



State of Illinois
Department of Central Management Services

Veterans Business Program

*For Service Disabled Veteran-Owned and
Veteran-Owned Small Businesses*

Annual Report - Fiscal Year 2018



JB Pritzker, Governor

Janel L. Forde, Acting Director, Central Management Services



March 1, 2019

To the Honorable Governor J.B. Pritzker and
the Honorable Members of the Illinois General Assembly,

On behalf of the Department of Central Management Services (CMS), pursuant to 30 ILCS 500/45-57(b), we submit the Veterans Business Program (VBP) for Veteran-Owned Small Businesses (VOSB) and Service Disabled Veteran-Owned Small Businesses (SDVOSB) Annual Report for Fiscal Year 2018.

The VBP was established in 2011 and was the first veterans business program in the State of Illinois. The VBP also continues to be the leader in spending the most contract dollars with veteran-owned businesses among all veterans business programs in Illinois.

CMS oversees certification of VOSB/SDVOSB firms and identifies their utilization on State contracts, while the Illinois Department of Veterans' Affairs (IDVA) primarily oversees outreach to veteran-owned businesses. CMS works in conjunction with IDVA and the State's Chief Procurement Officers (CPOs), in carrying out strategic marketing plans which encourage veteran-owned businesses to participate in the State's procurement process. These efforts have included statewide recruitment and outreach events conducted in partnership with IDVA, with support from the Illinois Department of Transportation (IDOT), Illinois State Toll Highway Authority (ISTHA), and the Capital Development Board (CDB).

To date, there are 155 veteran owned businesses in the VBP, the highest number since the program's inception in 2011. Fifty of those businesses are certified as SDVOSB and 105 are certified as VOSB. CMS is committed to increasing the number of veteran-owned businesses in the program and working vigorously with our partners in FY19 to advance this goal.

To further increase our veteran vendor base in FY18, CMS engaged in four presentations and workshops statewide, in addition to monthly vendor training sessions, serving a total of 334 veterans.

The four Chief Procurement Offices reported the following information to CMS for FY18:

- Total payments to SDVOSB/VOSB businesses amounted to **\$34,151,993**
- 1,066 SDVOSB/VOSB businesses bid for contracts either as primes or subcontractors
- 87 contracts were awarded to SDVOSB/VOSB businesses as either primes or subcontractors
- 36 of the 155 certified SDVOSB/VOSB businesses received payments from the Office of the Comptroller
- 12 received payments totaling more than \$100,000
- 4 received payments totaling more than \$1,000,000
- 2 received payments totaling more than \$5,000,000
- 1 received payments totaling more than \$20,000,000

The total amount of payments - \$34,151,993 in FY18 - represents a decrease of approximately \$69 million dollars from FY17. This decline is primarily due to the lapse of several large contracts that SDVOSB/VOSB businesses had with the Illinois Department of Transportation.

CMS annually receives and reviews recommendations made by the Chief Procurement Officers, Illinois veterans' service organizations, and the veteran business community. The following recommendations were presented to CMS by the CPOs in FY18:

- The CPO for CDB recommends that CDB projects that contain VBP goals be identified and promoted to increase visibility regarding these projects;
- Contracts awards need to be made on a timely basis;
- Outreach efforts need to be promoted in order to increase the number of certified VBE firms that are also pre-qualified or registered with CDB;
- A high concentration of CMS-certified VBP firms are located in the Chicagoland area. The CPO for CDB recommends identifying projects in the area that would allow establishing goals that exceed the traditional three percent overall VBP goal;
- The CPO for General Services recommends creating set-aside contracts for businesses certified in the Veteran Business Program (VBP). The set-aside contracts would limit competition for State contracts solely to vendors certified in the VBP. Veteran-owned businesses would not have to compete with large out-of-state or large in-state vendors.
- To create set-aside contracts for SDVOSB and VOSB businesses, the Illinois Procurement Code must be amended, giving the CPO-General Services this authority.

CMS has reviewed these recommendations and is working with our partners on ways to implement some of the recommendations outlined above.

CMS remains committed to continuously improve the Illinois Veterans Business Program. CMS aims to do this in FY19 by improving and increasing our outreach efforts, increased public awareness of procurement opportunities, improving the certification process and agency training on implementation of VBP goal setting and compliance review.

Veterans serve a vital role in our nation and the State of Illinois and CMS is invested in supporting veterans that take the courageous step of starting their own businesses. Together, we can continue to improve and increase the opportunities for veteran-owned businesses to contract with the State of Illinois.

Respectfully,

A handwritten signature in black ink that reads "Janel Forde". The signature is written in a cursive, flowing style.

Janel L. Forde
Acting Director



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