



STATE OF DELAWARE
OFFICE OF MANAGEMENT AND BUDGET
GOVERNMENT SUPPORT SERVICES
OFFICE OF SUPPLIER DIVERSITY

OFFICE OF SUPPLIER
DIVERSITY

FY2014
Q1 Report
July 1, 2013 to September 30, 2013

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Executive Summary

It is good business to do business with firms that are representative of the community we live and work in. The State of Delaware promotes business engagement and encourages vendor participation with the State's agencies and within the state. The first quarter of FY2014 started off strong for the State of Delaware and the Delaware Supplier Diversity Community. The Office of Supplier Diversity (OSD) reports that \$27.4Million was spent with the supplier diversity community in Q1, this represents a 38% increase, or \$7.6Million more spent with the OSD community when compared with the same period last year. This Quarterly Report reviews the Supplier Diversity Community's growth in both the number of firms joining the community as well as the work this community is performing with the State as their client, as reflected in the financial reporting provided in these pages. Below are some highlights that are illuminated throughout this report.

- Overall in the first quarter of FY2014, the number of certified firms increased by 183 businesses or 7.3% from 2,316 certified firms at the end of FY2013 to 2,499 firms at the end of the first quarter of FY2014. The ownership represents our inclusive community as follows: 879 African American owned firms, 214 Sub-Continent Asia American owned firms, 195 Hispanic American owned firms, 147 Asian American owned firms, 32 Native American owned firms, 9 Veteran and Service Disabled owned firms, and 1,023 Caucasian American Woman owned firms.
- The state is experiencing a 5% growth or 62 new OSD Certified firms in the sector known as Professional, Scientific, and Technical Services in Q1 of FY2014. Within this sector, we are seeing steady growth in the number of firms offering services in the following disciplines: Architectural, Engineering, and Related Services; Computer Systems Design and Related Services; and Management, Scientific, and Technical Consulting Services.
- The supplier diversity community has more consultants than other business types, with 639 businesses identifying as consultants. An equal number of firms identify as providing Licensed Professional Services, Generalized Services, and as Suppliers. 67 businesses identified in Highway Construction and 88 as Manufacturers.
- The year-over-year analysis shows that in FY2013 the State of Delaware spent \$92.1Million with the Supplier Diversity Community, which is an increase of \$17.4Million or 23.23% over FY2012.
- In the first quarter of FY2014, 155 Supplier Diversity firms worked on state projects, those payments total \$19.1Million. This represents an increase of \$4.6Million or 31.83% more in this quarter than in the same period last year.
- In the first quarter of FY2014, 25 different DBE Certified firms worked on DelDOT projects in a sub-contracting capacity, those payments totaled \$4.3Million. This

represents an increase of \$1.4Million or 33.2% more in this quarter than in the same period last year.

- In the first quarter of FY2014, 78 firms made 115 Plan Requests. The Plan Request opportunity removes a financial burden of purchasing plans for non-bidding vendors and allows such a vendor to view the plans electronically for 2 weeks so that they may determine if their business has the capacity to perform as a subcontractor or Tier II contactor on projects.
- In the first quarter of FY2014, the Government Support Services' Contracting Unit performed 13,350 points of outreach contacts to the supplier diversity community regarding new state solicitation opportunities.
- In the first quarter of FY2014, the OSD provided 20 business resource events and business opportunities to the supplier diversity community through the OSD list serve.
- 6 agencies exceeded the average spend of 4.55% with the direct OSD Certified community for Q1 they are: Education, Correction, Executive, Finance, Higher Education, and DHSS.
- 11 agencies exceeded the average spend of 2.31% when comparing agency spend with OSD Certified firms against the total spend of that agency in the same period. Those 11 are: Correction, Education, National Guard, Labor, DNREC, Legislative, State, Judicial, Legal, Finance, and DSHS.
- An area for potential improvement is in comparing the \$19.1Million total spend with OSD Certified firms in Q1 against the \$1.16Billion total spending in Q1; this is only 1.64%. The total is below the average and is an area to watch.
- An area of opportunity is to outreach to firms that the state is already doing business with to determine if any are eligible for OSD Certification.
- An area of opportunity is to improve the 1-for-3 reporting with the OSD Certified community; that will be included in the Q2 report.

These are good results and a good start to FY2014. It takes a team approach to continue the good results and to create a better today and build for a better tomorrow. The supplier diversity community is increasing their participation in OSD activities and through certification to grow their businesses and in seeking opportunities to work with the State.

Also new in the first quarter of FY2014, Ms. Michelle Morin joined OMB's Government Support Services team in the role of Executive Director for the Office of Supplier Diversity (OSD). OSD has been establishing and rebuilding relationships throughout the state with the supplier diversity community, resource partners, and finding new opportunities to outreach to existing and potentially eligible firms to learn about certification and its benefits. OSD has outreached to the OSD Certified community by attending various events and speaking about the Office of Supplier Diversity certification and access to opportunities as well as hosting resources tables throughout the state to encourage eligible businesses to apply for certification.

Why Supplier Diversity?

The State benefits from an inclusive business environment for minority, women, veteran, and service disabled veteran owned business enterprises. On December 22, 2009, Governor Markell signed Executive Order 14, increasing supplier diversity initiatives within state government in order to provide diversity suppliers with equal access to procurement opportunities. On September 6, 2011, Governor Markell signed Executive Order 29, amending Executive Order 14 to ensure representation of veteran-owned businesses in Delaware's Supplier Diversity initiatives. These Executive Orders created a new paradigm in the state through which the state supports and reports on the supplier diversity community including establishing:

- Governor's Supplier Diversity Council;
- Each state agency has a Supplier Diversity Plan; and
- Created Supplier Diversity Liaisons in each state agency.

Governor's Supplier Diversity Council

The Governor's Supplier Diversity Council actively meets to review current activities within the state and to discuss and take actions to continue to increase access to opportunities for the supplier diversity community. During the first quarter of FY2014 the Supplier Diversity Council met on August 26. The minutes for that meeting are posted on the Office of Supplier Diversity's website at: <http://gss.omb.delaware.gov/osd/sdc.shtml> . There are up to eleven members of the council at any given time and from time to time council members terms expire. During Q1 of FY2014 the council members included:

Ken Anderson, Chair	Director, Entrepreneurial & Small Business Support, DEDO, State of Delaware
Anas Ben Addi	Director - Delaware State Housing Authority, State of Delaware
Dean Stotler	Director - Government Support Services, OMB, State of Delaware
Ronald Tutundji	Small Business/Supplier Diversity Manager, DuPont
Clay Hammond	President, DelMarVa Black Chamber of Commerce
Cathy Imburgia	President, Creative Communications
Ernest (Ron) Frazier	President, Countermeasures Assessment & Security Experts, LLC
Fernando Guajardo	President, The Guajardo Parks Group, LLC
Dr. Devona Williams	President, Goeins-Williams Associates, Inc.
Pamela Draper	Vice President, Integrity Technology Solutions, Inc.
Dr. Sakthi A. Vel	President, Vel Micro Works Inc.
L.J. Nick Callazzo III	President, Resource Specialists

What certifications exist?

The Office of Supplier Diversity (OSD) Certifications include the following:

MBE	Minority Business Enterprise
WBE	Woman Business Enterprise
VOBE	Veteran Owned Business Enterprise
SDVOBE	Service Disabled Veteran Owned Business Enterprise

For Disadvantaged Business Enterprise (DBE) certification you need to contact the Delaware Department of Transportation¹ (DeIDOT). 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 spend that occurs within the state with DBE firms.

Who is eligible to apply?

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 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 as verified by VetBiz.gov; 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: <http://gss.omb.delaware.gov/osd/docs/certapp.pdf>

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

Firms that hold specific certifications:

Any firm already certified by their home state or one of the third party certification entities may utilize a *specialized application* to seek Office of Supplier Diversity certification, those include:

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

Delaware also recognizes other state certifications and the OSD office can be contacted for additional details.

The specialized application is available at:

http://gss.omb.delaware.gov/osd/docs/specapp_0612e.pdf

FY2014 Delaware's Supplier Diversity Community

As we consider reporting on the state's spending during the first quarter of FY2014, we first should consider the community itself. Overall, in the first quarter of FY2014, the number of certified firms increased by 183 businesses or 7.3%, from 2,316 (the number of certified firm at the end of FY2013) to 2,499 (the number of firms certified at the end of the first quarter of FY2014). Firms counted in the MBE column are not necessarily firms that are male owned firms. A firm can be 50% Asian Male and 50% Asian Female; this is a minority (MBE) firm and not a women owned (WBE) as certification is based upon 51% ownership and control but that ownership is clearly not male as it is equally owned across genders. Of course, some MBE firms are male-owned, we just do not have absolute numbers to report on male owned firms as this is not an eligibility requirement.

Classifications of OSD certified Business Enterprises	FY2013 MBE Quantity	FY2013 WBE Quantity	FY2014 Q1 MBE Quantity	FY2014 Q1 WBE Quantity	FY2014 Over FY2013 MBE	FY2014 Over FY2013 WBE
African American	546	252	620	259	11.9%	2.7%
Subcontinent Asian	140	65	150	64	6.7%	-1.6%
Hispanic American	132	53	139	56	5.0%	5.4%
Native American	20	7	26	6	23.1%	-16.7%
Asian American	91	44	100	47	9.0%	6.4%
Veteran (all)	9	0	9	0	0%	0%
Women Caucasian		957		1,023		6.5%
Total Certified	2,316		2,499		Increase of 183 firms = 7.3%	

NAICS codes within the OSD certified vendor pool.

The 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. NAICS was developed under the auspices of the Federal Office of Management and Budget (OMB), and adopted in 1997². Below are the top five NAICS codes under which firms are certified. The number of firms with these NAICS codes has increased from the end of FY2013 through the first quarter of FY2014. In fact, these five NAICS codes are all within one sector, they all begin with 541 and that sector is known as the Professional, Scientific, and Technical Services sector. The fourth digit of a NAICS code gives us more information about the sub-sector within which a business performs. Here we have three: 3, 5, and 6; 3 is for Architectural, Engineering, and Related Services; 5 is Computer Systems Design and Related Services, and 6 is Management, Scientific, and Technical Consulting Services. Delaware's supplier diversity community is demonstrating increases in these competencies through the continued increase in the number of companies working in these subsectors.

NAICS Code	Description	FY2013 Vendors by Trade	FY2014 Q1 Vendors by Trade	FY2014 Over FY2013
541512	Computer Systems Design Services	275	296	7.1%
541511	Custom Computer Programming	269	282	4.6%
541611	Administrative Management & General Management Consulting Services	261	271	3.7%
541330	Engineering Services	189	196	3.6%
541519	Other Computer Related Services	172	183	6.0%

² You can review NAICS codes data and information at <http://www.census.gov/eos/www/naics/index.html>

Business Types within the OSD Certified Pool

When a business applies for OSD Certification they provide various information about their business, including self-identifying their business among one of eight business types: Building Trade, Consultant, Generalized Services, Licensed Professional Services, Manufacturer, Supplier, Highway Construction, and Other. Each certified and active firm is listed in the OSD Directory at: <http://gss.omb.delaware.gov/osd/>. At the end of the first quarter of FY2014, all businesses in the entire database, this includes active certified firms, no longer active³, and companies whose certification has expired, were reviewed for a comprehensive and historical benchmark to grasp the business types that businesses had applied under. Those business types break down in the Business Types by Certification Type as reported on the chart below. These are not one-for-one numbers, as any business may select more than one business type. And, of note, 806 businesses in the database did not self-identify their business as being within any of these Business Types. The supplier diversity community has more consultants than other business types, with 639 businesses identifying as consultants. A near equal number of firms identify as Licensed Professionals 321, Generalized Services 320, and Suppliers 307. 67 businesses identified in Highway Construction and 88 as Manufacturers.

	African American	Hispanic American	Asian American	Subcontinent Asian American	Native American	Woman (Caucasian)	Veteran (all)	TOTALS
Building Trade	MBE 84 MWBE 19	MBE 25 MWBE 4	MBE 4 MWBE 1	MBE 5 MWBE 3	MBE 5 MWBE 0	WBE 117	3	270
Consultant	MBE 127 MWBE 87	MBE 16 MWBE 18	MBE 27 MWBE 22	MBE 62 MWBE 32	MBE 3 MWBE 2	WBE 240	3	639
Generalized Service	MBE 82 MWBE 71	MBE 19 MWBE 9	MBE 6 MWBE 4	MBE 13 MWBE 7	MBE 3 MWBE 0	WBE 105	1	320
Licensed Professional Services	MBE 80 MWBE 47	MBE 18 MWBE 11	MBE 11 MWBE 2	MBE 22 MWBE 12	MBE 2 MWBE 0	WBE 115	1	321
Manufacturer	MBE 8 MWBE 5	MBE 4 MWBE 1	MBE 6 MWBE 3	MBE 4 MWBE 1	MBE 2 MWBE 1	WBE 53	0	88
Supplier	MBE 64 MWBE 33	MBE 14 MWBE 5	MBE 8 MWBE 6	MBE 17 MWBE 6	MBE 3 MWBE 1	WBE 149	1	307
Highway Construction	MBE 18 MWBE 5	MBE 8 MWBE 0	MBE 0 MWBE 1	MBE 1 MWBE 0	MBE 2 MWBE 2	WBE 30	0	67
Other	MBE 74 MWBE 57	MBE 18 MWBE 10	MBE 18 MWBE 14	MBE 23 MWBE 15	MBE 2 MWBE 1	WBE 167	6	405
TOTALS	861	180	133	223	29	976	15	

MBE = Minority Business Enterprise; MWBE – Minority Woman Business Enterprise; WBE = Woman Business Enterprise

³ This group includes those firms that closed or sold their businesses.

Plan Requests

In addition to certification, the Office of Supplier Diversity manages a process known as Plan Requests. Any Public Works construction project that has architectural or engineering plans or drawings involved has the Plan Request option for vendors. A vendor may make a request to view the plans or drawings. The request comes into the Office of Supplier Diversity and is reviewed, passed along to the solicitation owner if appropriate, and once the solicitation owner reviews they send their decision back to OSD. OSD then works with the technology team to cause an internet site to be created especially for the approved vendor where they can view the requested plans. This Plan Request option removes the financial burden of purchasing plans for non-bidding vendors and allows such a vendor to view the plans electronically for 2 weeks so that they may determine if their business has the capacity to perform as a subcontractor or Tier II contractor on projects. Plan Requests are for school projects, colleges and university projects, state buildings under Division of Facilities Management (DFM), the National Guard, and any other state public work project. This process has been in place since August of 2012.

There is a group of vendors that are excluded from this process – they are known as Bid Rooms or Plan Rooms. Plan Rooms do not perform construction trade work on a contract but instead collect plans from throughout the country or a region and then share the plans with their customers. The Plan Request form explains the limitations on use - including that drawings are not for re-distribution. Plan Rooms and Bid Rooms are therefore excluded as their sole purpose of receiving the plans is to redistribute to their subscribership. The obvious safety aspect about who has what plans for which project is one of the most compelling reasons for this exclusion.

There is a specific email address created for Plan Requests, it is PlanRequests@state.de.us.

This chart documents the first quarter FY2014 request volume against that of the year FY2013.

Plan Request history	FY2013	FY2014 Q1
Plan Requests received	147	115
Businesses requesting	79	78
Requests approved	147	106
Requests denied	0	9
Solicitations involved	37	38
Requesting businesses that are OSD Certified	2	7

Past year-over-year analysis

The State of Delaware ultimately serves the citizenry and works with various vendors each quarter and year to perform and fulfill all necessary functions. From the vantage point of the Office of Supplier Diversity, we track and review state spend with the Supplier Diversity Community. In FY2013, the State of Delaware spent \$92.1 Million with the Supplier Diversity Community. This is an increase of \$17.4 Million or 23% over FY2012. These figures include direct contracting with OSD Certified vendors, subcontracting through DelDOT with the Disadvantaged Business Enterprises (DBE Certified vendors), and with those businesses that are not certified but have self-identified in their W-9 submission that they are a firm owned by a minority, woman, or veteran. Further, each of Delaware's central contracts require that awarded vendors provide a Tier 2 report, which is a report of all work that the prime vendor (awarded vendor to a state central contract) has done with one or more subcontractors who are members of the supplier diversity community. We look at these numbers as a consolidated total as well as reviewing each separate category.

	FY2011	FY2012	FY2013
Direct Certified OSD Spend*	\$53,828,569.99	\$54,204,991.09	\$66,644,945.94
DelDOT DBE Subcontracting**	\$6,920,209.07	\$9,299,557.08	\$11,068,404.94
OSD 2nd Tier	\$286,581.64	\$527,777.56	\$11,226.07
Self-Registered W-9	\$2,549,793.34	\$10,727,113.42	\$14,403,073.75
Total	\$63,585,154.04	\$74,759,439.15	\$92,127,650.70

Increase over previous year

17.57%

23.23%

* Includes DSHA OSD spend

**DelDOT DBE Subcontracting data represents Q1-Q2 spend in FY2012 data

During the first quarter of FY2014, OSD worked with the Manager of Business Analysis at Government Support Services and together we determined that there was a formulaic error in the previous calculations of Direct Certified OSD spend and Self Registered W-9 spend, and therefore, an error in the total spend. The formula has been corrected and applied retroactively to FY2013 and to the year-end total for FY2012. With the use of the new formula, we are

confident in the total annual spend calculations with the Supplier Diversity community and report that FY2013 saw a 23.23% increase over FY2012 and further, that FY2012 saw a 17.57% increase over FY2011. These are substantial increases, especially as FY2011 saw the addition of American Recovery and Reinvestment Act (ARRA) monies in all states. To realize a year over year increase above the FY2011 ARRA addition demonstrates the work of the state in doing business with quality vendors who are reflective of our community at large. The continued year over year increases in total spend with the supplier diversity community is both good for the state and good for the community.

Past Direct Certified OSD Spend FY2013 to FY2010

In considering the direct spend with OSD Certified firms in the supplier diversity community, the year over year analysis shows that FY2013 has a significant increase of 22.95% over FY2012. This is a \$12.4Million increase in spending with the OSD Certified community as compared to the same spend the year prior. The increase in FY2012 over FY2011 is small yet still positive at 70 percent of a one-percent increase. Why is this positive? Because FY2011 saw an increase in federal ARRA help to states and therefore, to see an increase in FY2012 over the FY2011 spend is a factor in demonstrating the states' continued economic advances. Notice that FY2011 increase over FY2010 is 29.75%, this is a large increase and helped by the ARRA funds; those funds represent spend that would not otherwise have occurred. The trend for increased spend with the supplier diversity community every-year is very positive.

OSD Certified only	FY2010	FY2011	FY2012	FY2013
Total	\$41,486,877.55	\$53,828,569.99	\$54,204,991.09	\$66,644,945.94
Increase over previous year		29.75%	0.70%	22.95%

Past Trends FY2013 to FY2012

In continuing to look at the year over year trend with the Office of Supplier Diversity Certified firms, we review spend with the supplier diversity community by each agency. In the chart below each agency's total year end spend is compared, FY2013 over FY2012 and the difference is reported in dollars as well as in percentage. The 22.95% increase in FY2013 over FY2012 remains consistent as does the \$12.4Million in increased spend with the supplier diversity

community in FY2013 over FY2012. The chart below provides a look at which agencies reported reduced spend in FY2013 from FY2012 while tallying the overall spend as an increase with the community.

AGENCY	FY2012 Q1-Q4 OSD	FY2013 Q1-Q4 OSD	Difference	Percent Change
Legislative	\$90,335.00	\$115,772.26	\$25,437.26	28.16%
Judicial	\$795,790.49	\$940,834.26	\$145,043.77	18.23%
Executive	\$4,429,636.29	\$6,678,757.44	\$2,249,121.15	50.77%
Department Of Technology and Information	\$1,242,264.56	\$2,113,873.87	\$871,609.31	70.16%
Other Elective	\$234,392.89	\$196,741.38	-\$37,651.51	-16.06%
Legal	\$249,582.42	\$603,682.25	\$354,099.83	141.88%
Department of Finance	\$3,475,269.67	\$3,863,384.86	\$388,115.19	11.17%
Department of Health and Social Services	\$3,174,454.46	\$7,585,275.40	\$4,410,820.94	138.95%
Department of Services for Children Youth and Their Families	\$916,664.47	\$1,877,633.75	\$960,969.28	104.83%
Department of Correction	\$7,332,038.59	\$10,057,190.20	\$2,725,151.61	37.17%
Department of Natural Resources and Environmental Control	\$2,911,650.40	\$2,209,323.20	-\$702,327.20	-24.12%
Department of Safety and Homeland Security	\$3,760,648.37	\$2,332,820.27	-\$1,427,828.10	-37.97%
Department of State	\$1,309,593.56	\$1,578,791.96	\$269,198.40	20.56%
Department of Transportation	\$1,881,083.41	\$3,097,636.41	\$1,216,553.00	64.67%
Department of Labor	\$1,443,676.84	\$1,862,153.15	\$418,476.31	28.99%
Department of Agriculture	\$61,152.84	\$68,880.21	\$7,727.37	12.64%
Department of Elections	\$103,894.68	\$24,826.97	-\$79,067.71	-76.10%
Fire Prevention Commission	\$10,324.38	\$70,569.94	\$60,245.56	583.53%
Delaware National Guard	\$481,020.91	\$752,334.72	\$271,313.81	56.40%
Advisory Council for Exceptional Citizens	\$875.00	\$0.00	-\$875.00	-100.00%
Higher Education	\$2,132,819.31	\$1,816,799.26	-\$316,020.05	-14.82%
Department of Education	\$18,167,822.55	\$18,797,664.18	\$629,841.63	3.47%
Total	\$54,204,991.09	\$66,644,945.94	\$12,439,954.85	22.95%

Government Support Services, Contracting Unit, outreach

The GSS Contracting Unit manages all aspects of central or statewide contracts. As part of this team's commitment to a fair and equitable bidding platform, each contract specialist and manager performs outreach as the contracts they manage are opened for bid and posted within <http://bids.delaware.gov/>. Businesses that have registered within the state's free Vendor Notification Service receive notification of newly posted bids that match the United Nations Standard Products and Services Code® (UNSPSC®)⁴ codes that the business has registered with. The outreach performed by the contracting team to reach the supplier diversity community is significant, over the past four years to date there have been 206,430 points of outreach contacts made by the contracting team. The chart below counts each point of outreach contact. Note that this is different from the number of entities contacted as a firm may be listed in more than one of the sources and any firm may have more than one contact person identified on any list. These contact attempts are from various sources including:

- Office of Supplier Diversity (OSD): <http://gss.omb.delaware.gov/osd/certdir.asp>
- Veteran / Service Disabled Veteran: <http://www.vip.vetbiz.gov>
- SBA / CCR vendor database: http://dsbs.sba.gov/dsbs/search/dsp_dsbs.cfm
- MyMarketPlace vendor listing: http://contracts.delaware.gov/vendor_list.asp
- DFM Contractor Registry: <http://dfm.delaware.gov/contractor/index.shtml>

	FY2011	FY2012	FY2013	FY2014 Q1	Total to date
Number of Contracts	33	76	45	21	175
Number of outreach communications performed to:					
Delaware Businesses	151	756	612	225	1,744
Small Businesses	1,541	67,800	24,918	5,585	99,844
MBE / WBE	3,286	33,994	16,590	4,861	58,731
Veteran / Service Disabled Veteran	2,202	29,116	12,114	2,679	46,111
Totals	7,180	131,666	54,234	13,350	206,430

⁴ You can review UNSPSC data and information at: <http://www.unspsc.org/>

FY2014 Delaware’s Supplier Diversity Q1 spend snapshot

The first quarter of FY2014 overall spend is represented in this snapshot. FY2014 spending already exceeds that of FY2013 first quarter spend. The first quarter of FY2014 started strong for the supplier diversity community as \$27.4Million was spent with the supplier diversity community. This spend represents an increase of 38.38%, or \$7.6Million more committed to the supplier diversity community when compared with the same period last year.

	FY13 Q1	FY14 Q1	% of FY14 total
Direct Certified OSD Spend	\$14,520,744.52	\$19,142,512.63	69.75%
DelDOT DBE Subcontracting	\$2,872,473.07	\$4,302,111.93	15.68%
OSD 2nd Tier	\$6,878.29		0.00%
Self-Registered W-9	\$2,431,882.57	\$3,998,907.30	14.57%
Total	\$19,831,978.45	\$27,443,531.86	

Increase over previous year **38.38%**

The Summary Score Card:

The report below provides an overview of the spending by each agency for the first quarter of FY2014. This snap shot reports the actual dollars spent with vendors who are OSD Certified, and includes dollars from both the state’s checkbook as well as the State’s procurement card purchases. The third column tracks the number of vendors awarded who are OSD Certified vendors. That column tallies to 183, which represents the number of awards. The actual number of firms is 155 and that is discussed in more detail below this chart. This chart includes, by agency, first quarter spend with the supplier diversity community, which means that the spend can be directly with OSD Certified vendors or with vendors who self-identify on the W-9. When a vendor is awarded a contract, vendors next market themselves to the agencies so that the procurement officials at each agency learn more about their company. This is an effective relationship building technique, especially when a contract has more than one awarded vendor. The chart below shows not only the dollars spent in Q1 by agency but it also shows the number of supplier diversity community vendors that received work, and therefore spend, from each agency in the quarter. The chart further reports on two areas, “No Find” and “1 for 3”. A “No Find” means that the agency attempted to find a vendor within the Directory of OSD Certified firms and was not successful in finding a certified vendor for a particular need. In Q1 of FY2014, that occurred only 1 time. The “1 for 3” opportunity identifies the occasions when an

agency had an Under-Threshold opportunity and they outreach to at least one vendor from the Directory of OSD Certified firms to obtain a written quote. Procurement officials follow policy to obtain at least three written quotes for Under-Threshold purchases, and in so doing, they must obtain one from the Directory of OSD Certified firms. OSD has relied on the supplier diversity liaisons sharing this data but recognizes that the number of 1 for 3 opportunities as reported here is lacking. OSD has outreached to the supplier diversity liaisons in each agency to request more comprehensive reporting on the 1 for 3 activities in each agency for Q1 and Q2 of Fy2014. OSD anticipates the inclusion of this data in the Q2 report.

Agency	FY2014 Q1 OSD Certified	MMP OSD Vendors end of Q1 FY2014	% of Awarded OSD on MMP	OSD No Find Q1 FY2014	Agency 1 for 3 Opportunities Q1 FY2014
Legislative	\$21,502.48		0.00%		Tbd 12-17-2013
Judicial	\$206,741.90	1	0.55%		Tbd 12-17-2013
Executive	\$1,482,726.09	106	57.92%		Tbd 12-17-2013
Technology	\$141,319.62	21	11.48%		Tbd 12-17-2013
Other Elective	\$80,621.59		0.00%		Tbd 12-17-2013
Legal	\$100,694.16	3	1.64%		Tbd 12-17-2013
Finance	\$1,306,927.99	1	0.55%		Tbd 12-17-2013
DHSS	\$906,452.19	1	0.55%		Tbd 12-17-2013
DSCYF	\$460,790.89	4	2.19%	none	1
Correction	\$2,005,347.76	5	2.73%		Tbd 12-17-2013
DNREC	\$830,514.13		0.00%	1	2
DSHS	\$338,414.33		0.00%		Tbd 12-17-2013
State	\$483,682.79	5	2.73%		Tbd 12-17-2013
DelDOT	\$697,784.71	13	7.10%		Tbd 12-17-2013
Labor	\$303,961.48	2	1.09%		Tbd 12-17-2013
Agriculture	\$44,879.64		0.00%		Tbd 12-17-2013
Elections	\$201.00		0.00%		Tbd 12-17-2013
Fire	\$8,691.79		0.00%		Tbd 12-17-2013
Nat'l Guard	\$135,793.44	3	1.64%	none	none
Exceptional Citizens	\$0.00		0.00%		Tbd 12-17-2013
Higher Education	\$955,928.81	1	0.55%		Tbd 12-17-2013
Education	\$8,629,535.84	17	9.29%		Tbd 12-17-2013
Total	\$19,142,512.63	183	100.00%	1	3

Note: Spend data includes Pcard, OSD No Find, and Agency 1 for 3 Opportunities are summarized for all agencies.

OSD = Office of Supplier Diversity Certified firms

MMP = the state's electronic and transparent procurement portal hosted by Government Support Services.

Count of Supplier Diversity vendors awarded contracts

Supplier Diversity Vendors are awarded as vendors on state contracts. During the first quarter of FY2014, awarded vendors that are Supplier Diversity Vendors received 183 payments. These vendors are inclusive of OSD Certified and self-identified on the W-9 form. That number of 183 payments breaks down to 155 Supplier Diversity Vendors receiving payment and some are awarded and working on more than one contract. Within the 155, there are 133 Minority or Woman Business Enterprises, 27 Veteran or Service Disabled Veteran Business Enterprises, and of those 68 are Delaware based companies. These are not stand-alone numbers as some firms are both minority and/or woman and also veteran. Of the 155 Supplier Diversity Vendors awarded contracts, there are 14 vendors each of whom are awarded on 2 contracts; there are 5 vendors each of whom are awarded on 3 contracts, and there is 1 vendor who is awarded on 4 contracts. 136 vendors each have 1 contract. This chart identifies the multiple contract vendors.

Vendor	MBE /WBE	Vets /SDV	Delaware	# of contracts
22nd Century Technologies, Inc.	Yes		Yes	2
Arugie Enterprises Corp (Arg Communications)		Yes	Yes	2
ATD American Co.	Yes			2
Collins Business Systems, Inc.		Yes	Yes	2
Corporate Interiors, Inc.	Yes		Yes	2
Dejana Truck & Utility Equipment Co., Inc.	Yes	Yes		2
First Choice Auto & Truck Repair of Middletown	Yes		Yes	2
Frontier Technologies, Inc.	Yes		Yes	2
G. A. Blanco and Sons, Inc.	Yes			2
Laurus Systems, Inc.	Yes		Yes	2
School Health Corp	Yes			2
Superior Electric Service Co.	Yes		Yes	2
Unitex International Inc.	Yes			2
Visual Sound, Inc.	Yes			2
Assurance Media, LLC	Yes		Yes	3
Garden State Highway Products, Inc.	Yes			3
S & S Worldwide, Inc.	Yes			3
SHI International Corp	Yes			3
Therapy Services of Delaware, Inc.	Yes		Yes	3
Carl King Tire - Camden, Delmar, Lewes, Middletown		Yes	Yes	4

Self-Identified supplier diversity entities through the W-9

Any vendor doing work must provide a W-9 form for tax purposes. Delaware has a Substitute Form W-9; it allows vendors to self-identify in the Additional Reporting Elements section of the form, by checking all that apply, as: Women Owned, Veteran Owned, Minority Owned, and Small Business. Some firms who self-identify on the W-9 are also OSD Certified, but not all are. When reporting spend for the quarter, a culling process occurs to remove all vendors that are OSD Certified from the group in the W-9 spending column. This means that the chart below reports on the monies spent with firms that self-identify on their W-9 form but are not certified through the Office of Supplier Diversity.

Agency	FY2014 Q1
Legislative	
Judicial	\$146,652.21
Executive	\$50,114.04
Technology	
Other Elective	\$5,179.00
Legal	\$239,972.00
Finance	\$105,109.85
DHSS	\$957,206.59
DSCYF	\$159,922.36
Correction	\$2,852.82
DNREC	\$78,029.22
DSHS	\$30,713.62
State	\$23,141.38
DelDOT	\$92,074.10
Labor	\$28,483.10
Agriculture	\$9,728.38
Elections	
Fire	\$240.98
Nat'l Guard	\$438,878.77
Exceptional Citizens	
Higher Education	\$66,051.33
Education	\$1,564,557.55
Total	\$3,998,907.30

1st Quarter FY2014

There are various data points that make up the current Supplier Diversity Score Card. Agencies track and measure their Supplier Diversity efforts along these analytics. Agencies each have a Supplier Diversity Plan and those can be found at the Office of Supplier Diversity website at: <http://gss.omb.delaware.gov/osd/supplierdiversity.shtml> or within each agency. In addition to looking at the spend that is done directly with OSD Certified firms, this chart looks at the spend in the form of dollars as well as in the form of a percentage of the total spend with OSD Certified firms. The first column captures the \$19.1Million spent with OSD Certified firms in the first quarter. As the budget for each agency is different, the second column reports what the percent of the total OSD Certified spend is from each agency. This percentage of total spend allows us to normalize the vantage point to find averages. The average percentage is 4.55%. Six agencies exceed the average for Q1. They are: Education, Correction, Executive, Finance, Higher Education, and DSHS. We also review the spend in comparison to the total spend by each agency for the quarter. In this instance, the average agency spent 2.31% of their total spend with the OSD Certified community. Eleven agencies exceeded that average spend with the supplier diversity community. They are: Correction, Education, National Guard, Labor, DNREC, Legislative, State, Judicial, Legal, Finance, and DSHS. The \$19.1Million total spend with OSD Certified firms in Q1 is 1.64% of the \$1.16Billion total spent by these agencies in Q1; this total figure is below the average by 67th of a percent. Of note is that this \$1.16Billion total spend has not been adjusted to remove any debt-service or any non-discretionary spend, if any. This is an area for potential improvement: comparing the \$19.1Million total spend with OSD Certified firms in Q1 against the \$1.16Billion total spending in Q1; this is only 1.64%. The total is below the average and is an area to watch.

AGENCY	FY2014 Q1 Direct Certified OSD Spend	Agency Direct Certified OSD (1 st column) as a % of the total Direct Certified OSD Spend	FY2014 Q1 Agency Total Spend	Agency Direct Certified OSD (1 st column) Spend as a % of that agency's Q1 total spend (3 rd column)
Legislative	\$21,502.48	0.11%	\$746,581.16	2.88%
Judicial	\$206,741.90	1.08%	\$7,480,244.03	2.76%
Executive	\$1,482,726.09	7.75%	\$138,767,853.32	1.07%
Technology	\$141,319.62	0.74%	\$12,086,530.57	1.17%
Other Elective	\$80,621.59	0.42%	\$16,853,239.71	0.48%
Legal	\$100,694.16	0.53%	\$3,683,525.87	2.73%
Finance	\$1,306,927.99	6.83%	\$51,475,049.01	2.54%
DHSS	\$906,452.19	4.74%	\$492,611,153.51	0.18%
DSCYF	\$460,790.89	2.41%	\$30,448,110.19	1.51%
Correction	\$2,005,347.76	10.48%	\$22,405,777.84	8.95%
DNREC	\$830,514.13	4.34%	\$22,717,973.30	3.66%
DSHS	\$338,414.33	1.77%	\$13,829,308.70	2.45%
State	\$483,682.79	2.53%	\$16,821,437.93	2.88%
DeIDOT	\$697,784.71	3.65%	\$103,175,592.84	0.68%
Labor	\$303,961.48	1.59%	\$8,045,643.30	3.78%
Agriculture	\$44,879.64	0.23%	\$14,501,714.18	0.31%
Elections	\$201.00	0.00%	\$626,395.04	0.03%
Fire	\$8,691.79	0.05%	\$597,232.40	1.46%
Nat'l Guard	\$135,793.44	0.71%	\$2,892,524.56	4.69%
Exceptional Citizens	\$0.00	0.00%	\$8,680.61	0.00%
Higher Education	\$955,928.81	4.99%	\$51,504,288.23	1.86%
Education	\$8,629,535.84	45.08%	\$157,562,307.87	5.48%
Total	\$19,142,512.63⁵		\$1,168,841,164.17	1.64%

Quarter over Quarter Analysis

As we look at current quarter spending with the OSD Certified community, looking at a trend in comparison to the same period last year is helpful. As previously mentioned on page 12, OSD worked with the Manager of Business Analysis at Government Support Services and together

⁵ This calculation does include Pcard data.

resolved a formulaic error in the previous year calculations. The correction was able to be applied to each quarter of FY2013 but was not able to be applied on a quarterly basis going back into FY2012. Therefore, we can only perform a quarter over quarter analysis with the past year. The chart below demonstrates a significant overall FY2014 quarter 1 spending increase with the OSD Certified community as compared with the same period in FY2013.

AGENCY	FY2013 Q1 Agency Direct Certified OSD Spend	FY2014 Q1 Agency Direct Certified OSD Spend	Difference	Percent change
Legislative	\$2,866.00	\$21,502.48	\$18,636.48	650.26%
Judicial	\$172,361.49	\$206,741.90	\$34,380.41	19.95%
Executive	\$2,568,892.28	\$1,482,726.09	-\$1,086,166.19	-42.28%
Department of Technology and Information	\$289,656.19	\$141,319.62	-\$148,336.57	-51.21%
Other Elective	\$41,123.25	\$80,621.59	\$39,498.34	96.05%
Legal	\$169,980.29	\$100,694.16	-\$69,286.13	-40.76%
Department of Finance	\$886,810.99	\$1,306,927.99	\$420,117.00	47.37%
Department of Health and Social Services	\$1,986,019.70	\$906,452.19	-\$1,079,567.51	-54.36%
Department of Services for Children Youth and Their Families	\$230,263.52	\$460,790.89	\$230,527.37	100.11%
Department of Correction	\$1,762,160.61	\$2,005,347.76	\$243,187.15	13.80%
Department of Natural Resources and Environmental Control	\$316,434.33	\$830,514.13	\$514,079.80	162.46%
Department of Safety and Homeland Security	\$195,831.32	\$338,414.33	\$142,583.01	72.81%
Department of State	\$412,033.23	\$483,682.79	\$71,649.56	17.39%
Department of Transportation	\$1,047,457.12	\$697,784.71	-\$349,672.41	-33.38%
Department of Labor	\$416,376.26	\$303,961.48	-\$112,414.78	-27.00%
Department of Agriculture	\$17,222.18	\$44,879.64	\$27,657.46	160.59%
Department of Elections	\$0.00	\$201.00	\$201.00	
Fire Prevention Commission	\$472.01	\$8,691.79	\$8,219.78	1741.44%
Delaware National Guard	\$169,373.40	\$135,793.44	-\$33,579.96	-19.83%
Advisory Council for Exceptional Citizens	\$0.00	\$0.00	\$0.00	0.00%
Higher Education	\$588,473.84	\$955,928.81	\$367,454.97	62.44%
Department of Education	\$3,246,936.51	\$8,629,535.84	\$5,382,599.33	165.77%
Total	\$14,520,744.52	\$19,142,512.63	\$4,621,768.11	31.83%

Subcontracting/2nd Tier Report

Government Support Services receives subcontracting information on central contracts from the prime or awarded vendors on those contracts, when they have work with the supplier diversity community relative to the core of the contract. In the first quarter of FY2014, no awarded vendors reported Tier 2 work.

Federal Disadvantaged Business Enterprise (DBE) program

The Delaware Department of Transportation (DelDOT) is a recipient of both federal and state funds for their projects. Businesses that are certified as Disadvantaged Business Enterprises (DBE) meet both social and economic eligibility review. The Directory of DBE Certified Firms at DelDOT is at: <http://www.deldot.gov/public.ejs?command=PublicDBEVendorSearch>. The projects that include federal funds may have a federally required sub-contracting participation goal for firms that are Disadvantaged Business Enterprise (DBE) Certified. DelDOT's contract is with a prime contractor or awarded contractor and those contractors bid with identified DBE Certified sub-contractors. The prime contractors provide a Tier II report regarding the DBE participation during each phase of the work. In the first quarter of FY2014 twenty-five (25) different DBE Certified firms worked on DelDOT projects in a sub-contracting capacity, those payments totaled \$4.3Million. This represents an increase of \$1.4Million or 33.2% more in this quarter than in the same period last year.

	FY2013 Q1	FY2014 Q1	FY2014 over FY2013
DelDOT DBE Subcontracting	\$2,872,473.07	\$4,302,111.93	33.2%

The 25 subcontractors are:

American Flag Inc.
Arrow Leasing Corp
Atlantic Surveying and Mapping LLC
Callahan Paving Products Inc.
Crawford Trucking Co LLC
Curbs Etc. Inc.
Easternex International Ltd
Garden State Highway Products
Griffin Sign Inc.

Highway Markings
 Janette Redrow Ltd
 Kriss Contracting Inc.
 M & M Construction Inc.
 Mary Thresa Allen DBA Nanticoke Fence
 Paul Pugh Trucking Co., Inc.
 Ramesh C Batta Associates Pa
 Ram-T Corporation
 S & T Trucking
 Sam's Construction
 Sitework Safety Supplies Inc.
 The Vann Organization Inc.
 Traffic & Safety Signs Inc.
 Tuscan Construction Co Inc.
 Vega Solutions Inc.
 Wilton Corporation

OSD Participation in the Community

The Office of Supplier Diversity is committed to continued contact and participation in the community. During the first quarter OSD has participated in the community in various ways, including as tracked in this chart.

63 tracked OSD participation activities	
Meetings and Events	14
State of Delaware events	7
OSD Community meetings	1
Vendor requested meetings	6
Boards, Committees, Commissions	7
Chambers of Commerce	8
OSD list serve outreach	20

In that regard, the OSD list serve started in August of this quarter and 20 different business-opportunity focused messages have been shared with the community. The various business opportunities and development workshops shared are included in this chart:

City of Wilmington MegaBizFest - Monthly B2B Activities - August 2013	8/13/2013
One of our resource partners, the YWCA of Delaware, is offering these valuable workshops.	8/20/2013
So you want to BUILD your business: DEDO and DTCC Kauffman FastTrac program	8/22/2013
DTCC Kauffman FastTrac for U.S. Veterans	8/23/2013
DSHA Small Business Contractor Forum - September 5th	8/27/2013
Opportunity - for General Contractors and Subcontractors - Town of Blades - Sussex County - Blades Back Up Well Project	8/29/2013
Opportunity - DBE - General Contractor or subcontractor - City of Rehoboth - Sussex County - Schoolvue Sewer Project	8/29/2013
City of Wilmington MegaBizFest - Monthly B2B Activities - September 2013	9/7/2013
Non-Information Technology Advanced Planning Briefing for Industry	9/11/2013
City of Wilmington MegaBizFest B2B Golf Classic - October 15	9/12/2013
SBA info session: entering the world of exporting	9/14/2013
You are invited to the State of Delaware Vendor Day - have you registered?	9/14/2013
Delmarva Black Chamber of Commerce Access to Capital/Credit Forum - September 26, 2013	9/18/2013
DTCC 5th Annual Economic Summit - at the Terry Campus - Tuesday September 24, 2013	9/20/2013
Home-Based Business Chamber of Commerce event TOMORROW - SATURDAY in MILFORD	9/20/2013
Opportunity - for Construction Management services - Deadline Tuesday Sept 24, 2013	9/20/2013
PTAC: How Government and Corporate Buyers Select a Small Business Supplier	9/23/2013
New Castle County Chamber of Commerce OPEN FOR BUSINESS 09-26-2013	9/24/2013
OPPORTUNITIES: subcontracting for Kent County building trade companies	9/28/2013
Opportunity: for new or existing self-advocacy group led by individuals with developmental disabilities	9/28/2013

Future Plans for OSD

In addition to continuing the efforts already reported on in this Q1 report, the OSD continues to look for additional opportunities to provide analytics to the state and the supplier diversity community.

The OSD is interested in tracking the Return on Investment (ROI) from the high outreach performed by the Contracting Unit on its solicitations. The reporting of how many firms submit proposals will be reviewed for a future OSD report and the ROI is intended to be measured through a few different lenses, including how many minority, women, veteran, and service disabled firms bid; how many Delaware firms bid; the number of outreach points of contact in comparison to bids received; and then a normalized approach across all such events for the fiscal year. The OSD suspects a low ROI on the outreach efforts and is interested in creating and sending a survey to the supplier diversity community to learn from the community itself what the thinking is with respect to bidding on state opportunities. These efforts will take more time than one quarter and will be incorporated into ongoing reporting features from the OSD.

As a result of the work of the Governors Supplier Diversity Council (GSDC), a race and gender neutral small business program is in the process of being readied for launch. This program has been voted on and passed by the GSDC to include businesses in six industry sectors. Further, the Council voted on the eligibility requirements with respect to the size of a firm based upon gross sales or full time employees based upon a three-year average. You will learn more about this program as it comes out for firms to apply for certification. This activity is anticipated in the third quarter of FY2014.

OSD is working with various agencies to provide a more comprehensive reporting for the 1 for 3 opportunities and the no find results for under threshold procurement opportunities.

Additionally, OSD is working to assist agencies to update their Supplier Diversity Plans during FY2014. This will include working with agencies to identify those vendors that are already doing business with the state who are eligible for OSD Certification and encouraging them to apply for certification.

Questions, Comments, and Feedback

Your questions, comments, and feedback are always welcome. Please 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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