



ABILITY ONE

2016 Plan to Maintain Contracts and Expand Commercial Janitorial Line
of Business

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Executive Summary

This business plan aims to accomplish three primary tasks. First, maintain our existing AbilityOne contracts by making improvements to the operation of the various sites. Second, we plan to organize ourselves in a manner that allows us to seize upon bidding opportunities with federal, state, local and commercial entities. Finally, we would like to take advantage of our considerable expertise in custodial services and expand to commercial cleaning enterprises.

Objectives

- Expand employment opportunities in the program
- Continue to provide net revenue for the agency for reinvestment and expansion
- Maintain our existing federal contract levels
- Be in the best position to obtain future federal AbilityOne SourceAmerica contracts
- Improve our quality through the attainment of a 3rd party quality certificate in Janitorial
- Improve our ability to bid on new contract opportunities through database and information retention
- Scale our expertise in Janitorial services to the commercial market

Keys to Success

- Need a janitorial capability statement
- Get the database for writing contracts completed
- Choose the best janitorial quality system to meet our needs
- Proper planning and execution
- Attain adequate capital to grow through grants or loans

Description of Business

JobOne has for many years participated in the AbilityOne program. AbilityOne is a federal procurement set aside program for Community Rehabilitation Providers (CRP's) like JobOne. The goal of the program is to provide good jobs with high pay to workers with significant disabilities in the federal workforce. AbilityOne, through its nonprofit partner, SourceAmerica, works closely with federal government to identify opportunities, help CRP's bid on the opportunities and ensure quality and further opportunity once the CRP has been awarded the business.

JobOne currently employs 31 individuals in various locations in the Kansas City area in federal contracts. Wages typically exceed \$15 per hour in addition to health and welfare benefits.

Description of the Products and Services

The AbilityOne program provides 2 basic services to federal customers. Primarily the program provides janitorial services to the federal government in a number of sites. In addition, professional and mailroom services are provide to the General Services Administration.

As part of the Janitorial services at Dole Courthouse and Marines IT Center, JobOne subcontracts snow removal and window cleaning.

As with all of our programs, JobOne provides employees with a high level of support and encouragement. Our employee services team helps individuals gain the training and support that they need to attain their goals. To foster a sense of teamwork JobOne provides social opportunities throughout the year with meals, parties and special events.

Locations/Facilities

United States Marine Corps IT Center- Bannister Federal Coplex-Janitorial Services

United States GSA-GSA Building near Crown Center-Mailroom and Document Scanning

US Army Reserve Command Center-Independence, MO-Janitorial Services

United States Marine Corps/Navy-Belton, MO-Janitorial Services

Robert J. Dole Federal Courthouse-Kansas City, KS-Janitorial Services and Grounds Maintenance

Social Security Administration-Kansas city, KS-Janitorial Services and Grounds Maintenance

Staff, Management & Administration

David Flowers is responsible for day to day leadership and oversight of the program. He has as been in Government contracting for 30 years. Thirteen of those with JobOne and the Ability One program David attended Kansas City Kansas Community College. He has served on the executive board of the Kansas City Mail Systems Management Association and as member of the Greater Kansas City Postal Customer Counsel. Strong customer service, along with service to our employees are key values David enjoys bringing to his position.

Currently David oversees all of the project managers. He works closely with SourceAmerica staff and federal customers to ensure that the contracts are being performed properly and efficiently. He ensures compliance with contract requirements. David is responsible for project budgeting. He collaborates with HR and Employee Services staff to ensure proper staffing of the contract sites and to proactively deal with personnel issues that arise. In addition, David currently does contract acquisition writing whenever new opportunities arise with the federal government.

Kelly Logan provides support to David in the day to management of the program. She has been involved in SourceAmerica contracting since the early days of IBS Industries first contracts. Kelly is VP of Human Resources. She graduated from Central Missouri State University with a Bachelor of Science degree in business administration, with a major in personnel. She has been with the organization since 1984. Kelly has worked in many positions in the organization and currently heads the Human Resources division. Kelly believes in JobOne's mission and always refers to the mission when making decisions. She feels that she is fortunate to work with everyone at JobOne and is a proud member of the JobOne team.

Administrative Support

The Ability One program receives full support from the JobOne Administrative and Employee Services teams. This includes strategic oversight and direction from CEO Aaron Martin, finance and budgeting support from VP of Finance Willa Robinson, support for Employee HR issues will come from Employee Services Director Cristy Carpenter.

Revenue Model

Source America contracts account for the bulk to revenue for this program. Of the \$1.65 million in revenue during the calendar year, 2015, \$1.6 million were from federal contracts. The rest, roughly \$50,000, came from State and County funding for developmentally disabled workers.

Given the complexity and demands of the predominate jobs in this program, it is unlikely that there will much of an increase in State and County funding in the coming years. However, we would like to utilize our JobOne Careers program to assist with hiring of new workers, either for federal or commercial contracts. This will allow for VR funds to be utilized to offset recruitment and training costs of new workers.

Assessing Quality

Each site has a quality plan that is part of the contract.

I visit and inspect all sites weekly.

I have regular discussions with the building managers/contract COTR's to discuss any ongoing issues.

I attend monthly building tenant meetings to discuss any issues with other building tenants and to make sure everyone has either my contact info or the project managers, or both.

Marketing

SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
Experience	Some issues at Dole with communication	Developing a custodial commercial line of business	Feds/GSA moving to commercial leases
Expertise	Hiring-need to do a better job of identification and training	SourceAmerica grants and loans	General decrease in government funding for contract services
Good quality people	Lack of contract management and acquisition database	State and local government contract opportunities	Decrease in mailroom line of business nationally
Good relationship with SourceAmerica	Lack of working capital	JobOne Careers for recruiting and hiring new employees	Unpredictability of subcontractors-snow removal, window cleaning
Excellent relationship with federal customers	Need a better understanding of commercial bidding	Identify new employees who are eligible for DESE and Eitas funding	Commercial competition
Custodial line of business	Lack of a sales person to develop new opportunities		Competition from other CRP's
Vendor relationships			Employee performance and training
Management team			Liability of subcontractors-snow removal
Contracts profitable			Increasing government oversight and regulation
Recognized as a point of strength for JobOne			

Market Analysis

The market for Federal contracts through the AbilityOne program is limited. We are limited by the needs of the federal government in a slow or no growth federal budget environment. At the federal contracting level we continue to look for new opportunities but also work hard to maintain the contracts that we have.

The commercial market for janitorial services is extremely competitive. Further research on the commercial market will be conducted as we gather information about opportunities, pricing, expectations of this space.

Competition

Locally the only other CRP providing services such as mailroom and Janitorial in the KC region is Goodwill. They clean the large federal office building in Downtown KC. Nationally a number of very large nonprofit CRP's are moving into different regions of the country. This has not happened in our area but we will monitor the bidding activity of these CRP's from outside of our region.

In the commercial Janitorial realm there are hundreds of competitors. From large national franchise commercial contractors to small mom and pop cleaning companies. Once we make a decision to take the janitorial work commercial, we must decide our niche in the market and gain a better understanding of who we are competing against.

Advertising and Promotion

The groundwork for advertising and promotion will be the development of the capability statement, which will outline all of our products and services, provide testimonials, describe our experience and make a case with potential customers as to the merits of contracting with us.

Our Website www.job1one.org currently describes our Ability One program. However, we will require updates to the website, and potentially a stand along URL to support the commercial line of business.

Social media will support all activity in the program.

Finally, we will very likely require a dedicated business development-sales person to seek out and land new opportunities for commercial growth.

Branding and naming for a janitorial commercial line of business must be considered. If we are effectively promote this new line we must have a name that works from a sales, web/SEO and social media perspective.

Strategy and Implementation

The overall strategy for the Ability One program is to maintain our current Ability One contracts while improve quality processes throughout. In addition we want to put ourselves in a better position to obtain new federal contracts by having a better system in place for seeking out and bidding for new contracts. In addition, we would like to expand our janitorial capability to the commercial as well as state and local government markets.

Timeline for Implementation

- April 30-research, budget for, and select a janitorial accrediting agency
- April 30-complete capability statement and get registered with MOPTAC for 'MyBidMatch'
- May 31-Begin to systematically build bidding/capability database
- June 15-Complete mini-business plan to take custodial commercial including marketing plan.

Appendix

Profit and Loss Statements 3 years 2013-2016

	Jul '12 - Jun 13	Jul '13 - Jun 14	Jul '14 - Jun 15	FY 2016
Ordinary Income/Expense				
Income				
4000 - Fund Develop				
4290 - Emp Support Inc	0.00	38.00	0.00	
Total 4000 - Fund Develop	0.00	38.00	0.00	
5000 - Earned Revenue	1,714,723.25	1,539,356.07	1,598,316.71	1,529,917
5010 - Eitas				
5011 - Eitas Funding	16,514.82	17,191.86	17,723.89	19,000
Total 5010 - Eitas	16,514.82	17,191.86	17,723.89	
5020 - MO State Aid	33,474.16	35,169.80	37,156.08	32,000
Total Income	1,764,712.23	1,591,755.73	1,653,196.68	1,580,917
Cost of Goods Sold				
6100 - Job Supp	72,373.48	56,776.17	56,943.91	59,063
6110 - Job Equip	31,250.97	399.99	1,727.31	2,129
6120 - Job Fuel	1,933.02	0.00	0.00	0
6125 - Job Pstg & Frt	0.00	0.00	54.50	150
6130 - Job Subcontract	76,551.50	86,992.15	78,034.43	79,530
6900 - Merch Acct Fees	294.92	150.11	273.68	238
Total COGS	182,403.89	144,318.42	137,033.83	141,111
Gross Profit	1,582,308.34	1,447,437.31	1,516,162.85	1,439,806
Expense				
CO EVENTS	481.49	0.00	0.00	
7010 - Audit	999.59	0.00	0.00	
7020 - Promo				
7020-20 - Pub Relations	136.96	0.00	17.82	
7020-30 - Sponsor/Donate	31.74	0.00	0.00	
Total 7020 - Promo	168.70	0.00	17.82	
7040 - Bldg Rent & Maint	600.00	687.46	500.00	207
7050 - Depreciation	0.00	496.92	1,987.68	1988

7060 - Dues & Regist Fees	540.00	45.00	45.00	45
7070 - Edu & Training	230.00	0.00	0.00	
7085 - Emp Support Exp	38.29	0.00	0.00	288
7090 - Emp Screen	137.60	0.00	7.88	27
7100 - Equipment	508.40	595.50	2,702.22	1664
7110 - Gas	938.15	1,081.45	962.65	991
7120 - Insurance	10,379.55	8,622.53	8,680.92	9992
7130 - Interest Exp	710.77	128.23	1,113.45	
7140 - IT Fees	688.19	0.00	0.00	
7190 - Nish Commission	62,451.59	58,675.70	61,212.49	58,604
7200 - Payroll				
7200-10 - Admin	584.39	-584.39	0.00	
7200-20 - Staff	286,172.79	236,688.01	192,755.96	218,825
7200-30 - Employees	662,730.72	544,211.84	518,711.32	526,701
7200-80 - 3rd Party Sick	0.00	0.00	286.99	410
Total 7200 - Payroll	949,487.90	780,315.46	711,754.27	745,936
7300 - PR Benefits				
7300-10 - Staff Medical	21,372.58	13,036.74	14,393.59	12,417
7300-12 - Staff Dental	1,678.49	1,078.33	1,202.19	1,014
7300-14 - Staff L&D	2,373.66	1,354.24	1,390.38	1,181
7300-16 - Staff 401k Match	7,383.50	0.00	0.00	
7300-20 - A1 H&W	199,678.98	175,194.79	172,750.16	180,568
7300-40 - Work Comp MO	4,032.23	4,184.79	2,511.61	3,374
7300-50 - Work Comp KS	8,178.38	5,904.25	4,326.05	2,615
Total 7300 - PR Benefits	244,697.82	200,753.14	196,573.98	201,169
7400 - PR Exp				
7400-10 - Fica	76,797.67	59,830.20	56,061.64	57,310
7400-20 - Suta	13,992.76	12,398.35	13,692.37	13,512
Total 7400 - PR Exp	90,790.43	72,228.55	69,754.01	70,822
7500 - Pstg & Frt	681.35	256.65	203.24	
7510 - Prof Fees	385.00	0.00	0.00	
7515 - Sales Tax	5.13	2.20	0.00	
7530 - Supplies	4,033.57	1,320.57	1,910.43	1,768
7540 - Svc & Fin Charges	1,593.57	1,473.94	178.66	137

7550 - Telephone	8,064.22	6,761.17	6,954.16	7,727
7560 - Travel				
7560-10 - Mileage	3,147.44	2,241.96	2,249.21	1,983
7560-20 - Meals & Lodging	895.21	-355.08	123.82	633
7560-30 - Transportation	371.54	340.51	106.00	
Total 7560 - Travel	<u>4,414.19</u>	<u>2,227.39</u>	<u>2,479.03</u>	2,616
Total Expense	<u>1,383,025.50</u>	<u>1,135,671.86</u>	<u>1,067,037.89</u>	1,103,981
Net Ordinary Income	199,282.84	311,765.45	449,124.96	335,825

Budget Projections 2017-2019

	2017	2018	2019
Ordinary Income/Expense			
Income			
4000 - Fund Develop			
4290 - Emp Support Inc	0.00		
Total 4000 - Fund Develop	0.00		
5000 - Earned Revenue	1,499,318	1,469,331	1,439,944
5010 - Eitas			
5011 - Eitas Funding	18,500	17,500	16,500
Total 5010 - Eitas	18,850	17,500	16,500
5020 - MO State Aid	31,000	29,000	27,000
Total Income	1,548,818	1,515,831	1,483,444
Cost of Goods Sold			
6100 - Job Supp	60,000	62,000	64,000
6110 - Job Equip	3,000	3,500	4,000
6120 - Job Fuel			
6125 - Job Pstg & Frt	0.00		
6130 - Job Subcontract	81,000	83,000	85,000
6900 - Merch Acct Fees	300	300	300
Total COGS	144,300	148,500	153,300
Gross Profit	1,404,518	1,367,331	1,330,144
Expense			
CO EVENTS			
7010 - Audit	5,000 (cert)	5,000	5,000
7020 - Promo			
7020-20 - Pub Relations			
7020-30 - Sponsor/Donate			
Total 7020 - Promo	5,000	5,000	5,000
7040 - Bldg Rent & Maint	250	300	350
7050 - Depreciation	2,000	2,000	2000
7060 - Dues & Regist Fees	250	300	350
7070 - Edu & Training	230.00	250	300

7085 · Emp Support Exp	300	300	300
7090 · Emp Screen	100	100	100
7100 · Equipment	1700	1800	1900
7110 · Gas	1000	1100	1200
7120 · Insurance	10,000	11,000	12000
7130 · Interest Exp			
7140 · IT Fees			
7190 · Nish Commission	58,000	57,000	56000
7200 · Payroll			
7200-10 · Admin			
7200-20 · Staff	218,825	223,201	227,665
7200-30 · Employees	516,617	506,285	496,159
7200-80 · 3rd Party Sick	500	600	700
Total 7200 · Payroll	735,942	730,086	724,524
7300 · PR Benefits			
7300-10 · Staff Medical	12,417	13,417	14,417
7300-12 · Staff Dental	1100	1300	1500
7300-14 · Staff L&D	1200	1400	1600
7300-16 · Staff 401k Match			
7300-20 · A1 H&W	181,000	185,000	189,000
7300-40 · Work Comp MO	3,400	3500	3600
7300-50 · Work Comp KS	5,000	5100	5200
Total 7300 · PR Benefits	204,117	206,217	215,317
7400 · PR Exp			
7400-10 · Fica	57,000	56,000	55,000
7400-20 · Suta	13,250	12900	12700
Total 7400 · PR Exp	70,250	68,900	67,700
7500 · Pstg & Frt			
7510 · Prof Fees			
7515 · Sales Tax			
7530 · Supplies	2,000	2100	2200
7540 · Svc & Fin Charges	150	150	150
7550 · Telephone	7,800	8000	8200
7560 · Travel			

7560-10 · Mileage	2,000	2100	2200
7560-20 · Meals & Lodging	650	750	850
7560-30 · Transportation			
Total 7560 · Travel	<u>2,650</u>	<u>2850</u>	<u>3050</u>
Total Expense	<u>1,101,739</u>	<u>1,097,453</u>	<u>1,100,641</u>
Net Ordinary Income	302,779	269,878	229,503

*budget projections do not include overhead and administration expenses accrued to the A1 program.