

**SENATE . . . . . No. 1986**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***John J. Cronin***

*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 to promote public procurement and inclusive entrepreneurship.**

PETITION OF:

NAME:

*John J. Cronin*

DISTRICT/ADDRESS:

*Worcester and Middlesex*

**SENATE . . . . . No. 1986**

By Mr. Cronin, a petition (accompanied by bill, Senate, No. 1986) of John J. Cronin for legislation to promote public procurement and inclusive entrepreneurship. State Administration and Regulatory Oversight.

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-Third General Court  
(2023-2024)**

An Act to promote public procurement and inclusive entrepreneurship.

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

1 SECTION 1. Subsection (i) of section 16G of chapter 6A of the General Laws, as  
2 appearing in the 2020 Official Edition, is hereby amended by inserting, at the end of the first  
3 paragraph, the following sentence:

4 The annual report shall include an analysis of the share of economic development funds  
5 administered by state agencies, including loans, grants, tax credits, and technical assistance  
6 services, provided to entities certified under federal or state law as a minority-owned business.

7 SECTION 2. Subsection (i) of said section 16G of said chapter 6A, as so appearing, is  
8 hereby further amended by striking out, in the second paragraph, clauses 8 and 9, lines 82-94,  
9 inclusive, and inserting in place thereof the following:

- 10 (8) a report of patents or products resulting from agency-funded activities;
- 11 (9) a description of technical assistance that the agency provided; and

12 (10) the share of loans, grants, tax credits, or technical assistance services provided to  
13 entities certified under federal or state law as a minority-owned business.

14 SECTION 3. Subsection (l) of said section 16G of said chapter 6A, as so appearing, is  
15 hereby amended by striking out the second paragraph and inserting in place thereof the following  
16 paragraph:

17 The secretary of housing and economic development, with the assistance of economic  
18 development planning council appointed under this section, shall develop and implement a  
19 written comprehensive economic development policy for the commonwealth and a strategic plan  
20 for implementing the policy. The policy shall set long term goals and measurable benchmarks  
21 which are not limited to a particular gubernatorial administration and shall give consideration to  
22 any impacts the plan may have on businesses employing 10 or fewer people. The strategic plan  
23 shall include any major economic development initiatives and programs of the secretariat and  
24 any agencies subject to this section. The strategic plan shall also include an assessment of racial  
25 and ethnic disparities in employment and business ownership and an analysis of how the  
26 economic development initiatives contained in the plan will contribute to reducing such  
27 disparities. In developing the policy, the council shall review the published economic  
28 development policy and plan in effect at the commencement of the governor's term of office and  
29 may hold public hearings throughout the commonwealth. However, the council shall hold at least  
30 one public hearing on the topic of racial and ethnic disparities in employment and business  
31 ownership in the commonwealth.

32 SECTION 4. Chapter 7 of the General Laws, as so appearing, is hereby amended by  
33 inserting after section 62, the following section:

34 Section 63. (a) The general court finds and declares that:

35 (1) It is in the state’s interest to encourage competitive business opportunities for all of its  
36 people. As anchor institutions, hospitals and higher education institutions are uniquely positioned  
37 to build relationships within the communities they serve through the development, inclusion, and  
38 utilization of certified minority-owned business enterprises whenever possible

39 (2) By providing that each major anchor institution submit to the Office of Supplier  
40 Diversity a report explaining the institutions supplier diversity statement and expressing its goals  
41 regarding certified minority-owned businesses, and the office placing that information on the  
42 office’s internet website, that online resource will help facilitate these supplier relationships.

43 (b) As used in this section, the following words shall have the following meanings, unless  
44 a contrary intent is clearly indicated:

45 “Anchor institution”, a licensed hospital or college or university physically located in  
46 Massachusetts.

47 “Certified business enterprise”, a state- or federally-designated minority-owned business  
48 physically located in the United States.

49 “Office”, means the Office of Supplier Diversity.

50 “Operating expenses”, means operating expenses, excluding physician professional fees,  
51 as reflected in the annual financial report submitted to the office.

52 (c) On or before July 1 of each year, each anchor institution with operating expenses of  
53 \$50,000,000 or more, or \$25,000,000 or more when operating as a component of a larger  
54 hospital or university system, shall submit an annual report to the office on its minority

55 enterprise procurement efforts during the previous year. The annual report shall include all of the  
56 following:

57 (1) The anchor institution's supplier diversity policy statement.

58 (2) The anchor institution's outreach and communications to minority business  
59 enterprises, including:

60 (i) How the anchor institution encourages and seeks out minority business enterprises to  
61 become potential suppliers.

62 (ii) How the anchor institution encourages its employees involved in procurement to seek  
63 out minority business enterprises to become potential suppliers.

64 (iii) How the anchor institution conducts outreach and communication to minority  
65 business enterprises.

66 (iv) How the anchor institution supports organizations that promote or certify minority  
67 business enterprises.

68 (v) Information regarding appropriate contacts at the anchor institution for interested  
69 business enterprises.

70 (vi) The anchor institution's procurements that are made from minority business  
71 enterprises with at least a majority of the enterprise's workforce in Massachusetts, with each  
72 category aggregated separately, to the extent that information is readily accessible. An anchor  
73 institution that is part of a system may report the diversity of its procurement in compliance with  
74 this subparagraph from a system level if there are suppliers that provide services or goods to all

75 units within the system. An anchor institution shall report the diversity of the remainder of its  
76 procurement, including the suppliers that do not resource the entire system.

77 (3) The report may include other relevant information the office or anchor institution  
78 deems necessary.

79 (d) This section shall not be construed to require quotas, set-asides, or preferences in an  
80 anchor institution's goods or services.

81 (e) By July 1, 2021, the office shall establish and maintain a link on the office's internet  
82 website that provides public access to the contents of each anchor institution's report on minority  
83 business enterprise procurement efforts. The office shall include a statement on the office's  
84 internet website that the information contained in the anchor institution's report on minority  
85 business enterprises is provided for informational purposes only.

86 SECTION 5. Chapter 10 of the General Laws, as so appearing, is hereby amended by  
87 inserting after section 10B, the following section:

88 Section 10C. Prior to the state treasurer's deposit of cash reserves to eligible lending and  
89 banking institutions, as defined in section 10A of chapter 10 of the general laws, the treasurer  
90 shall ensure the division of banks, as defined in section 1 of chapter 167 of the general laws, has  
91 collected data required of lending institutions pursuant to section 13A of chapter 167 of the  
92 general laws.

93 SECTION 6. Section 22A of chapter 40 of the General Laws, as so appearing, is hereby  
94 amended by inserting after the phrase "improvements to the public realm", in line 28, the  
95 following words: "including district management activities and operations"

96 SECTION 7. Section 22C of said chapter 40 of the General Laws, as so appearing, is  
97 hereby amended by inserting after the phrase, “public transportation station accessibility  
98 improvements”, in line 11, the following words: “district management activities and operations,”

99 SECTION 8. Chapter 167 of the General Laws, as so appearing, is hereby amended by  
100 inserting, after section 13, the following section:

101 Section 13A. (a) The division of banks shall require the collection of small business  
102 lending data from all lenders, including online lenders, and small businesses on an annual basis.  
103 The division shall also analyze the impacts that lenders, including online lenders, and their  
104 practices have on minority borrowers in the Commonwealth.

105 (b) The division shall promulgate regulations relative to the required collection of small  
106 business lending data. Said regulations shall include, but not be limited to the following:

107 (1) the establishment of a central depository of the collection and analysis of small  
108 business lending data, to include, but not be limited to the following: lending and banking  
109 institutions’ average annual percent rates, default rates, and fees.

110 (2) procedures for the solicitation and acceptance of reports regarding small businesses’  
111 incidents of predatory lending practices.

112 (3) procedures for assessing the credibility and accuracy of reports of small business  
113 lending data from lending institutions.

114 (c) The division shall file an annual report with the information obtained pursuant to  
115 subsections (a) and (b) as well as recommendations for best practices for small business

116 borrower lending with the house and senate clerks and the house and senate chairs of the joint  
117 committee on financial services not later than July 1.

118 SECTION 9. (a) Notwithstanding any general or special law to the contrary, all  
119 appointive boards and commissions in the commonwealth established by the Massachusetts  
120 general laws, including boards and commissions of a political subdivision of the state, if not  
121 otherwise provided by law, shall adopt policies and practices designed to increase the racial and  
122 ethnic diversity of their board membership and commission membership. To meet this goal, said  
123 boards and commissions shall report on an annual basis to the secretary of state and the office of  
124 the governor the following: (i) data on specific qualifications, skills and experience that the  
125 board appointees considers for its board of directors and nominees for the board of directors and  
126 commissions; (ii) the self-identified race and ethnicity of each member of said board of directors  
127 and commissions; (iii) the number of total individuals on said boards and commissions; iv) a  
128 description of the process of said board or commission for identifying, evaluating, and  
129 determining nominees and appointees including, but not limited to, how demographic diversity is  
130 considered; and (v) a description of the policies and practices of said boards and commissions for  
131 promoting diversity, equity and inclusion among said boards and commissions and (vi) the total  
132 number of people of color and the total number of individuals who serve as members on all  
133 boards and commissions in the commonwealth.

134 (b) To track and measure progress, an annual report shall be published by the office of  
135 the governor, annually, not later than July 1, that provides: (i) demographic data provided by all  
136 public board and commission applicants, including boards and commissions of a political  
137 subdivision of the state, relative to ethnicity and race; and (ii) demographic data provided by all  
138 public board and commission nominees or appointees, including boards and commissions of a



139 political subdivision of the state, relative to ethnicity and race, pursuant to section (a) of this act.  
140 Any demographic data disclosed or released pursuant to this section shall be anonymized to the  
141 extent practicable and shall not identify an individual applicant, nominee or appointed board  
142 member or commissioner. Said demographic data shall also disclose aggregated statistical data  
143 by commission or board sector and by secretariat that governs said board or commission, if  
144 applicable.

145 (c) Notwithstanding any general or special law to the contrary, and pursuant to any  
146 established appointment procedures of individual boards or commissions in the commonwealth,  
147 racial diversity shall be considered in any subsequent appointments made after July 1, 2021, to  
148 any public boards and commissions in the commonwealth.

149 (d) By January 1, 2025, all boards and commissions shall, to the extent feasible, broadly  
150 reflect the general public of the commonwealth, including the percentage of racial and ethnic  
151 minorities in the general population.

152 SECTION 10. Sections 4 and 10 shall take effect on July 1, 2025.

153 SECTION 11. Chapter 149 of the General Laws, as so appearing, is hereby amended by  
154 inserting after section 44M, the following new section:-

155 44N. (a) For purposes of this section the following phrases shall have the following  
156 meanings:

157 "Underutilized bidder", any minority person or business beneficially owned by one or  
158 more minority persons in conformity with clauses (1) to (4), inclusive, of the definition of  
159 "minority business" set forth in section 40N of chapter 7, any business beneficially owned by one

160 or more women as provided in the definition of "women-owned business" set forth in said  
161 section 40N, any small business as provided in any micro- - of chapter 23A, and any local  
162 business, defined as having its principal office in the geographic area over which the  
163 procurement officer has jurisdiction and the owners of more than 50 percent of the business  
164 enterprise are residents of the geographic area over which the procurement officer has  
165 jurisdiction.

166 "Sheltered market program", a program under which certain contracts are designated by  
167 the chief procurement officer for procurement from one or more classes of underutilized bidders.

168 (b) When authorized by majority vote, a chief procurement officer may establish a  
169 sheltered market program in conformity with the requirements of this section. Such authorization  
170 may apply to a single contract or to any number or types of contracts, shall specify the class or  
171 classes of underutilized bidders to be included in the sheltered market program, and shall to the  
172 extent constitutionally required be based on findings that such

173 program is a remedy for the present effects of past discrimination.

174 (c) A procurement officer shall not solicit or award a contract pursuant to a sheltered  
175 market program until the chief procurement officer, after notice and a public hearing, has  
176 approved written procedures for the operation of such program, has filed such procedures with  
177 the state office of minority and women business assistance and the secretary of state, and has  
178 published such procedures or a summary thereof in a newspaper of general circulation within the  
179 area served by the governmental body and in any publication established by the secretary of state  
180 for the advertisement of such notices. Such written procedures shall, at a minimum, include:

181 (1) procedures for the certification of underutilized bidders, which procedures shall  
182 require the use of standardized application forms, the submission of applications sworn to under  
183 the penalties of perjury, the maintenance of certification records by the chief procurement officer  
184 or his designee, an opportunity for a business denied certification to be heard on such denial, the  
185 issuance of certificates valid for a period not longer than two years, notice and an opportunity to  
186 be heard prior to revocation of certificates, and a public information campaign to encourage  
187 certification; provided, however, that a governmental body's certification procedures may  
188 authorize participation in its sheltered market program by any eligible underutilized bidder duly  
189 certified under the sheltered market program of another governmental body or by the state office  
190 of minority and women business assistance;

191 (2) in the event the authorization required by paragraph (b) does not designate the  
192 specific contracts to which the sheltered market program applies, procedures for designating  
193 such contracts, which procedures shall (i) set forth criteria for designating contracts, (ii) require  
194 that each designation be in writing and based on

195 written findings that the contract meets such criteria, and (iii) provide for an  
196 administrative review of the appropriateness of including the contract in the sheltered market  
197 program;

198 (3) procedures for ensuring effective competition among underutilized bidders for  
199 contracts within the sheltered market program, including procedures requiring (i) supplemental  
200 advertising in media serving underutilized communities, (ii) for the procurement of the  
201 construction, reconstruction, installation, demolition,

202 maintenance or repair of any building in the amount of one thousand dollars but less than  
203 ten thousand dollars, the receipt of written or oral quotations from no fewer than three certified  
204 underutilized bidders customarily providing such construction services; provided, however, that  
205 a quotation shall not be considered

206 until the bidder has submitted to the procurement officer a copy of a valid certificate, and  
207 (iii) for the procurement of the construction, reconstruction, installation, demolition, maintenance  
208 or repair of any building in the amount of ten thousand dollars or more, the receipt of responsive  
209 bids or proposals from no fewer than three certified underutilized bidders; provided, however,  
210 that a bid or proposal shall not be considered unless accompanied by a copy of a valid certificate;  
211 and

212 (4) procedures for review and assessment of the sheltered market program, at least  
213 annually, based upon a detailed written report by the chief procurement officer or his designee,  
214 which report shall at a minimum set forth for the twelve months then ending (i) the number and  
215 dollar value of contracts awarded to underutilized

216 bidders under the sheltered market program, (ii) the total number, the percentage, the  
217 total dollar value, and the percentage dollar value of contracts awarded by the governmental  
218 body to underutilized bidders eligible for participation in the sheltered market program, (iii) a  
219 description of other efforts undertaken by the governmental body to increase its contracting with  
220 underutilized bidders, and (iv) recommendations for continuing, modifying, or terminating the  
221 program. A violation of any valid procedure adopted pursuant to this section shall constitute a  
222 violation of this chapter.

223 (d) Advertisements for a contract within the sheltered market program shall state that the  
224 contract will be awarded under a sheltered market program and shall specify the class or classes  
225 of underutilized bidders to which competition for the contract is limited.

226 (e) In no event shall a contract designated for inclusion in a sheltered market program be  
227 awarded on a sole source basis. If fewer than three responsive bids, proposals, or quotations are  
228 received, or if all bids, proposals, or quotations are rejected, the contract shall not be awarded  
229 under the sheltered market program.

230 (f) No contract shall be awarded under a sheltered market program for a term exceeding  
231 three years, including any renewal, extension, or option. No underutilized bidder shall be  
232 awarded a sheltered market program contract if at the time of award such bidder is a party to any  
233 other sheltered market program contract the term of which, including any renewal, extension, or  
234 option, has not expired. No underutilized bidder shall be awarded more than three sheltered  
235 market program contracts by one or more governmental bodies within any one-year period.

236 (g) Except as otherwise provided in this section, all procurements under a sheltered  
237 market program shall be undertaken in accordance with the provisions of this chapter.

238 SECTION 12. Section 44A of chapter 149, as so appearing, is hereby amended by  
239 inserting after subsection 5, the following new subsection:

240 (6) An awarding authority awarding a contract under this chapter may ensure the prompt  
241 payment to any subcontractor with whom the contractor has contracted by implementing a  
242 prompt payment program. Any subcontractor that has fully performed in accordance with the  
243 terms of the contract is entitled to prompt payment from a contractor under such a program.

244 (a) If an awarding authority implements a prompt payment program, a contractor shall  
245 notify all subcontractors with which it has contracted of the schedule of payments due to it by the  
246 awarding authority and the receipt of such payments.

247 (b) Within 14 days of receipt of a payment from the awarding authority, a contractor shall  
248 pay a subcontractor the full or proportional amount received for each such subcontractor's work  
249 and material, based on work completed or services provided under the subcontract, unless the  
250 contract says otherwise.

251 (c) A contractor may withhold payment within the 14-day period if a written notice  
252 stating the reason for withholding is provided to the subcontractor and the

253 (d) (1) If a subcontractor does not receive payment within the required period, the  
254 subcontractor may give written notice of the nonpayment to the procurement officer, indicating:

255 (i) the name of the contractor;

256 (ii) the project under which the dispute exists;

257 (iii) the amount in dispute;

258 (iv) the itemized description on which the amount in dispute is based.

259 (2) After review of the written notice, the procurement officer may schedule a meeting  
260 with the subcontractor and contractor to evaluate the dispute and determine if the contractor is  
261 wrongfully withholding or refusing payment.

262 (i) If the procurement officer determines that the contractor is wrongfully withholding or  
263 refusing payment, the contractor shall provide payment to the subcontractor within 7 days of the  
264 meeting.

265 (ii) If the contractor further withholds or refuses payment, the procurement officer may  
266 impose a penalty of \$100 per day until the contractor provides payment to a subcontractor.

267 (e) If a contractor fails or refuses to pay a subcontractor within the required period after  
268 the receipt of a payment from the awarding authority, a contractor shall pay, in addition to the  
269 payment amount, interest accrued for each business day beyond the required payment period.

270 (1) Interest will not begin to accrue until the beginning of the business day on from the  
271 awarding authority.

272 (2) procurement officer.

273 SECTION 13. Chapter 149 of the General Laws, as so appearing, is hereby amended by  
274 inserting after section 44A 1/2, the following new section:

275 44A 3/4 (a) A procurement officer may establish, for contracts awarded under  
276 subsections 44A(c)-(d) of this chapter, an underutilized business subcontracting program for the  
277 purpose of increasing participation of underutilized businesses in the public construction  
278 industry. As used beneficially owned by one or more minority persons in conformity with  
279 clauses (1) to (4), inclusive, of the definition of "minority business" set forth in section 40N of  
280 chapter 7, any business beneficially owned by one or more women as provided in the definition  
281 of "women owned business" set forth in said section 40N, any small business as provided in the  
282 definition of -business as provided in the - any local business, defined as having its principal

283 office in the geographic area over which the procurement officer has jurisdiction and the owners  
284 of more than 50 percent of the business enterprise are residents of the geographic area over  
285 which the procurement officer has jurisdiction.

286 (b) In establishing such a program, a procurement officer shall set project-specific  
287 participation goals for underutilized subcontractors based on an assessment of the availability of  
288 underutilized subcontractors to do the needed work. If a procurement officer implements such a  
289 program, the requirement of a good-faith effort to meet these goals shall be included in the  
290 evaluation of bidders, along with the requirements and criteria set forth in the invitation for bids.  
291 A procurement officer may reject the lowest bid if the bidder does not meet the project  
292 participation goals or show good faith efforts to meet the project participation goals outlined in  
293 the invitation for bids.

294 (1) Good-faith efforts, as used in this section, may include: (i) actively soliciting  
295 underutilized businesses (ii) engaging in outreach to underutilized businesses in socially and  
296 economically disadvantaged communities, (iii) making project plans available to underutilized  
297 businesses for pre-bid inspection, (iv) providing bonding assistance to underutilized  
298 subcontractors, and (v) working and developing relationships with trade and community  
299 organizations that support underutilized businesses.

300 (c) When implementing a subcontracting program, a procurement officer may establish a  
301 preapprenticeship program to provide relevant training to develop the skills and expertise of  
302 underutilized individuals in the construction industry. This pre-apprenticeship program may  
303 include (1) training and courses on specific trades within the construction industry, financial



304 literacy, and exposure to apprenticeship programs, (2) support services and community  
305 building, and (3) assistance in entering apprenticeship programs.

306 (d) A procurement officer may set mandatory subcontracting minimums, either on an  
307 annual basis or for individual projects estimated to cost over \$50,000. The minimums shall be  
308 expressed as a percentage of the total project value rather than as a percentage of the total  
309 estimated subcontracting value.

310 (1) Before adopting mandatory subcontracting minimums, a procurement officer may and  
311 hold public hearings to determine the acceptable minimum benchmarks. The following  
312 information may be considered when determining the appropriate mandatory subcontracting  
313 minimum: (1) current participation of underutilized

314 businesses on city construction projects, (2) availability of underutilized businesses in the  
315 relevant geographic area to perform subcontracting work on city construction projects estimated  
316 to cost over \$50,000, and (3) barriers that currently exist in the construction industry to exclude  
317 underutilized businesses in the relevant geographic area.

318 (2) An awarding authority of a public construction contract awarded under section 5 of  
319 this chapter shall reject any bid that does not demonstrate feasible compliance with the  
320 mandatory subcontracting minimum. A bidder must provide, in its proposal, a detailed plan for  
321 engaging with underutilized businesses and for meeting the mandatory subcontracting minimum.  
322 An awarding authority shall the mandatory subcontracting minimum and conduct an independent  
323 assessment of subcontracting opportunities for underutilized businesses.

324 (3) If a bidder does not demonstrate best efforts to meet the mandatory subcontracting  
325 minimum, the awarding authority shall deem the bidder non-responsive.

326 (4) An awarding authority shall include the mandatory subcontracting minimum in any  
327 solicitations, requests for qualifications, requests for proposals, and any other bidding notices to  
328 prospective bidders.

329 (e) The procurement office of a local municipality located in the Commonwealth shall  
330 make available an online public database for the purpose of tracking underutilized business (1)  
331 The procurement office shall engage in ongoing collection of the following information: (1) the  
332 names and contact information of underutilized businesses in (2) the total year-to-date dollar  
333 value paid directly to underutilized subcontractors on city procurement projects, (3) the total  
334 year-to-date percentage of participation of underutilized businesses in the relevant geographic  
335 area, (4) the year-to-date percentage of participation of underutilized businesses in the relevant  
336 geographic area for each category of subcontract or trade work enumerated in subsection  
337 44F(1)(a), and (5) the diversity plans of each bidder on any public construction project.

338 (f) In addition to a public database containing information about a l to underutilized  
339 business participation goals in public construction projects, a local procurement office shall  
340 create and make available to small businesses and micro-businesses a public dashboard listing  
341 upcoming public construction project opportunities.

342 (1) A procurement officer may post an upcoming contracting opportunity prior to  
343 soliciting prospective bidders from a list of past bidders.

344 (2) A procurement officer may make good faith efforts to advertise the availability of the  
345 dashboard to underutilized businesses a reasonable amount of time prior to the main website.

346 (3) The dashboard shall set forth the following information:

- 347 (a) The contract type
- 348 (b) The estimated total contract value
- 349 (c) The expected categories of subcontract and trade work required
- 350 (d) The expected period of performance
- 351 (e) The contract-specific underutilized business participation goals
- 352 (f) The date that an invitation for bids will be issued and published
- 353 (g) Any other information that the procurement officer deems necessary and beneficial to  
354 underutilized businesses.
- 355 (h) For a competitive grant program to be administered by the supplier diversity office, in  
356 consultation with the secretary of technology services and security, to assist cities and towns  
357 with information technology to facilitate the provisions of this section, including compiling data  
358 to track the participation of and contracts awarded to minority-owned and women-owned  
359 businesses, small and micro-businesses, and local businesses. Provided, that eligible uses shall  
360 include, but not limited to, planning and studies, purchase, procurement, acquisition, and  
361 licensing.

362 SECTION 14. Subsection (3) of section 44J of chapter 149, as so appearing, is hereby  
363 amended by inserting the following clause:

- 364 (a) An awarding authority may split any contract or preliminary plans and specifications  
365 for the purpose of making public projects more accessible to underutilized micro-businesses.

366 (i) For each individual new contract created from a split contract or preliminary plans and  
367 specifications, an awarding authority shall adhere to the bidding procedures and provisions of  
368 this section as if the contract or preliminary plans and specifications had not been split.

369 SECTION 15. Section 39M of chapter 30, as so appearing, is hereby amended by  
370 inserting after subsection (e), the following new subsection:

371 (f) When authorized by majority vote, a chief procurement officer may establish a  
372 sheltered market program, as established under section 44K of chapter 149, in conformity with  
373 the requirements of this section.

374 SECTION 16. Section 49 of chapter 7C, as so appearing, is hereby amended by inserting  
375 after

376 subsection (e), the following new subsection:-

377 (f) On any project procured under this chapter, including by any city, town, or agency,  
378 board, commission, authority or instrumentality thereof, an awarding authority may set project  
379 participation goals and/or include as an additional qualification that applicant meet these goals or  
380 engage in good faith efforts to meet these goals.

381 (i) Such good faith efforts may include:-

382 (a) Ensuring the participation of underutilized businesses;

383 (b) Outreach to local communities and underutilized businesses within these  
384 communities, including communicating project opportunities;

385 (c) Developing creative, specific plans to increase diversity and inclusion of

386 underutilized businesses.

387 (ii) An awarding authority may require applicants to provide an affidavit that they will  
388 exercise good faith efforts to meet project goals.

389 (iii) An awarding authority may exercise discretion to reject any application that does not  
390 show a commitment to diversity and inclusion.

391 SECTION 17. Subsection (a) of section 18 of chapter 30B, as so appearing, is hereby  
392 amended by striking the definition of “Disadvantaged vendor” and inserting in place thereof the  
393 following new definition:

394 any business beneficially owned by one or more minority persons in conformity with  
395 clauses (1) to (4), inclusive, of the definition of "Minority business" set forth in section forty of  
396 chapter seven, and any business beneficially owned by one or more women as provided in the  
397 definition of "Women-owned business" set forth in said section 40N and any business  
398 beneficially owned by 1 or more veterans as provided in the definition of "veteran-owned  
399 business" as set forth in section 40N, and any small business as provided in the definition of -  
400 business as provided in the - having its principal office in the geographic area over which the  
401 procurement officer has jurisdiction and the owners of more than 50 percent of the business  
402 enterprise are residents of the geographic area over which the procurement officer has  
403 jurisdiction.