



**FY 2017**

## Annual Report

### **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.

I am pleased to provide this annual report on the Office of Minority and Women's Business Enterprises' (OMWBE's) progress implementing its statutory charge. This report to the Governor and the Legislature is provided in accordance with [RCW 39.19.030](#).

[Chapter 39.19 RCW](#) charges the OMWBE to implement programs for small minority- and women-owned businesses to participate in state and federal public works and procurement.

The agency:

- Certifies small businesses owned by minorities, women and other socially and economically disadvantaged persons.
- Provides education and outreach.
- Reports the amount of money each state agency and higher educational institution spends with certified businesses in contracts and procurement.
- Collects and publishes agency supplier diversity plans.
- Helps agencies and higher educational institutions increase participation of certified businesses in contracts and procurement.

The OMWBE has 20 staff and a biennial budget of \$4.5 million. The agency has an [Advisory Committee](#) that includes leaders who represent the interests of minority and women small business owners throughout the state.

Please contact me if you have any questions.

Respectfully,

Teresa Berntsen  
Director, Office of Minority and Women's Business Enterprises  
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## 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.

## Our Vision

Creating an environment where small businesses owned by minorities, women and disadvantaged persons have equal opportunity to participate in public contracting and procurement.

## Our Values

**We are committed to promoting equity in public contracting and procurement** for businesses owned by minorities, women and disadvantaged persons.

**We are friendly and helpful—every time.**

**We communicate respectfully and openly.**

**We build great teams** with the right skills, attitudes and work ethic to achieve our goals.

The Legislature finds that minority and women-owned businesses are significantly under-represented and have been denied equitable competitive opportunities in contracting. It is the intent of this chapter to mitigate societal discrimination and other factors in participating in public works and in providing goods and services...

-Intent section of legislation that formed the OMWBE

## OMWBE CERTIFICATION

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

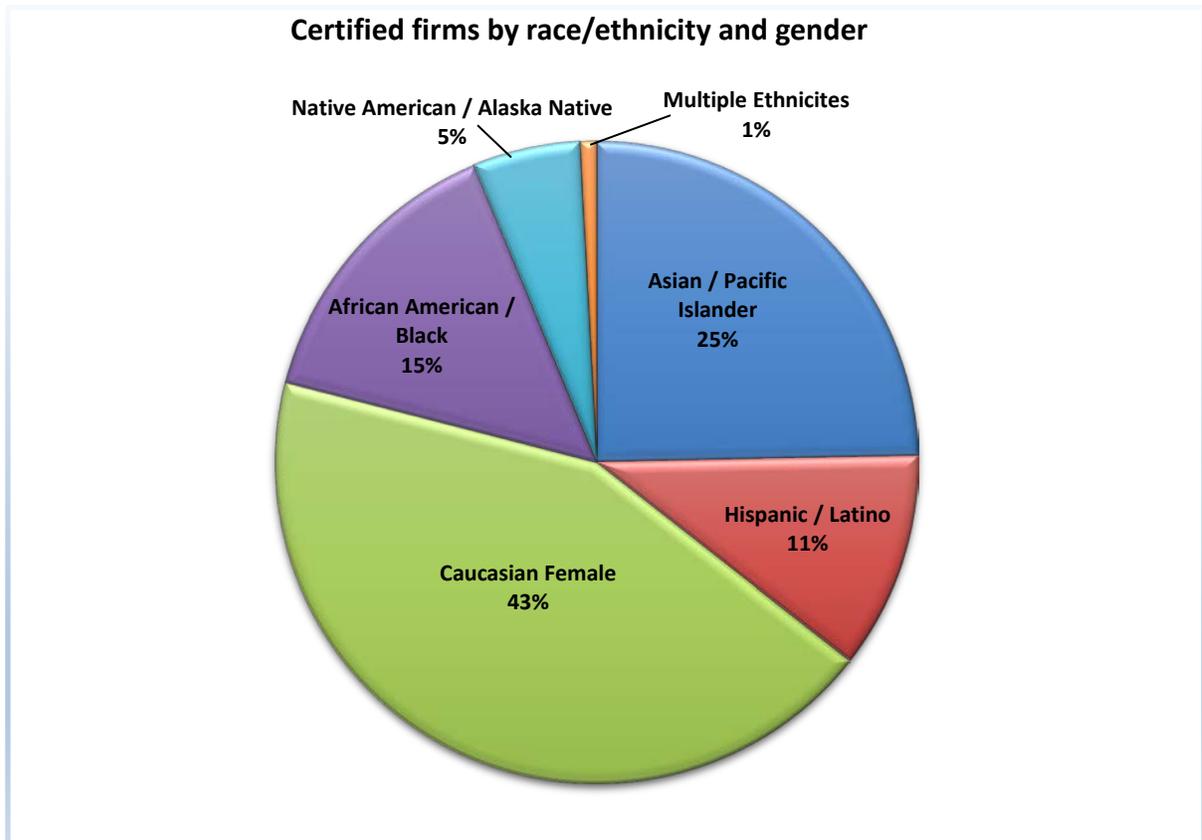
- State Program--State agencies, higher educational institutions, and some local governments and private companies look for OMWBE certified firms to meet their supplier diversity goals.
- Federal Program--Agencies that receive funds from the United States Department of Transportation are required to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



As of the end of Fiscal Year 2017, 2,565\* businesses were certified with the OMWBE. This is a ten percent increase over FY 2016.

State certifications		Federal certifications	
Minority-owned businesses	866	Disadvantaged Business Enterprises	795
Woman-owned businesses	1,031	Small Business Enterprises	41
Minority woman-owned businesses	391	Airport Concessionaires	76
Combination businesses enterprises (owned by a minority male and a female)	29		
Socially and economically disadvantaged businesses	4		
<b>Total</b>	<b>2,321</b>	<b>Total</b>	<b>912</b>

\*Some firms have both state and federal certification.



## 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. The OMWBE posts this information on its [website](#).

Governor Inslee’s strategic framework, Results Washington, includes a goal to increase state agency and higher educational institution utilization of certified small businesses in contracts and procurement to the following percentages:

- Minority-owned businesses: 10%
- Women-owned businesses: 6%

Below are the FY 2017 results for state agencies and higher educational institutions.

<b>State agency FY 2017 dollars spent with certified firms</b> as % of all eligible spending <sup>[1]</sup>				
	<b>Total Eligible Spend</b>	<b>Dollars Spent with Certified Firms</b>	<b>% of Total Spend</b>	<b>Results Washington Goal</b>
Minority Owned Certified Businesses <sup>[2]</sup>	\$2,885,179,817	\$79,605,082	2.76%	10%
Women Owned Certified Businesses		\$66,150,674	2.29%	6%
<b>Total OMWBE Certified Businesses</b>		<b>\$145,755,756</b>	<b>5.05%</b>	<b>16%</b>

<b>Higher educational institution FY 2017 dollars spent with certified firms</b> as % of all eligible spending <sup>[1]</sup>				
	<b>Total Eligible Spend</b>	<b>Dollars Spent with Certified Firms</b>	<b>% of Total Spend</b>	<b>Results Washington Goal</b>
Minority Owned Certified Businesses <sup>[2]</sup>	\$3,173,048,578	\$16,306,711	0.51%	10%
Women Owned Certified Businesses		\$12,534,704	0.40%	6%
<b>Total OMWBE Certified Businesses</b>		<b>\$28,841,415</b>	<b>0.91%</b>	<b>16%</b>

[1] This [link](#) contains a list of objects and subjects that make up the total eligible spend.

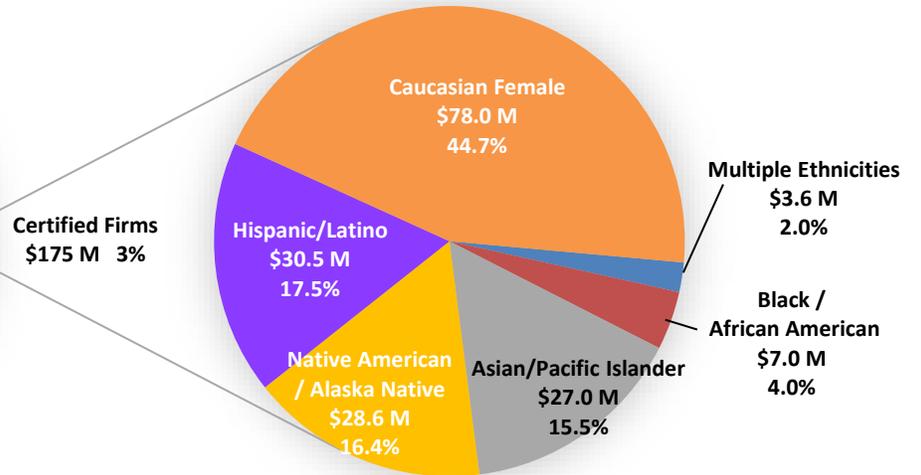
[2] Includes businesses owned by a minority woman and businesses owned by a minority male and a female.

## Dollars spent with certified businesses by race/ethnicity and gender of business owner

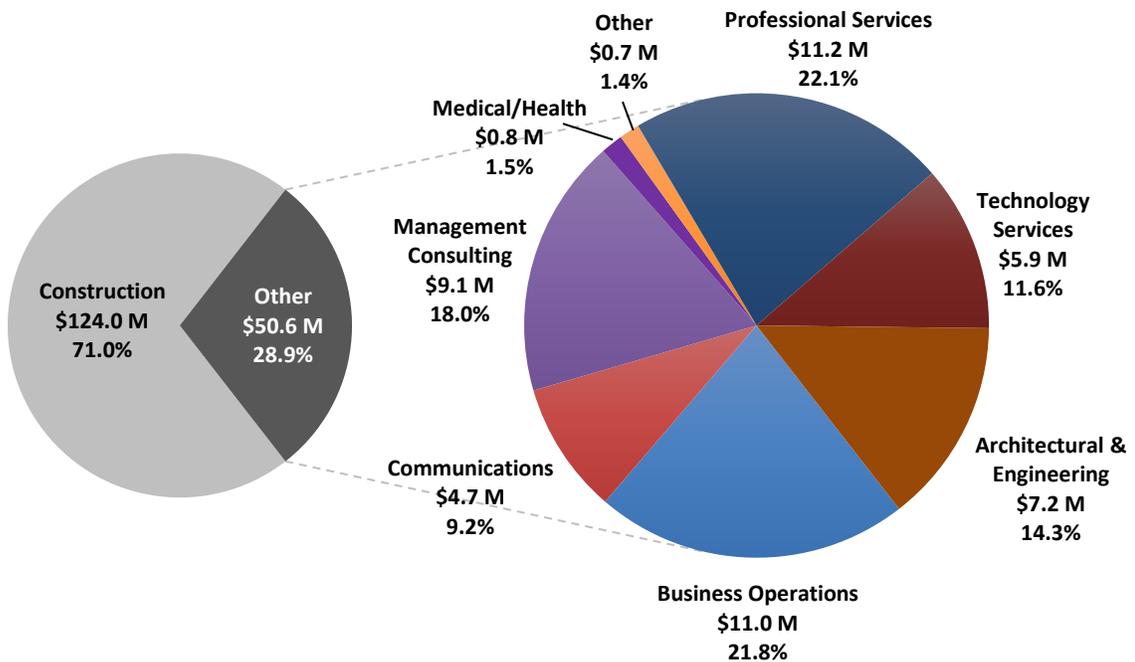
FY 17 Dollars Spent in Public Works and Procurement  
\$6,058 M



FY 17 Dollars Spent with Certified Firms by Gender and Race/Ethnicity



## Dollars spent with certified businesses by industry



## AGENCY SUPPLIER DIVERSITY PLANS

State law requires agencies to adopt plans to increase the participation of certified minority- and women-owned businesses. The OMWBE reaches out to each agency to provide assistance with best practices to increase their supplier diversity. The agency posts each agency's supplier diversity plans on its [website](#).

The OMWBE must notify the Governor, State Auditor and the Joint Legislative Audit and Review Committee if agencies do not comply ([RCW 39.19.060](#)). All agencies submitted FY 2018 plans.

## OUTREACH AND EDUCATION

The OMWBE conducts outreach about qualifications for certification and its benefits, and about available resources for small minority- and woman-owned businesses.

The agency'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 blasts to certified firms and social media to provide news, information and notice of bid opportunities.

Agencies, educational institutions, local governments and prime contractors use the OMWBE's [online directory](#) to find certified

firms with business descriptions that match the goods and services they want to purchase.

The OMWBE also conducts targeted outreach to match public entities' and prime contractors purchasing or contracting needs with certified firms.

Upcoming Events, Training, Conferences, and Summits

June 2017

Sun	Mon	Tue	Wed	Thu	Fri	Sat
28	29	30	31	1 2017 Business Partnership Forum	2	3
4	5	6	7	8 Washington State's Disparity Study - Public...	9	10
11	12	13	14	15	16 Washington Construction, Design and Entrepreneurs...	17

## 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 of up to two percent on a business loan from a participating lender.

The Office of the State Treasurer is authorized to use up to \$190 million of the state's short-term surplus funds to purchase certificates of deposit (CDs) in an amount equivalent to the dollars financial institutions loan to certified businesses. Up to \$175 million is available for loans for certified minority- and woman-owned businesses, and up to \$15 million for veteran-owned businesses.

As of the end of FY 2017, approximately 415 OMWBE-certified firms held \$157.5 million of Linked Deposit loans that are in repayment or have available lines of credit.

## STRATEGIES FOR FY 2017

The OMWBE focused on the following strategies in FY 2017:

- Review certification processes to eliminate any unnecessary barriers to small business and improve certification timelines.
- Implement technology to allow customers to apply for certification online.
- Create a targeted outreach program to match public entities and prime contractors with small minority- and women-owned firms. Help locate currently certified firms in needed areas of work as well as minority- and women-owned businesses who are eligible for certification.
- Provide translation services for telephone and in-person services.
- Improve agency website for usability and easier access to services for small businesses.

### FY 2017 Key Accomplishments

**Reduced certification processing times by 27% over FY 2016.**

**Increased awareness of supplier diversity and provided agencies best practices. 100% of agencies submitted supplier diversity plans for FY 2018.**

**Implemented Phase 1 of a secure online application system.**

**Procured translation services in over 100 languages and dialects.**

**Implemented a targeted outreach program to increase number and use of certified firms. The number of certified firms increased 10 percent over FY 2016.**