

Affirmative Market Program
Commonwealth of Massachusetts

**Affirmative Market Program:
How to Measure Success**



Presented by **Ellen Phillips**, Deputy State Purchasing Agent, Commonwealth of Massachusetts, NASPO Eastern Regional Conference, Portsmouth, NH

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Discussion Topics

- 3 **Introducing Main Program Functions**
- 3 **AMP Benchmarking Process**
- 3 **AMP Servicing Constituents**
- 3 **Recommendations for Increasing Opportunities**
- 3 **AMP Business Advisory Board**
- 3 **AMP Challenges & Opportunities**
- 3 **Statewide Expenditure Results**
- 3 **AMP Recognition**
- 3 **Resources**

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How Does the AMP Work?

- J **Oversight Role: EO 390**
- J **Implementing AMP Procurement Objectives For All Solicitations**
- J **AMP Procurement Policies**
- J **Measuring Performance**
- J **Tracking Expenditures in the areas of Commodities, Services, Construction & Design.**


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Setting AMP Expenditure Benchmarks

Statewide Process

- Departments submit their fiscal year benchmarks for MBEs and WBEs individually.
- The formula for the benchmark setting process is as follows:

the average spend from the prior two fiscal years	+ additional amount from current discretionary budget (after exemptions)	= fiscal year benchmark.
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AMP Servicing all Constituents

AMP Offers Information, Guidance, and Support to all Constituents to:

- £ Develop AMP Partnerships for AMP Plans
- £ Research M/WBE Availability by Industry
- £ Identify AMP Department Coordinators
- £ Expand Marketing Strategies
- £ Meet AMP Contractual Objectives
- £ Provide one-on-one Technical Assistance & Support

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<p>Vendor Training Opportunities</p> <ul style="list-style-type: none"> • <i>Basic Workshop</i> – How to Submit an Effective AMP Plan • <i>Intermediate</i> • <i>Advanced</i> • AMP Sponsored “DCAM Certification Workshops” 	<p>AMP Procurement Department Trainings</p> <ul style="list-style-type: none"> • Workshop for Developing Effective AMP Approaches • Training for Contract Management for AMP Commitments • AMP Support for Municipalities and Public Organizations
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NETWORKING AND BUSINESS DEVELOPMENT EVENTS

AMP Help Desk

- M/WBE "Meet & Greet" Initiatives
- Annual AMP Fiscal Year Statewide Kickoff
Theme: "Meet the M/WBE Vendor"
 - Invited Guests:
 - Governor
 - Secretary for ANF
- AMP Board Sponsored Annual Legislative Breakfast Theme: "The Role of Small & M/WBEs on Mass Economy"

• The **AMP Help Desk** is designed to provide prompt assistance to all AMP constituents including departments, municipalities, contractors, and Minority and Women-Owned Business Enterprises (M/WBEs).

- **M/WBE TALK— AMP NEWSLETTER**
This quarterly newsletter provides up-to-date information on AMP activities and events. It also helps to promote vendors and highlight department accomplishments.

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The AMP Business Advisory Board

BAB members are minority- and women-owned, SOMWBA certified businesses who participate in the Affirmative Market Program, community based programs whose mission includes the concerns of minority- and women-own businesses, or other entities that represent the interests of minority- and women-owned businesses.

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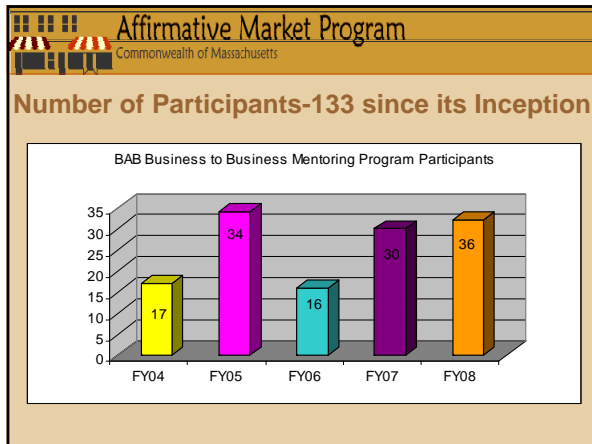
Business to Business Mentoring Initiative- Since September 2003

Purpose
To help certified vendors increase their understanding of the Commonwealth's contracting process, gain access to bidding opportunities and increase their successful attempts of acquiring business opportunities with state entities.

To increase visibility and participation of certified vendors in any contracting opportunity including the statewide contracting process.

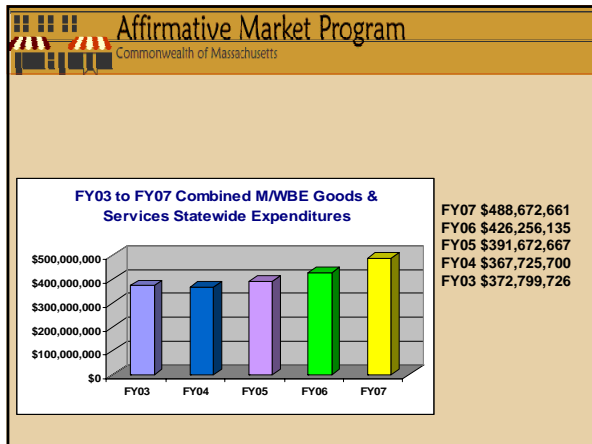
To positively impact the decision making process and address concerns from AMP participating agencies.

To assist vendors in improving performance in the execution of public contracts.



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- Factors that drive the key initiatives of the Business Advisory Board**
- § Input from AMP Coordinators and Department Heads provide critical information about what works and what doesn't work when implementing initiatives
 - § Ongoing dialogue with OSD helps us address the challenges and changes within the Commonwealth's procurement system.
 - § Vendor survey results
- Key Initiatives**
- Legislative Outreach – Program Funding
 - Business to Business Mentoring Program
 - "In the Spotlight" Expanding M/WBE Marketing Resources
 - Annual Statewide Legislative Breakfast
 - Facilitating Vendor Input- Annual Surveys
 - Business to Business Advanced Vendor Procurement Workshop
 - Working with Department Coordinators to increase opportunities and facilitate communication.

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- AMP Challenges & Opportunities**
- § To Maintain Funding
 - § To Increase Resources via Partnerships
 - § To Increase number of M/WBEs on Statewide Contracts
 - § To get Department Heads more involved with the process
 - § To facilitate the participation of public entities outside of the executive branch
 - § To increase the numbers of certified M/WBE vendors in under-represented industries



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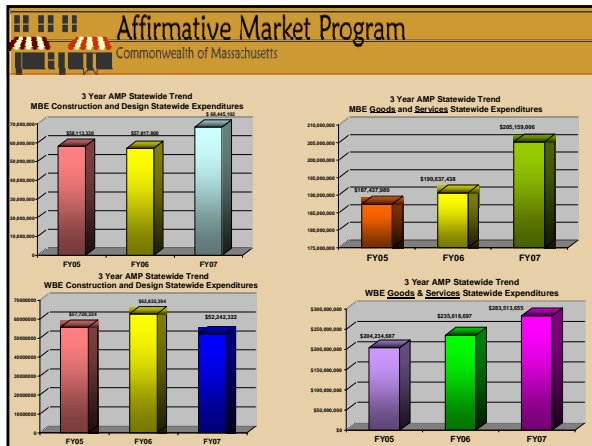
FY07 Combined M/WBE Expenditures

- In FY07, combined M/WBE expenditures in commodities and services increased by \$62,416,526 from FY06 showing a substantial 15% increase totaling \$488,672,661.
- In FY06, combined M/WBE expenditures for commodities and services increased by \$34,583,468 from FY05 showing a 8% increase totaling \$426,256,135,
- MBE expenditures in FY07 increased by 8% above previous year spending totaling \$205,159,006.
- WBE expenditures in FY07 increased by 20% above previous year spending totaling \$283,513,655.

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FY07 M/WBE Sub-Contractor Tracking

- FY07 M/WBE subcontractor participation totaled \$37,486,493, showing a 55% increase over FY06.
- In FY07 there were 241 certified M/WBEs who subcontracted on department contracts, and 67 certified M/WBES who subcontracted on statewide contracts for a combined total of 308 certified M/WBE subcontractors. This is an increase of 153 sub-contractors or 89% over the total number of certified M/WBES who subcontracted in FY06.
- The increase in sub-contracting is a direct result of the AMP Plan that is required in all statewide and large department specific procurements for goods and services.



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Acknowledgement & Recognition

The AMP has been acknowledged by Insight Center, California, to have the “best practice” for generating bi-partisan support; for the way that AMP trains and works with various state agencies, for the level of participation by the M/WBE community in the AMP; and for the mentor protégé program, which is one of the oldest, largest, and most consistent mentor-protégé programs of any state.

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“ As small business owners, we must relentlessly pursue business opportunities. The State Contract provides an avenue to success, but we must do the work and make it a reality”.

*– Don Straughter, MBE,
Nova Sheen Corp*

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RESOURCES

- **AMP:** WWW.MASS.GOV/AMP
Procurement Resources & Information
AMP Dept. Coordinator's list
MWBE on Statewide Contract List
Events listed on the *Program Services* page
Newsletters (News & Updates Page)
Mentoring Program Participation Form
- **Operational Services Division (OSD):** www.mass.gov/osd
Procurement Information & Forms
Events for Vendors, Non-Profits, Cities & Towns
- **Comm-Pass (Online Solicitation Service)** www.Comm-Pass.com
Solicitation Information for large contracts & Statewide Contracts
Closed Contracts
Vendor Directory/Yellow Pages

Supplier Diversity Program

Our Mission

- 3 Serve as primary liaison for small and minority vendors seeking procurement opportunities with the State;
- 3 Actively recruit and certify small, women, minority and disabled-owned businesses;
- 3 Assist Agencies meet their SBE/MBE purchasing goals.
- 3 Measure Agency compliance;

Supplier Diversity Program

State Government Requirements
CONN GEN STAT 4a-60g provides:

- 3 25% of state funded purchase are reserved for small businesses.

Of that amount, 25% are reserved for small businesses that are minority-owned.



Small Business Enterprise

A Company . . .

- 3 Doing business and having a principal place of business in CT for at least one year;
- 3 With gross revenues of < \$15,000,000 in the last fiscal year; and
- 3 With 51% ownership held by person(s) who are active in the daily affairs & have management direction power, and receives beneficial interests of the business.

Minority Business

A Company . . .

- 3 Owned and operated by a person(s) who is a member of a minority group;
- 3 51% ownership of the company;
- 3 Active in the daily affairs & operation of the company;
- 3 Authority to direct the management & policies of the company; and receives beneficial interests of the business
- 3 Meet the definition of a small business.

Supplier Diversity Program

Minority means:

- 3 Black American
- 3 Hispanic American
- 3 Persons with origins in the Iberian Peninsula
- 3 Asian American
- 3 American Indians
- 3 A woman
- 3 An individual with a disability

SBE/MBE Vendors in State of Connecticut Program

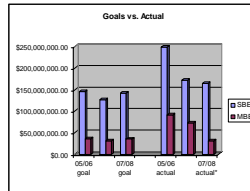
- 3 Currently there are 1670 businesses certified in the program
- 3 Various Types - Construction, Service Providers and Consulting, products providers, etc.
- 3 SBE/MBE Contracts with Lawn Care, Office Supplies, Janitorial, Printing Services; office equipment; and more;

Certified Vendors, broken out by Minority Classification
Report Date 07/18/2008

African-American	American Indian	Asian	Hispanic	Iberian Peninsula	SBE only
180	8	53	77	34	1,318

Have we met our Goals?

	SBE	MBE
05/09 goal	\$145,386,500.00	\$36,346,625.00
06/07 goal	\$126,450,262.00	\$31,612,565.00
07/08 goal	\$142,276,744.00	\$35,569,686.00
05/06 actual	\$249,323,933.00	\$91,618,433.00
06/07 actual	\$172,621,436.00	\$72,332,511.00
07/08 actual*	\$164,844,077.00	\$31,300,199.00



*4th qtr. Results still to be reported

How to we measure the success of our program?

- U Goals/Compliance Measurements
- U Increased #'s of new companies certified in diverse business arena
- U More Certified Companies on State Contracts
- U Diverse Supplier Base – Ample Supply.

How do Certified Companies measure Success?

- U Graduate the Program (no longer a small business)
- U Others...just maintaining their small business status and running a successful business.
- U Others...Ability to keep their business solvent
- U Afforded the opportunity to get Connecticut business/state contracts
- U Growth and new opportunities outside of State contracts

How Can we Help these Companies?

- U Provide them a level playing field (set-aside, bidding against one another rather than the large businesses)
- U Educate them on "State Ways" – laws, processes, etc.
- U Encourage the Use of Technology
- U Streamline processes to cut costs

