

Washington State Office of Minority and Women's Business Enterprises

FISCAL YEAR 2011 ANNUAL REPORT

Mission

OMWBE's mission is to create and sustain a competitive and fair business environment for contracting and procurement opportunities that includes small businesses that are owned by minority, women, and socially and economically disadvantaged persons.

Vision

To contribute to a vital Washington economy that includes minority, women and socially and economically disadvantaged businesses.

Strategies

OMWBE's strategies focus on jobs and creating sustained economic vitality for our certified firms, through competitive and open procurement processes that promote supplier diversity, thereby resulting in a positive return on the public's investment.

ANNUAL REPORT – FISCAL YEAR 2011

Table of Contents

	Page
I. Director’s Message	3
II. Summary of FY11 Achievements	6
III. OMWBE Programs and Services	7
IV. OMWBE Ad Hoc Advisory Committee	29
Appendix A – Agency Utilization Reports	31

I. Message From OMWBE's Director

The nationwide economic challenges of the past three years have affected many. The consequences of high unemployment, bank closures, budget deficits, and an economic downturn impacted Washington businesses operating in the public and private sectors. Washington's state agencies and higher educational institutions experienced these changes and challenges as they worked to provide much needed services, despite diminished resources and revenues.

During FY11 state agencies and higher educational institutions continued to show their commitment to the Governor's supplier diversity initiative, specifically, "(T)o improve economic vitality of businesses and individuals..." despite yet another year of reduced budgets for discretionary purchases and contracting.

The number of certified firms that did business with the state increased during FY11 (627) over FY10 (545). The total dollars spent with certified firms during FY11 (\$93.6M) represents an increase over the State's spend in FY10 (\$67.1M) with certified firms. The overall statewide percentage spend with certified firms increased from 2.86% in FY10 to 3.95% in FY11.

In addition to the State's continued commitment to supplier diversity, these results demonstrate that our certified firms are competitive, capable and, in many ways, more engaged than before the economic downturn. Their services are more diverse today than ever before. They are able to respond to the State's ever changing business model as it continues to operate with less and do more to serve the citizens of Washington.

Our certified firms continued to make a significant contribution to Washington's economy during FY11. Approximately six hundred certified firms¹ reported annual revenues between one and nine million dollars. Forty-five certified firms reported annual revenues exceeding ten million dollars. Together, our 3,065 certified firms reported more than 26,000 employees during FY11.

OMWBE's commitment to change that began in earnest two years ago, accelerated during FY11. We refocused, recommitted ourselves, expanded partnerships with community-based organizations and our state minority ethnic commissions, resulting in increased program outreach and significantly improved on-time service delivery to more firms. During FY11, OMWBE conducted and /or participated in over 150 events to provide program training, focus groups and outreach to more than 6,000 persons throughout Washington. This better ensures that more minority, women, and socially and economically disadvantaged small businesses are included in the state's procurement and contracting processes.

¹ A certified firm must qualify as a small business concern. This definition shall be consistent with the small business requirements defined by section 3 of the Small Business Act, 15 U.S.C. Sec. 632, and its implementing regulations as guidance. See RCW 39.19.030(7).

Through our closer partnerships with the minority ethnic commissions and community based organizations, we are not only listening to the minority, women, and socially and economically disadvantaged business communities directly, but providing them with avenues to be heard by policy makers. OMWBE's Ad Hoc Advisory Committee is that avenue.

The Committee was very active during FY11. The Committee is comprised of certified firms and representatives from the business community, political subdivisions, state agencies, and educational institutions. It not only provides guidance to OMWBE's Director; equally important, the Committee held focus groups for agency buyers and businesses and provided input to other state agencies on policy matters concerning procurement and contracting.

To acknowledge the efforts of agencies, certified firms and OMWBE's stakeholders in supplier diversity, OMWBE and its Ad Hoc Advisory Committee announced its inaugural supplier diversity champion awards for FY11 in September 2011.

By the end of FY11 OMWBE itself had become more accountable to our stakeholders and improved our reporting processes. Using our existing legacy reporting systems, staff became more focused, persisted and collaborated more closely with state agencies. Throughout the fiscal year, we published quarterly agency expenditures reports on time and posted quarterly Government Management Accountability and Performance (GMAP) reports on our website. Now, all stakeholders know what progress OMWBE and state agencies are making concerning supplier diversity. Thanks to our collaboration with the Office of Financial Management (OFM), data system improvements were made that enable OFM to provide OMWBE with data regarding the agencies' expenditures with certified subcontractors that was not previously reported or provided to OMWBE. OMWBE is now able to provide a more comprehensive report of state dollars spent with certified firms.

Improvement of OMWBE's internal systems was not however, fully accomplished during FY11. Recognizing that we must be a "continuous learning organization, we began in earnest in the third quarter of FY11 to focus on continuous improvement and implement LEAN management techniques. By the end of FY11, we had adopted many useful new certification processing templates and totally revised the DBE Certification Manual. However, the hiring freeze that existed during FY11, staff vacancies, and out of date technology, require long term solutions, if we are to turn these short term achievements into sustained progress. In addition to continuing to address staff development needs, OMWBE's operating systems must be upgraded to keep pace with the expanding needs of our community. "The sustainability and future growth of OMWBE's performance is dependent on support from other state agencies and the wise investment in better technology and staff development." (See OMWBE Organizational Review, page 2, June 30, 2011.)

Looking Forward to 2012:

Looking Forward to 2012:

While the State overall demonstrated its continuing commitment to supplier diversity and made progress in FY11, it is far from where we want it to be. Individual agencies still lag significantly behind others. But the success of individual agencies clearly demonstrates the results that can be accomplished when the agency embraces supplier diversity at all levels, regardless of the size of its budget. The sustained progress of individual agencies illustrates that when agencies use the tools that are currently in place, sustained business relationships with Washington's community of minority, women and socially and economically disadvantaged businesses are created. In spite of the overriding economic hardships of the past three years, more progress by our agencies and educational institutions can and must be made.

OMWBE will continue its comprehensive analysis of its internal operating systems, using LEAN management principles. We will identify fiscally sound strategic partnerships that provide long term solutions to improve document management, upgrade legacy certification processing systems and ensure federal certification determinations, including complaints and appeals, are issued on time. Staff training in both state and federal certification application processing will be an ongoing effort. Quality control was implemented at the end of FY11 and will continue to be a critical component of the application review process. This will provide transparency, internal accountability and better ensure our decisions are not only timely issued, but of the quality expected by our customers. Finally, but not least, OMWBE staff must strengthen their commitment to continuous learning and process improvement to ensure the short term achievements of FY11 become a solid foundation for OMWBE's sustained growth and continued improvement in customer service.

OMWBE's strategy for Fiscal Year 2012 is energized by Governor Gregoire's message in her 2012 State of the State Address, "...let's win in the turn...."

Respectfully Submitted,
Cathy V. Canorro
Director, OMWBE
March 2012

II. Summary of FY11 Achievements

- ✦ State agencies, colleges, and universities as a whole spent 3.95% of the state's total discretionary dollars (approximately \$93.6 million) with 427 certified minority and women-owned businesses (M/WBEs).
- ✦ OMWBE certified firms enhance Washington's economy. They reported over 26,000 employees during FY11. Approximately six hundred certified firms reported annual revenues between \$1 – 9 million. Forty-five certified firms reported annual revenues exceeding \$10 million.
- ✦ OMWBE announced its Inaugural Supplier Diversity Champions. Collaborating with our Ad Hoc Advisory Committee, OMWBE honored these champions for their outstanding service and commitment to inclusion of certified minority, women and disadvantaged business enterprises in the State's procurement and contracting.
- ✦ The Linked Deposit Program enrolled 142 loans totaling over \$64 million to 113 certified firms. The firms reported that these loans were responsible for creating and/or saving 832 jobs.
- ✦ OMWBE added further updates and improvements to its Website to better inform the community about its programs, upcoming training/outreach, and pending contracting opportunities.
- ✦ OMWBE collaborated with the Commission on Hispanic Affairs (HCA) to produce a Latino Business Directory and Spanish/English version of the Certification video that is posted on the website of OMWBE and HCA.
- ✦ OMWBE's Ad Hoc Advisory Committee sponsored supplier diversity focus groups for firms in Tacoma and Spokane enabling agency buyers to learn first-hand from firms what is and is not working.
- ✦ OMWBE continued its collaboration with the Office of Financial Management and prime contractors. OMWBE now receives data not previously available, especially regarding 2nd tier suppliers, and now publishes more comprehensive reports of the State's expenditures with certified firms.

III. OMWBE Programs and Services

RCW 39.19.030 charges OMWBE to develop a comprehensive plan to ensure that qualified minority and women-owned and controlled businesses are provided an opportunity to participate in public contracts for public works, goods and services.

To fulfill this obligation OMWBE has organized its resources into three major program areas:

- Certification
- Agency Support and Supplier Diversity
- Business Development

Additionally, OMWBE's Ad Hoc Advisory Committee provides program guidance to OMWBE's Director, as well as reviews the state's performance in supplier diversity.

Certification

State and Federal Certification Programs

OMWBE administers the State's program for minority, women, and socially & economically disadvantaged persons² pursuant to chapter 39.19. Revised Code of Washington. We also serve as Washington's Unified Certification Authority for all grantees in Washington of USDOT funding from the Federal Highway Administration, Federal Aviation Administration and Federal Transit Administration. OMWBE's annual interagency agreement with the Washington State Department of Transportation establishes the funding mechanism and DBE certification protocols.

Through the state and federal certification programs, OMWBE maintains a directory (hard copy and online) of ready, willing and able firms with whom state agencies, higher education institutions and local jurisdictions can access. Notably, OMWBE's directory is also used by the private sector, thus bringing additional value to the certification.

² As per 39.19.125, OMWBE may only certify a firm as socially & economically disadvantaged. OMWBE has no statutory authority to establish goals for this certification designation.

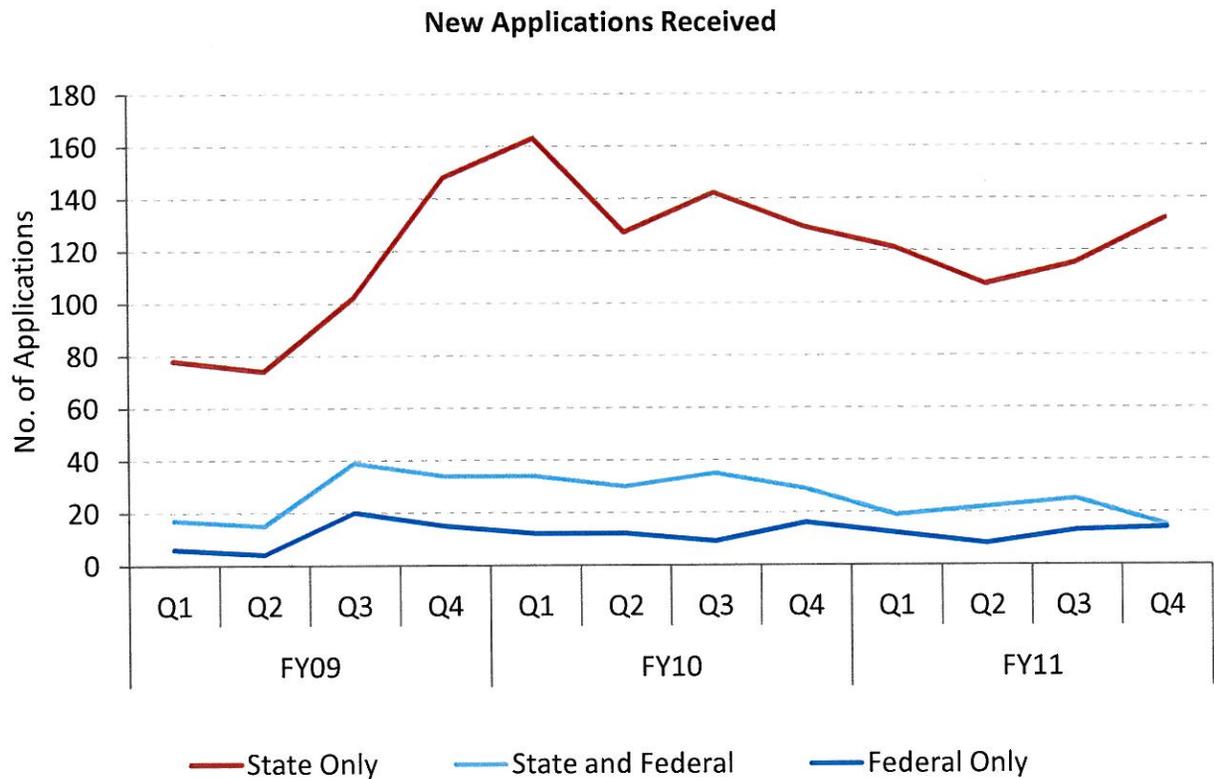
Benefits of Certification

The State as a whole, as well as the individual firms that are certified all benefit from certification:

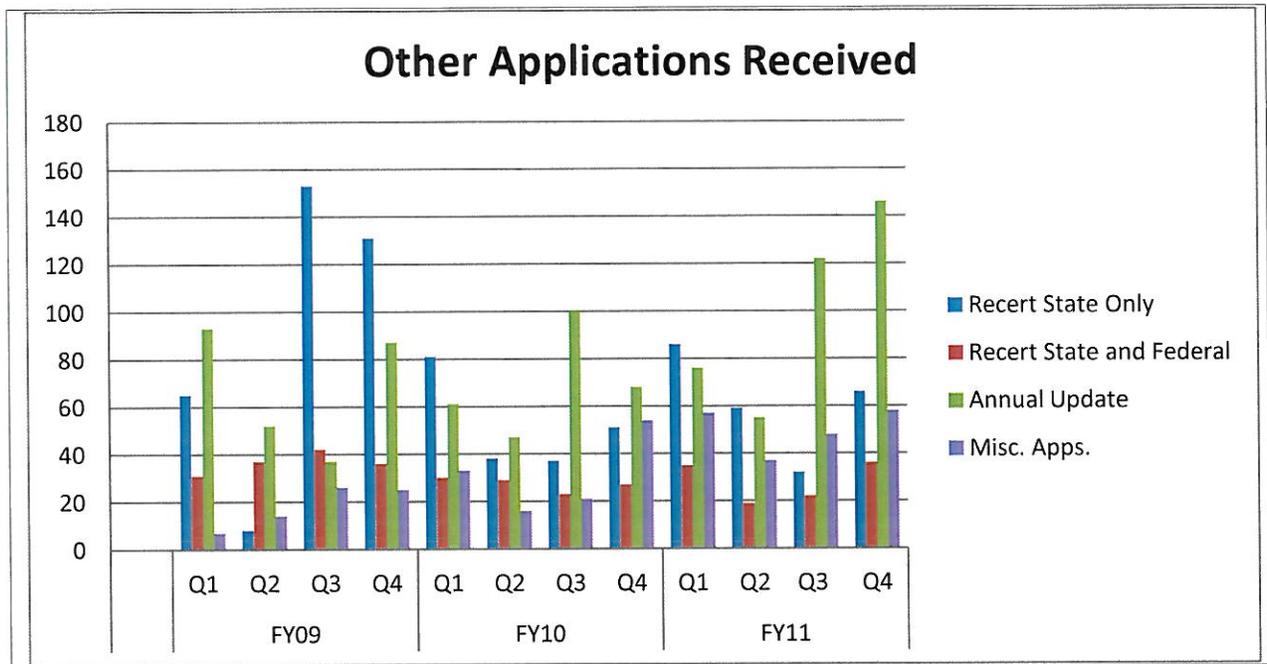
- ❖ The State gets:
 - Innovative, flexible, responsive, and competitive suppliers, vendors, and contractors that are ready, willing, and able to provide goods and services
- ❖ Certified firms get:
 - A cabinet-level agency with access to the Governor's office and directors of state agencies
 - An advocate inside government
 - Listing in OMWBE's online directory, providing increased visibility to government and private sector buyers
 - Notice of contracting opportunities in state government
 - Eligibility for the Linked Deposit Program
 - Educational seminars, workshops, and networking opportunities

New Applications Increased During FY11

After declining for three quarters in FY11, the number of incoming new state applications increased (132) during the fourth quarter of FY11 over the same period of FY10 (129) and the third quarter of FY11. Over 75% of all applications received during FY11 (475) were from businesses applying only for Washington's state M/WBE program. The remaining 25% of new applications came from businesses applying for the DBE program only or the state and DBE program at the same time. The chart below shows the trend by quarter for the last three fiscal years.

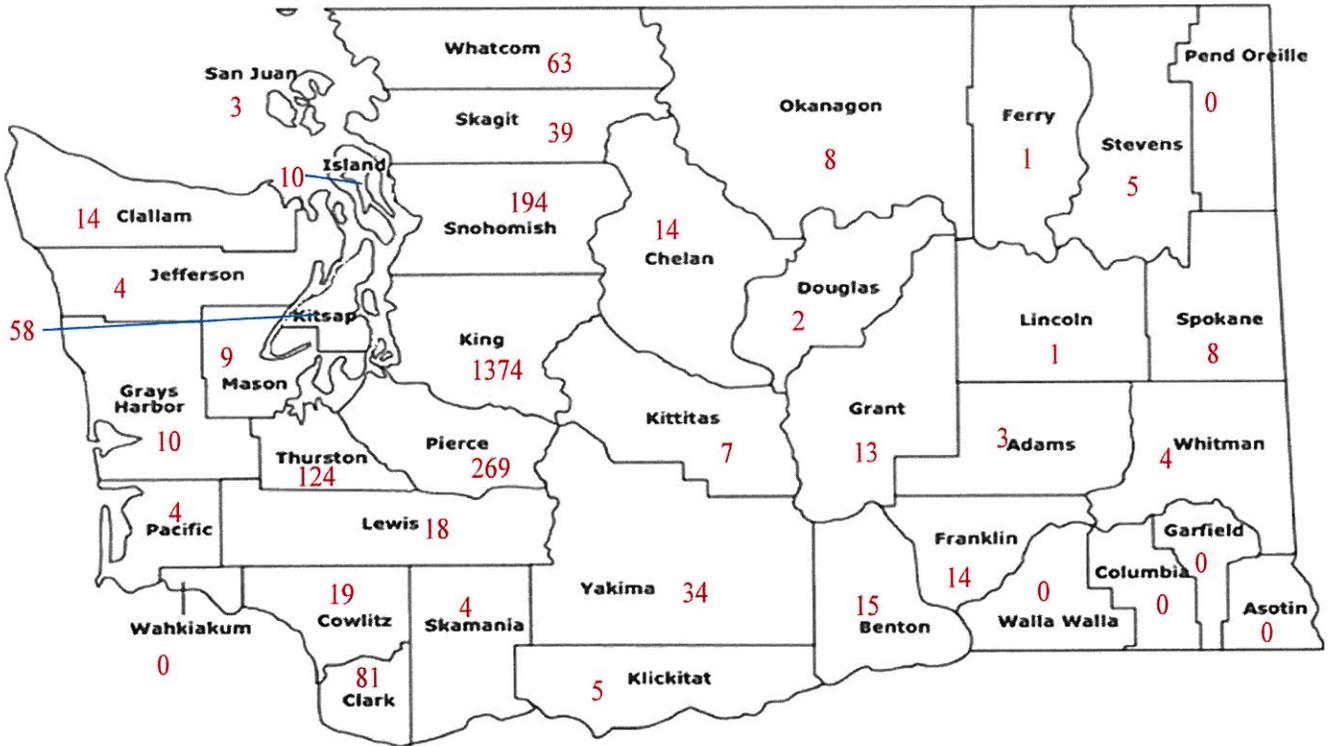


Similarly, as with the increasing number of new state applications since the second quarter of FY11, the number of firms submitting annual updates and request for additional NAICS codes from currently certified firms during FY11 increased since FY09.



This data illustrates that currently certified firms continue to find value in certification for their business model. It also demonstrates resurgence among the small business community of minority, women and socially and economically disadvantaged small business owners who relied upon the value of certification during FY11, particularly for the DBE program (Annual Updates).

Distribution of Certified Firms Washington

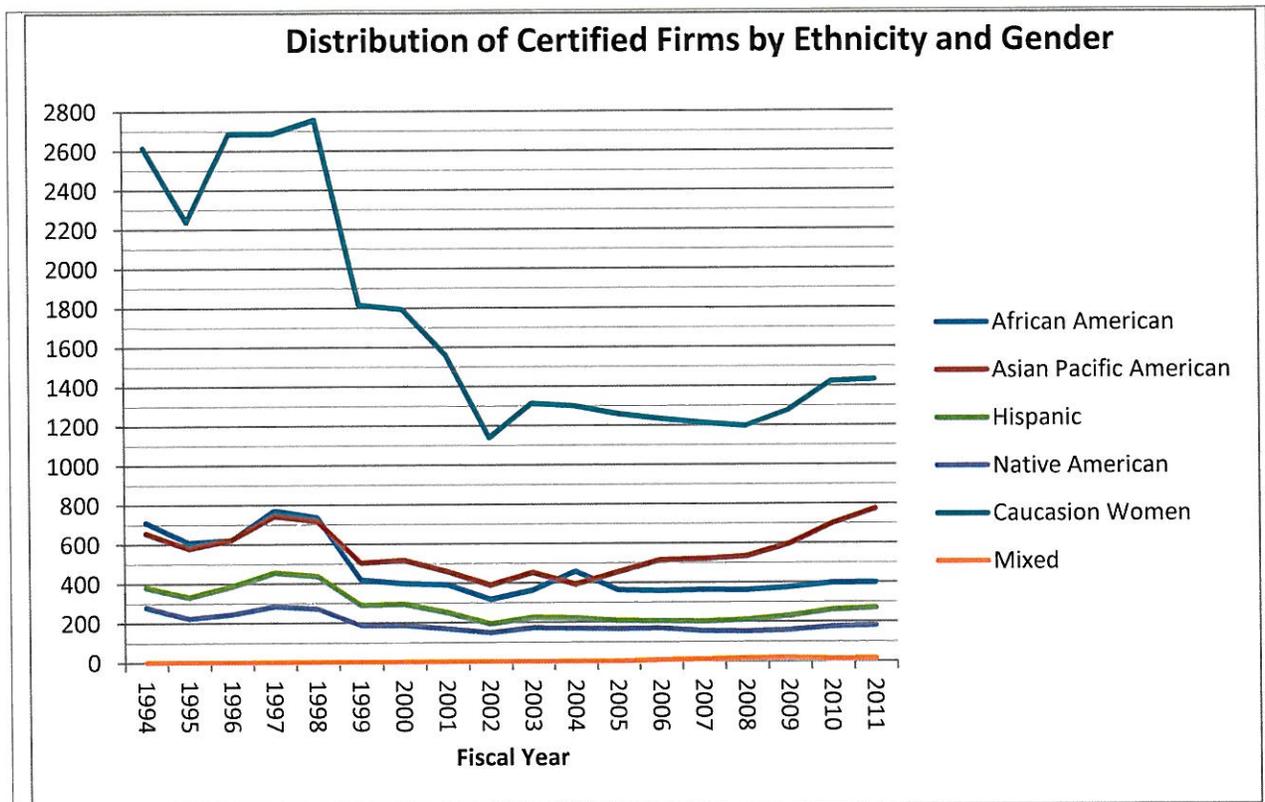


Other Regions Outside of Washington

Alaska – 1	Maryland – 6	Oklahoma – 1
Arizona – 3	Massachusetts – 4	Oregon – 75
California – 30	Minnesota - 2	Pennsylvania – 2
Colorado – 7	Missouri – 3	South Carolina – 1
Connecticut – 1	Montana – 5	Tennessee – 3
Florida – 8	Nevada – 5	Texas – 8
Georgia – 1	New Jersey – 6	Virginia – 3
Idaho - 8	New York – 6	West Virginia – 1
Indiana – 1	North Carolina – 2	Wisconsin – 1
Illinois – 4	Ohio – 4	
Kansas - 1		Canada - 1

Distribution of Certified Firms by Ethnicity and Gender

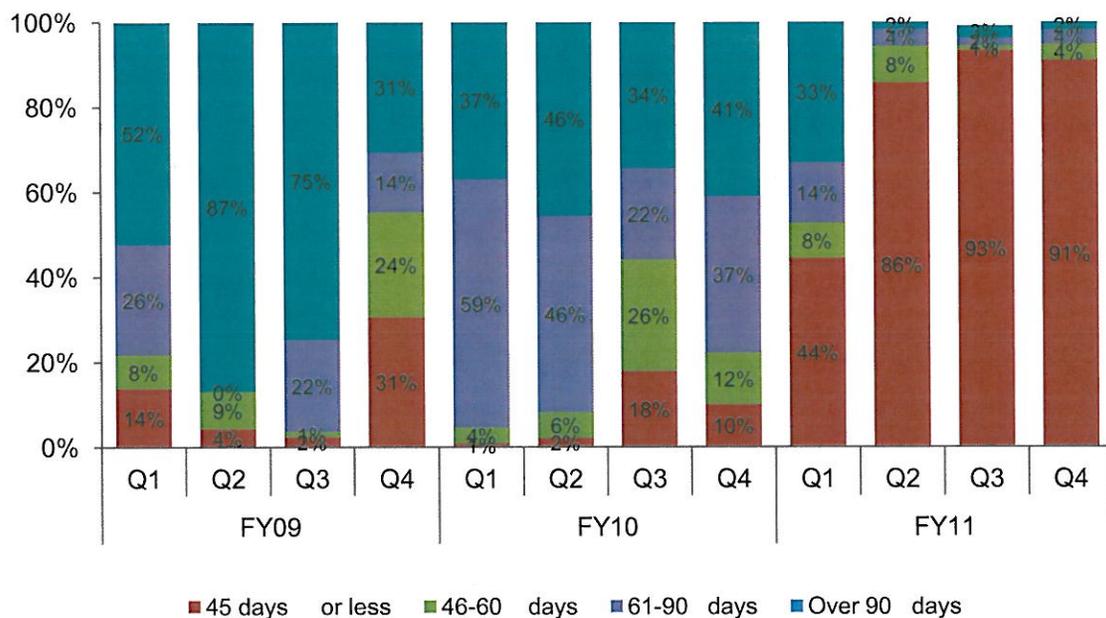
After the passage of Initiative 200, the greatest decline occurred among Caucasian Women certified firms. The number of certified firms available to do business with the State grew slightly in FY11, but steadily since FY08 for each ethnic and gender category. This growth is in marked contrast to the decline in the number of certified firms experienced after the passage of Initiative 200 and for a number of years thereafter, prior to the State commitment to focus on supplier diversity. The recent growth in the number of firms albeit slight in FY11, is notable, because it has occurred in a climate of reduced contracting and procurement activity by the State that has continued during the past three fiscal years.



Application Determination Time Improved Significantly During FY11

OMWBE significantly improved its application processing time of new state applications during FY11 from the previous two fiscal years. Even though the processing time of new applications within 45 days or less dropped slightly in the fourth quarter (91%) from the third quarter (93%), a greater number of applications were processed during the fourth quarter. Overall, this represents significant improvement over FY10 when only 8% of new state applications were processed within 45 days or less.

New State Application Determination Time

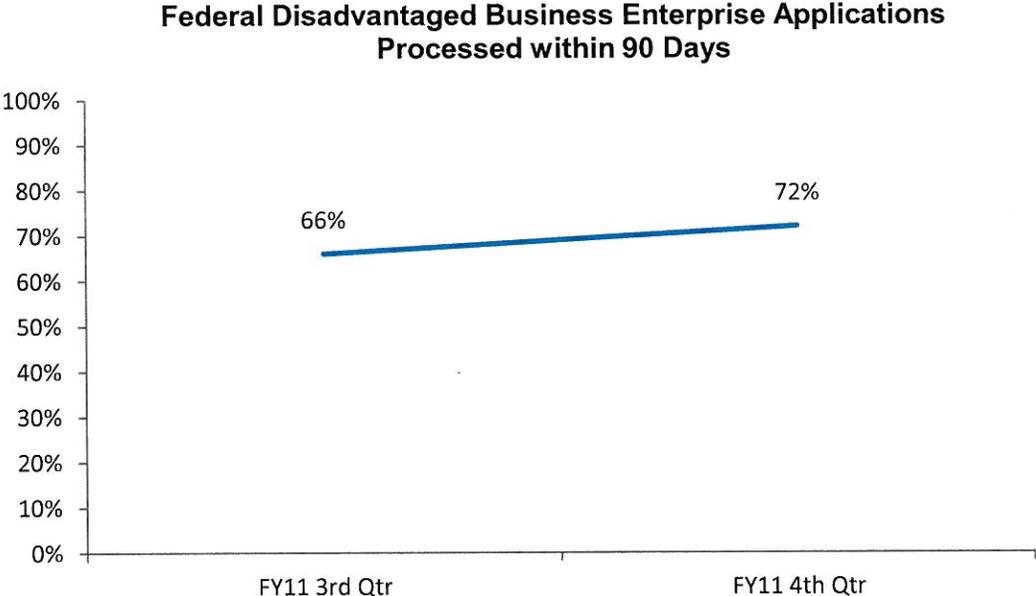


OMWBE also increased both the number and percentage of other applications processed within 45 days or less during the fourth quarter from the previous quarter.

Continued progress in application processing time was made possible through specific process improvements sponsored by OMWBE’s staff process improvement workgroup during the third and fourth quarters of FY11. These improvements included: revision of the certification manual, application prescreen protocols and onsite interview form; adoption of application table of contents, document filing standards, creation of NAICS code analysis template, and NAICS code training.

New Metric Established to Measure New Federal (DBE) Application Processing Time

During the fourth quarter, OMWBE began measuring the processing time of new DBE applications. The metric is based upon the federal regulations which require new applications to be processed within ninety (90) days of receipt of all information required to make a determination. The baseline for this measure is the percentage of applications processed during the third quarter of FY11 (66%). During the fourth quarter, 72% of DBE applications met the federal time processing requirement.



Agency Support and Supplier Diversity

To fulfill its mission of providing maximum practicable access to the State's contracting and procurement opportunities, OMWBE's Agency Support and Supplier Diversity Division provides the following services:

- Quarterly and Annual Reports of expenditures by agencies and educational institutions with certified firms
- Technical assistance to agencies and educational institutions concerning the implementation of supplier diversity plans and OMWBE expenditure data entry
- Participation in agency stakeholder groups and development of standard solicitation/contract language

RCW 39.19.250 requires all state agencies and educational institutions to submit data and other related information requested by OMWBE for purposes of OMWBE's annual report to the Governor and Legislature on the progress of implementing chapter 39.19 RCW. One hundred seventeen agencies and higher educational institutions provided expenditure data to OMWBE during FY11. This data is received from one or more sources, including: the Office of Financial Management, directly from the entity itself, the entity's purchase card vendor, or other vendor used by the entity. Entities not reporting or only reporting its purchase card activity included Department of the Printing,³ Washington State University, Central Washington University, and Eastern Washington University. See Appendix A for the annual individual agency utilization reports.

While OMWBE tracks the dollars spent with minority and women business enterprises by the State as a whole, positive program outcomes are more sustained when OMWBE provides technical assistance to individual agencies and educational institutions in the implementation of their supplier diversity plans, including establishing individual agency goals based upon available opportunities and the availability of ready, willing and able certified firms to compete for those opportunities and regularly monitoring and reporting the results of their performance. By doing so, each agency is held accountable based upon its resources and efforts. The charts below show that despite reduced budgets, the agencies that have combined percentage MBE and WBE in excess of ten percent have achieved this level of utilization by having a committed Executive and staff who are able to identify and do business with certified firms, often exceeding their own goals.

OMWBE and the Office of Financial Management collaborated during FY11 to make program enhancements to the expenditure data reporting system. This effort enabled additional 2nd tier expenditure data totaling in excess of \$16.6 million to be transmitted to OMWBE and reported in twenty Agencies spend reports. This data had not previously been provided to OMWBE in previous years' data transmittals. The Department of Social and Health Services benefitted the most from this effort, with over \$15.9 million added to its spend report.

³ As of October 2011, the Department of the Printing was consolidated into the Department of Enterprise Services.

The value of reporting 2nd tier spend is portrayed in the chart below. Thanks to the quarterly reports OMWBE receives directly from just two vendors that contract with a certified firm, OMWBE included additional spend for thirty-nine agencies in their utilization reports that would not otherwise have been available as the agencies did not collect this data from these primes. It is also noteworthy that the total expenditures with one or both of the primes increased during FY11 from FY10.

2 nd Tier Spend with American Paper Converting (M/WBE)						
FISCAL YEAR:	FISCAL YEAR 2010			FISCAL YEAR 2011		
STATE AGENCIES	PRIME		Combined 2 nd Tier	PRIME		Combined 2 nd Tier
	Coastwide	Waxie		Coastwide	Waxie	
Agriculture, Dept of					\$38.47	\$38.47
Attorney General, Office of the		\$1,807.68	\$1,807.68		\$4,144.98	\$4,144.98
Commerce, Dept of				\$3,999.00	\$131.66	\$4,130.66
Corrections, Dept of	\$607,090.70	\$30,812.40	\$637,903.10	\$814,029.92	\$37,852.25	\$851,882.17
Criminal Justice Training Commission	\$793.40	\$178.48	\$971.88		\$924.66	\$924.66
Ecology, Dept of	\$96.60		\$96.60			
Employment Security Dept		\$1,822.48	\$1,822.48		\$1,687.42	\$1,687.42
Fish & Wildlife, Dept of		\$1,085.26	\$1,085.26		\$816.50	\$816.50
General Administration, Dept of *	\$42,734.97	\$5,309.78	\$48,044.75	\$47,734.83	\$5,949.52	\$53,684.35
Licensing, Dept of				\$4,173.22		\$4,173.22
Liquor Control Board		\$3,389.99	\$3,389.99		\$1,927.09	\$1,927.09
Lottery Commission, State		\$1,897.38	\$1,897.38		\$66.18	\$66.18
Military Dept	\$39,431.49	\$4,249.24	\$43,680.73	\$36,845.38	\$1,544.97	\$38,390.35
Natural Resources, Dept of		\$29.32	\$29.32		\$244.81	\$244.81
Parks & Recreation Commission, State	\$1,604.56	\$6,687.90	\$8,292.46	\$278.95	\$7,532.39	\$7,811.34
Secretary of State, Office of the	\$354.61		\$354.61	\$1,309.03		\$1,309.03
Services for the Blind, Dept of	\$472.39		\$472.39	\$416.96		\$416.96
Social & Health Services, Dept of	\$55,341.08	\$10,565.41	\$65,906.49		\$2,239.53	\$2,239.53
Transportation, Dept of	\$8,240.34	\$75,813.35	\$84,053.69	\$11,520.22	\$68,951.80	\$80,472.02
Veterans' Affairs, Dept of	\$795.70		\$795.70	\$888.04		\$888.04
Washington State Patrol	\$829.16		\$829.16	\$1,186.02		\$1,186.02

UNIVERSITIES/COMMUNITY COLLEGES	PRIME		Combined 2 nd Tier	PRIME		Combined 2 nd Tier
	Coastwide	Waxie		Coastwide	Waxie	
Bates Technical College	\$138.32		\$138.32	\$3,528.10		\$3,528.10
Centralia College		\$3,839.64	\$3,839.64		\$8,708.92	\$8,708.92
Clark College		\$104.30	\$104.30			
Edmonds Community College	\$9,400.40		\$9,400.40	\$14,128.38		\$14,128.38
Everett Community College	\$339.10		\$339.10			
Evergreen State College, The	\$39,601.43		\$39,601.43	\$44,257.46		\$44,257.46
Green River Community College	\$267.96		\$267.96	\$194.88		\$194.88
Highline Community College		\$17,156.15	\$17,156.15		\$50,470.82	\$50,470.82
Lake Washington Tech College		\$2,518.78	\$2,518.78	\$33.91	\$8,798.55	\$8,832.46
Olympic College	\$5,704.80		\$5,704.80	\$13,402.89		\$13,402.89
Peninsula College		\$725.75	\$725.75		\$732.22	\$732.22
Pierce College	\$464.00	\$4,019.04	\$4,483.04	\$603.20	\$15,042.15	\$15,645.35
Renton Technical College	\$2,244.35	\$2,196.82	\$4,441.17	\$6,921.35	\$5,040.53	\$11,961.88
Seattle Community College- Dist 6	\$7,535.98		\$7,535.98			
Shoreline Community College				\$8,032.31	\$118.80	\$8,151.11
Skagit Valley College	\$6,667.54	\$902.32	\$7,569.86	\$7,793.56		\$7,793.56
Tacoma Community College	\$6,350.03		\$6,350.03	\$13,412.09		\$13,412.09
University of Washington	\$7,510.45		\$7,510.45	\$9,322.35		\$9,322.35
Washington State University				\$67.82		\$67.82
Wenatchee Valley College		\$2,211.70	\$2,211.70		\$658.32	\$658.32
Western Washington University	\$93,435.05	\$1,558.62	\$94,993.67	\$97,502.36		\$97,502.36
Yakima Valley College	\$6,386.00	\$172.44	\$6,558.44	\$2,375.14		\$2,375.14
TOTAL BY FISCAL YEAR:	\$943,830.41	\$179,054.23	\$1,122,884.64	\$1,143,957.37	\$223,622.54	\$1,367,579.91

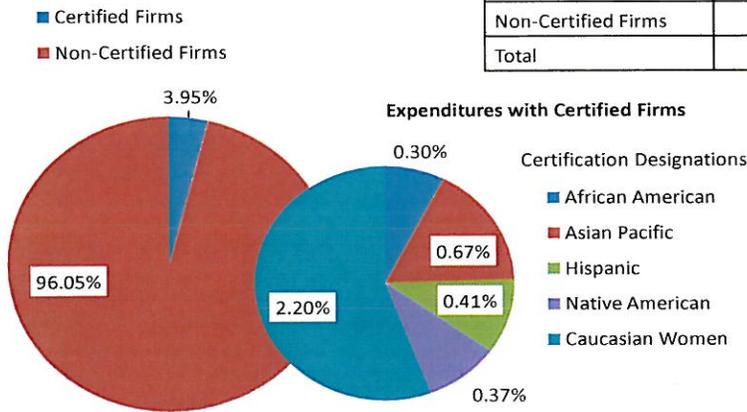
*Agency consolidated into DES

The State's Expenditures with Certified Firms and Number of Firms Doing Business with the State Increased during FY11

FY11 STATE EXPENDITURES WITH OMWBE CERTIFIED & NON-CERTIFIED FIRMS

FY11 EXPENDITURES WITH OMWBE CERTIFIED FIRMS				
OMWBE CERTIFICATION DESIGNATION	# OF CERTIFIED FIRMS USED	M/WBE DOLLAR SPEND ¹	M/WBE PERCENTAGE SPEND ²	TOTAL PERCENTAGE SPEND ³
African American	66	\$7,044,051	7.51%	0.30%
Asian Pacific	144	\$15,916,304	17%	0.67%
Hispanic	51	\$9,686,497	10.3%	0.41%
Native American	35	\$8,851,365	9.4%	0.37%
Caucasian Women	331	\$52,172,823	55.7%	2.2%

FY11 TOTAL EXPENDITURES WITH CERTIFIED AND NON-CERTIFIED FIRMS		
	DOLLAR SPEND	PERCENTAGE SPEND
Certified Firms	\$93,671,040	3.95%
Non-Certified Firms	\$2,277,613,544	96.05%
Total	\$2,371,284,584	100%

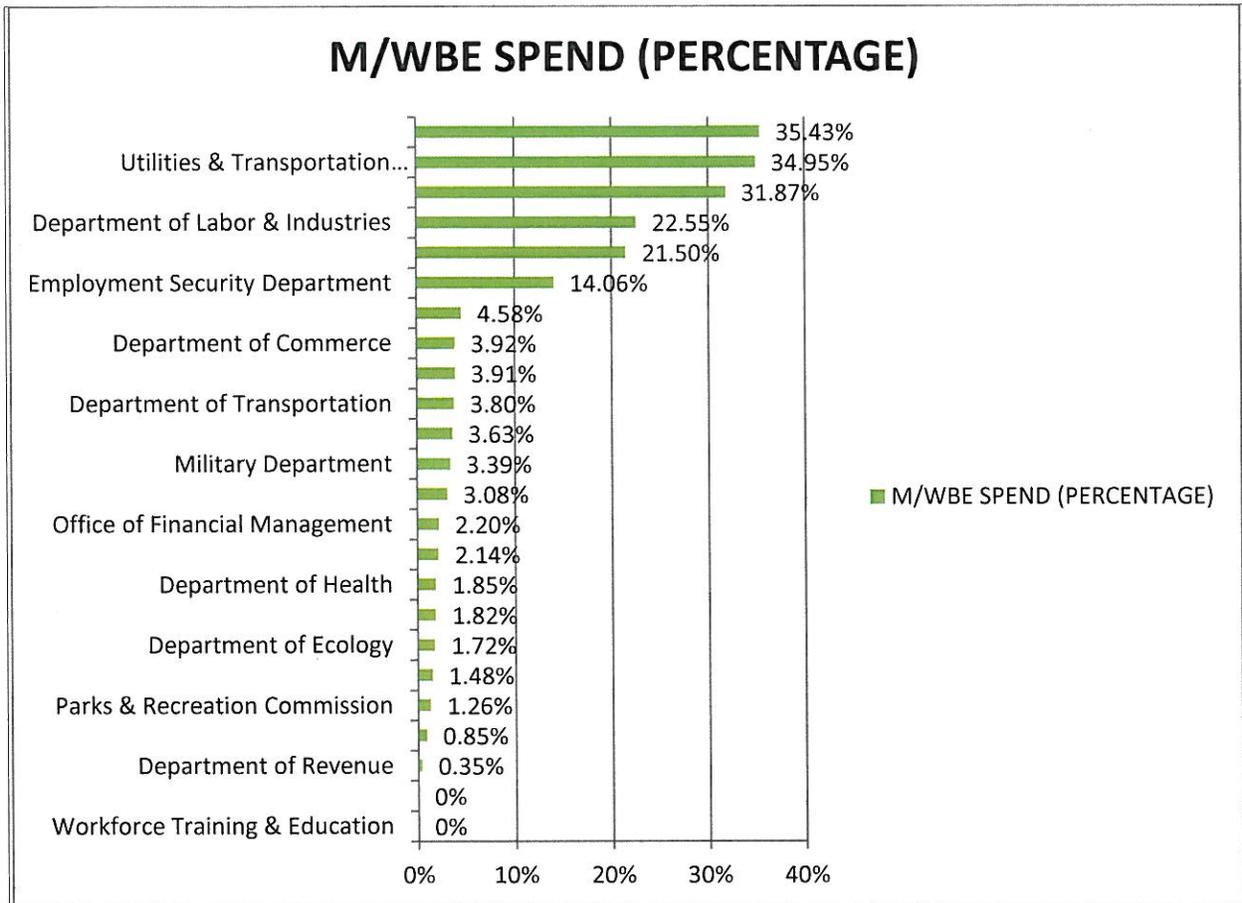


¹Agency spend with OMWBE certified firms
²Percentage of each minority group compared to the total spend with certified firms
³Percentage of each minority groups compared to the state's total spend with OMWBE certified and non-certified firms

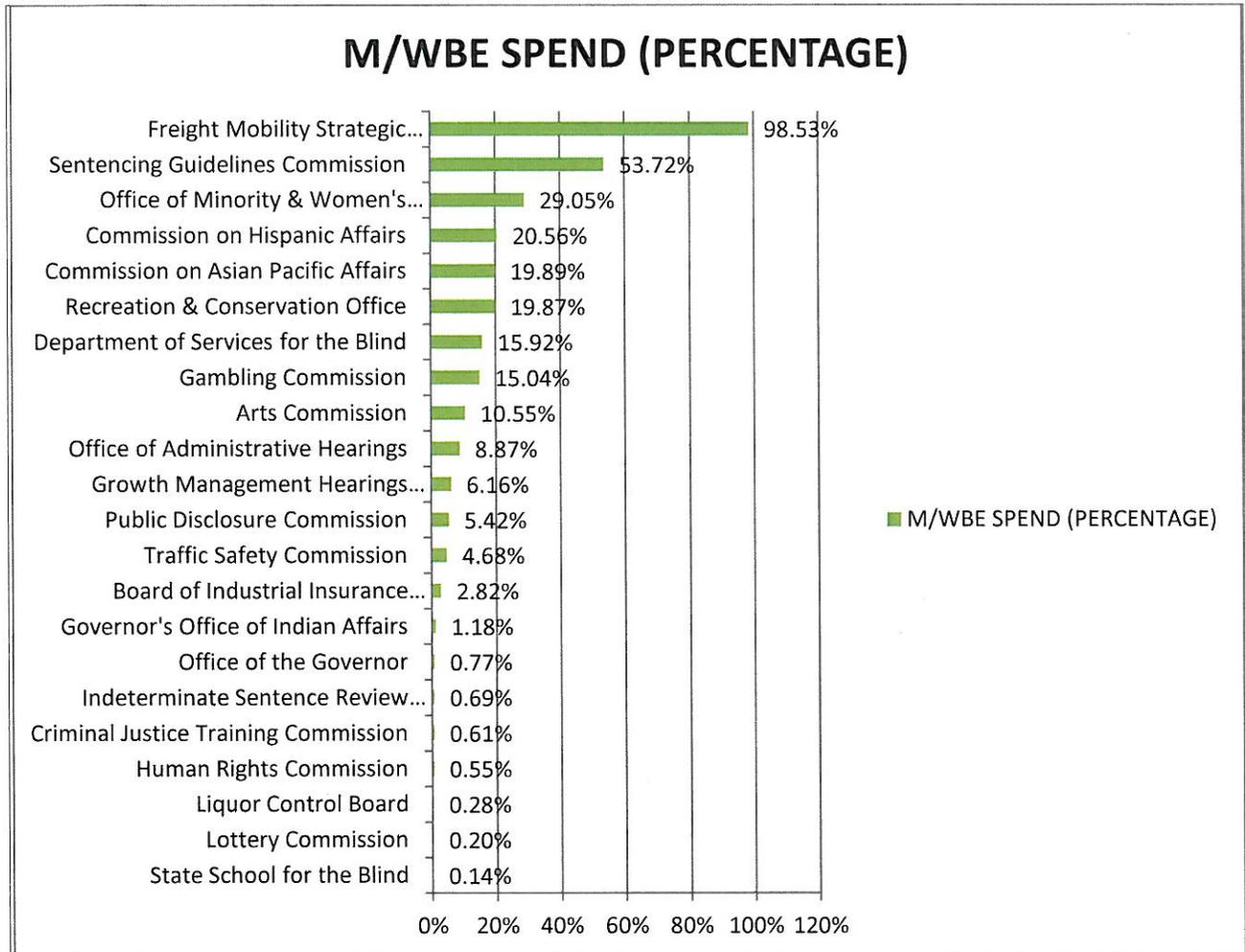
Top 10 Agencies by Largest PBase

Agency/Institution Name	Pbase Dollars	MBE Dollars	MBE %	WBE Dollars	WBE %
Department of Transportation	1,051,643,215	16,671,503	1.59%	23,855,870	2.27%
University of Washington	527,586,519	5,108,028	0.97%	3,792,859	0.72%
Department of Social & Health Services	96,784,769	6,992,007	7.22%	13,820,655	14.28%
Department of Corrections	61,933,706	2,173,011	3.51%	665,683	1.07%
Western Washington University	43,341,847	411,659	0.95%	80,872	0.19%
Department of Health	38,136,796	109,102	0.29%	594,916	1.56%
Department of Fish & Wildlife	33,333,645	217,986	0.65%	66,291	0.20%
Seattle Community College - Dist 6	32,568,808	206,885	0.64%	138,782	0.43%
Department of Natural Resources	29,450,462	155,122	0.53%	260,685	0.89%
Department of General Administration	28,742,652	131,868	0.46%	307,272	1.07%
Top 10 Total	1,943,522,419	32,177,171	1.66%	43,583,885	2.24%

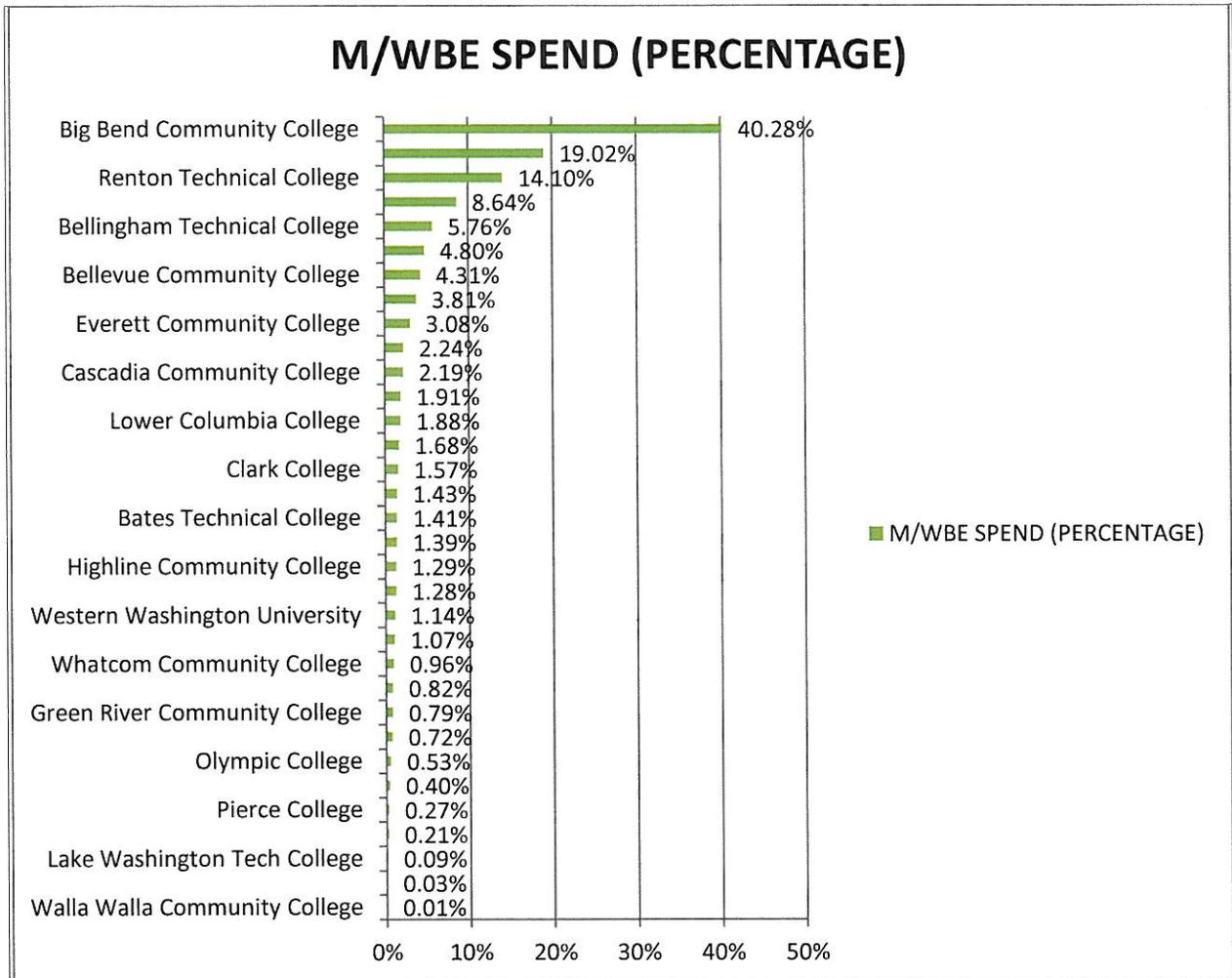
Executive Cabinet Agency Spend



Small Cabinet Agency Spend



Universities and Community Colleges Spend

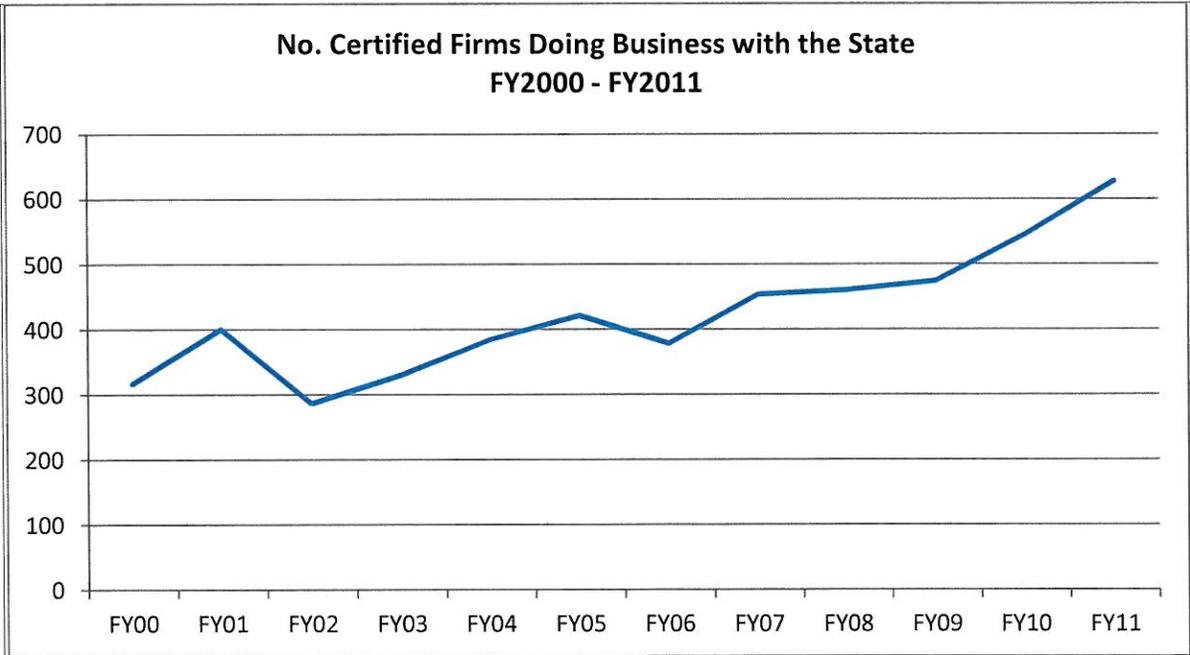


The number of certified firms doing business with the state steadily increased during each quarter of FY11 so that by the end of FY11 the number of certified firms doing business with the state exceeded the number doing business with the state in both FY10 and FY09, even though state agencies operated with reduced budgets for discretionary purchases during those fiscal years.

As shown in the chart below, the number of certified firms in each ethnic/gender category that did business with the state increased during FY11 from the previous two fiscal years.

Number of Certified Firms Doing Business with the State Fiscal Years 2009 – 2011			
Ethnic/Gender Category	FY11	FY10	FY09
African American	66	53	52
Asian American	144	114	103
Hispanic	51	46	46
Native American	35	34	26
Caucasian Women	331	297	245
Other	0	1	2
Total	627	545	474

The chart below shows the State’s progress since the passage of Initiative 200. The accomplishments of the last three fiscal years, albeit slight, illustrate that despite reduced budgets and the passage of Initiative 200, the State’s agencies, through their commitment to the State’s Supplier Diversity Initiative since 2006 have indeed recommitted and are doing business with more certified firms.



Business Development

OMWBE's Business Development Division is responsible for the following activities:

- Technical assistance/capacity building to firms
- Facilitation of business relationships for firms and potential public/private sector customers
- Administration of the Linked Deposit Program

Program Outreach

Program outreach is an integral component of OMWBE's services. During FY11, OMWBE sponsored and/or participated in 151 events designed to inform Washington's small businesses throughout the State about certification, the Linked Deposit program and project opportunities, as well as deliver capacity building training. Additionally, OMWBE staff also conducted twenty-eight sessions with various local jurisdiction and state agency buyers and/or contracting officers to inform and assist them in implementing their supplier diversity plans. The chart below shows the specific events and locations.

OMWBE Training/Workshops/Outreach with Businesses and State Agencies/Local Jurisdictions FY11								
Firm Events	Location							
	Puget Sound		SW Washington		Central Washington		Eastern Washington	
	#	Attend	#	Attend	#	Attend	#	Attend
Business Planner	19	145						
Certification*	20	149	3	95				
Selling to the State	2	32						
Marketing Strategies**	3	37						
Linked Deposit Program	6	100						
Business Opportunity Outreach	86	1,580			1	25	1	100
Trade /Vendor Events	7	1,350					1	200
Small Business Admin	4	290						
Radio Shows							4	2,150
Totals	147	3,574	3	95	1	25	6	2,350
Agency/Local Jurisdiction Events								
M/WBE Expenditure Reporting Workshops and Individual Training	18	120						
Local Jurisdictions	10	1,900						
Totals	28	2,100						

*3 Classes conducted as part of partnership with Metropolitan Development Council's Micro-Enterprise Class

Linked Deposit Program

The Linked Deposit Program (LDP) continued to provide access to affordable financing in FY11.

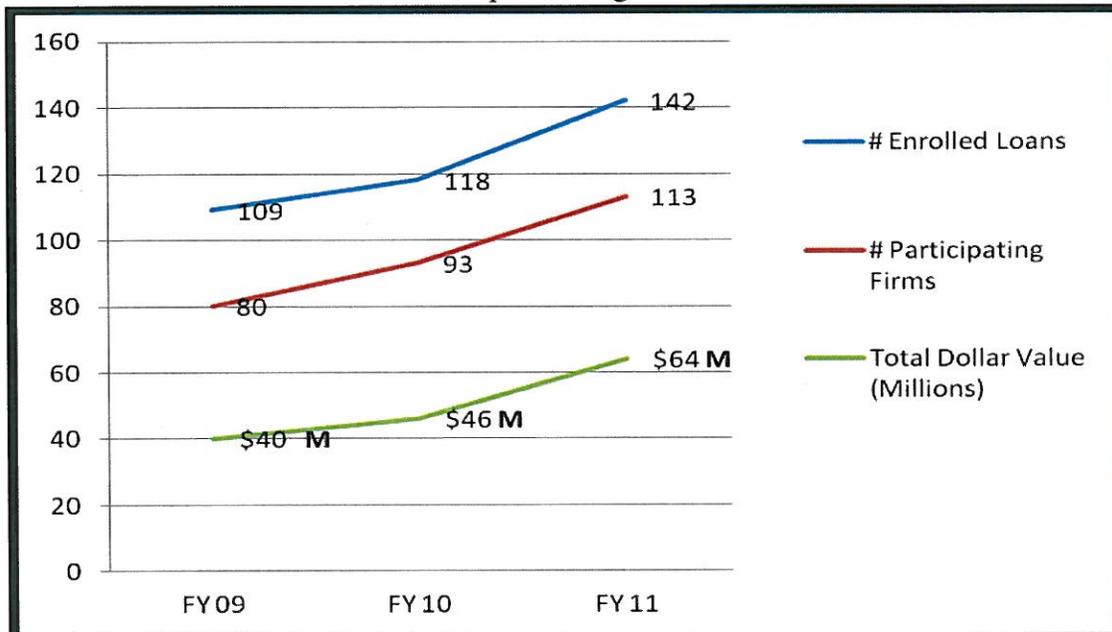
The State's commitment to ensure that Washington's minority and women small businesses have maximum practicable access to contracting opportunities, that is embodied in OMWBE's mission, cannot be fully achieved unless minority and women small businesses have access to affordable capital to grow their enterprises. The Linked Deposit Program has provided affordable interest rates at qualified depositories since 1993. By the end of FY11, approximately 1,440 loans exceeding \$485.7 million had been enrolled in the program since its inception.

Despite bank closures, and loans and lines of credit being recalled since the Fall of 2008, LDP participating banks have continued to make loans to OMWBE certified firms and enroll them in this program. In FY11, 142 loans were enrolled, totaling \$64 million. Approximately 51% of the loans enrolled were made to first-time borrowers, an express mandate of the statute and priority of Governor Gregoire.

US Bank was the leader among participating banks enrolling loans in the program with one hundred three loans totaling \$44.3M, followed by Columbia State Bank that enrolled eleven loans, totaling \$5.9M.

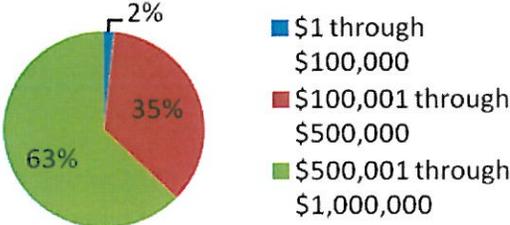
Over sixty percent of all loans enrolled, both in number and total principal dollar value, were made to certified firms based in King County, followed by Snohomish, Pierce and Thurston counties.

Linked Deposit Program FY 09 - FY11



The charts below provide further detail on the program’s performance during FY11.

Loans – By Dollar Range

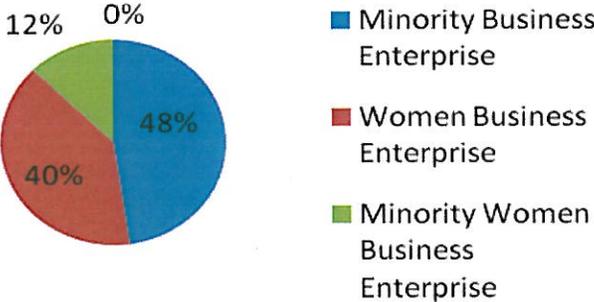


Loan Amount Range

\$1 through \$100,000
 \$100,001 through \$500,000
 \$500,001 through \$1,000,000

<u>Loans</u>	<u>Total</u>
x16	\$1,103,708
x75	\$22,675,183
x51	\$40,027,531
142	\$64,170,422

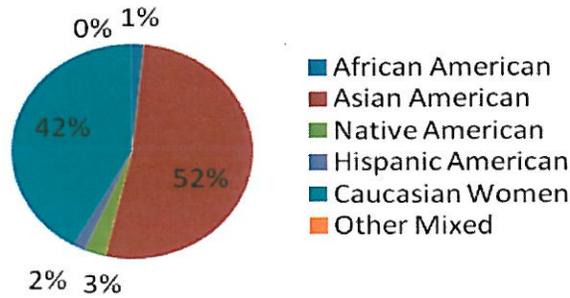
Loans - By Certification Designation



Loans by Certification Type

Minority Business Enterprise	59	\$31,015,256
Women Business Enterprise	64	\$25,058,328
Minority Women Business Enterprise	19	\$8,096,838
Combination Business Enterprise	0	\$0
142	142	\$64,170,422

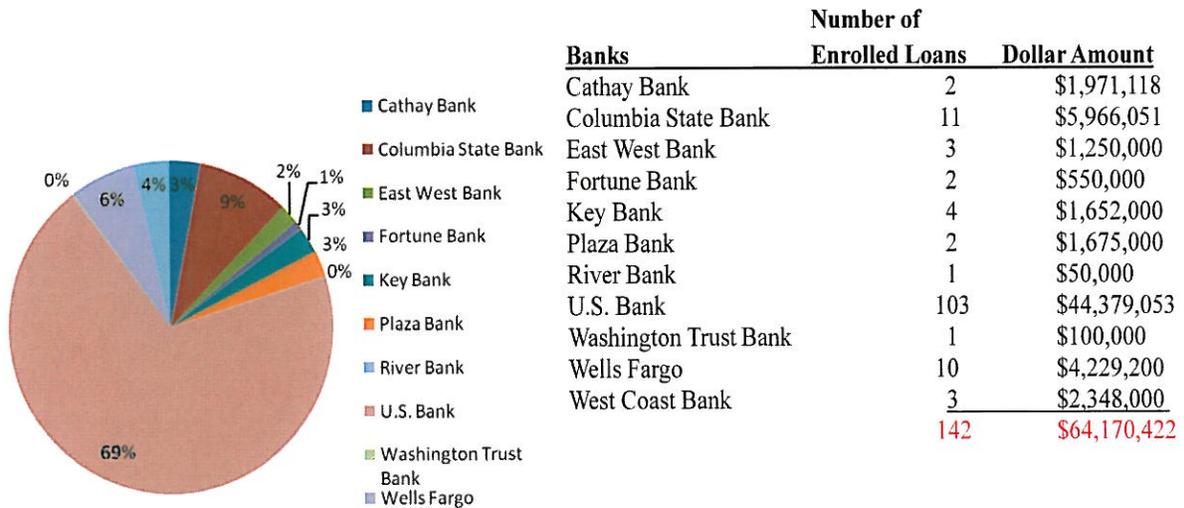
Loans - By Racial/Ethnic/Gender Group



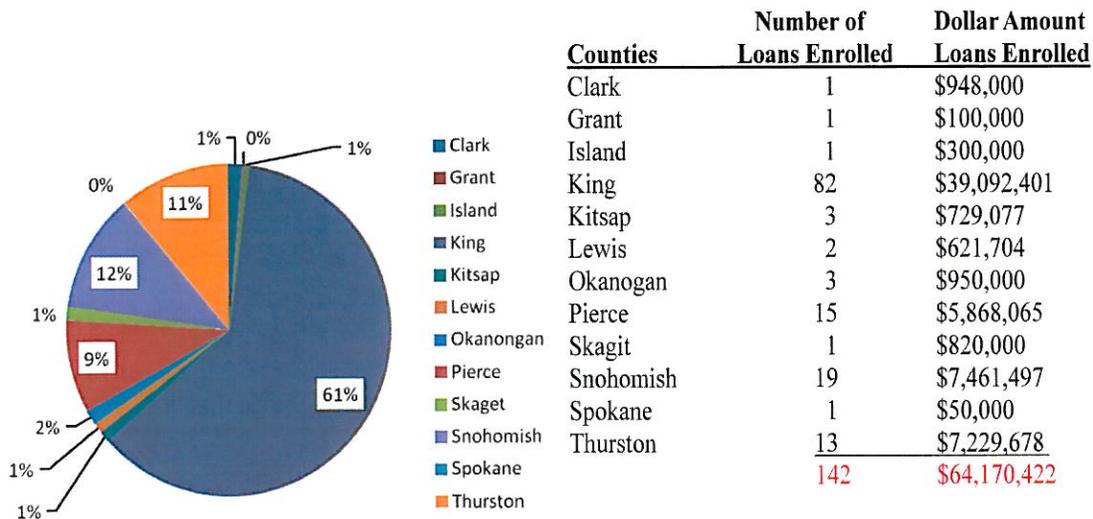
Loans by Ethnic Group

African American	4	\$1,078,280
Asian American	70	\$33,761,798
Native American	2	\$1,864,966
Hispanic American	2	\$1,100,000
Caucasian Women	64	\$26,365,378
Other Mixed	0	\$0
	142	\$64,170,422

Participating Banks



Loans - By County (Borrower's Location)



<u>Counties</u>	<u>Number of Loans Enrolled</u>	<u>Dollar Amount Loans Enrolled</u>
Clark	1	\$948,000
Grant	1	\$100,000
Island	1	\$300,000
King	82	\$39,092,401
Kitsap	3	\$729,077
Lewis	2	\$621,704
Okanogan	3	\$950,000
Pierce	15	\$5,868,065
Skagit	1	\$820,000
Snohomish	19	\$7,461,497
Spokane	1	\$50,000
Thurston	13	\$7,229,678
Total	142	\$64,170,422

Number of Jobs Created and Saved by County

<u>Counties</u>	<u>F/T Saved</u>	<u>P/T Saved</u>	<u>F/T Created</u>	<u>P/T Created</u>	<u>Total FT</u>
Clark	20	3	7	0	28.5
Grant	1	0	0	2	2
Island			0	0	0
King	233	118	193	40	505
Kitsap	4	1	2	0	6.5
Lewis	15	4	0	1	17.5
Okanogan	30	3	6	0	37.5
Pierce	55	39	15	10	94.5
Skagit	0	0	0	1	0.5
Snohomish	56	9	6	16	74.5
Spokane	5	1	1	0	6.5
Thurston	24	8	26	10	59
Total	443	186	256	80	832

IV. OMWBE Ad Hoc Advisory Committee

In October of 2008, OMWBE's director established the Ad Hoc Advisory Committee. The committee's mission is to exchange best practices on supplier diversity and inclusion and to provide advice and recommendations to the director of OMWBE regarding the operations of OMWBE and the state's progress in implementing supplier diversity through its policies and practices.

The membership of the Ad Hoc Advisory Committee is broadly based and reflects stakeholders in the minority-owned, women-owned, and disadvantaged business communities, as well as supplier diversity practitioners and advocates, and representatives of local jurisdictions, state agencies, and universities.

❖ *The Members:*

- Tom Goldsby, *Co-Chair*
- Regina Glenn, *Co-Chair*, Pacific Communications Consultants, Inc. (*Certified MWBE/DBE*)
- Peter Antolin, Office of Financial Management
- Colleen Hall Barta, CH Sustainable Development & Support Services
- Scott Jarvis, Department of Financial Institutions
- Ollie Garrett, Tabor 100 and PMT Solutions (*Certified MWBE*)
- Grover Johnson, A. Philip Randolph Institute, Tacoma Chapter and National Association of Minority Contractors
- Brenda Nnambi, Department of Transportation, Director, Office of Equal Opportunity
- Chesca Ward, University of Washington
- Frank Lemos, LDC Consultants, (*Certified MBE/DBE*)
- Irene Reyes, Excel Gloves & Safety Supplies, Inc. "The Glove Lady" (*Certified MWBE/DBE*)
- Vicky Schiantarelli, City of Seattle, HUB Coordinator
- Leslie Jones, Sound Transit
- Ben Cabildo, Asian, Hispanic, African, Native American Organization (AHANA)

The Committee collaborated with OMWBE to co-sponsor OMWBE's Inaugural Supplier Diversity Champion Awards. Selection criteria were developed for each award category. A sub-committee reviewed nominations submitted by the public and selected the awardees according to the award category criteria. Each of the selected champions achieved excellence and provided innovative models in supplier diversity for us all to emulate. As dedicated champions, they also motivated others – making an exceptional impact in their communities throughout Washington.

The 2011 Supplier Diversity Champions were:

Certified Minority/Woman/Disadvantaged Certified Business – Emerging Business

- * Rene Duvall, ECOTECH Recycling LLC

Certified Minority/Woman/Disadvantaged Business – Established Entrepreneur

- * Irene Reyes, Excel Supply Company Inc

OMWBE Director’s Award – Private/Non-Profit Organization

- * Washington and Northern Idaho District Council of Laborers

State Supplier Diversity Innovation Award – State Purchaser or Contract Administrator

- * Rosie Macs, Washington State Employment Security Department

Governor’s State Supplier Diversity Innovation Award – State Agency

- * Washington State Department of Labor and Industries

The Ad Hoc Advisory Committee also hosted two agency supplier diversity panels at the General Administration Vendor Training Workshops in Tacoma and Spokane during FY11. Panelists included representatives of state agencies and local jurisdictions and informed businesses about their respective supplier diversity initiatives and answered individual questions. The Committee also continued its review of the state’s contracting and procurement practices begun in 2010. Working with the procurement reform team of the Department of Enterprise Services, the Committee submitted formal recommendations designed to create transparency, accountability, efficiency and integrity with the State’s procurement processes, thereby better ensuring the State’s procurement practices are not a barrier to the participation of qualified minority, women and socially and economically disadvantaged small businesses.