Supplier Diversity Language for Grant Applications

In accordance with the Office of the Comptroller 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. Municipalities are excluded from this policy and therefore exempt from the SDP/SBPP portion of the evaluation.

For additional information, please see below and the SDO's Program Resources for Departments webpage, or contact the SDO at webmaster.sdo@mass.gov.

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 preferences 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:

- Agency will make a preference for applicants that receive SBPP certification. Agency will direct grant applicants who are currently not an SBPP participant, to apply for the SDO's Small Business Purchasing Program (SBPP).
- Agency will require grantees to establish partnerships with diverse businesses. Applicants must complete an SDP plan form and the department must add awarded grantees to the SDO's Supplier Diversity Hub for reporting purposes.

It is at the department's discretion to include the grant amount in its supplier diversity spending benchmarks. **This could be advantageous as it could increase the spend amount towards your agency benchmarks.** To request for a grant to be included, departments should **contact Katherine Thomas at katherine.l.thomas@mass.gov for guidance prior to posting.**

Please also see additional resources for including small and/or diverse terms in grants on the SDO's Program Resources for Departments webpage, including:

- 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 copy the language provided under each respective grey box, and paste this language in their grant application document:

Option 1: Agency will make a preference for applicants that receive SBPP certification.

Small Business Purchasing Program (SBPP)

Program Background. 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.

SBPP Award Preference. 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. Grant applicants are encouraged to apply to be certified as a Massachusetts-based small business through the SBPP.

SBPP Application Process. 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. **Even if applicants are currently not SBPP participants, they can apply and become qualified prior to submitting their grant application.**

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. Have 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 annual 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 Massachusetts 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. or contact the SBPP Help Desk at sbpp@mass.gov

Option 2: Agencies will require grantees to establish partnerships with diverse businesses.

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 grantees and diverse businesses and non-profit organizations ("SDP Partners") certified or recognized by the Supplier Diversity Office (SDO).

Financial Commitment Requirements. All Bidders responding to this grant are required to make a significant financial commitment ("SDP Commitment") to partner with one or more SDO-certified or recognized diverse business(es) or non-profit organization(s). This SDP Commitment must be expressed as a percentage of contract sales resulting from this solicitation that will be spent with the SDP Partner(s). The minimum acceptable SDP Commitment is 1%. Bidders will be awarded additional evaluation points for higher SDP Commitments.

After the contract award (if any), the Total SDP Commitment shall become a contractual requirement to be met annually on a Massachusetts fiscal year basis (July 1 – June 30) for the duration of the grant.

No grant shall be awarded to a Bidder without an SDP Commitment that meets the requirements stated herein. This requirement extends to **all** Bidders regardless of their own supplier diversity certification. (Municipalities are exempt).

It is the responsibility of the Grantee to ensure they meet their SDP Commitment, and the SDO assumes no responsibility for any Grantee's failure to meet its SDP Commitment.

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. Grantees may engage SDP Partners as follows:

- **Subcontracting:** Defined as a partnership in which the SDP partner is involved in the provision of products and/or services to the Commonwealth. Such relationships typically, but not always, involve a formal written agreement between the SDP partner and the grantee.

- **Ancillary Products and Services**. In most cases, this type of partnership is related to the grantee's general business or operational needs and not directly related to the contract with the Commonwealth. Office supplies, business cards, and promotional items are common examples. Both recurring and one-time expenses qualify.

Other types of business-to-business relationships are not acceptable under this contract. If subcontracting is

proposed, it must meet all the subcontracting provisions (if any) listed in this RFR.

Program Flexibility

- 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 contract, provided the grantee continues to meet its SDP Commitment.

SDP Plan Form Requirements. All Bidders must complete the SDP Plan Form included in this solicitation and attach it to their bid response (municipalities excluded) In addition to proposing an SDP Commitment, each Bidder must propose one or more SDP Partner(s) to utilize to meet its SDP Commitment. An SDP Partner is always another business; it may not be your own company, an affiliate, or a subsidiary. Likewise, grantees certified by the SDO or another recognized certification organization may not list their own organization (or their own subsidiary or affiliate) as an SDP partner and may not meet their SDP Commitment by spending funds internally or with their own subsidiaries or affiliates.

Bidders 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 Small Business Search directory. Note: when using the SBA directory, the only SBA certifications recognized by the SDO are Veteran Owned Small Business (VOSBs) and Service-Disabled Veteran Owned Small Business (SDVOSBs).

- **Not yet certified or recognized by the SDO.** While SDP Partners that are not certified or recognized by the SDO may be listed on the SDP Form, it is the responsibility of the grantee to ensure that their proposed SDP Partners obtain such certification or recognition by the SDO. There is no guarantee that a proposed SDP Partner will be certified. While grantees 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 prior to the end of the fiscal year. 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 **desirable** for Bidders to provide a description of supplier diversity businesses 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 Bidders to use the SDP Plan Form to describe additional initiatives related to engaging and/or collaborating with diverse businesses. Such initiatives may include but not be limited to:

- Providing a mentor in a mentor-protégé relationship where employees offer diverse businesses training and/or guidance in managing their business affairs
- Providing technical and financial assistance to diverse businesses
- Voluntary assistance programs, where employees are loaned to diverse businesses to help with operations

Workforce diversity initiatives **will not** be considered in the evaluation.

Evaluation of SDP Forms. To encourage Bidders to develop substantial supplier diversity initiatives and commitments as measures valuable to the Commonwealth, at least 25% of the total available evaluation points for this bid solicitation shall be allocated to the evaluation of the SDP Plan Form.

SDP Spending Reports and Compliance. After contract award, grantees must submit reports at least quarterly to demonstrate compliance with the agreed-upon SDP Commitment. 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 Small Business Search (VOSB or SDVOSB only) directory shall be counted toward a Grantee's compliance with their SDP Commitment. Spending with SDP Partners that do not appear in these directories shall not be counted toward meeting a Grantee's SDP Commitment.

SDP Spending Verification. The SDO and the contracting department reserve the right to contact the 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 should visit the SDP webpage, www.mass.gov/sdp, or contact the SDP Help Desk at sdp@mass.gov.