



OPERATIONAL SERVICES DIVISION
SUPPLIER DIVERSITY OFFICE

SERVING PUBLIC BUYERS AND VENDORS OF THE COMMONWEALTH OF MASSACHUSETTS



Operational Services Division

Supplier Diversity Office
Fiscal Year 2020 Report to the Legislature
on the Expansion of Opportunities
for Individuals with Disabilities
in State Procurement and Contracting



OPERATIONAL SERVICES DIVISION

Gary J. Lambert
Assistant Secretary for Operational Services

THE COMMONWEALTH OF MASSACHUSETTS
Executive Office for Administration and Finance
OPERATIONAL SERVICES DIVISION
One Ashburton Place, Suite 1017
Boston, MA 02108-1552

Charles D. Baker
Governor

Karyn E. Polito
Lieutenant Governor

Michael J. Heffernan
Secretary

October 31, 2020

Michael D. Hurley, Senate Clerk
Office of the Clerk of the Senate
24 Beacon Street - Room 335
State House
Boston, MA 02133

Steven T. James, House Clerk
Office of the Clerk of the House
24 Beacon Street - Room 145
State House
Boston, MA 02133

Re: Annual Report of the Supplier Diversity Office to the Clerks of the Senate and House of Representatives pursuant to Section 4 of Chapter 219 of the Acts of 2016, An Act Relative to Job Creation and Workforce Development, and Section 88 of Chapter 154 of the Acts of 2018.

Dear Senate Clerk Hurley and House Clerk James:

The Supplier Diversity Office (SDO) of the Operational Services Division (OSD), in collaboration with the Massachusetts Office on Disability (MOD), is pleased to submit this Fiscal Year 2020 report of the SDO's efforts in expanding opportunities for individuals with disabilities in all areas of state procurement and contracting pursuant to Section 4 of Chapter 219 of the Acts of 2016 (the "Act") and Section 88 of Chapter 154 of the Acts of 2018.

As you may know, the Act requires the SDO to set goals every two years and report on those goals annually. This report, therefore, provides an update on the SDO's progress toward meeting the goals set in the FY2019 report for FY2019-21.

If you have questions or need additional information, please feel free to contact me at William.McAvoy@state.ma.us or at (617) 720-3327.

Sincerely,

William M. McAvoy
Deputy Assistant Secretary



Background

The Supplier Diversity Office (SDO), within the Operational Services Division (OSD), is created pursuant to M.G.L. c. 7, §58A. M.G.L. c. 7, §57, describes the “various public and private programs [that] have been initiated to assist minority, women, and veterans business enterprises, where applicable, to achieve economic viability, ...” Under this statute, the SDO is mandated to “promote and facilitate the fullest possible participation by all citizens in the affairs of the [C]ommonwealth.” Consistent with this statutory requirement, Governor Baker issued Executive Order 565 on November 3, 2015, authorizing the SDO to include all businesses majority-owned and controlled by individuals with disabilities, among other groups, within the Supplier Diversity Program (SDP).

Section 4 of Chapter 219 of the Acts of 2016 (the “Act”) (see Appendix 1) directed the SDO, in consultation with the Massachusetts Office on Disability (MOD), to provide opportunities for individuals with disabilities in all areas of state procurement and contracting. Removing barriers and lifting perceptions that restrict the Commonwealth’s ability to leverage the capacity of the disability community are shared goals of the Legislature and the Baker-Polito Administration. Unlike past and current supplier diversity programs, which are focused on the inclusion of **businesses** owned by diverse individuals, the Act also introduces the possibility of the SDO mandating that contractors and subcontractors now identify, recruit, and hire qualified **individuals** with disabilities.

The SDO and the MOD are committed to fulfilling the mandate of this Act to establish participation goals for state procurement and contracting that will strengthen the Commonwealth’s workforce and marketplace by ensuring meaningful inclusion of individuals with disabilities. As part of this commitment, in the FY2019 report, the SDO and MOD established the following three goals consistent with the intent of the Act:

- Goal #1: Expand Inclusion of Disability-Owned Business Enterprises (DOBE) and Service-Disabled Veteran-Owned Business Enterprises (SDVOBE).
- Goal #2: Transform and Expand the SDO Individuals with Disabilities Pilot Program into an Ongoing Program.
- Goal #3: Further Develop the Program Webpage with Resources and Tools for Employers and Individuals with Disabilities Seeking Employment.

The intent of this report is to provide a one-year update on the progress made in implementing the goals set for FY2019-21.

FY2020 Update on FY2019 Goals for Participation of Individuals with Disabilities in State Procurement and Contracting

During FY2020, the SDO attended meetings with several public and private organizations, including the Persons with Disabilities Employment Advocacy Group, which is organized by Easter Seals MA and the Boston Center for Independent Living. The SDO was presented with the first ever “Supplier Diversity Partnership Award” presented by Disability:IN National at the Disability:IN Massachusetts’ Raise the Bar HIRE conference. The SDO also presented information about disability supplier diversity to public and

private entities at the Disability Supplier Diversity Forum, which the SDO cosponsored with Disability:IN Massachusetts, at Tufts Health Plan. The SDO, in consultation with MOD, is providing updates to the following goals, identified in our FY2019 report, which will expand the inclusion of and opportunities for individuals with disabilities in state procurement and contracting:

FY2019 Goal	Progress																								
<p>Goal #1: Expand Inclusion of Disability-Owned Business Enterprises (DOBE) and Service-Disabled Veteran-Owned Business Enterprises (SDVOBE). Activities undertaken pursuant to this goal will include, but may not be limited to, the following:</p> <ul style="list-style-type: none"> • In partnership with Disability:IN Massachusetts, develop a public and private Disability Supplier Diversity Program, which will bring together key disability supplier diversity stakeholders to discuss and act on improving and leveraging best practices related to disability supplier diversity awareness, engagement, and certification efforts across the Commonwealth; • In partnership with Disability:IN, Disability:IN Massachusetts, the Veterans Business Outreach Center (VBOC), and other organizations, develop a recruitment strategy for Massachusetts-based disability-owned businesses; • Conduct an analysis of products and services available from currently certified DOBEs and SDVOBEs and provide guidance on establishing SDP partnerships with Commonwealth agencies and contractors; and • Develop a resource repository to help disability-owned and other diverse businesses market themselves, access capital, receive training, and other resources. 	<p>The SDO continues to work to include DOBE and SDVOBE companies into its programs.</p> <ul style="list-style-type: none"> • In addition to its continued partnership with Disability:IN and Disability:IN Massachusetts, the SDO has built a relationship with the Greater Boston Veterans Collaborative, which includes SDVOBE businesses. The SDO regularly attends the collaborative’s meetings and works to promote the SDO’s programs among the collaborative’s members. • In FY2020, the total number of certified disability-owned businesses recognized by the SDO grew from 167 to 173, a 4% increase over FY2019. <table border="1" data-bbox="813 1052 1487 1602"> <thead> <tr> <th>Certification Type</th> <th>FY2017</th> <th>FY2018</th> <th>FY2019</th> <th>FY2020</th> </tr> </thead> <tbody> <tr> <td>Disability-Owned Business Enterprise (DOBE)</td> <td>36</td> <td>47</td> <td>46</td> <td>42</td> </tr> <tr> <td>Service-Disabled Veteran-Owned Business Enterprise (SDVOBE)</td> <td>100</td> <td>124</td> <td>121</td> <td>131</td> </tr> <tr> <td>Total</td> <td>136</td> <td>171</td> <td>167</td> <td>173</td> </tr> </tbody> </table> <p>The above changes in the numbers of recognized disability-owned businesses are the result of two SDO activities:</p> <ul style="list-style-type: none"> • Pursuant to the memorandum of understanding signed by the SDO and Disability:IN, the SDO continues to recognize DOBE and SDVOBE certifications issued by 					Certification Type	FY2017	FY2018	FY2019	FY2020	Disability-Owned Business Enterprise (DOBE)	36	47	46	42	Service-Disabled Veteran-Owned Business Enterprise (SDVOBE)	100	124	121	131	Total	136	171	167	173
Certification Type	FY2017	FY2018	FY2019	FY2020																					
Disability-Owned Business Enterprise (DOBE)	36	47	46	42																					
Service-Disabled Veteran-Owned Business Enterprise (SDVOBE)	100	124	121	131																					
Total	136	171	167	173																					

the organization and includes Disability:IN certified businesses in its online Directory of Certified Businesses. Under the agreement, the SDO recognizes all Disability:IN certified businesses that opt into the SDO programs. The total number of certified DOBEs has remained small, and while most choose to participate in SDO programs, the number of participants has declined slightly over the past two years. The SDO and Disability:IN continue promoting the availability of this partnership and are discussing measures to increase the number of recognized DOBE companies.

- In FY2020, the SDO conducted an outreach campaign focused on the recruitment of SDVOBEs certified by the U.S. Veterans Administration, which resulted in an 8% increase in the number of certified SDVOBEs compared to last year.

Other measures aimed at expanding the inclusion of disability-owned businesses in Commonwealth contracting included the following:

- The SDO included disability-owned businesses in its program to promote diverse suppliers of Personal Protective Equipment (PPE). One such supplier was identified and included in [the public online listing of PPE suppliers](#) maintained in partnership with the Executive Office of Housing and Economic Development on the Mass.gov website. The supplier has reported that the listing resulted in business inquiries.
- The SDO initiated the development of an online business resource repository to be published in FY2021. The repository is intended to work in tandem with an onboarding training program for newly-certified businesses directing them to resources relevant to their business category.

<p>Goal #2: Transform and expand the SDO Individuals with Disabilities Pilot Program into an Ongoing Program. Activities undertaken pursuant to this goal will include, but may not be limited to, the following:</p> <ul style="list-style-type: none"> • Establish a broader coordination group of Commonwealth agencies to enhance information and resource sharing and expedite the transfer of best practices to contractors participating in the pilot. • Conduct a deeper examination of best practices implemented by the U.S. Department of Labor's Office of Federal Contract Compliance Programs (OFCCP), the Massachusetts Human Resources Division, and by employers who have utilized programs and services offered by the Massachusetts Rehabilitation Commission, the Massachusetts Commission for the Blind, and other agencies. • Build on the pilot baseline information collected from the contractors participating in the pilot and promote the adoption of best practices relevant for the specific contracts and contractors. • Based on the results of the pilot with currently enrolled contractors, analyze options for expanding the pilot to additional statewide and/or departmental contracts. 	<p>In FY2020, the SDO maintained its Individuals with Disabilities Pilot Program on four statewide and departmental contracts. The COVID-19 pandemic and the associated strain on the participating businesses imposed a delay on additional program activities in this area. Although all responding businesses restated their commitment to the program in their annual updates, many added that the COVID pandemic affected their ability to recruit and retain workforce, including individuals with disabilities. Additional health risks posed by COVID-19 for individuals with disabilities with underlying health conditions also were mentioned. The SDO plans to resume pilot program activities as part of the Commonwealth's reopening process.</p>
<p>Goal #3: Further Develop the Program Webpage with Resources and Tools for Employers and Individuals with Disabilities Seeking Employment. The webpage will expand the range of resources previously compiled by the SDO and MOD. The selection of resources and tools for employers will be guided by opportunities identified through the Individuals with Disabilities Pilot Program baseline:</p> <ul style="list-style-type: none"> • Providing employers guidance on organizing voluntary and confidential self- 	<p>In FY2020, the SDO conducted the following activities pursuant to this goal:</p> <ul style="list-style-type: none"> • The SDO created a Learn about SDO's Individuals with Disabilities Program webpage, which included the program background, Commonwealth resources and tools for employers, and Commonwealth resources and tools for job seekers with disabilities. • In addition, the SDO issued a COMMBUYS Request for Information (RFI): Organizations Assisting Employers in Hiring Individuals

<p>identification processes for employees with disabilities, and</p> <ul style="list-style-type: none"> • Identifying opportunities to pair employers with vocational rehabilitation programs and means of assisting them in finding qualified candidates. • Additionally, following the publication of the RFI for non-profit disability employment resources, the webpage also will include private resources related to: <ul style="list-style-type: none"> ○ Workforce training programs for specific industries and/or employers, ○ Career exploration, resume writing, and interview preparation services for potential employees, ○ Job placement programs for individuals with disabilities, and ○ Other services that may assist employers with hiring individuals with disabilities. 	<p>with Disabilities seeking information on private, nonprofit organizations that provide client services in this field.</p> <ul style="list-style-type: none"> • As of the date of report publication, four nonprofit organizations responded to the RFI. Their information is included on the list of Organizations Assisting Employers in Hiring Individuals with Disabilities, available on the Learn about SDO’s Individuals with Disabilities Program webpage. Additional organizations interested in being placed on the list are advised to respond to the RFI on the Commonwealth’s e-procurement marketplace COMMBUYS.
---	---

Conclusion

This report contains an update on the implementation of the three biennial goals on non-discrimination and inclusion of individuals with disabilities established in FY2019. Over the past year, the SDO invested a significant amount of time into developing the infrastructure and resources for implementing its two-year goals. It established new partnerships, established a program web presence, and developed an open and public way to solicit nonprofit resources for employers. These activities will help the SDO continue its work in promoting the inclusion of disability-owned businesses and individuals with disabilities in Commonwealth contracting. We look forward to working with the MOD and interested parties to achieve program goals and build a truly inclusive workforce in Massachusetts. We welcome and will continue to seek input from stakeholders as we continue to implement this important program.

Appendix 1: Enabling Legislation

Section 4 of Chapter 219 of the Acts of 2016¹:

(s) The SDO shall, every 2 years and in consultation with the Massachusetts Office on Disability, establish goals for participation of individuals with disabilities in all areas of state procurement contracting. Participation goals may be met by contracting or subcontracting with businesses that hire, or identify and recruit with the intent to hire, qualified applicants with disabilities. SDO shall provide assistance to the executive offices in determining opportunities for contracting with businesses that hire persons with disabilities to meet the participation goal set forth in this paragraph, including contractors and subcontractors providing goods and services under multi-year contracts or grants funded by agencies within the executive offices.

SDO shall file an annual report with the clerks of the house of representatives and the senate on or before October 31 on the progress made toward meeting the participation goal set forth in this paragraph.

Subsequent to the passage of the Act, the Legislature passed the following Outside Section 88 (SDO Disability Pilot) of Chapter 154 of the Acts of 2018, the FY2019 Budget²:

Notwithstanding any general or special law to the contrary, the supplier diversity office, in consultation with the Massachusetts office on disability, shall establish a pilot program with a utilization, contract-based goal of 7 per cent for the inclusion of qualified individuals with disabilities in any state contract for 3 services to be specified by the supplier diversity office that may include, but shall not be limited to: (i) janitorial and custodial services; (ii) landscaping services; (iii) mail room services; (iv) food services; (v) fleet management; (vi) manufacturing; (vii) trash removal; (viii) document destruction; (ix) electronic scanning of documents; and (x) facilities management services which shall include, but not be limited to, HVAC services, painting, emergency repair services and snow removal. The pilot program shall promote the recruitment, hiring, promotion and retention of individuals with disabilities and assist state contractors in evaluating and measuring levels of success in the recruitment, hiring, promotion and retention of individuals with disabilities. The utilization goal shall not be used as a quota, limit or restriction on the employment of individuals with disabilities.

For the purposes of the pilot program: (i) contractors shall apply the utilization goal to the direct workforce needs of the awarded contract or to the entire workforce of the contractor if the contractor has 50 or fewer employees; and (ii) a qualified individual shall have the same meaning as set forth in 41 C.F.R. 60-741.2. The pilot program shall not apply to existing state contracts.

The pilot program shall be established not later than September 1, 2018. Not later than September 1, 2019, the supplier diversity office shall file an interim report on the progress of the pilot program. An

¹ Section 4 of Chapter 219 of the Acts of 2016 inserted subsection (s) into Section 61 of chapter 7 of the General Laws.

² Chapter 154 of the Acts of 2018, An Act making appropriations for the Fiscal Year 2019.

additional final report shall be filed not later than 180 days after the completion of the pilot program. The reports shall be filed with the clerks of the senate and house, the chairs of the senate and house committees on ways and means, the chairs of the joint committee on state administration and regulatory oversight and the chairs of the joint committee on children, families and persons with disabilities.