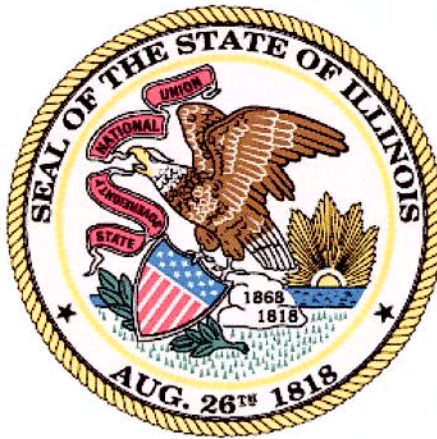


*State of Illinois*  
**Small Business  
Set-Aside Program**

*Fiscal Year 2008 Report*



Rod R. Blagojevich  
GOVERNOR

James P. Sledge  
DIRECTOR

**CMS** ILLINOIS  
DEPARTMENT OF CENTRAL  
MANAGEMENT SERVICES



ILLINOIS

Rod R. Blagojevich, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

James P. Sledge, Director

December 1, 2008

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

Dear Governor Blagojevich:

At your direction, State agencies have opened the door to greater competition for contracting opportunities – and small businesses are streaming through that door in record numbers. In Fiscal Year 2008, a record \$81 million was awarded to small Illinois companies through the Small Business Set-Aside Program – nearly six times the value of awards in Fiscal Year 2005, when you and the General Assembly raised revenue thresholds to enable more companies to qualify for the program.

Since then, CMS has worked hard to achieve this success, including our efforts to:


- Educate purchasing officials in State agencies about the capabilities of small Illinois firms
- Conduct an aggressive outreach initiative known as Sell2Illinois
- Promote the program at more than 200 events, conferences and workshops
- Create a monthly newsletter to inform small companies of State contracting opportunities
- Designated 64 procurement categories solely for small business competition
- Set aside all State contracts valued up to \$50,000

As a result, the number of companies registered in the set-aside program has doubled, to more than 5,000, and the value of awards has significantly increased, to \$81 million (17% of which went to Illinois firms that are also certified in the Business Enterprise Program for women, minorities and persons with disabilities).

Also, small Illinois companies won an additional \$100 million in State business when competing outside the set-aside program – which demonstrates that the initiative is indeed helping them build their capacity to the point where they can be successful against their large competitors.

At CMS, we will continue to expand competition for State contract opportunities and help small businesses enhance their credentials and grow their revenue – which, in turn, spurs economic growth and job creation throughout our great state.

Sincerely,



James P. Sledge  
Director



## Executive Summary

The procurement experts in the CMS Small Business Set-Aside Program focus on growth:

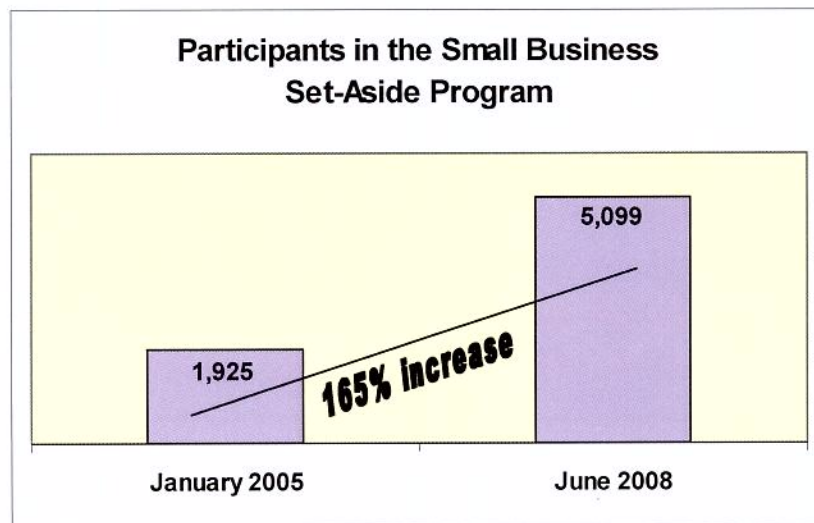
- Growing the amount of State agency spending with small Illinois businesses,
- Encouraging growth in the number of companies registered in the program, and of course
- Helping entrepreneurs grow their revenues by winning State contracts – which can lead them to expand their capabilities, become more competitive, and create more jobs.

CMS is proud to report that our efforts are driving significant growth in the SBSA program.

By integrating the Small Business Set-Aside program into the statewide procurement network and giving powerful tools to purchasing officials in state agencies, the State of Illinois is pushing all the numbers – registered companies, state contracts, and award value – in the right direction.

### More companies = more participation

Governor Blagojevich signed into law critical legislation effective January 2005 that enabled more Illinois businesses to qualify for the set-aside program, and CMS created the Sell2Illinois initiative to alert small companies about opportunities to compete for State business and encourage them to register. Since then, the number of participating companies has more than doubled from 1,925 to 5,099 – an increase of 165%.



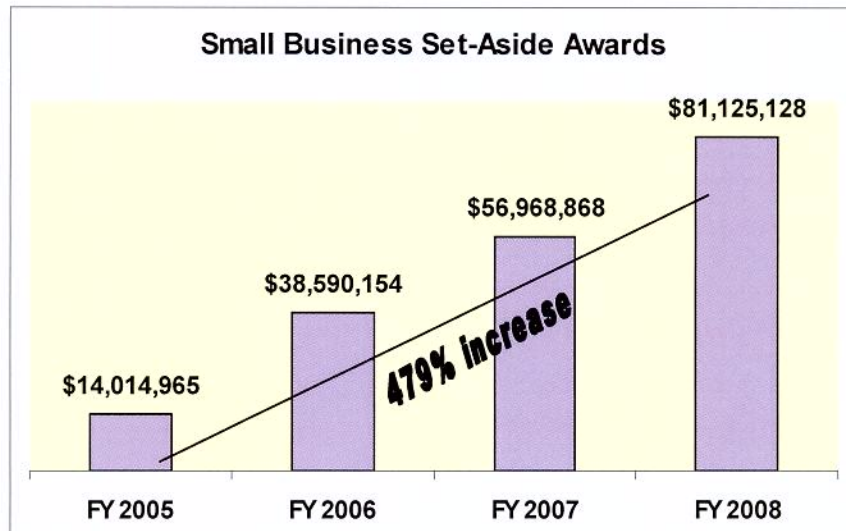
### More participation = more competition

To open up opportunities for small Illinois companies and increase competition for State contracts, CMS has worked hard to build the set-aside program directly into its nationally recognized – and award-winning – procurement network and to increase State purchasing officials' awareness of and participation in this important program.

In addition to continuing outreach through the Sell2Illinois initiative – to encourage more companies to join the program – in Fiscal Year 2008 CMS focused on training State procurement officials in executive agencies and giving them the tools they need to identify and solicit bids from qualified small businesses.

**More competition = more value**

These efforts are working: the value of State contracts awarded to small Illinois companies has grown significantly since Fiscal Year 2005, to \$81 million.



**More value = more competitiveness**

More and more small Illinois companies are competing for – and winning – State business, thanks in part to the Small Business Set-Aside Program. And – importantly – participation in the program is working to help small firms build their capacity, establish a track record and enhance their ability to compete.

In addition to the \$81 million in contracts 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 while competing outside the program. During FY2008 State agencies bought a total of \$177 million worth of goods and services from registered companies – demonstrating that these small Illinois businesses have built the capacity they need to compete against much larger companies.

To build on this success, CMS continues to seek ways to enhance the SBSA program and to work with State purchasing experts from all agencies, boards and commissions under the Governor to expand competition for State contracts.

To build on this success, we will continue our efforts to help small Illinois businesses grow their revenues, expand their capacity, enhance their credentials and increase their competitiveness – which, in turn, helps spur investment, job creation, and economic growth in communities throughout Illinois.



The FY08 annual report on the Small Business Set-Aside Program counts the total value of awards including renewals made to Illinois small businesses under the set-aside designation. Below is a breakdown by agency:

<b><u>Agency, Board, or Commission</u></b>	<b><u>Amount</u></b>	<b><u>Agency, Board, or Commission</u></b>	<b><u>Amount</u></b>
Aging, Department of	\$247,506	Historic Preservation Authority, Illinois	\$509,433
Agriculture, Department of	\$839,949	Human Rights, Department of	\$11,263
Arts Council, Illinois	\$54,175	Human Rights Commission, Illinois	\$2,001
Capital Development Board	\$22,282	Human Services, Department of	\$31,051,776
Central Management Services, Department of	\$12,279,139	Judicial Inquiry Board	\$462
Children & Family Services, Department of	\$668,205	Labor, Department of	\$14,663
Civil Service Commission	\$7,549	Labor Relations Board	\$16,492
Commerce & Economic Opportunity, Depart. of	\$410,927	Law Enforcement Training & Standards	\$11,301
Commerce Commission, Illinois	\$79,037	Management and Budget, Office of	\$4,562
Community College Board	\$10,933	Military Affairs, Department of	\$1,217,094
Corrections, Department of	\$6,104,354	Natural Resources, Department of	\$5,430,937
Council on Developmental Disability, Illinois	\$4,252	Property Tax Appeal Board	\$11,419
Court of Claims, Illinois	\$151,784	Public Health, Department of	\$812,325
Criminal Justice Information Authority, Illinois	\$83,906	Revenue, Department of	\$615,378
Deaf and Hard of Hearing Commission, Illinois	\$7,589	State Employee Retirement System	\$207,211
Education, Illinois State Board of	\$311,716	State Fire Marshall, Office of	\$246,972
Educational Labor Relations Board	\$1,521	State Police, Illinois	\$1,603,284
Emergency Management Agency, Illinois	\$351,926	State Police Merit Board	\$10,683
Employment Security, Department of	\$722,628	State Universities Civil Service Commission	\$3,145
Environmental Protection Agency, Depart. of	\$971,580	Student Assistance Commission	\$176,013
Executive Inspector General, Office of	\$7,309	Toll Highway Authority, Illinois	\$1,399,632
Financial & Professional Regulation, Depart. of	\$296,213	Transportation, Department of	\$3,331,623
Guardianship & Advocacy Commission, Illinois	\$4,347	Veteran's Affairs, Department of	\$2,438,907
Healthcare & Family Services, Department of	\$8,220,172	Workers Compensation Commission, IL	\$110,700
Higher Education, Board of	\$28,853		

**Total Small Business Set-Aside Designation Awards** **\$ 81,125,128**

**Total Value of Awards Made to Businesses Owned by Minorities, Females, and Persons with Disabilities Under the Designation of Small Business Set-Aside** **\$ 13,805,795**

The following is a list of 64 procurement categories that have been set aside for competition among small Illinois businesses registered in the Small Business Set-Aside Program:

Procurement Category	Classification	Procurement Category	Classification
Addressing and Mailing	S370-100	Janitorial	S320-425
Air Conditioner Repair	S120-100	Jugs and Caps	5085-288
Air Filters and Air Filter Media	3585-016	Labeling Services	S370-400
Asphalt Paving	S210-120	Landscaping	S340-200
Automotive Maintenance, Batteries	5013-114	Laser Printer Cartridges and Supplies	5096-646
Automotive Maintenance, Belts and Hoses	5013-097	Lawn Care, Misc.	S340-225
Automotive Maintenance, Exhaust	5013-105	Mailing Services	S370-500
Building and Grounds Maintenance	S340-100	Masonry Services	S210-310
Calendars (excluding Calendar Pads)	5112-572	Painting	S210-390
Carpentry	S210-380	Parking Lot Maintenance	S460-450
Carpet Cleaning	S320-250	Pavement Maintenance	S210-400
Carpet/Linoleum/Tile Laying	S210-150	Plastering	S210-410
Computer Supplies, Data Tape Cartridges	5083-859	Plumbing, Misc.	S450-050
Concrete Finishing	S210-190	Plumbing Services	S450-200
Data Entry	S420-340	Plumbing Supplies and Equipment, Misc.	3292-618
Drapery Cleaning	S200-100	Pneumatic Tools	3423-621
Dry Wall Services	S210-230	Power Tools	3423-782
Electrical Services	S160-200	Roofing	S210-440
Electricians	S210-240	Safety Supplies	3840-843
Excavating	S210-250	Snow Plowing	S340-450
Exterior Building Cleaning	S320-300	Trucking and Hauling Services	S370-800
Fencing	S210-260	Typing Services	S420-740
Fertilizer Application	S340-150	Upholstery Cleaning	S200-700
Flags	5189-357	Ventilating	S120-700
Floor Maintenance Machines	3589-355	Ventilation Services	S210-700
Floor Surfacing	S210-270	Video and Audio Tapes	5043-823
Floor Wax Components	5087-455	Wallpaper Hanging	S460-700
Furniture Cleaning	S200-200	Water Heaters	3292-619
Gloves, Disposable, Medical Type	3841-284	Window Washing	S320-650
Heating Repair	S120-400	Wiping Rags	5140-660
Housekeeping	S320-400	Word Processing Services	S420-800
Imprinted Notions	5136-549	Woodworking	S210-550