State Use Program Summary/Information

The Purpose of the State Use Program

The State Use Program, operated by Central Purchasing of the Office of Management and Enterprise Services (OMES), facilitates contracts between the State of Oklahoma and qualified not-for-profit agencies. Those contracts provide meaningful long-term employment and job training for persons with disabilities through its vendors. The contracted items and services do not conflict with other statewide contracts. The State Use Program is a contract management program that works alongside OMES Central Purchasing.

Proposed procurements are independently reviewed, evaluated and approved by the State Use Committee, an eight-person panel comprised of state agency and public members, to assure fair pricing and quality goods and services.

The program benefits your community by alleviating the public assistance burden the state faces. As a result of the State Use Program, participants’ earned income rises, displacing government assistance and reducing the need for state and federal programs.

The State Use Program is a self-supporting program that manages the contracts of vendors that provide employment for persons with disabilities. The employment opportunities reduce the need for state and federal funding (average of $2700 per individual). A 1 percent fee of any contract for products or services of the severely disabled shall be assessed against the qualified organization and deposited in the State Use Committee Revolving Fund, as created in Title 74 Section 3004.2. All of this provides the state with a 25 percent economic advantage and costs the state nothing.

State Use Revolving Fund

74-3004.1. Contracts for products or services – Assessment.

“A 1 percent fee of any contract for products or services of the severely disabled shall be assessed against the qualified organization and deposited in the State Use Committee Revolving Fund, as created in Section 3004.2 of this title, for the salary, administrative costs and other expenses incurred by Central Purchasing of the Office of Management and Enterprise Services for promoting goods and services provided by qualified organizations.”
“The fund shall be invested in any of the types of instruments in which the state treasurer is authorized by law to invest. Interest earned shall be retained by the fund. All monies accruing to the credit of the fund are hereby appropriated and may be budgeted and expended by the Office of Management and Enterprise Services...”(§74-3004.2)

**Fair Market Pricing**

The Fair Market Value (FMV) is determined in two different ways. The first is based on a true open market price comparison comprised of a minimum of five comparable items. The comparable items are then averaged and the price from the vendor is evaluated. The price, from the vendor, cannot be above that FMV. The items are generally items that are not currently on a Statewide Contract. Often, when compared to the FMV, the vendor’s price is much lower than the street pricing (i.e. Toothpaste: Aim Kids Mega Bubble Berry Gel – the FMV = $26.40/dz. The vendor is able to provide the item at $16.75/dz – with no minimum or delivery charge. The FMV for janitorial services is 25 cents/square foot. The vendors average between nine cents and 15 cents per square foot). A recent and upcoming contract will be for copy paper. A vendor has established a relationship that will allow them to supply copy paper to the State of Oklahoma at a lower rate than the Statewide Contract, otherwise it would not be considered. It will be an average of about a $2.50/case savings – with no minimums or shipping costs. The State Use Program does not cost the state any additional money, but instead saves.

**State Use Committee (§74-3001)**

The committee shall consist of seven members and one nonvoting member as follows:

1. A private citizen conversant with the employment needs of people with severe disabilities who shall be appointed by and serve at the pleasure of the governor to act as an advocate for the employment needs of people with severe disabilities (David Oliver, Goodwill Tulsa);

2. The director of the Office of Management and Enterprise Services or designee (Travis Monroe, Administrator, OCIA, Board and Commission Support);

3. The director of Visual Services, or designee (Jim Kettler, Contracts Manager);

4. The past president of Oklahoma Community-Based Providers or designee to serve for a one-year period, who may be reappointed by the succeeding president (Will Smith, Kiamichi Industries);
5. An individual or a parent or guardian of an individual with severe disabilities who participates in vocational programming through a sheltered environment facility, to be selected by the committee (Robin Arter);

6. The director of Human Services, or designee (Regina Chase, Programs Supervisor);

7. A certified procurement officer from any state agency appointed by the State Purchasing Director, selected to represent the customer agencies of the State of Oklahoma (Jerry Tate, OSBI); and,

8. As a nonvoting member, a person employed by the Office of Management and Enterprise Services as a contracting officer in Central Purchasing, appointed by the state purchasing director with the advice of the committee and designated specifically to solicit, develop and negotiate contracts with agencies and individuals (Daron Hoggatt, State Use Administrator and Contracting Officer).
Annual State Spend on State Use Products and Services

FY 13 = $25,451,320.87   FY 14 = $27,023,939.10   FY 15 = $29,562,037.76

Annual Number of Persons with Disabilities Employed for State Contracts

FY 13 = 2083   FY 14 = 2067   FY 15 = 2025
Number of Persons with Disabilities Placed in Competitive Employment

FY 13 = 320   FY 14 = 337   FY 15 = 330

Annual Economic Advantage for Using the State Use Program (A Zero Cost Program)

Economic Advantage - “A benefit that can be expressed numerically as an amount of money that will be saved or generated (emp. added) as the result of an action.”

FY 13 = 18%   FY 14 = 18%   FY 15 = 22%   FY 16=25%