

OFFERED BY COUNCILOR MINIARD CULPEPPER



## CITY OF BOSTON

IN THE YEAR TWO THOUSAND TWENTY SIX

### ORDINANCE ESTABLISHING A MINORITY BUSINESS ENTERPRISE PROCUREMENT READINESS PILOT PROGRAM

**WHEREAS,** The City of Boston has made ongoing efforts to increase participation of Minority and Women Business Enterprises (MWBEs) in public contracting, yet significant disparities remain between certification and successful contract awards; *and*

**WHEREAS,** Many MWBE firms face structural and operational barriers to procurement participation, including challenges related to compliance, financial systems, pricing, bonding capacity, and contract execution readiness; *and*

**WHEREAS,** Existing procurement tools, while valuable, do not fully address the need for coordinated readiness assessment, capacity-building, and pipeline development to support MWBE participation at scale; *and*

**WHEREAS,** A structured, data-driven approach to procurement readiness, including assessment, targeted technical assistance, and performance tracking, would strengthen the City's supplier diversity ecosystem and increase equitable access to contracting opportunities; *and*

**WHEREAS,** Public-private collaboration with major contractors and industry partners can enhance program effectiveness by aligning readiness efforts with real contracting opportunities and capital project pipelines; *and*

**WHEREAS,** The City of Boston's 2020 Disparity Study, which analyzed City contracting data for the period of July 1, 2014 through June 30, 2019, found statistically significant underutilization of minority- and woman-owned businesses in City contracting, including an overall disparity index of 65, indicating substantial disparity requiring targeted remedial action; *and*

**WHEREAS,** Black American-owned businesses showed a disparity index of 12 overall—the lowest of any measured group—receiving only 0.4% of City contract dollars despite representing 3.6% of available firms, demonstrating severe ongoing effects of discrimination in public contracting; *and*

**WHEREAS,** The Disparity Study documented specific barriers disproportionately affecting Black-owned businesses, and the City has identified such barriers as specific and measurable contributors to disparities in public contracting, including limited access to bonding and surety mechanisms and requirements for public contracts, systemic undercapitalization and constraints in access to working capital and financing, historical exclusion from contractor networks, and the continuing effects of disparities in wealth accumulation and limited generational wealth transfer; *and*

**WHEREAS,** Such barriers disproportionately impact businesses located in or serving Environmental Justice communities in Boston, including Roxbury, Dorchester, and Mattapan, thereby compounding economic inequities in those communities;

**WHEREAS,** Workforce development pathways that connect minority contractors with skilled labor, apprenticeship programs, and fair wage standards strengthen both business capacity and community economic opportunity;

**WHEREAS,** Creating bridges between participating firms and organized labor can increase access to training, workforce stability, and project execution capability, and the the establishment of a pilot program tailored to address documented barriers and remedy identified underutilization through time-limited, barrier-specific interventions is necessary and appropriate to expand equitable access to public contracting opportunities; ***NOW, THEREFORE***

***Be it ordained by the City Council of Boston as follows:***

**Section 1.**

The City of Boston Code, Ordinances, Chapter 4, Section 4 (PROMOTING MINORITY AND WOMEN OWNED BUSINESS ENTERPRISES IN THE CITY) is hereby amended as follows:

Section 4-4.2 Definitions shall be amended by inserting the following definitions in alphabetical order:

(a) “Environmental Justice Community” shall mean a neighborhood designated as such under Massachusetts General Law Chapter 30, Section 62 and applicable regulations.

(b) “Participating Firm” shall mean any Minority and Women Business Enterprise (MWBE) selected to participate in the Pilot Program.

(c) “Pilot Program” shall mean the Minority and Women Business Enterprise Procurement Readiness Pilot Program established pursuant to this section.

(d) “Procurement Readiness” shall mean a firm’s demonstrated ability to successfully compete for, secure, and execute public contracts, including compliance with procurement requirements, financial and operational capacity, and contract performance capability.

(e) “Responsible Contractor Standards” shall mean compliance with prevailing wage requirements, worker classification standards, and workplace safety regulations as applicable to City contracts.

(f) “Workforce Development Partnership” shall mean collaborative arrangements between participating firms and apprenticeship programs, trade unions, or workforce training organizations to build skilled labor capacity.

The following section shall be inserted immediately following Section 4-4.31:

Section 4-4.31A Minority and Women Business Enterprise Procurement Readiness Pilot Program.

The City shall establish a Minority and Women Business Enterprise Procurement Readiness Pilot Program designed to prepare participating firms to compete for and execute City contracts across sectors including construction, design, technology, and professional services. The Pilot Program shall be administered by the Department of Supplier Diversity, in coordination with the Office of Small Business and other relevant City departments.

The City shall administer and support the Pilot Program through funding appropriated as the Minority and Women Business Enterprise Procurement Readiness Fund. The Fund may be used to provide financial assistance including but not limited to grants, technical assistance, bonding support, working capital support, and other resources necessary to prepare participating firms for public contracting opportunities, with priority given to firms identified as near-ready for contract participation and firms facing documented barriers identified in disparity analyses. Funds collected pursuant to this section may be used to directly support participating firms in achieving procurement readiness and securing contracts.

The Fund shall be supported through contributions including but not limited to:

(a) Contributions associated with development projects, including but not limited to linkage funds and similar financing mechanisms where applicable;

(b) Voluntary contributions from general contractors, developers, and other entities participating in City-funded or City-regulated projects;

(c) Grants, philanthropic contributions, state or federal funding, and other public or private sources;

(d) Any other revenues or appropriations designated for the purpose of supporting MWBE procurement readiness and capacity-building initiatives;

(e) Contributions from labor-management cooperation committees or workforce development partnerships seeking to expand contractor participation in skilled trades;

The Pilot Program shall operate for an initial period of three years. The City shall conduct an evaluation at the conclusion of the pilot period to assess whether disparities have been reduced, whether the program remains necessary, and whether the program should be modified, continued, or sunset. Continuation beyond the pilot period shall require affirmative City Council action based on documented need and updated disparity analysis.

The following section shall be inserted immediately following Section 4-4.4:

#### Section 4-4.4A Pilot Program Implementation.

The Pilot Program shall include, at a minimum, the following components:

- (a) Diagnosis and Assessment, including evaluation of participating firms through readiness assessments, capability scoring, and identification of operational gaps, including bonding capacity, access to capital, and financial readiness required for participation in public contracting;
- (b) Capacity Building, including provision of targeted technical assistance related to procurement compliance, financial systems, pricing, workforce systems, bonding readiness, and access to capital;
- (c) Business-to-Government Positioning, including support for bid preparation, contract pursuit, and engagement with City agencies;
- (d) Data and Performance Tracking, including systems to track firm readiness, bids submitted, contracts awarded, and performance outcomes.

#### Section 4-4.4B Cohort Selection.

The City shall identify cohorts of participating firms across multiple sectors and shall prioritize firms facing documented barriers and demonstrating readiness potential. The City shall make good faith efforts to ensure participation reflects the availability of qualified firms, with particular attention to addressing severe underutilization identified in disparity analyses. Not less than fifty percent of participating firms shall meet Environmental Justice criteria, including location, workforce residency, or subcontracting commitments within such communities.

#### Section 4-4.4C Public-Private Collaboration.

The City may collaborate with private sector partners and labor organizations to support implementation of the Pilot Program, including mentorship, workforce development, apprenticeship pathways, and training on labor standards and compliance.

#### Section 4-4.4D Responsible Contractor and Workforce Standards.

Participating firms receiving financial assistance shall comply with responsible contractor standards, and the City shall provide technical assistance on compliance with prevailing wage laws, certified payroll systems, and workforce classification standards. The City may prioritize

funding for firms demonstrating commitment to workforce development partnerships and fair wage standards.

#### Section 4-4.4E Reporting and Accountability.

The City shall track program outcomes, including participation, readiness progression, contract awards, and performance outcomes, and shall provide periodic reports to the Boston City Council.

#### Section 4-4.4F Contractor Equity Enforcement.

There shall be established within the Department of Supplier Diversity a Contractor Equity Implementation Unit, and within the Office of Inspector General a Contractor Equity Compliance Monitor, to oversee compliance, track participation outcomes, and report findings to the City Council.

#### Section 2. Severability.

The provisions of this ordinance are severable and if any provision, or portion thereof, should be held to be unconstitutional or otherwise invalid by any court of competent jurisdiction, such unconstitutionality or invalidity shall not affect the remaining provisions, which remain in full force and effect.

#### Section 3. Effective Date.

The provisions of this ordinance shall be effective immediately upon passage.

Filed on: April 15, 2026