



**FISCAL YEAR 2011**

**COMMONWEALTH OF MASSACHUSETTS**

**OPERATIONAL SERVICES DIVISION**

**SUPPLIER DIVERSITY OFFICE**

**ANNUAL REPORT**



Deval L. Patrick  
Governor

Timothy P. Murray  
Lieutenant Governor

Jay Gonzalez  
Secretary for Administration and Finance

Ronald G. Marlow  
Assistant Secretary for Access and Opportunity

Gary J. Lambert  
Assistant Secretary for Operational Services

Reginald A. Nunnally  
Supplier Diversity Office Executive Director



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## OPERATIONAL SERVICES DIVISION

### SUPPLIER DIVERSITY OFFICE

Reginald Nunnally  
Executive Director

March 15, 2012

**THE COMMONWEALTH OF MASSACHUSETTS**  
Executive Office for Administration and Finance  
**OPERATIONAL SERVICES DIVISION**

One Ashburton Place, Suite 1017  
Boston, MA 02108-1552

Deval L. Patrick  
Governor

Timothy P. Murray  
Lieutenant Governor

Jay Gonzalez  
Secretary

Gary J. Lambert  
Assistant Secretary for  
Operational Services

Dear Members of the General Court, Cabinet Secretaries, Agency Heads, Supplier Diversity Program Officers, and Secretary and Agency Chief Procurement Officers,

It is with great pleasure that I present to you our annual Supplier Diversity Office report for Fiscal Year 2011.

This report highlights the program's accomplishments in promoting the advancement of Minority and Women Business Enterprises (M/WBE's) in public contracting. Access and opportunity in state procurement is one of the prime objectives of Governor Patrick and Lieutenant Governor Murray's Administration that is changing how government does business with Minority and Women owned companies. The administration is committed to insuring that everyone has an equal opportunity to participate in the Massachusetts economy. This commitment is now being implemented throughout the various departments of state government from top to bottom and enforced in part through a continued commitment to the goals and objectives of the administration.

I am announcing that \$954,989,903 in total combined spending was accomplished through the Supplier Diversity Office in FY2011, with MBEs, WBEs, SBPP participants, and the American Recovery and Reinvestment Act, Technical Assistance Program. It is clear that, overall, this is a positive trend but there is more that needs to be done, and we will continue to build upon the objective of increasing the amount of dollars spent by the Commonwealth with Minority and Women owned firms.

It is good business to diversify who the Commonwealth does business with and it is important that as many businesses as possible in Massachusetts have an equal opportunity to contract with state government. This is the new Massachusetts, moving in a direction of inclusion and transparency as we continue into the new millennium.

Congratulations to the Supplier Diversity Office staff on a job well done.

Sincerely,

Reginald A. Nunnally  
Executive Director  
Supplier Diversity Office



## **SUPPLIER DIVERSITY OFFICE WITHIN THE OPERATIONAL SERVICES DIVISION**

In January of 2010, Governor Patrick executed An Act Reorganizing Certain Agencies of the Executive Department (Article 87) specifically combining the State Office of Minority and Women Business Assistance (SOMWBA) and the Affirmative Market Program (AMP) within the Operational Services Division (OSD) to create a single door through which Minority and Women-owned businesses can seek certification, technical assistance and capacity-building services. The newly created department within OSD will be named the Supplier Diversity Office.<sup>1</sup>

In April of 2011, the Supplier Diversity Office moved from its former home in the Transportation Building up the hill to One Ashburton Place to join our larger family within OSD. The new address is:

Operational Services Division  
Massachusetts Supplier Diversity Office  
The McCormack Building  
One Ashburton Place, Room 1313  
Boston, Massachusetts 02108  
Phone (617) 502-8831  
Incoming Fax (617) 502-8841

The OSD administers the procurement process for the Commonwealth by establishing Statewide Contracts for goods and services that ensure best value, provide customer satisfaction, and support the socioeconomic and environmental goals of the Commonwealth and by providing specific operational services. OSD provides unified support to the Commonwealth and external customers and is leading through a team approach under the direction of Gary Lambert, the Assistant Secretary for Operational Services.

### **The OSD Leadership Team**

Gary J. Lambert,	Assistant Secretary for Operational Services
William McAvoy, Esq.,	Deputy State Purchasing Agent and General Counsel, Legal, Policy and Compliance Office
Patricia Wynn,	Deputy State Purchasing Agent, Office of Operations, Training, and Audit
Reginald A. Nunnally,	Executive Director, Supplier Diversity Office
Bonnie Cunningham,	C.F.O., Office of Administration and Finance
(Open position),	Office of Strategic Sourcing Services

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<sup>1</sup> The “as filed” legislation can be reviewed at: <http://www.mass.gov/governor/docs/legislation/2010article87.pdf>.



## **EXECUTIVE SUMMARY**

In Fiscal Year 2011, the Massachusetts Supplier Diversity Office (SDO) had a tremendous year. \$954,989,903 in total combined spending was accomplished through the Supplier Diversity Office in FY2011, with Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Small Business Purchasing Program (SBPP) participants, and the American Recovery and Reinvestment Act of 2009 (ARRA) Technical Assistance Program. We were able to process over a thousand requests for certification actions. We were able to eliminate the backlog of over 200 certification applications, processed over 1000 renewal applications, and began to develop a system for the streamlining of the application process. Although our core mission remains the certification of Minority and Women owned businesses, we have adopted the concept that certification alone will not be enough for these firms to become meaningful participants in the procurement of goods and services as well as construction services for the Commonwealth and have expanded our services to include technical assistance.

The technical assistance opportunities were developed through a variety of programs that have either expanded or were newly created through our Supplier Diversity Program (SDP), Construction Reform Program, our Disadvantaged Business Enterprise Supportive Services Program (DBE-SS), as well as our American Recovery and Reinvestment Act of 2009, Technical Assistance Program (ARRA).

With the merging of the Affirmative Market Program (now known as the Supplier Diversity Program) with the Supplier Diversity Office, we are now poised to be directly involved in monitoring of statewide contracts for Minority and Women participation in providing goods and services to the Commonwealth. In Fiscal Year 2011, Minority and Women firms participated in over \$768M dollars of goods and services contracts.

In June of 2010, Governor Patrick issued Executive Order 523 to establish the Small Business Purchasing Program (SBPP) for the Commonwealth in recognition of the importance of Massachusetts small businesses. The mission of the SBPP is to direct Executive Department spending for non-construction goods and services to program-eligible small businesses. Departments took steps to direct notification and award of non-construction procurements valued between \$5,000 and \$150,000 to businesses identified as Small Business Purchasing Program participants. In Fiscal Year 2011, the SBPP spend report indicated 73 executive departments spent \$59,693,832 with SBPP registered participants.

The role of the SDO Construction Reform Program is to monitor MBE and WBE goals for all vertical public construction projects taking place in the 351 municipalities throughout the Commonwealth. Projects affected are those funded in whole or in part by the Commonwealth.

The Commonwealth's Construction Reform Law, Chapter 193 of the Acts of 2004, establishes that state Municipalities must incorporate MBE and WBE goals into both the design and construction phase of any vertical construction project if that phase exceeds \$100,000.



This applies to the construction, reconstruction, alteration, remodeling, repair or demolition of any vertical public building or public works project by any city or town. Over the course of the past two years a steady improvement has been apparent in the reporting and attainment of meeting the MBE/WBE goals throughout the Commonwealth. In Fiscal Year 2011, over \$77,000,000 worth of contracts were awarded to Minority and Women owned contracting firms. A key element in the increased dollar figure and MBE/WBE percentage gains reported is a consistently improving relationship with the Massachusetts School Building Authority (MSBA), which conducts the majority of large budget vertical construction projects in the Commonwealth over which the SDO has oversight. Another contributing factor is the technical assistance provided through our partnership with the Turner School of Construction Management.

The Disadvantaged Business Enterprise Supportive Services (DBE-SS) Program is an initiative funded through the U.S. Department of Transportation Federal Highway Administration and administered through the Massachusetts Department of Transportation (MassDOT). The program aims to increase the participation of certified DBE's that have the resources, finances, management, and technical skills necessary to compete successfully for transportation/highway related contracts and subcontracts. To reach these goals, MassDOT has enlisted the Supplier Diversity Office to create and implement the multi-phase instructional and goal driven module that is the DBE-SS Program.

The DBE-SS Program had 87% participation as 15 new companies were recruited and 13 companies entered SDO's Disadvantaged Business Enterprise Supportive Services Program's intensive 15-week classroom curriculum in FY2011. These firms received procurement training and business development services with classroom technical assistance culminating with a three (3) year Growth Action Plan.

The American Recovery and Reinvestment Act of 2009 Technical Assistance Program was developed to build participants' knowledge and capacity to help companies to successfully bid and compete for contracts. Using a one stop model, the program provided education and training for Minority and Women owned businesses to enhance their growth and development through best practices, partnerships, relationship building, bid awareness, and training opportunities. World-class training, consultation, business coaching as well as access to capital was provided to these businesses. At the conclusion of the program 106 SDO Certified companies were provided with technical assistance and bid on a total of 271 contracts. Sixty-five SDO Certified companies won a total of 132 contracts and 7 companies served as prime contractors on 13 different ARRA projects.

We have accomplished a great deal in FY2011, but there is more that needs to be done. We look forward to the challenges of monitoring and compliance of Executive Orders 524 and 523, building capacity of certified Minority and Women owned firms, and insuring that Minority and Women owned firms have equal access to the opportunities that exist within the Commonwealth of Massachusetts.





## **CERTIFICATION UNIT**

The Supplier Diversity Office (SDO), formerly known as State Office of Minority and Women Business Assistance (SOMWBA), continues its rich and long tradition of service to Minority and Women owned businesses in the Commonwealth of Massachusetts. One of our primary services to Minority and Women business enterprises is to certify businesses that meet certain criteria. SDO certification is a marketing tool used to enhance a firm's ability to do business in public markets. Although certification does not guarantee that a business will be successful every time it bids, it may add a competitive edge to a bid.

The SDO Certification Unit publishes a directory of certified Minority and Women business enterprises and certified Minority and Women-controlled, non-profit organizations. The directory is searchable online, and may also be downloaded. You may access the directory at: <http://www.somwba.state.ma.us/BusinessDirectory/BusinessDirectory.aspx>

### **STATE CERTIFICATION PROGRAM MBE, M/NPO, W/NPO, WBE, M/WBE**

SDO reviews and investigates applicants who seek to participate in affirmative business opportunities to determine that they meet the requirements of state statutes and regulations. SDO reviews applications for certification as: Minority Business Enterprises (MBE), Women Business Enterprises (WBE), Minority Women Business Enterprises (M/WBE), and Minority or Women Non Profit Organizations (M/NPO and W/NPO).

#### **What are the Requirements for state Certification?**

Certification regulations (425 CMR §2.00 et seq.<sup>2</sup>) require that the entity must:

- Be both owned and controlled by the same eligible principal(s); and
- Be free of any conversion rights; and
- Be independent; and
- Be ongoing.

#### **Common Characteristics for state Certification include all of these:**

- That the same eligible principal(s) own(s) at least 51 percent of the company; and
- That they are members of one of the following ethnic/racial groups: Black, Hispanic, Cape Verdean, Asian, Native American, Eskimo-Aleut, or Portuguese; or are female; and
- That the eligible principal(s) exert managerial and corporate control of the company; and
- That the eligible principal(s) exert day-to-day operational control of the company and can show background, experience, mandatory licensing and technical knowledge of the industry necessary to supervise the operations of the business; and
- That the company is actively conducting business at the time of application; and
- That the company is independent.

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<sup>2</sup> You may access the regulations at: <http://www.lawlib.state.ma.us/source/mass/cmr/cmrtxt/425CMR2.pdf>



### **Who should apply for state Certification?**

Companies that are at least 51% owned and controlled by U.S. Citizens or lawful permanent residents of the United States. Eligible persons are those adults:

- Whose cultural heritage is African, Native American, Asian (including Sub-Continent Asian), Hispanic (Central/South American or Caribbean), Eskimo, Aleut, of the original peoples of the Cape Verde Islands, or Portuguese. They will be applying as Minority Business Enterprises (MBEs); and/or
- Who are female. They will be applying as Women Business Enterprises (WBEs).
- Eligible Principals Who are Both Female and also Members of the cultural groups identified above may apply as M/WBEs.
- Proofs of Ethnicity or Gender can include one of the following items: passport picture photo page, birth certificate, naturalization papers, Indian tribal roll or registration certificate.

### **Non-Profit Organization (M/NPO, W/NPO)**

Non Profit Organizations (NPOs) may, and do, apply for state certification. Such certification is not offered at the Federal level. The Board of an NPO is considered to be the eligible principal(s). Common characteristics for Non Profit Organizations include:

- 51% of the Board of Directors must be comprised of the same type of group of eligible principals to qualify, meaning either 51% women, 51% minority, or 51% minority women. The NPO must provide a notarized list of all members of the Board of Directors, identifying gender, ethnicity, term expiration, and total years served on the board; and
- Provide current Non Profit Organization IRS or IRS-interim tax-exempt certification letter for a 501 (c)(3) or 501 (c)(4) organization; and
- Provide current "Form PC" filed with the Office of the Massachusetts Attorney General, Division of Public Charities; and
- That 51% of the Board of Directors as the eligible principal(s) exert managerial and day-to-day operational control of the NPO and can show background, experience, mandatory licensing and technical knowledge of the industry necessary to supervise the operations of the NPO; and
- That the NPO is actively conducting business at the time of application; and
- That the NPO is independent.

In FY2011, the state certification unit processed a total of 119 NPO files; this is a 7.2% increase over FY2010.

## **UNIFIED CERTIFICATION PROGRAM Disadvantaged Business Enterprise Supportive Services**

The public agencies and authorities of the Commonwealth of Massachusetts, as direct recipients of US DOT funding or as managers of federally funded projects, have established Disadvantaged Business Enterprise (DBE) programs in accordance with federal regulations, 49 CFR Part 26.

It is the goal of these public entities, through the Massachusetts Unified Certification Program and its other DBE program components to ensure that DBE firms have an equal opportunity to receive and participate in DOT assisted contracts.





### **Unified Certification Program (UCP)**

The UCP reviews and investigates applications by entities seeking certification as a Disadvantage Business Enterprise (DBE) with the U.S. government. DBE certification is a Federal designation used in conjunction with US Department of Transportation (US DOT) funded projects and contracts.

### **Disadvantaged Business Enterprise (DBE)**

A for-profit small business concern, at least 51 % owned by one or more individuals who are socially and economically disadvantaged, or, in the case of a corporation, at least 51 % of the stock of which is owned by one or more such individuals; and the management and daily business operations of such business are controlled by one or more of the socially and economically disadvantaged individuals who own it.

### **Socially and Economically Disadvantaged Individuals**

Any individual who is a citizen or lawfully admitted permanent resident of the United States and who is:

- Any individual who is found to be a socially and economically disadvantaged individual on a case-by-case basis; and
- Any individual in the following groups, members of which are rebuttably presumed to be socially and economically disadvantaged:
  - "Black Americans" which includes persons having origins in any of the Black racial groups of Africa;
  - "Hispanic Americans" which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
  - "Native Americans" which includes persons who are American Indians, Eskimos, Aleuts or Native Hawaiians;
  - "Asian-Pacific Americans" which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Vietnam, Laos, Cambodia (Kampuchea), Thailand, Malaysia, Indonesia, the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), The Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kirbati, Juvalu, Nauru, Federated States of Micronesia, or Hong Kong;
  - "Subcontinent Asian Americans" which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka;
  - Women;
  - Any additional groups whose members are designated as socially and economically disadvantaged by the Small Business Administration (SBA) at such time as the SBA designation becomes effective.



### **What are the Requirements for DBE Certification?**

Certification regulations (49 CFR part 26.<sup>3</sup>) require that the entity must:

- Be both owned and controlled by the same eligible principal(s) holding at least 51 percent of the company; and
- The eligible principal(s) Personal Net Worth must not exceed \$1.32M, this does not include their equity in their primary residence and the business equity owned in the applicant business; and
- The business entity must be a For Profit business.

### **Common Characteristics for DBE Certification include all of these:**

- That the same eligible principal(s) own(s) at least 51 percent of the company; and
- That they are members of one of the ethnic/racial groups identified above or are female, and
- That the eligible principal(s) exert managerial and corporate control of the company, and
- That the eligible principal(s) exert day-to-day operational and financial control of an active and ongoing company and can show background, experience, mandatory licensing and technical knowledge of the industry necessary to supervise the operations of the business.

### **Who should apply for DBE Certification?**

Companies that are at least 51% owned and controlled by U.S. Citizens or lawful permanent residents of the United States. Eligible persons are those adults:

- Whose cultural heritage is African, Native American, Asian (including Sub-Continent Asian), Hispanic (Central/South American or Caribbean), Eskimo, Aleut, of the original peoples of the Cape Verde Islands, or Portuguese.
- Proofs of Ethnicity or Gender can include one of the following items: passport picture photo page, birth certificate, naturalization papers, Indian tribal roll or registration certificate.

## **COMBINED RESULTS**

The Commonwealth of Massachusetts spends more than \$4 billion each year doing business with firms. Becoming SDO certified can help firms seeking contracts with the government.

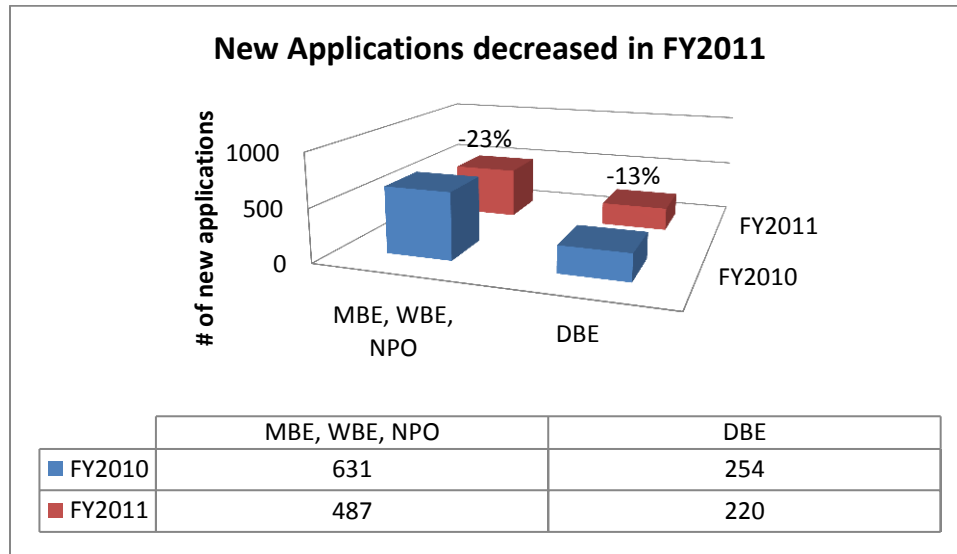
In FY2011 the state certification unit (MBE, M/NPO, W/NPO, WBE, M/WBE) and the Unified Certification Program (DBE) processed new applications and conducted Annual Updates and Biennial Renewals including conducting Administrative and Recertification reviews.

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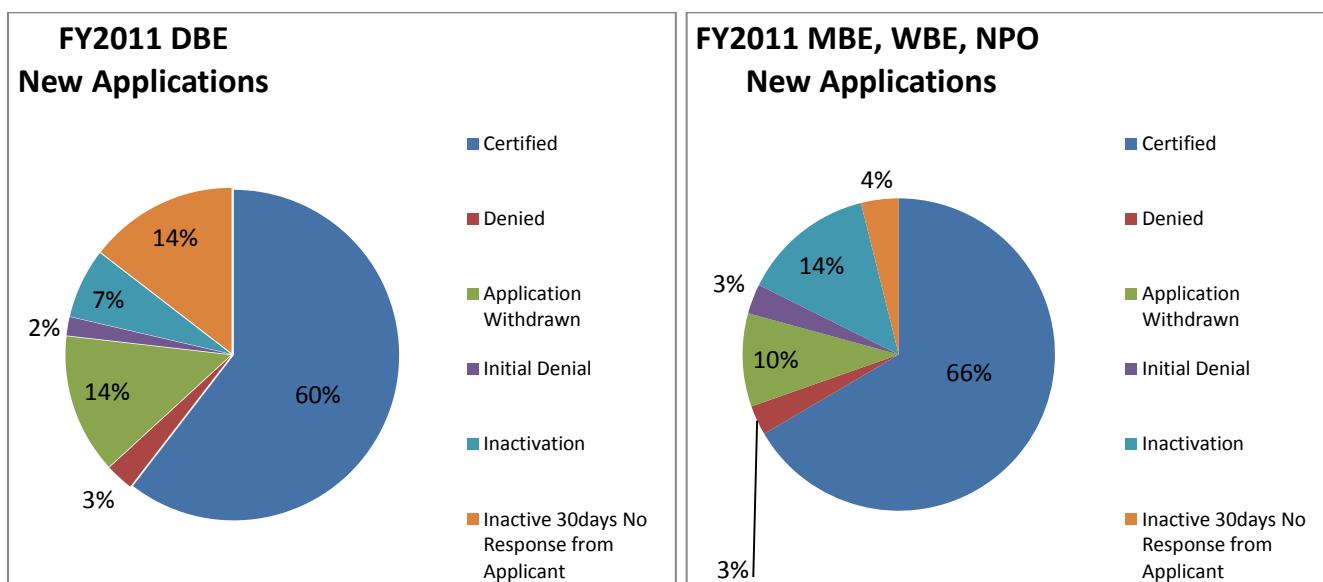
<sup>3</sup> You may access the regulations at: <http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?region=DIV1;type=boolean;c=ecfr;cc=ecfr;sid=14e071f96d5d61cb9d2410ed56c59d3d;q1=dbe;rgn1=Section%20Heading;o p2=and;rgn2=Section;op3=and;rgn3=Section;view=text;idno=49;node=49%3A1.0.1.1.20;rgn=div5>

### New Applications

The SDO saw a decrease in new applications in FY2011 as compared with FY2010.



The processing and investigation of new applications seeking any type of certification results in: certification, initial denial, denial, inactivation if the business entity does not reply to requests for information, withdrawal of an application by a business entity, or an initial inactivation within 30 days if no response from applicant. The breakdown for FY2011 investigation of new application actions is as follows:



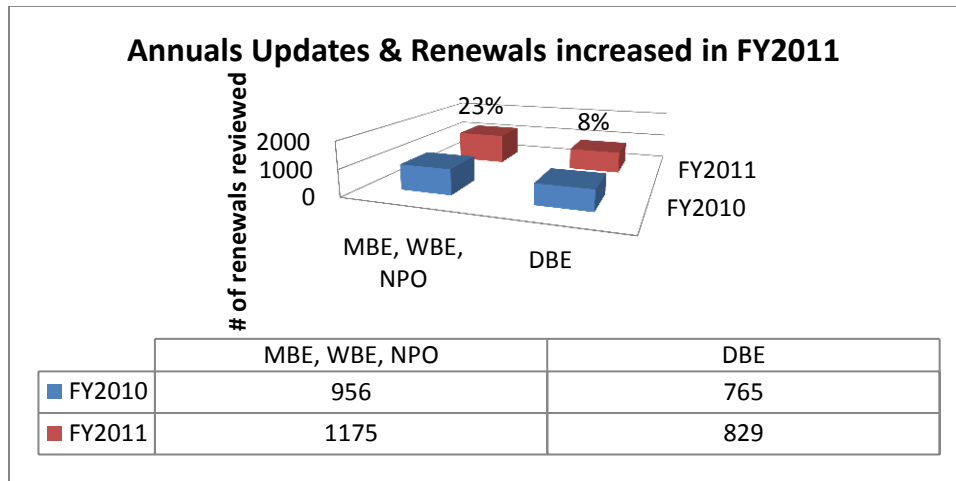
Includes NPOs: 17 certified, 3 withdrew, and 5 inactivated after 30 days with no response.

### Annual Updates and Biennial Renewals

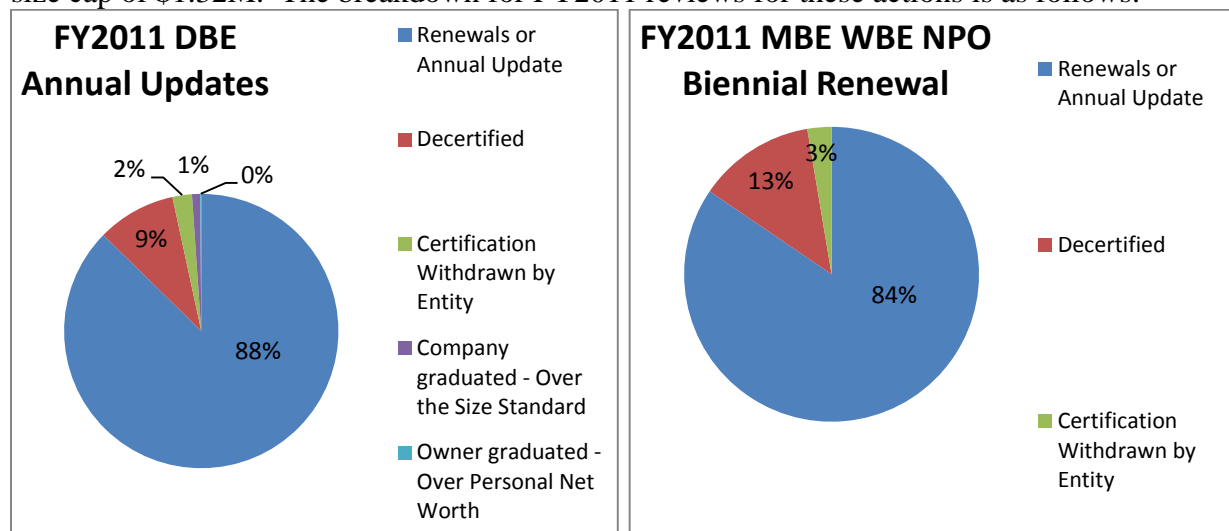
SDO sends out reminder letters to companies whose time for renewal is approaching. These letters detail the documentation the company is required to submit in order to retain their certified status. Certifications come up for renewal according to the following schedule:

	SDO	DBE
Renewal	Every two years (Biennial Renewal)	Every year (Annual Update)

The SDO saw an increase in renewals in FY2011 over FY2010.



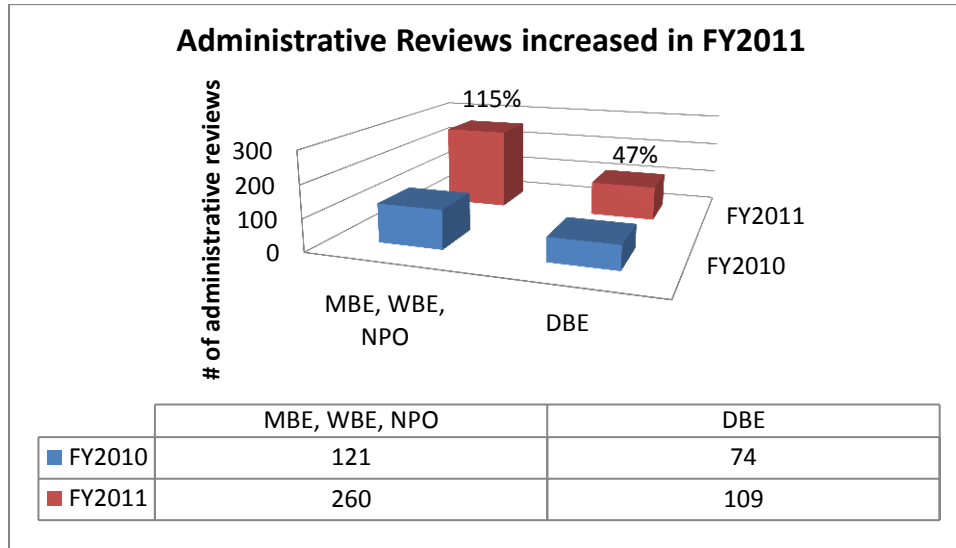
Review of certified entities for Annual Updates and Biennial Renewals result in: continued certification, decertification, withdrawal of a certification by the business entity, or for DBE certified entities it could mean a graduation from the program if the three-year average revenues exceed the disadvantaged size cap or if the personal net worth of the eligible owner exceeds the size cap of \$1.32M. The breakdown for FY2011 reviews for these actions is as follows:



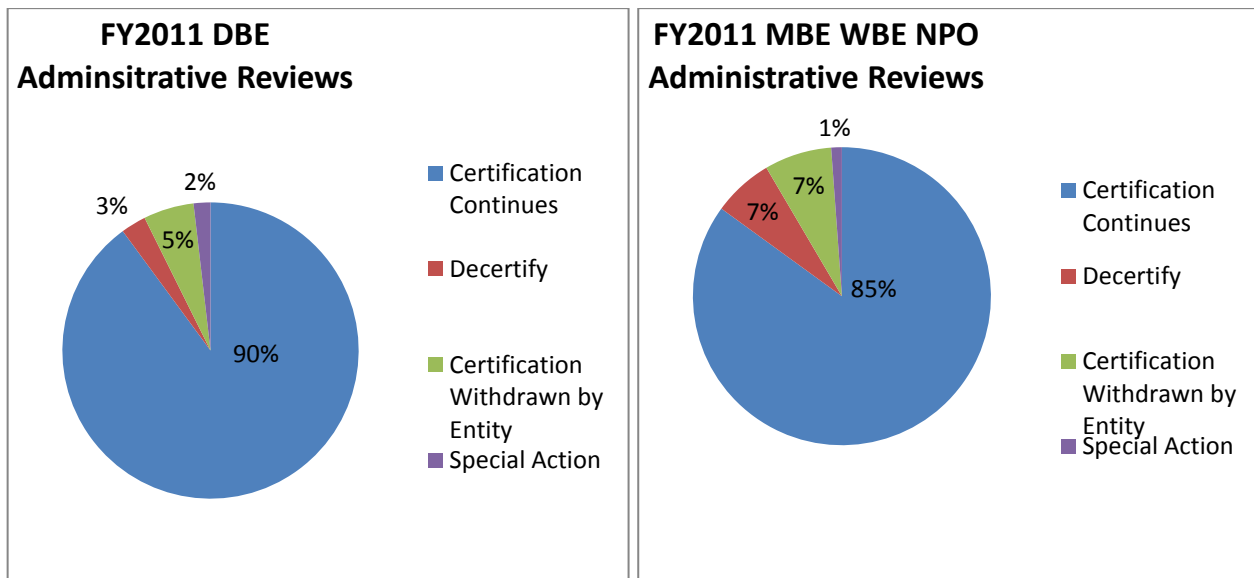
Includes NPOs: 65 renewals, 7 decertified, and 1 certification withdrawn by entity.

### Administrative Reviews

FY2011 saw a significant increase in the need for investigative staff to administratively review potential Annual Update and Biennial Renewal files due to substantive changes that occurred within the business entities, as compared with FY2010.



Review of certified entities for Administrative Reviews result in: the continuation of certification, special actions, decertification, and withdrawal of a certification by the business entity. The breakdown for FY2011 reviews for these actions is as follows:



Includes NPOs: 16 reviews, 1 decertified, and 4 certifications withdrawn by entities.



## CONSTRUCTION REFORM PROGRAM

The mission of the SDO Construction Reform Program is to monitor MBE and WBE goals for all vertical public construction projects taking place in the 351 municipalities throughout the Commonwealth. Projects affected are those funded by the Commonwealth, in whole or in part such as funding under the Massachusetts School Building Authority (MSBA), funding in any legislative appropriation, grant awards, reimbursements, and municipal commitments to use state funds.

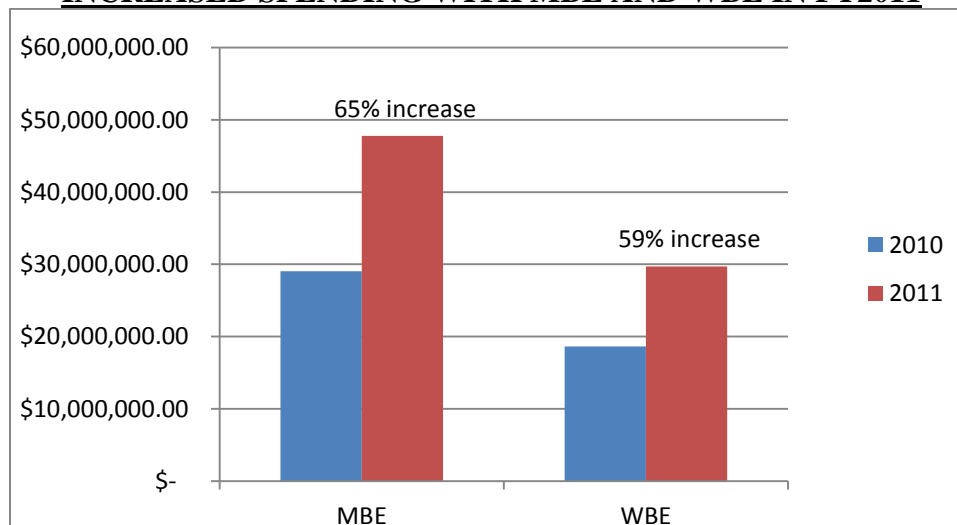
Construction Reform Law, Chapter 193 of the Acts of 2004, establishes that state Municipalities must incorporate Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) goals into both the design and construction phases of any **vertical** construction project if that phase exceeds \$100,000.

<b>Goals:</b>	<b>MBE</b>	<b>WBE</b>	<b>Exceeds</b>
Design	8%	4%	\$100,000
Construction	4%	4%	\$100,000

This applies to the construction, reconstruction, alteration, remodeling, repair or demolition of any **vertical** public building or public works project by any city or town. Over the course of the past two years a steady improvement has been apparent in the reporting and attainment of meeting the MBE/WBE goals throughout the Commonwealth.

<b><u>Year</u></b>	<b><u>Contracts</u></b>	<b><u>MBE</u></b>	<b><u>%</u></b>	<b><u>WBE</u></b>	<b><u>%</u></b>
2010	\$456,792,929	\$29,031,144	6.4%	\$18,651,225	4.1%
2011	\$627,382,343	\$47,770,512	7.6%	\$29,725,417	4.7%

### **INCREASED SPENDING WITH MBE AND WBE IN FY2011**



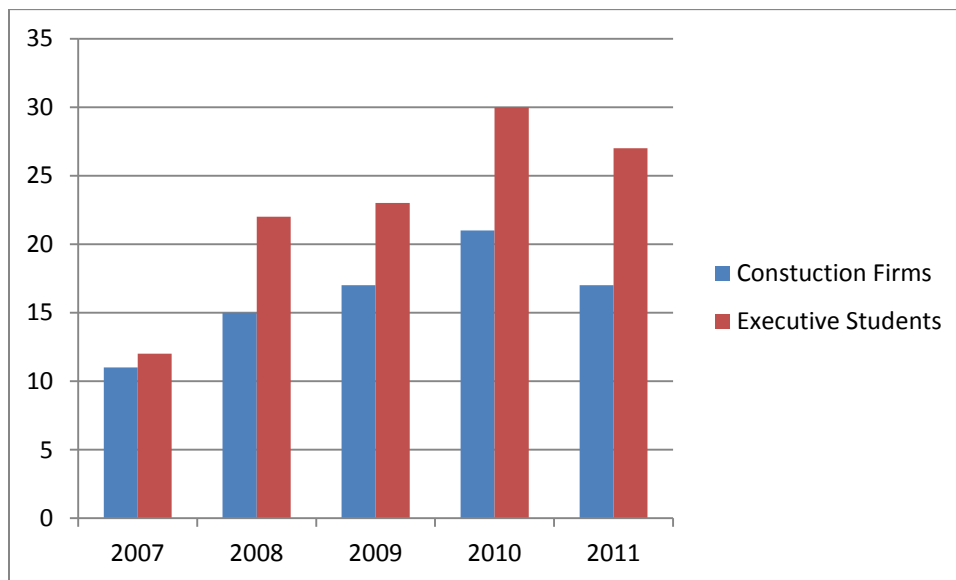




A key element in the increased dollar figure and MBE/WBE percentage gains reported is a consistently improving relationship with the Massachusetts School Building Authority (MSBA) which conducts the majority of large budget vertical construction projects in the Commonwealth over which the SDO has jurisdiction.

### **Turner School of Construction Management**

Since 2007, the Supplier Diversity Office (SDO) has had a highly productive partnership with the Boston office of Turner Construction and their nationally recognized Turner School of Construction Management training program for MBE/WBEs. Turner Construction is recognized as one of the leading general builders in the U.S. and has an outstanding track record in the utilization of MBE and WBEs on its projects. The program has been uniquely designed to enhance the technical, administrative, and managerial skills of Minority and Women owned businesses in order to make a profit and build a reputation for efficiently managing construction projects. This is accomplished through Turner executives and industry partners who volunteer their time to teach the individual classes.



### **Additional Technical Assistance Programs**

With the demonstrated success of the Turner School of Construction Management the SDO Construction Reform Program initiated, in FY2011, exploratory conversations with other large national construction companies regarding the development of similar technical assistance programs. At this time we are in discussions with Suffolk Construction and Gilbane Construction Company for a construction school offered by each company.



## **SUPPLIER DIVERSITY PROGRAM (SDP)**

The Supplier Diversity Program (SDP), formerly known as the Affirmative Market Program (AMP), was established through Executive Order 524 to promote supplier diversity in public contracting. The SDP is housed within the Massachusetts Supplier Diversity Office (SDO) within the Operational Services Division. The program institutes policies to encourage the award of state contracts in a manner that develops and strengthens certified Minority and Women Business Enterprises (M/WBEs). Our mission is to increase business opportunities for M/WBEs.

All contractors interested in doing business with the State are strongly encouraged to develop creative initiatives to help foster business relationships with certified M/WBEs in the public marketplace. A vendor's certification status serves as a marketing tool and is valuable in the contracting process for all. The SDP provides ongoing training and marketing opportunities for certified Minority and Women-Owned Enterprises. In addition, to increase the use of M/WBEs in statewide purchasing, the Supplier Diversity Program has a liaison in each of the Executive Branch Departments and is responsible for tracking participating departments' procurement expenditures with M/WBEs.

### **SDP Objectives**

Stimulates economic growth

Assists M/WBE capacity building

Promotes M/WBEs in public procurement

Provides outreach and training services

Works with small and disadvantage businesses

Supports Massachusetts vendors

Educates and empowers M/WBEs

### **FY2011 State Expenditures with MBEs and WBEs**

- In FY2011, combined M/WBE expenditures in goods and services totaled \$768,029,213, showing an increase of \$10,911,249 over FY2010.
- MBE expenditures in FY2011 totaled \$239,459,450.
- WBE expenditures in FY2011 totaled \$528,569,763.

### **Kick Off:**

Over 500 people attended our Kick Off & Networking event at the Massachusetts Convention Center, celebrating the success of the Supplier Diversity Program in diversifying the state contracting process and achieving the highest spending since the inception of the program. The event gave companies face time with procurement managers from each state agency and the opportunity to meet with current statewide contracted prime vendors.

### **SDP FY2011 Annual Report**

SDP publishes its own Annual Report; you may read it on the OSD website at:

<http://www.mass.gov/anf/budget-taxes-and-procurement/procurement-info-and-res/procurement-prog-and-serv/sdo/sdp/supplier-diversity-program-reports.html>



## **SMALL BUSINESS PURCHASING PROGRAM (SBPP)**

On June 29th, 2010, Governor Patrick issued Executive Order 523 to establish the Small Business Purchasing Program (SBPP) for the Commonwealth in recognition of the importance of Massachusetts small businesses and the impact and challenges the latest recession has placed on them. The mission of the SBPP is to direct Executive Department spending for non-construction goods and services to program-eligible businesses. The Operational Services Division, the Commonwealth's central procurement and contracting office, is responsible for SBPP development and implementation, including policies, training, capacity-building, and annual benchmarks. To view or to download a PDF copy of Executive Order 523, please visit: <http://www.mass.gov/anf/docs/osd/sbpp/eo523.pdf>.

This program requires that, Departments direct notification and award of all non-construction procurements valued between \$5,000 and \$150,000 to businesses identified in Comm-PASS as Small Business Purchasing Program participants, assuming sufficient capacity in Comm-PASS. The SBPP will not include procurements for vertical or horizontal construction since both are covered under statutes outside OSD's authority, MGL c. 149 §44A-H, and MGL c. 30 §39M respectively.

### **FY2011 State Expenditures with SBPP participants**

The FY2011 (July 1, 2010 - June 30, 2011) SBPP spend report indicated 73 executive departments spent \$59,693,832 with SBPP Participants.

### **SBPP population**

In its first full fiscal year, the population of the SBPP grew to 1,925 participants.

### **Registration**

Businesses interested in participating in the SBPP should register as an SBPP participant at [www.comm-pass.com](http://www.comm-pass.com). To see if your business is eligible to participate in this program please visit: <http://www.mass.gov/anf/budget-taxes-and-procurement/procurement-info-and-res/sell-to-the-state/sbpp/lets-get-started.html>

### **Trainings**

SBPP Overview training, including Comm-PASS, SmartBid, and Free Form Quick Quote, is available for SBPP qualified businesses, who may register online at: [http://www.somwba.state.ma.us/WorkShop/xss\\_main.aspx?workshopid=26](http://www.somwba.state.ma.us/WorkShop/xss_main.aspx?workshopid=26)

### **SBPP FY2011 Annual Report**

SDO publishes an SBPP Annual Report; which may be viewed on the OSD website at: <http://www.mass.gov/anf/budget-taxes-and-procurement/procurement-info-and-res/procurement-prog-and-serv/sdo/sdp/supplier-diversity-program-reports.html>



## **DISADVANTAGED BUSINESS ENTERPRISES SUPPORTIVE SERVICES (DBE-SS)**

The Disadvantage Business Enterprise Supportive Services (DBE-SS) Program is an initiative funded through the U.S. Department of Transportation Federal Highway Administration and administered through the Massachusetts Department of Transportation (MassDOT). The program aims to increase the participation of certified DBE's that have the resources, finances, management, and technical skills necessary to compete successfully for transportation/highway related contracts and subcontracts. To reach these goals, MassDOT has enlisted the services of the Supplier Diversity Office to create and implement the multi-phase instructional and goal driven module that is the DBE-SS Program.

### **Regulations Governing the Program**

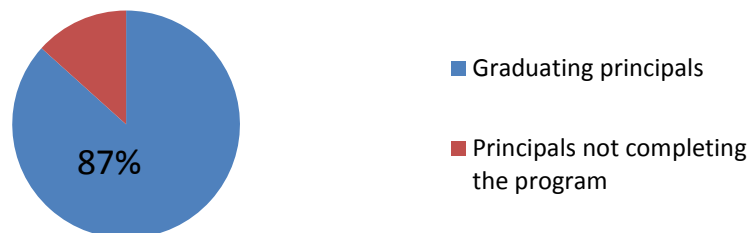
The Disadvantage Business Enterprise Supportive Services (DBE-SS) Program is authorized under the Nondiscrimination statute of Title 23 United States Code (U.S.C.), §140 (c), which authorizes the U.S. Secretary of Transportation, in cooperation with any other department or agency of the Government, State agency, authority, association, institution, and Indian Tribal government to develop, conduct, and administer training and assistance programs in order that minority businesses may achieve proficiency to compete, on an equal basis, for contracts and subcontracts. You can find the regulations as follows:

- 49 CFR Part 26 at: <http://www.fhwa.dot.gov/HEP/49cfr26.HTM>
- 23 CFR Part 230 Subpart B at: [http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title23/23cfr230\\_main\\_02.tpl](http://ecfr.gpoaccess.gov/cgi/t/text/text-idx?c=ecfr&tpl=/ecfrbrowse/Title23/23cfr230_main_02.tpl)

### **Participation**

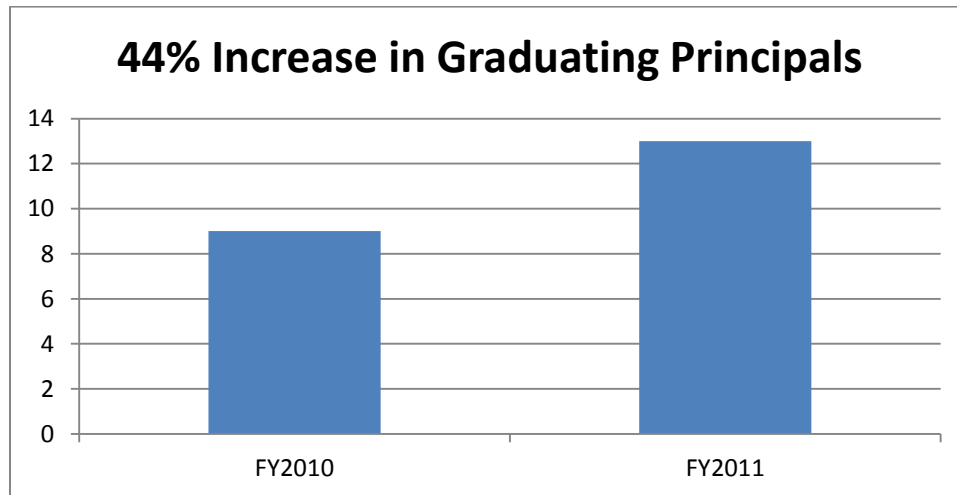
The DBE-SS Program had 87% participation as 15 new companies were recruited and 13 companies entered SDO's Disadvantaged Business Enterprise Supportive Services Program intensive 15-week classroom curriculum in FY2011 and received procurement training and business development services with classroom technical assistance and a three (3) year Growth Action Plan. Of the graduating firm principals, each participated in 80% or more of SDO sponsored programs and events. The graduating principals represent an 87% graduation rate for the program overall.

#### **DBE-SS Program participation FY2011**





This is a 44% increase in FY2011 over the FY2010 class.



There were two additional DBE certified firms which were recruited for the DBE-SS Program in FY2011, however their participation was interrupted and they were unable to complete the program.

#### **FY2011 DBE-SS Program Graduating Class**

American Electrical Construction, Inc.  
Barbara J. Thissell, P.E., Inc.  
Coastal Construction & Management  
D & A Steel Co.  
ICARUS Construction Services, LLC  
Land Development Design Collaborative, Inc.  
Mill City Environmental  
Nover-Armstrong Associates, Inc.  
Peter-Environmental  
Pristine Engineers, Inc.  
Shoplick Associates  
South Shore Pipeline Services  
Triunity Engineering & Management

#### **Get Connected**

The DBE-SS program offered a “Get Connected Series” which provided 363 hours of technical assistance and one-on-one networking opportunities. The Get Connected Series topics included: Access to MassDOT, Access to Capital, Access to Bonding, Access to Sales and Marketing, Access to Leadership and Strategy, Access to Financial Understanding, Access to Leadership and Strategy, and Access to Financial Understanding.



## **AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 (ARRA)**

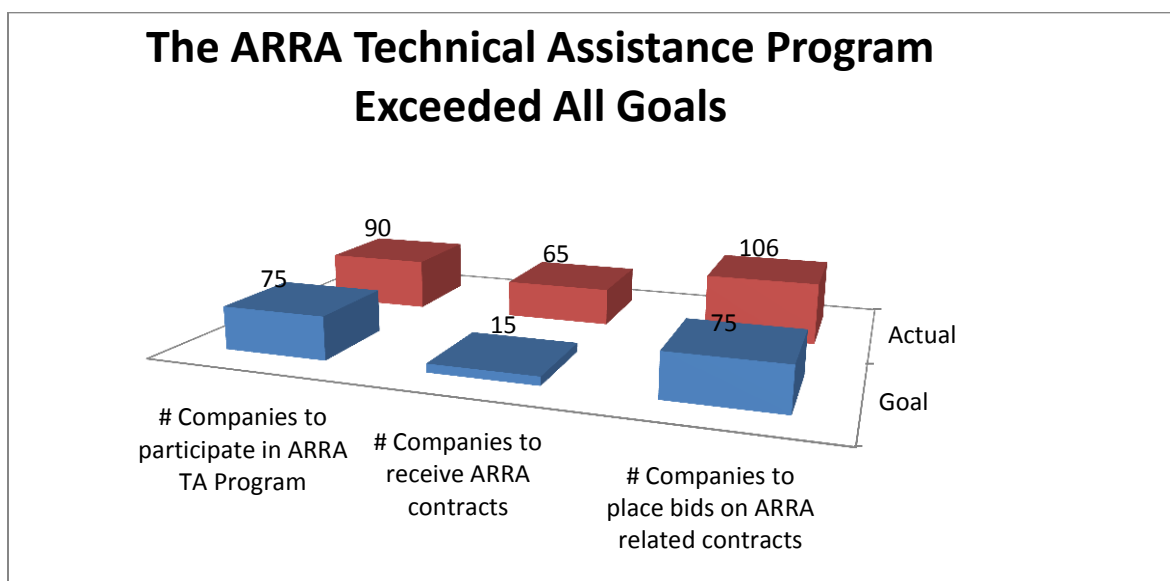
The ARRA Technical Assistance Program was developed to build participants knowledge and capacity for companies to successfully bid and compete for contracts. Using a one stop model, the program provides education and training for Minority or Women owned businesses to enhance their growth and development through best practices, partnerships, relationship building, bid awareness, and training opportunities. World-class training, consultation, business coaching as well as access to capital was provided to these businesses.

### **Program Goals were to have:**

- 75 companies participate in the ARRA Technical Assistance Program.
- 100% of the companies submit bids on ARRA related contracts.
- 20% or 15 companies receive ARRA contracts.
- Technical Assistance Providers were selected throughout the Commonwealth.

### **Assessment:**

- Evaluation of SDO certified companies to match remaining ARRA opportunities.
- Identify companies in ARRA related fields, and notify them of the upcoming bids.
- Companies receiving Technical Assistance must have an ARRA opportunity identified in their field, for example; construction, bridge, highway, green products - green tech, energy related companies, IT, healthcare, childcare, education.
- Participants within the \$5 million – \$50 million of gross revenue were separated and offered higher level services by Next Street.
- Each company entering the program received an initial call, assessment, training opportunities, and bid assistance.







### **Highlights**

- 90 companies participated in the Technical Assistance program.
- 100% of the companies placed bids on ARRA related contracts.
- 6 diverse regional Technical Assistance providers selected to provide services.
- Training tailored to different sized businesses.
- Advanced capacity building - future focus series for \$3M-\$50M gross revenue companies.

### **Results**

- 106 SDO Certified companies bid on a total of 271 contracts.
- 65 SDO Certified companies won a total of 132 contracts.
- 7 companies served as prime contractors on 13 different ARRA projects.
- 45 Certified Companies reported increased contract amounts of \$49,770,929.

### **Technical Assistance Program**

The Technical Assistance program exceeded expectations with 65 SDO companies obtaining ARRA contracts, by either winning or subcontracting on more than 130 bid opportunities. Of the 106 companies participating in the program, 65 have obtained contracts and the other 41 companies placed bids and were not awarded ARRA contracts. Some companies won or partnered on more than one contract.

### **Technical Assistance Providers**

Technical Assistance providers were awarded contracts in most of the regions in the Commonwealth. While there were no submissions from region 1, the Massachusetts Latino Chamber of Commerce in Springfield covered companies in the region 1 area.

Mass Latino Chamber of Commerce	Region 1&2	Springfield
Martin Luther King Jr. Business Center	Region 3	Worcester
Next Street Financial	Region 4	Boston
Advansa International	Region 4	Boston/Arlington
Hispanic Chamber of Commerce	Region 4	Boston
On Point Coaching	Region 5	Brockton



## APPENDIX A PARTNERS

The work of the Supplier Diversity Office could not be effective without partnership with our community. SDO acknowledges the following 110 partners for their participation and support with the various projects and programs of the Supplier Diversity Office during FY2011.

Acción USA	Executive Office of Housing and Economic Development
Advansa International	Exemplar Companies, Inc.
Aetna Bridge Company	Exemplar Law, LLC
Associated Builders & Contractors, Inc.	Fall River Municipal Credit Union
Associated Industries of Massachusetts	Fall River Office of Economic Development
AT&T	Federal Housing Administration
Audley Construction	Greater New England Minority Supplier Development Council
BDC Capital	Hispanic-American Chamber of Commerce of Greater Boston
Berluti & McLaughlin, LLC	Initiative for a New Economy
Beverly Cooperative Bank	Interise
Boston College Legal Assistance Bureau	J.F. White Contracting Company
Boston Private Bank & Trust Company	Law Office of Frank Campbell
Bowditch & Dewey, LLP	Law Office of Kathleen A. Moore-Kocot
Brick By Brick	Law Offices of Neil Osborne, P.C.
Brockton 21st Century Corporation	Lawyers' Committee for Civil Rights
Brockton Area Transit Authority	Liberty Mutual
Cathay Bank, now East West Bank	Lowell Area Chamber of Commerce
Center for Marketing Research	Lowell Regional Transit Authority
Century Bank	Lowell Small Business Assistance Center
Choate, Hall & Stewart LLP	M.S. Peltier Insurance Services, LLC
Citizens Bank	Marketing Edge
City of Boston - Office of Business Development	Martin Luther King Jr. Business Empowerment Center
City of Lowell	Mass Latino Chamber of Commerce
Clerc and Associates P.C.	Massachusetts Association of Public Purchasing Officials
Commonwealth Corporation	Massachusetts Certified Public Purchasing Official Program
Consigli Construction	Massachusetts Convention Center Authority
E.T. & L. Corp.	
Eastern Bank	
Edwards Angell Palmer & Dodge LLP	



Massachusetts Department of Transportation  
including:

Mass Port

MBTA

Aeronautics Division

Regional Transit Authorities, and

Mass Highway

Massachusetts Division of Capital Asset  
Management

Massachusetts Growth Capital Corporation

Massachusetts Office of International Trade  
and Investment

Massachusetts Office of Small Business and  
Entrepreneurship

Massachusetts Office of the Inspector General

Massachusetts School Building Authority

Massachusetts State Police Honor Guard

MassHousing Authority

Merrimack Valley Federal Credit Union

Metro South Chamber of Commerce

MGCC Economic Stabilization Trust

Middlesex Corporation

Moore & Isherwood

MSBDC Boston Regional Office & Minority  
Business Center

N.E.L. Corporation

New England School of Law

Next Stage Solutions

Next Street Financial LLC

NMTW Community Credit Union

Northern Middlesex Council of Governments  
(NMCOG)

Nutter McClennen & Fish LLP

NUVO Bank & Trust Company

Office of Access and Opportunity

Office of the Attorney General of  
Massachusetts, Bid Protest Unit

On Point Coaching

Partridge, Snow & Hahn, LLP

Percy, Tedeschi & Associates, P.C.

Premier Capital By-The-Sea LLC

Procurement Technical Assistance Center

Robert, Adelson, Engel & Schultz, P.C.

Roxbury Community College – Corporate  
College

Royal LLP (fka Royal & Klimczuk, LLC)

Salem Five

Schlesinger and Buchbinder, LLP

Shepherd & Goldstein LLP

Small Business Development Network

Sovereign Bank

Strategis

Suffolk Construction Company, Inc.

Suffolk University

Sykes & Michaud, LLC

TD Banknorth

Tennant Lubell, LLC

Tierney Law Offices

Timothy J. Ebacher Law Offices

Turner School of Construction Management

U.S. Department of Agriculture

U.S. Small Business Administration

United Bank

University of Massachusetts Boston

Western Massachusetts Development  
Collaborative

Western Massachusetts Enterprise Fund

WilmerHale Legal Services Center

Work Without Limits



## APPENDIZ B TRAINING

The following 46 trainings were provided to SDO staff and/or clients during FY2011:

TRAINING	Certification	DBE-SS	Construction Reform	SDP	SBPP
3-Year Growth Plan Analysis		x			
A Small Business Purchasing Program Overview - Comm-PASS SmartBid and Free Form Quick Quote					x
Access to Bonding		x			
Access to Capital		x			
Access to Financial Understanding		x			
Access to Leadership and Strategy		x			
Access to MassDOT		x			
Access to Sales and Marketing		x			
Accessing New Capital		x			
Accessing New Markets: Government Contracting		x			
Accounting Program Training		x			
Advanced Business to Business Workshop				x	
Basic SDP Program Overview - Services and Resources for SDO Certified Businesses				x	
Challenges & Stages of Small Business Growth		x			
Construction Reform Law, Chapter 193 of the Acts of 2004			x		
DBE policy and procedure manuals	x				
Diversity Part II Disability Awareness	x				
Estimating		x			
Financial Analysis as a Business Tool		x			
Financial Statement Analysis		x			
How to Complete the SDP Plan Form (Webinar)				x	
How to Submit an Effective SDP Plan Training				x	
Human Resources		x			
Human Resources / Community Responsibility & Leadership		x			
Human Resources Audit		x			
Human Resources Manual Development		x			
Job Start-Up – Close-Out – Wrap-Up		x			
Marketing Plan Development		x			
Massachusetts Certified Public Purchasing Official Program			x		
Materials & Scheduling to Budget		x			



TRAINING	Certification	DBE-SS	Construction Reform	SDP	SBPP
National DBE Training Institute, for DBELO and UCP Training	x				
New Comm-PASS Functionality Free Form Quick Quote					x
Positioning Your Business Within a Competitive Market		x			
Preventing Workplace violence for Employees	x				
Procurement Basics Overview	x				
Project Management		x			
Sales Strategies, Systems, and Processes		x			
SBPP-Small Business...the strength of the economy					x
SDP for Departments Training Series				x	
Setting Strategic Goals		x			
Targeting Your Most Profitable Markets & Customers		x			
Two Intermediate Vendor Procurement Workshops for M/WBEs				x	
Understanding How Others See Your Financials		x			
Understanding Sub-Contract Scope of Work		x			
US DOT Ineligibility database	x				
Welcome to SmartBid					x



## **APPENDIX C VENDORS**

The Supplier Diversity Office (SDO) acknowledges the following institutions who were vendors to the SDO during FY2011:

451 Marketing  
Benjamin Franklin Institute of Technology  
Down Home Delivery and Catering  
Interise  
Jules Catering  
Ken Weeden & Associates, Inc.  
KONICA MINOLTA  
Lincoln Properties  
NEOS - New England Office Supply  
Pitney Bowes  
Royal LLC  
Shepherd & Goldstein LLP  
Stellar Corporation  
Turner Construction Company





## **APPENDIX D ADVISORY BOARDS**

The Supplier Diversity Office encourages the utilization of Advisory Boards for participation within the community and to encourage discourse from our customer base. During FY2011, there were two Advisory Boards providing assistance to SDO. The membership is by invitation, is voluntary, and, as no votes are taken, the boards do not control but rather provide advice and guidance on present and future program topics.

### **THE SUPPLIER DIVERSITY PROGRAM ADVISORY BOARD**

For FY2011 the Supplier Diversity Program Advisory Board consisted of the following SDO certified firms:

- Janet Santa Anna, President, The Resource Connection, Inc.
- Indira B. Patel, President, New England Office Supply
- Patricia Vacca, Corporate Accounts Manager, New England Office Supply
- Michael Kaye, President, The Business Coach
- Robin Cohen, President, Chameleon Consulting, Inc.
- Swapan Roy, PE, Stellar Corporation
- Shirley Young, President, Global Advanced Technology, Inc.
- Loretta DeGrazia, President & CEO, East Coast Petroleum
- Vincent Meglio, Executive V.P., East Coast Petroleum
- John R. Monteiro, President, ASEC Corporation
- Joni Lee Rossi, CEO, CQ Personnel, Inc.
- Kelley Chunn, Principal, Kelley Chunn & Associates
- Mayda Chaprazian, Arvest Press



## **THE DISADVANTAGED BUSINESS ENTERPRISE-SUPPORTIVE SERVICES PROGRAM ADVISORY BOARD**

For FY2011 the Disadvantaged Business Enterprise Supportive Services Program Advisory Board consisted of:

Bernard Brown,	Compliance and Diversity Manager, MassHousing representing loans and support for low and middle-income residents in Massachusetts
Gregory Janey,	Owner, Janey Construction Management/Consulting, representing DBEs who have completed the program
Andres Lopez,	Massachusetts Growth Capital Corporation, creating and preserving jobs at small businesses, women and minority owned businesses and promoting economic development in underserved, gateway municipalities and low and moderate income communities
John Lozada,	Director of Civil Rights, Massachusetts Department of Transportation, representing the merged organization of the former Executive Office of Transportation and Public Works (EOT) and its divisions with the Massachusetts Turnpike Authority (MTA), the Massachusetts Highway Department (MHD), the Registry of Motor Vehicles (RMV), the Massachusetts Aeronautics Commission (MAC), and the Tobin Bridge, formerly owned and operated by the Massachusetts Port Authority (MPA). In addition, MassDOT oversees the Massachusetts Bay Transportation Authority (MBTA) and the Regional Transit Authorities (RTA)
Donald Mitchell,	Executive Director, Western Mass Development Collaborative, a private, non-profit development corporation providing business development assistance to small business in the trades industry in western Massachusetts
Michael Peltier,	Manager, M.S. Peltier Insurance Services, LLC, representing DBEs who have completed the program
Linda J. Sivieri,	EEO Compliance Officer, J.F. White Contracting Co., representing prime contractors
Angela Rudikoff,	MassDOT – External Operations, Massachusetts Department of Transportation, representing diversity of federally-assisted highway construction work
Brian Ross,	DBE-SS Program Director, MA Supplier Diversity Office, representing the MA Supplier Diversity Office's clients as well as the DBE-SS Program
David Chandler,	Civil Rights Specialist, Federal Highway Administration, representing State and local governments in the design / highway systems



## **APPENDIX E FUNDING SOURCES**

The Supplier Diversity Office (SDO) acknowledges, with great appreciation, the following institutions that provided funding.

Unified Certification Program's funding for the DBE program is from:

Massachusetts Department of Transportation including: MassPort and Regional Transit Authorities, U.S. Department of Transportation, Federal Highway Administration

MBE and WBE Certification Program is funded from:

Commonwealth of Massachusetts.

Disadvantaged Business Enterprises Supportive Services (DBE-SS) Program's funding is from:

Federal Highway Administration

Additional funding to the programs within the Supplier Diversity Office was provided from:

The American Recovery and Reinvestment Act of 2009  
Massachusetts Convention Center Authority  
Metro South Chamber of Commerce  
Salem Five  
Citizen's Bank  
AT&T  
Greater New England Minority Supplier Development Council  
Liberty Mutual  
Nova Sheen  
Edible Arrangements of South Boston, Ms. Toya Farrar  
Massachusetts Community Development Finance Corporation  
Sterling Printing  
Touchmark, Inc.



## **APPENDIX F**

### **SDO STAFF**

Reginald A. Nunnally ..... Executive Director

#### **Certification Unit**

Nedra White ..... Director of Certification  
Jose Silva ..... Intake Specialist  
Janice Chen ..... Auditor  
Nani Assefa ..... EDP Systems Analyst II  
Joyce Kwong ..... EDP Systems Analyst I  
Wanda Colon ..... Certification Investigator  
David Cullinane ..... Certification Investigator  
Ayoka Drake ..... Certification Investigator  
Bonnie Haymon ..... Certification Investigator  
Jason King ..... Certification Investigator  
Michelle Morin ..... Certification Investigator  
Letha Roberts ..... Certification Investigator  
Zamy Silva ..... Certification Investigator

#### **Construction Reform**

John B. Fitzpatrick ..... Director of Construction Reform

#### **Supplier Diversity Program and**

#### **Small Business Purchasing Program**

Gladymar Parziale ..... Director of Goods & Services Unit

#### **DBE-SS Program**

Brian Ross ..... Director DBE-SS Program  
Mary Richmond ..... DBE-SS Project Manager  
Margaux Whitney ..... DBE-SS Administrative Assistant

#### **ARRA Technical Assistance Program**

John Fioriti ..... Director of ARRA Program  
Eric Straughter ..... ARRA Project Manager  
Kacey Satchell ..... ARRA Administrative Assistant

Assigned from OSD's Legal, Policy & Compliance Office to SDO

Thomas C. Hall, Esq. .... Legal Counsel