

State of Illinois
Small Business Report
Fiscal Year 2006



Rod R. Blagojevich
GOVERNOR

Paul J. Campbell
DIRECTOR

CMS ILLINOIS
DEPARTMENT OF CENTRAL
MANAGEMENT SERVICES



November 29, 2006

The Honorable Rod R. Blagojevich
Governor of the State of Illinois
207 State House
Springfield, IL 62706

Dear Governor Blagojevich:

In Fiscal Year 2006, a record \$38.5 million in state agency procurements designated as set-asides were awarded to small Illinois companies – nearly triple the amount awarded the previous year – as you will see in the attached annual report for the State of Illinois Small Business Set-Aside Program.

The Department of Central Management Services has spared no effort to enable this success. To encourage potential vendors to participate in the Small Business Set-Aside Program, we took a number of significant actions including:

- o Established a broad initiative called "Sell2Illinois" designed to increase competition for State business among small and diverse firms
- o Built a new website, sell2.illinois.gov, to provide information and resources on how to navigate the State's streamlined procurement process
- o Held 69 workshops, presentations and networking events to communicate State contracting opportunities to thousands of small and diverse businesses
- o Revised the Illinois Procurement Bulletin to increase transparency and provide more public information about contract opportunities, award notices, vendor participation and the purchasing decision-making process

As a result of these efforts, more than 1,500 additional small businesses are now engaged in the State procurement process, which is fostering greater competition for the State and expanding opportunities for these firms.

CMS will continue to build on these efforts to help small businesses grow their revenues, enhance their credentials and expand their capacity, which in turn spurs economic growth and job creation in communities throughout Illinois.

Sincerely,

Paul J. Campbell
Director

**FY06 Annual Report
Illinois Small Business Set-Aside Program**

As you will see in the following pages, the State of Illinois nearly tripled the amount of business won by small Illinois firms last year. More than \$38 million in state agency procurements were awarded to qualified Illinois small businesses.

This Fiscal Year 2006 annual report on the Small Business Set Aside (SBSA) Program includes the total value of awards including renewals made to Illinois small businesses under the set-aside designation. Below is a breakdown by agency:

Agency, Board, or Commission	Amount
Aging, Department of	\$48,537.55
Arts Council, Illinois	\$49,545.03
Capital Development Board	\$13,139.47
Central Management Services, Department of	\$21,455,351.74
Children & Family Services, Department of	\$977,292.03
Commerce & Economic Opportunity, Department of	\$743,799.69
Commerce Commission, Illinois	\$74,572.09
Community College Board	\$1,316.50
Corrections, Department of	\$3,822,143.41
Development Disabilities, Illinois Council on	\$1,754.48
Education, State Board of	\$138,285.01
Emergency Management Agency	\$236,070.32
Employment Security, Department of	\$582,282.27
Environmental Protection Agency	\$4,730,008.00
Financial & Professional Regulation, Department of	\$26,117.05
Fire Marshall, Illinois State	\$4,141.00
Guardianship & Advocacy Commission	\$7,487.27
Healthcare & Family Services, Department of	\$360,569.82
Higher Education, Board of	\$8,023.03
Historic Preservation Agency	\$166,639.00
Human Rights Commission	\$10,129.92
Human Services, Department of	\$1,205,515.14
Judicial Inquiry Board	\$250.00
Labor Relations Board	\$25,240.50
Management and Budget, Office of	\$5,270.50
Military Affairs, Department of	\$127,440.00
Natural Resources, Department of	\$159,396.00
Police, Illinois State	\$248,097.52
Property Tax Appeal Board	\$20,012.92
Public Health, Department of	\$511,691.63
Revenue, Department of	\$371,528.69
Student Assistant Commission	\$120,764.84
Toll Highway Authority	\$1,664,960.93
Transportation, Department of	\$158,735.50
Veteran's Affairs, Department of	\$511,485.32
Workers Compensation Commission	\$2,559.69
Total Small Business Set-Aside Designation Awards	\$38,590,153.86
Total Value of Awards Made to Businesses Owned by Minorities, Females, and Persons with Disabilities Under the Designation of Small Business Set-Aside	\$5,311,796.06

Executive Summary

In the fiscal year ending June 30, 2006, a record \$38.5 million in state agency procurements designated as set-asides were awarded to small Illinois companies – an increase of more than \$24 million and nearly triple the amount awarded the previous year. This success sprang from concerted efforts by the Department of Central Management Services and agency State Purchasing Officers to expand opportunities, strengthen processes and improve awareness of the Small Business Set-Aside Program (SBSA).

Since 2003, CMS has led many efforts to engage more small and diverse firms, alert them to contract opportunities and encourage them to compete for State business. During the first two years of the Blagojevich Administration, CMS reorganized and streamlined the state's procurement operations, which the National Association of State Procurement Officials recognized in 2004 with its highest honor, a Gold Cronin Award. Since then, the agency has worked hard to integrate the SBSA program into this statewide procurement structure and to increase State purchasing experts' awareness of and participation in this important program.

In Fiscal Year 2006 the agency took a number of significant actions, including:

- Established a broad initiative called "Sell2Illinois" designed to increase competition for State business among small and diverse firms
- Built a new website, sell2.illinois.gov, to provide information and resources on how to navigate the State's streamlined procurement process
- Held 69 workshops, presentations and networking events to communicate State contracting opportunities to thousands of small and diverse businesses
- Revised the Illinois Procurement Bulletin to increase transparency and provide more public information about contract opportunities, award notices, vendor participation and the purchasing decision-making process

These actions have borne fruit. As a result of the concerted efforts to grow the SBSA program – following the passage of critical legislation in 2004, which significantly increased the number of firms able to qualify for the program – CMS has:

- Registered an additional 1,500 small Illinois companies in the program, an increase of nearly 80%, from 1,925 on January 1, 2005 to 3,455 on June 30, 2006.
- Increased contracts set aside and awarded to small firms to \$38.5 million, a full 175% increase over the fiscal year 2005 total of \$14 million and more than six times the historical average.

More and more small Illinois companies are now competing for state business. And, most importantly, participation in the SBSA does serve to build the capacity of small firms and enhance their ability to compete: In addition to the nearly \$39 million that small companies won through the SBSA program (where they compete only against other small firms), they also won a significant amount of State business when competing outside the program – an estimated \$98 million last fiscal year.

CMS continues to monitor and seek ways to enhance the program, and continues to work with State purchasing experts from all agencies, boards and commissions under the Governor to promote and expand participation. We will continue to build on these efforts to help small businesses grow their revenues, enhance their credentials and expand their capacity, which in turn helps spur economic growth in communities throughout Illinois.

The following is a list of procurement categories that have been set aside for competition among small Illinois businesses registered in the SBSA program.

SMALL BUSINESS SET-ASIDE CATEGORIES	
Category	Commodity Class/Sub Class
Addressing and Mailing	S370-100
Air Conditioner Repair	S120-100
Air Filters and Air Filter Media	3585-016
Asphalt Paving	S210-120
Automotive Maintenance, Batteries	5013-114
Automotive Maintenance, Belts and Hoses	5013-097
Automotive Maintenance, Exhaust	5013-105
Building and Grounds Maintenance	S340-100
Calendars (excluding Calendar Pads)	5112-572
Carpentry	S210-380
Carpet Cleaning	S320-250
Carpet/Linoleum/Tile Laying	S210-150
Computer Supplies, Data Tape Cartridges	5083-859
Concrete Finishing	S210-190
Data Entry	S420-340
Drapery Cleaning	S200-100
Dry Wall Services	S210-230
Electrical Services	S160-200
Electricians	S210-240
Excavating	S210-250
Exterior Building Cleaning	S320-300
Fencing	S210-260
Fertilizer Application	S340-150
Flags	5189-351
Floor Maintenance Machines	3589-355
Floor Surfacing	S210-270
Floor Wax Components	5087-455
Furniture Cleaning	S200-200
Gloves, Disposable, Medical Type	3841-284
Heating Repair	S120-400
Housekeeping	S320-400
Imprinted Notions	5136-549
Janitorial	S320-425
Jugs and Caps	5085-288
Labeling Services	S370-400
Landscaping	S340-200
Laser Printer Cartridges and Supplies	5096-646
Lawn Care, Misc.	S340-225
Mailing Services	S370-500
Masonry Services	S210-310
Painting	S210-390
Parking Lot Maintenance	S460-450
Pavement Maintenance	S210-400
Plastering	S210-410
Plumbing, Misc.	S450-050
Plumbing Services	S450-200
Plumbing Supplies and Equipment, Misc.	3292-618
Pneumatic Tools	3423-621

SMALL BUSINESS SET-ASIDE CATEGORIES (Continued)

Category	Commodity Class/Sub Class
Power Tools	3423-782
Roofing	S210-440
Safety Supplies	3840-843
Snow Plowing	S340-450
Trucking and Hauling Services	S370-800
Typing Services	S420-740
Upholstery Cleaning	S200-700
Ventilating	S120-700
Ventilation Services	S210-700
Video and Audio Tapes	5043-823
Wallpaper Hanging	S460-700
Water Heaters	3292-619
Window Washing	S320-650
Wiping Rags	5140-660
Word Processing Services	S420-800
Woodworking	S210-550