



September 10, 2019

Hon. Katjana Ballantyne, President
Somerville City Council
93 Highland Avenue
Somerville, MA 02143

President Ballantyne,

On behalf of the Board of Directors of the Black Economic Council of Massachusetts, Inc. (BECMA), our over 250 individual members from across the Commonwealth, and the 600 Black-owned businesses that we represent, I write to urge your support for the resolution introduced by Councilors Ewen-Campen and Mbah, which calls for, "...the Administration [to] initiate a Disparity Study to formally evaluate whether Somerville has a basis for implementing race- and gender-conscious contracting policies, and to serve as a baseline for future equity-based policies."

BECMA's mission is to advance the economic well being of Black businesses, organizations that serve the Black community, and Black residents of Massachusetts. We continue to achieve this mission by advocating for our business members, working now with the City of Boston to address its woeful underinvestment in businesses owned by people of color¹; by convening solutions-oriented discussions on important topics, having just completed our second in a series of neighborhood stakeholder conversations on the impact of Opportunity Zones; and by connecting our members to important business opportunities, as well as to one another.

In an address made to the City Council when presenting his budget in June 2019, Mayor Joseph Curtatone remarked that, "the overarching principal guiding our decision-making is our commitment to equity. An investment in our most vulnerable groups supports those most in need and also cascades out and up into a greater investment in our entire community's wellbeing."² Such a statement is an indication that the City of Somerville understands that there are issues of racial and economic inequities plaguing its systems and

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¹ See *Boston Awarded \$664m in Contracts. Less Than 1% Went to Women- and Minority-Owned Businesses*, Boston Globe (May 2, 2019) (retrieved from <https://www.bostonglobe.com/metro/2019/05/02/the-city-awarded-million-contracts-last-year-only-percent-went-minority-owned-businesses/K4Tt04GndWBF1MHdvpcNP/story.html>).

² See *Somerville's FY20 budget: doubling down on equity and core services*, Wicked Local Somerville (June 7, 2019) (retrieved from <https://somerville.wickedlocal.com/news/20190607/somervilles-fy20-budget-doubling-down-on-equity-and-core-services>).



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practices. However, there is little data currently available to the public via the city's website or other publications that help to determine just how deeply-rooted these issues are. Without this understanding it is difficult for the city to know just what substantive solutions are necessary to adequately address these persistent issues, leading to the celebration of incomplete efforts like a "Diversity Catalog"³ that, by itself, will not ensure the sustainability of the disadvantaged businesses who add their information to the database.

Like other cities and towns across Massachusetts, Somerville continues to diversify, according to the 2017 "The Wellbeing of Somerville Report" published by the Cambridge Health Alliance.⁴ At BECMA, we know that minority-owned businesses (MBEs) tend to locate themselves in communities of color and hire the majority of people of color. We know, too, that investment in MBEs is one way to address the growing racial wealth gap in the Greater Boston area.⁵ Such investment increases the capacity of these businesses allowing them to hire more individuals, pay livable wages, and provide quality benefits. Therefore, as Somerville grows even more diverse, it will be incumbent on the city to take early measures to ensure it is prepared to make an investment in the future of its economic health by doing business with its local MBEs. This can be done through the establishment of, or the strengthening of an existing, Supplier Diversity Program that sets achievable annual goals for city spending with MBEs, empowers an individual or team to work cross-departmentally to achieve these goals, and works with resource providers to connect MBEs to technical assistance opportunities.

In 2017, the Division of Capital Asset Management and Maintenance (DCAMM) conducted a Disparity Study – the first in seven years – in order to find effective ways to address continued business discrimination. The report included the City of Boston as an example for why a Supplier Diversity Program is necessary to ensuring equity remains a key focus in a city's purchasing practices. Following the suspension of an affirmative purchasing

³ See *Somerville creating Diversity Catalog to support businesses*, Boston Globe (August 13, 2019) (retrieved from <https://www.bostonglobe.com/metro/lobelocal/2019/08/13/somerville-creating-diversity-catalog-support-businesses/hVaLPwv8YgmfGZqbZBbvgl/story.html>)

⁴ See *The Wellbeing of Somerville Report*, Cambridge Health Alliance (2017) at 12-15 (retrieved from <https://www.somervillema.gov/sites/default/files/wellbeing-of-somerville-report-2017.pdf>).

⁵ See *That was no typo: The median net worth of black Bostonians really is \$8*, Boston Globe (December 11, 2017) (retrieved from <https://www.bostonglobe.com/metro/2017/12/11/that-was-typo-the-median-net-worth-black-bostonians-really/ze5kxC1jJelx24M3pugFFN/story.html>)



program in 2003, spending with MBEs fell by 41%.⁶ By 2015, only 1.15% of Boston's business went to MBEs. In FY18, that number fell to 0.5%. A program yet to be reinstated.

The importance of such a program is undeniable. The way to achieve this program, then, is through the conducting of a Disparity Study to establish a legal framework that justifies its creation and implementation. This would be one major step forward in ensuring Somerville fulfills its obligation to invest in all of its residents in an equitable and sustainable way.

If Somerville is truly committed to economic justice, then we call upon the City Council to adopt the resolution urging the undertaking of a Disparity Study. We also urge Mayor Curtatone to direct the Office of Strategic Planning and Community Development to release this RFP within thirty (30) days of the adoption of this resolution so that the City of Somerville can establish the strongest Supplier Diversity Program in the Commonwealth before FY2022. In the interim, we also urge Mayor Curtatone to call for an internal review of current supplier diversity programs and practices as well as spending levels with MBEs between FY13 and FY18 so that standard guidelines for purchasing across city departments can be established prior to the completion of a Disparity Study.

Respectfully submitted,

Segun Idowu
Executive Director
BECMA, Inc.

CC:

Hon. Joseph Curtatone
Mayor

Hon. Matthew McLaughlin
Vice President and Ward 1 Councilor

Hon. Stephanie Hirsch
At-Large

Hon. Wilfred N. Mbah
At-Large

⁶ See *Business Disparities in the DCAMM Construction and Design Market Area*, NERA Economic Consulting (2017) at 181-182 (retrieved from <https://www.mass.gov/files/documents/2017/12/29/business-disparities-in-the-dcamm-construction-and-design-market-area-study.pdf>).

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