an Aug. 18 workshop.

- Are we reaching the intended audiences?
- How can we best engage the intended audiences for maximum feedback?

THE ASK...

DES would love your input regarding the questions we will be prompting stakeholders to help with their review. Are we asking the right questions?

DES is especially interested in hearing thoughts on:

Is there anything missing?

Is there anywhere the policy does not align with Disparity Study recommendations or the Subcabinet's Tools for Equity in Public Spending?

Is there anywhere the policy does not align with the intent of RCW 39.26.005, RCW 39.26.090(6), RCW 39.19.010, RCW 43.60A.200, as well as Executive Order 19-01.

Are there barriers to following the drafted policy?

What resources would be helpful?

Are there concerns about any unintended issues the policy would cause for businesses?

Are the policy and procedure drafts clear and easy to understand?

Suggestions for working within existing, older data systems to provide transparency until the implementation of One Washington, which will provide greater utility for inclusion efforts tied to data.

NEXT STEPS

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- We are currently getting initial feedback from key partners and our advisory groups
- Share DRAFT policy, procedure, glossary & FAQ with broader audience
- Host Policy Workshop (scheduled for August 18, 2021) – focus on Supplier Diversity Policy discussion Draft
- Revise policy draft, based on feedback
- Reconnect with stakeholders
- Begin to develop training program

POLICY WORKSHOP MOVES TO AUGUST 18

We had almost 400 agency representatives registered for the June Workshop.

If you were registered for the June 3 workshop, registration was transferred to the August 18 workshop.

The morning session is focused on businesses, the afternoon on agencies.

How can we increase participation on providing feedback? Any suggestions?

FEEDBACK NOW IS IMPORTANT

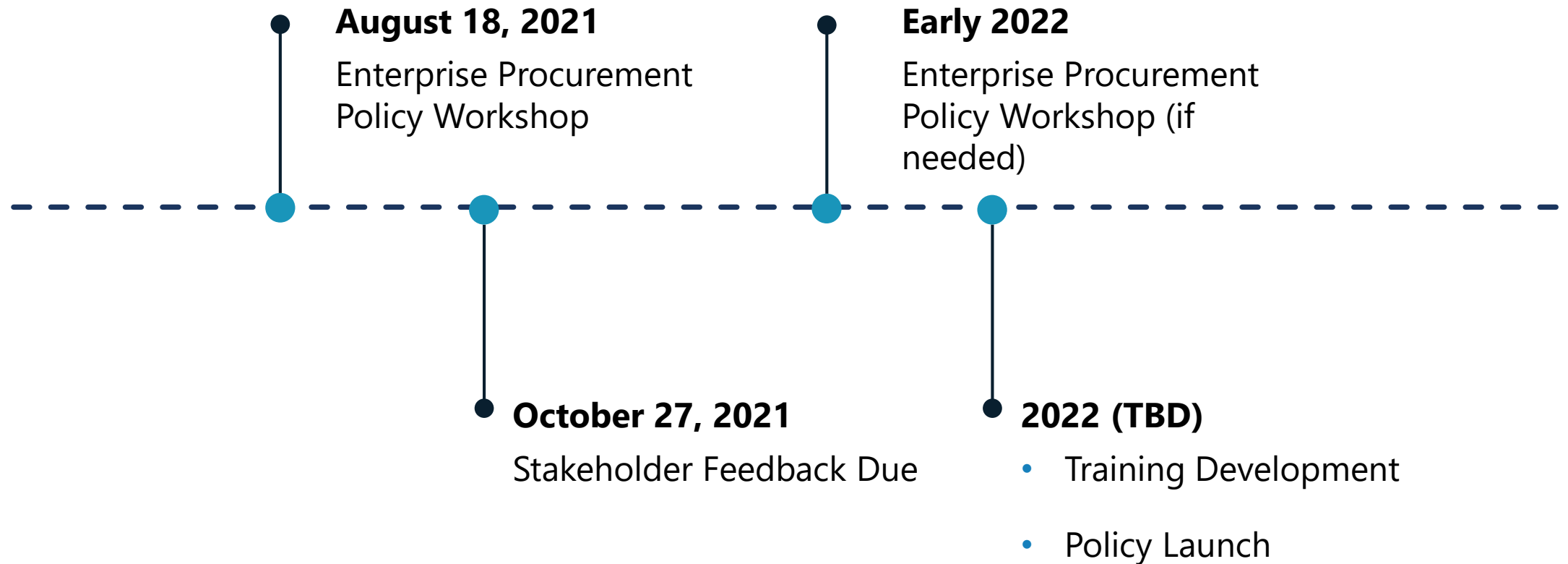
With such significant changes we want to make sure we get not only the policy, but also the **support tools and training** right.

Feedback on the initial draft policy due October 27, 2021.

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TIMELINE

TIMELINE



Q&A

