Appendix A: Needs Assessment

On December 21, 1994 Henry Cisneros, Secretary of Housing and Urban Development, designated the City of Tacoma as a federal Renewal Community based upon the identified economic decline of the area. Within Tacoma’s Enterprise (Renewal) Community (TEC), the poverty level is as high as 69%. The proposed project will be located within this Enterprise Community where the evidence of economic decline is most self-evident.

MDC is the federally designated Community Action Agency for the City of Tacoma located in the federally designated empowerment zone. MDC was involved in all phases of the Enterprise Community application. During the application process, MDC provided leadership within the administration and social service committees. MDC received a planning grant from the Office of Community Services for preparation of the local proposal. This grant was then declined because of the agency’s subsequent receipt of a Demonstration Partnership Program grant during this same fiscal year.

Key elements of the Renewal Community include:

Employment: Increase employment for area residents. This includes access to training and retraining and collaboration with other service providers to overcome barriers to employment. The Renewal Community now includes a One-Stop Career Center. This center will incorporate the broad array of services necessary to prepare and place customers in employment. The design will create a seamless system of basic services to all applicants.

Business Vitality: Provide a series of coordinated investments within the Neighborhood Reinvestment Area to improve business climate and the health of individual businesses. This includes workforce training and retraining, technical assistance, access to capital and other financial incentives, and programs for business retention, formation and recruitment.
The following charts help to illustrate that the census tracts with the greatest population have the lowest household income(s). This information has allowed us to focus our efforts on those tracts most in need of economic opportunity.
Appendix B: Job Descriptions

Economic Development Director
Job Description

PURPOSE: To oversee, administer and direct economic development services. To provide leadership in the development of new initiatives, obtain program support and interact with funders

MINIMUM QUALIFICATIONS: BA in business, marketing, public relations, or in a closely related field of study, and five (5) years of relevant experience in the areas of entrepreneurship, small businesses creation, small business management, marketing and public speaking experience. Masters degree preferred. The incumbent must: 1.) Have personal reliable transportation. 2.) Have a current valid Washington State Driver’s License and proof of auto insurance. 3.) Pass a criminal history background check which may include fingerprinting for check by County, State, and Federal governments.

DESIRABLE QUALITIES: -Knowledge of best practices for business development. 
-Knowledge of and ability to assist others with assessment, market planning and contracting. 
-Knowledge of economic development funding sources. 
-Knowledge of Pierce County and target area. 
-Knowledge of business resources in target area. 
-Ability to manage professional staff. 
-Ability to provide staff training and assistance to clients 
-Ability to secure grants, and resources to support activities. 
-Ability to communicate effectively in both written and oral forms. 
-Ability to establish and maintain professional, ethical, and cooperative working relationships with participants, community resources, and co-workers. 
-Ability to evaluate programs and maintain accurate and concise reports.

DUTIES: -Hire and manage professional staff. 
-Develop program initiatives 
-Prepare grant proposals and coordinate with planning department. 
-Provide clients with business development services as needed. 
-Facilitate program implementation, monitors services and evaluate program and staff performance. 
-Participate in regional and national initiatives. 
-Provide community relations, represent agency and services in various environments 
-Market program services within the target community. 
-Coordinate with other service providers 
-Oversee policy and procedures 
-Conduct program evaluations, program monitoring and reporting.
Procurement Specialist
Job Description

PURPOSE: To provide technical assistance to garment/textile firms to facilitate access to government contracting opportunities and procurement of American made goods.

MINIMUM QUALIFICATIONS: BA in business, marketing, public relations, or in a closely related field of study, and one (1) year of relevant experience to include computer technology and electronic applications or; Four years of experience in procurement or government contracting, assisting small businesses, or small business management, or marketing and public speaking experience, and one (1) year of computer technological and electronic application experience. The incumbent must: 1.) Have personal reliable transportation. 2.) Have a current valid Washington State Driver’s License and proof of auto insurance. 3.) Pass a criminal history background check which may include fingerprinting for check by County, State, and Federal governments.

DESIRABLE QUALITIES: -Knowledge of business practices.
- Knowledge of and ability to assist others with assessment, market planning and make application for contract bids.
- Knowledge and ability to apply computer technology and application, as required.
- Knowledge of Pierce County and target area.
- Knowledge of business resources in target area.
- Ability to perform intake and assessment functions.
- Ability to provide and coordinate training, technical assistance, resources, and activities, as required.
- Ability to communicate effectively in both written and oral forms.
- Ability to develop and maintain professional, ethical, and cooperative working relationships with participants, community resources, and co-workers.
- Ability to gather data and maintain accurate and concise reports, as required.

DUTIES: - Interview potential business participants.
- Assess contracting/procurement needs of participant businesses.
- Provide completion of electronic linkages to government contract information.
- Facilitate data processing and management of electronic bid match system on a daily basis.
- Coordinate bid response and follow up services to participants.
- Conduct training orientations on procurement services.
- Market program services within the target community.
- Assist with registrations and certifications of participant businesses in small business programs.
- Compile, maintain data, and prepare accurate concise reports, as required.
Data Specialist
Job Description

PURPOSE: To collect, enter and maintain accurate participant and program data utilizing computer and computer software programs for programmatic and evaluation purposes.

MINIMUM QUALIFICATIONS: Two (2) years of experience in automatic data collection in analyzing, summarizing, and statistical and narrative reporting. At least one (1) year of experience must include data processing or; college level education in business or computer science; or in a closely related field of study; or any combination of education and experience which demonstrates the ability to successfully perform or apply computer applications for job functions. The incumbent must; 1.) Have personal reliable transportation. 2.) Have a current valid Washington State Driver’s License and proof of auto insurance. 3.) Pass a criminal history background check which may include fingerprinting for check by County, State, and Federal governments.

DESIABLE QUALITIES: -Knowledge of program reporting methods and procedures. -Knowledge of and ability to implement data collection methods -An ability to create and edit presentations, forms and brochures -Ability to collect and organize data -Ability to accurately write statistical and narrative reports -Ability to meet reporting requirements within specified time frames -Ability to effectively, efficiently, cooperatively and professionally work with program staff and program participants as required -Ability to coordinate office activities as required.

DUTIES: -Collect and verify daily activity and service information provided to program participants -Examine information for accuracy and completeness -Consult with program staff for clarification or to resolve discrepancies for inclusion, correction or for update of information reported -Input data into computer for program and evaluation purposes -Work with program management and prepares program data management procedures -Provide clerical and data support to staff and program management -Provide office support as required.
## Appendix C: Budget Detail

### Budget Narrative

<table>
<thead>
<tr>
<th>Personnel</th>
<th>Year 1</th>
<th>Year 2</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>.03 FTE Vice President Human Services. Administrative representation.</td>
<td>1,933</td>
<td>1,981</td>
<td>3,914</td>
</tr>
<tr>
<td>.5 FTE Director of Economic Development for overall program development, fiscal management, oversee contracting, marketing and diversification.</td>
<td>29,528</td>
<td>31,525</td>
<td>61,053</td>
</tr>
<tr>
<td>.75 FTE Procurement Specialist, provide technical assistance, identify contracting opportunities, implement Work Plan, assist with marketing products to purchasing entities.</td>
<td>27,581</td>
<td>28,960</td>
<td>56,541</td>
</tr>
<tr>
<td>.5 FTE Data Specialist to provide support to Director and Procurement Specialist, collect data, manage telephones, supplies, client and customer inquiries, support marketing and procurement efforts, distribute information, prepare reports and track program progress.</td>
<td>13,298</td>
<td>13,963</td>
<td>27,261</td>
</tr>
<tr>
<td>Fringe Benefits @ 37% FICA 7.65%; State Unemployment @ 3.8%; Pension @ 7.0%; State Labor and Industries @ .1013%; Medical, Dental and Life @ 18.45%</td>
<td>26,766</td>
<td>28,279</td>
<td>55,045</td>
</tr>
<tr>
<td>Travel: Out of State travel to one national workshop in DC for Director and Evaluator. Cost includes $1,800 for two air fares, and $1,200 for two for per diem expenses.</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Supplies: Disposable office supplies @ $200 / month (i.e. paper, writing tablets, binders, folders, clips, copy paper, labels, protectors, paper products, disks, ink cartridges, writing instruments, etc.)</td>
<td>2,400</td>
<td>2,400</td>
<td>6,300</td>
</tr>
<tr>
<td>Computer and Printer (Computer 1200, Printer $300)</td>
<td>1,500</td>
<td>2,400</td>
<td>6,300</td>
</tr>
<tr>
<td>Total Supplies</td>
<td>3,900</td>
<td>2,400</td>
<td>6,300</td>
</tr>
<tr>
<td>Contractual</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Party Evaluation, Puget Sound Research Associates</td>
<td>10,000</td>
<td>10,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Space Costs $1,400 per month x 12 months</td>
<td>16,800</td>
<td>16,800</td>
<td>33,600</td>
</tr>
<tr>
<td>Liability Insurance</td>
<td>960</td>
<td>960</td>
<td>1,920</td>
</tr>
<tr>
<td>Communications:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly charge for: regular telephone $175, cell phones $85, internet connection $85, internet service $30 = $375/mo x 12 mos.</td>
<td>4,500</td>
<td>4,500</td>
<td>9,000</td>
</tr>
<tr>
<td>Local travel @ 150 miles per month x 2 staff x .35 for Director, Procurement Specialist for meetings, counseling sessions, training and technical assistance</td>
<td>1,260</td>
<td>1,260</td>
<td>2,520</td>
</tr>
<tr>
<td>Printing and copying: brochures, marketing material</td>
<td>500</td>
<td>500</td>
<td>1,000</td>
</tr>
<tr>
<td>Dissemination of project results: on-line, print and distribution</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Postage @ $50 per month x 12 months</td>
<td>600</td>
<td>600</td>
<td>1,200</td>
</tr>
<tr>
<td>Registration and training: One-day lean mfg. For 6 x $300 = $1,800; Lean mfg., Assessment 3 x $1,500 ($1,800 + $1,500)</td>
<td>1,800</td>
<td>1,500</td>
<td>3,300</td>
</tr>
<tr>
<td>Total Other</td>
<td>26,420</td>
<td>28,120</td>
<td>54,540</td>
</tr>
<tr>
<td>Total Direct Charges</td>
<td>139,426</td>
<td>145,228</td>
<td>284,654</td>
</tr>
<tr>
<td>Total Indirect Charges @ 17.3%</td>
<td>24,121</td>
<td>25,124</td>
<td>49,245</td>
</tr>
<tr>
<td>Total Costs</td>
<td>163,547</td>
<td>170,352</td>
<td>336,899</td>
</tr>
</tbody>
</table>
Appendix D: Project Powerpoint
Appendix E: Research Design and Survey Instruments

Research Design

Problem:
Local small garment manufacturers are unable to remain competitive

Project Purpose:
To aid local small Garment/textile manufacturers to be more competitive.

EFFECTS
- Business closures
- Loss of Jobs
- Lost market access for product.

OUTPUTS
- Contract awards to sustain business
- Product and Market expansion to grow/retain jobs.
- Cost efficiency for price competitiveness

CAUSES
- International trade and overseas competitors offering low priced alternatives.
- High cost of doing business in Washington State.
- Small businesses lack capital to respond to market shifts

ACTIVITIES
- Assistance identifying contracting opportunities, certifications and bid preparation.
- Assistance identifying and implementing new product and market opportunities.
- Assistance analyzing production efficiencies and implementing cost savings strategies.

GOAL:
Increased revenue to sustain business and retain jobs.
We are funded partly by a federal government office and are therefore required to provide a description of the businesses we serve and their progress made while in this program. At no time will any personal information be disclosed. Information is compiled as group data only. Your answers are completely confidential. Please answer these questions as best you can. We will conduct a follow-up survey after six months. If you have any questions, please ask program staff.

Thank you!

<table>
<thead>
<tr>
<th>Question</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What types of products do you manufacture?</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2. What markets do you sell to? (CHECK ALL THAT APPLY)</td>
<td>Commercial contracts, Retail, E-tail, Government sales, Subcontracting, Other (PLEASE SPECIFY)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Which of the following activities would help you become more competitive? (PLEASE RANK IN ORDER OF IMPORTANCE, 1-8)</td>
<td>Contracting Assistance, Market Diversification, New Product Development, Production Efficiency Analysis, Marketing Assistance, Workforce Assistance, Equipment Automation, Financing / Access to Capital</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>4. In what year was the business established?</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>5. How many employees does the business have?</td>
<td>Full-time, Part-time, Seasonal, Temporary</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>6. What are the business’s approximate annual sales?</td>
<td></td>
</tr>
</tbody>
</table>
7. Does the business currently access government contracting opportunities?  
- [ ] Yes  
- [ ] No

8. Which of the following certifications and/or registrations does the business have? (PLEASE CHECK ALL THAT APPLY)  
- [ ] State Minority/Woman Business Enterprise  
- [ ] HUB Zone  
- [ ] SDB (Small Disadvantaged Business)  
- [ ] 8 (a) Certification  
- [ ] Veteran Owned / Service Disabled Veteran  
- [ ] Central Contractor Registration (CAGE Code)  
- [ ] ProNet Database (SBA)

9. What are the biggest issues impacting your business today? Please share both negative and positive.

<table>
<thead>
<tr>
<th>Negative Issues</th>
<th>Positive Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For demographic purposes, please complete the following information.

10. In what county is the business located? (CIRCLE ONE)  
1. Pierce  
2. Kitsap  
3. Thurston  
4. King  
5. Other:

11. Owner’s race/ethnicity: (CIRCLE ONE)  
1. American Indian or Alaska Native  
2. Asian  
3. Black or African American  
4. Hispanic or Latino/a  
5. Native Hawaiian/ Pacific Islander  
6. White  
7. Other (specify):  
8. Race/Ethnicity Unknown

12. Owners gender  
- [ ] Female  
- [ ] Male

Thank You!
Garment/Textile Manufacturer Follow-Up Form

Today’s Date: __/__/__

We are conducting a follow-up survey to the initial enrollment questionnaire to assess client progress while in the Made In America program. At no time will any personal information be disclosed. Please answer these questions as best you can. If you have any questions, please ask program staff.

1. If you have introduced to market any new products since enrollment, please describe them.

2. What markets do you sell to? (CHECK ALL THAT APPLY)
   - Commercial contracts
   - Retail
   - E-tail
   - Government sales
   - Subcontracting
   - Other (PLEASE SPECIFY)

3. Please describe any new markets you have accessed since enrollment.

4. How many employees of each type does the business have?  
   - ____ Full-Time
   - ____ Part-Time
   - ____ Seasonal
   - ____ Temporary

5. What are the business’s approximate annual sales?

6. Which of the following certifications and/or registrations does the business have? (PLEASE CHECK ALL THAT APPLY)
   - State Minority/Woman Business Enterprise
   - HUB Zone
   - SDB (Small Disadvantaged Business)
   - 8 (a) Certification
   - Veteran Owned / Service Disabled Veteran
   - Central Contractor Registration (CAGE Code)
   - ProNet Database (SBA)

7. Has the business applied for a loan since enrollment?  
   - Yes  
   - No

   Did the business access capital (loan or other) since enrollment?  
   - Yes  
   - No

   If Yes, please specify amount $____________________

Thank You!
This form may be completed by MDC staff, or completed by interested clients. Please take a moment to complete this form and return to MDC’s Economic Development Office.

<table>
<thead>
<tr>
<th>Company Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
</tr>
<tr>
<td>City:</td>
</tr>
<tr>
<td>Contact Person:</td>
</tr>
<tr>
<td>Title:</td>
</tr>
<tr>
<td>Phone:</td>
</tr>
<tr>
<td>Email:</td>
</tr>
</tbody>
</table>

**NEEDS:** Please check all the areas of assistance that may apply to your organization. Your comments or suggestions regarding additional areas of service are important as well. This will guide us in providing technical assistance to your company.

- [ ] Contracting Assistance – Doing Business with the Government
- [ ] Identifying Government Markets
- [ ] Training and Seminar Opportunities
- [ ] Access to Bid Opportunities - Bid Matching Service
- [ ] GSA Supply Schedule
- [ ] Market Diversification
- [ ] Branding – Introducing New Products
- [ ] Minority or Woman Business Certification
- [ ] Other Needs, please state:

**PREPARADNESS:** Which of the following certifications and/or registrations do you currently have?

- [ ] Central Contractor Registration
- [ ] ProNet Registration
- [ ] CAGE Code
☐ MWBE Certification
☐ 8(a) Certification or SDB
☐ HUB Zone Certification

PRODUCTS: Please provide a description of the types of products you are capable of producing. Either current or past, and what product areas you may be moving toward. You may attach a product sheet and product codes.

__________________________
__________________________
__________________________
__________________________

ISSUES: What are the biggest issues impacting your business today? Please share both positive and negative concerns.

__________________________
__________________________
__________________________
__________________________

__________________________
__________________________
__________________________
__________________________

__________________________
__________________________
__________________________
Appendix F: Statement of Issues

Washington State Coalition
Garment Manufacturers and Apparel Industry

STATEMENT OF ISSUES

The business climate in Washington State and Federal regulations regarding foreign trade have impacted the garment/apparel industry significantly. According to the Congressional Research Service in the February 2003 report “Industry Trade Effects Related to NAFTA”, the two industries most significantly (negatively) impacted by trade policies are Apparel and Automotive. Trade deficits continue to increase, businesses continue to close and job loss is at an all-time high. Washington State has an opportunity to take a proactive position and seek solutions and assistance for this distressed industry. Below are issues that Washington State garment businesses are struggling with and the suggested actions that can be taken to prevent the loss of this domestic infrastructure.

**Distressed Industry:**

<table>
<thead>
<tr>
<th>Suggested Activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognize the negative impacts and economic losses resulting from state and federal regulations and officially announce the garment industry as a Distressed Industry.</td>
</tr>
<tr>
<td>Provide services and access to support tax and regulatory relief, tax and employment incentives, worker retraining, industry re-positioning, technology, automation, etc. thereby enabling the industry to become more competitive and re-define itself.</td>
</tr>
</tbody>
</table>

**Cost of doing business in Washington prohibitive to competitiveness for local manufacturers:**

Washington’s minimum wage is the highest among 50 states. While most manufacturers are paying above minimum wage, they are immediately out bid based on labor costs by 48 other states. Washington employers desire to employ individuals at livable wages however they are out priced in doing so.

Costs of doing business and costs of healthy work environment reduce the profitability of businesses impacting their ability to grow and expand their businesses, acquire equipment, upgrades or automation, and even maintain an employee base. Health insurance and liability/business insurance are costly and often neglected due to thin profit margins.

Revenue taxes and employment taxes continue to escalate. For example, Labor and Industries rates rose 29% for 2003 and the state is considering another 19.4% increase for 2004. This makes the average premium 56.4 cents per hour. An employer with 50 full-time employees would be required to pay $58,656 per year for L&I coverage alone. Washington state cannot afford to watch businesses close and unemployment rise because of high taxes.

<table>
<thead>
<tr>
<th>Suggested Activities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Analyze the disparity of costs of doing business, to include minimum wage and other costs, to determine a formula to apply in adjusting bid values (foreign products as well) to even the playing field for competitive proposals. This puts the State at a pro-active stand in giving local, state owned and operated...</td>
</tr>
</tbody>
</table>
Suggested Activities, continued:

businesses opportunities to supply and compete in a disadvantaged business climate. This would avoid
the preference in bidding concept that states have explored and determined to be detrimental to the local
businesses that compete for business outside Washington State. (States returning the favor). This
formula applied to all contracting would allow our local companies an opportunity to compete within a cost
framework that has been imposed by state requirements and/or out of their control.

Request the elimination of B&O tax. The reality is that businesses don’t pay taxes, their customers pay
taxes. Businesses will roll these taxes into the cost of their product, thereby increasing price and
reducing competitiveness once again. Continuing to penalize companies for doing business in the State
of Washington is not forwarding the need for business vitality and the creation and retention of
employment opportunities. This directly conflicts with the effort to assist businesses to be more
competitive.

Due to these imposed requirement, businesses are forced to undercut costs to be competitive. This
eliminates profitability and the ability to offer human benefits such as affordable health insurance, livable
wages and cost of living increases. Additionally it prevents the industry from re-investing in innovation,
expansion or automation. Often this undercutting of cuts results in the businesses “subsidizing”
government. For example: Businesses interested in doing business with the State are often forced to
give away their goods or sell at such rates that they cannot sustain themselves nor break even the costs
of providing the goods.

Conduct a review and reduction of all taxes associated to business revenue and employment for small
business.

Community Impact:

A thorough study of the overall impact to our community and regional economy of the loss of this trade
and employment base should provide adequate grounds and rationale for implementation of new policies
and methods. It is suggested that the following areas require statistical review and evaluation.

Suggested Activities:

Assess the overall community impact of losing manufacturing jobs. Assess the overall community impact
of retaining manufacturing jobs vs. losing the manufacturing base and rebuilding it. What jobs are
available to replace these lost jobs? What employee retraining is required and what is the cost? What
are the costs involved in infrastructure and investment in new industries vs. costs to support and shore up
existing industries. What is the cost of unemployment and public assistance to those laid off due to
downsizing and lost industry. A measure of the overall cost of “Reacting” vs. “Preventing”.

Assess the overall impact of buying American Made product vs. Import/Overseas products. Study the
theory that two jobs are created for every 1 in manufacturing. Or that every $1.00 in manufacturing
results in $4.00 into the community. These are critical to our economic engine.

And what about the ability to produce goods when our country is in need. What is the cost of
dependency?
**Washington State Procurement Processes Inconsistent and Prohibits Access:**

There are several issues regarding the practices, procedures and policies that Washington State has placed on its procurement of goods. Many of these practices appear to be lead in general by WAC or RCW; however many appear to be subject to interpretation and/or personal judgment of procurement personnel. In some cases, this lends itself to inconsistency and/or inaccurate application of the intended purpose of WAC or RCW.

Of concern is the common practice that contracting opportunities which may have potential for Correctional Industries application are taken out of the competitive bid process and no longer made available for private sector. (See Correctional Industries section).

Additionally, the practice of bundling contracts is prohibitive for small businesses to take part in the competitive process.

**Suggested Activities:**

Conduct a full review of Washington State procurement policies and laws. Identify regulations to be reconsidered and clarified to avoid interpretation. Create a team of state representatives, small business owners, advocates and agency staff to review current policies and procedures to identify problem areas and recommend action to eliminate concerns.

Conduct a review of states that have successfully implemented a pro domestic manufacturing policy and/or pro in-state procurement strategy within their procurement processes and identify models to replicate for Washington State.

Promote the procurement of local goods manufacturers in all state and public contracting opportunities.

Give distressed industries consideration (preference) in bidding process. Such as done with 8a, Minority Owned Business, Veteran Owned Business, etc. Similarly provide a preference for products/suppliers with American made products.

Un-bundle contracts and solicitations.

Streamline procurement process without limiting small business ability to participate.

If Washington State procurement personnel can attach language in agricultural contracts that specify that the procurement officer can choose a Washington State producer over an Out of State producer, then they should have the same ability with respect to all goods procurement. This would bring consistency and opportunity across industries. This in particular with distressed industries. However this approach should have control mechanisms in place to monitor decisions and avoid interpretation and/or implementation inconsistencies, potentially placing too much discretion and control in the hands of one individual staff member.

**Correctional Industries:**

State procurement allows Correctional Industries a non-competitive award process to fulfill commodities requested by several state departments as well as other agencies meeting the state procurement criteria for purchasing from the state system, such as schools and technical colleges. Currently Correctional Industries (CI) operates 33 businesses offering a wide range of products to this body of consumers. This is made possible by RCW which intended to provide a vehicle for revenue to support the correctional system and train inmates. This intent also included a provision to safeguard private sector businesses from lost contracting opportunity.
It is believed that insufficient policy regarding the process of identifying commodities which CI can fulfill has resulted in CI’s expansion into private sector contracting opportunities. Additionally, many existing state contractors have lost contract renewals due to state procurement and CI’s implementation and interpretation of policy, taking over contracts that have successfully been managed by small business. This progressive movement by CI has resulted in lost private sector revenue and lost employment opportunity for residents who pay taxes.

CI has stated that it can go into an industry as long as there is “minimal impact”. The definition and process of determining “minimal impact” is at question. If a private sector company loses a contract and/or has to downsize, lay-off employees, or consider closing their business due to CI’s actions, than does it not go from “minimal impact” to “significant impact”?

Additionally, if the trend continues in the downsizing of the garment sector, there will be little to no opportunity for inmates leaving the prison system to seek employment. There will be no manufacturing opportunities for them to become employed outside CP.

**Suggested Activities:**

Revisit the RCW and WAC that provides law and policy regarding CI and state procurement. Bring clarity to the eligible areas for CI to operate and prohibit CI from taking over any contract that has been or is currently being fulfilled by private sector and eliminate loopholes in the process.

Conduct a review of the revenues generated by CI and the use of funds to ensure they are meeting the stated purpose and objectives. Appoint a board to review all decisions concerning CI expansion and business development, particularly in regard to “minimal impact” requirements. Ensure that a full board is in place at all times and a full board participates in all decisions. Require documentation of meetings and minutes are available to the general public as well as all board decisions, preferably on-line. Develop a system for public comment and appeal for areas that impact private sector.

Re-visit areas which CI has expanded and the contracting activity that is currently being conducted to determine if “minimal impact” has been properly addressed. Re-visit and evaluate contracts that were once private sector that now are CI contracts to determine if these should go back to competitive bidding.

**Tax Incentives:**

The apparel industry offers employment opportunities for Americans, immigrants, low-income and middle-income individuals. These are taxpaying residents whose living is made through the use of their hands, entry level through skilled trades. Opportunity is available for the educated as well as uneducated. This is an industry that provides investment in real estate, equipment, inventory and people. This infrastructure is built, active and producing. We can’t afford to lose this.

Large corporations and businesses are being rewarded for taking this infrastructure outside the US and building it in foreign countries. Through tax incentives, and tax avoidance. This has cost our country dearly. We are paying to have our economy undermined with our eyes wide open. We need to address this trend and put into place incentives to companies which are committed to our local economy and American jobs.
Suggested Activities:

Provide tax incentives to companies who continue to employ and manufacture garments domestically, particularly within the State of Washington. Such as elimination of the B&O tax, and revenue and employment tax credits.

Consider a dislocated worker program for apparel industry employees who have been impacted by downsizing and unemployment as a result of NAFTA and other trade policies unique to Washington State.

Provide financing tools, grants and low interest loans to businesses which maintain employment in distressed fields. Offer assistance and special programs to advance these businesses in areas such as innovation, retention, automation, market diversification and competitive positioning.

Review the overall tax burden imposed on local manufacturers i.e. employment tax, revenue tax, property tax, etc. and put together a package that provides incentive and relief to companies as well as improved competitiveness.

The apparel and garment industry demands that contracting of goods and opportunities to local companies become a Washington State priority. Additionally, all public contracting should embrace domestic manufacturing and the purchase Made in USA goods.

The concerns expressed in this document are the result of consensus built through forums and meetings of this apparel industry coalition.

This coalition presently represents more than 10 businesses employing more than 500 employees across Washington State.

This coalition has met, on a number of occasions, with State and Federal Representatives to address these concerns. It’s time for action.

For more information contact
Teresa Lemmons
Metropolitan Development Council
(253) 591-7026
VIII. BIBLIOGRAPHY


