

By His Excellency

**CHARLES D. BAKER
GOVERNOR**

EXECUTIVE ORDER NO. 565

**Reaffirming and Expanding the Massachusetts Supplier Diversity Program
(Revoking and Superseding Executive Order Nos. 524 and 546)**

WHEREAS, only an inclusive marketplace that offers competitive opportunity for businesses as diverse as the people of this Commonwealth can promote economic prosperity for all;

WHEREAS, groundbreaking measures must be taken to ensure that no enterprise is denied a fair opportunity to increase innovation and create jobs in Massachusetts;

WHEREAS, convening both the private and public sectors regularly to share best practices and strategies will leverage the state's supplier diversity programming;

WHEREAS, resetting benchmarks for state spending and adding new diverse, certified business partners to the state's multi-billion dollar procurement network and chain will further our desired goal for full participation by our diverse business community in all sectors of our economy; and

WHEREAS, the Commonwealth remains committed to leading the nation to non-discrimination and equal opportunity for all.

NOW, THEREFORE, I, Charles D. Baker, Governor of the Commonwealth of Massachusetts, by virtue of the authority vested in me by the Constitution, Part 2, c. 2, § 1, Art. 1, do hereby revoke Executive Order Nos. 524 and 546 and order as follows:

Section 1. Re-Affirming and Expanding the Current Supplier Diversity Program

This Executive Order reaffirms and expands the Massachusetts Supplier Diversity Program ("SDP") within the Supplier Diversity Office ("SDO") of the Operational Services Division ("OSD") to promote equity of opportunity in state government by now extending to veteran, disability and lesbian, gay, bisexual and transgender ("LGBT") owned businesses the prospect of full participation in all areas of state procurement by all Agencies.

For purposes of this Executive Order, the term "Agency" or "Agencies" means all executive offices, boards, commissions, departments, divisions, councils, bureaus, offices, and other state agencies within the Executive Department.

Section 2. Expanding Certification Categories

To more truly represent the diversity of the Commonwealth's business community in the state marketplace, this Executive Order extends the SDP to include three new certification categories of supplier diversity groups, as defined under current state law or OSD policy:

- Veteran-Owned Business Enterprises,
- Disability-Owned Business Enterprises, and
- LGBT-Owned Business Enterprises.

Section 3. Expanding Spending Benchmarks

On October 7, 2015, we recommitted to critical existing business partners by announcing increases in state spending goals for Massachusetts-based small businesses, operating under the Small Business Purchasing Program created by Executive Order 523, as well as for Minority Business Enterprises, Women Business Enterprises and Service Disabled Veteran Business Enterprises ("SDVOBE"), all as defined under current state law.

To achieve a fair representation of the veteran community in state business, this Executive Order expands the SDVOBE benchmark to include all Veteran Business Enterprises.

Benchmarks for other supplier diversity categories will be established upon a future determination that adequate capacity in these groups has been developed.

Section 4. Creating Efficiencies in the Certification Process

The Supplier Diversity Office, which certifies and maintains a current directory of all business enterprises referenced in this Executive Order, will ensure that such certification process is sufficiently rigorous and reliable to confirm the authenticity of claimed composition, yet appropriately streamlined and business-friendly to attract new and diverse business partners. To reduce or minimize redundancies and time-consuming paperwork on behalf of business owners, cross-certification with well-recognized and reputable organizations and other states or cities or towns will be promoted and phased-in starting no later than January 1, 2016.

The SDO will verify that the process meets the state's standards and perform periodic certification renewals of all and audits of samplings of the certified businesses. OSD will develop enforcement provisions for any business that misrepresents its eligibility for certification.

Section 5. Capacity Development and Collaboration

To achieve a diverse, fully participatory and competitive business community, opportunities for capacity building must be made increasingly accessible and reflect best practices. The SDP functions in coordination with the Office of Access and Opportunity (“OAO”), established pursuant to Executive Order No. 559 to further our commitment to increasing diversity and inclusion within state government.

The SDO, with OAO and the Executive Office for Housing and Economic Development, will:

- i. make available to all categories of businesses certified under this Executive Order capacity development programming, and coordinate and expand statewide capacity building efforts;
- ii. collaborate with partners and entities in the public and private sector to adopt best practices for capacity building; and
- iii. leverage the state’s rigorous certification process and convene public and private entities, including non-profit organizations and medical and educational institutions, to expand and promote opportunities for all certified entities to compete for business throughout the Commonwealth.

Section 6. Agency Responsibilities

Agencies must continue their commitment to achieve best value for the Commonwealth by working to promote diversity in the Commonwealth’s supply chain. It is the intention of this Executive Order that the core principles of the SDP be reflected in general management throughout state government. All Agencies are expected to:

- i. implement the Supplier Diversity Program in accordance with this Executive Order and the guidelines issued by OSD;
- ii. designate a Supplier Diversity Officer, who will be charged with management of their respective SDP responsibilities and ensuring SDP contract compliance; and
- iii. meet and even exceed SDP spending benchmarks as well as participate in reporting activities established by OSD.

Section 7. Program Oversight, Enforcement and Reporting Obligations

The OSD will be responsible for the overall management, monitoring and enforcement of the existing SDP, reaffirmed and expanded by this Executive Order. The Director of the SDO will assess contract compliance across all Agencies, address potential program violations and coordinate enforcement measures with the Assistant Secretary for Operational Services and the OAO. The Director of the SDO will report annually by January 15th to the Governor, Secretary of Administration and Finance and OAO

on the prior fiscal year's activities, including progress in assisting certified business enterprises and all collaborative efforts. The SDO also will submit to OAO quarterly reports regarding the progress of secretariats and agencies in meeting the requirements of the SDP.

The SDO is authorized, in collaboration with the OAO, to make changes to the certification categories, benchmarks and other program components included in the SDP in order to best achieve the mission of the SDP and the intent of this Executive Order.

Section 8. Effect on the Supplier Diversity Program

This Executive Order is not intended to and does not eliminate or diminish any program administered by the OSD or benefit provided through the SDP, and is intended to be consistent with the SDO's enabling legislation.

Section 9. Other Commonwealth Public Entities

Independent authorities, public institutions of higher education, elected officials, other constitutional offices, the legislature and judiciary are encouraged to adopt policies and programs consistent with this Executive Order and the SDP.

Section 10. Effective Date

This Executive Order takes effect immediately and shall continue in effect until amended, superseded, or revoked by subsequent Executive Order.

Given at the Executive Chamber in Boston this 3rd day of November in the year of our Lord two thousand fifteen and of the Independence of the United States of America two hundred forty.

CHARLES D. BAKER
GOVERNOR
Commonwealth of Massachusetts

WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth