



Washington State
**DEPARTMENT OF
ENTERPRISE SERVICES**

SUPPLIER DIVERSITY – USING SUBCONTRACTOR INCLUSION PLANS IN COMPETITIVE SOLICITATIONS FOR GOODS/SERVICES

OCTOBER 10, 2023

PRESENTER

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Enterprise Services

OVERVIEW



- Department of Enterprise Services (DES) is the state's lead procurement agency.
- DES also procures and manages around 200 statewide contracts with around 1,500 vendors.
- DES is responsible for developing and implementing procurement policies and procedures for Washington agencies.

STATUTORY DIRECTIVE



RCW 39.26.005

Legislature intends that the state develop procurement policies, procedures, and materials that encourage and facilitate state agency purchase of goods and services from Washington small businesses.



RCW 39.26.090

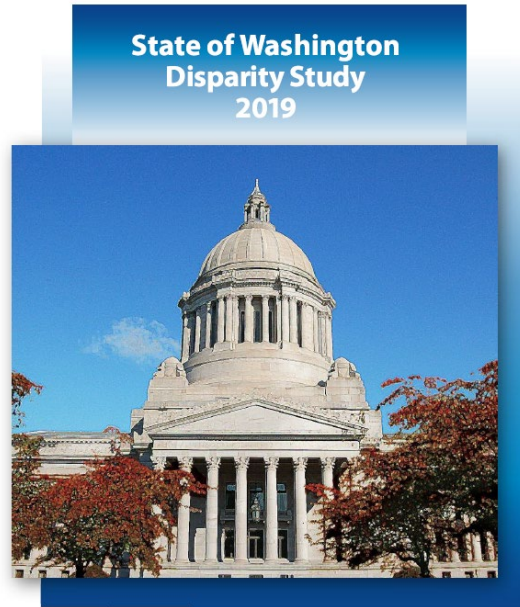
Developing procurement policies and procedures, that encourage and facilitate the purchase of goods and services from **Washington small businesses, microbusinesses, and minibusiness, and minority and women-owned businesses** to the maximum extent practicable . . .



Executive Order

EO 22-01: Equity in Public Contracting requires cabinet agencies to use the Tools for Equity to improve the scope and equity of public spending in Washington

2019 DISPARITY STUDY



“ . . . Minorities and White women do not enjoy equal access to all aspects of State contracting opportunities . . . Some remedial action is warranted and necessary to ensure non-discrimination in State contracting.”

One of the Study’s recommendations was for DES to examine agencies’ current policies and practices to provide user-friendly access for potential bidders and proposers (see page 18).



SUPPLIER DIVERSITY POLICY

SUPPLIER DIVERSITY POLICY

- Enterprise Services Policy No. [POL-DES-090-06](#) – Supplier Diversity
 - Effective April 1, 2023
- [Supplier Diversity Virtual Handbook](#)



Enterprise Services Policy No. POL-DES-090-06

Supplier Diversity

Applies to: Any procurement by the executive and judicial branches of state government, including state agencies, departments, offices, divisions, boards, commissions, institutions of higher education as defined in [RCW 28B.10.015](#) and correctional and other types of institutions ([RCW 39.26.010\(1\)](#)) ([RCW 39.26.100](#)) ([RCW 39.26.102](#)) governed by RCW 39.26.

Authorizing sources:

- State Law [RCW 39.26.090\(6\)](#)
- State Law [RCW 39.26.005](#)
- State Law [RCW 39.26.240](#)
- State Law [RCW 39.26.245](#)
- State Law [RCW 39.26.160\(3\)\(b\)](#)
- State Law [RCW 43.60A.200](#)
- State Law [RCW 39.26.010](#)
- [Executive Order 19-01](#)
- [Executive Order 22-01](#)
- [DES Policy 210-01](#)

Related sources:

- [Executive Order 05-03](#)

Effective date: April 1, 2023

Last update: N/A

Sunset review date: 5 years from Effective date

Approved by:  Tara C. Smith, Director


Reason for Policy

The Legislature has directed the Department of Enterprise Services to develop procurement policies and procedures that encourage and facilitate the purchase of goods and services from Washington small businesses, microbusinesses, minibusinesses, diverse, and veteran-owned businesses to the maximum extent practicable. Supplier diversity adds value such as innovation, quality improvements, efficiencies, and cost savings.

The purpose of this policy is to ensure that all procurement professionals and those with acquisition responsibilities use approved, legally compliant strategies that encourage and facilitate the purchase of goods and services from small, diverse, and veteran-owned businesses to the maximum extent possible. Agencies must take action to remove barriers that prevent small, diverse, and veteran-owned businesses from receiving equitable access to state goods and services procurements.

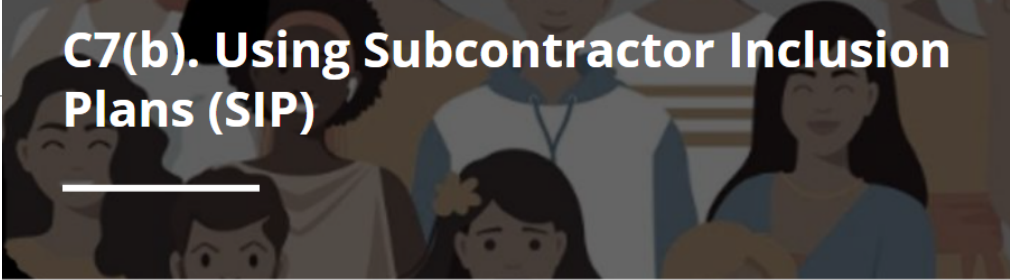
SUPPLIER DIVERSITY TOOLS

- C-1 – Forecasting
- C-2 – Outreach
- C-3 – Unbundling
- C-4 – Contracts under \$150,000
- C-5 – Subcontractor Inclusion Plans
- C-6 – Solicitation/Contract Language
- C-7 – Other Strategies
- C-8 – Transparency



Open the
Market to
Small/Vet bus's

STRATEGY IS IN §C7(B) OF THE POLICY AND HANDBOOK



C7(b). Using Subcontractor Inclusion Plans (SIP)

- ① Implementation of this policy includes the following topics: Forecasting (C1), Outreach (C2), Unbundling (C3), Contracts under \$150,000 (C4), Pre-bid conferences (C5), Solicitation/Contract Language (C6), Other strategies (C7 (a-c)), and Transparency (C8). To jump to any of these sections use the left-hand navigation window.

- ① This chapter is broken into three sections C7(a - c). You can navigate to each section quickly by using the left-hand navigation window. Use all applicable strategies (7a-7c) in every competitive solicitation.

SUBCONTRACTOR INCLUSION PLANS – WHEN AND HOW

- When? Whenever you think sub-contractors could be a thing!
- How?
 - The SDP Virtual Handbook gives some good examples/templates
 - Can I score them? As long as scoring is neutral to protected characteristics (recommend Small/Vet based)
 - Require them if a bidder intends to use subcontractors
- How can I enforce them?
 - Realistically, might be after contract end, but minimally annually
 - You can make any information they provided into performance metrics, which can affect renewal or future responsibility.

INNOVATIVE NEW PRACTICE – INTERESTED SUBCONTRACTOR LIST

1. Problem: agency was being criticized for not unbundling
2. Wrinkle: staff simply didn't realize unbundling was a possibility in a particular solicitation
3. Solution: the Interested Subcontractor List
4. How it works:
 - a. Solicitation schedule modification
 - b. Solicitation language

1.2 ESTIMATED SCHEDULE OF SOLICITATION ACTIVITIES

Issue Request for Proposals	September 28, 2023
Letter of Intent to Propose Due	October 11, 2023 – 5 p.m. PST
Bidder Questions Due	October 11, 2023 – 5 p.m. PST
Interested Subcontractor Responses Due	October 11, 2023

HCA RFP No. 2023HCA22

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Interested Subcontractor List Posted*	October 12, 2023
HCA Answers Posted*	October 19, 2023
Complaints Due (if applicable)	October 31, 2023
Proposals Due	November 7, 2023 – 2 p.m. PST
Evaluate Proposals*	November 9 – November 27, 2023

2.3 INTERESTED SUBCONTRACTOR LIST

HCA supports and encourages contracts and subcontracts with small, diverse, and veteran-owned businesses. To support participation in this process, the RFP Coordinator will add a list of Interested Subcontractors to the RFP. The RFP Coordinator will prepare the List based on the timely and complete submission of specific information requested in this section. The purpose of the List is to communicate to prime bidders the capabilities of interested subcontractors who can perform components of this RFP's Scope of Work.

A. Interested Subcontractor Instructions

- i. Failure to follow the instructions in this Section may prevent your information from being included in the List.
- ii. An interested party must complete the below table to submit their firm name, contact information, and the summary of their capabilities as they relate to this RFP's Scope of Work. Submissions are limited to what is requested in the table below and capability summaries must be two paragraphs or less.
- iii. The RFP Coordinator will only include the information requested below. Do not submit marketing materials.
- iv. Submissions must be emailed to the RFP Coordinator, with the subject line "RFP # Interested Subcontractor List – [Interested Subcontractor Name]" by the date specified in Section 1.2 (ESTIMATED SCHEDULE OF SOLICITATION ACTIVITIES).
- v. All material submitted for the Interested Subcontractor List becomes a public record.

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Interested Subcontract Name	Contact Name	Contact Address, Phone Number, and Email Address	Summary of your capabilities as it relates to the Scope of Work

B. Posting Date

Complete and timely submissions will be compiled and posted in alphabetical order by interested subcontractor name. HCA anticipates the List will be posted as an RFP amendment on the *Interested Subcontractor List Posted* date identified in Section 1.2 (ESTIMATED SCHEDULE OF SOLICITATION ACTIVITIES). Late submissions will not be posted.

C. Information Provided As-Is

The Interested Subcontractor List is provided as an opportunity to support participation in this RFP. HCA provides this information as a courtesy with no warranties or representations as to any party and no guarantee of a subcontract. The Interested Subcontractor List shall not be construed as an endorsement by the state of Washington or HCA. The interested party is responsible for the completeness and accuracy of their submission.

QUESTIONS

THANK YOU



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