**How to Collect Supplier Diversity Program (SDP) Spending Reports from Departmental Contractors**

**Instructions**

The Commonwealth of Massachusetts [Diverse and Small Business Program Policies](https://www.mass.gov/doc/the-commonwealth-of-massachusetts-diverse-and-small-business-program-policies-for-goods-and-services-procurements/download) require departments to “obtain regular SDP spending reports using [SDP Reporting Form](https://www.mass.gov/doc/sdp-spending-report-for-prime-contractors/download) (available on the [SDO Forms](https://www.mass.gov/lists/sdo-forms) page). The SDO recommends quarterly reporting, but SDP spending information must be collected at least annually.”

**Pursuant to these policies, at least annually, departments are instructed to:**

1. **Identify departmental goods and services contracts** that include SDP language. This generally applies to all contracts with total values of more than $150,000 (for procurements issued prior to August 1, 2021) and with annual values of more than $250,000 (for procurements issued on or after August 1, 2021). The SDP requirement can be found in the [*RFR-Required Specifications for Commodities and Services*](https://www.mass.gov/doc/rfr-required-specifications-of-commodities-and-services/download) document attached to the original bid solicitation.
2. **Review other contracts for potential reporting:**

* **Design and construction contracts:** The Supplier Diversity Program and the reporting form for prime contractors referenced in this document only apply to goods and services contracts. However, SDO annual reporting has historically credited departments with spending with contractors providing design and construction services. Departments should use their own reporting forms to collect information from prime design and construction contractors and may include this information in their data submission to the SDO. *(See additional instructions in Item #3.)*
* **Non-discretionary and non-MMARS contracts:** Some departments have voluntarily included supplier diversity provisions into their non-discretionary and non-MMARS contracts. While SDP spending reported by contractors on such contracts will not be credited toward departmental benchmark spending, SDO annual report will list this spending in a separate section. Departments may use the [SDP Reporting Form](https://www.mass.gov/doc/sdp-spending-report-for-prime-contractors/download) for goods and services or their own reporting forms to collect SDP spending information from non-discretionary and non-MMARS contractors and include this information in their submission to the SDO. *(See additional instructions in Item #3.)*
* **Statewide contracts:** No additional action is required from departments as OSD collects reporting information for statewide contracts.
* **Purchased client human and social services (Purchase of Service, or POS) contracts:** No additional action is required from departments as POS providers submit reports via UFR eFile.

1. **Contact the contractors using the message below** (or equivalent) requesting SDP spending reports. Follow up with contractors that do not respond to the initial request.
2. **Compile the reporting information using the** [**Departmental Contractor SDP Spending Report Summary Form**](https://www.mass.gov/doc/departmental-contractor-sdp-spending-report-summary-form/download) (available on the [Program Resources for Departments](https://www.mass.gov/lists/program-resources-for-departments) page).

On the reporting summary form, please identify the type of spending associated with each contract:

* Discretionary – Goods & Services
* Discretionary – Construction & Design *(inclusion of this information is voluntary)*
* Non-Discretionary and Non-MMARS *(inclusion of this information is voluntary)*

1. **Review contractor performance to ensure compliance** with the contractors’ SDP spending commitments (see Compliance Monitoring, pp. 9-10 of the [Diverse and Small Business Program Policies](https://www.mass.gov/doc/the-commonwealth-of-massachusetts-diverse-and-small-business-program-policies-for-goods-and-services-procurements/download)).

Questions regarding report collection can be directed to [sdp@mass.gov](mailto:sdp@mass.gov).

**Sample email** (edit highlighted areas and remove highlights prior to sending)

**Subject:** Action Required: Supplier Diversity Reports Due **[date 2-3 weeks from today]**

Good afternoon,

I am contacting your company because it is an awarded contractor for **[Department].** The [terms of your company’s contract with our department](https://www.mass.gov/doc/rfr-required-specifications-of-commodities-and-services/download) require that it participate in the Commonwealth’s Supplier Diversity Program (SDP) and make a significant financial commitment to doing business with certified diverse companies. Such companies include minority-, women-, veteran-, service-disabled veteran-, disability-, LGBT-owned businesses, and/or minority or women nonprofit organizations. The contract also requires that your company submit regular reports on your spending with such diverse businesses.

**Required reporting form:** To comply with the contract requirements above, all contractors are required to complete the [**SDP Spending Report for Prime Contractors**](https://www.mass.gov/doc/sdp-spending-report-for-prime-contractors/download) for Fiscal Year 2021 (July 1, 2020 through June 30, 2021).

If your company holds multiple contracts with Commonwealth departments, please complete and submit a separate form for each contract.

**Deadline:** Reports are due no later than **[date 2-3 weeks from today]**.

**Diverse business directories:** Prior to completing the form, please ensure that the diverse business(es) listed on your report appear on one of the following lists:

* [SDO Directory of Certified Businesses](https://www.sdo.osd.state.ma.us/BusinessDirectory/BusinessDirectory.aspx)
* [U.S. Dept of Veterans Affairs VetBiz Vendor Information Pages](https://www.vetbiz.va.gov/basic-search/)

**No requirement to subcontract:** If your company uses a certified diverse business to buy products or services for general business operations (e.g. office supplies, IT services, printing, etc.), this spending meets program requirements and should be included in your spending report.

**Questions:** If you have questions regarding the Supplier Diversity Program and the SDP reporting requirement, please contact the SDP Help Desk at [sdp@mass.gov](mailto:sdp@mass.gov).

Thank you, in advance, for your attention to this contract requirement.