

To Whom It May Concern:

New payment reporting system for WSDOT contracts advertised after June 1, 2017.

The Washington State Department of Transportation is implementing a new Diversity Management and Compliance System (created by and referred to as B2GNow), for tracking Disadvantaged Business Enterprise (DBE), Small Business Enterprise (SBE) or Minority/Small/Veteran/Women Business Enterprise (MSVWBE) participation. The system will also be used to track and monitor payments to subcontractors in accordance with Standard Specifications Section 1-08.1, in order to reduce the number of prompt payment disputes. This system will allow WSDOT to:

- Track payments to DBE, SBE and MSVWBE firms on a monthly basis
- Proactively monitor DBE, SBE and MSVWBE participation
- Monitor and assist in resolving prompt payment disputes

WSDOT Contracts advertised after June 1, 2017 will contain provisions requiring that payments to all subcontractors be reported electronically by the prime contractor into the new system that is available at <https://wsdot.diversitycompliance.com>. The requirement to enter subcontractor payments is not limited to DBE certified businesses, but includes payments to all subcontractors regardless of DBE status. Subcontractors will also have an opportunity to acknowledge receipt of the payment and verify the amount paid. Please note this is only a change to how subcontractor payments are reported, not a change to the requirement to submit these reports.

WSDOT vendor training will be provided for the new system on June 15, 2017 from 1:00 PM – 2:00 PM. WSDOT's Office of Equal Opportunity (OEO) will have staff available during this training session to answer questions. The new system also has built in web-based training available through the website mentioned above that is offered several times a month. WSDOT encourages prime contractors with contracts requiring use of the new system to take this training before you are required to start reporting.

The award letter for contracts requiring use of the new system will request that the prime contractor submit contact information for the employee who will be the primary point of contact for the new system. WSDOT OEO will assign a Compliance Officer to awarded projects who will be available to assist with utilizing the system.

A future notification will address reporting changes to projects advertised prior to June 1, 2017.

If you have questions regarding the new reporting system or the new reporting requirements, or would like additional information, please contact Olga Peterman, Data and Trend Analyst at 360.704.6383 or Petermo@wsdot.wa.gov.

Waiver Implementation and New UDBE requirements for WSDOT contracts advertised after June 1, 2017.

The Washington State Department of Transportation is implementing a Disadvantaged Business Enterprise (DBE) Program waiver for federally funded WSDOT projects based on the results of a disparity study identifying underutilized DBE Firms. The United State Department of Transportation approved the

wavier in 2016 and removes non-minority, non-minority women-owned businesses from the race-conscious portion of the DBE Program.

WSDOT defines the underutilized DBE firms identified in the disparity study as an Underutilized Disadvantaged Business Enterprise (UDBE), and waiver implementation will require UDBE utilization on WSDOT federally funded projects. Contracts requiring UDBE utilization will include provisions requiring waiver compliance, including UDBE Commitments and UDBE Condition of Award Goals. UDBEs will need to be identified as such in the new payment reporting system, B2GNow, to count towards contract commitment amounts and condition of award goals.

It is important to note that all UDBEs are certified as DBEs by the Washington State Office of Minority and Women's Business Enterprises and the "U" is a designation specifically used by WSDOT to implement the waiver to count towards contract commitment amounts and goals. UDBEs currently certified by Washington State are identified using the Certified Firm Directory located under the Firm Certification section of the Diversity Management and Compliance web page (<https://wsdot.diversitycompliance.com>). Firms certified only as DBEs, without the UDBE designation, will not count toward contract commitment amounts and condition of award goals, but will count toward the overall DBE participation, and should be entered into B2GNow.

UDBE requirements will not apply to projects that are funded by Federal Transit Authority. The waiver only applies to Federal Highway Administration funded projects.

If you have any questions regarding UDBEs or would like additional information, please contact John Huff, DBE Program Manager at 360.705.7010 or HuffJ@wsdot.wa.gov.

If you are interested in reviewing modified specifications or the draft changes to the WSDOT Construction Manual, they can be accessed at the following locations:

Standard Specifications Section 1-08:

<http://www.wsdot.wa.gov/biz/contaa/BULLETIN/108Subcontracting.pdf>

UDBE Specification (Section 1-07.11):

<http://www.wsdot.wa.gov/biz/contaa/BULLETIN/10711DBEParticipation.pdf>

Updates to the WSDOT Construction Manual:

<http://www.wsdot.wa.gov/biz/contaa/BULLETIN/CMChapter1.pdf>