



**CHIEF PROCUREMENT OFFICE**  
Ellen H. Daley, General Services

November 19, 2019

Ms. Janel Forde, Acting Director  
Department of Central Management Services  
401 South Spring Street, Room 715 Stratton Office Building  
Springfield, IL 62706

Re: Report of Service-Disabled Veteran-Owned Small Business and Veteran-Owned Small Business

Dear Director Forde:

Pursuant to 30 ILCS 500/45-57(b), I provide this report of the participation level of Service-Disabled Veteran-Owned Small Business (SDVOSB) and Veteran-Owned Small Business (VOSB) firms in state procurement. I am committed to using my resources and the resources of my office to promote State contracting with the men and women in Illinois that own small businesses and served our country in military uniform.

While the State has made progress enrolling more SDVOSB and VOSB firms into the Veterans Business Program (VBP), I do not believe that we will achieve the State's 3% contracting goal with veteran-owned businesses without doing something radically different.

**Participation Level of Veteran Owned Small Businesses in Procurement**

Each year, I review the progress of all State agencies under my jurisdiction in meeting the goal of awarding not less than 3% of the total dollar amount of State contracts, as defined by the Director of Central Management Services, to SDVOSBs and VOSBs. This review of Fiscal Year 2019 encompasses 7,965 Purchase Orders (POs) transacted in BidBuy. These POs are valued at \$3.26 billion. BidBuy POs represent awarded contracts and are inclusive of release orders resulting from master contracts.

Of the 159 firms certified in the VBP, 14 unique businesses (8.8% of all VBP firms) received 38 POs valued at \$7,844,010 or .24% of all POs.

All 14 of the awarded firms are registered in my Small Business Set-Aside Program (SBSP) and 37 of the 38 POs resulted from SBSP set-aside procurements. This high correlation between awarded firms and participation in the SBSP offers insight into how to immediately increase contracting with VBP firms that may also qualify for the SBSP.

Of the 14 awarded businesses, five are minority-owned and one is owned by a person with a disability. With 156 certified veteran firms in Fiscal Year 2018 and 159 in Fiscal Year 2019, the number of participating businesses is relatively stable.

Attachment A provides a detailed list of the awarded businesses and PO amounts.



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## Recommendations

1. I believe that the use of set-asides is the most important mechanism for increasing the total dollar value of awards to veteran-owned businesses. Contracts set-aside for veterans will provide a strong incentive for qualified veteran-owned businesses to enroll in VBP and remove the ongoing assertion by State agencies that if there were more businesses in VBP then there would be more contract opportunities.

To create set-aside contracts for SDVOSB and VOSB, the Procurement Code must be amended giving the chief procurement officers this authority. Veteran small business set-aside contracts would limit competition for State contracts to only firms certified in VBP. Additionally, when only one vendor in VBP offers a supply or service not offered by another VBP vendor, any State agency may contract with that unique VBP business if the terms of a contract can be negotiated to the mutual benefit of the State and vendor. This removes the requirement that at least two VBP vendors exist before establishing a veteran subcontracting goal.

Last January, I worked with Senator Munoz on Senate Bill 1680 which would have provided that each chief procurement officer has the authority to designate contracts as veteran small business set-asides. The bill passed the Senate 45-0-0 but stalled in the House.

I recommend that you support this legislative initiative.

2. I recommend that you review and consider implementing the recommendations that I've made the last two years. Many of these recommendations reflect direct input from veteran business owners and remain viable actions to creating a more responsive and effective program.

### Recommendation #1 – Determine the Foundational Number of Potential VOSB and SDVOSB

I recommend that the Department of Veterans' Affairs (DVA) select one official source to represent the potential number of veteran-owned businesses in Illinois. There is no consensus across and within State officials or veteran representatives. Having an official database allows the State to meaningfully measure the progress of vendor participation in VBP.

### Recommendation #2 – Increase the Frequency and Coordination of Outreach Efforts

I recommend that DVA and the Department of Central Management Services (CMS) develop an annual marketing plan to include a goal of increasing new vendor enrollment and share them both with stakeholders.

### Recommendation #3 – Evaluate Contract Opportunities and Participation

I recommend that CMS work with my office to evaluate the number of certified vendors registered in each commodity code and compare that to State contract opportunities within those codes. This is especially worthwhile if new codes may be added as SBSP set-asides to benefit firms dually enrolled in VBP and SBSP.



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### Recommendation #4 – Facilitate Matchmaking Opportunities

I recommend that DVA and CMS create opportunities, both online and in-person, for veteran-owned small businesses to meet current and potential prime contractors within their industries. These “matchmaking” events will give the veteran-owned firm immediate contacts with primes, increased exposure for their businesses, and may lead to future subcontracting opportunities.

The 3% contracting goal continues to remain appropriate. My office stands ready to discuss all recommendations with you and assist in the development of strategies that will speed up State contracting with veteran-owned businesses.

Please do not hesitate to ask any questions that you may have regarding this report. I look forward to promoting meaningful State contracting opportunities for veteran-owned businesses.

Sincerely,

A handwritten signature in blue ink that reads "Ellen H. Daley".

Ellen H. Daley

Chief Procurement Officer for General Services



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## Attachment A – Fiscal Year 2019 Awarded Veteran Business Program Firms

BidBuy PO Number	Awarding Agency	SBSP Set-Aside Procurement?	Purchase Order Total Amount	Business Name	Certification Type	SBSP?	MBE?	PBE?	WBE?
19-494DOT-FINAD-P-7153	Transportation	Yes	\$97,355.00	Z Code Plumbing, LLC	SDVOSB	Y	Y	N	N
19-493ISP-FOREN-P-5566	State Police	Yes	\$8,680.00	American Veteran Industries, LLC.	SDVOSB	Y	N	N	N
19-586SBE-FINAN-P-6327	State Board of Education	Yes	\$914,328.00	Anchor Data Systems	SDVOSB	Y	N	N	N
19-586SBE-FINAN-P-6331	State Board of Education	Yes	\$914,328.00	Anchor Data Systems	SDVOSB				
19-416CMS-BOSS4-P-4770	CMS	Yes	\$650,000.85	BioMetric Impressions Corp.	VOSB	Y	Y	N	N
19-416CMS-BOSS4-P-4770	CMS	Yes	\$82,840.00	BioMetric Impressions Corp.	VOSB				
19-416CMS-BOSS4-P-4770	CMS	Yes	\$59,040.00	BioMetric Impressions Corp.	VOSB				
19-416CMS-BOSS4-P-4770	CMS	Yes	\$30,302.00	BioMetric Impressions Corp.	VOSB				
19-416CMS-BOSS4-P-4770	CMS	Yes	\$15,183.15	BioMetric Impressions Corp.	VOSB				
19-416CMS-BOSS4-P-4770	CMS	Yes	\$12,072.75	BioMetric Impressions Corp.	VOSB				
19-416CMS-BOSS4-P-4770	CMS	Yes	\$2,579.85	BioMetric Impressions Corp.	VOSB				
19-416CMS-BOSS4-P-4770	CMS	Yes	\$1,365.00	BioMetric Impressions Corp.	VOSB				
19-416CMS-BOSS4-P-4770	CMS	Yes	\$45.50	BioMetric Impressions Corp.	VOSB				
19-416CMS-BOSS4-P-4770	CMS	Yes	\$4.55	BioMetric Impressions Corp.	VOSB				
19-422DNR-MINES-P-5670	Natural Resources	No	\$12,542.51	Calhoun Construction, Inc.	VOSB	Y	N	N	N
19-557THA-ENGCO-P-7075	Toll Highway Authority	Yes	\$1,492,061.16	Demarc Electric and Communications	VOSB	Y	N	N	N
19-557THA-INFOT-P-8706	Toll Highway Authority	Yes	\$45,022.68	PBM Group, LLC	SDVOSB	Y	Y	N	N
19-557THA-INFOT-P-10098	Toll Highway Authority	Yes	\$2,685.12	PBM Group, LLC	SDVOSB				
19-497DVA-QUINC-P-8102	Veterans Affairs	Yes	\$5,874.75	ProAlliance Corp	SDVOSB	Y	N	N	N
19-422DNR-LNDMG-P-9040	Natural Resources	Yes	\$3,476.74	ProAlliance Corp	SDVOSB				
19-444DHS-DEVDI-P-4579	Human Services	Yes	\$3,286.05	ProAlliance Corp	SDVOSB				
19-440DFPR-SECRE-P-8737	Fin and Prof Regulation	Yes	\$2,514.00	ProAlliance Corp	SDVOSB				
19-586SBE-CHFOP-P-6230	State Board of Education	Yes	\$1,295.00	ProAlliance Corp	SDVOSB				
19-586SBE-CHFOP-P-7545	State Board of Education	Yes	\$214.95	ProAlliance Corp	SDVOSB				
19-422DNR-LNDMG-P-8999	Natural Resources	Yes	\$26,990.00	Riedle Inc	SDVOSB	Y	N	Y	N
19-422DNR-LNDMG-P-8024	Natural Resources	Yes	\$10,815.05	Riedle Inc	SDVOSB				
19-422DNR-LNDMG-P-9138	Natural Resources	Yes	\$4,330.00	Riedle Inc	SDVOSB				
19-422DNR-LNDMG-P-6922	Natural Resources	Yes	\$2,699.99	Riedle Inc	SDVOSB				
19-444DHS-DEVDI-P-7709	Human Services	Yes	\$949.95	Riedle Inc	SDVOSB				
19-557THA-ENGCO-P-11897	Toll Highway Authority	Yes	\$1,429,406.57	Semper Fi Yard Service, Inc.	VOSB	Y	Y	N	N
19-557THA-ENGCO-P-11873	Toll Highway Authority	Yes	\$1,324,035.56	Semper Fi Yard Service, Inc.	VOSB				
19-557THA-ENGCO-P-11903	Toll Highway Authority	Yes	\$649,712.45	Semper Fi Yard Service, Inc.	VOSB				
19-422DNR-RESCO-P-9819	Natural Resources	Yes	\$9,600.00	Stice Forestry	VOSB	Y	N	N	N
19-422DNR-RESCO-P-11126	Natural Resources	Yes	\$6,400.00	Stice Forestry	VOSB				
19-422DNR-RESCO-P-7803	Natural Resources	Yes	\$4,800.00	Stice Forestry	VOSB				
19-422DNR-RESCO-P-8012	Natural Resources	Yes	\$3,549.66	Stice Forestry	VOSB				
19-422DNR-REALT-P-9795	Natural Resources	Yes	\$3,750.00	TROPICAL ENVIRONMENTAL, INC.	SDVOSB	Y	N	N	N
19-494DOT-FINAD-P-8362	Transportation	Yes	\$9,873.63	World's Printing & Specialties Co., Ltd.	VOSB	Y	Y	N	N
			<b>\$7,844,010.47</b>						

- SDVOSB – Service-disabled veteran-owned small business
- VOSB – Veteran-owned small business
- SBSP – Small Business Set-Aside Program
- MBE – Minority-owned business
- PBE – Business owned by a person with a disability
- WBE – Women-owned business