

# Gov. Charlie Baker to help women, minority, veteran, LGBT-owned businesses get state contracts

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Mass Live

BOSTON - Gov. [Charlie Baker](#) on Tuesday announced an effort to help businesses owned by gay people, people with disabilities, veterans, women and minorities secure state contracts.

"The goal is to provide a much higher quality product by opening up opportunities for others to play who know they can do the work but have been basically shut out because of a series of very complex and in most cases unnecessary barriers to participation," Baker said at an event attended by more than 100 people, many of them business owners and advocates for minority groups.

Baker, speaking to reporters, said the changes are not about giving a leg up to preferred businesses but about "leveling the playing field." Currently, Baker said, "The people who have a leg up are people who have resources and infrastructure to meander their way through a very complex and at times somewhat nonsensical procurement process here in Massachusetts."

Under former Gov. Deval Patrick, Massachusetts established a "supplier diversity program." The program provided technical assistance to businesses owned by women, minorities and disabled veterans. It required any contractor bidding on a state project that cost more than \$150,000 to commit to spending a percentage of the money on diverse subcontractors or suppliers. This gave women and minority-owned businesses a competitive edge in getting work from state contracts. In fiscal year 2014, businesses certified under the supplier diversity program received \$991 million in state contracts, out of approximately \$4 billion in total state spending on goods and services.

The state set standards for the amount of state money that contractors and state government agencies should spend with women and minority-owned businesses.

Baker's executive order increased those standards – from 6 percent to 7 percent for minority-owned businesses and from 12 to 13 percent for women-owned businesses. It also increased a standard for Massachusetts-based small businesses, from 2.5 percent to 3.3 percent. Additionally, until now, the program applied to business owners who were veterans disabled through military service – a very small category. Baker expanded that to include all veterans.

Baker also announced plans to create new categories that will benefit from the supplier diversity program – businesses owned by gays and lesbians and businesses owned by

people with disabilities. The state will first determine how many businesses fit those categories before setting goals for how much money must be spent with them.

"This sends a great message to everyone that Massachusetts is open for business for everybody," said David D'Arcangelo, director of the Massachusetts Office on Disability.

Secretary of Veterans' Services Francisco Urena called the expansion of the program to all veterans "our opportunity to reengage our newest and great generation of American patriots" by making it easier for veterans' businesses to succeed economically.

Russell Holmes, D-Boston, who chairs a caucus of black and Latino lawmakers, said the move could steer an additional \$30 million of state business annually to both women and minority-owned businesses.

Baker is also simplifying the process by which a company gets certified as women-owned or minority-owned. Baker said businesses showed him five-page forms required by municipalities and private organizations, while the state required a 42-page form. The result was that for a company to get a state contract, Baker said, "It doesn't come down necessarily to whether or not you're good at what you do. It comes down to whether or not you have the ability to fight your way through the bramble bush associated with the procurement process to get to the end."

Bill McAvoy, who oversees the state's Supplier Diversity Office, said the state is redoing its certification process so the application is shorter and businesses must file fewer documents. The state will also recognize certifications done by national organizations so businesses do not have to apply twice.

"It's a delicate balance in making sure we have a very rigorous process to make sure they're legitimately minority, veteran or women owned, but on other side, we want to make sure we're not being burdensome to business," McAvoy said.

The changes will apply to state contracts for goods and services. Baker plans to announce additional changes for construction contracts in the future.

Advocates for women and minority-owned businesses praised the move as making good economic sense, saying it will open up more state contracting work to growing businesses that have been locked out.

Peter Hurst, president and CEO of the Greater New England Minority Supplier Development Council, a national organization that certifies which businesses are minority-owned, added that increasing supplier diversity also reduces income inequality.

State officials plan to hold events around the state to connect minority-owned businesses with state agencies and private employers.