CMS

ILLINOIS Pat Quinn, Governor
DEPARTMENT OF CENTRAL MANAGEMENT SERVICES
Simone McNeil, Acting Director

The Honorable Pat Quinn
Governor of the State of Illinois
207 State House
Springfield, IL 62706

Dear Governor Quinn:

I am pleased to present this report to you on the achievements of the State Use Program for Fiscal Year 2014 and its positive impact on the lives of our citizens with disabilities.

In Fiscal Year 2014, the State Use Program accounted for more than $52 million (up from $34M in FY13) in contracts between Community Rehabilitation Facilities and State agencies for products and services. The Program helped provide training, employment and greater independence for 2,446 disabled individuals and supplied them with 873,551 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,

Simone McNeil
Acting Director

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ILLINOIS
STATE USE PROGRAM
ANNUAL REPORT FY2014

CMS
Illinois Department of
Central Management Services

THE STATE USE PROGRAM

FY 2014 ANNUAL REPORT

STATE OF ILLINOIS

CMS
Illinois Department of Central Management Services

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Department of Central Management Services

Michelle R. B. Saddler, Secretary
Kacy Bassett, Designee
Department of Human Services

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Southern Illinois University at Carbondale

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McCrimon Group

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 agency (NFP) without going through a competitive bidding process.

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

NFPs help significantly disabled individuals find employment. NFPs provide a variety of skills and job training services to individuals with disabilities, giving them experience that can be transferred to employment in the traditional workforce.

In addition, State agencies benefit from quality goods and services at competitive prices.

State Use Regional Coordinators research possible contracting opportunities for State agencies and Universities with NFPs.

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

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) manufactures trash can liners by processing resin pellets to create the final product. The State Use-qualified company provides these liners to agencies statewide.

NFPs also provide many other products such as soap, pillows, corrugated boxes, license plates and paper plates. Services provided by NFPs include, but are not limited to: call centers, janitorial services, imaging and scanning.

Three clients from ARC of the Quad Cities in Rock Island assemble corrugated boxes for the Illinois Department of Corrections.

FIVE YEAR PLAN UPDATE

In FY 2010, the State Use law (30 ILCS 500/45-35) was amended to require development of a five-year plan to increase the number of products and services purchased from qualified-not-for-profit agencies. In FY 2010, a change to the Illinois Procurement Code also increased the size of the State Use Committee from six to eight members. A Task Force consisting of State Use Committee members, State Agency staff, and representatives from qualified not-for-profit agencies presented a Five-Year Plan to the State Use Committee. This Plan was implemented beginning in FY 2013 and will conclude in FY 2017.

As a result, current expenditures through the State Use Program have increased by over 50%, climbing from $34 million in FY 2013 to $52 million in FY 2014. The Plan also includes increasing the hours of work opportunities for persons with significant disabilities, recommending a 20% increase over the five-year period. In FY 2014, employment opportunities increased by 9.4%.

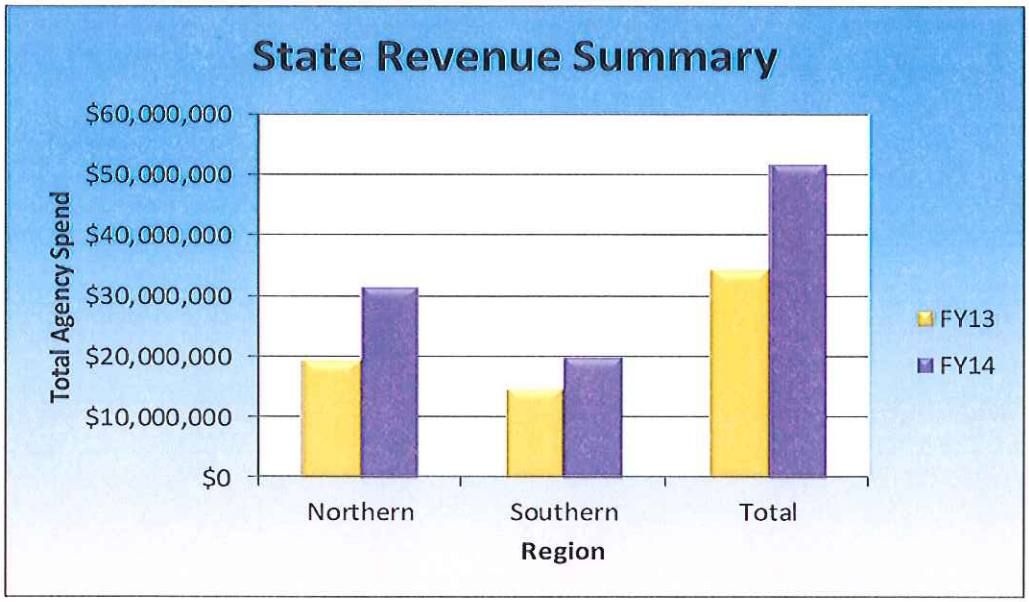
To continue to boost economic growth and increase job opportunities for people with disabilities, the Plan recommends considering legislation that would set a percentage or minimum percentage for State agency procurement of goods and services to be made through the State Use Contracts. The Small Business Set-Aside is an example of how such a program has been used successfully to drive more State business to the Small Business community.

LARGEST STATE USE CONTRACTS AWARDED FOR FY 2014

Contract	Vendor	Value
Call Center	The Chicago Lighthouse	$12,140,259
License Plates	Macon Resources	$5,061,270
Imaging	Bridgeway, Inc	$3,428,879
Paper Products	Shelby Co. Community Services	$1,854,763
Toilet Tissue	Malcolm Eaton Enterprises	$1,659,187
Trash Can Liners	Shelby Co. Community Services	$1,609,412
Data Entry	Bridgeway, Inc	$1,577,191
Laser Cartridges	Thresholds Industries	$1,074,899

STATE REVENUE SUMMARY

State agencies spent $52,001,812 in State Use contracts in FY 2014.

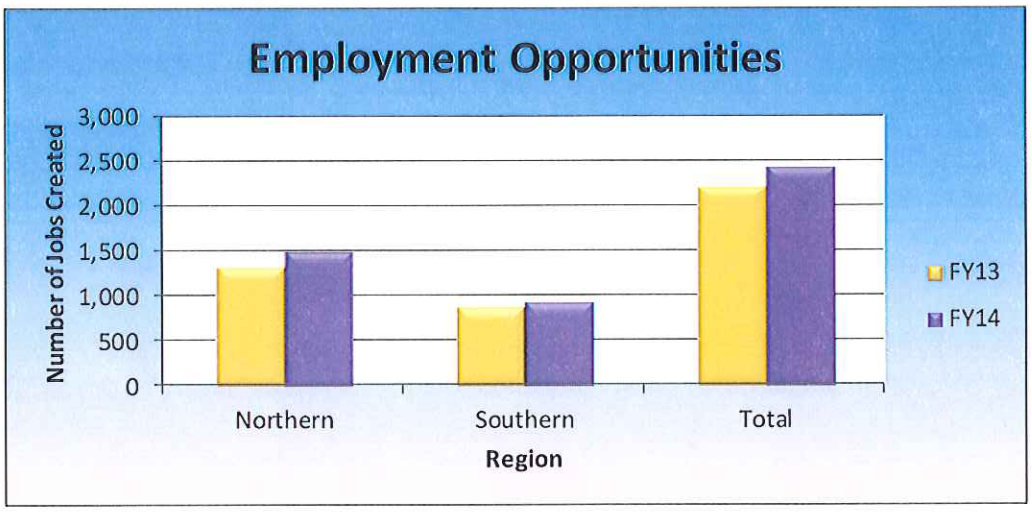


	Northern	Southern	Total
FY13	$19,570,079	$15,067,434	$34,637,513
FY14	$31,855,710	$20,146,102	$52,001,812

A client applies a label to a finished license plate that is manufactured at Macon Resources. All Illinois license plates are manufactured with the help of clients at Macon Resources, a sheltered workshop serving adults and children with developmental disabilities.

EMPLOYMENT OPPORTUNITIES

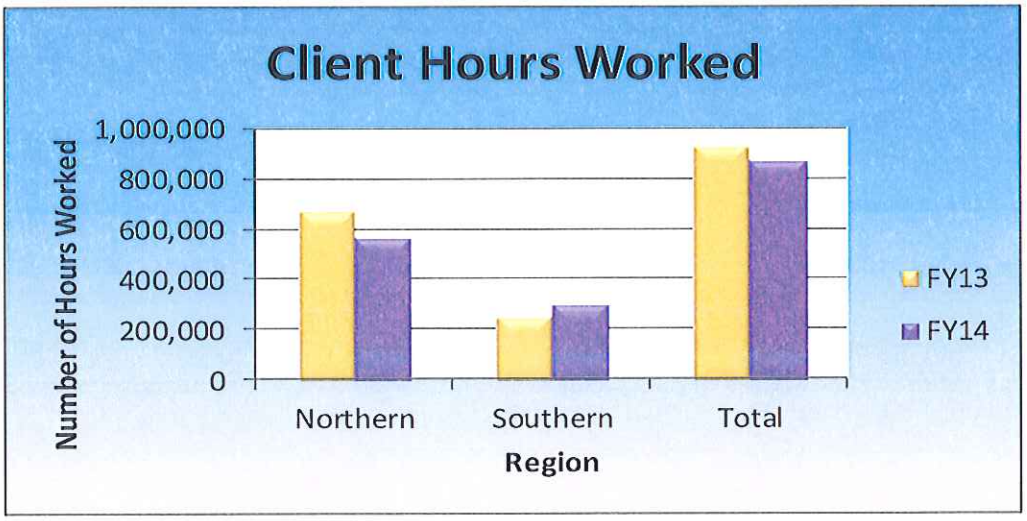
The primary objective of the CMS State Use Program is to develop employment opportunities for people with disabilities by establishing contracts with NFPs for goods and services. There were 2,446 jobs created for citizens with disabilities through these State contracts during FY 2014.



	Northern	Southern	Total Jobs
FY13	1,341	895	2,236
FY14	1,500	946	2,446

CLIENT HOURS WORKED

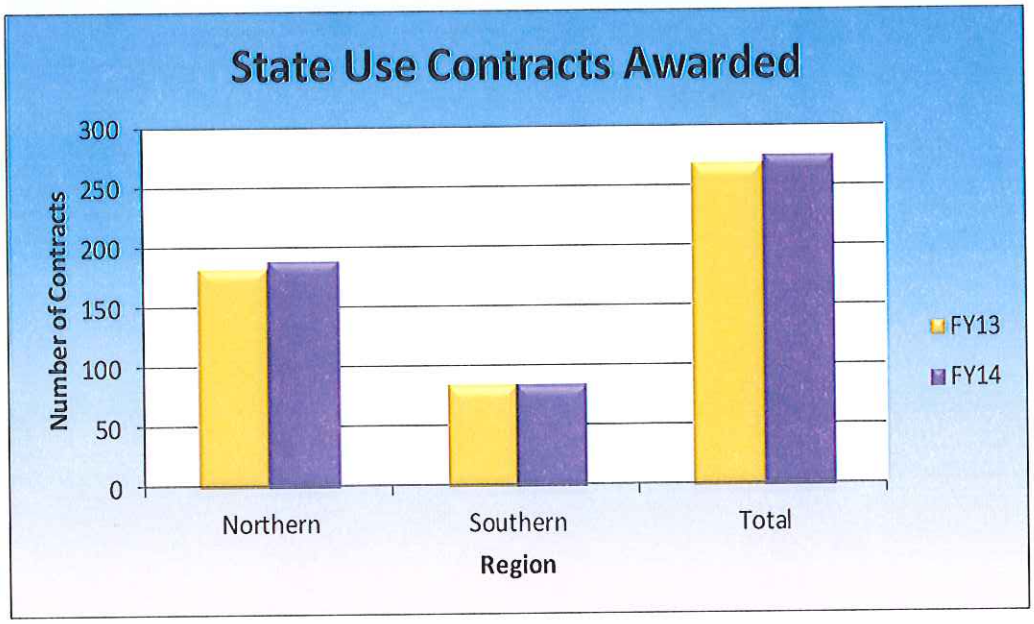
Many people with disabilities have been afforded the opportunity to gain meaningful employment through the State Use Program. In the past fiscal year, Community Rehabilitation Facilities have provided 873,551 hours of work for these individuals. The graphs below show the client hours worked per region and by totals for the two-year period.



	Northern	Southern	Total Hours
FY13	673,475	255,501	928,976
FY14	570,164	303,387	873,551

STATE USE CONTRACTS AWARDED

In FY 2014, State agencies awarded 276 contracts to Community Rehabilitation Facilities. The graph below summarizes the number of contracts per region and totals for the last two fiscal years.



	Northern	Southern	Total Contracts
FY13	184	85	269
FY14	190	86	276

A visually-impaired employee from the Chicago Lighthouse takes an I-Pass call at a Call Center for the Tollway.

Disabled workers at Secure Data Destruction in Northbrook sort paper products.

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THE STATE USE COMMITTEE

The State Use Committee was created to monitor the purchase of products and services from the NFPs.

The Committee consists of six public members, appointed by the Governor, and two state agency representatives:

- The Department of Central Management Services Director or designee
- The Department of Human Services Secretary or designee
- 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 Committee's ultimate goal is to continue to increase opportunities for gainful employment and economic independence for people with disabilities in Illinois.

The Committee meets at least quarterly to review proposed contracts, develop guidelines to be followed by qualified NFPs, and assist the State Use staff in policy development. Upon Committee approval, State agencies are then given the authority to proceed with State Use contracts.

The Committee has the following responsibilities to ensure that it meets its annual objectives:

- 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 sold.
- Publish a 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.

CONTRACTUAL PROCEDURES

Any State agency wishing to establish a contract with a qualified NFP must submit a written request, including the NFP's name, type of contract desired, duration of the contract, and the contract's dollar amount, to the Manager of the State Use Program. In addition, the request must include justification that the price is not substantially more than the competitively-bid price would be. It is then 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 the 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.

BENEFITS OF THE PROGRAM

The State Use 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.

In FY 2014, 51 NFPs were awarded a total of 276 contracts with State agencies through the State Use Program, employing 2,446 disabled individuals (see chart on page 4).

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.

In addition, State Use contracts with qualified NFPs have helped the State reduce administrative costs associated with the competitive bidding process.

Providing people with disabilities with opportunities for economic independence helps to reduce the need for public assistance and benefits.

COMMUNITY REHABILITATION FACILITIES

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

- Comply with Illinois law governing private not-for-profit 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.
- Produce quarterly reports on any contracts with State agencies.

STATE USE STAFF

The State is has two Regional Coordinators who provide help facilitate the Program's success:

Corrie Smith
Northern Region Coordinator

Brynn Henderson
Southern Region Coordinator

Duties and Responsibilities of Staff Members:

- Act as liaison between not-for-profit agencies, the Committee, and State Agencies by collecting information, responding to inquiries or resolving issues.
- Provide technical assistance and training to participating not-for-profit agencies.
- Monitor the quality of products and services provided to State Agencies.

COMMUNITY REHABILITATION FACILITIES

Northern Region

Abilities Center	Rockford
Abilities Plus	Kewanee
Achievement Industries	Monmouth
Ada S. McKinley	Chicago
ARC Industries	Rock Island
Aspire of Illinois	Bellwood
Assn. for Individual Development	Aurora
Avenues to Independence	Wheeling
Bridgeway, Inc	Galesburg
Cass County Mental Health Center	Beardstown
Chicago Assn. for Retarded Citizens	Chicago
Chicago Lighthouse for the Blind	Chicago
Clearbrook	Rolling Meadows
Community Workshop & Training Center	Peoria
Cornerstone Services	Joliet
Countryside Association	Palatine
CRC Industries	Quincy
Developmental Services Center	Champaign
DeWitt County Human Resource Center	Clinton
Easter Seals Reaching for Adulthood	Oak Park
El Valor	Chicago
Fulton County Rehabilitation Center	Canton
Futures Unlimited	Pontiac
Gateway Services	Princeton
Glenkirk Vocational Training Center	Northbrook
Goodwill Industries of Central Illinois	Peoria
Goodwill Industries	Chicago
Habilitative Systems	Chicago
Hancock County Industries	Carthage
Helping Hand and Rehabilitation Center	LaGrange
Hope Industries	Rockford
Horizon Industries	Peru
Illinois Growth Enterprises	Rockford
Illinois Valley Industries	Morris
Jan Tech	Chicago
Jewish Vocational Service	Chicago
Kankakee County Training Center	Bradley
Knox Co. Council for Dev. Disabilities	Galesburg
Kreider Services	Dixon
Lambs Farm	Libertyville
Lester and Rosalie Anixter Center	Chicago
Little City Foundation	Palatine
Logan-Mason Rehabilitation Center	Lincoln
Malcolm Eaton Enterprises	Freeport
Northpointe Resources	Zion
NTSW	Skokie
O.H. Industries	Sycamore
Oak/Leyden Developmental Services	Oak Park
Opportunities, Inc.	Highland Park
PARC	Chicago
Pioneer Center of McHenry County	McHenry
Ray Graham Association	Elmhurst
Sequin Services	Cicero
Sertoma Centre	Alsip
SHORE Training Center	Morton Grove
Southstar Services	Chicago Heights
Southwest Community Services	Tinley Park
Spectrum Vocational Services	Downers Grove
St. Colletta's of Illinois	Tinley Park
Streator Unlimited	Streator
TCRC	Tremont
The Workshop	Galena
Thresholds Rehabilitation Industries	Chicago
Thresholds Rehabilitation Industries	St. Anne
Transitions NFP	Rock Island
TRI Industries	Chicago
Trilogy, Inc.	Chicago
Trinity Services	Joliet
Victor C. Neumann Assn.	Chicago
Village of Progress	Oregon
WorkSource	Danville

Southern Region

ARC Community Support Systems	Teutopolis
Career Development Center	Fairfield
CCAR Industries	Charleston
Challenge Unlimited	Alton
Charleston Transitional Facility	Charleston
Christian County Mental Health Assn.	Taylorville
Clay County Rehabilitation Center	Flora
Coleman Tri-County Services	Shawneetown
Community Link	Breese
Elm City Rehabilitation Center	Jacksonville
FAYCO Enterprises	Vandalia
Five Star Industries	DuQuoin
Franklin-Williamson Human Services	West Frankfort
Human Resources Ctr. Edgar/Clark Cos.	Paris
Human Support Services	Waterloo
Illinois Valley Rehabilitation Center	Gillespie
Kaskaskia Workshop, Inc.	Centralia
Land of Lincoln Goodwill	Springfield
Lawrence Crawford Assn. Exceptional Citizens	Robinson
Macon Resources	Decatur
M.A.P. Training Center	Karnak
Moultrie County Beacon	Sullivan
New Opportunities	Madison
R.A.V.E. Inc.	Anna
S.A.V.E. Inc.	Belleville
Shelby County Community Services	Shelbyville
SPARC Vocational Services	Springfield
START, Inc.	Murphysboro
TRADE Industries	McLeansboro
UCP of Land of Lincoln	Springfield
Wabash Area Vocational Enterprises	Mt. Carmel