

CMA 2025 #29  
**IN CITY COUNCIL**  
March 3, 2025

To the Honorable, the City Council:

Please find the attached report from the Supplier Diversity working group which includes staff from Community Development, Information Technology, Office of Equity Inclusion, the Law Department and Purchasing.

Yi-An Huang  
City Manager





## Supplier Diversity Update

March 2025

### Departments:

- Community Development (CDD)
- Information Technology (IT)
- Office of Equity and Inclusion (OEI)
- Law
- Purchasing

### Background

In December 2023, the City released its first Disparity Study, qualitative and quantitative analysis of the City's goods and services contracts between 2016-2021. It confirmed statistically significant underutilization of certified minority- and woman-owned businesses in City contracts for goods and services. In particular, the study found that 16.9% of certified businesses in the region are willing and able to provide the goods and services the city procures.

While the City was praised for its small business support programs, the study revealed that local minority- and woman-owned businesses face barriers in certification, awareness, and competing for contracts. Since the time of the study, City departments have dug into the study recommendations and have already begun launch efforts meant to help the City increase its supplier diversity and promote economic opportunities.

This report provides an update on the City's efforts to date. Departments plan to report annually to Council.

### Overview of Procurement Efforts and Contract Data

#### New eProcurement Portal

The City of Cambridge piloted a new digital procurement platform in September of 2024, with final rollout of the eProcurement platform occurring in November 2024. The eProcurement system is intended to streamline our purchasing processes, make it more accessible and intuitive, as well as broaden vendor reach overall.

Over time, as more solicitations and contracts are generated through the eProcurement platform, the built-in data dashboard will become a useful tool in analyzing both contract and procurement analytics as well as the numbers and types of disadvantaged contracts awarded.

### **Forecasting/Unbundling Contracts**

To make more contracts available to more vendors, the Purchasing Department has begun conversations on unbundling some of the City's larger contracts. Some of this initial work has been on converting larger contracts to become multi-award contracts.

### **Advertising Updates**

To cast a broader net and increase the messaging of City bid opportunities, Purchasing is adding the Bay State Banner to its advertising mechanism for Goods and Services Invitations for Bid and Requests for Proposals. This is in addition to the current advertising media used.

The City is extending the period for which it advertises bids and proposals for goods and services to three weeks as the standard length of time rather than the two weeks required by state statute. This new period is subject to adjustment to meet the operational needs of the City when necessary.

## **Supplier Diversity Programs**

The section describes the different programs and initiatives City Departments use to help support and engage small, local, and diverse businesses to help increase the number of qualified vendors.

### **Certification**

In the fall of 2024, CDD entered into an agreement with the City of Boston's Department of Supplier Diversity to allow Cambridge-based businesses to become certified through Boston. With this agreement, Boston and CDD work together to support and assist diverse Cambridge-based businesses and increase the number of certified businesses in the Greater Boston area. CDD staff attend Boston's Certification Office Hours and conduct targeted outreach to non-certified women-, veteran-, minority-, and LGBTQ+ - owned Cambridge businesses. The partnership also provides opportunities for cross promotion of events and contract opportunities.

In the past year, the Commonwealth's Supplier Diversity Office added ethnicity breakdown information in its certified business data. This additional information will help the city with future data collection.

### **Policy Development and Implementation**

City staff have met with a variety of external and internal organizations to better understand policies and initiatives that can be implemented to improve our supplier diversity efforts.

### Internal Engagement

In fall 2024, Purchasing and Community Development Departments presented to Citywide leadership on the Disparity Study. The presentation included information on the Study's findings, how to find diverse vendors, upcoming changes to the procurement process, and engaging with the Purchasing Department before setting up bids and written proposals. Both departments are already planning for another internal presentation in spring 2025.

Upcoming efforts include fairs connecting local vendors to department buyers, such as a "Taste of Cambridge Caterers" event.

### Inclusive Quote Contract Home Rule Petition

The Law Department is preparing an Inclusive Quote Contract Law home rule petition for City Council. It is anticipated that the home rule petition will be on Council's Agenda for vote on March 10, 2025. The goal of this petition is to raise the sound business practices and written quote contract thresholds when those contracts are with certified disadvantaged businesses. If passed, first by City Council, then by the state legislature, the new law would allow a City department to use sound businesses practices for items purchased up to \$20,000 (currently the threshold is \$10,000) and request three (3) written quotes from certified disadvantaged businesses for contracts valued up to \$250,000 (current threshold is \$50,000).

Comparing this process to the current Request for Proposals or Invitation for Bids process, the requests for written quote(s) contract is significantly simpler and cost-effective for both small, local businesses and City departments.

### Minority Business Enterprise Program (MBE)

Since 1983, the City of Cambridge's Minority Business Enterprise (MBE) Program has actively promoted economic inclusion for all. This initiative requires general contractors bidding on city construction projects to allocate at least 10% of their contract value to certified minority-owned businesses, fostering equitable participation in public contracting.

The Office of Equity & Inclusion closely monitors and reviews construction contract bid submissions to ensure all qualified MBEs certified, by the Commonwealth's Supplier Diversity Office (SDO), can access and compete for opportunities. By maintaining a rigorous yet accessible approval process, we collaborate with general contractors to ensure qualified MBEs secure meaningful contracts, strengthening their role in Cambridge's economy. Through these efforts, the MBE Program advances diversity, supports local businesses, and reinforces our city's commitment to equitable growth. Fiscal year-to-date (FY25), nearly \$1,505,000 (12%) have been allocated to qualified minority business owners.

### **Technical Assistance and Other External Support**

In addition to policies, City Departments provides local, small, and diverse businesses with a variety of other supports.

### Supplier Diversity Events and Programming

CDD hosts a wide variety of programs and events to help support the capacity and financial literacy of Cambridge entrepreneurs and small business owners. Since 2023, the City of Cambridge has co-sponsored with MIT on an annual Supplier Diversity Fair. The Fair connects buyers from a variety of local and regional institutions and organizations with vendors in the community. The goal is to promote diverse businesses and build relationships between procurement agencies and business owners. The past two fairs have attracted approximately 150 businesses from the greater Cambridge area. We are working on options for similar fairs for calendar year 2025.

In addition to the Fair, the City offers a variety of access to capital and capacity training events for business owners. Recent events include an SBA Financial Matchmaker Event, pitching your business, and the recently completed “Doing Business in the City” Workshop Series. A little over 120 business owners attended at least one of these events.

Lastly, the Economic Opportunity and Development Division team, along with Purchasing, provide direct technical assistance to help business owners navigate the new eProcurement Portal, find relevant City contracting opportunities, and access the City’s key programs and small business grants.