

Supplier Diversity Office Programs FAQs

General questions

1. How do I calculate the annual value of a procurement?

- If it is a bid or an RFQ for a one-time purchase, the value of the purchase is the annual value of the procurement.
- For all other procurements, the annual value is the total value of the procurement divided by the duration of the contract. For this purpose, every 12 months of contract duration is counted as one year, even if the procurement starts in one fiscal year and ends in another.
- If you are unsure or cannot accurately estimate the procurement size, you should include SDP language into the procurement.

2. Can you review how agency spending is credited toward benchmarks?

The following types of spending are credited toward each agency's benchmarks:

- The agency's **direct** (i.e. MMARS) spending with diverse and small businesses.
- All validated SDP **indirect** spending reported by the department's prime contractors.
- A portion of SDP **indirect** spending reported by statewide and health and human services client-related services (AKA Purchase of Service (POS)) contracts.

3. Where are the SDO policies posted?

All relevant SDO documents for buyers are posted at www.mass.gov/sdp under [Program Resources for Departments](#).

SBPP Questions

1. Is it true that RFQs fall under the SBPP requirement?

That is correct. Whenever a department conducts an RFQ with an estimated annual value of \$250,000 or less, the RFQ/SOW must include the SBPP contract language and be evaluated with an SBPP preference. Additionally, the "SBPP Eligible" selector must be set to "Yes" for such RFQs.

2. How can I tell if a bidder is in the SBPP?

COMMBUYS has a report (available under the gear icon in the upper right corner, Reports option) titled "Bidder SBPP Status, By Bid Number." Enter the last five digits of the COMMBUYS bid number, and you will be able to see the full list of bidders with their SBPP status.

3. How do I evaluate responses to an SBPP eligible bid?

OSD provides guidance on evaluating submissions in response to SBPP eligible solicitations in a new document titled [Best Value Evaluation of Responses to Small Procurements: A Guide for Strategic Sourcing Teams](#).

SDP Questions

4. Do the July 1, 2021 policy changes that increased the large procurement threshold from \$150,000 total to \$250,000 annually exempt active contracts that existed prior to that date and that do not reach the new large procurement size from the SDP requirement?

No. The SDP continues to apply to all contracts that include SDP language at the time of bid, and all awarded contractors are required to meet their SDP commitments.

5. What if a department contract includes SDP language but does not generate \$250,000 a year in spending?

The SDP continues to apply to all vendors on such a contract because, at the time of the original procurement, the department posted it as a large procurement, meaning it was estimated to have an annual value of \$250,000 or more.

6. Does the SDP language apply to all vendors on a contract or only to those whose individual sales exceed \$250,000 per year?

The SDP reporting requirement applies to **ALL** vendors on the contract, regardless of individual sales and annual contract sales.

7. When is an awarded contractor required to begin submitting SDP reports?

The SDO recommends quarterly reporting, but SDP spending information must be collected at least annually. All vendors, even with zero sales, are required to report SDP spending.

8. If the annual spend on a given contract drops below \$250,000, does the vendor's SDP commitment still apply?

Yes. The vendor's commitment is based on the language that was included in the original procurement, which has been incorporated into their contract with the Commonwealth. The vendor's commitment is not based on the individual or total annual spending on a contract.

9. For large contracts, is it fair to hold the vendor you only spent \$20,000 with to the same standard as the ones that you spend greater than \$250,000?

The SDP commitment is based on a % of sales, so a 1% for a vendor with \$20,000 in sales would be equal to \$200, and for the one with \$250,000 in sales would be \$2,500.

10. Do you have any recommendations for vendors to identify SDP partners?

The SDO has four recommendations:

- Departments should post advanced notice of their planned procurements in the Business Opportunity Exchange (Exchange) of the Supplier Diversity Hub (Hub). As one of the primary tools in the Hub, the purpose of the Exchange is for departments to plan upcoming procurements prior to posting on COMMBUYS, which will provide diverse and small businesses with advanced notice of these opportunities.
- Departments should educate bidders about the SDP requirement as early as possible. For example, the SDO can be invited to a bidders' conference and deliver a 10-minute presentation explaining how the program works.
- Discussions with vendors should address the flexibility of the SDP: vendors are not required to subcontract and may choose SDP partners that fulfill general business or operational needs, SDP partners are not required to be based in Massachusetts, and one-time expenses may be included in SDP reporting. This information is included in SDO's bidders' conference presentation.
- The SDO provides support services to bidders and awarded contractors who need assistance in fulfilling their SDP commitment. Vendors may use the SDO [Directory of Certified Businesses](#) or the [Veteran Small Business Certification \(VetCert\) Search Page](#) to find partners or may contact the SDO at sdp@mass.gov to discuss partnership options.

11. Since SDP applies only to Large Procurements, are agencies free to assign an SDP evaluation criterion in Small Procurement RFRs?

Yes. Departments may include SDP language in Small Procurements.