



State of Delaware



OFFICE OF SUPPLIER DIVERSITY

FY2019 ANNUAL REPORT

July 1, 2018 to June 30, 2019

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Executive Summary

Delaware is an open and equal procurement state, where we welcome all businesses to participate in all our open bidding opportunities. As such, we do not have a preference nor set-asides for diverse or small vendors, as we treat all equitably as businesses and then measure and report our spending. Everyone is welcome to bid on the State's formal solicitation needs, these are advertised opportunities where the spend amount is above an established threshold, is based on a period of time, and category of spend. In addition, everyone has a possible opportunity for the State's under-threshold needs; these are unadvertised opportunities. An under-threshold opportunity is when the need is not already covered on a central contract and will not exceed the spending thresholds of a formal solicitation.

Delaware engages to assist vendors in B2G opportunities through workshops and trainings to learn how to do business with the State of Delaware. Government Support Services' (GSS) Contracting Unit and the Office of Supplier Diversity (OSD) offer continued education and training for our statewide inclusion team of contract managers and buyers as well as teaching the business community how to do business with the State.

OSD has modified reporting to provide improvements in formatting, data selections, and spend comparisons commencing FY2019.

Improvement number 1: Last year OSD included Charter Schools in FY2018 Annual Report. Commencing in FY2019, a Charter School Score Card is a regular element of the reporting.

Improvement number 2: OSD reviewed the state accounting system 'account codes' against which all spend is captured, to consider if additional codes were appropriate for inclusion in reporting. This effort added more than 150 account codes to the reporting. Approximately, 10% of the FY2019 spend in the Diverse and Small communities can be attributed to these new codes.

Improvement number 3: New this year is the 'discretionary spend' comparator. In the past OSD compared spend with diverse and small businesses by each Agency to the total spend of those agencies. Total spend included both non-discretionary spend and discretionary spend. We have replaced the Total Spend comparison, to remove the account codes where buyers and procurement officers do not have a choice; removing the non-discretionary account codes and related spend. The two leading Score Cards will show compare spend with the diverse business community to Discretionary Spend and spend with the small business community to Discretionary Spend.

New for Fiscal Year 2019: In May 2018, the State of Delaware implemented the eSupplier Portal to collect payment information from its suppliers. The secure login site allows all suppliers to review and request updates to their records. This includes the Diverse and Small business reporting elements.

Key Indicators

Diverse & Small Business Spend Results:

- In FY2019, the State of Delaware spent \$462.8Million with the diverse and small business Supplier Diversity communities. This is an overall increase of 47% over FY2018.
- FY2019 includes the following results in spend with the W9 self-identified business community:
 - 119% increase with W9 self-identified small businesses, and
 - 41% increase with W9 self-identified diverse businesses.
- In FY2019 includes the following results in spend with the certified business community:
 - 83% increase with our certified small businesses, and
 - 15.6% increase with our certified diverse business.
- In FY2019, the State of Delaware spent \$29.1Million in indirect Tier II spend with our community of diverse businesses, a 7.9% decrease from FY2018 indirect Tier II spend.

Agencies' SCORE CARD FY2019 ANNUAL REPORT

Diverse Business Spend

The FY2019 Annual total spend is \$462.8Million with the Supplier Diversity community (OSD + SBF), which is a combined increase of 47% over FY2018. For Diverse Businesses the FY2019 spend amount includes \$209.1M of spend with the diverse business community, of which \$99.2M is direct with certified OSD businesses, \$29.1M is indirect with Tier II, and \$80.8M is with W9 self-identified diverse firms. The Department of Education and the Department of Transportation have the highest spend with the certified businesses. DOE, inclusive of the School Districts, has the highest spend percentage with the collective diverse business community (OSD Certified & W9 Spend), at 34%. Six agencies account for 76% of annual spend with the diverse community (inclusively of OSD Certified & W9 self-identified businesses), each of whom exceeded the annual average of 4.2%: DOE (34%), DeIDOT (13.4%), DHSS (10.1%), Corrections (8.6%), Executive (4.9%), and Finance (4.9%).

| AGENCY | OSD Certified FY2019 | % of OSD Spend | W9 Self Certified FY2019 | % of W9 Spend | OSD + W9 Spend | Discretionary Spend | OSD + W9 % Agency ANNUAL |
|----------------------|----------------------|----------------|--------------------------|----------------|----------------------|------------------------|--------------------------|
| Legislative | \$287,635 | 0.29% | \$12,367 | 0.02% | \$300,002 | \$3,785,345 | 7.93% |
| Judicial | \$376,522 | 0.38% | \$835,938 | 1.03% | \$1,212,460 | \$13,743,492 | 8.82% |
| Executive | \$6,667,523 | 6.72% | \$2,172,979 | 2.69% | \$8,840,503 | \$456,557,428 | 1.94% |
| Technology | \$6,598,971 | 6.65% | \$176,882 | 0.22% | \$6,775,853 | \$39,194,179 | 17.29% |
| Other Elective | \$321,160 | 0.32% | \$1,007,439 | 1.25% | \$1,328,599 | \$123,371,977 | 1.08% |
| Legal | \$147,682 | 0.15% | \$1,436,593 | 1.78% | \$1,584,275 | \$13,639,125 | 11.62% |
| Human Resources | \$48,592 | 0.05% | \$78,096 | 0.10% | \$126,689 | \$16,042,133 | 0.79% |
| State | \$1,780,370 | 1.80% | \$889,795 | 1.10% | \$2,670,164 | \$87,383,187 | 3.06% |
| Finance | \$539,097 | 0.54% | \$8,342,429 | 10.32% | \$8,881,526 | \$284,669,363 | 3.12% |
| DHSS | \$9,304,640 | 9.38% | \$8,789,618 | 10.87% | \$18,094,257 | \$2,690,733,058 | 0.67% |
| DSCYF | \$2,473,390 | 2.49% | \$4,100,464 | 5.07% | \$6,573,854 | \$119,417,967 | 5.50% |
| Correction | \$15,411,384 | 15.54% | \$78,156 | 0.10% | \$15,489,540 | \$96,760,063 | 16.01% |
| DNREC | \$5,528,599 | 5.57% | \$1,887,991 | 2.34% | \$7,416,590 | \$118,437,640 | 6.26% |
| DSHS | \$1,885,430 | 1.90% | \$1,315,618 | 1.63% | \$3,201,048 | \$50,737,531 | 6.31% |
| DeIDOT | \$11,796,798 | 11.89% | \$12,297,520 | 15.21% | \$24,094,318 | \$655,225,248 | 3.68% |
| Labor | \$2,679,138 | 2.70% | \$1,304,425 | 1.61% | \$3,983,563 | \$31,957,708 | 12.47% |
| Agriculture | \$46,482 | 0.05% | \$268,987 | 0.33% | \$315,469 | \$46,184,051 | 0.68% |
| Elections | \$387,818 | 0.39% | \$6,036 | 0.01% | \$393,853 | \$17,143,420 | 2.30% |
| Fire | \$18,146 | 0.02% | \$117,170 | 0.14% | \$135,317 | \$6,279,351 | 2.15% |
| Natl Guard | \$1,978,328 | 1.99% | \$1,395,421 | 1.73% | \$3,373,749 | \$13,880,706 | 24.31% |
| Exceptional Citizens | \$3,408 | 0.00% | \$400 | 0.00% | \$3,808 | \$28,078 | 13.56% |
| Higher Education | \$2,388,408 | 2.41% | \$603,096 | 0.75% | \$2,991,504 | \$208,424,551 | 1.44% |
| Education | \$27,613,308 | 27.84% | \$33,724,418 | 41.72% | \$61,337,726 | \$772,493,653 | 7.94% |
| Housing Authority | \$892,939 | 0.90% | \$0 | 0.00% | \$892,939 | \$2,577,107 | 34.65% |
| Total | \$99,175,768 | 100.00% | \$80,841,840 | 100.00% | \$180,017,607 | \$5,868,666,363 | 3.07% |

New in FY2019 is the 'discretionary spend' comparator. Previously OSD compared spend with diverse (and small businesses) by each Agency to the total spend of those agencies. Total spend included both non-discretionary spend and discretionary spend. The Total Spend comparison has been replaced, to remove the account codes where buyers and procurement officers do not have a choice; removing the non-discretionary account codes and related spend. The FY2019 Score Card shows comparative spend with the diverse business community to Discretionary Spend.

Agencies' SCORE CARD FY2019 ANNUAL REPORT

Small Business Spend

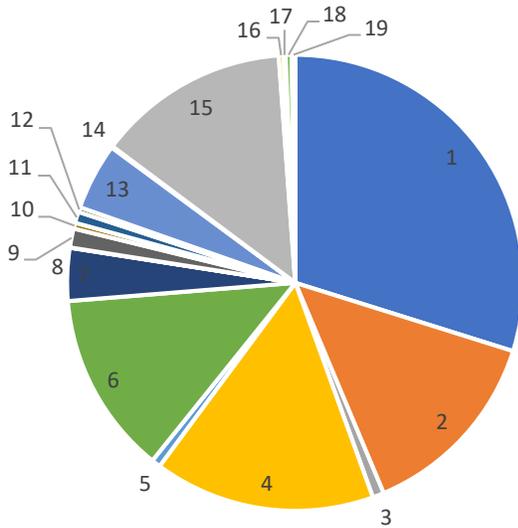
The FY2019 Annual total spend is \$462.8Million with the Supplier Diversity community (OSD + SBF), which is a combined increase of 47% over FY2018. For Small Businesses this amount includes \$253.6M of direct spend with the small business community, of which \$12.5M is with certified SBF vendors and \$241.1M is with W9 self-identified small firms. The Department of Education, inclusive of the School Districts, has the highest OSD Certified and W9 self-identified business spend percentage with the collective small business community, at 31.6%. Seven agencies account for 82% of annual spend with the small business community (inclusively of OSD Certified and W9 self-identified businesses), each of whom exceeded the annual average of 4.2%: DOE (31.6%), DelDOT (15.8%), DHSS (10.4%), Finance (8%), Correction (6.2%), Elections (5.2%), and Executive (4.8%).

| AGENCY | OSD Certified FY2019 | % of OSD Spend | W9 Self Certified FY2019 | % of W9 Spend | OSD + W9 Spend | Discretionary Spend | OSD + W9 % Agency ANNUAL |
|----------------------|----------------------|----------------|--------------------------|---------------|----------------------|------------------------|--------------------------|
| Legislative | \$3,423 | 0.0% | \$699,018 | 0.3% | \$702,441 | \$3,785,345 | 18.56% |
| Judicial | \$123,037 | 1.0% | \$1,535,701 | 0.6% | \$1,658,739 | \$13,743,492 | 12.07% |
| Executive | \$993,164 | 7.9% | \$11,125,440 | 4.6% | \$12,118,605 | \$456,557,428 | 2.65% |
| Technology | \$4,693 | 0.0% | \$3,959,082 | 1.6% | \$3,963,775 | \$39,194,179 | 10.11% |
| Other Elective | \$3,731 | 0.0% | \$1,639,622 | 0.7% | \$1,643,353 | \$123,371,977 | 1.33% |
| Legal | \$9,033 | 0.1% | \$3,174,633 | 1.3% | \$3,183,666 | \$13,639,125 | 23.34% |
| Human Resources | \$3,522 | 0.0% | \$338,747 | 0.1% | \$342,269 | \$16,042,133 | 2.13% |
| State | \$262,113 | 2.1% | \$4,929,869 | 2.0% | \$5,191,981 | \$87,383,187 | 5.94% |
| Finance | \$111,487 | 0.9% | \$20,188,047 | 8.4% | \$20,299,534 | \$284,669,363 | 7.13% |
| DHSS | \$878,641 | 7.0% | \$25,622,349 | 10.6% | \$26,500,991 | \$2,690,733,058 | 0.98% |
| DSCYF | \$141,374 | 1.1% | \$4,916,730 | 2.0% | \$5,058,104 | \$119,417,967 | 4.24% |
| Correction | \$349,155 | 2.8% | \$15,430,059 | 6.4% | \$15,779,214 | \$96,760,063 | 16.31% |
| DNREC | \$451,306 | 3.6% | \$5,579,108 | 2.3% | \$6,030,414 | \$118,437,640 | 5.09% |
| DSHS | \$398,948 | 3.2% | \$4,644,624 | 1.9% | \$5,043,572 | \$50,737,531 | 9.94% |
| DelDOT | \$3,058,194 | 24.4% | \$37,113,373 | 15.4% | \$40,171,568 | \$655,225,248 | 6.13% |
| Labor | \$150,607 | 1.2% | \$4,209,213 | 1.7% | \$4,359,820 | \$31,957,708 | 13.64% |
| Agriculture | \$13,176 | 0.1% | \$342,315 | 0.1% | \$355,492 | \$46,184,051 | 0.77% |
| Elections | \$3,697 | 0.0% | \$13,143,762 | 5.5% | \$13,147,459 | \$17,143,420 | 76.69% |
| Fire | \$7,821 | 0.1% | \$145,290 | 0.1% | \$153,111 | \$6,279,351 | 2.44% |
| Natl Guard | \$294 | 0.0% | \$1,235,403 | 0.5% | \$1,235,697 | \$13,880,706 | 8.90% |
| Exceptional Citizens | \$1,620 | 0.0% | \$1,784 | 0.0% | \$3,404 | \$28,078 | 12.12% |
| Higher Education | \$376,962 | 3.0% | \$6,144,766 | 2.5% | \$6,521,728 | \$208,424,551 | 3.13% |
| Education | \$5,203,189 | 41.5% | \$75,001,607 | 31.1% | \$80,204,797 | \$772,493,653 | 10.38% |
| Housing Authority | \$0 | 0.0% | \$0 | 0.0% | \$0 | \$2,577,107 | 0.00% |
| Total | \$12,549,189 | 100.0% | \$241,120,545 | 100.0% | \$253,669,734 | \$5,868,666,363 | 4.3% |

New in FY2019 is the 'discretionary spend' comparator. Previously OSD compared spend with small (and diverse businesses) by each Agency to the total spend of those agencies. Total spend included both non-discretionary spend and discretionary spend. The Total Spend comparison has been replaced, to remove the account codes where buyers and procurement officers do not have a choice; removing the non-discretionary account codes and related spend. The FY2019 Score Card shows comparative spend with the diverse business community to Discretionary Spend.

DOE & School Districts SCORE CARD FY2019 ANNUAL REPORT
Diverse Business Spend

School Districts spent \$24.8Million with the certified Supplier Diversity community in FY2019



FY2019 % Spend Depicted

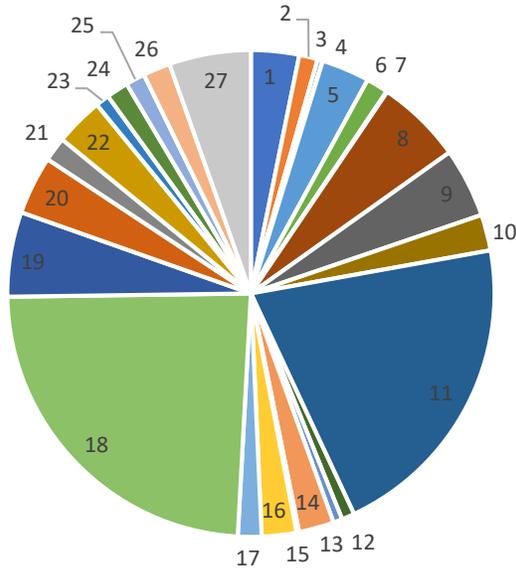
| | District | FY2018 | FY2019 | % of FY19 total |
|----|-------------------|---------------------|---------------------|-----------------|
| 1 | Appoquinimink | \$1,076,761 | \$7,411,332 | 29.8% |
| 2 | Brandywine | \$2,890,125 | \$3,435,387 | 13.8% |
| 3 | Caesar Rodney | \$198,392 | \$199,649 | 0.8% |
| 4 | Cape Henlopen | \$2,122,877 | \$3,888,183 | 15.7% |
| 5 | Capital | \$114,110 | \$157,387 | 0.6% |
| 6 | Christina | \$3,786,469 | \$3,216,297 | 13.0% |
| 7 | Colonial | \$850,390 | \$927,685 | 3.7% |
| 8 | Delmar | \$2,847 | \$5,784 | 0.0% |
| 9 | Indian River | \$173,907 | \$334,079 | 1.3% |
| 10 | Lake Forest | \$153,783 | \$102,829 | 0.4% |
| 11 | Laurel | \$105,291 | \$197,425 | 0.8% |
| 12 | Milford | \$213,003 | \$85,422 | 0.3% |
| 13 | New Castle VoTech | \$1,850,650 | \$1,175,542 | 4.7% |
| 14 | Polytech | \$254,098 | \$25,811 | 0.1% |
| 15 | Red Clay | \$5,614,763 | \$3,382,674 | 13.6% |
| 16 | Seaford | \$289,182 | \$84,206 | 0.3% |
| 17 | Smyrna | \$55,192 | \$33,281 | 0.1% |
| 18 | Sussex Tech | \$111,551 | \$108,539 | 0.4% |
| 19 | Woodbridge | \$87,821 | \$62,476 | 0.3% |
| | Total | \$19,951,212 | \$24,833,990 | |

FY2019 saw a 24.5% increase in spend with the OSD Certified diverse business community by the School Districts when compared to FY2018. A view of the chart above will show where annual changes in spend amounts shifted, some significantly, in FY2019 compared to FY2018, where some Districts' spend reduced while others increased. As stated in the FY2018 annual report, it is important to note that much of spend from the School Districts involves capital funds for new buildings and physical plant, and that these one-time expenditures change as projects complete and end. DOE has the highest annual Agency spend with diverse businesses in the Supplier Diversity community representing 34% of the annual state spend with diverse vendors.

| Agency Spend | FY2018 | FY2019 |
|------------------|--------------|--------------|
| School Districts | \$19,951,221 | \$24,833,990 |
| % change | | 24.5% |

DOE & Charter Schools SCORE CARD FY2019 ANNUAL REPORT
 Diverse Business Spend

Charter Schools spent \$2.4Million with the certified Supplier Diversity community in FY2019



FY2019 % Spend Depicted

| | FY2018 | FY2019 |
|----------------|-------------|--------------------|
| Charter School | \$4,089,230 | \$2,411,236 |
| % change from | | -59% |

| | Charter School | FY2018 | FY2019 | % of FY19 Total |
|----|----------------------|--------------------|--------------------|-----------------|
| 1 | Academia Antonia | \$126,688 | \$76,978 | 3.2% |
| 2 | Academy of Dover | \$18,893 | \$29,650 | 1.2% |
| 3 | Campus Community | \$6,502 | \$8,258 | 0.3% |
| 4 | Delaware Academy | \$4,015 | \$190 | 0.0% |
| 5 | Delaware Design | \$106,129 | \$76,830 | 3.2% |
| 6 | Delaware Military | \$49,557 | \$34,896 | 1.4% |
| 7 | Early College High | \$323 | \$1,333 | 0.1% |
| 8 | East Side Charter | \$108,411 | \$137,385 | 5.7% |
| 9 | Family Foundations | \$208,433 | \$111,273 | 4.6% |
| 10 | First State Military | \$28,516 | \$57,589 | 2.4% |
| 11 | First State | \$844,208 | \$503,493 | 20.9% |
| 12 | Freire Charter | \$45,445 | \$20,477 | 0.8% |
| 13 | Gateway Lab School | \$285,101 | \$14,505 | 0.6% |
| 14 | Great Oaks Charter | \$40,745 | \$56,270 | 2.3% |
| 15 | Howard T. Ennis Sr. | \$7,481 | \$4,029 | 0.2% |
| 16 | John S. Charlton | \$4,204 | \$55,390 | 2.3% |
| 17 | Kuumba Academy | \$131,522 | \$37,850 | 1.6% |
| 18 | Las Americas | \$738,679 | \$576,888 | 23.9% |
| 19 | Margaret Sterck | \$70,266 | \$135,611 | 5.6% |
| 20 | MOT Charter School | \$1,025,046 | \$93,551 | 3.9% |
| 21 | Newark Charter | \$9,567 | \$38,773 | 1.6% |
| 22 | Odyssey Charter | \$15,709 | \$77,495 | 3.2% |
| 23 | Positive Outcomes | \$9,170 | \$21,978 | 0.9% |
| 24 | Providence Creek | \$14,502 | \$35,170 | 1.5% |
| 25 | Sussex Academy of | \$10,122 | \$30,948 | 1.3% |
| 26 | The Charter School | \$4,768 | \$43,591 | 1.8% |
| 27 | Thomas A. Edison | \$175,228 | \$130,837 | 5.4% |
| | Total | \$4,089,230 | \$2,411,236 | |

FY2019 saw a 59% decrease in spend with the OSD Certified diverse business community by the Charter Schools when compared to FY2018.

**It is important to note that FY2018 spend from the Charter Schools may involve funds for new buildings and physical plant, and that this one-time spend changes as projects complete and end.*

Executive Order 44

The Office of Supplier Diversity (OSD), housed within the Office of Management and Budget's (OMB) Government Support Services (GSS) division, is the primary administrative body responsible for executing the State's supplier diversity strategy. The function and focus of Supplier Diversity and the Office were last updated through the signing of Executive Order 44 in 2014. Executive Order 44 and those that preceded it (Markell E.O.s #29 & 14) have allowed the Office to expand its role in assisting diverse owned business enterprises and uniquely sized small businesses through certification and inclusion in state contracting through support services. The community of diversely owned businesses includes those 51% or more owned, controlled, and actively managed by ethnic minorities, women, veterans, service-disabled veterans, and individuals with disability. The community of small businesses are those of a certain size that are not owned by a larger enterprise and meet certain size metrics. You can access Executive Order 44 at <https://www.governor.delaware.gov/orders/EO44.pdf>

Governor's Supplier Diversity Council

The Governor's Supplier Diversity Council works on initiatives and meets to review current activities in further of access to opportunities for the supplier diversity community.

There are thirteen possible members of the Council at any given time and from time to time council members terms expire.

Anyone interested in exploring joining the Governor's Supplier Diversity Council may review the website at: <https://gss.omb.delaware.gov/osd/sdc.shtml> and the Governor's website regarding Boards and Commissions at: <https://governor.delaware.gov/boards-commissions/> and may submit an application of interest at: https://governor.delaware.gov/wp-content/uploads/sites/24/2017/01/board_and_commission_application-form.pdf.

Council Members

| Council Member | Current Professional Role | Represents |
|--|---|--|
| Ken Anderson, Chair | Director - Entrepreneurial & Small Business Support, Department of State, Division of Small Business, Development and Tourism | Delaware Economic Development designee |
| Anas Ben Addi | Director - Delaware State Housing Authority, State of Delaware | Representative of the Governor |
| Theresa V. Brown Edwards, Esq. | Corporate Restructuring Professional and Region Legal Counsel – Northeast at US Foods, Inc. | Women-owned private business sector |
| L.J. Nick Callazzo III | President, Resource Specialists | Veteran-owned private business sector |
| Ernest (Ron) Frazier, Esq. | President, Countermeasures Assessment & Security Experts LLC | Minority-owned private business sector |
| Ralph Truitt | Farmer, and Co-Chair of the Delaware Association of African American Farmers | Local, private, or federal Minority business assistance program or community development program |
| Jayshree Moorthy | CEO, Frontier Technologies, Inc. (FTI) and WBENC Member and Committee leader | Local, private, or federal Women business assistance program or community development program |
| Givvel Marrero | President, Promotion Zone | Minority-owned private business sector |
| Dean W. Stotler | State of Delaware Chief Procurement Officer Director - Government Support Services, OMB, State of Delaware | Office of Management and Budget designee |
| Loren Hopkins Taylor, has been a non-voting participant during FY2018 <i>Currently open</i> | Sourcing Manager: Small Business / Supplier Diversity DuPont Sourcing & Logistics <i>Currently open</i> | Private sector DE business that administers a supplier diversity program |
| Dr. Sakthi A. Vel | President, Vel Micro Works Inc. | Minority-owned private business sector and Small Business sector |
| Dr. Devona Williams | President, Goens-Williams Associates, Inc. | Women-owned private business sector |
| <i>Currently open</i> <i>Role created by EO44</i> | <i>Currently open</i> <i>Role created by EO44</i> | Individual with Disability-owned private business sector |

Agency Liaisons

Each Executive Branch Agency is invited to select a Supplier Diversity Liaison to participate with Council and to connect with the Office of Supplier Diversity and work internal in their agency to provide reporting to OSD as well as to support access to opportunities for certified diverse and small business vendors. The Liaisons during FY2019 included:

| Liaisons | Current Professional Role | Agency Representing | Email |
|--------------------------------|---|--|-----------------------------------|
| Dean W. Stotler | Chief Procurement Officer, Director - Government Support Services (GSS) | Office of Management and Budget (OMB) | Dean.Stotler@delaware.gov |
| Wendy Brown and Kimberly Jones | DMS Contract & Procurement Administrator; Purchasing Srv Administrator | Department of Health and Social Services (DHSS) | Wendy.M.Brown@delaware.gov |
| Carrie Erickson | Comptroller | Delaware Department of Natural Resources and Environmental Control (DNREC) | Carrie.Erickson@delaware.gov |
| Shelly Alioa | IT Procurement Officer | Department of Technology and Information (DTI) | Shelly.Alioa@delaware.gov |
| vacant | (Director Anas Ben Addi is a Council Member) | Delaware State Housing Authority (DSHA) | |
| Cherie Dodge Biron | Controller, Financial Services, DHR | Department of Human Resources | Cherie.Dodge-Biron@delaware.gov |
| vacant | | Department of Finance | |
| Wendy Henry (acting) | DelDOT Civil Rights Administrator | Delaware Department of Transportation (DelDOT) | Wendy.Henry@delaware.gov |
| Herman Rodriguez | Administrative Officer | Department of Labor (DOL) | Herman.Rodriguez@delaware.gov |
| Stephanie Young | Controller | Delaware Department of Safety and Homeland Security (DSHS) | Stephanie.Young@delaware.gov |
| William (Bill) Davis | Contracting Specialist | Delaware National Guard | william.r.davis534.nfg@mail.mil |
| Karen Davis-Williams | Family Services Program Support Administrator | Department of Services for Children, Youth and their Families (DSCYF) | Karen.Davis-Williams@delaware.gov |
| Ken Anderson | Director – Entrepreneurial & Small Business Support | Department of State, Division of Small Business | Kenneth.R.Anderson@delaware.gov |

What certifications exist?

During FY2019 the State's Certifications include the following diversely owned business enterprises:

| | |
|--------|--|
| MBE | Minority Business Enterprise |
| WBE | Woman Business Enterprise |
| VOBE | Veteran Owned Business Enterprise |
| SDVOBE | Service Disabled Veteran Owned Business Enterprise |
| IWDBE | Individual with Disability Owned Business Enterprise |
| SBF | Small Business Focus |
| DBE | Disadvantaged Business Enterprise |

For Disadvantaged Business Enterprise (DBE) certification business owners should contact the Delaware Department of Transportation¹ (DelDOT). There are both social and economic eligibility requirements for the DBE certification. You will find DBE spend details within this report. The DBE office provides reporting of the subcontracting spend with DBE firms.

Who is eligible to apply for OSD certification as a diverse vendor?

A business (sole-proprietorship, partnership, corporation or joint venture) who meets the following criteria:

- The business is at least 51 percent owned, controlled, and actively managed with independent knowledge by U.S. Citizen(s) or Permanent Resident(s) who is a:
 - Woman; or
 - Member of one of these ethnic groups: African Americans, Asian/Pacific Americans, Hispanic Americans, Native Americans, and Subcontinent Asian Americans; or
 - Veteran or Service Disabled Veteran owned business; or
 - Individual with Disability owned business; and is
- Operating as for profit business with “useful business functions”; and
- An out-of-state company must first be certified in its home state (this must be a state-level diversity certification, if available) or by one of the following: NMSDC, WBENC, or VetBiz.gov before it can be considered for certification in Delaware.

We encourage all eligible businesses to apply for OSD certification. The application is available to you at: <https://gss.omb.delaware.gov/osd/certify.shtml>

The goals of the Small Business Focus (SBF) Program

- Increasing access to opportunities for small businesses to participate in state procurement;
- Creating a program for small businesses of a certain size;
- Certifying those uniquely sized businesses enterprises;

¹ <https://www.deldot.gov/information/business/dbe/index.shtml>

- Creating a Directory of these uniquely sized small businesses;
- Encourage the revising of agency Supplier Diversity Plans to access the Small Business Focus Program Directory when making under threshold procurements; and
- Measuring, analyzing, and reporting on spend for current and future procurements with uniquely sized small businesses in the Small Business Focus Program.

Who is eligible to apply for Small Business Focus (SBF) certification?

To be eligible, a business must meet all of the following criteria:

- Be owned by U.S. Citizen(s) or Permanent Resident(s);
- Be a For-Profit business with “useful business functions”;
- Be within one of the six industry sectors and at or under the eligibility size caps identified below; and
- Operate free from the control of a business larger than the eligibility size caps identified below.

| The SBF Industries | NAICS ² sectors* (initial code numbers) | eligibility & graduation size caps | |
|-------------------------------------|--|--|---------------|
| | | FTE (full time equivalents) Based upon a 3-year average | Gross sales |
| Architecture & Engineering Services | 237 and 541 | none | < \$3,500,000 |
| Construction | 23 | < 250 | < \$7,000,000 |
| Manufacturing | 31, 32, and 33 | < 250 | none |
| Retail | 42, 44, and 45 | < 25 | < \$3,500,000 |
| Service | various | < 50 | < \$3,500,000 |
| Wholesale | 42 | < 50 | none |

Firms that hold specific certifications:

Any firm already certified by their home state or one of the third party certification entities may skip parts of the new combined application when seeking Office of Supplier Diversity certification. The new application (see next section) provides instruction at each question. The other certifying entities that OSD will allow for reduced responses includes:

- Disadvantage Business Enterprise 49 CFR Pt 26 in Delaware, Maryland, or Pennsylvania
- City of Wilmington, Minority Business Enterprise Office (DBE)
- Center for Veterans Enterprise (VetBiz.gov)
- National Minority Supplier Development Council (NMSDC)
- Women Business Enterprise National Council (WBENC)

² [North American Industry Classification System \(NAICS\)](#) is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. A NAICS code has six digits. The first 2 to 3 digits are used to identify the industry for the Small Business Focus Program.

Delaware also recognizes other state certifications and the OSD office can be contacted for additional details. The application is available at <https://gss.omb.delaware.gov/osd/certify.shtml>

Directory of Certified Vendors:

Public listings of OSD and SBF certified companies helps your company be known to and found by state procurement teams when seeking a quote from a vendor where the need (a) does not already exist on contract, (b) the spend to meet the need does not exceed the threshold that requires the opportunity to become a formal procurement. If both of those criteria are met, the buyers' use their Agency's Supplier Diversity Plan and seeks three written quotes from three vendors, and the first one comes from the certified diverse vendor pool. The second and third quote may come from any other business; this is how the state is inclusive in our under-threshold sourcing activities.

OSD and SBF Public Listings are in two locations. [Directory of Certified Businesses](#)³, where the Supplier Diversity Plan searches occur. Additionally, you are invited to search our Directory when seeking a business to meet your needs. This data is updated dynamic basis each workday.

Directory of Certified Businesses

Search the Directory [Helpful Search Tips](#)

Please visit the [North American Industry Classification System \(NAICS\)](#) for additional information.
For a complete directory of all businesses certified in either program select the program title below.

| | |
|---|--|
| <div style="background-color: #e6f2ff; padding: 10px; border: 1px solid gray;"> <p style="text-align: center;">Office of Supplier Diversity</p> <ul style="list-style-type: none"> Minority Business Enterprise (MBE) Woman Business Enterprise (WBE) Veteran Owned Business Enterprise (VOBE) Service Disabled Veteran Owned Business Enterprise (SDVOBE) Individual with Disabilities Owned Business Enterprise (IWDBE) <div style="text-align: center; margin-top: 10px;"> <input style="background-color: #0070c0; color: white; border: none; padding: 5px 20px;" type="button" value="Full OSD Directory"/> </div> <p style="text-align: center; font-size: small; margin-top: 5px;">Explore or download OSD as Open Dataset</p> </div> | <div style="background-color: #e6f2ff; padding: 10px; border: 1px solid gray;"> <p style="text-align: center;">Small Business Focus</p> <ul style="list-style-type: none"> Architecture & Engineering Industry Firms Construction Industry Firms Manufacturing Industry Firms Retail Industry Firms Service Industry Firms Wholesale Industry Firms <div style="text-align: center; margin-top: 10px;"> <input style="background-color: #0070c0; color: white; border: none; padding: 5px 20px;" type="button" value="Full SBF Directory"/> </div> <p style="text-align: center; font-size: small; margin-top: 5px;">Explore or download SBF as Open Dataset</p> </div> |
|---|--|

³ <https://directory.osd.gss.omb.delaware.gov/index.shtml>

Delaware Open Data portal:

OSD data is also publicly listed in the [Delaware Open Data](https://data.delaware.gov/)⁴ portal, and has been hosted there since the June 2016 go-live of the portal. This publishing of this data is also automated. OSD data is included in the ‘[Economic Development](#)’ tab and the ‘[Government & Finance](#)’ tab within Open Data.

| Open Data – Economic Development tab | |
|--------------------------------------|--|
| Data set: | Certified Vendors – Office of Supplier Diversity |
| Chart: | Certified Minority-Owned Business Breakdown |
| Chart: | OSD Certified also DOT certified DBEs |
| Map: | Certified Vendors Map – Office of Supplier Diversity |
| Data set: | Certified Vendors – Small Business Focus |
| Chart: | Certified Small Businesses – by Industry |

| Open Data – Government & Finance tab | |
|--------------------------------------|---|
| Chart: | Certified Women-Owned Business Breakdown |
| Chart: | Certification Categories - OSD |
| Map: | Certified Vendors in the Small Business Focus |
| Chart: | Delaware vendors and OSD vendors successes in total |
| Chart: | Awarded Vendors who are OSD Certified |
| Chart: | Veteran Service Disabled Vendors as a % of Total |
| Filtered View: | Women-Owned Businesses with Cooperative |
| Filtered View: | Veteran-Owned Businesses with Cooperative |
| Filtered View: | Small Businesses with Cooperative Agreements |
| Filtered View: | Minority-Owned Businesses with Cooperative |

Government Support Services, Contracting Unit, outreach

The GSS Contracting Unit manages all aspects of central or statewide contracts. As part of this teams’ commitment to a fair and equitable bidding platform, each contract specialist, manager, and officer performs outreach as the contracts they manage are opened for bid and posted within <https://bids.delaware.gov/>. Businesses that have registered within the state’s free Vendor

⁴ <https://data.delaware.gov/>

Notification Service receive notification of newly posted bids that match the United Nations Standard Products and Services Code® (UNSPSC®)⁵ codes that the business selected when registering.

Delaware’s Supplier Diversity & Small Business Community spend snapshot

For the year FY2019, the State of Delaware spent \$462.8Million with the Supplier Diversity and Small Business community, a 47% increase over the FY2018. This is inclusive of diverse spend of \$209.1M, including \$180.0M in direct spend with the OSD and W9 self-identified businesses, and \$29.1M in indirect spend with awarded contract Tier II spend, and direct small business spend of \$253.6M.

| | FY2018 ANNUAL | FY2019 ANNUAL | % change |
|---|----------------------|----------------------|---------------|
| Direct spend with OSD Certified + W9 + DSHA | \$166,579,120 | \$180,017,607 | 8.1% |
| Indirect spend. Tier II | \$31,575,594 | \$29,087,630 | -7.9% |
| TOTAL Supplier Diversity spend (include W9, OSD & Tier II) | \$198,154,714 | \$209,105,237 | 5.5% |
| Direct spend with SBF Certified | \$6,857,572 | \$12,549,189 | 83% |
| Direct spend with W9 small firms | \$109,903,040 | \$241,120,545 | 119.4% |
| TOTAL Small Business spend (include W9 & SBF) | \$116,760,612 | \$253,669,734 | 117.3% |
| TOTAL (direct and indirect, all diverse & small) | \$314,915,326 | \$462,773,971 | 47% |

About the Score Cards

This report includes the scorecard for Annual reporting; these are included above at pages one through four. The first two pages of the Score Card captures Annual spending by Agency with diverse businesses and with small businesses and the third and fourth pages are Score Cards capturing Annual spend with diverse businesses by the School Districts and Charter Schools. Agencies track and measure their Supplier Diversity efforts along these analytics. Agencies each

⁵ You can review UNSPSC data and information at: <https://www.unspsc.org/>

have a Supplier Diversity Plan, which can be found at the Office of Supplier Diversity website at: <https://gss.omb.delaware.gov/osd/supplierdiversity.shtml> or within each agency's webpages. In addition to looking at direct spend with OSD Certified firms and with W9 self-identified diverse firms, the scorecards explore spend with OSD Certified firms and W9 self-identified firms including a combined calculation of spend with OSD Certified and W9 Self-identified firms. As a change in FY2019, these Score Cards report the Discretionary Spend of the Agency for the period and provide a calculation of the percent of diverse (OSD + W9) spend as compared to the same Agency's total Discretionary Spend for the quarter. Similar calculations are reported for Small Business spending within each Agency on the second Score Card.

Spend Types: One-Time and Regular Need

There are different types of spend and it is important to be aware that some Agencies have One-Time spend as well as Regular Need spend. It is important to note that some quarters and years demonstrate a large increase in spend and those are most often attributable to One-Time spend rather than Regular Need spend. One-Time spend often involves Capital Budget activities to build or perform a major renovation of physical property owned by the State or Agency. One-Time spend may also include Professional Service costs to cover a survey or an analysis of the current state of services. This type of spend is not a regular and on-going need, but rather an event, such as the construction of a school, housing, or other government building (you only build it once). Similarly, the professional service of analysis and report of current state may be a one-time need, which may be followed by other services that may be one-time or may be regular need. Regular Need spend is constituted by the ongoing needs of the State and Agencies in their usual operations. Many of the Regular Needs are managed in the GSS central contracts (such as office supplies; school supplies; laboratory supplies; public and life safety supplies and services; building maintenance and plumbing supplies and tools; food and beverage; fuel; technology hardware, software, and services; and much more) but may also be included in specific Agency contracts as well. GSS Central Contracts and Agency Contracts are posted within the GSS MyMarketplace site at: <https://mymarketplace.delaware.gov/>

Subcontracting/Tier II Report

Subcontracting work is not performed directly with the State, but rather is when an Awarded vendor that is on contract with the state has subcontractors and suppliers who work for them in their overall performance for the State. The Awarded vendor is responsible for all work. The State requires Awarded vendors to provide a Tier II report, sharing with us the diverse stats of any subcontractor or supplier that is a certified vendor in the performance of state work. This chart compares FY2019 Tier II work to FY2018 Tier II work.

| Diverse | FY2018 | FY2019 | % change |
|---------------------------|---------------------|---------------------|--------------|
| DelDOT DBE Subcontracting | \$28,906,987 | \$25,945,060 | -10.2% |
| GSS & State Tier II | \$2,668,607 | \$3,142,570 | 17.8% |
| Total | \$31,575,594 | \$29,087,630 | -7.9% |

Tier II reporting is indirect spend, meaning that the spend is not direct from the State to the Tier II vendor, but rather is paid to an awarded contractor and that contractor has included a diverse vendor in their supply chain or sub-contracting opportunities. The awarded contractor pays the Tier II vendor, and reports on these activities to the State. Government Support Services (GSS) receives subcontracting and supply chain information on central contracts from the prime or awarded contractors, when they have work with the supplier diversity community relative to the core of the contract. Tier II reporting has a lag period to gather all data as we rely upon prime vendors to report their supplier diversity spend with subcontractors (Tier II) and that data extends past a quarter end. The currently available Tier II reporting and spend for FY2019 covers the contracts identified below.

This chart reports Tier II spend on five state or central contracts totaling \$3.14Million for FY2019, an increase of 17.8% compared to the \$2.67Million in FY2018.

| State Contracts | Vendor | FY2019 | | | | |
|--------------------------|---------------------------------------|---------------------|---------------------|---------------------|---------------------|--------------------|
| | | Q1 | Q2 | Q3 | Q4 | Total |
| 597-IT Augmentation | Computer Aid | \$613,130 | \$558,890 | \$616,776 | \$644,711 | \$2,433,506 |
| 608-Document Destruction | DE Assn. of Rehabilitation Facilities | \$12,434 | | | | \$12,434 |
| 630-IT Project Staffing | MicroTek Software | \$28,411 | \$57,242 | \$67,232 | | \$162,790.12 |
| | Applied Technologies | \$100,011 | \$90,493 | \$95,764 | \$101,628 | \$544,419.60 |
| 641-Playground | Becker School Supplies | \$45,850 | | \$0 | \$17,180 | \$45,850 |
| 829-SCHOOLPLAN | SafePlans | | \$110,000 | | | \$110,000 |
| Total | | \$799,835.41 | \$816,624.52 | \$779,771.35 | \$746,338.91 | \$3,142,570 |

Trainings offered to the Vendor Community

Procurement Specific Training

In a strong effort to help diverse and small business seize upon the opportunity to bid on formal procurement solicitations, and to help share how to access under-threshold opportunities, Government Support Services (GSS) Contracting Unit's Trainer and OSD offers two different but equally important training events. "Vendor Day – How to Do Business with the State of Delaware" trainings are offered throughout the state to help engage vendors and provide education about the state's procurement process, procedure, expectations, and helpful tips. "School District Supply Chain" trainings are offered in cooperation with the School Districts. These are held at the county level, offering vendors an opportunity to understand that School Districts are welcome to use statewide contracts, but are not required to, and therefore may contact with vendors following state procurement rules. Even though our state contracts are intended to be used, and are eligible to be used, by all state agencies, not all entities are required by Delaware Code to utilize these contracts. An example of excluded entities are schools, fire departments, and municipalities. Therefore, vendors are eligible to market directly to these

groups. To help you identify whom to contact, the Contracting Unit maintains a list of those other procurement officials at <https://mymarketplace.delaware.gov/procurement-contacts.shtml>. This list provides names and contact information for procurement officers throughout all state offices, all municipalities, and various other departments.

These two trainings are offered inclusively to the entire business community of traditional, diverse, and small businesses. Government Support Services Contracting Unit and OSD continue to meet new vendors as they join us, along with vendors who are repeat attendees, coming for a second or third time to continue to learn more about contracting with the state.

Contracts to Watch

During FY2019, the Government Support Services (GSS) Contracting Unit continued this training and open forum opportunity. “Contracts to Watch” helps educate businesses in deciding which contracts to monitor, and when. The Government Support Services Contracting Unit hosts informal meetings, at least every other month and sometimes more frequently, to facilitate the gathering and sharing of information related to statewide contracts that are approaching a critical decision point: extend or create and advertise a new solicitation. Business owners and leaders interested in sharing information on either the efficiencies of the existing contract or trends in related market sectors are invited to attend.

OSD Participation in the Community

The Office of Supplier Diversity is committed to continued contact and participation in the community. The Boards, Committees, Commission category represents working meetings as OSD sits in participant or advisory roles on nine councils, boards, and commissions, including:

- Delaware Governor’s Supplier Diversity Council,
- United Way Delaware, Women In Action & Women United Advisory Council,
- Delaware Hispanic Commission, Economic Development Sub-Committee,
- Association of Builders and Contractors (ABC Delaware), Diversity & Inclusion Committee,
- Delaware’s State Council for Persons with Disabilities
- Delaware Technical Community College (DTCC), Terry Campus Business Advisory Board,
- National Association of Women Business Owners (NAWBO) Delaware,
- YWCA’s Women Achieving a New Direction (WAND) Delaware, Advisory Board, and
- Spur Impact (creators of the Millennial Summit), Advisory Board.

OSD List Serve

OSD utilizes a list serve to outreach inclusively to the business community. All vendors, traditional, diverse, and small as welcome to join the list serve. The focus of the OSD List Serve is to share access to business development, opportunities, networking, and engagement to the businesses who joined the list serve. One of the best ways to learn about the various business development activities and other opportunities is to join the OSD list serve via this link: <https://directory.osd.gss.omb.delaware.gov/self-registration.shtml>.

Future Plans for OSD

- In FY2020, the Delaware Office of Supplier Diversity will move from the Office of Management and Budget to the Department of State.

Questions, Comments, and Feedback Welcome

Your questions, comments, and feedback are always welcome. Please feel welcome to reach out to share your thoughts. Feel welcome to call or email so that we can find a time to get together to discuss your questions, comments, and feedback. Collaboration is a wonderful tool to finding results that move us along in a positive direction.

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