

# EQUITY IN CITY CONTRACTS

FY24 City of Boston Supplier Diversity Update







#### **Equity in City Contracts:**

#### **FY24 City of Boston**

#### **Supplier Diversity Update**

#### Prepared for

The People of the City of Boston

#### Published on 10/28/2024

#### Prepared by

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#### **Dear Boston Residents**,

Since the days of the late Councilor Bruce C. Bolling - the first African American to be elected as president of the Boston City Council and a champion of supplier diversity - the City has engaged in myriad efforts to address long-standing gaps in access to its contracts. As early as 1987 and in subsequent ordinances, the City has attempted to advance its "economic development philosophy to maximize economic opportunity for all citizens of Boston and every segment of the business community..." by awarding contracts to socially and economically disadvantaged and historically underrepresented groups.

Mayor Michelle Wu recognizes that the City has a responsibility to improve the lives of its residents by promoting economic opportunity, ensuring that our residents can build generational wealth, and that our neighborhoods can thrive. A <u>2020 Disparity Study</u>, a rigorous qualitative and quantitative analysis of City contracts awarded between 2014-2019, found that the City had fallen short of this responsibility.

Since Mayor Michelle Wu took office in November 2021, the Administration has launched multiple efforts meant to help the City meet its supplier diversity goals. Four important policy steps were taken in 2021 and 2022 to streamline procurement processes for City officials and vendors: (1) the adoption of the Sheltered Market Program pursuant to G.L. ch. 30B § 18, (2) requiring the use of certified businesses as subcontractors on select construction and professional services contracts, (3) the passage of the Inclusive Quote Contract legislation by the Massachusetts State Legislature, and (4) the addition of Economic Opportunity and Inclusion to the Chief Procurement Officer Delegation process. Progress towards implementing these initiatives is discussed in more detail throughout this report.

Mayor Wu has set a vision of a Boston that is resilient, equitable, and sustainable and creates opportunities to build generational wealth. That is why she has charged the Department of Supplier Diversity (DSD) in the Economic Opportunity and Inclusion (EOI) Cabinet and the Procurement Department in the Finance Cabinet to advance the City's supplier diversity goals by both supporting local, small, diverse firms, and creating policy and programs that support a more equitable, transparent, and data-driven procurement system.

This report is an effort to provide transparency and visibility into the City's progress in meeting its supplier diversity goals. The following sections review the latest City spending and award figures in Fiscal Year 2024 and detail new programs, tools, and efforts to reach said goals.

Sincerely,

Segun Idowu

Chief of Economic Opportunity & Inclusion

Ashley Groffenberger Chief Financial Officer

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## INTRODUCTION

The Equitable Procurement Initiative is a collaboration between the Department of Supplier Diversity (DSD) and the Finance Cabinet to advance the City of Boston's supplier diversity goals by both supporting local, small, diverse businesses, and creating policies and programs that support a more equitable, transparent, and data-driven procurement system.

DSD was established in 2021 and charged with creating fair and equitable access to City contracting opportunities for small, local, disadvantaged businesses, specifically minority- and women-owned businesses, who were found to be substantially underrepresented in City contract awards and spending. DSD works in partnership with the Procurement and Auditing Departments, which are responsible for managing the public bidding and payment processes for the goods and services that the City needs to best serve its residents. These teams are supported in their collaborative work by the Office of Finance, the Department of Innovation and Technology (DoIT), and the Equity and Inclusion Cabinet.

### **EXECUTIVE SUMMARY**

This annual report provides insight into how supplier diversity programs, tools, and initiatives have supported certified minority- and women-owned businesses and have led to increased City contracting opportunities. For the first time, this annual report will be accompanied by the **Equity in City Contracting Dashboard**. The dashboard reports on the information included in this report while allowing users to search, filter, and drill down to contract award and spending transactions at a higher level of granularity. The publication of this dashboard demonstrates the City's continued commitment to transparent and regular reporting on its efforts to create equitable pathways to public contracts.

#### I. KEY RESULTS

For Fiscal Year (FY) 2024 (July 1, 2023 to June 30, 2024), the City of Boston broadly achieved the following results:

• **Diverse companies got contracts that were worth more:** The City of Boston awarded a total of \$1.8 billion in contracts that began in FY24, of which \$224.7 million, or 12%, was awarded to certified minority- and women-owned

<sup>&</sup>lt;sup>1</sup> The Small Business Administration (SBA) defines a "Disadvantaged Business" as a small business that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged.

businesses (MBEs, MWBEs, and WBEs), representing a 40% increase in contract award value.

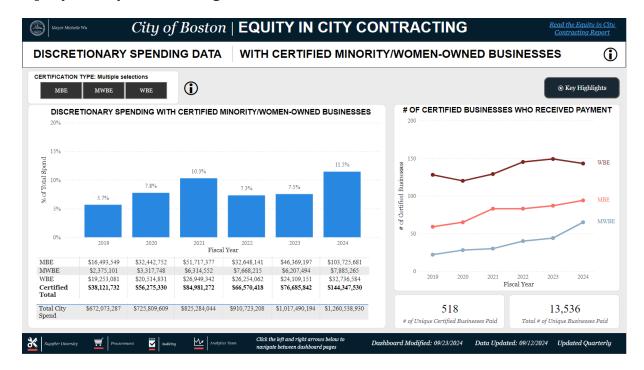
- The City spent more with Certified Businesses: Contract spending with certified minority-and women-owned businesses (MBEs, MWBEs, and WBEs) in FY24 totaled \$144.3 million, or 11% of all City of Boston discretionary spending, representing an 88% increase in discretionary spending with certified businesses.
- The City ramped up utilization of Inclusive Quote Contracts (IQC): Initiated by Mayor Wu's home rule petition in 2022, the IQC procurement method now allows City officials to use the written quote process to procure higher values of supplies and services up to \$250,000 when purchasing from certified small, local, disadvantaged businesses. The City has awarded 26 total IQC's, 19 of which were awarded in FY24.
- **FY24** saw a measurable increase in the number of Certified Businesses: DSD certified 209 new businesses, an increase from 157 new certifications in 2023. DSD increased the total number of City-certified businesses in the directory to 916<sup>2</sup>, a 13.4% increase from the previous fiscal year.
- The City launched capacity-building support for Certified Businesses: In late 2023, the Department of Supplier Diversity launched the Supplying Capital and Leveraging Education (SCALE) program. SCALE is a technical assistance program designed for small to medium sized businesses in specific industries. Grant funding is expected to be dispersed through the program in FY25.

The Department of Supplier Diversity and the Procurement Department continue to support the Citywide adoption of supplier diversity programs detailed in this report. The development of new programs and tools such as the Equity in City Contracts public dashboard and more frequent data reporting encourages transparency in city contracting and the participation of socially and economically disadvantaged and historically underrepresented groups or underserved markets.

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<sup>&</sup>lt;sup>2</sup> This represents the number of certified businesses at the time FY24 update was published. The actual number fluctuates frequently depending on new certifications, expirations, and renewals. The most current number can be found on the live <u>Certified Business Directory dashboard</u>.

#### **Equity in City Contracting Dashboard**



## SUPPLIER DIVERSITY CERTIFICATION

The City's Department of Supplier Diversity is responsible for issuing the certifications to businesses that apply for this designation. Figures 1-1 to 1-3 define the different types of certification a business could be considered for.

Figure 1-1. Ownership-based certification types

Certification Type	Criteria		
Minority Business Enterprise (MBE)	51% or more is owned by a person of color		
Woman Business Enterprise (WBE)	51% or more is owned by a woman		
Minority and Woman Business Enterprise (MWBE)	51% or more is owned by a woman of color		

**Note**: Throughout the report, this group of certifications are referred collectively as Minority- and- Women-Owned Businesses or by the shorthand M/WBE.

Figure 1-2.
Size- and location-based certification types

Certification Type	Criteria
Small Business Enterprise (SBE)	The Small Business Administration (SBA) assigns a size standard to each NAICS code (type of economic activity). Most companies with 500 employees or fewer and with average annual receipts under \$7.5 million qualify as a small business.
Small Local Business Enterprise (SLBE)	An SBE that is located in Boston.

Figure 2-3.
Other certification types

Certification Type	Criteria
Veteran-Owned Small Business Enterprise (VOSB)	A small business owned by a veteran of the American armed forces.
Service Disabled Veteran Owned Business Enterprise (SDVOBE)	A small business owned by a veteran with a disability incurred or aggravated in line of duty in the active military, naval, or air service.

The 2020 Disparity Study found that Minority- and Women-owned Businesses (M/WBEs) were underrepresented in the City of Boston's contract awards and spending relative to their availability. Because these two groups were found to be underutilized, we monitor and focus our reporting on contracts awarded to and spending with M/WBE businesses as a means of assessing our progress towards equity in procurement.

## **PROCUREMENT CONTRACTS**

A key lever that the City controls to advance the goal of shared economic progress is its spending power through its contracts. These contracts are an important tool for building the capacity, reputation, and experience of local, small businesses. Awarding a greater share of contracts to Boston's small businesses can support their financial growth and ability to grow large enough to hire more residents, pay

family-sustaining wages, provide meaningful benefits, and stabilize our neighborhoods.

To award these procurement opportunities to businesses and other suppliers, the City solicits and issues contracts in accordance with Massachusetts Public Procurement Laws.<sup>3</sup> Depending on the applicable laws governing the procurement, City departments use distinct solicitation (quotes, bids, or proposals) and award methods to establish a procurement contract. Procurement contracts are agreement(s) between the City of Boston and a supplier to acquire supplies or services of over \$10,000. For reporting purposes, the City internally categorizes procurement contracts based on the method used, which can follow a competitive or limited competition procurement processes. Figure 2-1 includes the definitions for both contract types.

Figure 2-1.
Procurement Contract Category Definitions

Procurement Contract Category	Definition
Competitive Procurement Contract	A City contract is awarded after a <b>competitive evaluation of quotes, bids, or proposals.</b> The City can either publicly invite suppliers or selectively invite several suppliers to submit a response.
Limited Competition Procurement Contract	A City contract for an item or service that is not subject to all of the requirements outlined in Mass Public Procurement laws. This includes exempt, sole source, and emergency procurements.

Contracts that follow competitive processes are designed to help the City obtain the highest value based on price and/or quality. Figure 2-2 notes that the vast majority of procurement contracts from FY19 to FY24 follow a competitive process, with 84% of the City's contracts falling in this category.

Massachusetts Public Procurement laws outline and establish clear use cases and exemptions for when municipalities can utilize procurement methods that are not subject to all of the same requirements as competitive procurements. In these circumstances, the City uses sole source, emergency, or exempt procurements to

 $<sup>^3</sup>$  Public Procurement in Massachusetts is subject to various statutes, including MGL Ch. 30B, Ch. 149, Ch. 30§39M, and Ch. 7C.

enter into contracts where vendor availability and competition is limited. From FY19 to FY24, 16% of the City's contracts fell within the limited competition category.

Figure 2-2.

Procurement Contract Award Counts From FY19 - FY24 by Category Type

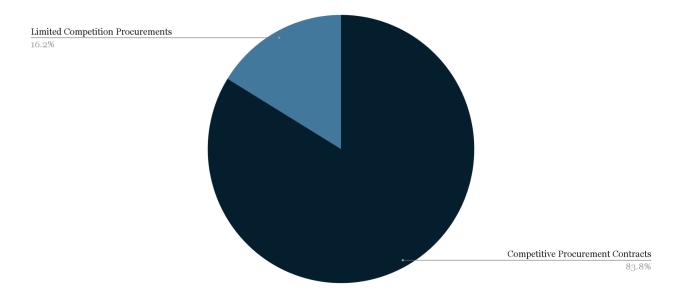
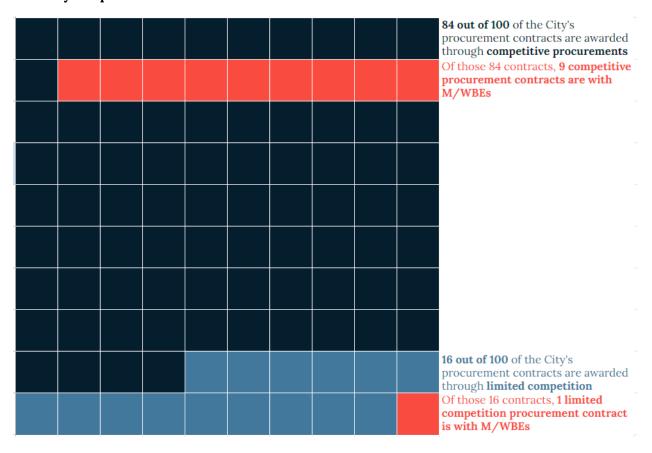


Figure 2-3 further elaborates on the count of contracts awarded based on procurement category type, showing the relative amount of contracts awarded to M/WBEs by procurement method. It demonstrates that the vast majority of City contracts to M/WBEs occur through competitive procurements.

Figure 2-3.
Procurement Contract Relative Count From FY19 - FY24

For every 100 procurement contracts...



1 square = 1 contract out of 100

## OVERVIEW OF CONTRACT AWARDS AND SPEND DATA

In this section, we will review the data related to all procurement contract awards (competitive and limited) and discretionary spending with certified minority- and women-owned businesses (M/WBEs) as compared to awards and spending with non-certified businesses.<sup>4</sup> Contract awards are the total dollar value of a contract that a given supplier has been selected for (awarded). The supplier can be paid up to that amount over the life of the contract, so award value can be an early indicator of future spending. The spend data looks at the total payments made to a supplier for contracted work.

Three important notes about this data are that:

- 1. These numbers do not reflect the total amount of contracts awarded to <u>all</u> minority- and women-owned businesses, as many businesses may have been awarded a contract with the City but are not yet certified; and
- 2. Subcontracts<sup>5</sup> may also contribute to total awards and spending with certified businesses; however, the data disclosed in this report only capture awards and spending through the City's prime contracts.
- 3. At this time, **the report does not contain detailed information on race/ethnicity**, i.e. if a business is black-owned. The City looks forward to adding this information to future reports.

<sup>&</sup>lt;sup>4</sup> The certified businesses this report tracks are in the categories of Minority Business Enterprise (MBE), Minority- and Woman-owned Business Enterprise (MWBE), and Woman Business Enterprise (WBE).

<sup>&</sup>lt;sup>5</sup> Subcontracts are formed when a prime contractor, who has been awarded a contract by the City, hires a business to complete a portion of the work required by that contract. Indirect spending with diverse businesses occurs when the prime contractor hires a certified business (MBE, MWBE, or WBE) to perform work on a City-awarded contract.

## I. CONTRACT AWARD VALUES WITH CERTIFIED MINORITY- AND WOMEN-OWNED BUSINESSES

In FY24, procurement contracts awarded to certified minority— and women-owned businesses (M/WBEs) totaled \$224.7 million dollars or twelve (12) percent of all contracts awarded in this time period. As noted in Figure 3-1, this represents a forty (40) percent increase in award values compared to FY23, which saw contract award values of \$160 million dollars.

\$224.7M in Procurement
Contracts in FY24 went to
Certified Minority- and
Women-Owned Businesses, a
40% Increase Over FY23

Figure 3-1.
Award Value And Contracts Across M/WBE (MBEs, MWBEs, & WBEs) Certification Types.

Fiscal Year	Certified Contract Award Value	Percentage Of All Award Value	Number Of Certified Contracts	Percentage Of Number Of All Contracts
2019	\$106.9 million	10%	154	9%
2020	\$70 million	6%	135	9%
2021	\$90.2 million	9%	148	10%
2022	\$84.1 million	7%	154	9%
2023	\$160 million	15%	189	10%
2024	\$224.7 million	12%	228	12%

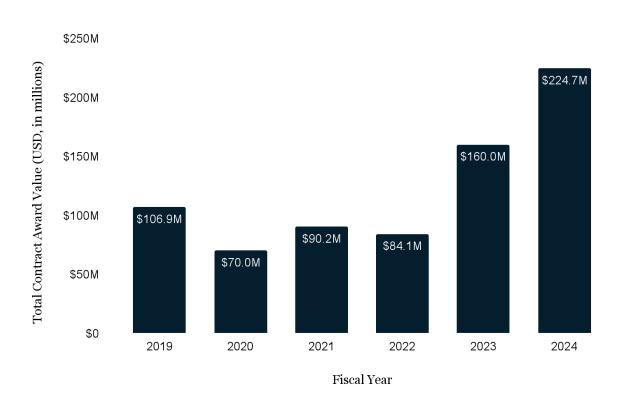
It is important to note that the City awarded large multi-year contracts, such as transportation services for Boston Public Schools, in FY24, decreasing the share of overall award to certified minority- and women-owned businesses (M/WBEs). However, as noted in Figure 3-1 and Figure 3-2, the total contract award value increased from \$160M in FY23 to \$224M in FY24.

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<sup>&</sup>lt;sup>6</sup> Percentages in this figure rounded to the nearest whole number.

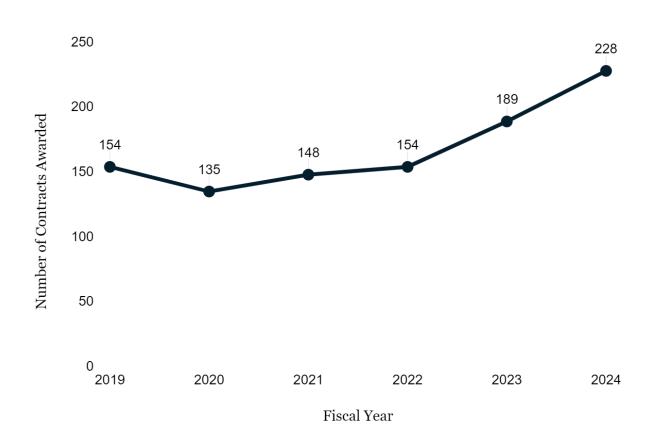
Figure 3-2 represents the award value for procurement contracts awarded to certified M/WBEs from FY19 to FY24. As stated in an earlier section of this report, award values represent the total dollar value of a contract that a given business is awarded. That means that the business could be paid up to that amount over the life of the contract.

Figure 3-2.
Dollar Value of Contract Awards Across M/WBE (MBEs, MWBEs, & WBEs)
Certification Types



This increase in the value of awards to certified businesses is associated with both the increased number of contracts awarded to certified M/WBEs in this time period, as well as to their greater award value. Figure 3-3 shows that the number of awards to these businesses totaled 228, compared to 154 and 189 in the 2022 and 2023 fiscal years, respectively.

Figure 3-3.
Number Of Contracts Awarded Across M/WBE (MBEs, MWBEs, & WBEs)
Certification Types



## II. DISCRETIONARY SPEND WITH CERTIFIED MINORITY- AND WOMEN-OWNED BUSINESSES

In FY24, the City paid certified minority- and women-owned businesses (M/WBEs) a total of \$144 million dollars or 11% of its overall spending. This represents an 88 percent increase compared to FY23. These payments were for contracted work awarded via contracts in FY24 or previous fiscal years. Figure 3-4 shows the total dollar value of discretionary spending with certified M/WBEs as compared to the share of overall discretionary spending those values represent, also expressed as a percent.

\$144M or 11% of the City's Overall Spending went to Certified Minorityand Women-Owned Businesses, an 88% increase compared to FY23.

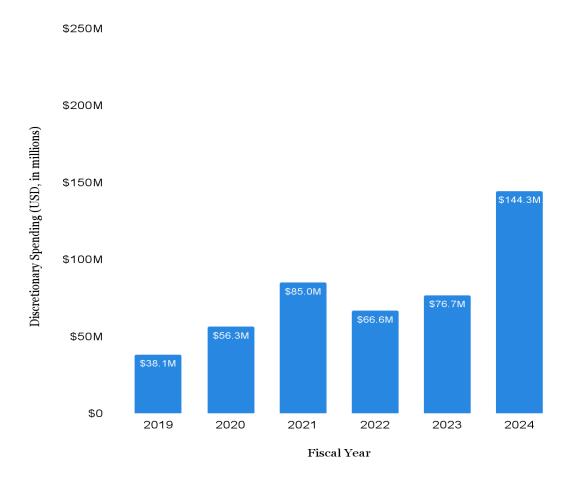
Figure 3-4.
Discretionary Spending Across M/WBE (MBEs, MWBEs, & WBEs) Certification Types

Fiscal Year	Discretionary Spend With MBEs, MWBEs, & WBEs	Total Discretionary Spending	Percentage Of Discretionary Spend With MBEs, MWBEs, & WBEs <sup>7</sup>
2019	\$38.1 million	\$672.1 million	6%
2020	\$56.3 million	\$725.8 million	8%
2021	\$85 million	\$825.3 million	10%
2022	\$66.6 million	\$910.7 million	7%
2023	\$76.7 million	\$1.017 billion	8%
2024	\$144.3 million	\$1.26 billion	11%

<sup>&</sup>lt;sup>7</sup> Percentages rounded to the nearest whole number.

Below, Figure 3-5 represents the dollar value of what the City paid to certified M/WBEs for FY19 through FY24 via contracts that were awarded in that or previous fiscal years.

Figure 3-5.
Discretionary Spending With Certified M/WBEs (MBE, MWBEs, & WBEs)

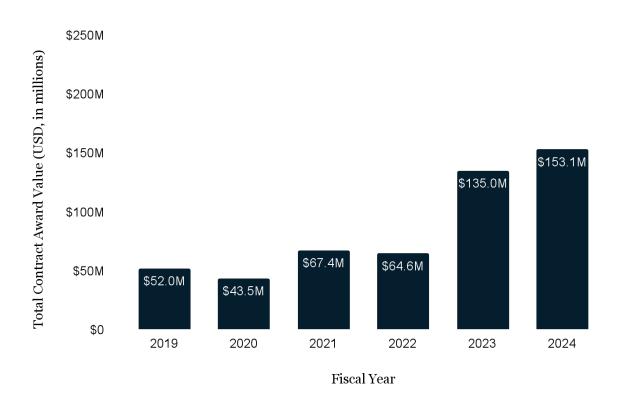


## III. CONTRACT AWARD VALUES WITH ONLY CERTIFIED MINORITY-OWNED BUSINESSES

The most significant change continues to be in contract awards to certified minority-owned businesses (MBEs and MWBEs). As shown in Figure 3-6 below, contract award values totaled more than \$150 million dollars for FY24, or eight (8) percent of all contracts award value in this time period.

Figure 3-6.

Dollar Value of Contract Awards with Certified Minority Businesses (MBE, MWBE)



High dollar value contracts awarded to certified businesses like J&J Contractors (Public Facilities, \$60 million dollar contract) and City Fresh (Boston Public Schools, \$15 million dollar contract) account, in part, for the maintained value of awards and continued increase to certified minority-owned businesses in FY24.

Figure 3-7 below shows awards to certified minority-owned businesses by fiscal year, expressed as both a dollar value and as a share of the total value of all awards to all businesses. Likewise, the figure shows the number of individual contracts awarded to certified minority-owned businesses as well as the share of all contracts

that value represents. As noted earlier in the report, large multi-year contracts, such as transportation services for Boston Public Schools, were awarded in FY24. This decreased the overall award to certified minority-owned businesses (MBE, MWBE). However, as noted in Figure 3-7, the total contract award value increased from \$135M in FY23 to \$153M in FY24.

Figure 3-7.
Award Value And Amount Of Contracts Awarded To Certified Minority-Owned Businesses (MBE, MWBE)

Fiscal Year	Certified Contract Award Value	Percentage Of All Award Value <sup>8</sup>	Number Of Certified Contracts	Percentage Of Number Of All Contracts
2019	\$52 million	5%	73	4%
2020	\$43.5 million	4%	61	4%
2021	\$67.4 million	7%	78	5%
2022	\$64.6 million	5%	70	4%
2023	\$135 million	13%	96	5%
2024	\$153.1 million	8%	116	6%

<sup>&</sup>lt;sup>8</sup> Percentages in this figure rounded to the nearest whole number

## IV. DISCRETIONARY SPEND WITH ONLY CERTIFIED MINORITYOWNED BUSINESSES

Figure 3-8 shows spending with certified minority-owned businesses by fiscal year, expressed as both a dollar value and as a share of the total value of all spending with all businesses. Not all spending associated with those contracts mentioned above is reflected in discretionary spending as many will be paid out over the course of several years.

Figure 3-8.
Discretionary Spending With Certified Minority-Owned Businesses (MBE, MWBE)

Spending with
Certified
Minority-Owned
Businesses reached
\$100M for the first
time, more than
doubling from FY23.

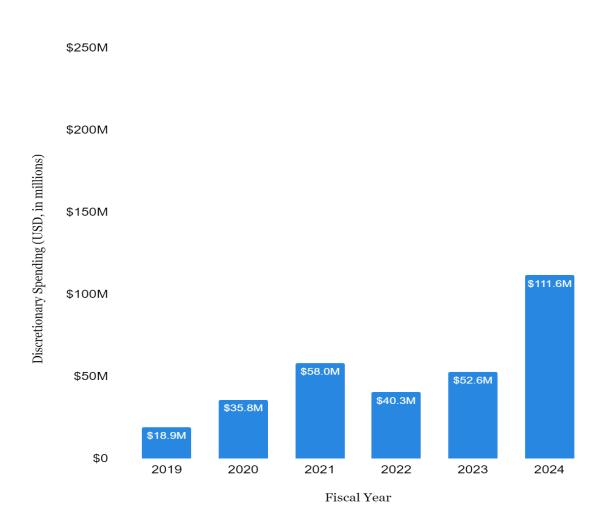
Fiscal Year	Discretionary Spending With MBEs & MWBEs	Total Discretionary Spend	% Of Discretionary Spending With MBEs & MWBEs <sup>9</sup>
2019	\$18.9 million	\$672.1 million	3%
2020	\$35.8 million	\$725.8 million	5%
2021	\$58 million	\$825.3 million	7%
2022	\$40.3 million	\$910.7 million	4%
2023	\$52.6 million	\$1.017 billion	5%
2024	\$111.6 million	\$1.260 billion	9%

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<sup>&</sup>lt;sup>9</sup> Percentages rounded to the nearest whole number.

Figure 3-9 visualizes the total discretionary spending with certified minority-owned businesses. It emphasizes that discretionary spending to these businesses more than doubled from FY23 and went over \$100 million for the first time.

Figure 3-9.
Discretionary Spending With Certified Minority-Owned Businesses (MBE, MWBE)



## SUPPLIER DIVERSITY PROGRAM UPDATE

This section will detail the methods City agencies use to engage small, local and diverse businesses in order to help build the pipeline of qualified bidders.

#### I. BUSINESS CERTIFICATION AND PARTNERSHIPS

In FY24, 916<sup>10</sup> unique businesses were certified with the City of Boston. This represents an 13.4 percent increase over the previous fiscal year with DSD certifying 209 new businesses in FY24. Figures 4-1 and 4-2 reflect the total number of certified businesses broken down by category as well as new businesses that were certified in FY23. It is important to note that when added, the number of active certifications in a given fiscal year in each certification category above (i.e. MBE, MWBE, WBE, SBE, SLBE, VBE) may not be equivalent to the count of total certifications for that fiscal year. This is because businesses may apply for multiple types of certification across both ownership and size/location based categories. For example, a business can be both an MBE and an SBE. The total certifications and new certifications for SBE and SLBE counts businesses only certified as either SBE or SLBE, it does not count businesses that are cross-certified.

Figure 4-1. Total certifications by fiscal year and type

Fiscal Year	МВЕ	MWBE	WBE	SBE	SLBE	VBE	Total
2021	155	76	157	9	15	10	412
2022	230	145	191	11	22	14	599
2023	325	230	219	9	25	16	808
2024	351	264	242	14	29	16	916

 $<sup>^{10}</sup>$  This number fluctuates daily. Please refer to the Certified Business Directory dashboard for live updates.

Figure 4-2. New certifications by fiscal year and type<sup>11</sup>

Fiscal Year	МВЕ	MWBE	WBE	SBE	SLBE	VBE	Total
2021	32	26	40	1	2	0	101
2022	75	69	34	2	7	4	187
2023	69	64	17	2	4	3	157
2024	79	60	54	5	8	0	209

The Department of Supplier Diversity (DSD) has sought and entered into partnerships with other certification organizations in the Commonwealth in order to increase the number of businesses directly certified by the City. In 2019, DSD entered into an agreement with the Commonwealth's Supplier Diversity Office (SDO) that allows for the cross-certification of businesses – or the recognition by either office of those businesses certified by the other.<sup>12</sup> In addition to the DSD and SDO agreement, in 2024 the DSD entered into an agreement with the City of Cambridge's Community Development Department (CDD) that allows for all Cambridge-based businesses to become certified diverse businesses through DSD. With this agreement, the DSD and CDD will work together to support and assist diverse Cambridge-based businesses and increase the number of certified businesses in the Greater Boston area. The DSD also partnered with the Center for Women and Enterprise (CWE) to help businesses already certified with CWE as Women-owned businesses (WBEs) get certified with the City in a more streamlined manner. The City's partnership with other certification agencies will increase the total number of certified businesses in the Greater Boston Area and help businesses access and participate in even more contract opportunities.

#### II. POLICY DEVELOPMENT AND IMPLEMENTATION

Much of the progress made by the City is the result of the work conducted by DSD and the Procurement Department in collaboration with other City departments. That work is outlined below.

#### SHELTERED MARKET PROGRAM

The City of Boston's Sheltered Market Program (SMP) - made possible by Section 18

<sup>&</sup>lt;sup>11</sup> These values reflect new businesses that became certified for the first time. They do not include newly re-certified businesses that elected to renew certification before expiration.

<sup>&</sup>lt;sup>12</sup> The agreement between DSD and SDO only applies to businesses certified as MBEs or WBEs.

of Massachusetts General Laws Chapter 30B, which permits the establishment of such a program – was piloted in December 2021 and adopted as a permanent program in August 2022. This program allows cities and towns in the Commonwealth, through their Chief Financial Officer or Chief Procurement Officer, to designate specific contracts or types of contracts as open to bids from only disadvantaged vendors. Contracts designated in the SMP continue to follow the competitive bid process. That means businesses must submit a proposal that will be evaluated against all other proposals according to specific criteria. But, in this case, only certain minority– and women–owned businesses are eligible to submit a bid. <sup>13</sup>

Since 2022, the City of Boston has designated seven (7) contracts under its fully authorized Sheltered Market Program. Figure 4-3 shows the contracts along with the awarded business, contract value, and contract description below.

Figure 4-3.
Contracts awarded through the Sheltered Market Program

Description	Contract Identifier	Industry	Awarded Business	Business Type	Contract Award Value
Comprehensive cleaning services	55882	Support Services	Arimann Building Services	MBE	\$474,550
Downtown Events and Coordination	55799	Professional Services	RoseMark Production	MWBE	\$375,000
Snow removal for City owned	57445	Support Services	A&M Home Services	MBE	\$187,00014
stairs and footpaths (FY23)	57448	Support Services	NS Contracting Co.	MBE	\$276,00015

<sup>&</sup>lt;sup>13</sup> The <u>2020 Disparity Study</u> broke down minority participation in City contracts across various categories by race and ethnicity. Because this study serves as the basis for the SMP, it allows for SMP contract participation to be narrowed down to specific racial or ethnic groups based on the industry category. For example, in the Professional Services industry category, only Black-owned businesses were found to be underutilized. Therefore, only Black-owned businesses would be considered eligible to bid on a Professional Services contract designated under the SMP.

<sup>&</sup>lt;sup>14</sup> Previously reported in FY23 report using estimated spending of \$30,800

<sup>&</sup>lt;sup>15</sup> Previously reported in FY23 report using estimated spending of \$55,200

Figure 4-3.
Contracts awarded through the Sheltered Market Program

Description	Contract Identifier	Industry	Awarded Business	Business Type	Contract Award Value
Snow removal for City owned stairs and footpaths (FY24)	60883	Support Services	A&M Home Services	MBE	\$173,980
	60884	Support Services	Mass Trucking Services	MBE	\$50,000
Melnea Cass/Mass Ave Snow Removal	62505	Support Services	Arielle Enterprise	MWBE	\$68,200
Total value:	\$1,604,730				

#### **INCLUSIVE QUOTE CONTRACTS**

In 2022, Mayor Wu filed a home rule petition via the City Council entitled "A Petition for a Special Law Re: An Act Relative to 30B," which in turn was sent to the Massachusetts State Legislature after unanimous passage by Council members. The bill was later approved by the Legislature in July 2022.

The new Inclusive Quote Contract law raised the written quote contract threshold for purchases made by the City of Boston from \$50,000 to \$250,000 (the Massachusetts Small Purchase threshold) when those contracts are with certified disadvantaged businesses. With this new law in place, a City department can reach

out to at least three certified disadvantaged businesses for written quotes on contracts valued up to \$250,000.

Compared to procurements through Requests for Proposals or Invitation for Bids processes, the requests for written quote(s) contract process is significantly simpler and more cost-effective for both small, local businesses and City departments. It allows disadvantaged businesses to avoid the high overhead of staff

The City has awarded
26 Inclusive Quote
Contracts to certified
businesses. 19 of these
contracts were
awarded in FY24.

time and legal services required for the preparation of more formal competitive bids; simultaneously, it also allows for City staff to use a simplified process to procure higher values of supplies and services if purchased from small, local, disadvantaged businesses.

Since June 1, 2023, the City has awarded **26 Inclusive Quote Contracts (IQCs), 19 of which were awarded in FY24**. The DSD continues to work with City departments to identify and award more IQC contracts following FY24. Figure 4-4 shows the FY24 contracts along with the awarded business, contract value, and contract description below.

Figure 4-4.
Contracts awarded through the Inclusive Quote Contract process since 2023

Description	Contract Identifier	Industry	Awarded Business	Business Type	Contract Award Value
Boston Main Streets Equity Study	59473	Professional Services	Tessi Media LLC	MWBE, SBE	\$150,62516
Boston Transportation Department Clothing	60063	Goods and Supplies	Prime Time Sports, Incorporated	WBE	\$43,470
Consulting Services	60125	Professional Services	JM Goldson LLC	WBE	\$67,600
Small Biz Business Strategy Tech. Assistance	60416	Professional Services	Revby LLC	MBE, SLBE	\$117,00017
Small Biz Marketing Tech. Assistance	60418	Professional Services	Depict Brands, Inc	MWBE	\$108,000
Small Bus Food Industry Tech. Assistance	60455	Professional Services	Prepshift, Inc.	MWBE, SLBE	\$215,000
Small Bus Legal Tech. Assistance	60457	Professional Services	Daily General Counsel, PLLC	WBE	\$183,954
BERDO Comm. Materials	60887	Professional Services	Opus Design	WBE	\$93,750
BERDO Reporting and Verification	60944	Professional Services	VvS Architects & Consultants	WBE	\$75,000
MOH Printing and Mailing Services	61136	Professional Services	B.B.C.G. LLC d/b/a	MBE	\$100,000

 $<sup>^{16}</sup>$  Previously reported in FY23 report using the original award value of \$120,500

FY24 City of Boston Supplier Diversity Update

<sup>&</sup>lt;sup>17</sup> Previously reported in FY23 report using the original award value of \$93,600

Description	Contract Identifier	Industry	Awarded Business	Business Type	Contract Award Value
Yoga Instruction	61370	Professional Services	Caitlin Yoga Therapy	WBE	\$47,500
Snow Removal	61378	Professional Services	Casablanca Services Inc.		\$229,500
Tent Rentals MBTA Diversions	61394	Professional Services	Interstate Rental Service Inc.	SLBE	\$46,564
Climate Ready Bus Shelter	61440	Professional Services	Social Impact Collective	MBE, SBE	\$224,230
Athletics Capacity Analysis	61609	Professional Services	Field States LLC	SBE	\$109,412
Outdoor Dining Areaway/Vault	61869	Professional Services	Design Build Boston Construction, LLC	MBE	\$115,000
DOIT Forms, Workflows and Apps Assistance	61993	Professional Services	Service Design Collective Inc	WBE, SBE	\$250,000
Participatory Budget Pilot Year Evaluation	62054	Professional Services	MXM Research Group LLC	MWBE, SBE	\$95,000
Small Biz Weekly Events Coordinator	62504	Professional Services	The Social Butterflies Events, LLC	MWBE	\$89,704
Small Biz Report Implementation	62539	Professional Services	Mass Economics LLC	WBE	\$104,600
Ballfield Refurbishment	62546	Professional Services	Casablanca Services Inc.	MBE	\$248,500
Boston Bikes Pass Marketing	62607	Professional Services	Gupta Media Holdings LLC	MBE	\$125,000
Community Canvas Pop-Up Series	62710	Professional Services	The Williams Agency	MWBE, SBE	\$249,645
OWD Strategic Planning	62822	Professional Services	Strategy Matters, LLC	WBE	\$200,000
Barrel Emptying & Litter	62942	Professional Services	Casablanca Services Inc.	MBE	\$123,500
UnMon Public Art Consultant	63107	Professional Services	BRM LLC	WBE	\$200,000
Total value:					

#### III. GRANT PROGRAMS AND OTHER SUPPORTS

In addition to the policies detailed in previous sections of this report, the Department of Supplier Diversity provides local, small, diverse businesses with a variety of other supports.

#### SUPPLYING CAPITAL AND LEVERAGING EDUCATION (SCALE)

DSD has continued to work to distribute ARPA funding through the Boston Contracting Opportunity Fund and the newly developed Supplying Capital and Leveraging Education (SCALE) Program. The purpose of the program is to build these businesses' capacity to more effectively bid on, win, and perform public contracts, specifically for the City of Boston. The program focuses on industry categories that represent a large share of the City of Boston's discretionary spending. Categories include snow removal and landscaping, food and dining services, design and architectural services, and construction work. The City has completed Phase 1 of the program by selecting industry-specific technical assistance providers and will soon be selecting SCALE business participants to be matched with respective TA providers. The City selected a grant administrator in Fall 2024 in order to administer the SCALE program throughout FY 2025.

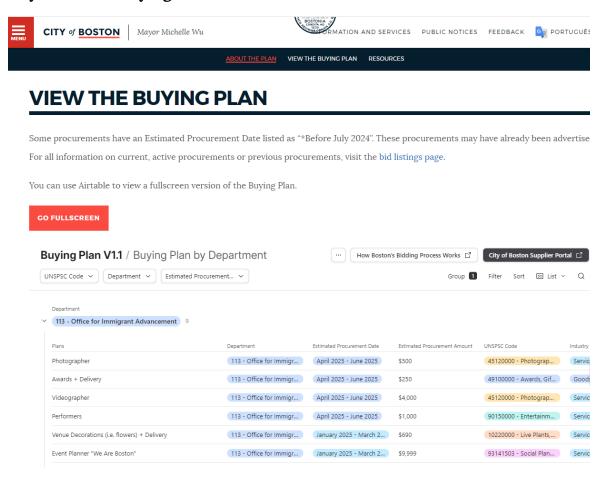
#### PATHWAYS TO CITY CONTRACTING

DSD also engages over 900 small, local businesses through its Pathways to City Contracting Monthly Newsletter, which seeks to connect local, small businesses with relevant upcoming contracting opportunities with both City departments and other public agencies.

#### **BUYING PLAN**

The City published its first Buying Plan in September 2021. The <u>City of Boston Buying Plan</u> provides a look into upcoming, planned procurement and contracting opportunities. This tool aims to give small and diverse businesses valuable lead time to secure additional equipment or staff to prepare a large bid. For all information on current, active procurements or previous procurements, suppliers should visit the <u>bid listings page</u>. DSD and the Procurement Department will continue to work and support City Departments to include additional procurement opportunities.

#### City of Boston Buying Plan



#### Supplier Diversity Events & Programming

The Department of Supplier Diversity hosts annual programs and events such as the Boston Contracting Opportunity Fair and Supplier Diversity Week to help raise awareness of opportunities for certified businesses to engage with the City. The Boston Contracting Opportunity Fair connects businesses with City suppliers and is a valuable resource for diverse businesses seeking to connect with the city and learn about upcoming public and private contracts. **FY24's fair attracted approximately 200 businesses from the Boston area.** The fair featured an educational Certification workshop and many attendees took advantage of the opportunity to begin their certification process or submit bids for contracts. Supplier Diversity Week is a week-long event that features Supplier Diversity-related announcements and workshop opportunities for businesses to participate in city contracting. The week features a combination of in-person and

virtual education events and programs designed to foster collaboration, engage with diverse businesses, and promote a more inclusive business environment.

#### **CERTIFICATION OFFICE HOURS**

In August 2020, DSD launched a virtual office hours program to assist businesses interested in City certification during the COVID-19 pandemic. This offering has continued with office hours being held virtually every Wednesday at 11:00 AM where staff support businesses by helping them prepare for and submit their application.

#### 1:1 TECHNICAL ASSISTANCE

The DSD team, along with the Vendor Support team in the Procurement Department, provides direct technical assistance to help businesses create vendor accounts and navigate the Supplier Portal, find relevant City contracting opportunities, and access key programs and grants.

## **CONCLUSION**

The progress highlighted in this report was possible in large part due to inclusive policies and programs championed by Mayor Michelle Wu and her Administration, all which are supported by the 2020 Disparity Study. The partnership between the Department of Supplier Diversity and the Procurement Department, in particular, reflects the Administration's intentional approach to closing disparities in City contracting, recognizing the importance of both direct support for small, local, diverse businesses and procedures that promote equity and efficiency in public procurement.

Fiscal Year 2024 has seen positive growth in many Supplier Diversity and Procurement initiatives that will continue to grow throughout FY25 and beyond. Utilization of City Business Certification and programs like the IQC and Sheltered Market program saw significant growth and positive impact in creating contracting opportunities for small, local and diverse businesses in the City of Boston. Additionally, DSD has held multiple in-person and virtual events with community partners that have helped to increase awareness of City programs and connected local, small, diverse businesses to certification and procurement opportunities. Partnerships with organizations such as the MA Supplier Diversity Office and Cambridges' Community Development Department (CDD) will provide access to even more certified businesses in the Greater Boston area and opportunities for historically disadvantaged businesses.

The City is committed to continually providing clear and transparent data on city contracting and equitable procurement through the Equity in City Contracting public dashboard, which will continue to serve as a pillar for future updates and reporting. What this report makes clear is that accountability, communication, intentionality, partnership, and transparency are the key ingredients to successful and positive outcomes when seeking to reach supplier diversity goals.

### **ACKNOWLEDGEMENTS**

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www.amplifylatinx.com

**Asian Business Empowerment Council** 

**Black Economic Council of Massachusetts** 

www.becma.org

**Boston Impact Initiative** 

www.bostonimpact.org

**Bloomberg Harvard City Leadership** 

Initiative

www.cityleadership.harvard.edu

Center for Women & Enterprise

www.cweonline.org

CommonWealth Kitchen

www.commonwealthkitchen.org

**Foundation for Business Equity** 

www.fbequity.org

**Greater New England Minority Supplier** 

Development Council www.gnemsdc.org

Initiative for a Competitive Inner City

www.icic.org

Lawyers for Civil Rights

www.llawversforcivilrights.org

Massachusetts LGBT Chamber of

Commerce

www.malgbtcc.org

**Massachusetts State Legislature** 

www.malegislature.gov

Office of the Inspector General

www.mass.gov/orgs/office-of-the-inspector-

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**Open Contracting Partnership** 

https://www.open-contracting.org/

