



Notice 2014.09 General Services

To: State Purchasing Officers
Procurement Compliance Monitors
CMS Bureau of Strategic Sourcing
Agency Procurement Staff
Procurement Policy Board

From: Matt Brown

Date: March 4, 2014 *MB*

Subject: Contracts with qualified not-for-profit agencies

This CPO Notice is effective immediately.

Sheltered workshops provide employment opportunities to persons with severe disabilities working in qualified not-for-profit Community Rehabilitation Facilities. These sheltered workshops are commonly referred to as State Use vendors. Workers learn valuable job skills and earn a pay check while providing the State of Illinois with high quality goods and services at fair market prices.

The Illinois Procurement Code and administrative rules permit State agencies to purchase from qualified State Use vendors without advertising or calling for bids. 30 ILCS 500/45-35 (a), 44 Ill. Adm. Code 1.4535. While purchases may be made without advertising or bidding, other requirements of the Procurement Code are applicable.

Contracts with State Use vendors should promote employment opportunities for persons with severe disabilities. In making a determination to purchase from a sheltered workshop, state agencies should consider the number of jobs performed by persons with severe disabilities and the total amount of the contract. The SPO Determination Form (SPODF) now offers in Step 1 the choice of State Use as a procurement method. Upon a determination of an agency of a need that is intended to be met by the State Use vendor, the SPODF with State Use marked as the procurement method should be submitted to the agency SPO. An updated SPO Determination Form V.14.1 is attached to this Notice and shall be used for all transactions going forward. For purchases subject to the Small Business Set-Aside, agencies need to obtain a small business waiver.

Prior to contracting with a State Use vendor, the State Use Committee established under the Procurement Code must review all bids submitted and reject any bid for any purchase that is determined to be substantially more than the purchase would have cost had it been competitively bid. CMS Bureau of Strategic Sourcing will inform the state agency in writing of the State Use Committee's determination. Upon receipt of the State Use Committee written determination, the SPO will publish notice of purchases in excess of the small purchase threshold to the Illinois Procurement Bulletin (Step 3 of SPODF).



CHIEF PROCUREMENT OFFICE

Matt Brown, General Services

Once a state agency receives the written determination from the State Use Committee and the SPO has posted the notice of purchase from a State Use vendor to the Procurement Bulletin, the SPO may authorize a state agency to enter into the contract (Step 4 of the SPODF).

A reasonable amount of subcontracting is allowed, to the extent it does not deter from promoting employment for persons with severe disabilities. Subcontractors who provide goods or services of \$50,000 or above must complete financial disclosure and conflict of interest forms and are to be reviewed by the CPO's Office and the Procurement Policy Board if there are any potential conflicts of interest or if a lobbyist or agent is disclosed. Financial disclosures and conflict of interest forms for State Use vendors should be reviewed by procurement staff but are not required to be reviewed by the CPO's Office or the Procurement Policy Board.

An agency's decision to purchase from a State Use vendor rather than issue a competitive solicitation is not protestable. Agencies need to maintain all documentation in the procurement file and have the file available for public inspection within 7 days following posting of notice to the Procurement Bulletin or contract execution, if not posted to the Bulletin. In addition to any notice requirements of the State Use Committee, the processes for renewing or amending a State Use contract are the same as for any other contract. For multi-year contracts, State Use vendors and subcontractors (who provide goods or services of \$50,000 or above) must satisfy the annual certification requirements of 30 ILCS 500/50-2.

If there are any questions regarding this notice, please contact the Chief Procurement Office at (217) 558-2231.