

**Agency Name:** Office of Minority and Women's Business Enterprises (OMWBE)  
**Address:** 406 South Water Street, P.O. Box 41160, Olympia, WA 98504-1160  
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### **Agency Responsibilities:**

- OMWBE helps create and sustain an equitable business environment by promoting the participation, in public contracting and procurement, of all qualified and available businesses owned and controlled by minorities, women and all others who may be socially and economically disadvantaged.
- OMWBE Goal POG 6: Economic Vitality: Improve the contributions of certified minority, women, and socially and economically disadvantaged small businesses to the Washington State economy.
- Statutory Authority: Chapter 39.19 of the Revised Code of Washington.

### **Organization Chart and Budget:**

- Agency Size: 16 FTEs (official allotment at this time)
- Names/Titles of Managers and Activities Managed:
  - Vicky Schiantarelli, Certification Manager (certification of small businesses are verified as being owned and controlled by minority, women, or socially and economically disadvantaged persons)
  - Cathy Canorro, Agency Support Manager (provides consulting services to state agency management, procurement, and contracting staff in the deployment of best practice strategies for inclusion of certified firms in public sector contracting and procurement)
  - Jean Wheat, IT Manager (technology, reporting, and sourcing suppliers)
  - Clarence Gillis, Business Development Manager (builds capacity and helps qualified certified firms to compete and obtain public and private sector contracts)
  - Juan Huey-Ray, Project Manager (local jurisdiction support and systems)
- Budget and Funding Source: Operating budget is approximately \$2M for the 2003-2005 biennium. Funding sources are: state agencies and institutions, political subdivisions, businesses applying for certification services, Interagency Agreements with WSDOT/Federal Highway Administration, and public and private sector grants.

### **Most Pressing Issues or Challenges:**

**1. Public Perception and Expectations:** Despite OMWBE's continued targeted outreach and education efforts, many Washington State residents continue to hold misperceptions about the impact of Initiative 200. Immediately after I-200's passage, the number of certified firms dropped by approximately one-third. By the end of the first three-year certification cycle following I-200's passage, the number of certified firms had dropped by more than 50 percent. OMWBE has devoted significant staff time to educating firms and increasing the number of certified firms available. By the end of FY 2003, these efforts resulted in an almost 16 percent rebound in the number of certified firms.

**2. Expanded Customer Base:** In addition to businesses owned by minorities and women, OMWBE also provides services to other businesses owned by disadvantaged owners. In accordance with the Legislature's instructions in SJM 8015 and the agency's statutory authority (RCW 39.19.120), OMWBE has added a new status for disadvantaged business owners who are not women or minorities. Business owners who are disabled may now apply for business services and certification from OMWBE.

**3. Strategic Assessment:** The key problem facing OMWBE continues to be the impact of I-200 and the continued decline of certified firms in public contracting. Many of the States Buyers and Contracting Officers do not believe that a MWBE plan is required or that successful strategies are available to plan and meet laudatory goals. At the June 2003 Diversity Business Symposium, Governor Locke directed state agencies to work harder at improving state contracting opportunities for businesses owned by diverse peoples. Over the next six months, the three Ethnic Commissions, the Governor's Office of Indian Affairs, and OMWBE in collaboration with the Departments of General Administration and Community, Trade, and Economic Development began a series of meetings with stakeholders to identify initiatives to increase participation of diverse businesses in public contracting. Fifteen initiatives for Increasing Opportunities for Minority, Native American and Women Owned Businesses were identified. Many of those initiatives are included in the OMWBE Strategic Plan.

**4. Changes in Washington State's Ethnic Business Makeup:** According to U.S. Census Bureau data, the ethnic makeup of Washington's citizens is changing. Minority groups currently account for more than 20 percent of Washington's population. Based on Census Bureau data, Washington's minority population is projected to increase at a rate exceeding that of the current fiscal growth factor. From July 1, 2000 through July 1, 2005, Washington's minority population is expected to increase 16.72 percent. Over the next twenty years, Washington's minority population is predicted to increase 63.52 percent. As the number of minorities increases, the number of businesses owned by minorities also increases. Therefore there is an increased volume of firms requesting certification and business development services.

**5. Women in Business:** Although their representation in the population remains stable, women's role in the economy continues to grow. The U.S. Census Bureau reports that women-owned businesses currently account for approximately 26 percent of all businesses. Washington women-owned businesses had 139,032 employees in 1997. By providing business services and certification to women-owned firms, OMWBE helps these businesses to grow and expand and make a significant contribution to the economy.

**6. Vendor In Good Standing:** OMWBE will also assist the Department of General Administration's (GA) "Vendor In Good Standing" program pursuant to SHB 1813, a bill designed to expand employment opportunities for people with disabilities.

**7. Emphasis on Contracting and Procurement Accountability:** Accountability and fraud prevention are issues that have been emphasized by the Legislature and the U.S. Department of Transportation. OMWBE's methods and workload are affected by both these efforts. The Legislature has recently emphasized increasing government accountability, decreasing government waste, and preventing unnecessary financial liability. OMWBE has made significant efforts to further the Legislature's intent by implementing the Contract Monitoring and Tracking System (CMATS). OMWBE will continue expanding the number of state agencies, educational institutions, and local jurisdictions utilizing this tool to prevent contract and procurement irregularities and decrease wasteful government spending. CMATS can also be used by state agencies and local jurisdictions to locate firms, conduct availability studies, and track subcontracting.

**8. Access to Capital:** Since 1993, the Linked Deposit Program has funded interest rate reductions for 332 certified firms on \$141 million of business loans. The Linked Deposit Program has proven popular with certified firms and is a proven attraction to state certification for potentially certifiable firms. The Program is authorized until June 30, 2007, and OMWBE continues to work closely with the Office of the State Treasurer (OST) and the Department of Community, Trade, and Economic Development (CTED) to administer this valuable program. Therefore, OMWBE will be working closely with OST and CTED to explore possible administrative rule and statutory changes to make the Program more responsive to a greater share of certified firms. Alternatives to the Linked Deposit Program are being developed.