

Requiring Small Business Inclusion and Equity in Master Contracts

Applies to: The Department of Enterprise Services (DES), Contracts and Procurement Division Goods & Services Master Contract procurements.

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Governance: Listed below are some, but not all, applicable governing requirements. Note: Laws and rules may change over time and such changes may take precedence over this policy.

- State Law RCW 39.26.005
- State Law RCW 39.26.090(6)
- State Law RCW 39.26.160(3)(b)
- State Law RCW 39.26.010(22)
- [Executive Order 19-01](#)
- [Executive Order 13-01](#)

Effective date: March 15, 2021

Last update: N/A

Sunset review date: Four years from effective date

Approved by:  Jaime Rossman, Assistant Director

Reason for Policy

The 2019 disparity study found that the state was underutilizing small and diverse businesses in its procurements, thus the purpose of this policy is to ensure that all procurement professionals within the Contracts and Procurement Division use the race and gender neutral strategies to increase the amount of master contracts awarded to small, diverse, and veteran owned businesses.

Definitions

1. Small Business - [39.26.010\(22\) RCW](#)
 2. Veteran Business - [46.60A.190 RCW](#)
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Policy Statement

Small, diverse, and veteran owned businesses face barriers that prevent their equitable access to state goods and services contracts and procurements, including the underutilization of these businesses as subcontractors.

The legislature directs state agencies to develop procurement policies, procedures, and materials that encourage and facilitate the purchases of goods and/or services from small, diverse, and veteran owned businesses to the maximum extent practicable.

The Procurement Inclusion and Equity (PIE) Program leads the agency in the implementation of the policy per the Assistant Director.

Policy

A. To increase the amount of master contract awards to small, diverse, and veteran owned businesses, procurement professionals must implement a minimum of two (2), but if feasible more, of the strategies defined below in each competitive solicitation.

- 1) Unbundling - Unbundling separates a contract into segments like area, category, type of good and/or service, and/or by scope to allow more competition by increasing the number of businesses that can compete.
- 2) Multi-Award – A multi-award contract allows more than one business to provide the same or similar services to the same customers in the same geographic areas, increasing availability to customers and increasing the number of businesses that can participate.
- 3) Small Business/Veteran Business Reserved Awards – In a multiple award contract, the designation of a number of contract awards specifically for Washington small businesses and/or veteran owned businesses. These reserved awards ensure Washington small businesses and/or veteran owned businesses have access to Master Contracts.
- 4) Hub Zone – Awarding evaluation points to Small Business Administration HUB Zone certified businesses creates equity and allows more small businesses in economically depressed area to compete.
- 5) Small and Veteran – Awarding evaluation points to small and veteran owned businesses creates equity and allow more small and veteran owned businesses to compete. Points must be at least 10% but no more than 20% of the total points.
- 6) Requiring a Workforce Diversity Inclusion Plan – A workforce diversity inclusion plan requires a Bidder to describe its current workforce diversity including women, minorities, formerly incarcerated, displaced workers, and veterans, and which workers are in leadership positions within the business. This inclusion plan should describe if there are any plans to increase its workforce diversity. The workforce diversity inclusion plan is not scored as part of the bid, however the bid will be considered non-responsive without a workforce diversity inclusion plan.
- 7) Requiring a Supply Chain Diversity Inclusion Plan – A supply chain diversity inclusion plan requires a Bidder to describe its use of small, diverse, and veteran owned businesses in its supply chain and its strategies to ensure open access and use of these businesses in the future. The bid will be considered non-responsive without a supply chain diversity inclusion plan.

A supply chain diversity inclusion plan may cover small and/or veteran owned businesses, or may cover only certified women and minority owned businesses.

- i. If the solicitation uses a small and/or veteran owned businesses supply chain inclusion plan, the inclusion plan may be scored. Points will be provided on Bidder's commitment and effort to having small and/or veteran owned businesses in its supply chain.
 - ii. If the solicitation uses a women and minority owned businesses supply chain inclusion plan, the inclusion plan will not be scored.
- 8) Requiring a Subcontractor Inclusion Plan – A subcontractor inclusion plan requires a Bidder to describe its use of small, diverse, and veteran owned businesses as subcontractors and its efforts to include small, diverse, and veteran owned businesses for ancillary services that the Bidder does not directly perform. Bids are non-responsive without a subcontractor inclusion plan.

A subcontractor diversity inclusion plan may cover small and/or veteran owned businesses, or may cover only certified women and minority owned businesses.

- i. If the solicitation uses a small and/or veteran owned businesses subcontractor inclusion plan, the inclusion plan may be scored. Points will be provided on Bidder's commitment and effort to hiring small and/or veteran owned businesses as subcontractors.
- ii. If the solicitation uses a women and minority owned subcontractor supply chain inclusion plan, the inclusion plan will not be scored.