CMS

ILLINOIS Bruce Rauner, Governor
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
Michael M. Hoffman, Acting Director

December 19, 2017

The Honorable Bruce Rauner
Governor of the State of Illinois
207 State House
Springfield, IL 62706

Dear Governor Rauner:

I am pleased to present this report to you on the achievements of the State Use Program for Fiscal Year 2017 and its positive impact on the lives of our citizens with significant disabilities.

In Fiscal Year 2017, the State Use Program accounted for more than $66 million (up from $61 million in FY16) in contracts between Not-For-Profit Workshops and state agencies for products and services. The program helped provide training, employment and greater independence for 2,079 disabled individuals and supplied them with 958,639 hours of work.

With continued support of this program, the number of disabled individuals with long- term employment and increased economic stability will grow, minimizing their need for public assistance and entitlement benefits.

The State Use Program is truly a WIN-WIN investment for the State of Illinois – providing job opportunities and greater independence for its disabled citizens while benefiting state agencies with quality goods and services at fair market prices.

Sincerely,

Michael M. Hoffman
Acting Director

715 Stratton Office Building, 401 South Spring Street, Springfield, IL 62706
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ILLINOIS
STATE USE PROGRAM
FY2017 ANNUAL REPORT

CMS
Illinois Department of
Central Management Services

THE STATE USE PROGRAM

FY17 ANNUAL REPORT

STATE OF ILLINOIS

CMS
Illinois Department of
Central Management Services

THE STATE USE PROGRAM was created in 1983 when the Illinois Purchasing Act was amended to allow the State to contract with a qualified Not-For-Profit Workshop (NFP) without going through a competitive bidding process. The NFPs are centers that help significantly disabled individuals find employment.

The State Use Coordinator researches NFPs contracting opportunities with state agencies and universities. This ultimately provides job training for individuals who are unable to work in the competitive job market.

Contract requests are independently reviewed, evaluated and approved by the State Use Committee to ensure the best quality and pricing available.

The Illinois Procurement Code was changed in FY10 to increase the State Use Committee from six to eight members. Additionally, a Five Year Plan was developed to increase the number of products and services offered by the NFPs.

The Department of Central Management Services (CMS) contracts with NFPs for a variety of products and services that can be used by all state agencies. For example, Shelby County Community Services (SCCS) provides trash can liners on a statewide basis. SCCS manufactures the trash can liners by processing resin pellets to create the final product. NFPs also provide many other products such as soap, pillows, corrugated boxes, license plates and paper plates.

In this picture, Grace is "shredding hard drives" to make sure information on all State of Illinois hard drives is destroyed. Clay County Rehabilitation Center is big on protecting security!

Services provided by NFPs include, but are not limited to: call centers, janitorial services, imaging and scanning.

PLAN UPDATE

Effective August 18, 2017, Public Act 100-0203 changed the requirement for a Five Year Plan to a Three Year Plan. The previous Five Year Plan included increasing the hours of work opportunities for persons with disabilities by 20% during the last five years. The Plan stated the State Use Program would benefit from assistance from various governmental agencies in alignment with the Governor's goal for economic growth by expanding jobs for people with disabilities. The Plan recommended legislation that would set a percentage for state agency procurement of goods and services to be achieved through the utilization of State Use Vendors. The Business Enterprise Program (BEP) is an example of such a program which encourages movement toward utilizing minority, female and disabled-owned businesses.

Within the Three Year Plan, the State Use Committee will survey the NFPs to measure integrated work sites. The Committee will also survey the NFPs annually for hourly wage information.

RAPID RESULTS

The State Use Program staff initiated a Rapid Results project in order to evaluate the current workflows and identify areas of improvement to make it easier and more efficient not only for the staff, but for the NFPs and state agencies. The project was divided into three phases evaluating every process involved in the State Use Program goods and services contracts. Ultimately these projects seek to realize less paperwork, faster information, centralized applications, standardized forms and e-procurement integration.

The State Use Committee

The State Use Committee was created to monitor the purchase of products and services from the Not For Profit (NFP) Workshops. The Committee consists of:

State Use Committee Members

Michael Hoffman, Chairman
Tracy Rutter, Designee
Central Management Services

James T. Dimas, Secretary
Tania Morawiec, Designee
Department of Human Services

Chris Dickey
Public Member
Clay County Rehabilitation Center

Richard W. Gloede
Public Member
Shelby County Community Services

George Indelli
Public Member
Tri Industries

Daniel Strick
Public Member
New Star Services

Skylar Tierney
Public Member
The Hope School, Springfield

- Director of the Department of Central Management Services
- Secretary of the Department of Human Services
- One public member representing private business who is knowledgeable of the employment needs and concerns of persons with developmental disabilities
- One public member representing private business who is knowledgeable of the needs and concerns of rehabilitation facilities
- One public member who is knowledgeable of the employment needs and concerns of persons with developmental disabilities
- One public member who is knowledgeable of the needs and concerns of rehabilitation facilities
- Two public members from a statewide association that represents community–based rehabilitation facilities

The six public members are appointed by the Governor.

The Committee meets at least quarterly to review proposed contracts, to develop guidelines to be followed by qualified NFPs, and to assist the State Use Coordinator in the development of policy. Upon Committee approval, state agencies are given the authority to proceed with contracts that are exempt from the bidding process.

The Committee has the following responsibilities to ensure its annual objectives are met:

- Request information from state agencies regarding product specifications and service requirements necessary to meet their needs.
- Meet quarterly or more often, as necessary, to carry out the Committee's purpose.
- Request a quarterly report from each participating NFP, which describes the volume of sales of each product or service.
- Prepare a publication listing all the supplies and services available from qualified NFPs and distribute the list to all state and agency purchasing officers.
- Review all contract requests submitted under the provisions of the Act and reject any such bid for any purchase that is determined to be substantially more than the purchase would have cost had it been competitively bid.

The Committee's ultimate goal is to continue to increase the opportunities for gainful employment and economic independence for disabled citizens in Illinois.

Benefits of the Program

In FY 2017, 49 NFPs were awarded a total of 267 contracts with state agencies through the State Use Program, employing 2,079 disabled individuals.

This program provides individuals with disabilities significant benefits by providing long-term, transferable work experience and marketable job skill training, increasing their independence and ability to be self sufficient. By expanding their scope of experience and enhancing their abilities, some disabled employees are able to take on new assignments at increasingly higher levels of difficulty, preparing them for a wider variety of jobs either within or outside of the Rehabilitation Facility.

The State of Illinois benefits by receiving high-quality goods and services for fair market prices in long-term contracts. The State has reduced administrative costs as well through State Use contracts, as the competitive bidding process is not required by qualified NFPs.

Providing disabled citizens with opportunities for economic independence helps to reduce the need for public assistance and entitlement benefits.

Not For Profit (NFP) Workshops

To qualify in the State Use Program, a NFP must meet the following guidelines:

- Comply with Illinois law governing private NFP organizations.
- Be certified as a sheltered workshop by the Wage and Hour Division of the U.S. Department of Labor under section 14(c) of the Fair Labor Standards Act.

  OR

  Be an accredited vocational program that provides transition services to youth between the ages of 14 ½ and 22 in accordance with individualized education plans under Section 14-8.03 of the School Code **AND** provide residential services at a child care institution, as defined under Section 2.06 of the Child Care Act of 1969, or at a group home, as defined under Section 2.16 of the Child Care Act of 1969.
- Meet the Illinois Department Human Services (DHS) Rehabilitation Services' Minimum Standards for Certification of Developmental Training Programs, or possess a Commission on Accreditation of the Rehabilitation Facilities (CARF) certification.
- Meet the bid specifications or the needs of the purchasing agency.
- Set a fair market price.

Clay County Rehabilitation Center's Adam Williams demanufacturing computers.

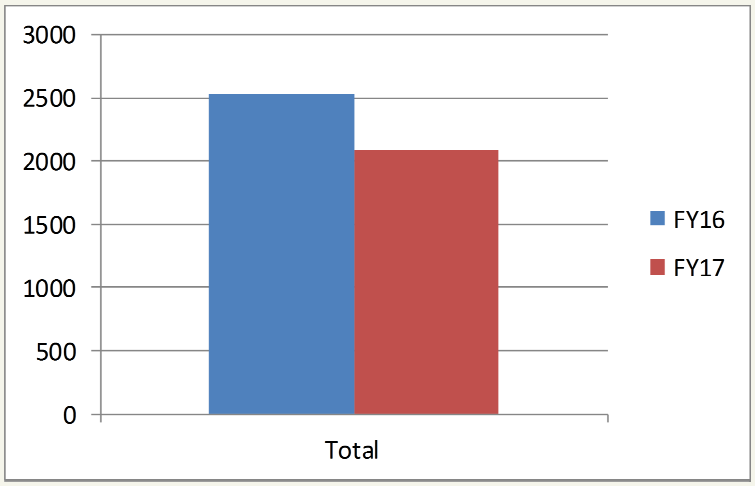
David and Julie getting ready to bale the metal casing of the computers recycled for the State of Illinois by Clay County Rehabilitation Center.

Three members of TRI Industries toner cartridge team assemble and test a TRIUMPH™ brand print cartridge. For over 15 years, TRI has been providing high quality ink and toner cartridges for use in thousands of printers statewide.

Employment Opportunities

The primary objective of the State Use Program is to develop employment opportunities for citizens with disabilities by establishing contracts with NFPs for goods and services.

During FY 2017, 2,079 jobs were created for citizens with disabilities through these State Use contracts.

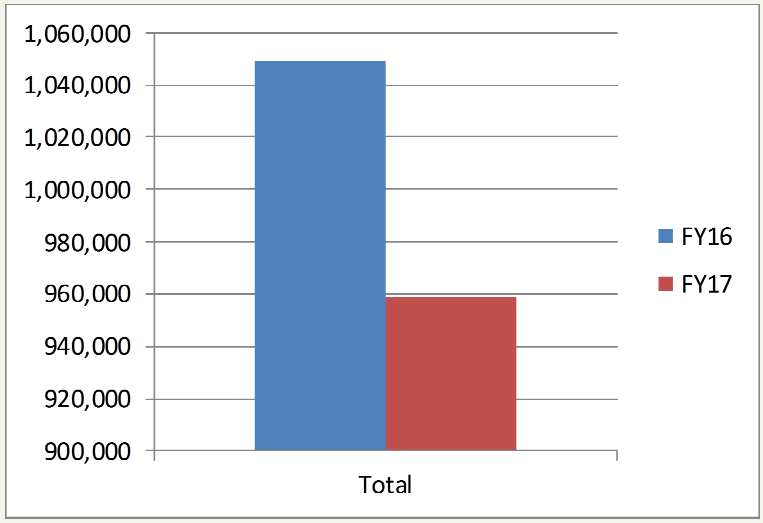


	Total Jobs
FY16	2,524
FY17	2,079

Client Hours Worked

Many disabled Illinoisans have been afforded the opportunity to gain meaningful employment through the State Use Program.

In FY17, NFPs have provided 958,639 hours of work for significantly disabled individuals.



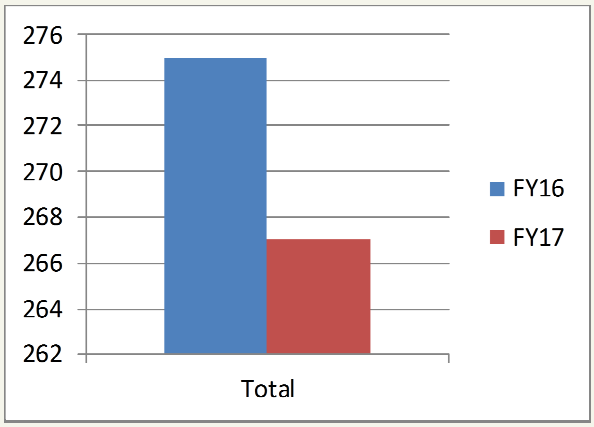
	Total Hours
FY16	1,049,313
FY17	958,639

Contractual Procedures

Any state agency wishing to establish a contract with a qualified NFP must submit a written request which includes the NFP's name, type of contract desired, duration of the contract, and the contract's dollar amount to the State Use Program Coordinator. In addition, the request must include justification that the price is not substantially more than had it been competitively bid. After review, it is submitted to the State Use Committee for approval. The contracting NFP must provide a Certificate of Assurance detailing how many clients will be working as a result of the contract. A narrative must be included in the Certificate of Assurance that outlines the tasks that will be performed in the contract. After State Use Committee's approval of the written request, the state agency receives an authorization letter to proceed with the contract. All State Use contracts are exempt from the formal solicitation process.

State Use Contracts Awarded

In FY 2017, state agencies awarded 267 contracts to NFPs.



	Total
FY16	275
FY17	267

State Use Coordinator

The State Use Coordinator provides assistance necessary to facilitate the Program's success.

Duties and responsibilities include but are not limited to:

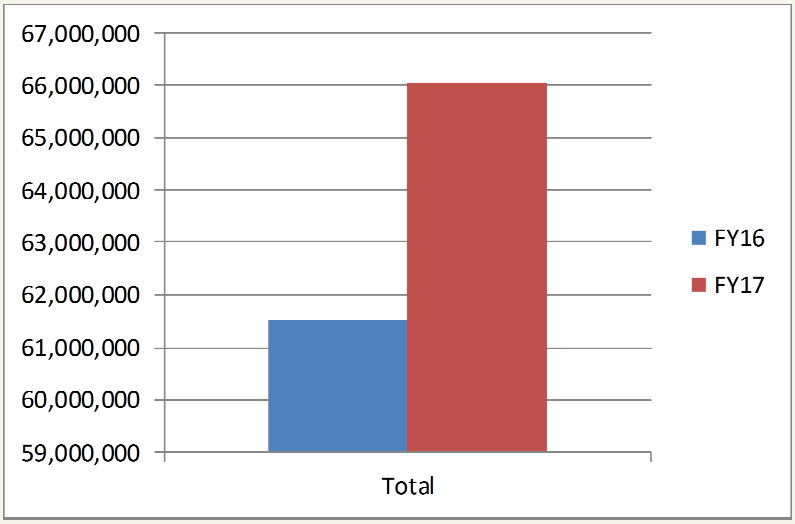
- Act as liaison between NFPs, the State Use Committee, and state agencies by collecting information, responding to inquiries, or resolving issues.
- Monitor the quality of products and services provided to state agencies.
- Provide technical assistance to participating NFPs.
- Encourage NFP enrollment in Diversity Compliance on-line certification system.
- Observe/respond to inquiries from email CMS.BOSS.Sourcing@illinois.gov

Largest State Use Contracts awarded for FY17

Contract	Vendor	Value
Toll Highway Call Center	The Chicago Lighthouse	$16,851,639
UI Health Call Center	The Chicago Lighthouse	$ 7,196,542
License Plates	Macon Resources	$ 6,998,845
Data Entry	Bridgeway, Inc	$ 6,423,016
Paper Products	Shelby County Community Services	$ 2,224,809
Baking Mixes	Human Service Center of Southern MetroEast	$ 1,782,699
Trash Can Liners	Shelby County Community Services (SCCS)	$ 1,568,675

NFP Workshop Revenue Summary

State agencies spent $66,043,135 in State Use contracts in FY 2017



	Total
FY16	$61,526,676
FY17	$66,043,135

TRI Industries workers process recycled toner cartridges.

Certified NFP Workshops

Ada S McKinley Community Services Inc	Chicago
AID (JAN-AID)	Aurora
(Association for Individual Development)	
Anixter Center, Lester & Rosalie	Chicago
ARC of the Quad Cities Area	Rock Island
ARC/CSS (Community Support Systems)	Teutopolis
Bridgeway, Inc	Galesburg
CCAR Industries	Charleston
CCRC	Flora
(Clay County Rehabilitation Center)	
Challenge Unlimited	Alton
Chicago Lighthouse, The	Chicago
(For People Who are Blind/Visually Impaired)	
Coleman Tri Co. Services, Inc	Shawnee Town
Cornerstone Services Inc	Joliet
DSC	Champaign
(Developmental Services Center)	
Elm City Rehab Center	Jacksonville
EPIC	Peoria
Fayco Enterprises, Inc	Vandalia
Gateway Services, Inc	Princeton
Glenkirk Enterprises/OSDD	Northbrook
(Opportunity Secure Data Destruction)	
H Group aka Centerstone of Illinois	West Frankfort
Hope Learning Academy, The	Springfield
Horizon House of Illinois Valley Inc	Peru
Human Resrcs Ctr of Edgar & Clark Co	Paris
Human Service Ctr of Southern MetroE	Red Bud
Human Support Services	Waterloo
IL Valley Economic Development Corp	Gillespie
IL Valley Industries, Inc	Morris
JVC	Chicago
(Jewish Vocational Services & Employment Center)	
Kaskaskia Workshop Inc	Centralia
KCCDD, Inc	Galesburg
Kreider Services, Inc	Dixon
Land of Lincoln Goodwill Industries, Inc	Springfield
Macon Resources Inc (MRI)	Decatur
Malcolm Eaton Enterprises	Freeport
MAP Training Center	Karnak
Mental Health Centers of Western IL	Mt Sterling
New Star Inc.	Chicago Heights
Northpointe Resources	Zion
SAVE	Belleville
(St. Clair Association Vocational Enterprise)	
SCCS	Shelbyville
(Shelby County Community Services)	
Sertoma Centre , Inc	Alsip
SPARC	Springfield
START	Murphysboro
(Specialized Training for Adult RehabiliTation)	
Streator Unlimited, Inc	Streator
TCRC	Tremont
(Tazewell County Resource Center)	
Thresholds, The	Chicago
TRADE Industries	McLeansboro
Transitions NFP	Rock Island
Transitions of Western Illinois Inc	Quincy
TRI Industries NFP	Vernon Hills
UCP of Land of Lincoln	Springfield
(United Cerebral Palsy)	
Village of Progress, Inc	Oregon
WAVE	Mt Carmel
(Wabash Area Vocational Enterprise Inc)	
Workshop, The	Galena
WorkSource Enterprises	Danville