

# SB0312



## 102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB0312

Introduced 2/19/2021, by Sen. Napoleon Harris, III

### SYNOPSIS AS INTRODUCED:

30 ILCS 575/4f

Amends the Business Enterprise for Minorities, Women, and Persons with Disabilities Act. Provides for the awarding of sole-source contracts under \$100,000,000 to certified black or African American businesses. Provides that businesses owned by black or African American persons providing specified services shall also be eligible for the benefits of the mentor protégé program in accordance with the federal All-Small Mentor Protégé Program. Effective immediately.

LRB102 04016 RJF 14032 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning finance.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Business Enterprise for Minorities, Women,  
5 and Persons with Disabilities Act is amended by changing  
6 Section 4f as follows:

7 (30 ILCS 575/4f)

8 (Section scheduled to be repealed on June 30, 2024)

9 Sec. 4f. Award of State contracts.

10 (1) It is hereby declared to be the public policy of the  
11 State of Illinois to promote and encourage each State agency  
12 and public institution of higher education to use businesses  
13 owned by minorities, women, and persons with disabilities in  
14 the area of goods and services, including, but not limited to,  
15 insurance services, investment management services,  
16 information technology services, accounting services,  
17 architectural and engineering services, and legal services.  
18 Furthermore, each State agency and public institution of  
19 higher education shall utilize such firms to the greatest  
20 extent feasible within the bounds of financial and fiduciary  
21 prudence, and take affirmative steps to remove any barriers to  
22 the full participation of such firms in the procurement and  
23 contracting opportunities afforded.

1           (a) When a State agency or public institution of  
2 higher education, other than a community college, awards a  
3 contract for insurance services, for each State agency or  
4 public institution of higher education, it shall be the  
5 aspirational goal to use insurance brokers owned by  
6 minorities, women, and persons with disabilities as  
7 defined by this Act, for not less than 20% of the total  
8 annual premiums or fees; provided that, contracts  
9 representing at least 11% of the total annual premiums or  
10 fees shall be awarded to businesses owned by minorities;  
11 contracts representing at least 7% of the total annual  
12 premiums or fees shall be awarded to women-owned  
13 businesses; and contracts representing at least 2% of the  
14 total annual premiums or fees shall be awarded to  
15 businesses owned by persons with disabilities.

16           Beginning on the effective date of this amendatory Act  
17 of the 102nd General Assembly, in accordance with federal  
18 regulations in 15 U.S.C. 637, sole-source contracts under  
19 \$100,000,000 may be awarded to certified black or African  
20 American businesses under this paragraph (a). Businesses  
21 owned by black or African Americans persons that provide  
22 insurance services under this paragraph (a) shall also be  
23 eligible for the benefits of the mentor protégé program in  
24 accordance with the federal All-Small Mentor Protégé  
25 Program (13 CFR Part 125).

26           (b) When a State agency or public institution of

1 higher education, other than a community college, awards a  
2 contract for investment services, for each State agency or  
3 public institution of higher education, it shall be the  
4 aspirational goal to use emerging investment managers  
5 owned by minorities, women, and persons with disabilities  
6 as defined by this Act, for not less than 20% of the total  
7 funds under management; provided that, contracts  
8 representing at least 11% of the total funds under  
9 management shall be awarded to businesses owned by  
10 minorities; contracts representing at least 7% of the  
11 total funds under management shall be awarded to  
12 women-owned businesses; and contracts representing at  
13 least 2% of the total funds under management shall be  
14 awarded to businesses owned by persons with disabilities.  
15 Furthermore, it is the aspirational goal that not less  
16 than 20% of the direct asset managers of the State funds be  
17 minorities, women, and persons with disabilities.

18 Beginning on the effective date of this amendatory Act  
19 of the 102nd General Assembly, in accordance with federal  
20 regulations in 15 U.S.C. 637, sole-source contracts under  
21 \$100,000,000 may be awarded to certified black or African  
22 American businesses under this paragraph (b). Businesses  
23 owned by black or African American persons that provide  
24 investment services under this paragraph (b) shall also be  
25 eligible for the benefits of the mentor protégé program in  
26 accordance with the federal All-Small Mentor Protégé

1       Program (13 CFR Part 125).

2           (c) When a State agency or public institution of  
3 higher education, other than a community college, awards  
4 contracts for information technology services, accounting  
5 services, architectural and engineering services, and  
6 legal services, for each State agency and public  
7 institution of higher education, it shall be the  
8 aspirational goal to use such firms owned by minorities,  
9 women, and persons with disabilities as defined by this  
10 Act and lawyers who are minorities, women, and persons  
11 with disabilities as defined by this Act, for not less  
12 than 20% of the total dollar amount of State contracts;  
13 provided that, contracts representing at least 11% of the  
14 total dollar amount of State contracts shall be awarded to  
15 businesses owned by minorities or minority lawyers;  
16 contracts representing at least 7% of the total dollar  
17 amount of State contracts shall be awarded to women-owned  
18 businesses or women who are lawyers; and contracts  
19 representing at least 2% of the total dollar amount of  
20 State contracts shall be awarded to businesses owned by  
21 persons with disabilities or persons with disabilities who  
22 are lawyers.

23           Beginning on the effective date of this amendatory Act  
24 of the 102nd General Assembly, in accordance with federal  
25 regulations in 15 U.S.C. 637, sole-source contracts under  
26 \$100,000,000 may be awarded to certified black or African

1 American businesses under this paragraph (c). Businesses  
2 owned by black or African American persons that provide  
3 information technology services, accounting services,  
4 architectural and engineering services, and legal service  
5 under this paragraph (c) shall also be eligible for the  
6 benefits of the mentor protégé program in accordance with  
7 the federal All-Small Mentor Protégé Program (13 CFR Part  
8 125).

9 (d) When a community college awards a contract for  
10 insurance services, investment services, information  
11 technology services, accounting services, architectural  
12 and engineering services, and legal services, it shall be  
13 the aspirational goal of each community college to use  
14 businesses owned by minorities, women, and persons with  
15 disabilities as defined in this Act for not less than 20%  
16 of the total amount spent on contracts for these services  
17 collectively; provided that, contracts representing at  
18 least 11% of the total amount spent on contracts for these  
19 services shall be awarded to businesses owned by  
20 minorities; contracts representing at least 7% of the  
21 total amount spent on contracts for these services shall  
22 be awarded to women-owned businesses; and contracts  
23 representing at least 2% of the total amount spent on  
24 contracts for these services shall be awarded to  
25 businesses owned by persons with disabilities. When a  
26 community college awards contracts for investment

1 services, contracts awarded to investment managers who are  
2 not emerging investment managers as defined in this Act  
3 shall not be considered businesses owned by minorities,  
4 women, or persons with disabilities for the purposes of  
5 this Section.

6 Beginning on the effective date of this amendatory Act  
7 of the 102nd General Assembly, in accordance with federal  
8 regulations in 15 U.S.C. 637, sole-source contracts under  
9 \$100,000,000 may be awarded to certified black or African  
10 American businesses under this paragraph (d). Businesses  
11 owned by black or African American persons that provide  
12 insurance services, investment services, information  
13 technology services, accounting services, architectural  
14 and engineering services, and legal services under this  
15 paragraph (d) shall also be eligible for the benefits of  
16 the mentor protégé program in accordance with the federal  
17 All-Small Mentor Protégé Program (13 CFR Part 125).

18 (2) As used in this Section:

19 "Accounting services" means the measurement,  
20 processing and communication of financial information  
21 about economic entities including, but is not limited to,  
22 financial accounting, management accounting, auditing,  
23 cost containment and auditing services, taxation and  
24 accounting information systems.

25 "Architectural and engineering services" means  
26 professional services of an architectural or engineering

1 nature, or incidental services, that members of the  
2 architectural and engineering professions, and individuals  
3 in their employ, may logically or justifiably perform,  
4 including studies, investigations, surveying and mapping,  
5 tests, evaluations, consultations, comprehensive  
6 planning, program management, conceptual designs, plans  
7 and specifications, value engineering, construction phase  
8 services, soils engineering, drawing reviews, preparation  
9 of operating and maintenance manuals, and other related  
10 services.

11 "Emerging investment manager" means an investment  
12 manager or claims consultant having assets under  
13 management below \$10 billion or otherwise adjudicating  
14 claims.

15 "Information technology services" means, but is not  
16 limited to, specialized technology-oriented solutions by  
17 combining the processes and functions of software,  
18 hardware, networks, telecommunications, web designers,  
19 cloud developing resellers, and electronics.

20 "Insurance broker" means an insurance brokerage firm,  
21 claims administrator, or both, that procures, places all  
22 lines of insurance, or administers claims with annual  
23 premiums or fees of at least \$5,000,000 but not more than  
24 \$10,000,000.

25 "Legal services" means work performed by a lawyer  
26 including, but not limited to, contracts in anticipation



1 of litigation, enforcement actions, or investigations.

2 (3) Each State agency and public institution of higher  
3 education shall adopt policies that identify its plan and  
4 implementation procedures for increasing the use of service  
5 firms owned by minorities, women, and persons with  
6 disabilities.

7 (4) Except as provided in subsection (5), the Council  
8 shall file no later than March 1 of each year an annual report  
9 to the Governor, the Bureau on Apprenticeship Programs, and  
10 the General Assembly. The report filed with the General  
11 Assembly shall be filed as required in Section 3.1 of the  
12 General Assembly Organization Act. This report shall: (i)  
13 identify the service firms used by each State agency and  
14 public institution of higher education, (ii) identify the  
15 actions it has undertaken to increase the use of service firms  
16 owned by minorities, women, and persons with disabilities,  
17 including encouraging non-minority-owned firms to use other  
18 service firms owned by minorities, women, and persons with  
19 disabilities as subcontractors when the opportunities arise,  
20 (iii) state any recommendations made by the Council to each  
21 State agency and public institution of higher education to  
22 increase participation by the use of service firms owned by  
23 minorities, women, and persons with disabilities, and (iv)  
24 include the following:

25 (A) For insurance services: the names of the insurance  
26 brokers or claims consultants used, the total of risk

1 managed by each State agency and public institution of  
2 higher education by insurance brokers, the total  
3 commissions, fees paid, or both, the lines or insurance  
4 policies placed, and the amount of premiums placed; and  
5 the percentage of the risk managed by insurance brokers,  
6 the percentage of total commission, fees paid, or both,  
7 the lines or insurance policies placed, and the amount of  
8 premiums placed with each by the insurance brokers owned  
9 by minorities, women, and persons with disabilities by  
10 each State agency and public institution of higher  
11 education.

12 (B) For investment management services: the names of  
13 the investment managers used, the total funds under  
14 management of investment managers; the total commissions,  
15 fees paid, or both; the total and percentage of funds  
16 under management of emerging investment managers owned by  
17 minorities, women, and persons with disabilities,  
18 including the total and percentage of total commissions,  
19 fees paid, or both by each State agency and public  
20 institution of higher education.

21 (C) The names of service firms, the percentage and  
22 total dollar amount paid for professional services by  
23 category by each State agency and public institution of  
24 higher education.

25 (D) The names of service firms, the percentage and  
26 total dollar amount paid for services by category to firms

1 owned by minorities, women, and persons with disabilities  
2 by each State agency and public institution of higher  
3 education.

4 (E) The total number of contracts awarded for services  
5 by category and the total number of contracts awarded to  
6 firms owned by minorities, women, and persons with  
7 disabilities by each State agency and public institution  
8 of higher education.

9 (5) For community college districts, the Business  
10 Enterprise Council shall only report the following information  
11 for each community college district: (i) the name of the  
12 community colleges in the district, (ii) the name and contact  
13 information of a person at each community college appointed to  
14 be the single point of contact for vendors owned by  
15 minorities, women, or persons with disabilities, (iii) the  
16 policy of the community college district concerning certified  
17 vendors, (iv) the certifications recognized by the community  
18 college district for determining whether a business is owned  
19 or controlled by a minority, woman, or person with a  
20 disability, (v) outreach efforts conducted by the community  
21 college district to increase the use of certified vendors,  
22 (vi) the total expenditures by the community college district  
23 in the prior fiscal year in the divisions of work specified in  
24 paragraphs (a), (b), and (c) of subsection (1) of this Section  
25 and the amount paid to certified vendors in those divisions of  
26 work, and (vii) the total number of contracts entered into for

1 the divisions of work specified in paragraphs (a), (b), and  
2 (c) of subsection (1) of this Section and the total number of  
3 contracts awarded to certified vendors providing these  
4 services to the community college district. The Business  
5 Enterprise Council shall not make any utilization reports  
6 under this Act for community college districts for Fiscal Year  
7 2015 and Fiscal Year 2016, but shall make the report required  
8 by this subsection for Fiscal Year 2017 and for each fiscal  
9 year thereafter. The Business Enterprise Council shall report  
10 the information in items (i), (ii), (iii), and (iv) of this  
11 subsection beginning in September of 2016. The Business  
12 Enterprise Council may collect the data needed to make its  
13 report from the Illinois Community College Board.

14 (6) The status of the utilization of services shall be  
15 discussed at each of the regularly scheduled Business  
16 Enterprise Council meetings. Time shall be allotted for the  
17 Council to receive, review, and discuss the progress of the  
18 use of service firms owned by minorities, women, and persons  
19 with disabilities by each State agency and public institution  
20 of higher education; and any evidence regarding past or  
21 present racial, ethnic, or gender-based discrimination which  
22 directly impacts a State agency or public institution of  
23 higher education contracting with such firms. If after  
24 reviewing such evidence the Council finds that there is or has  
25 been such discrimination against a specific group, race or  
26 sex, the Council shall establish sheltered markets or adjust

1 existing sheltered markets tailored to address the Council's  
2 specific findings for the divisions of work specified in  
3 paragraphs (a), (b), and (c) of subsection (1) of this  
4 Section.

5 (Source: P.A. 100-391, eff. 8-25-17; 101-170, eff. 1-1-20.)

6 Section 99. Effective date. This Act takes effect upon  
7 becoming law.