Office of Supplier Diversity

The mission of the Office of Supplier Diversity is to expand economic opportunities for businesses owned by minorities, women, veterans and individuals with disabilities along with businesses of a unique size by supporting their efforts to compete for contracts with state agencies. This is done through advocacy efforts, connecting business owners with resources and OSD certification. The certification provides more visibility for businesses, particularly with under-threshold spend opportunities.

In September 2019 the Office of Supplier Diversity moved from the Office of Management & Budget to the Division of Small Business. During this transition, it was discovered that 77 percent of the businesses listed as "active" in the OSD certified database were in fact not. Out of 2,151 "active" businesses, certifications for 1,684 had expired (as far back as 2011), leaving only 467 certified businesses. All affected businesses received outreach to notify them they needed to reapply for certification to remain in the OSD database. By the end of FY '20, there were 791 certified vendors. The directory of certified businesses can be found on the OSD website, delbiz.com/osd.

Although OSD is now part of DSB, OSD and OMB's Government Support Services (GSS) continue to work together to educate the vendor community on how to do business with the state. The GSS Contracting Unit offers training events known as "Vendor Day – How to Do Business with the State of Delaware". The session, held throughout the state, provides valuable education to vendors about the state's procurement process, procedures and expectations.

Moreover, with "Contracts to Watch" Government Support Services, educated businesses in deciding which contracts to monitor and when. And the Contracting Unit hosts frequent informal meetings 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 can share information on either the efficiencies of the existing contract or trends in related market sectors.

Not all entities are required by Delaware Code to use State contracts, including schools, fire departments and municipalities. Therefore, vendors are eligible to market directly to these groups. The Contracting Unit maintains a list of

those other procurement officials with contact information at MyMarketplace.

During FY ’21 OSD will be working to develop an online application portal to make the certification process more efficient, which will save applicants time and allow them to obtain real-time updates on their application status. OSD will also continue working with the Office of the Governor on an executive order to rescind the current order creating the office. Changes and updates proposed include changing the size and expanding the role of the Governor’s Supplier Diversity Council.

Supplier Diversity & Small Business Community Spend Snapshot

Of the $11.3 billion the State of Delaware spent in FY ‘20, 4% was spent with the Diverse Business and Small Business community. A quarter of that went to OSD certified businesses.

The chart below breaks down that spending, which totaled $471 million, and compares it to spending in FY ’19.

Spend Type	FY '19	FY '20	% change
Direct spend with OSD Certified + W9 + DSHA	$ 180,017,607	$ 195,701,073	8.7%
Indirect spend. Tier II	$ 29,087,630	$ 31,161,031	7.1%
Total Supplier Diversity spend (include W9, OSD & Tier II)	$ 209,105,237	$ 226,862,105	8.5%
Direct spend with SBF Certified	$ 12,549,189	$ 16,335,092	30.2%
Direct spend with W9 small firms	$ 241,120,545	$ 227,713,457	-5.6%
Total Small Business spend (include W9 & SBF)	$ 253,669,734	$ 244,048,548	-3.8%
Total (direct and indirect, all diverse & small)	$ 462,773,971	$ 470,910,653	1.8%

FY '20 Scorecards

The FY '20 annual total spend was $471 million with the Supplier Diversity community (OSD + SBF) - a combined increase of 1.8% over FY '19.

Using data from First State Financials (FSF), JP Morgan, DSHA contracting reports, State Agency & GSS Tier 2 reports and DelDOT Subcontractor reports, the score cards capture annual spending by State agencies and school districts/charter schools with diverse and small businesses.

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.

The scorecards report discretionary spend and provide a calculation of the percent of diverse (OSD + W9) spend as compared to the same agency's total discretionary spend.

Similar calculations are reported for small business spending within each agency on the second scorecard.

Agencies Diverse Spend Scorecard

Of the $226.9 million the State spent with the diverse business community in FY '20:

- 42 percent was direct with certified OSD businesses
- 14 percent was indirect with Tier II
- 44 percent was with W9 self-identified diverse firms

Six agencies accounted for 76 percent of the annual spend with the diverse community – Education, Health & Social Services, Corrections, DelDOT, Finance and Executive.

Agency	OSD Certified FY '20	% of OSD Spend	W9 Self Certified FY '20	% of W9 Spend	OSD + W9 Spend	Total Annual Agency Spend	OSD + W9 % Agency Annual
Education	$31,419,400	33.0%	$47,068,434	46.9%	$78,487,834	$794,441,696	9.9%
Correction	$12,290,981	12.9%	$362,557	0.4%	$12,653,538	$103,036,185	12.3%
DHSS	$10,979,406	11.5%	$13,568,253	13.5%	$24,547,659	$2,882,665,823	0.9%
Executive	$7,062,097	7.4%	$2,147,939	2.1%	$9,210,036	$506,817,354	1.8%
Technology	$6,903,259	7.2%	$193,023	0.2%	$7,096,282	$38,085,051	18.6%
DelDOT	$4,736,683	5.0%	$6,457,247	6.4%	$11,193,930	$720,235,552	1.6%
DNREC	$3,630,674	3.8%	$3,809,461	3.8%	$7,440,134	$119,928,545	6.2%
Labor	$3,079,747	3.2%	$1,433,822	1.4%	$4,513,569	$35,405,183	12.8%
Higher Education	$2,951,991	3.1%	$1,990,652	2.0%	$4,942,643	$219,661,476	2.3%
Housing Authority	$2,838,574	3.0%	$0	0.0%	$892,939	$11,927,254	7.5%
DSCYF	$2,496,160	2.6%	$3,738,145	3.7%	$6,234,305	$114,886,276	5.4%
State	$2,438,409	2.6%	$3,187,049	3.2%	$5,625,458	$84,232,065	6.7%
Natl Guard	$1,778,707	1.9%	$1,465,368	1.5%	$3,244,075	$36,764,180	8.8%
DSHS	$764,961	0.8%	$1,138,464	1.1%	$1,903,425	$92,719,187	2.1%
Finance	$521,023	0.6%	$10,202,370	10.2%	$10,723,394	$290,783,657	3.7%
Other Elective	$350,788	0.4%	$1,136,301	1.1%	$1,487,089	$131,435,573	1.1%
Judicial	$350,718	0.4%	$956,017	1.0%	$1,306,735	$14,700,807	8.9%
Elections	$212,960	0.2%	$103,620	0.1%	$316,579	$4,958,903	6.4%
Legal	$176,670	0.2%	$1,103,520	1.1%	$1,280,190	$12,596,475	10.2%
Legislative	$141,719	0.2%	$59,524	0.1%	$201,243	$3,317,444	6.1%
Human Resources	$95,351	0.1%	$29,714	0.0%	$125,065	$13,236,224	0.9%
Fire	$35,678	0.0%	$8,739	0.0%	$44,417	$6,493,236	0.7%
Agriculture	$34,929	0.0%	$224,969	0.2%	$259,899	$41,886,638	0.6%
Exceptional Citizens	$0	0.0%	$25,000	0.0%	$25,000	$48,914	51.1%
Total	$95,290,885		$100,410,189		$193,755,438	$6,280,263,698	3.1%

Agencies Small Business Spend Scorecard

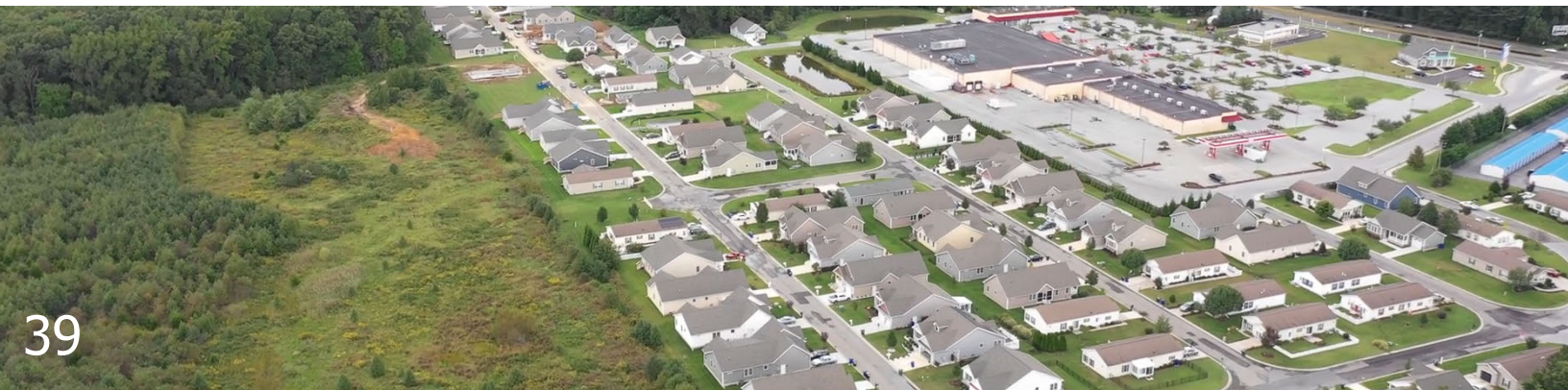
Of the $244 million the State direct spent with the small business community in FY '20:

- 7 percent was with certified SBF vendors
- 93 percent was with W9 self-identified small firms

Five agencies accounted for three-quarters of the annual spend with the small business community – Education, Health & Social Services, Finance, DelDOT and Corrections.

Agency	SBF Certified FY '20	% of SBF Spend	W9 Self Certified FY '20	% of W9 Spend	SBF + W9 Spend	Discretionary Spend	SBF + W9 % Agency Annual
Education	$9,107,272	55.8%	$84,227,617	37.0%	$93,334,889	$794,441,696	11.8%
Executive	$1,702,843	10.4%	$8,403,620	3.7%	$10,106,463	$506,817,354	2.0%
DelDOT	$1,245,064	7.6%	$17,796,583	7.8%	$19,041,647	$720,235,552	2.6%
DHSS	$1,047,348	6.4%	$28,771,111	12.6%	$29,818,458	$2,882,665,823	1.0%
Higher Education	$815,671	5.0%	$3,310,583	1.5%	$4,126,254	$219,661,476	1.9%
DNREC	$553,868	3.4%	$6,756,280	3.0%	$7,310,149	$119,928,545	6.1%
Correction	$440,991	2.7%	$12,396,926	5.4%	$12,837,917	$103,036,185	12.5%
DSCYF	$366,597	2.2%	$5,101,097	2.2%	$5,467,694	$114,886,276	4.8%
DSHS	$331,176	2.0%	$4,557,890	2.0%	$4,889,066	$92,719,187	5.3%
State	$287,974	1.8%	$8,230,395	3.6%	$8,518,369	$84,232,065	10.1%
Natl Guard	$96,617	0.6%	$287,395	0.1%	$384,012	$36,764,180	1.0%
Labor	$94,178	0.6%	$5,476,101	2.4%	$5,570,279	$35,405,183	15.7%
Finance	$86,647	0.5%	$27,414,778	12.0%	$27,501,425	$290,783,657	9.5%
Elections	$73,807	0.5%	$2,343,101	1.0%	$2,416,907	$4,958,903	48.7%
Judicial	$43,904	0.3%	$1,544,596	0.7%	$1,588,500	$14,700,807	10.8%
Legislative	$10,722	0.1%	$793,367	0.3%	$804,090	$3,317,444	24.2%
Technology	$10,015	0.1%	$4,377,222	1.9%	$4,387,238	$38,085,051	11.5%
Fire	$9,185	0.1%	$107,536	0%	$116,721	$6,493,236	1.8%
Agriculture	$4,829	0%	$383,561	0.2%	$388,390	$41,886,638	0.9%
Legal	$2,824	0%	$3,212,077	1.4%	$3,214,901	$12,596,475	25.5%
Human Resources	$2,213	0%	$277,711	0.1%	$279,924	$13,236,224	2.1%
Other Elective	$1,138	0%	$1,918,540	0.8%	$1,919,678	$131,435,573	1.5%
Exceptional Citizens	$207	0%	$25,368	0%	$25,575	$48,914	52.3%
Housing Authority	$0	0%	$0	0%	$0	$11,927,254	0%
Total	$16,335,092		$227,713,457		$244,048,548	$6,280,263,698	3.9%

Note: Prior to FY19, 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.



DOE & School Districts Spend Scorecard

School districts spent $28 million with the certified Supplier Diversity community in FY '20. This represents an 12 percent increase in spend when compared to FY2019.

District	FY '20	% of Spend
Appoquinimink	$ 7,227,559	26.0%
Brandywine	$ 5,513,703	19.9%
Cape Henlopen	$ 5,323,105	19.2%
Red Clay	$ 4,063,347	14.6%
Christina	$ 2,622,859	9.4%
Colonial	$ 937,672	3.4%
New Castle VoTech	$ 439,461	1.6%
Indian River	$ 344,818	1.2%
Laurel	$ 277,440	1.0%
Caesar Rodney	$ 199,938	0.7%
Seaford	$ 177,245	0.6%
Lake Forest	$ 158,317	0.6%
Capital	$ 151,303	0.5%
Smyrna	$ 84,318	0.3%
Milford	$ 75,014	0.3%
Woodbridge	$ 67,909	0.2%
Sussex Tech	$ 58,888	0.2%
Polytech	$ 40,511	0.1%
Delmar	$ 2,050	0.0%
Total	$ 27,765,456	

DOE & Charter Schools Spend Scorecard

Charter Schools spent $3 million with the certified Supplier Diversity community in FY '20. This represents a 28 percent increase in spend when compared to FY '19.

Charter School	FY '20	% of spend
First State Montessori Academy	$ 908,949	29.5%
Newark Charter School	$ 282,763	9.2%
MOT Charter School	$ 203,214	6.6%
Thomas A. Edison Charter School	$ 185,083	6.0%
Las Americas ASPIRA Academy	$ 180,987	5.9%
Family Foundations Academy	$ 164,095	5.3%
Kuumba Academy Charter School	$ 161,307	5.2%
Margaret Sterck School	$ 128,223	4.2%
Great Oaks Charter School	$ 126,556	4.1%
Odyssey Charter	$ 111,457	3.6%
East Side Charter School	$ 104,905	3.4%
Freire Charter School	$ 88,684	2.9%
Academia Antonia Alonso	$ 70,315	2.3%
Sussex Academy of Arts and Sciences	$ 60,239	2.0%
Delaware Military Academy	$ 51,499	1.7%
Gateway Lab School	$ 50,627	1.6%
Providence Creek Academy Charter School	$ 40,307	1.3%
Positive Outcomes Charter School	$ 37,924	1.2%
John S. Charlton School	$ 32,564	1.1%
First State Military Academy	$ 30,317	1.0%
The Charter School of Wilmington	$ 23,049	0.7%
Academy of Dover Charter School	$ 21,400	0.7%
Campus Community School	$ 7,228	0.2%
Howard T. Ennis Sr. Trainable School	$ 6,904	0.2%
Early College High School	$ 6,692	0.2%
Delaware Design Lab HS	$ 683	0.0%
Delaware Academy of Public Safety & Security	$ -	0.0%
Total	$ 3,085,970	

Subcontracting & Tier II Report

Subcontracting work is not performed directly with the State. Rather, it is when an awarded vendor has subcontractors and suppliers working 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 showing the diversity information for any subcontractor or supplier that is a certified vendor in the performance of State work.

Tier II is indirect spend, meaning that the spend is not direct from the State to the Tier II vendor. Instead, it is paid to an awarded contractor and then that contractor pays the diverse vendor in their supply chain. The awarded contractor reports on these activities to the State.

Overall, the State spent $31 million with Tier II vendors, an increase of 7 percent from FY '19 to FY '20.

Diverse	FY '19	FY '20	% change
DelDOT DBE Subcontracting	$25,945,060	$28,081,956	8.2%
GSS & State Tier II	$ 3,142,570	$ 3,079,076	-2.0%
Total	$29,087,630	$31,161,031	7.1%

A Note on Spend Types

It is important to be aware that agencies frequently have both one-time and regular-need spending. Some large spend increases are often attributable to one-time spend rather than regular-need spend.

One-time spend usually involves Capital Budget activities for physical property owned by the State or agency, such as the construction of a school, housing, or other government building. It may also include costs to cover a survey or an analysis of current services.

Regular-need spend is the on-going needs of the State and agencies in usual operations. It is primarily managed in the GSS central contracts (such as office supplies; school supplies; laboratory supplies; public and life safety supplies and services; maintenance and for buildings plumbing supplies and tools; food and beverage; fuel; technology hardware, software, and services; and much more). However, it can also be managed in specific agency contracts.

GSS central contracts and agency contracts are posted in MyMarketplace.

Contact Us

The Division of Small Business team is knowledgeable, experienced and ready to help. Contact us today!

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