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TO: State Agency Directors

FROM: Christine O. Gregoire, Governor

SUBJECT: **Supplier Diversity**

In the last six years, state contracts with certified minority businesses have dropped from five percent of total expenditures to less than one percent. State contracts with women-owned businesses dropped from four percent to one percent in the same time period. I am very concerned about this sharp decline in diversity contracting. While minority and women-owned businesses are flourishing in our state, our utilization of these businesses has declined.

Minority and women-owned businesses are an integral part of our community and economy. Their economic prosperity is critical for the success of our state. Furthermore, our state agencies benefit by working with a diverse pool of private contractors. It connects agencies to our community; building bonds with a broad range of private industries, rather than a select few.

Clearly, our state contracting laws prevent awarding contracts on the basis of race, ethnicity, or gender. At the same time, they require agencies to communicate bid opportunities to historically underused businesses, be they owned by women or African Americans, Latinos or veterans, persons with low-incomes or rural business owners. Further, these state laws require agencies to provide technical assistance to historically underused businesses so that they can compete on equal footing with other businesses for state contracts.

I believe in competitive and fair access to all contracting and procurement opportunities. We are not doing enough to promote these principles. We can and should do better. Therefore, I am calling on you to help turn this record around by working with the Office of Minority and Women Owned Business Enterprises (OMWBE) as it implements its Suppler Diversity Initiative. Specifically, I ask you to designate leaders at your agency, track your progress, and work to implement practical solutions. OMWBE is there to help you on this path.

Let's work together for the benefit of our citizens and all of our Washington businesses.