

Report External Stakeholders Sub-Committee July 14, 2021

Disparity Study Qualitative Findings

(The numbers in red text are the Qualitative Findings of the Disparity Study, and the bulletized points are the various challenges the team added. The last few highlighted in green were added to capture most comments we have compiled.)

1. M/WBEs experience negative bias & exclusion from networks.

- Attending networking events, acceptance in the “good old boys” network. Attending events that are predominantly white organizations.
- Identifying which trade associations to join and meetings to attend.
- Hesitation to engage with the same level of leadership and commitment in organizations inclusive of diverse businesses.
- Often sending outreach employees to diverse organizations and someone knowledgeable of the work who had decision authority to predominantly white organizations.
- Prime contractors keep using preferred peers and sub-contractors.
- Identifying which trade associations, agencies and prime contractors participate in, who attends these events by position, title, and the cost for small businesses to participate.

Recommendations:

- Ensure all Washingtonians have equal access to decision makers and those knowledgeable of the work.
- Develop policies that require or provide extra points for rotating who is performing the job.
- Evaluate business development opportunities, and size and quality of work opportunities (i.e., general labor work or projects that provide experience and grow capacity).

2. Women continue to suffer from sexism, harassment & hostile work environments.

- Men always are more than likely to be awarded contracts and are disproportionately awarded within their race/ethnicity group.
- Caucasians are sometimes the front companies.

Recommendations:

Data should be desegregated. WMBEs should be evaluated separately from MBEs and WBEs.

(Note) While goal setting may need to be by MBE, this is only due to the lack of statistical data for utilization of WMBEs.

Workplaces should have strong policies and accountability for safe and respectful workplaces (see City of Seattle's model).

3. Blacks reported some instances of worksite harassment and bullying.

- There is a vital need to stop systemic racism in the workplace and contracting.
- This is further validated by the extreme gap and discrimination documented in both WSDOT and State DES Disparity studies.

4. Most M/WBEs reported it is extremely difficult to obtain work on State projects.

- Labeled as not big enough for the project based on number of employees.
- Retribution and Retaliation (past complaints about bid process)
- Responding to Bids and Solicitations
- Experience Requirements
- Not big enough based on size or revenues.
- Identifying the Influencer and the Official Decision makers in a project.
- Solicitation and bid short due dates.
- Non-responsive Individual points of contact from owners and prime contractors

- Small firms found it difficult to access contracting information.
- Contracts were often too large for small firms.
- No State Procurement Project Forecast
- Retired Former Public Employees are becoming MWBE/business owners and are directly competing with their former MBE customers or vendors.
- Former Public Employees are starting their own companies after they have access to internal information and prenotification of bids. These former employees directly compete against the businesses they were supposed to be advocating for.

5. M/WBE certification conferred few benefits.

- Lack of benefits to MWBE
- No goals set aside for certified firms.
- No measurements of accountability when Primes and Owners do not utilize MWBEs.
- No OMWBE representative is identified as an advocate in construction.
- Need an agency to police and monitor results and hold people accountable.

6. Long established firms recounted the negative impact of Initiative 200.

7. Small firms found it difficult to access contracting information. (#4)

8. Contracts were often too large for small firms. (#4)

9. Insurance, bonding

- Access to finance
- Lack of basic business financial knowledge
- Lacking the connection to insurance brokers
- Need a pool of insurance brokers and agents for the MWBEs
- Need more training about bonding.
- Some MWBEs have bad credit or no credit.
- Bond requirements are not met by MWBEs
- Bond rates are based on credit and experience.
- Some small businesses do not have an experienced bookkeeper.

10. Experience requirements (#4)

11. Antiquated & decentralized state systems are challenges.

- Conflicting procurement priorities
- 12. Prompt Payment (added)
- 13. Help in finding labor and work force in all projects. (added)
 - Union labor is costly according to others.
- 14. "Bait and Switch" is that a firm has been part of the bid submittal and after the prime contractor has been awarded, the prime contractor bid shopped and eventually ended up replacing the MWBE Firm for a lower quote/contract without any accountability. (added)

Recommendations and Suggestions by Colette and Co.

M/WBE Suggestions

- Adopt mentor-protege programs.
- Reduce contract sizes.
- Review qualification, financing, bonding & insurance requirements
- Centralize procurements.
- Adopt a race & gender-neutral small business target market program.
- Implement race- & gender-conscious contract goals; inclusion plans are not effective.

State Staff Suggestions

- Increase outreach to targeted industries.
- Provide more training & resources to contracting & procurement personnel to advance equity & inclusion.
- Adopt agency specific contracting forecasts.
- Provide technical assistance & supportive services to M/WBEs.
- Review insurance & bonding requirements

Disparity Study Recommendations

- Implement an electronic data collection & monitoring system.
- Examine current policies & provide best practices.

- Conduct pre-bid conferences.
- Post winning bidders/proposers to WEBS
- Conduct additional outreach efforts.
 - Conduct special outreach to M/WBEs in industries where they have received few opportunities .
 - Focus outreach on agencies with low M/WBE utilization and Disparity Study Recommendations
- Increase technical assistance to M/WBEs & small firms.
- Lengthen solicitation times.
- Review contract sizes & scopes
- Raise the Direct Buy limits
- Adopt “quick pay” policies.
- Review insurance, surety bonding & experiences requirements
- Train state staff on how to increase diversity in contracting Disparity Study Recommendations
- Develop pilot race- & gender-neutral SBE programs
- Bonding & financing support
- Target Market program
- Mentor-protégé program
- Develop performance measures for success.

Additional Reading:

USE OF RACE- OR SEX-CONSCIOUS MEASURES OR PREFERENCES TO REMEDY DISCRIMINATION IN STATE CONTRACTING

[Use Of Race- Or Sex-Conscious Measures or Preferences to Remedy Discrimination in State Contracting | Washington State](#)