

Inclusive Contracting and Business Development Programs



Background

Definition

Inclusive contracting and business development programs provide access and opportunities for a more diverse range of businesses and entrepreneurs to contribute to the local and regional economy. These programs can also provide access to family wage jobs, job training, and technical assistance and funding.

Health, equity, and sustainability considerations

As Washington continues to become more diverse, support of small, women- and minority-owned businesses is an increasingly important part of an economic development strategy. These businesses are a crucial part of the region's economy, both in terms of economic impact and in terms of job creation. As a number of small, women- and minority-owned businesses grows, the success of these businesses translates to more jobs, increased wealth and long-term prosperity for the region's residents. More must be done to ensure that these entrepreneurs have the tools, resources and access they need to be successful.

The [Alameda County Public Health Department](#) asserts that socioeconomic status, a measure of income, education, and/or occupation, is a powerful predictor of health. Individuals with a higher socioeconomic

Immigrant entrepreneurs start businesses at higher rates than native-born Americans.

status tend to live longer and experience fewer health problems across the course of life. Thus, improving access to family wage jobs and job training may have a profound impact on health.

In 1998, [Initiative 200](#) (I-200) passed in Washington State prohibiting racial and gender preferences by state and local government. Because of the restrictions of I-200, state and local organizations focus outreach and strategies specifically around supporting small businesses. In addition, many "small business" services provided by non-state or local organizations have specific outreach efforts related to women- and minority-owned businesses.

Program and Policy Examples

Program Examples

Strategies that municipalities and other organizations can implement to support small, women- and minority-owned businesses focus on expanding contracting opportunities for these businesses and better connecting these businesses to financial and technical assistance. These include:

- *Small, women- and minority-owned business contracting opportunities.* Many local jurisdictions and counties, the State of Washington, and federal agencies offer small, women- and minority-owned businesses opportunities to contract on public works projects, including good and services, construction, and consulting contracts.
- *Apprenticeship programs.* Apprenticeship programs help to train workers, primarily in the construction industry. This is important as trends in recent demographic studies forecast a shortage of skilled workers. These programs provide opportunities for minorities, women, persons with disabilities, and economically disadvantaged youth to participate in public works projects.
- *Community workforce agreements.* A community workforce agreement consists of a project labor agreement that includes a targeted hire provision designed to get low-income workers into construction careers.
- *Financing and technical support.* Numerous public and private organizations provide a variety of financial and technical support services to help small, women- and minority-owned businesses become more competitive in the local and regional economy.

How is it used locally?

Below are some of the programs, organizations, and best practices in the region:

Local Jurisdictions

The Tacoma City Council's [Government Performance and Finance Committee](#) develops, implements, and monitors policies, programs, and services related to city workforce development and diversity. The city has made equity a top strategic objective for 2014. This includes working towards the following outcomes:

- A workforce that more effectively interacts with the community it serves because of its raised awareness of equity, including racial equity.
- A workforce within the City of Tacoma that reflects the community it serves.

[King County Finance and Business Operations](#) runs the Procurement Reform Initiative launched in 2010 that has implemented new contracting methods, a small business accelerator and new regional partnerships for small business certification, bolstered by a more efficient and equitable environment that has made it easier for small firms to do business with the county. In 2013, this program won the Crystal Eagle award from Tabor 100, a non-profit association of entrepreneurs and business advocates committed to economic power, educational excellence and social equity for African-Americans and the community at large.

[Sound Transit's diversity program](#) develops strategies and policies to provide meaningful contracting opportunities to minority, women, and disadvantaged businesses. The aim is for these businesses to have equal employment opportunities to compete for contract work and for Sound Transit to achieve a [workforce diversity](#) reflective of the central Puget Sound region.

[The City of Seattle Labor Equity Group](#) is committed to ensuring access for women, people of color, and others with social and economic disadvantages, particularly those in Seattle, in pursuit of construction careers. City Purchasing and Contracting Services implements policies to support career pipelines and employment of such workers through city-funded construction contracts.

The City of Seattle utilizes community workforce agreements to ensure equitable hiring on public works construction projects. In 2013, the Seattle Housing Authority, the City of Seattle, King County, and organized labor entered an agreement for the [Yesler Terrace Redevelopment](#). This community workforce agreement sets goals and metrics for equal employment and small business opportunities for the construction project.

In order to broaden the benefits of the city's contracts, the City of Seattle requires apprenticeship on all city construction contracts above \$1 million in value. The city is studying policies and practices in Seattle and elsewhere to determine improvements that increase worker diversity on construction sites.

In 2013, Seattle [Resolution 31485](#) created [Construction Careers Advisory Committee](#) to review the city's current contracting program and outcomes, best practices from other jurisdictions, and make policy and program recommendations based on their work.

Community Advocates

[Performance First](#) is an educational curriculum designed to help large corporations improve their procurement and purchasing systems with regard to minority-owned businesses.

[The Billion Dollar Roundtable](#) promotes and shares best practices in supply chain diversity excellence through the production of white papers. In discussions, the members review common issues, opportunities and strategies.

[The Small Business Transportation Resource Center](#) provides one-on-one business counseling, access to capital assistance, and procurement assistance.

[Procurement Technical Assistance Center](#) provides statewide services in King, Kitsap, Pierce, and Snohomish counties including interpretations of solicitations to help small business owners understand government contract opportunities. The Center also provides registration and certifications of 8(a), HUBZone, small disadvantages, veteran-owned, women-owned, and minority-owned businesses, and marketing assistance to help businesses determine target markets and how to best access these markets.

The University of Washington's [Entrepreneurial Law Clinic](#) offers business planning, structure and governance services. The Clinic also consults on employment law, business licensing, and tax planning and compliance.

[Score](#) provides free mentoring covering topics such as finance and accounting, business planning, marketing strategy, IT services, and legal issues. It also offers workshops and events, and free templates and tools.

[SouthEast Effective Development](#) (SEED) offers business assistance including planning, financing, legal issues, and marketing.

[Washington CASH](#) provides business education and one-on-one coaching.

[Northwest Mountain Minority Supplier Development Council](#) is home to the Minority Business Executive Program that works to increase the competitiveness of Minority Business Enterprises.

The [Puget Sound Latino Chamber of Commerce](#) offers entrepreneurial development training including one-on-one sessions for women.

The [Seattle Chinatown International District Preservation and Development Authority](#) (SCIDpda) provides accounting and legal counseling, and a variety of workshops and training sessions.

Implementation

Model policy language

The City of Seattle's [Elliott Bay Sea Wall](#) construction project community workforce agreement outlines model policy language and the elements commonly found in formal agreements.

The Partnership for Working Families' [Community Workforce Agreements: The Pathway to Coalitions Between Labor and Community](#) (2010) provides basic information on community workforce agreements, including a discussion of common components, an overview of best practices, and examples.

In the Public Interest's [Sample Responsible Contracting Legislation and Policy](#) provides best practices and sample legislation and policy from across the country.

Considerations for local implementation

Immigrant entrepreneurs start businesses at higher rates than native-born Americans. Many immigrant entrepreneurs have been underserved by traditional business support programs and lenders. Local jurisdictions can help improve access to existing support services by increasing awareness, and developing culturally appropriate and linguistically accessible training.

Resources

Alameda County Public Health Department's [Life and Death from Unnatural Causes: Health and Social Equity in Alameda County](#) (2008)

King County's [Changing Demographics](#) (2013)

Partnership for Working Families' [Policy & Tools](#) (2012)

Performance First's [Supplier Diversity Toolkit](#) (2009)

Prosperity Partnership's [Minority-Owned Business Development Strategy](#) (2008)

Puget Sound Regional Council's [Regional Economic Strategy for the Central Puget Sound Region](#) (2012)

Washington State Office of Minority & Women's Business Enterprises' [Resource for Small Businesses](#) (2014)