SENATE DOCKET, NO. 1619 FILED ON: 1/16/2025

SENATE . . . . . No. 2178

The Commonwealth of Massachusetts

PRESENTED BY:

Liz Miranda

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to transparency and accountability in procurement.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Liz Miranda	*Second Suffolk*

SENATE DOCKET, NO. 1619 FILED ON: 1/16/2025

SENATE . . . . . No. 2178

By Ms. Miranda, a petition (accompanied by bill, Senate, No. 2178) of Liz Miranda for legislation relative to transparency and accountability in procurement. State Administration and Regulatory Oversight.

The Commonwealth of Massachusetts

In the One Hundred and Ninety-Fourth General Court
(2025-2026)

An Act relative to transparency and accountability in procurement.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Whereas the Commonwealth of Massachusetts, pursuant to section 57 of chapter 7 of the Massachusetts General Laws, has established a policy to foster an inclusive marketplace that offers competitive opportunity for businesses as diverse as the people of the commonwealth; and whereas the Commonwealth of Massachusetts pursuant to section 58A of chapter 7 of the Massachusetts General Laws, has established a Supplier Diversity Office or "SDO" to implement the supplier diversity objectives of the commonwealth, or more specifically, to effect the purposes of sections 57 to 61, inclusive, of said chapter 7; and whereas the Commonwealth of Massachusetts, acting through agencies of the executive branch, enters into contracts with businesses to facilitate the delivery of services and/or activities for the commercial and/or personal benefit of residents of the Commonwealth; it is the intention of the general court to take meaningful actions to better understand the inclusiveness of the Massachusetts marketplace as it relates to businesses as diverse as the people of the

commonwealth. To achieve the purposes as stated in this section and sections 2 and 3, inclusive, this Act shall be known as the Transparency and Accountability in Procurement Act.

SECTION 2. As used in sections 1 to 3, inclusive, of this act, the following words shall have the following meanings, unless a contrary intent is clearly indicated: -

“Business”, means a corporation, sole proprietorship, partnership, limited liability company, or any other organization formed for the purpose of engaging in a commercial function; provided that said corporation, sole proprietorship, partnership, limited liability company, or other organization has annual revenue equal to or greater than one hundred million dollars.

“Black-owned Business”, means a business that is owned and controlled by one or more Black persons or African Americans.

“Minority Business Enterprise” or “MBE”, means a business certified pursuant to section 61 of chapter 7 of the General Laws owned and controlled by one or more socially or economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar causes. For purposes of this Act, such persons shall include Blacks or African Americans and Western Hemisphere Hispanics.

"Certified business enterprises” means minority business enterprises and woman business enterprises, certified pursuant to section 61 of chapter 7 of the General laws, and as both terms are defined in this section.

“Non-certified businesses” shall mean Black-owned businesses, Western Hemisphere Hispanic-owned businesses, and “Women-owned” businesses.

"Women business enterprise" or "WBE", means a business certified pursuant to section 61 of chapter 7 of the General laws that is both owned and controlled, by one or more women who have invested in an ongoing business free of conversion rights.

“Women-owned Business”, means a business that is both owned and controlled by one or more women.

"Non-profit corporation" means all corporations organized for a purpose consistent with section 4 of chapter 180 of the General Laws and which has annual revenue equal to or greater than one hundred million dollars.

"State authority" a body politic and corporate constituted as a public instrumentality of the commonwealth and established by an act of the General Court to serve an essential governmental function and that has annual revenue equal to or greater than one hundred million dollars; provided, however, that state authority shall not include: (1) a state agency; (2) a city or town; (3) a body controlled by a city or town; or (4) a separate body politic for which the governing body is elected, in whole or in part, by the general public or by representatives of member cities or towns.

"Hospital", means a hospital licensed or certified by the Department of Public Health pursuant to section 51 of Chapter 111 or other applicable law, with an emergency department, and the teaching hospital of the University of Massachusetts Medical School.

“Institution of higher education” means an educational institution domiciled in the Commonwealth and that (1) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, or persons who meet the requirements of section 1091(d) of 20 United States Code;

(2) is legally authorized to provide a program of education beyond secondary education; (3) provides an educational program for which the institution awards a bachelor's degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree, or awards a degree that is acceptable for admission to a graduate or professional degree program, subject to review and approval by the Secretary; (4) is a public or nonprofit institution; (5) is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the United States Secretary of Education for the granting of preaccreditation status, and said Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time; and (6 has annual revenue equal to or greater than one hundred million dollars.

"Museum", an institution or entity located in the commonwealth that: (i) is operated by a nonprofit corporation, trust, association, public agency, or educational institution; (ii) is operated primarily for educational, scientific, historic preservation, cultural or aesthetic purposes; (iii) owns, borrows, cares for, exhibits, studies, archives or catalogs property; and (iv) has annual revenue equal to or greater than one hundred million dollars.

"SDO" or "Supplier Diversity Office", the commonwealth's supplier diversity office as designated by section 58A and section 61 of chapter 7 of the General Laws. The Supplier Diversity Office is the successor agency to the state office of minority and women business assistance.

SECTION 3. The SDO shall promulgate regulations for the annual collection and reporting of procurement activity as such activity relates to certified business enterprises and non-certified businesses by businesses, nonprofit corporations, and state authorities.

In addition to annually collecting and reporting such procurement activity, the SDO shall submit, by April 30 of each year, an annual report that details by business, museum, institution of higher education, hospital, nonprofit corporation, and state authority each entity's procurement activity with certified business enterprises and non-certified business enterprises. Said annual report shall be submitted to the governor, lieutenant governor, and the general court. Said annual report shall also be made available to the public via the SDO's website