



CHIEF PROCUREMENT OFFICE

August 31, 2013

Dear Director Weems:

The Chief Procurement Office (CPO) is providing you with the Fiscal Year 2013 report of Service-Disabled Veteran Owned Small Business (SDVOSB) and Veteran Owned Business (VOSB) pursuant to Public Act 97-260 (30 ILCS 500/45-57(b)). The Act calls for a goal that not less than 3% of the total dollar amount of state contracts to be awarded to SDVOSBs and VOSBs.

The CPO worked with the Illinois Department of Veterans' Affairs (IDVA), the Illinois Office of the Comptroller, the Department of Central Management Services (CMS), and other state agencies and universities to encourage Illinois veterans that own businesses to become certified in the state's Veterans Business Program (VBP). Certification in VBP is the primary means for identifying the number and location of SDVOSB and VOSB and the type of supplies and services they offer.

Efforts by the Chief Procurement Office to increase veteran awareness and knowledge about state procurement include presentations about the Small Business Set-Aside Program (SBSP) at a "Mission: Veterans 2 Entrepreneurs" event in Bartonville and at the Illinois Chamber of Commerce's Small Business Conference in Tinley Park.

Additionally, at the request of the CPO for the Department of Transportation, the Illinois Department of Transportation surveyed and identified 122 construction firms owned by veterans and interested in the VBP. In December, the list of firms was provided to you and Director Erica Boggren, Department of Veterans' Affairs. The CPO for the Capital Development Board has also asked the Capital Development Board (CDB) to survey its prequalified vendors to identify veteran-owned businesses; CDB is in the process of concluding that survey.

There are currently 37 certified businesses in VBP, up from 13 at this same time last year. Twenty-seven of the 37 are also registered in the SBSP. In FY13, nine agencies and universities purchased from SDVOSB and VOSB.

Per 30 ILCS 500/45-57 (b), the CPO reports:

1. Total number of veteran small businesses that submitted bids for contracts = 14 in FY13; increase from 3 in FY12
2. Total number of veteran small businesses that entered into contracts = 9 in FY13; increase from 3 in FY12
3. Total contract awarded amount = \$32,035,991 in FY13; increase from \$700,659 in FY12

Although meeting the 3% goal is unrealistic at this time given the small number of certified veteran owned small businesses, we recommend keeping the goal as is pending the results of more and better focused outreach during FY14, with reassessment at the end of the year. We expect to see an increase in the number and value of state contracts awarded to these small businesses if more become certified and participate in the procurement process. To that end, the Chief Procurement Office fully supports joint CPO, IDVA and CMS outreach and training efforts.

Sincerely,

Matt Brown
CPO for General Services

Ben Bagby
CPO for Institutions of Higher Education

Fred Hahn
CPO for Capital Development Board

Bill Grunloh
CPO for Department of Transportation