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Baker-Polito Administration Announces Comprehensive Measures to Further Promote Diversity in State Contracting

Proposal would establish the Supplier Diversity Office as its own state agency

FOR IMMEDIATE RELEASE:

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Office of Governor Charlie Baker and Lt. Governor Karyn Polito

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Baker-Polito Administration Announces Comprehensive Measures to Further Promote Diversity in State Contractings

BOSTON — The Baker-Polito Administration today announced a series of measures to continue ongoing efforts to ensure equal opportunity and increase access for diverse companies in state contracting. As part of today's announcement, the Administration is filing legislation entitled, *"An Act to Elevate the Supplier Diversity Office to Ensure Equal Opportunity in State Contracting."* The bill would establish the Supplier Diversity Office (SDO) as a separate state agency with tools and resources to ensure accountability and compliance with diversity goals, oversee agency diversity spending, and audit and review spending data.

The Administration also announced it will implement several other improvements in the supplier diversity space. These include a more active role for the SDO in engaging diverse and small businesses in public procurements, expanded reporting for spending between state contractors and their diverse business partners, the publication of minority-business-enterprise spending by race and ethnicity, the expansion of the Small Business Purchasing Program, increased bid evaluation percentages for certain procurements in order to promote more diversity (a component of the "Massport Model"), and the translation of SDO materials into multiple languages.

"Our administration is committed to continuing to promote growth and opportunity and ensure the Commonwealth takes every opportunity to support and benefit from its diverse business community," **said Governor Charlie Baker.** "In launching these new initiatives, we have worked closely with leaders in the minority business community, Black and Latino Caucus, and Black Advisory Commission and Latino Advisory Commission. We look forward to continuing our work with these partners to strengthen the state contracting process with greater diversity, transparency and accountability."

"We are committed to collaborating with diverse companies throughout Massachusetts and ensure equity within the public marketplace," **said Lt. Governor Karyn Polito.** "Increasing economic development – for all businesses and communities – is a critical priority given the COVID-19 pandemic and its related impacts, and we are pleased to continue pursuing improvements that optimize our supplier diversity program."

Since taking office in 2015, the Baker-Polito Administration has focused on expanding opportunities for diverse business enterprises to work with state government and has increased direct spending on minority-

business-enterprises by the Executive Branch by nearly $8 million. The Administration has consistently met and raised annual benchmarks, grown the supplier diversity program, and **filed legislation** (/news/baker-polito-administration-announces-legislation-and-administrative-changes-to-promote) in February 2020 to promote participation by minority and women-owned businesses in state construction projects. The Administration also included $50.8 million in grants in its recently-launched **economic recovery plan** (/news/baker-polito-administration-announces-partnerships-for-recovery-774-million-economic-recovery) to support small minority-owned businesses in Massachusetts, which have been disproportionately impacted by the COVID-19 pandemic.

Legislation Filed Today:

"An Act to Elevate the Supplier Diversity Office to Ensure Equal Opportunity in State Contracting" would establish the SDO as a separate state agency under the authority of the Executive Office for Administration and Finance. The SDO would oversee monitoring and reporting of agency diverse spending and the development of annual comprehensive diversity spending plans for agencies. The legislation would also create a Supplier Diversity Compliance Unit within the SDO, which will systematically audit and review direct and indirect spending data to ensure compliance and accuracy.

Additional Supplier Diversity Improvements:

Going forward, the SDO annual report will separate indirect spending between state contractors and their diverse business partners by subcontracting and ancillary products and services and itemize minority-business-enterprise spending by race and ethnicity. The Administration will also raise the threshold for the Small Business Purchasing Program from $150,000 for the total value of the contract to $250,000 per year, which will help increase preference and access for minority businesses, as many are small businesses.

The SDO will align its supplier diversity program with a component of the "Massport Model" by expanding the percentage of bid evaluation scores dedicated to the supplier diversity plan from 10% to 25%, for procurements above a certain threshold. Additionally, the SDO will work with state and private sector partners to translate existing materials into foreign languages to further accommodate diverse businesses seeking to do business with the Commonwealth.

"The Baker-Polito Administration continues to implement creative reforms that empower diverse businesses across the Commonwealth," **said Secretary of Administration and Finance Michael J. Heffernan.** "We look forward to continuing to work closely with the minority business community, our colleagues in the Legislature, and other key stakeholders to enact and implement these critical measures to support and promote any businesses seeking to work with the Commonwealth."

"Expanding opportunities for minority-owned businesses working with state government is a crucial way that we can expand economic opportunity for people of color, and I am glad to see the Baker-Polito Administration take further steps to advance that goal," **said Deborah Enos, Chair of the Black Advisory Commission.** "The legislation elevating the Supplier Diversity Office and additional steps to strengthen the program will support our shared efforts to enable more diverse businesses to access state contracting opportunities."

"The Commonwealth benefits from ensuring equal opportunity for diverse companies to participate in state contracting, and the Baker-Polito Administration has done important work to strengthen the Supplier Diversity program in support of that goal," **said Josie Martinez, Chair of the Latino Advisory Commission.** "The new

initiatives announced today build upon the Administration's efforts to promote opportunities for minority-owned businesses, and I thank the Governor and Lt. Governor for their focus on these important issues."

These new measures build upon the Administration's previous efforts to optimize the supplier diversity program such as expanding the categories of diverse businesses that participate in the supplier diversity program, streamlining and simplifying the certification process, upgrading systems to allow for electronic applications and to better manage records, entering into multi-year agreements with third party certification organizations to provide free certifications for Massachusetts businesses, increasing compliance with program guidelines, implementing new training, and hiring additional personnel to further improve the program.

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