

Boston awarded \$664m in contracts. Less than 1% went to women- and minority-owned businesses

By [Milton J. Valencia](#) Globe Staff, May 2, 2019, 9:15 p.m.

Less than 1 percent of the \$664 million Boston awarded last year for contracts for construction and professional goods and services went to minority- or women-owned businesses, according to data released Thursday that paint a dire picture of the city's quest for more equity in taxpayer-funded contracts.

The tallies were the first annual figures released pursuant to an ordinance that requires quarterly reporting on discretionary contracts. The contracts involve such expenses as buying paper products, construction, and landscaping projects.

"This is something entirely within the city's control, being able to direct where our taxpayers' dollars are going, and then being able to squeeze everything out of those dollars in aligning them with our public policy goals," said City Councilor Michelle Wu, who cosponsored the initiative, which passed in late 2017.

Celina Barrios-Millner, the director of equity and inclusion for the city's Office of Economic Development, acknowledged during a council hearing on Thursday that the numbers were troubling.

In the first three months of this year, the city awarded \$149 million in contracts — of which 0.91 percent went to minority-owned businesses, and 0.88 percent went to women-owned businesses.

"We see there's a lot of room to grow, a lot of room to diversify," she said, adding that the city is working with the state to facilitate the certification process for minority- and women-owned vendors that want to do business with the city.

"We're looking at how to make the process more business-friendly and streamlined," she said. "Certification is not the end, the contract is the end."

Barrios-Millner, who was appointed in December, said the city has strategized ways to improve its recruitment efforts and encourage vendors to seek government contracts, for instance by creating a mobile economic opportunity center that teaches them about the procurement process and how to submit bids.

"The willingness to contract is there; the number of contractors is not," said John Barros, Boston's chief of economic development.

He noted that the data for construction contracts do not account for subcontracted jobs to minority-owned business. Barros said the city is looking at ways to better count that data.

“It’s still woefully under where we should be, and this is just a glimpse of it right now,” he said.

In 2016, the administration said it would focus on equal competition for city contracts for women and minorities, under an executive order from Mayor Martin J. Walsh that set out goals and initiatives as well as a plan to better track and study the data.

City councilors noted that they had to demand the figures through the legislative process after the city did not release quarterly data through most of last year.

City officials turned over the 2018 annual numbers Thursday morning.

At the hearing, Segun Idowu, executive director of the Black Economic Council of Massachusetts, said the figures were alarming.

But he also told councilors that a recent poll of his organization’s members found that they were frustrated by a challenging procurement process for city contracts, one that often leaves them disappointed and unwilling to try again.

The concerns include the time it takes to get paid; the amount of insurance the companies, many of them small businesses, must have; and the ability to complete what they see as a convoluted application system.

Members found the process “cumbersome, expensive, and geared toward large companies,” he said, adding: “It was clear to us that a monumental effort is needed, and much work is left to be done.”

The ability to mandate that a certain percentage of contracts go to minority businesses has also been hamstrung since the courts struck down the practice in the early 2000s, said Joseph Feaster, a lawyer and business consultant who spearheaded similar programs for the state in the 1980s.

“If government doesn’t put certain requirements in place . . . it’s just not going to happen for minority, women, and small businesses, and I’m sure that’s why the numbers have diminished,” he said.

The 2017 regulations also require the city to enhance outreach efforts and mandate that contracted companies have diversity plans in their bids.

Councilor Kim Janey questioned what more the city could do to encourage vendors to bid.

“I want to make sure the [millions] the city spends ends up in the hands of people of color, and women,” she said.