

KANSAS STATE USE LAW USAGE REPORT
July 2009 to June 2011

Since the 1950's, Kansas public policy has been that state agencies, state universities and Unified School District's (USD's) purchase products manufactured by blind and disabled Kansas citizens as a means for creating employment opportunities for these Kansans that otherwise may not exist. This public policy is set out in K.S.A. 75-3317 *et seq.* and is known as the Kansas State Use Law (SUL).

In 2004, several Kansas SUL Vendors (those who employ blind and disabled Kansans) joined together to form the Coalition for Opportunity (Coalition). Member of the Coalition committed themselves to updating and improving the existing SUL program for both vendors and required purchasers. In 2005, the Coalition successfully lobbied the Kansas Legislature to update the law as well as create a SUL oversight committee comprised of legislators, purchasers, vendors and consumer representative. After updating the law, the SUL program saw a steady growth in the volume of sales as well as improvements in the relationship between required state purchasers and SUL vendors.

Collectively, the SUL vendors report employing over 400 blind and disabled Kansans, many who were afforded their first opportunity to earn a competitive wage obtain access to health benefits and sustain viable employment because of the opportunities created by the SUL program. In addition, even more blind and disabled persons are helped by the dollars reinvested in the missions of the SUL not-for-profit employers. Without the Kansas SUL program and the accommodated work environments established by the SUL vendors, very few employment opportunities would exist for these blind and disabled Kansan citizens.

Part of the reform measures passed during the 2005 Legislative Session, requires that the SUL vendors prepare an annual report that summarizes the volume of sales for each SUL product or service sold as well as a summary of waivers requested and issued. In addition, the report highlights the activity of the SUL Committee as well as vendors efforts to grow the program. Below is the report submitted on behalf of the 2009-2011 SUL Vendors.

2009-2011 SUL Usage Report Highlights

- ✓ SUL Committee has continued to meet and look for opportunities to grow the SUL program.
- ✓ In FY '09 TARC qualified as a vendor for the SUL program. TARC serves the Topeka area. No new SUL vendors were qualified in FY '11.
- ✓ SUL Committee established a time-line for the production of the SUL Catalog. This has simplified the process for both the Director of Purchases and the SUL vendors. In addition to the printed catalog, SUL vendors have also established an electronic catalog and a website where purchasers may locate and purchase products electronically. The website can be accessed at www.ksstateuse.org.
- ✓ During this reporting period, the sales within program saw a decline. In FY '10, SUL maintained its level of sales totaling \$7.56 million. However, in FY '11, SUL dropped to \$6.98 million, which is one of the lowest amounts since the program sales have been tracked. The highest sales recorded for the SUL program was in FY '07 when it reached \$7.87 million.
- ✓ SUL vendors, with the assistance of the Director of Purchases, continued to sell their products through the state's contract for office supplies. This arrangement has made the SUL program more accessible for all state purchasers and has streamlined the purchasing of SUL products for many require purchasers. During this report period, the state contractor accounted for almost \$500,000 in FY '10 and \$427,000 in FY '11.
- ✓ In both FY '10 and FY '11, Kansas Regents accounted for roughly 30% of SUL sales while USD's account for 16%. The remaining sales can be roughly attributed at 41% for sales to State agencies and the remaining 13% SUL sales are from other sources.
- ✓ Cartridge King has the highest sales in the SUL vendor in the program. In FY '10 they accounted for 54% of all SUL sales and 53% in FY '11.

- ✓ SUL requires all Kansas USD's purchase qualified items approved in the SUL program. In FY '10, 166 of the 229 USD's or 72% of the USD's purchase something through the program. In FY '10, 48% or 110 USD's made purchases totaling over \$500.
- ✓ In FY'11, only 63% or 145 USD's purchased from the SUL program, which equated to a drop in sales of \$83,000. Only 38% or 86 made SUL purchase totaling over \$500.
- ✓ USD 259 made the greatest SUL USD purchase in FY '11 totaling almost \$245,000, which is almost a quarter of all USD purchases.
- ✓ Waiver requests from required SUL purchasers to the Kansas Office of Procurement and Contracts has declined drastically since the FY2008 report.

PARTICIPATING SUL VENDORS, PRODUCTS AND SERVICES

Business Technology Career Opportunities (BITCO)

Mission: An imaging and technology solutions company, providing superior customer services through a fully integrated workforce that promotes technical career for people of all abilities. *SUL service provided is document imaging.*

Cartridge King

Mission: To provides services to individuals with disabilities by promoting community inclusion, and employment opportunities with the maximum level of independence and dignity. *SUL product sold is new and remanufactured toner cartridges.*

Envision

Mission: To enhance the personal independence of individuals whose blindness or low vision, often accompanied by other disabilities that impacts their opportunities for employment, success, and integration into community life. *SUL products sold include can liners, seal closure bags, merchandising bags wiping towels, pens, office supplies and printing services.*

Goodwill Industries

Mission: Providing employment opportunities, vocational training and rehabilitation services to individuals with disabilities. *SUL products sold include General Purpose Safety Vests and Professional Series Safety Vests (ANSI/ISO).*

KETCH

Mission: To promote independence to persons with disabilities through innovative learning experiences that support individuals' choices for working, living and playing in their community. *SUL products include binders, air filters and safety products.*

OCCK

Mission: To promote and contribute to the success of their customers with a community, to exercise and/or influence leadership in the creation of quality communities and to ensure our financial success so that our customers can be successful. *SUL products and services include promotional buttons and custodial services.*

TARC

Mission: Providing employment opportunities and work related experiences for persons with developmental disabilities. *SUL products include document destruction services, all-purpose mailing services, custodial services*

TECH

Mission: The Training and Evaluation Center of Hutchinson is committed to assisting individuals with disabilities of all ages to live full and productive lives through advocacy, education and quality supports. *SUL products include stamps and engraved signs.*

TRI-VALLEY DEVELOPMENTAL SERVICES

Mission: Tri-Valley Developmental Services is committed to the ideal that people have a right to be active within their community. Our mission is to offer a wide range of choices, meeting individual needs, and providing opportunities for persons with disabilities to maximize their potential enabling them to achieve the quality of community life they seek. *SUL service includes secure document destruction.*

2010 State Use Law Usage

Summary

	<u>USD's</u>	<u>State Agency</u>	<u>State</u> <u>Hospitals</u>	<u>Corrections</u>	<u>Universities</u>	<u>Other</u>
BTCO	\$8,134.90	\$23,628.06				
Cartridge King						
Direct Sales:	\$578,117.76	\$1,164,265.48	\$124,890.22	\$92,518.90	\$1,664,447.11	\$12,253.93
State purchasing contract Sales:		\$385,651.41				\$23,590.50
Envision						
Direct Sales:	\$513,432.00	\$229,608.00	\$141,716.00	\$240,804.00	\$330,737.00	\$242,367.00
State purchasing contract Sales:	\$5,588.24	\$93,221.01				\$93,292.65
Goodwill		\$61,219.90				
Ketch						
Direct Sales:	\$113,378.48	\$101,518.87	\$53,437.64	\$58,830.93	\$266,328.77	\$49,254.39
State purchasing contract Sales:	\$249.44	\$20,482.48				\$167.38
OCCK		\$199,957.93				
TARC	\$2,722.51	\$21,425.11				\$583,198.18
TECH	<u>\$3,769.10</u>	<u>\$28,567.69</u>	<u>\$1,141.70</u>	<u>\$3,707.43</u>	<u>\$21,097.03</u>	<u>\$1,005.10</u>
Totals:	\$1,225,392.43	\$2,329,545.94	\$321,185.56	\$395,861.26	\$2,282,609.91	\$1,005,129.13
				2010 SUL Total Sales:		\$7,559,724.23

2011 State Use Law Usage Summary

	<u>USD's</u>	<u>State Agency</u>	<u>State Hospitals</u>	<u>Corrections</u>	<u>Universities</u>	<u>Other</u>
BTCO	\$15,219.19	\$21,160.96				
Cartridge King						
Direct Sales	\$478,295.55	\$1,172,686.57	\$62,583.41	\$89,499.24	\$1,568,947.09	\$8,283.62
State Contract Sales	\$5,320.72	\$335,809.96				\$16,628.11
Center Industries Corporation						
Disability Supports						
Envision						
Direct Sales	\$513,959.00	\$259,998.00	\$127,473.00	\$227,594.00	\$365,788.00	\$79,454.00
State Contract Sales	\$11,782.55	\$86,674.51				\$767.23
Goodwill		\$94,059.30				
Ketch						
Direct Sales	\$109,052.12	\$140,506.28	\$27,998.27	\$26,249.66	\$306,216.80	\$29,894.34
State Contract Sales	\$883.08	\$4,153.13				
OCCK		\$191,333.09				\$692,050.51
TARC	\$9,107.72	\$39,399.72				\$1,003.60
TECH	\$16,500.12	\$30,310.25	\$807.25	\$3,896.70	\$28,813.20	
Totals:	\$1,160,120.05	\$2,376,091.77	\$218,861.93	\$347,239.60	\$2,269,765.09	\$828,081.41
				2011 SUL Grand Total Sales:		\$7,200,159.85

WAIVERS

Current Kansas SUL allows waivers to be issued to required purchaser whenever a qualified vendor is unable to supply products or services needed or is unable to meet delivery requirements on any order or requisition. The SUL mandates that a written request for a waiver must be forwarded to the Director of Purchases by the state agency or USD and if the Director of Purchases approves the requested waiver, the state agency or USD is exempted from the SUL purchasing requirements for the specific order, request or requisition. At this time, USD's are not subject to auditing and therefore are not submitting waiver requests to the Director of Purchasing.

The 2005 Legislature authorized an additional waiver that allows a USD that has purchased or has entered into contracts for purchase of a substantial amount of SUL product or products from qualified SUL vendors during a USD fiscal year, to petition the Director of Purchases for a waiver. Such waiver may be granted to a USD from any further compliance with the SUL for the remainder of the USD's fiscal year if the Director of Purchases, with the recommendation and approval of the SUL committee, finds that purchases have been made or contracts for purchase have been entered into for a substantial amount of such product or products from qualified vendors during the USD's fiscal year. In determining whether a USD has purchased or has entered into substantial amount of SUL products, the Director of Purchases and the SUL committee shall consider the overall need for such product or products by USD.

Below is a summary of waiver activity for period of July 2009 to June 2011. This information has been provided by the Director of Purchases.

REPORTS OF STATE USE CATALOG WAIVERS - FY 08
 Per KSA 75-3322(a)

KSA 75-3322 (a) Whenever the qualified vendors are unable to supply the products or services needed or are unable to meet delivery requirements on any order of requisition, a written waiver shall immediately be forwarded to the director of purchases by the state agency procurement officer or purchasing officer of the unified school district. If approved by the director of purchases, such waiver shall relieve and exempt the state or unified school district purchasing authority from the mandatory provisions of K.S.A. 75-3317 to 75-3322, inclusive, and amendments thereto in the case of the specific order, request or requisition.

AGENCY	DATE	VENDOR	DESCRIPTION	QUANTITY	TRANSACTION	REASON FOR REQUEST
Bd. Healing Arts	3/8/2010	Mary Ann McIntire	Purchase of toner		57.59	Employee was a contractor turned employee wanting reimbursement.
Bd. of Examiners	5/5/2010	Office Depot	Toner for fax machine		77.99	New printer/fax received, immediate need for toner and CK couldn't deliver on time.
University of Kansas	6/22/2010	Jayhawk File Express	Electronic Imaging/Indexing		745.02	Qualified vendor unable to provide service and unable to meet delivery requirements.
Office of Business Procurement	9/15/2010	Staples	Black, Red, Blue, Green Sharples		506.38	No explanation included
TOTAL WAIVER AMT:					\$1,386.98	

At this time, USD's are not subject to audit by State of Kansas procurement, but are subject to individual financial audits by private auditors. Some auditors have begun to press the issue of waivers within the State Use Program. To date, USD's have submitted fewer than 10 waiver requests to the Director of Purchases since 2005. The remaining information is contained in spreadsheets detailing individual sales for those qualified SUL vendors that had sales during the 2010 and 2011 fiscal years. The information has been compiled by the respective vendors and, if additional information is desired, please contact:

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FY 2010 STATE USE LAW USAGE REPORT
USD PURCHASES

USD	BTCCO	CARTRIDGE KING	CK VIA STAPLES	ENVISION	ENVISION VIA STAPLES	GOODWILL	KEIGH	KEIGH VIA STAPLES	OCCK	TECH	TARC	FY 2010 USD TOTALS
USD 338 Valley Falls												\$0.00
USD 339 Jefferson North		\$486.08					\$109.32					\$109.32
USD 340 Jefferson West		\$439.30					\$1,392.00					\$486.08
USD 341 Oskaloosa Schools												\$1,831.30
USD 342 McLouth		\$1,921.04						\$29.20				\$0.00
USD 345 Seaman							\$699.00					\$1,950.24
USD 346 Mound City												\$699.00
USD 347 Kinsley-Oferle												\$1,126.00
USD 348 Baldwin City												\$0.00
USD 349 Stafford		\$320.00										\$1,230.00
USD 350 St. John-Hudson												\$460.00
USD 351 Macksville												\$1,383.00
USD 352 Goodland		\$6,888.79					\$643.62					\$8,668.41
USD 353 Wellington												\$0.00
USD 354 Clarin												\$219.00
USD 355 Ellinwood												\$0.00
USD 356 Conway Springs												\$62.00
USD 357 Belle Plaine							\$41.17					\$62.00
USD 358 Oxford												\$11.17
USD 359 Argoia		\$999.41					\$25.60					\$1,456.01
USD 361 Anthony/Harper												\$4,963.00
USD 362 Prairie View							\$2,408.04					\$14.40
USD 363 Holcomb												\$2,408.04
USD 365 Garnett												\$0.00
USD 367 Osawatomie												\$2,229.66
USD 366 Yates Center							\$2,229.66					\$0.00
USD 368 Paola												\$0.00
USD 371 Montezuma		\$361.15										\$361.15
USD 372 Silver Lake		\$4,179.93					\$8,646.96					\$4,179.93
USD 373 Newton												\$8,646.96
USD 375 Circle												\$104.00
USD 377 Archison Co Schools		\$2,138.23					\$172.08					\$3,751.71
USD 379 Clay County							\$1,719.42					\$1,719.42
USD 380 Vermillion												\$2,244.62
USD 381 Spearville		\$686.00										\$686.00
USD 382 Pratt School District												\$0.00
USD 383 Manhattan-Ogden		\$30,773.18					\$802.22					\$38,220.60
USD 384 Blue Valley							\$39.96					\$39.96
USD 385 Andover		\$1,262.46										\$2,326.46
USD 387 Altoona-Midway								\$301.80				\$301.80
USD 388 Ellis												\$761.00
USD 389 Eureka												\$0.00
USD 390 Hamilton		\$150.00					\$1,449.00					\$150.00
USD 392 Osborne												\$1,449.00
USD 393 Solomon												\$915.00
USD 394 Rosehill Schools		\$9,003.48					\$1,158.02					\$13,762.70
USD 395 La Crosse		\$68.70										\$68.70
USD 396 Douglass		\$57.00					\$202.80					\$3,615.80
USD 397 Centre Elementary		\$1,281.96					\$54.60					\$1,868.56

FY 2010 STATE USE LAW USAGE REPORT
USD PURCHASES

USD	TRCO	CARRIDGE	CK VIA	ENVISION	ENVISION VIA	GOODWILL	KETCH	KETCH VIA	COCK	TECH	TARC	FY 2010 USD TOTALS				
USD 465 Winfield		\$301.96										\$301.96				
USD 467 Leoti		\$213.31										\$213.31				
USD 469 Lansing				\$28.00			\$897.16					\$925.16				
USD 470 Arkansas City												\$0.00				
USD 471 Dexter												\$0.00				
USD 473 Chapman				\$42.00						\$233.00		\$275.00				
USD 475 Geary		\$45,375.92		\$44,211.00			\$7,258.29					\$97,078.21				
USD 479 Crest Unified School		\$1,556.24		\$523.00			\$223.49					\$2,302.73				
USD 480 Liberal												\$0.00				
USD 481 Hope												\$0.00				
USD 482 Finnhills Dighton												\$0.00				
USD 483 Kismet-Plains							\$339.72					\$339.72				
USD 484 Fredonia		\$32.99					\$379.65					\$379.65				
USD 486 Elwood												\$0.00				
USD 487 Herington												\$0.00				
USD 488 Axtell												\$0.00				
USD 489 Hays												\$7,020.00				
USD 490 El Dorado		\$15,304.23										\$16,000.23				
USD 491 Eudora												\$0.00				
USD 492 Finnhills				\$32.00								\$32.00				
USD 494 Syracuse												\$0.00				
USD 495 Fort Lamed												\$0.00				
USD 496 Pawnee Heights		\$759.98		\$378.00			\$73.20					\$1,211.18				
USD 497 Lawrence Service Cntr		\$22,135.31								\$135.50		\$22,135.31				
USD 500 Kansas City, KS		\$67,959.74		\$22,219.00			\$4,791.60					\$95,105.84				
USD 501 Topeka Pub. Schools		\$10,148.28		\$18,999.00			\$7,340.76				\$1,181.47	\$37,669.51				
USD 503 Parsons				\$2,468.00			\$725.64					\$3,193.64				
USD 504 Oswego												\$0.00				
USD 506 Labette County		\$9,081.52					\$101.40					\$9,081.52				
USD 509 South Haven							\$216.60					\$101.40				
USD 511 Attica				\$238.00			\$216.60					\$454.60				
USD 512 Shawnee Mission		\$41,508.15		\$9,804.00			\$2,736.48			\$769.70		\$54,818.33				
USD 610												\$0.00				
ANWV Coop												\$0.00				
4 H Buttons												\$0.00				
Developmental Service of NW KS				\$140.00								\$140.00				
Hays Area Children's Center										\$34.60		\$34.60				
Learning Coop. of NC KS										\$46.20		\$46.20				
Reno County Education Coop.												\$0.00				
Marion County Special Education												\$0.00				
SE KS Education Service Center				\$246.00						\$49.35		\$318.00				
KC KS Public Library												\$49.35				
SC KS Special Education				\$405.00								\$405.00				
USD TOTALS:		\$8,134.90		\$578,117.79		\$0.00	\$513,432.00		\$5,588.24	\$0.00	\$113,378.48	\$249.44	\$0.00	\$3,769.10	\$2,722.51	\$1,225,392.46

FY 2011 STATE USE LAW USAGE REPORT
USD PURCHASES

USD	BTCCO	CARTRIDGE KING	CK VIA STAPLES	ENVISION	ENVISION VIA STAPLES	GOODWILL	KETCH	KETCH VIA STAPLES	OCK	TECH	TARC	FY 2011 USD TOTALS
USD 336 Holton Schools		\$11,687.07		\$443.00			\$488.58					\$60.24
USD 337 Royal Valley							\$60.24					\$300.28
USD 338 Valley Falls							\$300.28					\$682.44
USD 339 Jefferson North							\$682.44					\$3,954.42
USD 340 Jefferson West		\$2,026.74					\$1,927.68					\$1,406.22
USD 341 Oskaloosa Schools		\$376.38					\$1,029.84					\$0.00
USD 342 McLouth												\$1,830.67
USD 345 Seaman		\$1,670.34		\$134.05				\$26.28				\$0.00
USD 346 Mound City												\$498.00
USD 347 Kinsley-Ciferle				\$498.00								\$434.40
USD 348 Baldwin City							\$434.40					\$672.00
USD 349 Stafford				\$1,230.00								\$1,687.00
USD 350 St. John-Hudson		\$567.00		\$85.00								\$8,193.54
USD 351 Macksville				\$1,687.00			\$509.76					\$0.00
USD 352 Goodland		\$7,199.78		\$484.00								\$0.00
USD 353 Wellington												\$0.00
USD 354 Claflin												\$77.52
USD 355 Ellinwood				\$92.00			\$77.52					\$92.00
USD 356 Conway Springs		\$78.00										\$78.00
USD 357 Belle Plaine												\$0.59
USD 358 Oxford					\$0.59							\$177.99
USD 359 Argonia		\$57.19					\$120.80					\$4,078.00
USD 361 Anthony/Harper				\$4,078.00								\$0.00
USD 362 Prairie View												\$0.00
USD 363 Holcomb												\$136.62
USD 365 Garnett					\$136.62							\$260.90
USD 366 Woodson					\$39.90		\$221.00					\$3,618.62
USD 367 Osawatomie							\$3,618.62					\$0.00
USD 368 Paola												\$868.40
USD 371 Montezuma		\$868.40					\$145.22					\$145.22
USD 372 Silver Lake		\$0.00					\$2,479.64					\$4,266.90
USD 373 Newton							\$2,479.64					\$2,671.08
USD 375 Circle		\$4,266.90										\$2,671.08
USD 377 Atchison Co Schools		\$2,117.08		\$554.00			\$74.24					\$2,440.74
USD 379 Clay County					\$2,366.50		\$131.35					\$2,406.35
USD 380 Vermilion				\$2,275.00								\$11.25
USD 381 Spearville							\$1,058.96					\$1,058.96
USD 382 Pratt School District							\$2,271.31				\$132.25	\$54,453.10
USD 383 Manhattan-Ogden		\$30,388.54		\$21,661.00								\$0.00
USD 384 Blue Valley												\$2,072.20
USD 385 Andover		\$2,072.20										\$122.72
USD 387 Altoona-Midway					\$122.72							\$536.00
USD 388 Ellis				\$536.00								\$30.00
USD 389 Eureka				\$30.00								\$70.50
USD 390 Hamilton		\$70.50										\$0.00
USD 392 Osborne												\$780.00
USD 393 Solomon				\$780.00								\$780.00
USD 394 Rosehill Schools		\$8,476.74		\$309.78	\$464.00	\$15.05	\$1,236.70					\$10,502.27

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USD PURCHASES

USD	BTCO	CARTRIDGE KING	CK VIA STAPLES	ENVISION	ENVISION VIA STAPLES	GOODWILL	KETCH	KETCH VIA STAPLES	OCCK	TECH	TARC	FY 2011 USD TOTALS
USD TOTALS:	\$15,219.19	\$478,295.55	\$5,320.72	\$513,959.00	\$11,782.55	\$0.00	\$109,052.12	\$883.08	\$0.00	\$16,500.12	\$9,107.72	\$1,160,120.05