

Capital Projects Advisory Review Board
Business Equity/Diverse Business Inclusion Committee
Survey Results
March 3, 2022

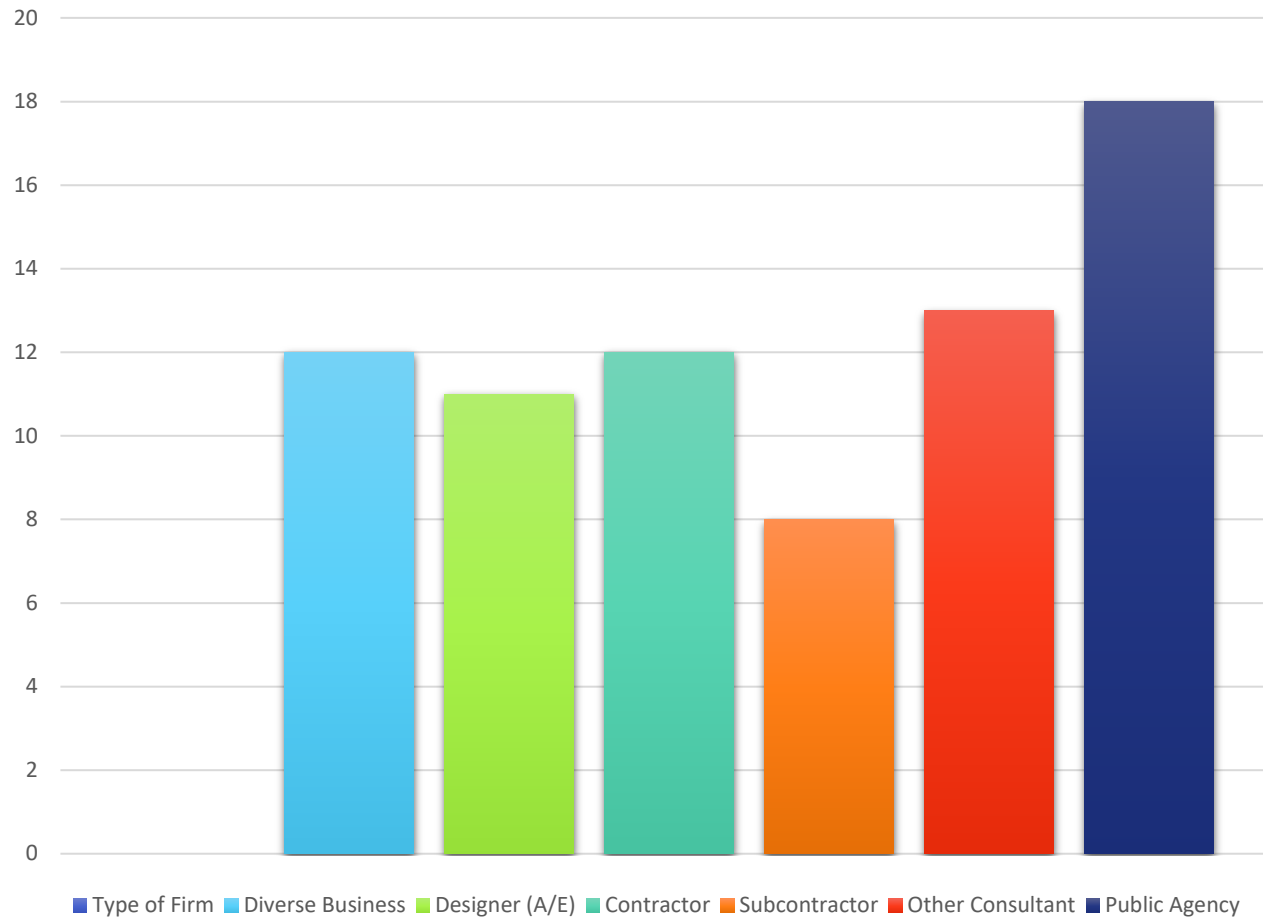
During the first two months of 2022 CPARB asked members of the Alternative Public Works community to respond to a survey around access to equity as it relates to 39.10 RCW.

The following represents the results of the survey.

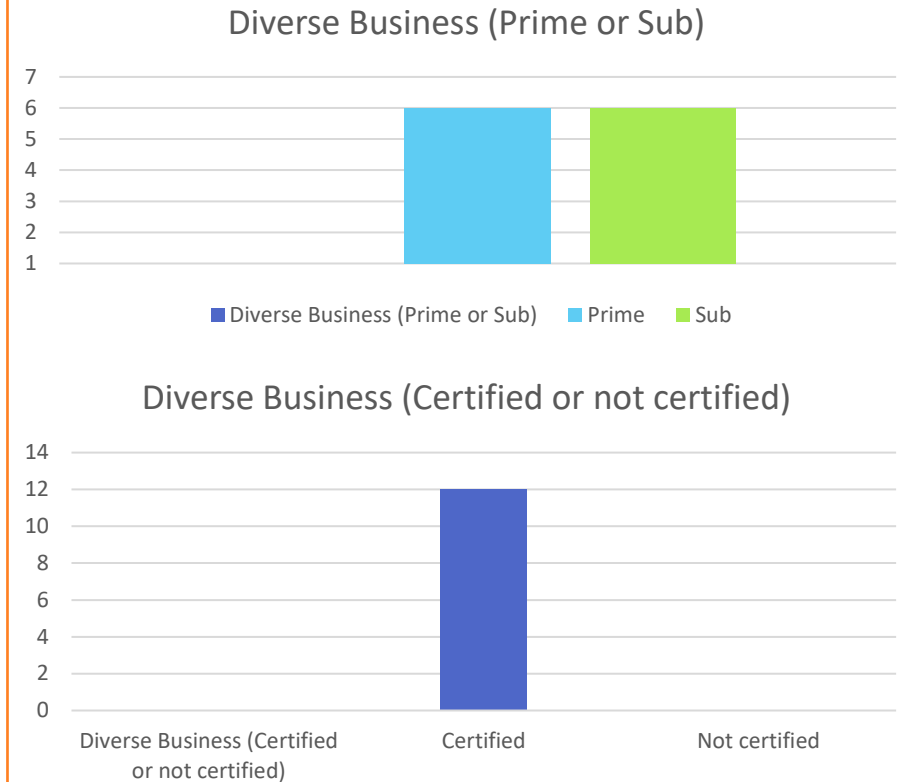
The Respondents

74 total people responded

Type of Firms



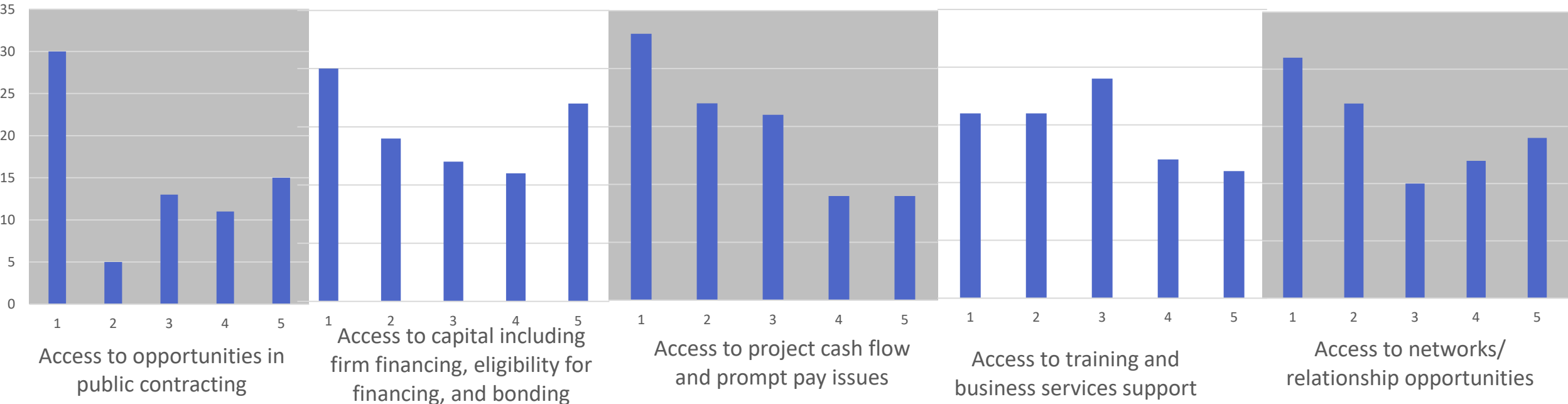
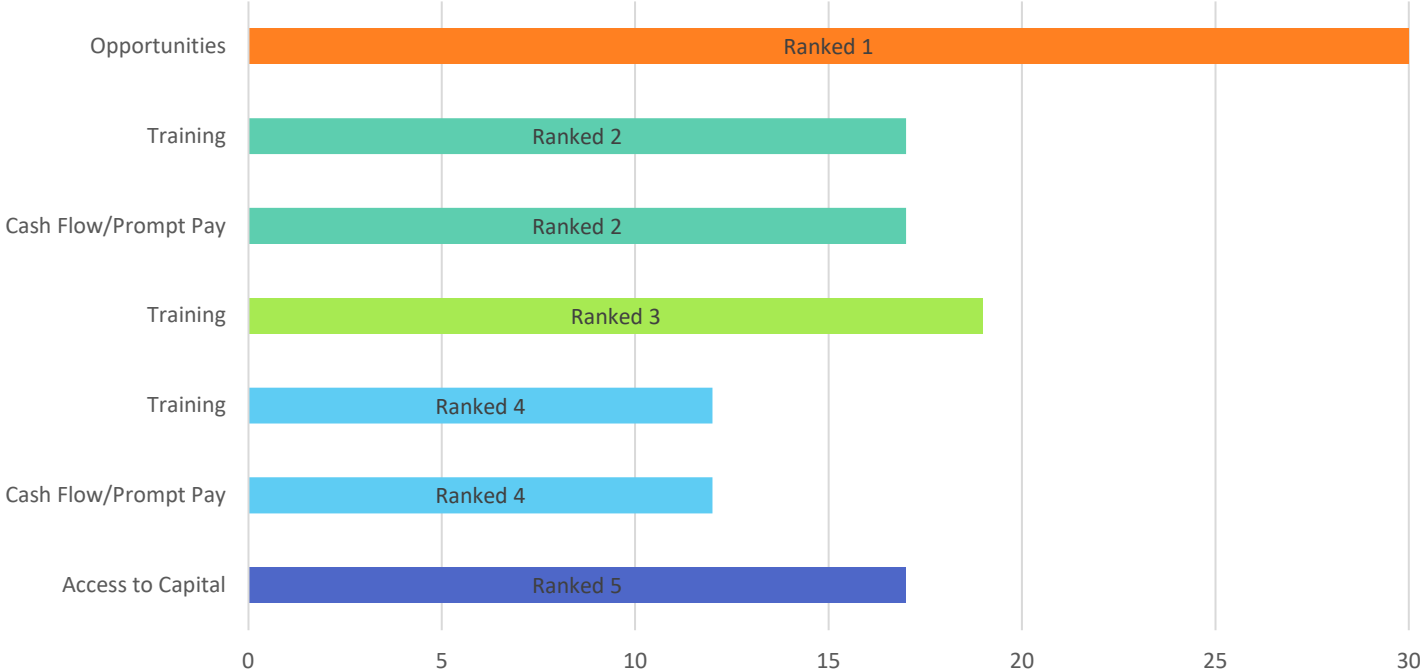
Of the Diverse Businesses who responded:



Rank the Barriers

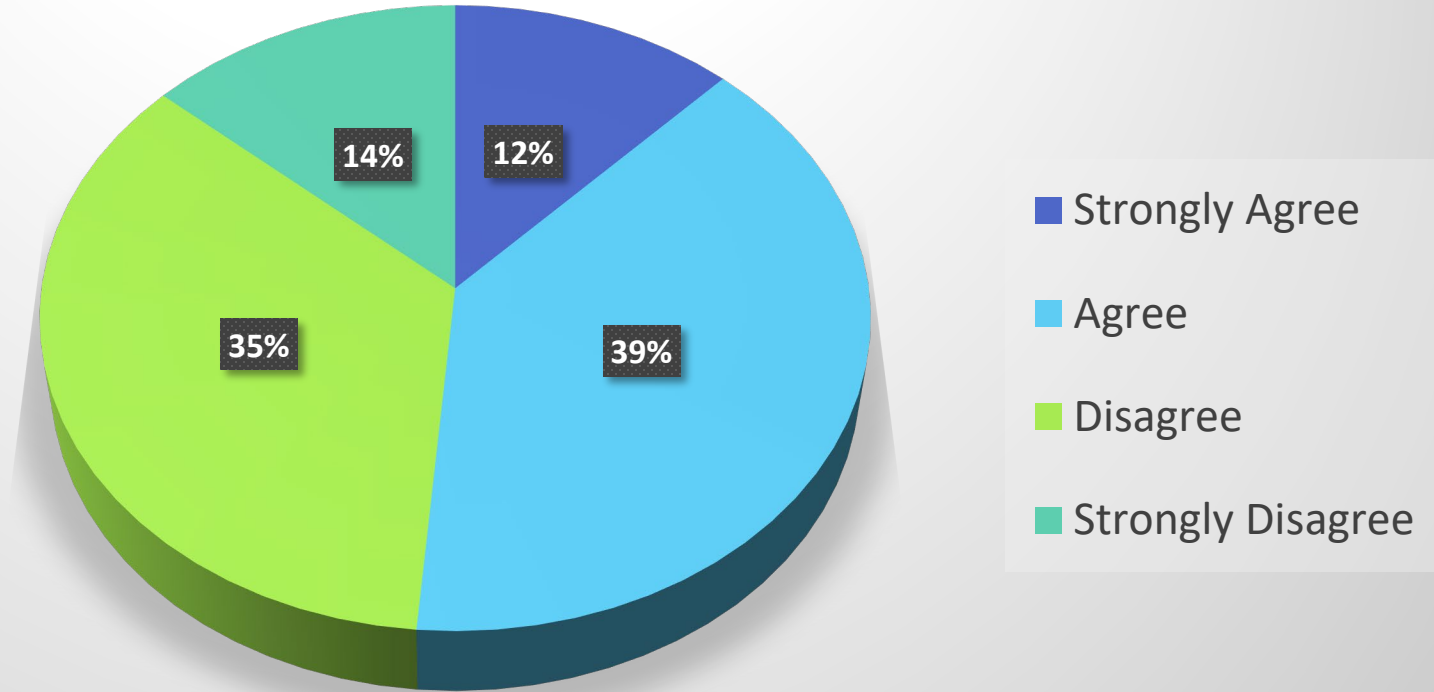
We asked the survey respondents to rank the barriers that they think are most impactful to their role in the industry.

Ranking from 1 most important to 5 least important.

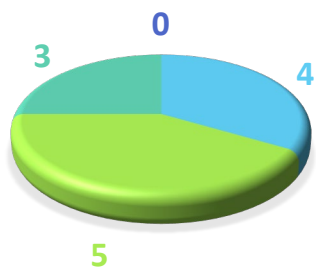


Access to opportunities in public contracting is satisfactory

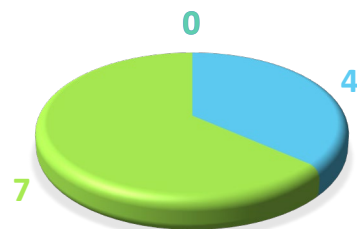
All Responses



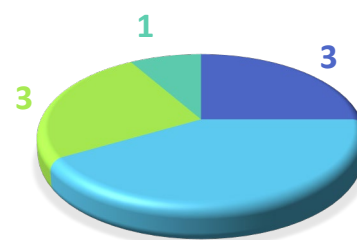
DIVERSE BUSINESS



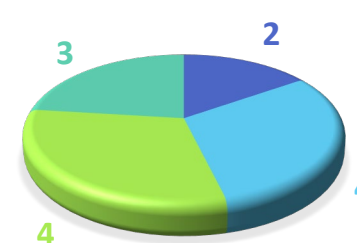
DESIGN (A/E)



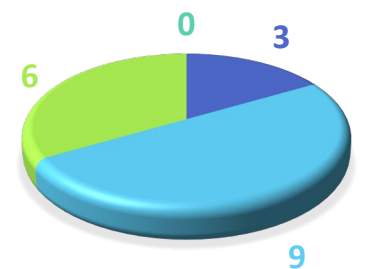
CONTRACTOR



OTHER CONSULTANT

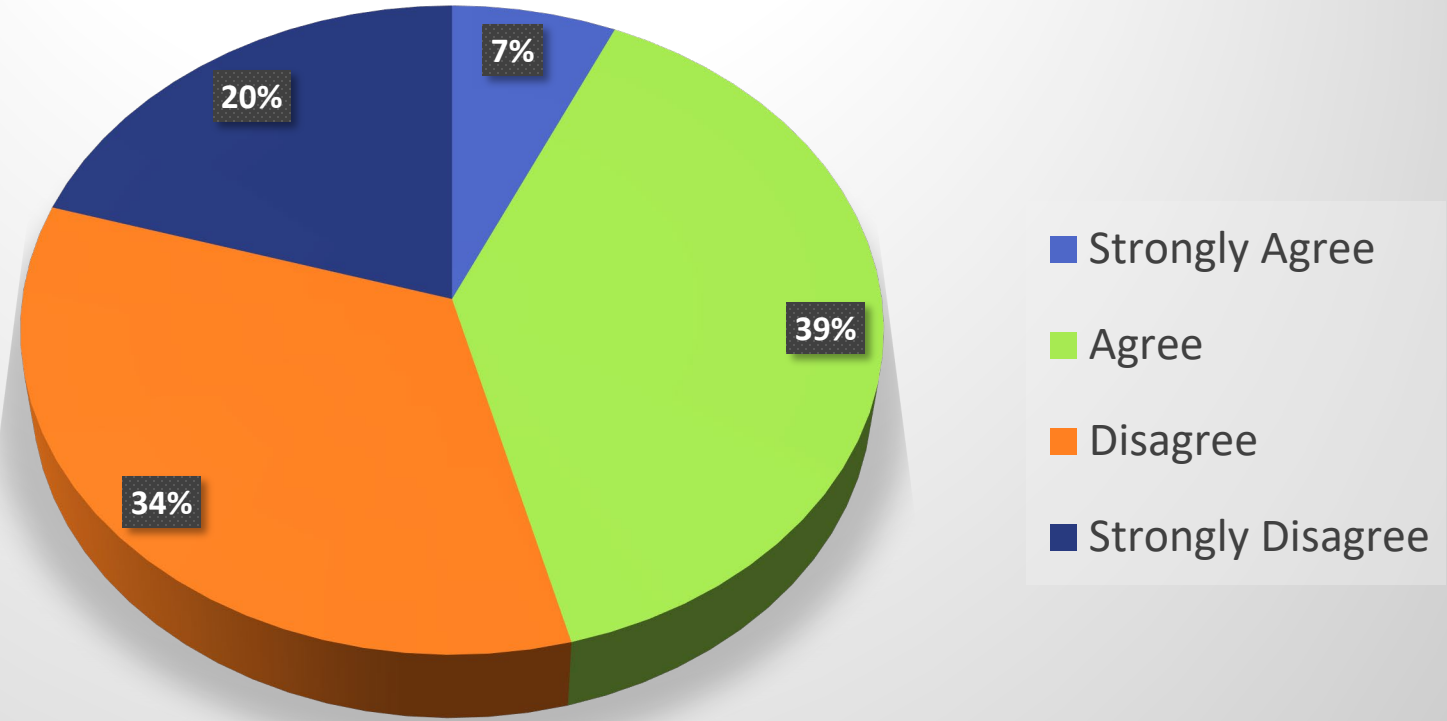


PUBLIC AGENCY

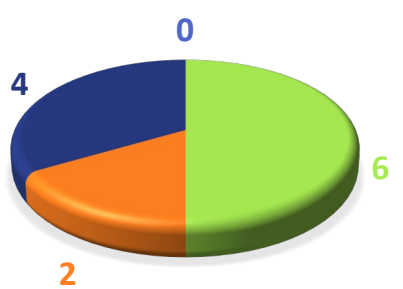


Access to capital including firm financing, eligibility for financing, and bonding is satisfactory

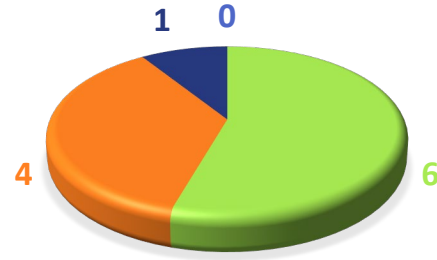
All Responses



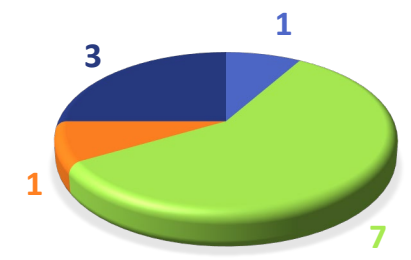
DIVERSE BUSINESS



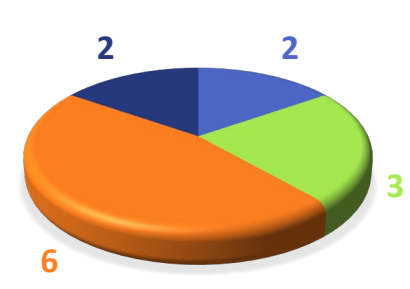
DESIGNER (A/E)



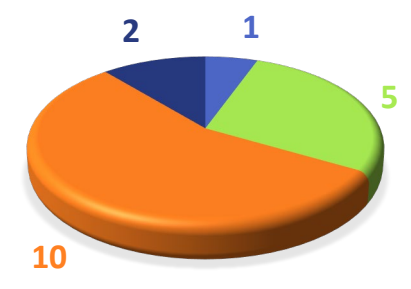
CONTRACTOR



OTHER CONSULTANT

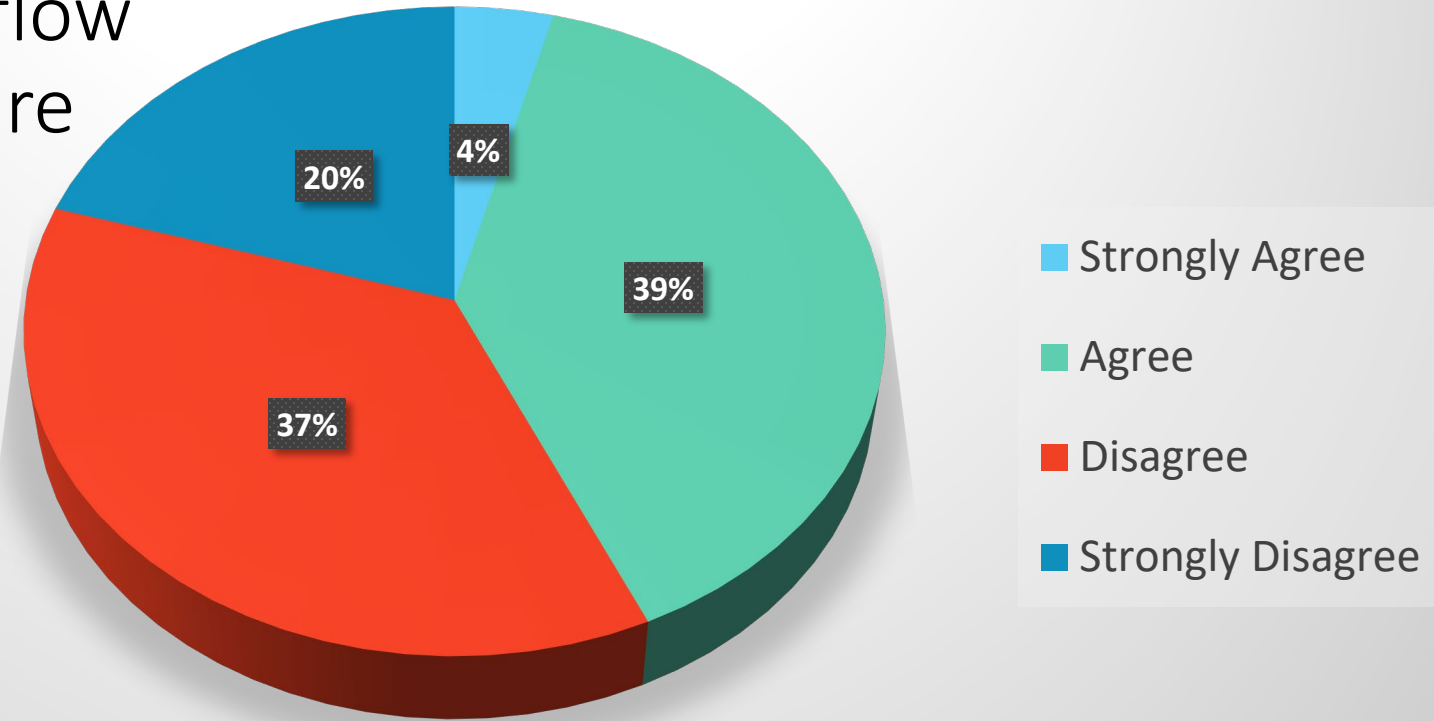


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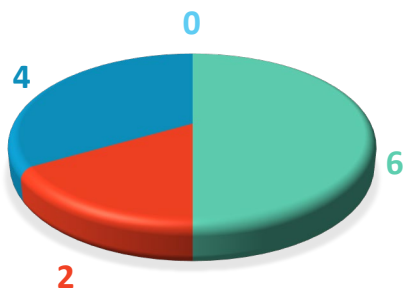


Access to project cash flow and prompt pay issue are satisfactory

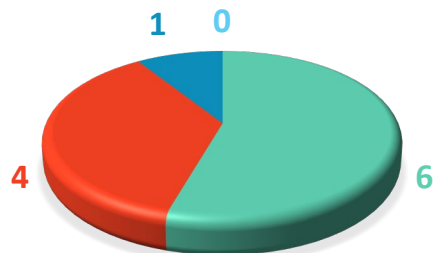
All Responses



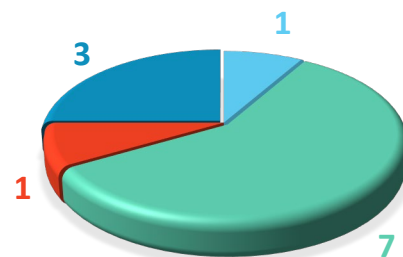
DIVERSE BUSINESS



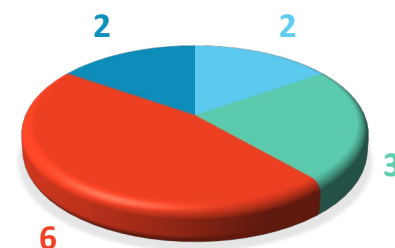
DESIGNER (A/E)



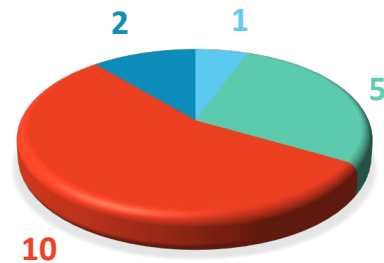
CONTRACTOR



OTHER CONSULTANT

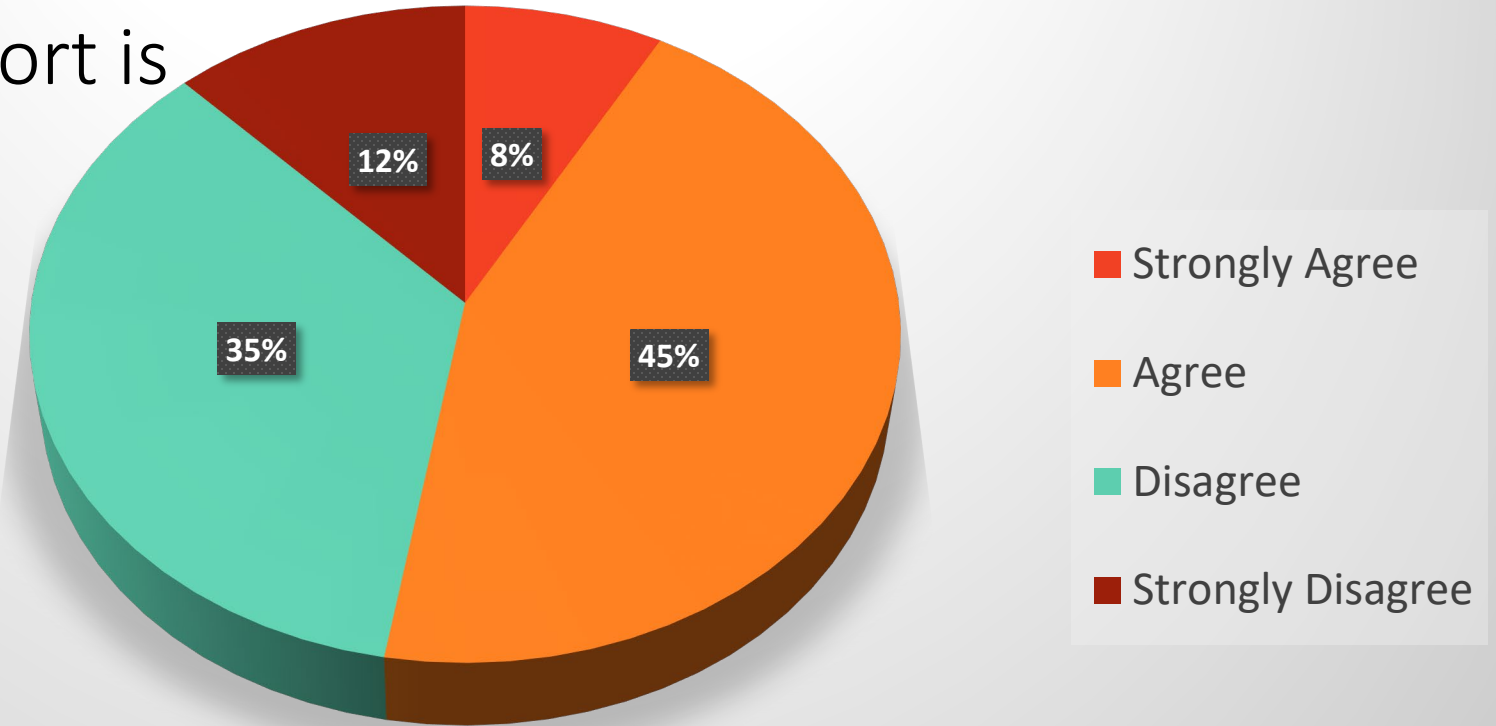


PUBLIC AGENCY

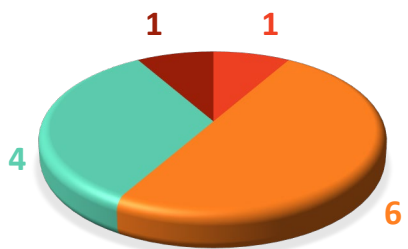


Access to training and business services support is satisfactory

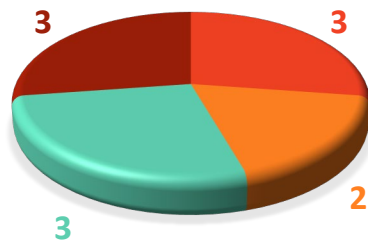
All Responses



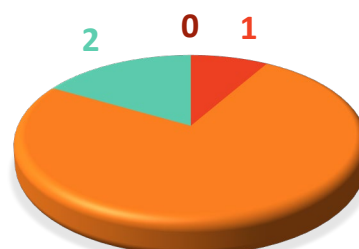
DIVERSE BUSINESS



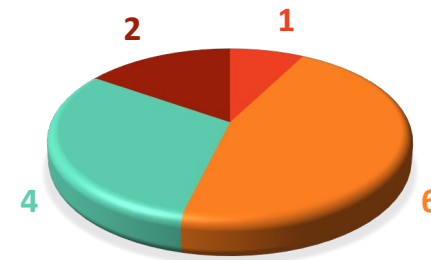
DESIGNER (A/E)



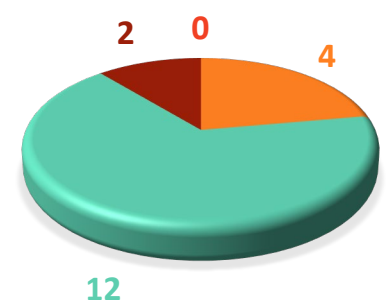
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OTHER CONSULTANT

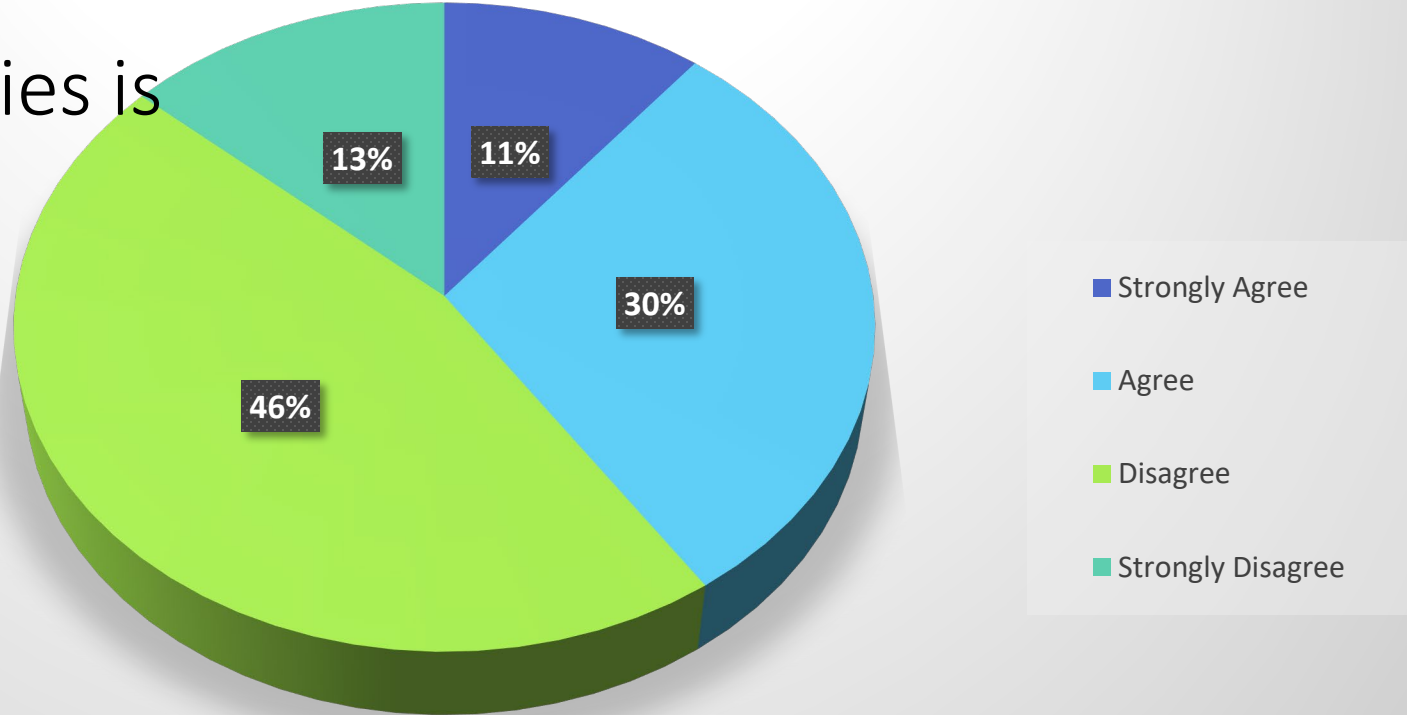


PUBLIC AGENCY

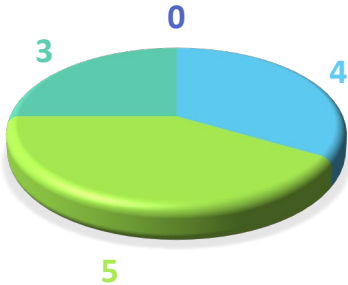


Access to networks/
relationship opportunities is
satisfactory

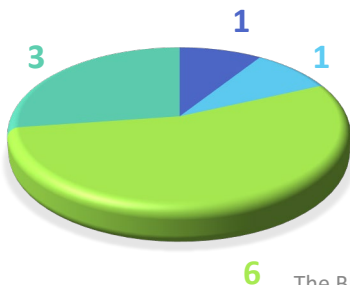
All Responses



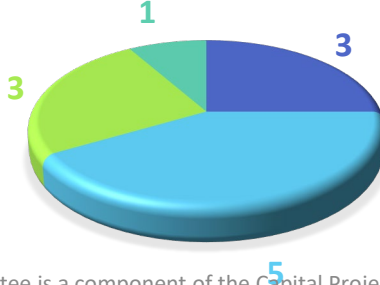
DIVERSE
BUSINESS



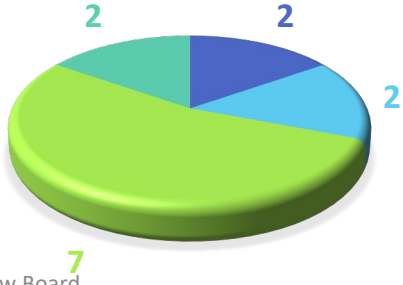
DESIGNER (A/E)



CONTRACTOR



OTHER
CONSULTANT



PUBLIC AGENCY



Additional Comments Received

- I believe if you want it you can make it happen. If you don't want it you will make excuses as to why you cannot achieve something.
- UW both makes a lot of effort to improve inclusion within the constraints we have as a public agency, and also welcomes new ideas we should consider to do even better.
- As a School District access to funding for new schools is the largest issue. Our voters have difficulty supporting bond measures based on property valuation. As property values increase, even maintenance levies and bonds increase their taxes. Super Majorities, make passage of bonds onerous to school districts. A constitutional modification to this law is in order. Training for ways to work with contractors to increase their equity, diversity, and outreach to minority, and women-owned, veterans and small business enterprises would be beneficial.
- I recommend looking at the Tacoma Public Schools' Diversity best practice program for positive insights. The City of Seattle is also exploring ideas to break down barriers; again, I recommend gleaming insights from their WMBE committee.
- Lack of certified businesses in WA State A/E industry to hire in the primary problem, especially in E WA. Certification process looks at larger and smaller firms in the same manner, seems like criteria should shift to recognize inherent differences in business at these two scales.
- There are other barriers not discussed here that should be considered. Training for owner staff, inclusion plan use and most of all reporting and accountability.
- Access to work for engineering companies in the DB delivery model is problematic. There is less work for smaller engineering firms in this project model and its harder to get. Even large engineering firms are optioning out of the DB projects and pursuing other work. This needs to be dealt with legislatively. While DB is the delivery model of choice for owners it has had adverse effects on the engineering community as whole. Since its working for owners, the DB model needs to be altered to make it more fair for engineering companies.
- These issues are posed as if my organization is a small DBE firm. I have answered them as a government employee in public works and what my perception that that the barriers would be to those firms being in a position to obtain contracts with my agency. But my perception could be off.

Additional Comments Received Continued

- As a public agency we find contractors submitting bids on our projects are often deterred by the DBE requirements established on federal projects. Smaller firms have a hard time meeting the commitments. DBE's are often not locally available or they do not have the resources to properly bid or provide documentation on large scale projects even as a subcontractor. This drives contract prices up disproportionately and makes contract administration increasingly difficult. Any implementation of additional resources and requirements should take in to consideration of local demographics and the contractor base in the areas.
- Those affected by certain capital projects such as those working in a building that is slated to undergo building renovation or new building construction are often not consulted or labeled as stakeholders but they should be.
- One barrier is access to capital, and bid bonds are hard to get qualified.
- Accessing opportunities is great, but if the people evaluating submissions are biased and the criteria is not inclusive allowing new businesses to compete with existing businesses.
- A barrier to contracting for small business is the frequent requirement that the SB/DB has to perform greater than 50% of the labor. Frequently in construction or environmental consulting jobs the small business needs to subcontract those opportunities, and does not immediately have the labor to do 50 % or greater. This should be changed to facilitate future opportunities.
- WSDOT does not recognize the most common form of small business, which is a pass-through single-member LLC. As an independent consultant providing professional services, I have a single member LLC pass-through entity with zero employees. It is impossible to determine a salary-derived rate. WSDOT therefore excludes my firm from all of their professional services contracts. Other DOTs interpret the Federal DBE law differently and provide a threshold contract value under which my firm can, as a subconsultant, establish a "reasonable" hourly rate. In Utah, this is \$25,000. The Federal government excludes small businesses from the FAR, but WSDOT imposes FAR-based accounting rules on my tiny little one-person firm making less than \$100,000 per year. I can hold Federal contracts as a prime for up to \$250,000 using a "reasonable" hourly rate that is not salary-derived. In Washington, I can't even hold a \$5,000 subcontract. Consequently, my firm is unable to work in my home state at all.

Additional Comments Received Continued

- As a sole proprietor consulting engineer in a very narrow technical field (solid waste management), my responses should not be considered typical. Since I'm semi-retired and don't have to pay employees, my need for capital is minimal. After 40+years in this technical field, I have a pretty wide network, but if I were starting out or had just 10 years of experience, it would be quite difficult.
- Cronyism drives selection.
- DBE certification is not an advantage in an RFP system that does not include DBE requirements, percentage minimums, or points in the evaluation process. Oregon RFPs always say they want DBE applicants but never systematically reward us for the burden of the DBE certification process. This needs to change.
- Net payment terms hurt small business subcontractors - large primes hold onto cash as long as possible. Perhaps large contracting primes can pay their subs PRIOR to being paid by the government.
- Community banks' hands are tied when it comes to lending to small business. SBA avenues force small businesses to work with a huge government bureaucracy, required dedicated FTEs simply to comply with all of the red tape. Instead, unleash local community banks to lend to those small businesses in their community.
- Methods of developing Indirect Cost Rates don't apply to all small businesses (especially Owner-Employees) and the costs of hiring accountants, etc to figure it out are prohibitive for many of us. There should be an easier way of determining fair pay, not some arbitrary multiplier. My fees are based on my expertise, including the years of education and experience it took me to earn it. I should be able to charge what I am worth for my professional services, what it is worth my time to do -not what some actuary who doesn't understand what I do thinks I should be paid.
- Dumb, you think you can ask me a set of questions and then on the next page claim fame and your on it ? Dumb

Additional Comments Received Continued

- A one stop cost effective or free service provided to small contractors offering resources from the inception of their business to completion of the first project. To include: access to plan room, bonding, OCIP, help with bid doc's, specifications, special agreements PLA/CWA's progress payments, working with the communities, outreach etc.
- The barriers for small firms (at least in the professional services side) are still strong. These are very relationship-based businesses where project teams are built far ahead of public notices. Primes holding half-day long meet and greets that don't result in any work are just a waste of time for us. One-on-one mentoring programs or other ways that relationships can actually be built might be more useful.
- Navigating any government process or system is cumbersome at best, confusing and overwhelming most of the time. Historically disenfranchised and justice involved people are usually not adept at these processes, have barriers to access/certification, don't have the time/funding to invest in lengthy bid/RFP's. Make it easier to do business with.
- In WA state there is a lack of caring, commitment and opportunity. In WA state public agencies and prime contractors have demonstrated that they will hire, recruit and contract with out of state individuals and companies before they will hire and contract with minorities that are state residents. CPARB is a prime example of discriminatory practices in WA state. CPARB functions solely for the benefit of its members and not the benefit of the state and especially the minority citizens of the state of Washington. Until there are explicit directions from the governor and state legislature and enforced reporting requirements CPARB will continue to operate in a manner that is not in the best interest of the state . Thanks for the opportunity to respond to this survey and hopefully someone will read and investigate the truthfulness and accuracy of these statements.
- I only manufacture airfield equipment and I have a hard time finding current FAA AIP funded projects. It seems that when there is a DBE goal it is eaten by labor so, manufacturers don't receive any benefit from DBE goals. I wish they would separate the labor from the materials purchased in DBE goals.
- PLA's, State registered Apprenticeship requirements limit access.

Additional Comments Received Continued

- I'm in somewhat a different situation as a consulting firm that is less capitally intensive than a construction firm. At this stage, some of the "disagree" selections are more of an "I don't know." In my case, there are many public agencies interested in what I do, but the system is slow with poor, outdated perceptions, or culturally insensitive behaviors from large firms. There needs to be better understanding on the role of a small firm to fulfill agency needs, how healthy prime/sub relationships work where appropriate, what business diversity (not conformity or obedience) means in achieving value for everyone involved.