



2019



Washington State Office of
**MINORITY &
WOMEN'S**
Business Enterprises



ANNUAL REPORT



Message from the Director

It is with great enthusiasm that I provide the annual report of the Office of Minority & Women's Business Enterprises for Fiscal Year 2019 (FY 2019). I am pleased to inform you of the progress of our programs, designed to increase equity and the participation of small, minority- and women-owned businesses in state and federal contracting and procurement.

A dedicated team of over 20 professionals implements our programs with a biennial budget of \$4.9 million. Additionally, we are fortunate to have an active and passionate [Advisory Committee](#) that includes leaders representing interests of small, minority- and women-owned businesses throughout the state.

Our agency:

- Certifies small businesses owned by minorities, women and other socially and economically disadvantaged persons.
- Supports and facilitates the Governor's Subcabinet on Business Diversity.
- Reports on equity in state agency contracting and procurement by compiling data on the amount of public dollars spent with certified firms.
- Assists agencies in creating and preparing supplier diversity plans, and oversees the annual performance and updates of those plans.
- Partners with state agencies, higher educational institutions, and prime contractors to increase participation of certified businesses in contracts and procurement.
- Maintains the public, online Directory of OMWBE Certified Firms and promotes expansion of Washington's diverse pool of businesses.
- Performs outreach and provides education and information to support small business owners and business assistance organizations.
- Oversees the Linked Deposit Loan Program.

Our Mission

We promote equity and increase participation in public contracting and procurement for small businesses owned by minorities, women and disadvantaged persons through education and certification.

OMWBE's Statutory Charge
[Chapter 39.19 RCW](#)

Best regards,

Lisa van der Lugt, Director
Office of Minority and Women's Business Enterprises
360-664-9750
www.omwbe.wa.gov

OMWBE CERTIFICATION

The OMWBE is the sole certifying agency for Washington State for small businesses owned and controlled by minorities, women, and socially and economically disadvantaged persons.

- **State Program** - State agencies, higher educational institutions, and some local governments and private companies look for OMWBE certified firms to meet their supplier diversity goals.
- **Federal Program** - Agencies that receive funds from the United States Department of Transportation are required to set and meet supplier diversity goals. Public entities that manage these projects and their prime contractors look to the OMWBE Directory for federally certified firms.

OMWBE's workload has steadily increased over the past five years (2014 through 2019), with a rise in applications federal certification by 86% and state certification applications by 48%. The chart below comparing FY 2018 to FY 2019 is a great snapshot of that trend. We are proud that our team has not only kept up with this increasing workload, they processed, on average, certification applications on time within federal and state guidelines.

Federal and State New Files Average Processing Times

FEDERAL:		
Fiscal Year/Months	Number of Files Completed	Average Processing Days
FY18 July 2017 - June 2018	253	77
FY19 July 2018 - June 2019	297	90
STATE:		
Fiscal Year/Months	Number of Files Completed	Average Processing Days
FY18 July 2017 - June 2018	310	68
FY19 July 2018 - June 2019	385	71

Note: FY18 July-December based on Received date. Jan- June based on Fee date.

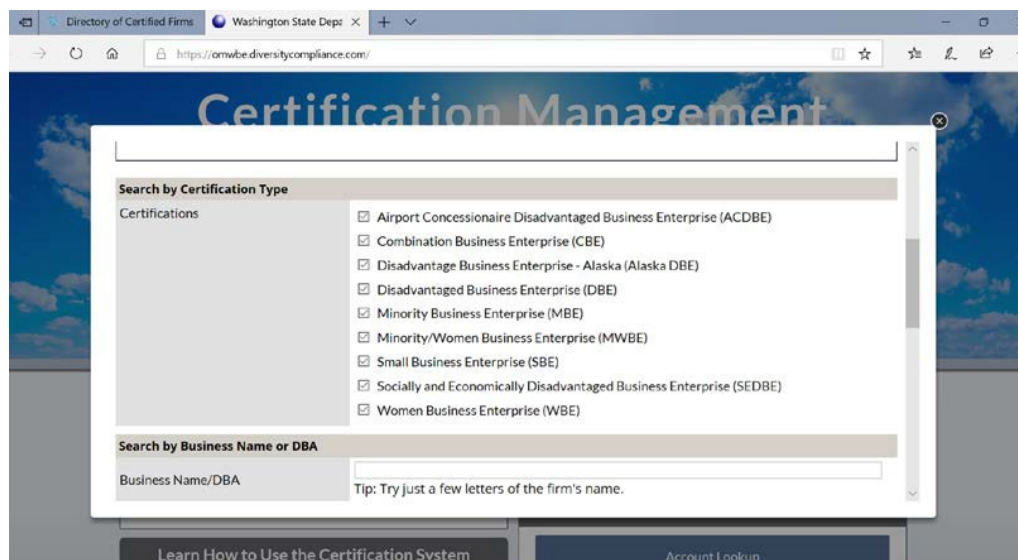
2914 businesses were certified with the OMWBE as of the end of Fiscal Year 2019 – a six percent (6%) increase over Fiscal Year 2018.

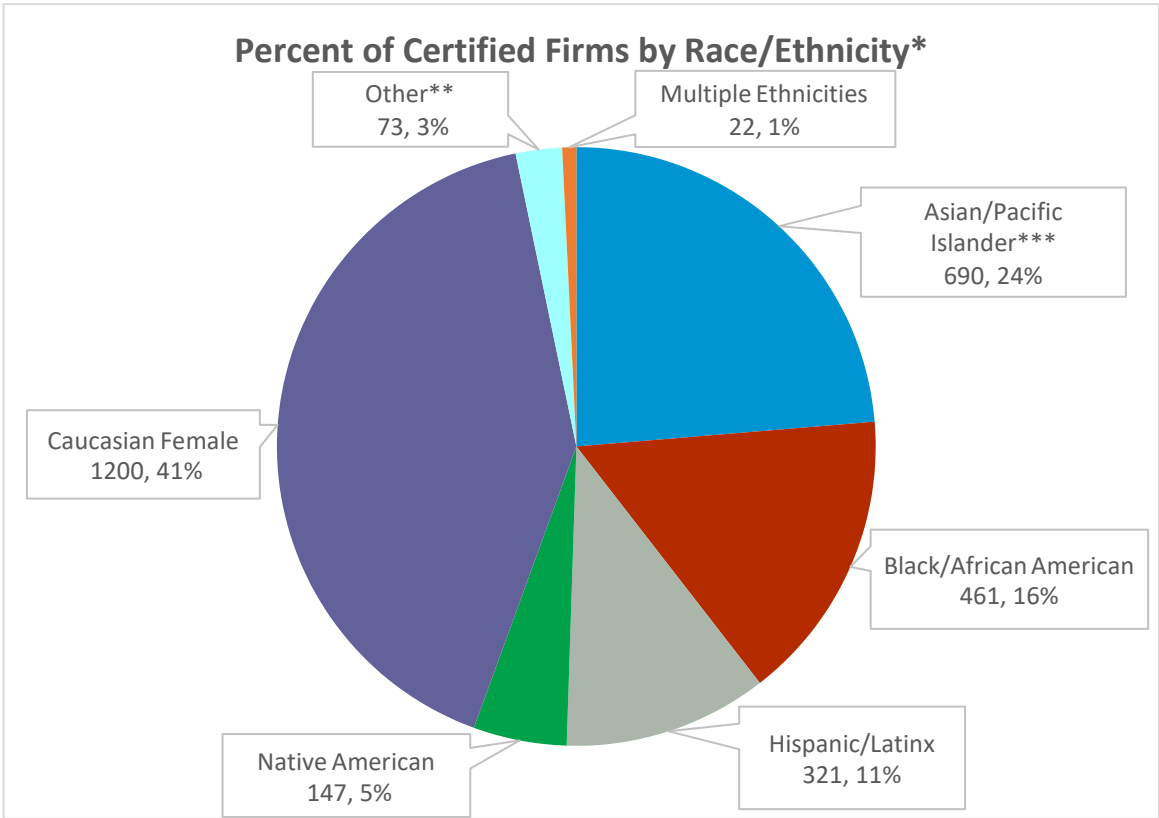
State certifications		Federal certifications	
Minority-owned businesses	957	Disadvantaged Business Enterprises	1,049
Woman-owned businesses	1,075	Small Business Enterprises	80
Minority woman-owned businesses	465	Airport Concessionaires	101
Combination businesses enterprises (owned by a minority male and a female)	28		
Socially and economically disadvantaged businesses	8		
Total	2,533	Total	1,230

**849 firms have both state and federal certification.*

CERTIFIED FIRM DIRECTORY

The OMWBE [Certified Firm Directory](#) is a publicly available online tool that shows real-time certification status and business contact information for all OMWBE certified businesses. The directory is searchable by key words, descriptions, location, and more. The OMWBE actively promotes the Directory when working with agencies, colleges, and prime contractors, and many agencies and political subdivisions seek out certified firms because they want to do more work with small, local, minority- and women-owned businesses. These points make certification a beneficial investment in increased visibility for minority- and women-owned businesses.





**The OMWBE database includes firms certified multiple times for every certification type for example, DBE, MBE. The above numbers reflect the group for one unique file number. This data is a combination of both Federal and State Certifications.*

***Other businesses that are socially and economically disadvantaged business enterprises or small business enterprises, as part of the Disadvantaged Business Enterprise program.*

****Includes Sub-Continent Asian.*

GOVERNOR’S SUBCABINET ON BUSINESS DIVERSITY

In FY 2019, OMWBE participated on and facilitated the work of the Governor’s Subcabinet on Business Diversity. This Subcabinet was formed by Governor Inslee in 2015 to address inequities in state contracting and procurement practices. In FY 2019, OMWBE put forward dozens of recommendations to leaders in the Subcabinet which helped to inform and drive the work. During the timeframe of this report, the Subcabinet’s work focused on these primary areas:

- **Disparity Study** The first [statewide disparity study](#) concluded and was released in June 2019. The results and recommendations help outline a path for contracting equity and will inform our cross-agency work.
- **Community of Practice** - The OMWBE chairs the Community of Practice and supports several Action Teams. Action Teams meet regularly to share best practices and innovative solutions, then make recommendations for the framework for a statewide voluntary measures program. Action Teams include:
 - Planning/Forecasting
 - Internal Processes
 - Master Contracts
 - Provider Networks & Client Services
 - Using Data
 - Public Works
 - Outreach
 - Business Assistance
 - Purchase Cards
 - Internal Agency Culture

Subcabinet Member Agencies:

Office of Minority & Women's Business Enterprises

Commission on African American Affairs

Commission on Asian Pacific American Affairs

Commission on Hispanic Affairs

Department of Veteran’s Affairs

Department of Corrections

Department of Enterprise Services

Health Care Authority

Department of Labor and Industries

Department of Social and Health Services

Department of Transportation

Attorney General's Office

Governor's Office

AGENCY AND HIGHER EDUCATIONAL INSTITUTION SUPPLIER DIVERSITY RESULTS

[State law](#) requires the OMWBE to report the amount of money each state agency and higher educational institution spends in contracts and procurements with certified minority- and women-owned businesses.

Below are the FY 2019 results for state agencies and higher educational institutions. The OMWBE also posts this information on its [website](#).

State agency FY 2019 dollars spent with certified firms as % of all eligible spending ^[1]				
	Total Eligible Spend	Dollars Spent with Certified Firms	% of Total Spend	Results Washington Goal
Minority Owned Certified Businesses ^[2]	\$2,995,288,022	\$94,512,591	3.16%	10%
Women Owned Certified Businesses		\$51,380,134	1.72%	6%
Total OMWBE Certified Businesses		\$145,892,725	4.87%	16%

Higher educational institution FY 2019 dollars spent with certified firms as % of all eligible spending ^[1]				
	Total Eligible Spend	Dollars Spent with Certified Firms	% of Total Spend	Results Washington Goal
Minority Owned Certified Businesses ^[2]	\$2,065,616,893	\$23,161,997	1.12%	10%
Women Owned Certified Businesses		\$8,123,537	0.39%	6%
Total OMWBE Certified Businesses		\$31,285,534	1.51%	16%

[1] This [link](#) contains a list of objects and subjects that make up the total eligible spend. The eligible spend reflects the dollars available to spend on contracts/procurements that M/WBEs could fulfill. This ensures the numbers are not inflated.

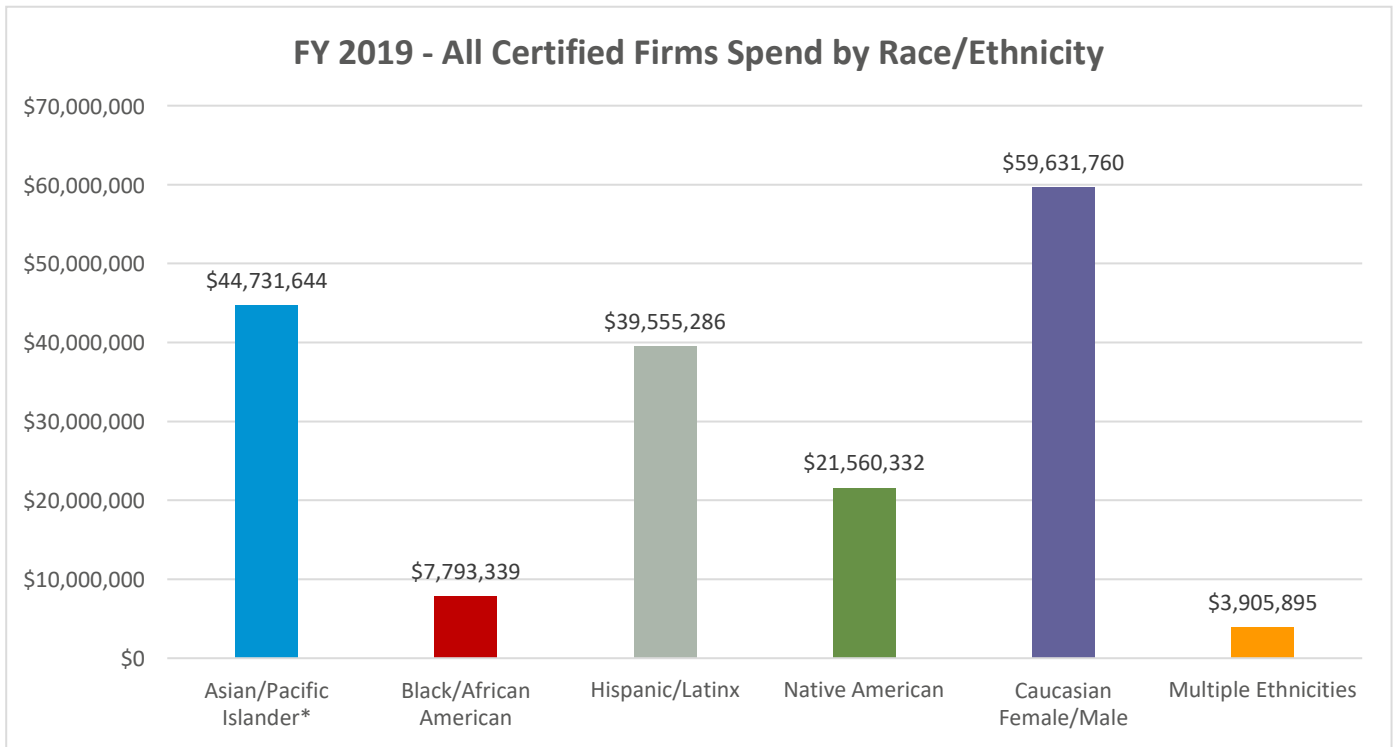
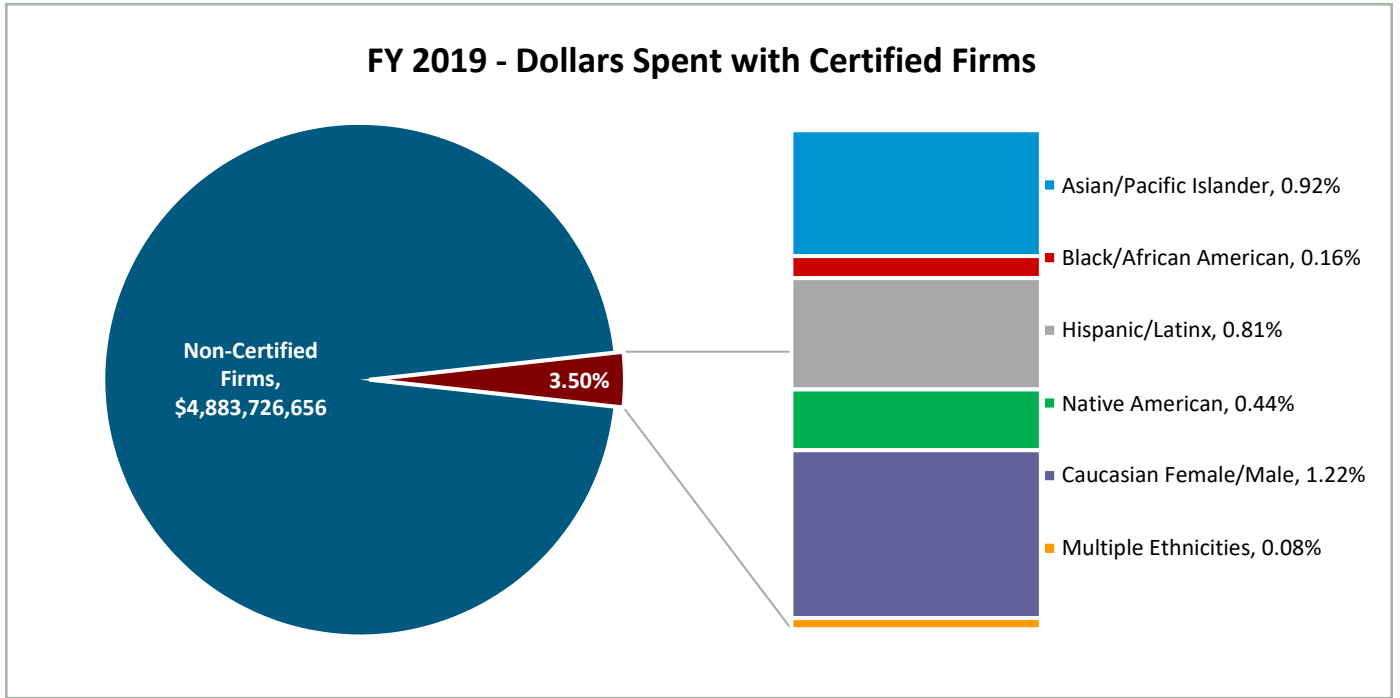
[2] Includes businesses owned by a minority woman and businesses owned by a minority male and a female.

Combined Total FY 2019 dollars spent with certified firms				
as % of all eligible spending ^[1]				
	State Agencies and Educational Institutions Combined Eligible Spend	Dollars Spent with Certified Firms	Percentage of Total Spend	Results Washington Goal
Minority Owned Certified Businesses ^[2]	\$5,060,904,915	\$117,674,588	2.33%	10%
Women Owned Certified Businesses		\$59,503,671	1.18%	6%
Total OMWBE Certified Businesses		\$177,178,259	3.50%	16%

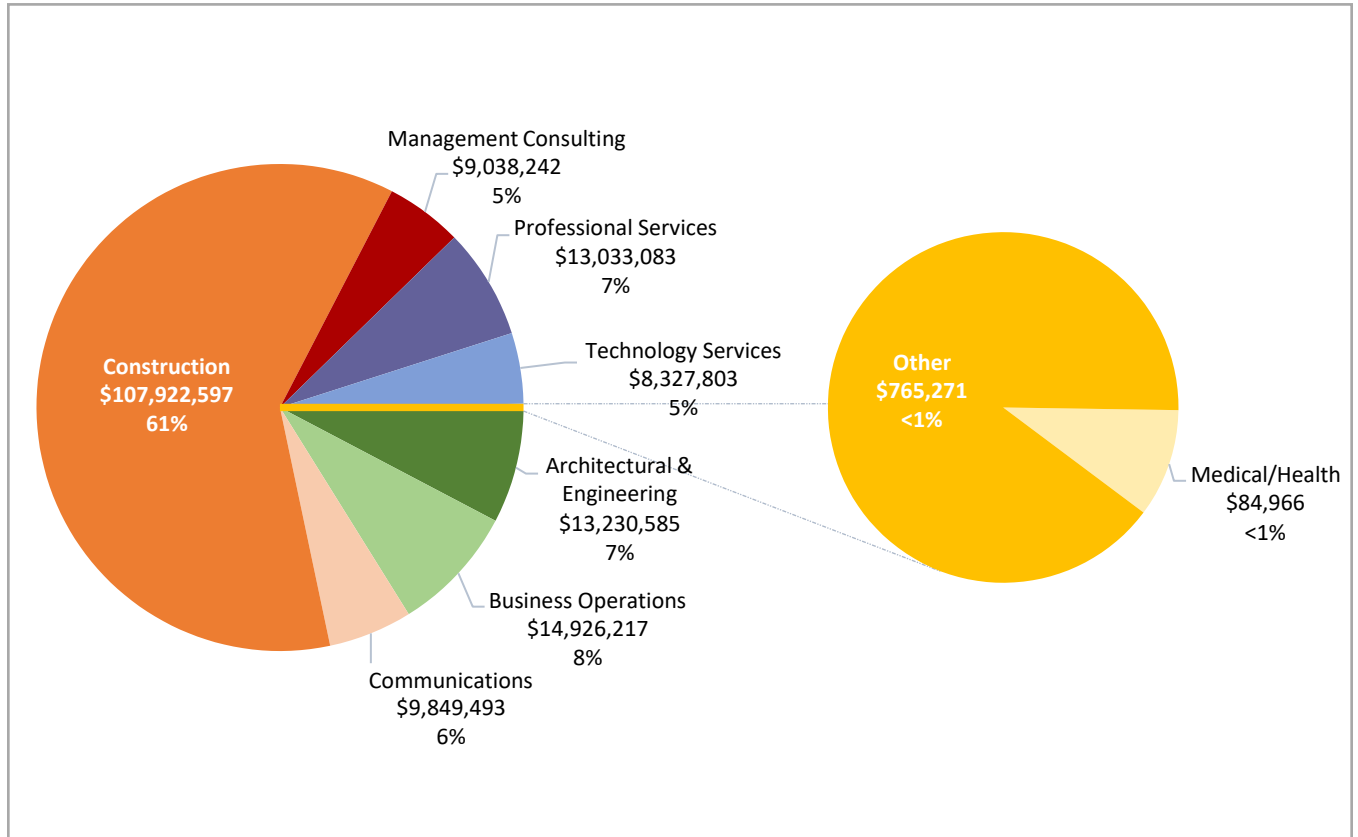
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[2] Includes businesses owned by a minority woman and businesses owned by a minority male and a female.

In FY 2019, the amount spent with certified firms was 3.50% of the overall spend of public contracting and procurement dollars in Washington, a 0.10% decrease from FY 2018.



FY 2019 - Dollars Spent with Certified Firms by Industry



Industry description examples:

Construction	Highway and building related construction, including renovation and demolition, paving, fencing, roofing, flooring, concrete/asphalt, guardrail, utility line, cable laying, plumbing/heating, electrical, mechanical, installation, painting, signage, dump trucking, construction supplies and equipment, and flagging.
Professional Services	Specialized services, lawyers, court reporting, counseling, employment services, travel agency, interior design, photography, accounting, real estate/appraisal, reporting, security, interpreter services, telephone answering services, non-medical laboratory testing, and environmental consulting.
Technology Services	Information systems management, development, maintenance, and equipment/software.
Architectural & Engineering	Architectural and engineering services including civil, drafting, urban planning, building inspection, landscape architecture, acoustical engineering, surveying and mapping, and traffic engineering.
Business Operations	Services, products, and equipment (retail/wholesale) for operations and building services including catering, janitorial, grounds maintenance, automotive parts, cleaning supplies, and window shade/blinds.
Communications	Graphics design/distribution of ad materials, advertising, marketing, web and video production, and broadcasting services.
Management Consulting	General/administrative consulting, safety research, strategic planning, public relations, human resources, organizational development, educational support services, and transportation management services.
Medical/Health	Health care professionals, equipment, and testing.
Other	Other services not in other categories, such as: child day care, hardware stores, nursery/garden centers, artists, grocery stores, local trucking, moving and storage services and charter bus services.

AGENCY SUPPLIER DIVERSITY PLANS

[State law](#) requires agencies to adopt plans to increase the participation of certified minority- and women-owned businesses. The OMWBE provides assistance to each agency helping them consider best practices to increase their supplier diversity. Each agency's supplier diversity plan is posted on the OMWBE's [website](#).

OUTREACH AND EDUCATION

The OMWBE conducts outreach about qualifications for certification and its benefits, available resources for small minority- and women-owned businesses, and best practices in supplier diversity – including targeted outreach to match public entities and prime contractors' purchasing or contracting needs with certified firms. Public contracts and procurement opportunities can mean a more stable, reliable stream of work, especially critical for small minority- and women-owned businesses.

OMWBE's website includes [bid opportunities](#) and relevant events, available free training through partners, announcements, and information on a variety of other resources. The OMWBE also utilizes email newsletters to certified firms and social media to provide news, information, and notice of bid opportunities. We are continuing to explore new ways to get great information to our certified firms and are excited about the future of this work.

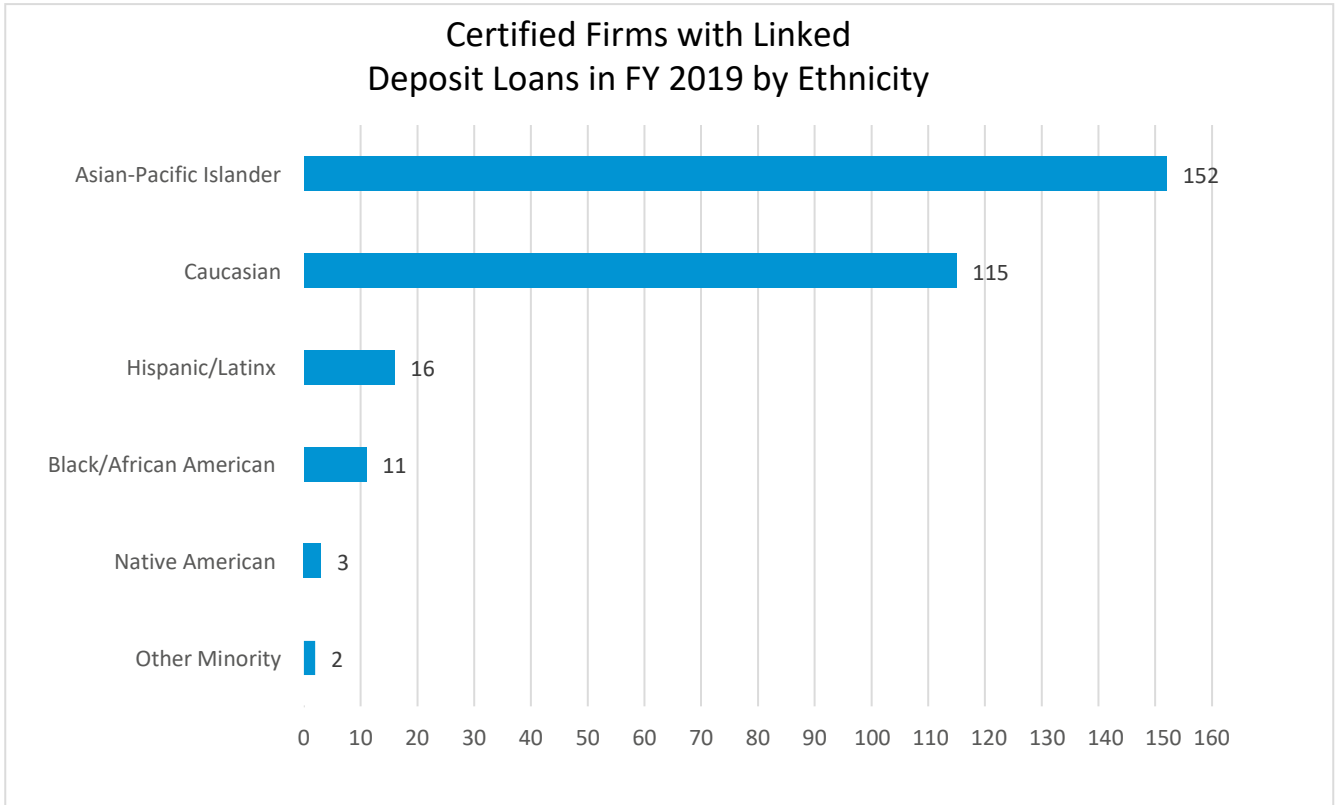
LINKED DEPOSIT LOAN PROGRAM

Businesses certified by the OMWBE and veteran-owned firms certified by the Department of Veteran's Affairs are eligible to participate in the state's Linked Deposit Loan Program. The program allows a certified business to receive an interest rate reduction on a business loan from a participating lender sourced from a pool of funds that are set aside only for certified business borrowers.

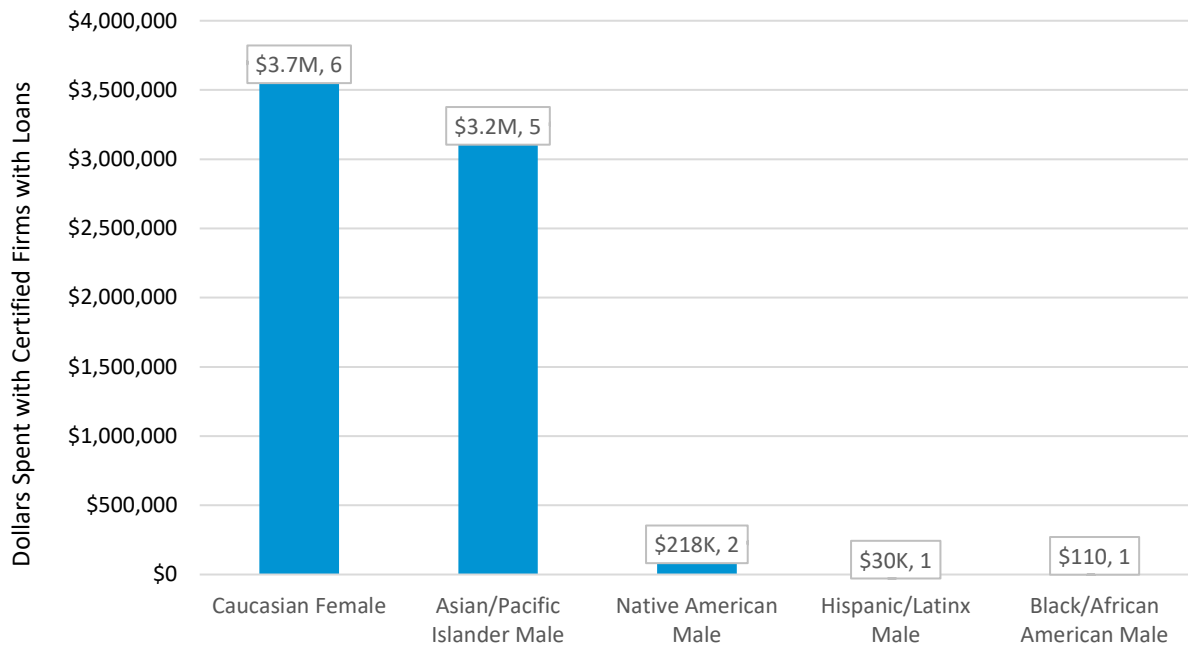
The Office of the State Treasurer is authorized to use up to \$190 million of the state's short-term surplus funds to purchase a certificate of deposit (CD) equivalent to the dollar amount of a financial institution's loan to certified businesses. Up to \$175 million is available for loans for certified minority- and women-owned businesses, and up to \$15 million for veteran-owned businesses.

As of the end of June 2019, 299 OMWBE-certified firms held \$139 million in Linked Deposit Loans that are in repayment or have available lines of credit.

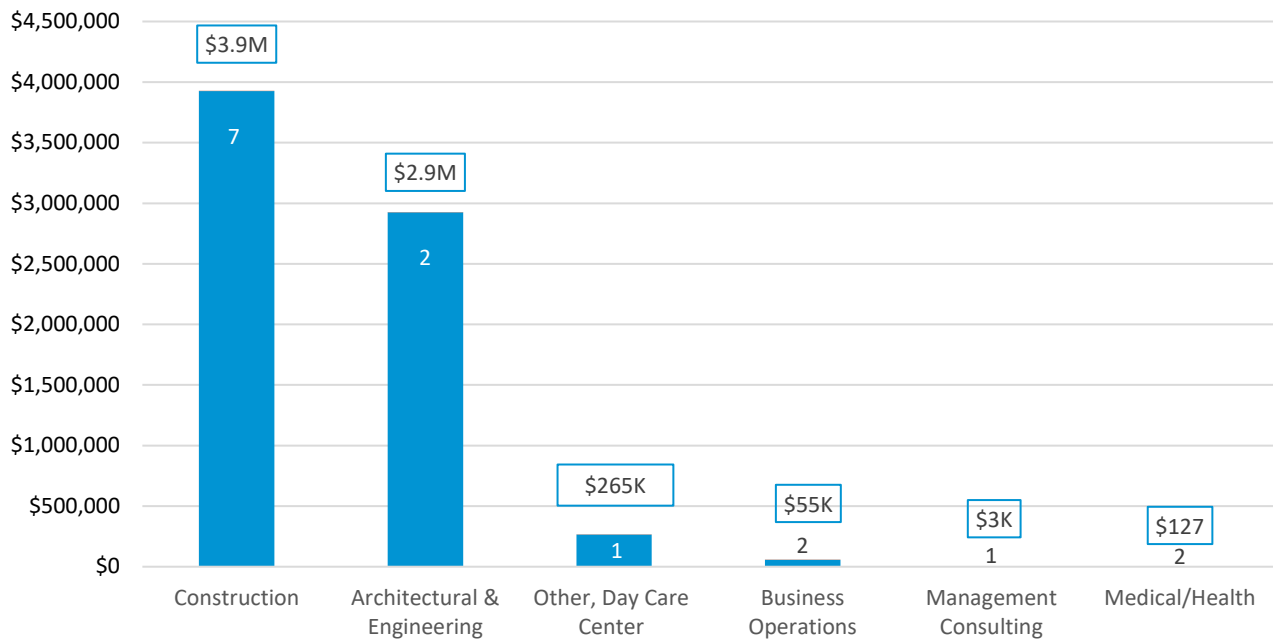
Of those 299 OMWBE-certified firms with Linked Deposit Loans, 15 of them (or five percent) did business totaling \$7.2 million dollars with seven agencies and four educational institutions.



Certified Firms with Linked Deposit Loans that did business with Agencies/Educational Institutions in FY 2019 by Ethnicity



OMWBE Firms with Linked Deposit Loans that did business with Agencies/Educational Institutions in FY 2019 by Industry



FY 2019 STRATEGIES AND KEY ACCOMPLISHMENTS

- Updated certification rules to eliminate barriers and unnecessary restrictions, clarify criteria, and reflect modern and respectful word choice. These rules also aligned OMWBE with the [Governor's Executive Order 17-01](#) and will allow more firms to qualify.
 - Continued to streamline the online certification process by accepting credit card payments and using LEAN principles to further reduce processing times and improve customer service experiences.
 - Conducted targeted outreach in partnership with agencies and education institutions to increase and enhance the pool of certified firms.
 - Met one-on-one with 63 state agencies and several higher education institutions to review their supplier diversity plans and improve strategies.
 - Increased the number of certified firms by 6% over FY 2018.
 - Four out of five customers continue to rate their experience with OMWBE certification team members as excellent or good.
 - Continued to grow the quarterly e-newsletter recipients and began engaging on social media.
 - Maintained and deepened relationships with Linked Deposit Loan Program participant banks representatives to clarify and improve loan program outreach.
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