



Sen. Michael E. Hastings

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1 AMENDMENT TO SENATE BILL 1620

2 AMENDMENT NO. _____. Amend Senate Bill 1620 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Procurement Code is amended by
5 changing Section 45-57 as follows:

6 (30 ILCS 500/45-57)

7 Sec. 45-57. Veterans.

8 (a) Set-aside goal. It is the goal of the State to promote
9 and encourage the continued economic development of small
10 businesses owned and controlled by qualified veterans and that
11 qualified service-disabled veteran-owned small businesses
12 (referred to as SDVOSB) and veteran-owned small businesses
13 (referred to as VOSB) participate in the State's procurement
14 process as both prime contractors and subcontractors. Not less
15 than 3% of the total dollar amount of State contracts, as
16 defined by the Director of Central Management Services, shall

1 be established as a goal to be awarded to SDVOSB and VOSB. That
2 portion of a contract under which the contractor subcontracts
3 with a SDVOSB or VOSB may be counted toward the goal of this
4 subsection. The Department of Central Management Services
5 shall adopt rules to implement compliance with this subsection
6 by all State agencies.

7 (b) Fiscal year reports. By each September 1, each chief
8 procurement officer shall report to the Department of Central
9 Management Services on all of the following for the immediately
10 preceding fiscal year, and by each March 1 the Department of
11 Central Management Services shall compile and report that
12 information to the General Assembly:

13 (1) The total number of VOSB, and the number of SDVOSB,
14 who submitted bids for contracts under this Code.

15 (2) The total number of VOSB, and the number of SDVOSB,
16 who entered into contracts with the State under this Code
17 and the total value of those contracts.

18 (c) Yearly review and recommendations. Each year, each
19 chief procurement officer shall review the progress of all
20 State agencies under its jurisdiction in meeting the goal
21 described in subsection (a), with input from statewide
22 veterans' service organizations and from the business
23 community, including businesses owned by qualified veterans,
24 and shall make recommendations to be included in the Department
25 of Central Management Services' report to the General Assembly
26 regarding continuation, increases, or decreases of the

1 percentage goal. The recommendations shall be based upon the
2 number of businesses that are owned by qualified veterans and
3 on the continued need to encourage and promote businesses owned
4 by qualified veterans.

5 (d) Governor's recommendations. To assist the State in
6 reaching the goal described in subsection (a), the Governor
7 shall recommend to the General Assembly changes in programs to
8 assist businesses owned by qualified veterans.

9 (e) Definitions. As used in this Section:

10 "Armed forces of the United States" means the United States
11 Army, Navy, Air Force, Marine Corps, Coast Guard, or service in
12 active duty as defined under 38 U.S.C. Section 101. Service in
13 the Merchant Marine that constitutes active duty under Section
14 401 of federal Public Act 95-202 shall also be considered
15 service in the armed forces for purposes of this Section.

16 "Certification" means: (1) a determination made by the
17 Illinois Department of Veterans' Affairs and the Department of
18 Central Management Services that a business entity is a
19 qualified service-disabled veteran-owned small business or a
20 qualified veteran-owned small business for whatever purpose;
21 or (2) a certification made by an authorized official of Cook
22 County under that county's veteran-owned business program or
23 programs at least 60 days after the effective date of this
24 amendatory Act of the 100th General Assembly, provided that, no
25 less than 30 days after the effective date of this amendatory
26 Act of the 100th General Assembly, and on an annual basis

1 thereafter, that county official certifies to the Department of
2 Veterans' Affairs that Cook County's certification standards
3 do not conflict with the requirements of this Code, and further
4 provided that upon issuing the certification, the county
5 official immediately or as soon as practicable notifies the
6 Department of Central Management Services of the fact and
7 nature of the certification. A SDVOSB or VOSB owned and
8 controlled by females, minorities, or persons with
9 disabilities, as those terms are defined in Section 2 of the
10 Business Enterprise for Minorities, Females, and Persons with
11 Disabilities Act, may also select and designate whether that
12 business is to be certified as a "female-owned business",
13 "minority-owned business", or "business owned by a person with
14 a disability", as defined in Section 2 of the Business
15 Enterprise for Minorities, Females, and Persons with
16 Disabilities Act.

17 "Control" means the exclusive, ultimate, majority, or sole
18 control of the business, including but not limited to capital
19 investment and all other financial matters, property,
20 acquisitions, contract negotiations, legal matters,
21 officer-director-employee selection and comprehensive hiring,
22 operation responsibilities, cost-control matters, income and
23 dividend matters, financial transactions, and rights of other
24 shareholders or joint partners. Control shall be real,
25 substantial, and continuing, not pro forma. Control shall
26 include the power to direct or cause the direction of the

1 management and policies of the business and to make the
2 day-to-day as well as major decisions in matters of policy,
3 management, and operations. Control shall be exemplified by
4 possessing the requisite knowledge and expertise to run the
5 particular business, and control shall not include simple
6 majority or absentee ownership.

7 "Qualified service-disabled veteran" means a veteran who
8 has been found to have 10% or more service-connected disability
9 by the United States Department of Veterans Affairs or the
10 United States Department of Defense.

11 "Qualified service-disabled veteran-owned small business"
12 or "SDVOSB" means a small business (i) that is at least 51%
13 owned by one or more qualified service-disabled veterans living
14 in Illinois or, in the case of a corporation, at least 51% of
15 the stock of which is owned by one or more qualified
16 service-disabled veterans living in Illinois; (ii) that has its
17 home office in Illinois; and (iii) for which items (i) and (ii)
18 are factually verified annually by the Department of Central
19 Management Services.

20 "Qualified veteran-owned small business" or "VOSB" means a
21 small business (i) that is at least 51% owned by one or more
22 qualified veterans living in Illinois or, in the case of a
23 corporation, at least 51% of the stock of which is owned by one
24 or more qualified veterans living in Illinois; (ii) that has
25 its home office in Illinois; and (iii) for which items (i) and
26 (ii) are factually verified annually by the Department of

1 Central Management Services.

2 "Service-connected disability" means a disability incurred
3 in the line of duty in the active military, naval, or air
4 service as described in 38 U.S.C. 101(16).

5 "Small business" means a business that has annual gross
6 sales of less than \$75,000,000 as evidenced by the federal
7 income tax return of the business. A firm with gross sales in
8 excess of this cap may apply to the Department of Central
9 Management Services for certification for a particular
10 contract if the firm can demonstrate that the contract would
11 have significant impact on SDVOSB or VOSB as suppliers or
12 subcontractors or in employment of veterans or
13 service-disabled veterans.

14 "State agency" has the same meaning as in Section 2 of the
15 Business Enterprise for Minorities, Females, and Persons with
16 Disabilities Act.

17 "Time of hostilities with a foreign country" means any
18 period of time in the past, present, or future during which a
19 declaration of war by the United States Congress has been or is
20 in effect or during which an emergency condition has been or is
21 in effect that is recognized by the issuance of a Presidential
22 proclamation or a Presidential executive order and in which the
23 armed forces expeditionary medal or other campaign service
24 medals are awarded according to Presidential executive order.

25 "Veteran" means a person who (i) has been a member of the
26 armed forces of the United States or, while a citizen of the

1 United States, was a member of the armed forces of allies of
2 the United States in time of hostilities with a foreign country
3 and (ii) has served under one or more of the following
4 conditions: (a) the veteran served a total of at least 6
5 months; (b) the veteran served for the duration of hostilities
6 regardless of the length of the engagement; (c) the veteran was
7 discharged on the basis of hardship; or (d) the veteran was
8 released from active duty because of a service connected
9 disability and was discharged under honorable conditions.

10 (f) Certification program. The Illinois Department of
11 Veterans' Affairs and the Department of Central Management
12 Services shall work together to devise a certification
13 procedure to assure that businesses taking advantage of this
14 Section are legitimately classified as qualified
15 service-disabled veteran-owned small businesses or qualified
16 veteran-owned small businesses.

17 (f-5) Cook County certification program.

18 (1) If, no less than 30 days after the effective date
19 of this amendatory Act of the 100th General Assembly and on
20 an annual basis thereafter, an authorized Cook County
21 official certifies to the Department of Veterans' Affairs
22 that Cook County's certification standards relative to its
23 veteran-owned business program or programs continue to
24 meet the requirements of this Act, the Department of
25 Central Management Services shall, through its website and
26 other online and print materials, with an authorized

1 official of Cook County: (i) notify parties seeking
2 certification under this Code that, if they are based in
3 Cook County, they may seek and obtain certification under
4 this Act by seeking and obtaining certification under the
5 county's veteran-owned business program or programs; (ii)
6 provide the parties with a website that immediately gives
7 them access to Cook County's program or programs; and (iii)
8 ensure that parties who obtain certification under Cook
9 County's program or program are immediately registered
10 with the State as certified and qualified businesses under
11 this Code.

12 (2) Within available appropriations, the Department of
13 Central Management Services shall, by way of an annual
14 intergovernmental agreement, contribute a sum as is agreed
15 to by the parties to support efforts on the part of Cook
16 County to certify eligible veteran business enterprises on
17 behalf of the State and the county. Those efforts shall
18 include: (i) providing ongoing outreach through online
19 marketing and publicity; (ii) developing, organizing, and
20 hosting outreach events each year in the county; and (iii)
21 providing regular technical support.

22 (g) Penalties.

23 (1) Administrative penalties. The chief procurement
24 officers appointed pursuant to Section 10-20 shall suspend
25 any person who commits a violation of Section 17-10.3 or
26 subsection (d) of Section 33E-6 of the Criminal Code of

1 2012 relating to this Section from bidding on, or
2 participating as a contractor, subcontractor, or supplier
3 in, any State contract or project for a period of not less
4 than 3 years, and, if the person is certified as a
5 service-disabled veteran-owned small business or a
6 veteran-owned small business, then the Department shall
7 revoke the business's certification for a period of not
8 less than 3 years. An additional or subsequent violation
9 shall extend the periods of suspension and revocation for a
10 period of not less than 5 years. The suspension and
11 revocation shall apply to the principals of the business
12 and any subsequent business formed or financed by, or
13 affiliated with, those principals.

14 (2) Reports of violations. Each State agency shall
15 report any alleged violation of Section 17-10.3 or
16 subsection (d) of Section 33E-6 of the Criminal Code of
17 2012 relating to this Section to the chief procurement
18 officers appointed pursuant to Section 10-20. The chief
19 procurement officers appointed pursuant to Section 10-20
20 shall subsequently report all such alleged violations to
21 the Attorney General, who shall determine whether to bring
22 a civil action against any person for the violation.

23 (3) List of suspended persons. The chief procurement
24 officers appointed pursuant to Section 10-20 shall monitor
25 the status of all reported violations of Section 17-10.3 or
26 subsection (d) of Section 33E-6 of the Criminal Code of

1 1961 or the Criminal Code of 2012 relating to this Section
2 and shall maintain and make available to all State agencies
3 a central listing of all persons that committed violations
4 resulting in suspension.

5 (4) Use of suspended persons. During the period of a
6 person's suspension under paragraph (1) of this
7 subsection, a State agency shall not enter into any
8 contract with that person or with any contractor using the
9 services of that person as a subcontractor.

10 (5) Duty to check list. Each State agency shall check
11 the central listing provided by the chief procurement
12 officers appointed pursuant to Section 10-20 under
13 paragraph (3) of this subsection to verify that a person
14 being awarded a contract by that State agency, or to be
15 used as a subcontractor or supplier on a contract being
16 awarded by that State agency, is not under suspension
17 pursuant to paragraph (1) of this subsection.

18 (Source: P.A. 97-260, eff. 8-5-11; 97-1150, eff. 1-25-13;
19 98-307, eff. 8-12-13; 98-1076, eff. 1-1-15.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law."