



CHIEF PROCUREMENT OFFICE

Bill Grunloh, Department of Transportation - Highway Construction

August 28, 2014

Ms. Simone McNeil, Acting Director
Department of Central Management Services
James R. Thompson Center
100 W. Randolph, Suite 4-500
Chicago, IL 60601

Re: Report of Service-Disabled Veteran Owned Small Business (SDVOSB) and
Veteran Owned Business (VOSB)

Dear Director McNeil:

Pursuant to Public Act 97-260 (30 ILCS 500/45-57(b)), the Chief Procurement Office for the Illinois Department of Transportation (Highway Construction) is providing you with the Fiscal Year 2014 report of Service-Disabled Veteran Owned Small Business (SDVOSB) and Veteran Owned Small Business (VOSB)

My office has worked with the Illinois Department of Transportation (IDOT), the Illinois Department of Veterans' Affairs (IDVA), and the Illinois Department of Central Management Services (CMS) to encourage Illinois veterans who own businesses to become certified in the state's Veterans Business Program (VBP).

In Fiscal Year 2013, I urged IDOT to conduct a survey of all the departments prequalified and certified prime contractors, consultants and subcontractors. As a result of that survey we identified 122 firms owned by veterans that showed an interest in the VBP. In December, the list of firms was provided to CMS and IDVA. We were hopeful that a majority of those firms would become certified, that was not the case.

Currently there are 85 certified businesses in the VBP. Out of those certified, only 11 firms are prequalified and certified with IDOT. Those 11 consist of the following: 2 prequalified prime contractors, 2 prequalified consultants and 7 registered subcontractors.

- IDOT prequalified prime contractors - 560 (2 certified in the VBP)
- IDOT registered subcontractors - 1189 (7 certified in the VBP)
- IDOT prequalified consultants - 367 (2 certified in the VBP)

Per 30 ILCS 500/45-57 (b), the CPO shall report:

1. Total number of veteran small businesses that submitted bids for contracts = IDOT **(Highway Construction) has not implemented any goals on construction projects because of the lack of available participants.**
2. Total number of veteran small businesses that entered into contracts = 0

3. Total contract awarded amount = \$0

Please note that these numbers represent only “construction related” contracts and do not include “supplies and services”.

Progress to report: I’ve met with Acting Secretary Borggren and Executive Staff at IDOT to discuss recommendations on the VBP going forward. Even with the limited number of certified participants, we have 7 registered subcontractors in the greater Chicagoland area. I have suggested that the department identify suitable projects in this geographic area and implement goals on those projects. It’s my recommendation that those projects be advertised on a letting this fall.

In addition I have suggested that the department implement a vigorous outreach effort to all the department’s prequalified prime contractors, prequalified consultants and registered subcontractors. Hopefully with this additional outreach, IDOT can create some interest and increased VBP certification within our pool of business partners.

A Public Forum hosted by the four State Chief Procurement Officers was held on August 19, 2014 for the purpose of receiving input and comments from vendors, contractors and constituent groups. The forum was well attended and valuable information was received to enhance the VBP going forward. It also highlighted the need for additional outreach.

We also heard from several people attending the forum that certification and re-certification was very burdensome. I would recommend that the certification process be reviewed and made as simple and straightforward as possible. The suggestion was also made to have the certification time period extended from one to two years which would be consistent with the Federal program.

I plan to provide you with a supplemental report in January that will include information from the lettings this fall. It is my hope that we can report some progress at that time.

To that end, the department and my office are committed to see the Veterans Business Program grow and become a viable program in highway construction.

Sincerely,



Bill Grunloh
Chief Procurement Officer

cc: Erica Borggren, Acting Secretary
Omer Osman, Director of Highways