



## Supplier Diversity Language for Grant Applications

This document provides grant application language that matches the following options offered by the Office of the Comptroller in the “Incorporating Supplier Diversity Considerations into Grants” section of their **State Grants, Federal Sub-Grants and Subsidies** policy.

Departments providing goods and services (non-construction) related grants to public entities and non-public entities are encouraged to consider including the applicable Small Business Purchasing Program (SBPP) or Supplier Diversity Program (SDP) language, if appropriate, into their grant applications. For additional information, please see below and SDO’s [Program Resources for Departments](#) webpage, or contact the SDO at [webmaster.sdo@mass.gov](mailto:webmaster.sdo@mass.gov).

This new language in the Commonwealth’s Grant policies was effective on November 8, 2024. The SDO provides below general guidance and specific model language for grant terms and application forms consistent with these above options. While not required, Commonwealth Departments that issue grants are highly encouraged to incorporate supplier diversity requirements and reporting processes into their grant applications and awards.

### General Guidance

- Departments providing grants to non-public entities **may** make a preference for grant applicants that are certified as a small business through the SDO’s Small Business Purchasing Program (SBPP). Departments **may not** award evaluation points or make other preference for businesses based on their diversity status. However, departments may promote grant opportunities to diverse businesses and implement one or more of the following measures to increase opportunities for diverse and small businesses:
  - Identify potential candidates for SDO certification among grant applicants by including questions regarding the legal structure and ownership of the applicant. Share information about applicants who indicated that their businesses may be small or diverse with the SDO.
  - Direct grant applicants to self-identify as diverse and/or small by completing the [Grant Applicant Supplier Diversity Self-identification Form](#) maintained by the SDO.
  - Direct grant applicants to apply for the SDO’s Small Business Purchasing Program (SBPP) by going to the Small Business Purchasing webpage at [www.mass.gov/sbpp](http://www.mass.gov/sbpp).
  - Include terms requiring grant recipients to establish partnerships with diverse businesses. Partnership options are not limited to subcontracting and may include general business operations. If these terms are included, the department must add awarded grantees to the [SDO’s Supplier Diversity Hub](#) and collect spending reports from the grantees through the Hub through the term of the grant.
- Departments providing non-construction grants to public entities are encouraged to consider including similar measures into their grant applications. For additional information, please contact the SDO at [webmaster.sdo@mass.gov](mailto:webmaster.sdo@mass.gov).



- It is at the department's discretion to include the grant amount in its supplier diversity spending benchmarks. To request for a grant to be included, departments **must contact the SDO prior to posting** at [webmaster.sdo@mass.gov](mailto:webmaster.sdo@mass.gov).

Please also see additional resources for including small and/or diverse terms in grants on SDO's [Program Resources for Departments](#) webpage including:

- [Grant Applicant Supplier Diversity Self-identification Form](#)
- SDP Plan Form for Grants
- Office of the Comptroller's State Grants, Federal Sub-Grants and Subsidies policy

Agencies interested in including diverse and/or small business language in their grant applications should select from the following option, copy the language provided under each respective grey box for the chosen option(s), and paste this language in their grant application document:

**Option 1: Direct grant applicants to self-identify as diverse and/or small by completing the Applicant Supplier Diversity Self-identification Form maintained by the SDO.**

## Applicant Supplier Diversity Self-identification Form

Grant applicants are encouraged to complete the [Grant Applicant Supplier Diversity Self-identification Form](#). Based on the information provided on the form, the Massachusetts Supplier Diversity Office (SDO) may contact the applicant to discuss available certification and procurement programs.

Completing the [Grant Applicant Supplier Diversity Self-identification Form](#) is optional and will not influence grant decisions.

**Option 2: Direct grant applicants to apply for the SDO's Small Business Purchasing Program (SBPP) by going to the Small Business Purchasing webpage at [www.mass.gov/sbpp](http://www.mass.gov/sbpp).** The language includes two clauses based on the agency's interest in making a preference for small business candidates:

- **Option 2A:** Grant decisions will not be based on participating in the SBPP.
- **Option 2B:** The agency will make a preference for applicants that receive SBPP certification.

## Small Business Purchasing Program (SBPP)

**Small Business Purchasing Program (SBPP) Certification.** Grant applicants are encouraged to apply to be certified as a Massachusetts-based small business through the Supplier Diversity Office's Small Business Purchasing Program (SBPP).



The application process is easy and brief. To apply, applicants visit [Register for the Small Business Purchasing Program \(SBPP\)](#). Answer the eligibility questions and click on the submit button. Results are emailed within 48 hours.

The Massachusetts [Small Business Purchasing Program](#) (SBPP) is established pursuant to [Executive Order 599](#) to increase state contracting opportunities with small businesses having their principal place of business within the Commonwealth of Massachusetts.

**Applicant Participation in the SBPP [choose one option (either 2A or 2B) and delete the other, keeping the rest of the language below regarding eligibility, compliance, and resources].**

- **Option 2A:** Grant applicants are encouraged to apply for SBPP certification as described below. SBPP participation is optional and will not influence grant decisions.
- **Option 2B:** While all applicants, no matter the size or principal place of business, may submit applications, the issuing department will make a preference for applicants that have received SBPP certification.

**SBPP Participation Eligibility.** To be eligible for SBPP certification, an entity (organization or individual) must meet the following criteria, and be marked as an SBPP registered business in [COMMBUYS](#). To participate, a business must:

1. Have its principal place of business in the Commonwealth of Massachusetts;
2. Been in business for at least one year;
3. Employ a combined total of 50 or fewer full-time equivalent employees in all locations, or employees work less than a combined total of 26,000 hours per quarter; and
4. Have gross revenues, as reported on appropriate tax forms, of \$15 million or less, based on a three-year average.

Non-profit firms also must be registered as a non-profit or charitable organization with the MA Attorney General's Office and be up to date with all filings required by that office and be tax exempt under Section 501(c) of the Internal Revenue Code.

**SBPP Compliance Requirements.** It is the responsibility of the applicant to ensure that their SBPP status is current at the time of grant application and throughout the life of any resulting grant. To learn more about the SBPP, including how to apply, visit the [SBPP Webpage](#).

**Program Resources and Assistance.** Applicants and grantees seeking assistance regarding SBPP may visit the SBPP webpage, <http://www.mass.gov/sbpp>, or contact the SBPP Help Desk at [sbpp@mass.gov](mailto:sbpp@mass.gov).

**Option 3: Include terms requiring grant recipients to establish partnerships with diverse businesses. Partnership options are not limited to subcontracting and may include general business operations. If these terms are included, the department must add awarded grantees to the SDO's Supplier Diversity Hub and collect spending reports from the grantees through the Hub during the term of the grant.**



## Supplier Diversity Program (SDP)

**Program Background.** Pursuant to [Executive Order 599](#), the Commonwealth's [Supplier Diversity Program](#) (SDP) promotes business-to-business relationships between awarded contractors and grantees and diverse businesses and non-profit organizations ("SDP Partners") certified or recognized (see below for more information) by the [Supplier Diversity Office \(SDO\)](#).

**Financial Commitment Requirements.** All grant applicants are required to make a significant financial commitment ("SDP Commitment") to partnering with one or more SDO-certified or recognized diverse business enterprise(s) or non-profit organization(s). This SDP Commitment must be expressed as a percentage of the grant amount that would be spent with the SDP Partner(s).

After grant award (if any), the Total SDP Commitment shall become a grant requirement to be met annually on a Massachusetts fiscal year basis (July 1 – June 30) for the duration of the grant. The minimum acceptable Total SDP Commitment for this grant opportunity shall be 1%. Applicants may be awarded additional evaluation points for higher SDP Commitments.

No grant shall be awarded to an applicant without an SDP Commitment that meets the requirements stated herein. This requirement extends to **all applicants** regardless of their own supplier diversity certification.

### Eligible SDP Partner Certification Categories

SDP Partners must be business enterprises and/or non-profit organizations certified or recognized by the SDO in one or more of the following certification categories:

- Minority-Owned Business Enterprise (MBE)
- Minority Non-Profit Organization (M/NPO)
- Women-Owned Business Enterprise (WBE)
- Women Non-Profit Organization (W/NPO)
- Veteran-Owned Business Enterprise (VBE)
- Veteran Non-Profit Organization (V/NPO)
- Service-Disabled Veteran-Owned Business Enterprise (SDVOBE)
- Disability-Owned Business Enterprise (DOBE)
- Lesbian, Gay, Bisexual, and Transgender Business Enterprise (LGBTBE)

**Eligible Types of Business-to-Business Relationships.** Applicants and grantees may engage SDP Partners as follows:

- **Subcontracting**, defined as a partnership in which the SDP partner is directly involved in the program or project covered by the grant.
- **Ancillary Products and Services**, defined as a business relationship in which the SDP partner provides products or services that are not directly related to the grant but may be related to the grantee's own operational needs.

Other types of business-to-business relationships are not acceptable for the purposes of this grant application.



**Program Flexibility.** The SDP encompasses the following provisions to support applicants in establishing and maintaining sustainable business-to-business relationships meeting their needs:

- SDP Partners are **not** required to be subcontractors.
- SDP Partners are **not** required to be Massachusetts-based businesses.
- SDP Partners **may be changed or added** during the term of the grant, provided the grantee continues to meet its SDP Commitment.

**SDP Plan Form Requirements.** All applicants must complete the SDP Plan Form included in this grant posting and attach it to their grant application. In addition to proposing an SDP Commitment, each applicant must propose one or more SDP Partner(s) to utilize to meet its SDP Commitment. Certified diverse applicants may not list their own companies/organization, or their subsidiaries or affiliates as SDP Partners, and may not meet their SDP Commitment by spending funds internally or with their own subsidiaries or affiliates.

**Applicants may propose SDP Partners that are:**

- **Certified or recognized by the SDO:** Such partners appear in the [SDO Directory of Certified Businesses](#) or in the [SBA Veterans Small Business Certification \(VetCert\)](#) directory. After grant award (if any), spending with such partners will contribute to meeting the grantee's SDP Commitment.
- **Certified by one of SDO's recognized third-party certification bodies but not yet listed in the SDO Directory of Certified Businesses:** Such partners must be certified in eligible categories by one of SDO's recognized third-party certification bodies, which include the [City of Boston](#), the [Greater New England Minority Supplier Development Council \(GNEMSDC\)](#), the [Center for Women & Enterprise \(CWE\)](#), [Disability: IN](#), [National LGBT Chamber of Commerce \(NGLCC\)](#), or the [National Veteran Owned Business Association \(NaVOBA\)](#), but have not yet opted to be listed in the SDO Directory of Certified Businesses. In order to opt into SDO's Directory of Certified Businesses, the SDP partner must follow the applicable expedited instructions on SDO's [Apply for Recognition as a Third-Party Certified Business](#) webpage. Self-certification is not acceptable. While Applicants may list such proposed SDP Partners on their SDP Plans, spending with such partners will not contribute to meeting the grantee's SDP Commitment unless they apply for and are granted SDO supplier diversity certification or recognition. If proposed SDP Partners do not receive SDO supplier diversity certification or recognition, the grantee must find alternative SDP Partners to meet the SDP Commitment.
- **Not yet certified or recognized by the SDO or one of SDO's recognized third-party certification bodies:** Such partners must be certified in eligible categories by other third-party certification bodies that are not yet recognized by the SDO, such as another city or state supplier diversity certification office, the [National Minority Supplier Development Council](#) <https://nmsdc.org/mbes/mbe-certification/>, or the [Women Business Enterprise National Council](#), but are not listed in the above-mentioned directories. Self-certification is not acceptable. While Applicants may list such proposed SDP Partners on their SDP Plans, spending with such partners will not contribute to meeting the grantee's SDP Commitment unless they apply for and are granted SDO supplier diversity certification or recognition. If proposed SDP Partners do not receive SDO supplier diversity certification or recognition, the grantee must find alternative SDP Partners to meet the SDP Commitment.



It is the responsibility of the grantee to ensure that their proposed SDP Partners obtain such certification or recognition by the SDO after grant award (if any). The issuing department and the SDO will not conduct outreach to proposed SDP Partners to ensure their certification. Furthermore, no guarantee may be made that a proposed SDP Partner will be certified, or regarding the time it may take to process a proposed SDP Partner certification. Grantees may direct partners to the SDO's homepage, [www.mass.gov/sdo](http://www.mass.gov/sdo) and the [Certification Self-Assessment Tool](#) for guidance on applying for certification.

**The two sections described below are optional. Applicants are encouraged to provide information in sections marked as “optional” and may receive additional points for doing so.**

It is **desirable** for applicants to provide information about their supplier diversity business practices. Specifically, listing contact information for the individual or unit responsible for establishing and maintaining supplier diversity relationships, and including a written policy for establishing and maintaining supplier diversity relationships.

It is also **desirable** for applicants to use the SDP Plan Form to describe additional initiatives related to engaging, buying from and/or collaborating with diverse businesses. Such initiatives may include but not be limited to:

- Serving as a mentor in a mentor-protégé relationship.
- Technical and financial assistance provided to diverse businesses.
- Participation in joint ventures between nondiverse and diverse businesses.
- Voluntary assistance programs by which nondiverse business employees are loaned to diverse businesses or by which diverse business employees are taken into viable business ventures to acquire training and experience in managing business affairs.

**SDP Spending Reports and Compliance.** After grant award, grantees must submit reports prior to the end of the fiscal year, June 30<sup>th</sup>, to demonstrate compliance with the agreed-upon SDP Commitment. To submit SDP spending reports using the Supplier Diversity Hub (Hub), grantees must create a profile in the Hub. Grantees must follow report submission instructions from the issuing department and the SDO.

Only spending with SDP Partners that appear in the [SDO Directory of Certified Businesses](#) or in [SBA Veterans Small Business Certification \(VetCert\)](#) directory shall be counted toward a grantee's compliance with their SDP Commitment. Spending with SDP Partners that do not appear in the directories above shall not be counted toward meeting a grantee's SDP Commitment.

It is the responsibility of the grantee to ensure they meet their SDP Commitment. The SDO and the issuing department assume no responsibility for any grantee's failure to meet its SDP Commitment.

**SDP Spending Verification.** The SDO and the issuing department reserve the right to contact SDP Partners at any time to request that they attest to the amounts reported to have been paid to them by the grantee.

**Program Resources and Assistance.** Grantees seeking assistance in the development of their SDP Plans or identification of potential SDP Partners may visit the SDP webpage, [www.mass.gov/sdp](http://www.mass.gov/sdp), or contact the SDP Help Desk at [sdp@mass.gov](mailto:sdp@mass.gov).