

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.

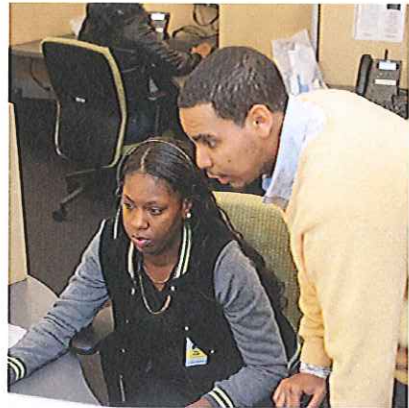
With continued support of this Program, the number of disabled individuals with long-term employment and increased economic stability will grow, minimizing their need for public assistance and entitlement benefits.

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

ILLINOIS STATE USE PROGRAM ANNUAL REPORT FY2014



THE STATE USE PROGRAM

FY 2014 ANNUAL REPORT

STATE OF ILLINOIS



State Use Committee Members

Simone McNeil, Chairman
Mitzi Loftus, Designee
Department of Central Management Services

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

Dr. Seymour Bryson
Associate Chancellor, Diversity
Southern Illinois University at Carbondale

David B. Dailey
Policy Assistant, Bureau of Employee Services
Department of Transportation

Chris Dickey
Community Development Director
Clay County Rehabilitation Center

Richard W. Gloede
Public Member

Daniel Strick
President/CEO
Southstar Services

Audrey McCrimon
President
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%.

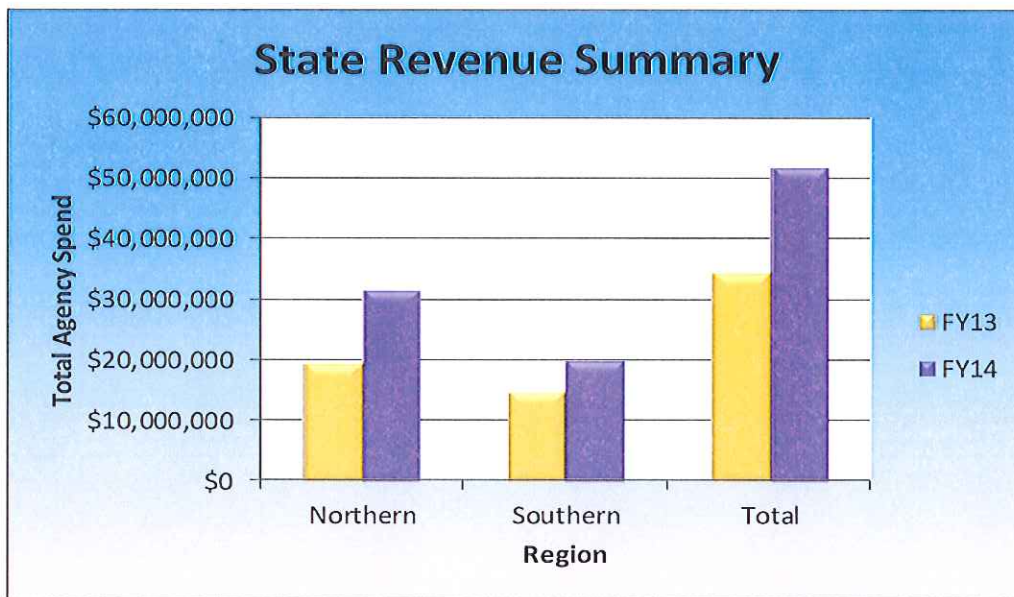
To continue to boost economic growth and increase job opportunities for people with disabilities, the Plan recommends considering legislation that would set a percentage or minimum percentage for State agency procurement of goods and services to be made through the State Use Contracts. The Small Business 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

<u>Contract</u>	<u>Vendor</u>	<u>Value</u>
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.



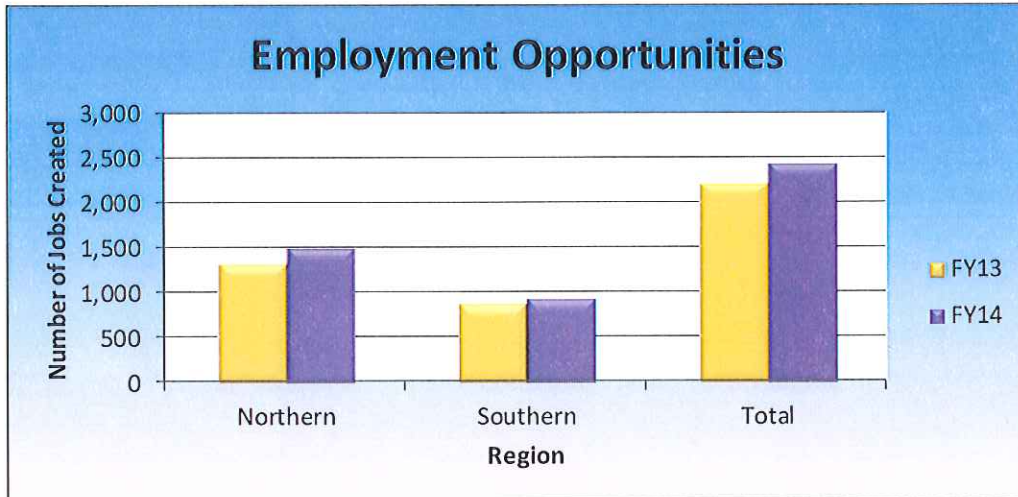
	<u>Northern</u>	<u>Southern</u>	<u>Total</u>
FY13	\$19,570,079	\$15,067,434	\$34,637,513
FY14	\$31,855,710	\$20,146,102	\$52,001,812



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

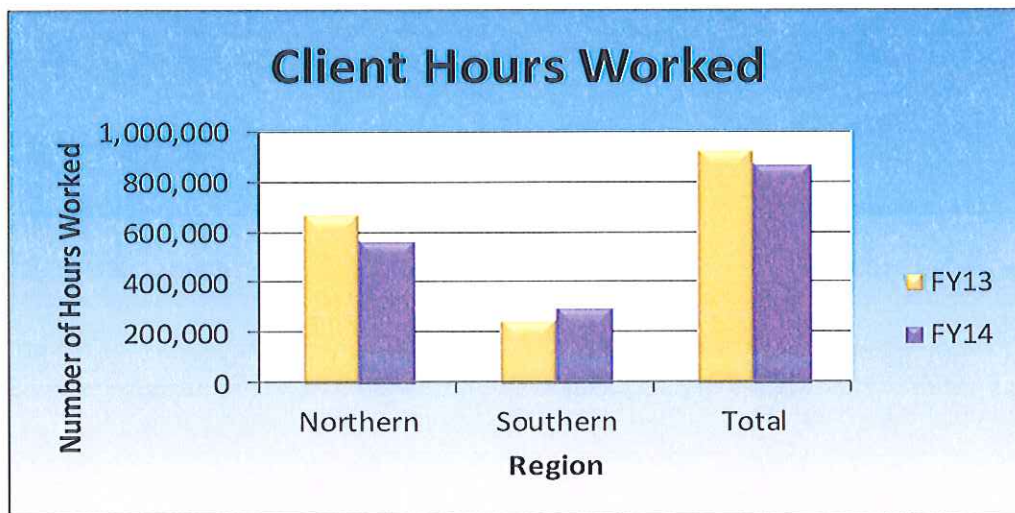
The primary objective of the CMS State Use Program is to develop employment opportunities for people with disabilities by establishing contracts with NFPs for goods and services. There were 2,446 jobs created for citizens with disabilities through these State contracts during FY 2014.



	<u>Northern</u>	<u>Southern</u>	<u>Total Jobs</u>
FY13	1,341	895	2,236
FY14	1,500	946	2,446

CLIENT HOURS WORKED

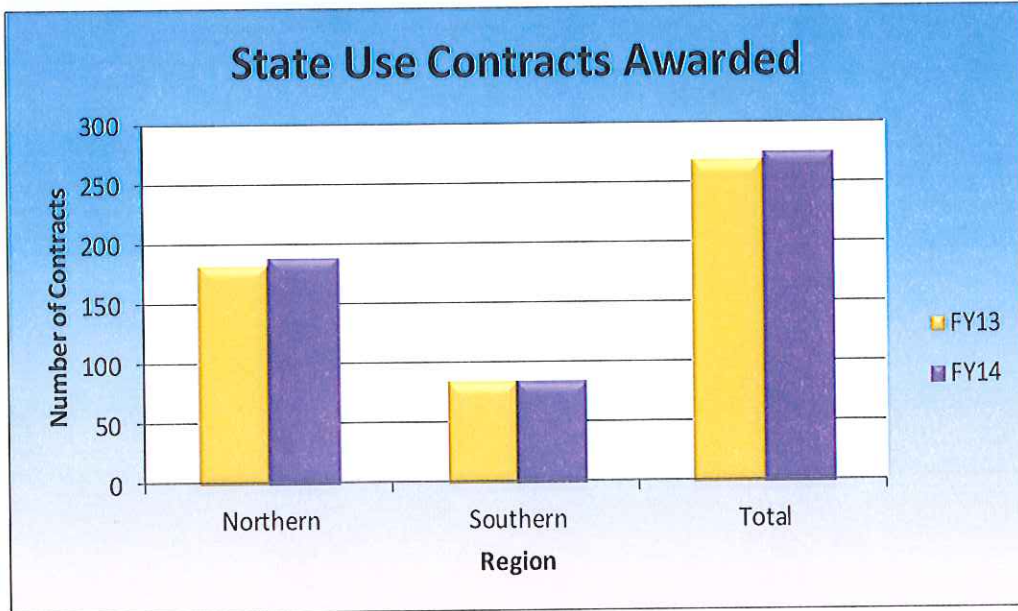
Many people with disabilities have been afforded the opportunity to gain meaningful employment through the State Use Program. In the past fiscal year, Community Rehabilitation Facilities have provided 873,551 hours of work for these individuals. The graphs below show the client hours worked per region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



	<u>Northern</u>	<u>Southern</u>	<u>Total Hours</u>
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.



	<u>Northern</u>	<u>Southern</u>	<u>Total Contracts</u>
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.



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.



B E N E F I T S O F T H E P R O G R A M

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.

-quality goods and services for fair market prices in long-term contracts.

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).

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

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.

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

The State of Illinois benefits by receiving high

C O M M U N I T Y R E H A B I L I T A T I O N F A C I L I T I E S

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.

S T A T E U S E S T A F F

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

Southern Region

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