



Tips and Tools for Inclusive Contracting

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How to qualify as a Washington “small business”

Formal designation can help you land contracts with the state

Government agencies here in Washington strive to secure a certain percentage of their procurement and construction contracts with small businesses owned by minorities, women or veterans. Agencies award these contracts to companies specifically designated as a “small business enterprise” (SBE) or as a minority- or woman-owned business enterprise (M/WBE).

There are two ways to gain an SBE or M/WBE designation. One is to register as a small business with Washington’s Electronic Business Solution (WEBS). The other is to be certified by the state Office of Minority and Women’s Business Enterprises (OMWBE). Each method has its advantages. Let’s take a look at what they are.

Register in WEBS

Businesses that want to work with the state must register in WEBS and can self-certify they meet the definition of a small business (see sidebar).

Small businesses that meet one of the following criteria can get preference points when bidding on state contracts:

- 50 or fewer employees.
- Gross annual revenue of less than \$7 million annually as reported on its federal income tax return or its return filed with the Department of Revenue over the previous three consecutive years.

OMWBE Certification

This certification process involves a thorough vetting of your company. Supporting documentation is required along with an application. Being certified has many benefits:

- State-certified businesses are eligible to participate in contracting opportunities with state and local governments that specifically target small firms owned by minorities or women.
- Some private-sector companies, such as large construction contractors, use the OMWBE’s registry to find and contract with small businesses that help the bigger companies meet inclusive contracting goals.
- Eligible firms can become certified as a Disadvantaged Business Enterprise (DBE), which gives them an advantage on federal contracts.
- Becoming certified also makes you eligible to apply for loans through the state’s “Linked Deposit Program, which can decrease interest rates on small-business loans by up to 2 percentage points.

See details and contacts on the reverse side.



How the state defines a “small business”

Under RCW 39.26, it’s any in-state business entity, including a sole proprietorship, corporation, partnership, or other legal entity, that certifies, under penalty of perjury, that it is owned and operated independently from all other businesses, and has either:

- 50 or fewer employees, or
- A gross revenue of less than \$7 million annually as reported on its federal income tax return or its return filed with the Department of Revenue over the previous three consecutive years, or
- Is certified as a small business with the Office of Minority and Women Business Enterprises under RCW chapter 39.19

Tips and Tools

The Washington State Department of Transportation periodically publishes Tips and Tools to provide small businesses owned by minorities, women or veterans with useful information on potential contract opportunities with WSDOT and other government agencies.

Options for obtaining state small-business designation	Advantages
<p>OMWBE certification</p> <ul style="list-style-type: none"> • Administered by the Washington State Office of Minority and Women Business Enterprises • For more information, see the OMWBE's State Certification webpage: omwbe.wa.gov/certification/state-certification 	<ol style="list-style-type: none"> 1. Your business will be listed in a searchable directory, making you easy to locate. 2. Companies often look for state-certified firms to meet diversity goals. 3. You can apply for Disadvantaged Business Enterprise (DBE) status. 4. Becoming certified makes you eligible for the Linked Deposit Program, which can decrease interest rates on small-business loans by up to 2 percentage points. <p>Note: <i>There is no OMWBE certification for veteran-owned firms at this time. See veteran options under WEBS registration.</i></p>
<p>WEBS registration</p> <p>Businesses that are interested in contracts with the state must register in Washington Electronic Business Solutions (WEBS), administered by the state Department of Enterprise Services at des.wa.gov.</p> 	<ol style="list-style-type: none"> 1. State agencies post bid opportunities for goods and services in WEBS. 2. Businesses can sign up to receive notifications of bid opportunities when they register in WEBS. 3. We manage more than 200 statewide contracts for goods and services that are awarded to over 1,500 businesses, many of them small businesses. 4. State and local government agencies, Tribal governments, and nonprofits purchase \$1.9 billion from these businesses each year.



Shown here, from left, are Regina Glenn, Diversity and Inclusion Manager for WSDOT Megaprograms, Henry Yates, Diversity Consultant for WSDOT, and Lourdes E. "Alfie" Alvarado-Ramos, Director of the Washington State Department of Veterans Affairs.

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- The WSDOT Megaprograms are:**
- SR 520 Bridge Replacement and HOV Program
 - SR 99-Alaskan Way Viaduct Replacement Program
 - I-405/SR 167 Corridor Program
 - Puget Sound Gateway Program

Title VI notice to public: It is the Washington State Department of Transportation's (WSDOT) policy to assure that no person shall, on the grounds of race, color, national origin or sex, as provided by Title VI of the Civil Rights Act of 1964, be excluded from participation in, be denied the benefits of, or be otherwise discriminated against under any of its federally funded programs and activities. Any person who believes his/her Title VI protection has been violated, may file a complaint with WSDOT's Office of Equal Opportunity (OEO). For additional information regarding Title VI complaint procedures and/or information regarding our non-discrimination obligations, please contact OEO's Title VI Coordinator at (360) 705-7090.

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