



# **Report on Executive Directive 2019-8 & 2023-1**

Required by ED 2019 – 8, Section 7 and  
ED 2023-1, Section 1c

Prepared for  
The Honorable Gretchen Whitmer

Department of Technology, Management and Budget  
January 12, 2024

In accordance with Executive Directive 2019-08, this annual report provides a summary of the activities of the Department of Technology, Management and Budget (DTMB) in support of Executive Directive 2019-8 (ED 2019-8) and Executive Directive 2023-1 (ED 2023-1), for the period beginning January 1, 2023, through December 31, 2023.

## MEETINGS & OUTREACH EVENTS

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Throughout the calendar year DTMB Central Procurement Services (CPS) has coordinated training and informational sessions with state agencies and stakeholder organizations that represent small businesses to study, identify, reduce and/or eliminate barriers to participating in the state procurement process for Geographically Disadvantaged Business Enterprises (GDBE). The following meetings occurred.

### STATE AGENCY

- Hosted an introductory webinar with agency procurement leadership regarding ED 2023-1 on February 10, 2023.
- Held one-on-one meetings with the following agency procurement staff to review ED 2023-1 and the actions taken by CPS to support the directive and assist agencies with developing implementation strategies: Agriculture & Rural Development, Department of Civil Rights, Department of Corrections, Department of Health & Human Services, Department of Insurance and Financial Services, Department of Military and Veterans Affairs, Department of Natural Resources, Department of Transportation, Department of Treasury, Economic Development Corporation, Environment, Great Lakes, and Energy, Gaming Control Board, Labor and Economic Opportunity, Licensing and Regulatory Affairs, Michigan State Housing Development Authority, and Secretary of State.
- Provided agencies with updates regarding ED 2019-08 and ED 2023-01 at the following Procurement Leadership Team (PLT) meetings:
  - 2/1/2023 – Shawn Vaughn introduced herself as the new Outreach Program Manager, supporting CPS staff in the state's efforts to support ED 2019-8 and ED 2023-1.
  - 4/5/2023 – Provided a general overview of ED 2023-01, highlighted initiatives CPS was undertaking to comply with the ED and reviewed potential strategies agencies could adopt to assist them with compliance with the ED.
  - 5/3/2023 – Previewed the new Agency GDBE/Michigan Supplier Community (MiSC) SharePoint page featuring a one-stop shop for all things GDBE and MiSC.
  - 6/7/2023 – Offered to schedule internal webinars with each agency to review ED 2023-1 and the MiSC program with their procurement and field staff.
  - 8/2/2023 – Invited Department of Natural Resources to speak about the GDBE and MiSC guidance document their agency created for their field staff.
- Hosted webinars with the Department of Natural Resources and Department of Transportation to review ED 2023-1 and the MiSC program with their procurement and field staff. Training with Department of Licensing and Regulatory Affairs is planned in 2024.
- Performed a weekly review of requisitions for agencies that might be eligible for MiSC. Upcoming purchases are examined to determine those that meet the dollar amount threshold and are appropriate for MiSC. To date, CPS has sent out a total of 264 potential MiSC opportunities to agencies.

### OUTREACH & PARTNER ORGANIZATION EVENTS

Details about GDBE, the MiSC program and general information about doing business with the state was presented at the following organization events:

- 2/21/2023 – Flint/Genesee APEX Accelerators (webinar)

- 3/7/2023 – Muskegon Area First APEX Accelerator (webinar)
- 3/13/2023 – 42nd Annual MDOT Disadvantaged Business Enterprise Small Business Development Conference (Detroit, MI)
- 3/16/2023 – Minority Business Enterprises Impact Committee, IT Sector (webinar)
- 3/17/2023 – Minority Business Enterprise Impact Committee, Professional Sector (webinar)
- 3/21/2023 – Minority Business Enterprises Impact Committee, Healthcare Sector (webinar)
- 3/29/2023 – Wayne State APEX Accelerator Meet the Buyer Event (Detroit, MI)
- 4/25/2023 – Pure Michigan, MEDC, Flint/Genesee APEX Accelerator (webinar)
- 4/26-27/2023 – Michigan School Business Officials Conference & Exhibit Show (Grand Rapids, MI)
- 4/28/2023 – Michigan Public Purchasing Officers Association Reverse Trade Fair (Lansing, MI)
- 5/2/2023 – 5/4/2023 – Michigan Minority Supplier Conference, hosted by the Michigan Minority Supplier Development Council (Detroit, MI)
- 5/25/2023 – Detroit Small Business Summit, hosted by Detroit City Councilwoman Mary Waters Office (Detroit, MI)
- 8/10/2023 – Reserving Veteran Business Connections event, hosted by the National Veteran Business Dev Council (Detroit, MI)
- 8/22/2023 – Michigan APEX Accelerators Meet the Buyer Event (Frankenmuth, MI)
- 09/18/2023 – Schoolcraft APEX Accelerator Meet the Expert (webinar)
- 09/19/2023 – Stairway to Success Summit: Vendor Masterclass by Meijer Market Format hosted by Pure Business Connect, Michigan Economic Development Corporation (Detroit, MI.)
- 9/21/2023 – Statewide APEX Accelerators Conference (Muskegon, MI)
- 09/26/2023 – 2023 Great Lakes Women’s Business Council Annual Conference (Novi, MI)
- 10/16/2023 – Michigan Department of Transportation Fall Small Business Symposium (Mt. Pleasant, MI)
- 10/19/2023 – Michigan Minority Supplier Development Council Minority Supplier Lunch and Learn (webinar)
- 11/01/2023 – Kent County Purchasing and Business Networking Event, hosted by Pure Business Connect, Michigan Economic Development Corporation (Grand Rapids, MI)
- 12/7/2023 – APEX Accelerators of Michigan (webinar)

DTMB hosted the following events and meetings:

- 4/12/2023 – “Doing Business with the State of Michigan and Federal Government + GDBE/MiSC Review” with the Small Business Administration of Detroit and South-Central Michigan APEX Accelerators (Lansing, MI)
- 4/24/2023 – “Building Opportunity: Design and Construction Division Contracting 101 with the Department of Natural Resource’s Belle Isle plus GDBE and MiSC Review” (webinar)
- 05/11/2023 – Met with the City of Detroit Chief Procurement Officer about potential opportunities to partner and collaborate to increase opportunities for Michigan-based small businesses and GDBEs.
- 06/05/2023 – Met with the GDBE/MiSC Stakeholder Roundtable members to provide an overview of ED 2023-01 plus a review of agency implementation strategies (webinar).
- 8/31/2023 – “Let’s Do Business: Contracting with the State” (webinar)
- 10/5/2023 – “Design and Construction Division Contracting with the State” (webinar)
- 10/30/2023 – Met with the GDBE/MiSC Stakeholder Roundtable members to provide a year-end report on ED 2019-08 and preliminary report on ED 2023-01 (webinar).
- 11/16/2023 – “State of Michigan Meet the Buyer” event hosted by CPS (Lansing, MI)

# COMMUNICATION

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## AGENCY COMMUNICATION

- Included 20 agency opportunities in CPS' monthly "Current Contract Opportunities" email that is sent to over 5,000 vendors.
- Updated the internal MiSC Dashboard to allow agencies to filter vendors based on the following business types: HUBZone Certified, Qualified Opportunity Zones, Community Rehabilitation Organizations and Service-Disabled Veteran-Owned businesses.
- Created a two-page informational document for agencies which provides a general overview of ED 2023-1, CPS implementation strategies, and actions agencies can take to achieve the goal.
- Emailed quarterly GDBE spend to each agency.
- Launched the Agency GDBE Spend Dashboard where agencies can review and track their monthly spend with GDBEs
- Created an agency GDBE/MiSC SharePoint page that features a resource toolkit, the MiSC Dashboard, Agency Spend Dashboard, and a link to the Qualified Opportunity Zone map.

## VENDOR COMMUNICATION

- Continued outreach to vendors with instructions on getting registered in SIGMA VSS.
- Invited MDOT's Disadvantaged Business Enterprise vendors located in Qualified Opportunity Zones to register their business in SIGMA VSS.
- Invited Small Business Administration HUBZone certified businesses in Michigan to register in SIGMA VSS.
- Created a weekly report that shows new vendors registered in SIGMA VSS and completed a quality check followed by outreach to vendors who did not complete the registration process (i.e., missing commodity codes or business types).
- Sent out 22 "Current Contract Opportunities" emails to the vendor community, highlighting upcoming contract opportunities, tips, and upcoming events. The email goes to over 5,000 vendors.
- Identified and collected Michigan-based subcontract holder spend with non-GDBE contract holders. This process will be completed on an annual basis.
- Reviewed existing agency contract portfolios to identify potential GDBE vendors not registered properly in SIGMA VSS.
- Reviewed the state's existing contract portfolio to locate vendors who we believe are GDBEs but not properly registered in SIGMA VSS.

# ACCOMPLISHMENTS

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The Procurement team achieved the following accomplishments.

- Increased stakeholder engagement and vendor outreach efforts resulted in an increase in eligible MiSC vendors from 2,373 to 3,278, a 38% increase since FY2022.
  - A data refresh with Dun & Bradstreet (DnBi) was completed in August to update firmographic information in SIGMA VSS, including business types and demographics.
- Updated the public-facing Procurement website to improve the vendor experience and launched the following new webpages:
  - Let's Do Business webpage – to provide a more user-friendly experience for vendors.

- Commodity Code Lookup – to help vendors select their applicable commodity codes.
- Business Type Lookup – to help vendors understand the different business type options available in SIGMA VSS.
- Collaborating with a GDBE marketing firm, GUD Marketing, to develop a marketing strategy to reach qualified GDBEs across the state, raise awareness of the opportunities, and encourage GDBE participation in state contract bids.
- Completed enhancements to SIGMA VSS to improve the vendor’s experience when registering and/or updating their profile.
- Updated the following solicitation forms:
  - Vendor Questions Worksheet – revised to require vendors to affirm that the business type(s) represented on their SIGMA VSS profile, including GDBE, is both current and valid.
  - Award Letter and Synopsis – added a column to flag bidders as GDBE.
  - Schedule A (all versions) – added the definition of a GDBE, a question about utilizing GDBE subcontractors, and links to the Qualified Opportunity Zone map and MiSC website.
- Created a new recorded message about registering to do business with the State of Michigan to be used when callers are placed on hold.
- Established baseline demographics to start tracking spend data as requested in ED 2023-1.
- Created a new supplier template to collect demographics/firmographic information on the State’s supplier base in accordance with ED 2023-1.

## DATA & REPORTING

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The following table outlines statewide, and agency spend in FY2023.

**Table 1**  
*Spend Overview*

	2021	2022	2023*
Spend with registered GDBEs	\$285,755,061	\$289,614,995	\$357,548,418
Statewide Procurement Spend	\$2,727,494,371	\$2,789,021,033	\$2,763,442,003
Percent of Spend with GDBEs	10.48%	10.38%	12.93%
ED 2019-8 & ED 2023-1 Goal	3%	3%	20%

**\*2023 Notes:**

- GDBE spend includes primary contract holder’s Michigan-based GDBE subcontractor spend.
- Local government spend is excluded from statewide spend.
- ED 2023-1 increased the GDBE spend goal from 3% to 20%.
- PCard spend is not included total spend.
- Procurement spend reported is under DTMB’s statutory authority.

The following table provides a breakdown of agency spend in FY2023.

**Table 2**  
*Agency Spend Breakdown*

Agency	Non GDBE	GDBE	Subcontractor (GDBE) Spend	GDBE + Subcontractor (GDBE) Total	Agency Total	GDBE %
Lottery	\$43,302,908	\$21,940,033	\$362,507	\$22,302,540	\$65,242,941	34.18%
MDOC	\$351,586,048	\$120,985,996	\$626,220	\$121,612,216	\$472,572,044	25.70%
DNR	\$132,659,965	\$39,367,175	\$51,115	\$39,418,290	\$172,027,140	22.90%
MDOS*	\$27,034,045	\$7,411,281			\$34,445,325	21.50%
DMVA	\$56,983,325	\$11,782,226	\$918,675	\$12,700,901	\$68,765,552	18.40%
EGLE	\$83,151,391	\$15,236,516			\$98,387,907	15.50%
AG	\$2,419,430	\$390,351			\$2,809,781	13.90%
MDOT	\$118,189,640	\$14,977,800			\$133,167,441	11.20%
MSP	\$106,854,915	\$12,028,824			\$118,883,738	10.10%
LEO	\$49,995,517	\$4,585,948			\$54,581,464	8.40%
DTMB	\$476,371,092	\$38,103,739	\$3,619,699	\$41,723,438	\$514,474,831	8.10%
MDARD	\$5,613,024	\$450,583			\$6,063,607	7.40%
Treasury	\$73,950,991	\$4,091,446	\$86,686	\$4,178,132	\$78,042,437	5.30%
MVFA	\$14,944,266	\$664,928			\$15,609,194	4.30%
DHHS	\$607,112,822	\$23,616,031	\$13,694,341	\$37,310,372	\$630,728,853	5.90%
MGCB	\$5,106,798	\$139,873			\$5,246,671	2.70%
LARA	\$28,020,409	\$460,982			\$28,481,390	1.60%
Civil Rights	\$1,061,411	\$15,806			\$1,077,217	1.50%
MDE	\$90,447,317	\$1,128,604			\$91,575,920	1.20%
CSC	\$157,548,511	\$59,762			\$157,608,272	0.00%
DIFS	\$12,284,637	\$12,085			\$12,296,722	0.10%
MSF	\$1,115,015	\$4,650			\$1,119,664	0.40%
Executive	\$232,239	\$1,650			\$233,889	0.70%
Statewide Subcontractor Spend			\$20,732,888			
<b>Grand Total</b>	<b>\$2,445,985,716</b>	<b>\$317,456,287</b>	<b>\$40,092,131</b>	<b>\$357,548,41</b>	<b>\$2,763,442,00</b>	<b>12.93%</b>

\*MDOS Note: CPS discovered that a majority of MDOS' GDBE spend (\$6,097,279) was with a company that is improperly marked as a GDBE business in SIGMA VSS. A request was sent to the vendor asking them to correct their company profile. Removing the vendor spend drops the agency's GDBE percentage to 3.81%.

# SPEND BY DEMOGRAPHIC CATEGORIES

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As stated in ED 2023-1, Procurement should consider tracking information\* that would allow the state to assess the number of annual awards and amounts of annual expenditures made with the following six categories of business. The percentages reflect state spend under DTMB’s statutory authority for FY2023.

**Table 3**  
*Spend by Demographic Categories*

**Category 1:** Minority owned businesses, as that term is defined in MCL 450.771(f), where possible disaggregated as set forth in MCL 450.771(e):

Minority owned businesses	\$100,580,560	3.64%
Arab Chaldean owned businesses	\$980,367	0.04%
Asian owned businesses	\$19,760,198	0.72%
Black/African owned businesses	\$56,325,661	2.04%
Hispanic/Latino owned businesses	\$5,425,994	0.20%
Inuit owned businesses	\$0	0.00%
Native American owned businesses	\$7,337,205	0.27%

**Category 2:** Women owned businesses, as that term is defined in MCL 450.771(j)

Women owned businesses	\$232,492,818	8.41%
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**Category 3:** Businesses owned by persons with disabilities, as that term is defined in MCL 450.792

Businesses owned by persons with disabilities	\$86,438,592	3.13%
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**Category 4:** Businesses owned by a veteran, as that term is defined in MCL 18.1261(15)(h)

Businesses owned by a veteran	\$150,514,745	5.45%
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**Category 5:** Geographically Disadvantaged Business Enterprises, as that term is defined in ED 2019-08

Geographically Disadvantaged Business Enterprises	\$317,456,287	11.49%
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**Category 6:** Disadvantaged business enterprises, as that term is defined in 49 CFR § 26.5

Disadvantaged business enterprises	\$2,674,771	0.10%
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\*This is standalone data and doesn’t roll up because a vendor can qualify for multiple categories.

# GDBE SPEND BY DEMOGRAPHIC CATEGORIES

As stated in ED 2023-1, Procurement should consider tracking information\* that would allow the state to assess the number of annual awards and amounts of annual expenditures made with the following six categories of business. The following reflects GDBE spend by demographic. The percentages reflect state spend within the GDBE spend identified in Table 1.

**Table 4**  
*GDBE Spend by Demographic Categories*

**Category 1:** Minority owned businesses, as that term is defined in MCL 450.771(f), where possible disaggregated as set forth in MCL 450.771(e):

Minority owned businesses	\$20,940,849	6.60%
Arab Chaldean owned businesses	\$651,216	0.21%
Asian owned businesses	\$6,471	0.002%
Black/African owned businesses	\$7,728,852	2.43%
Hispanic/Latino owned businesses	\$374,371	0.12%
Inuit owned businesses	\$0	0.00%
Native American owned businesses	\$5,627,141	1.77%

**Category 2:** Women owned businesses, as that term is defined in MCL 450.771(j)

Women owned businesses	\$64,813,840	20.42%
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**Category 3:** Businesses owned by persons with disabilities, as that term is defined in MCL 450.792

Businesses owned by persons with disabilities	\$19,912,779	6.27%
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**Category 4:** Businesses owned by a veteran, as that term is defined in MCL 18.1261(15)(h)

Businesses owned by a veteran	\$36,936,230	11.64%
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**Category 5:** Geographically Disadvantaged Business Enterprises, as that term is defined in ED 2019-08

Geographically Disadvantaged Business Enterprises	\$317,456,287	100.00%
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**Category 6:** Disadvantaged business enterprises, as that term is defined in 49 CFR § 26.5

Disadvantaged business enterprises	\$2,036,020	0.64%
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\*This is standalone data and doesn't roll up because a vendor can qualify for multiple categories.



# REGISTERED VENDORS BY DEMOGRAPHIC CATEGORIES

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The following table identifies the number of vendors registered in SIGMA with a Business Type, separated by demographic categories. This information establishes a vendor’s eligibility for purchasing programs or preferences.

**Table 5**  
*Vendors Registered in SIGMA by Demographic Categories*

**Column A:** Total number of vendors registered in SIGMA with demographic information by business type.  
**Column B:** Percentage increase over the previous quarter of vendors registered in SIGMA with demographic information by business type.  
**Column C:** Total number of vendors with spend under DTMB’s statutory authority that are registered in SIGMA.  
**Column D:** Percentage increase over the previous quarter of vendors with spend under DTMB’s statutory authority that are registered in SIGMA with demographic information by business type.

As of FY2023 Quarter 4	Column A Vendors registered with a Business Type	Column B Percentage Increase	Column C Vendors with Spend	Column D Percentage Increase
<b>Category 1:</b>				
Minority owned businesses	10,235	7%	745	6%
Arab Chaldean owned businesses	804	1%	53	0%
Asian owned businesses	1,554	5%	141	7%
Black/African owned businesses	6,020	5%	285	4%
Hispanic/Latino owned businesses	739	8%	100	8%
Inuit owned businesses	25	4%	0	0%
Native American owned businesses	476	1%	99	-2%
<b>Category 2:</b>				
Women owned businesses	15,598	8%	2060	5%
<b>Category 3:</b>				
Businesses owned by persons with disabilities	998	7%	175	-1%
<b>Category 4:</b>				
Businesses owned by a veteran	1,300	16%	291	8%
<b>Category 5:</b>				
Geographically Disadvantaged Business Enterprises	8,929	27%	2839	6%
<b>Category 6:</b>				
Disadvantaged business enterprises	391	71%	39	70%