



## 102ND GENERAL ASSEMBLY

### State of Illinois

2021 and 2022

SB2348

Introduced 2/26/2021, by Sen. Michael E. Hastings

#### SYNOPSIS AS INTRODUCED:

30 ILCS 500/45-57

Amends the Illinois Procurement Code. Allows an authorized official of Cook County under the county's veteran-owned business program to certify to the Department of Veterans' Affairs that Cook County's certification standards do not conflict with the requirements of the Code concerning veteran-owned businesses. Requires that, upon certification, the Department of Central Management Services will notify Cook County businesses of certain information concerning the notification and ensure that parties who obtain certification under Cook County's program are immediately registered with the State as certified and qualified businesses under the Code. Requires the Department to contribute money to support the program under available appropriations. Effective immediately.

LRB102 10957 RJF 16289 b

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 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  
17 be established as a goal to be awarded to SDVOSB and VOSB. That  
18 portion of a contract under which the contractor subcontracts  
19 with a SDVOSB or VOSB may be counted toward the goal of this  
20 subsection. The Department of Central Management Services  
21 shall adopt rules to implement compliance with this subsection  
22 by all State agencies.

23 (b) Fiscal year reports. By each November 1, each chief

1 procurement officer shall report to the Department of Central  
2 Management Services on all of the following for the  
3 immediately preceding fiscal year, and by each March 1 the  
4 Department of Central Management Services shall compile and  
5 report that information to the General Assembly:

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

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

11 (c) Yearly review and recommendations. Each year, each  
12 chief procurement officer shall review the progress of all  
13 State agencies under its jurisdiction in meeting the goal  
14 described in subsection (a), with input from statewide  
15 veterans' service organizations and from the business  
16 community, including businesses owned by qualified veterans,  
17 and shall make recommendations to be included in the  
18 Department of Central Management Services' report to the  
19 General Assembly regarding continuation, increases, or  
20 decreases of the percentage goal. The recommendations shall be  
21 based upon the number of businesses that are owned by  
22 qualified veterans and on the continued need to encourage and  
23 promote businesses owned by qualified veterans.

24 (d) Governor's recommendations. To assist the State in  
25 reaching the goal described in subsection (a), the Governor  
26 shall recommend to the General Assembly changes in programs to

1 assist businesses owned by qualified veterans.

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

3 "Armed forces of the United States" means the United  
4 States Army, Navy, Air Force, Marine Corps, Coast Guard, or  
5 service in active duty as defined under 38 U.S.C. Section 101.  
6 Service in the Merchant Marine that constitutes active duty  
7 under Section 401 of federal Public Act 95-202 shall also be  
8 considered service in the armed forces for purposes of this  
9 Section.

10 "Certification" means: (1) a determination made by the  
11 Illinois Department of Veterans' Affairs and the Department of  
12 Central Management Services that a business entity is a  
13 qualified service-disabled veteran-owned small business or a  
14 qualified veteran-owned small business for whatever purpose;  
15 or (2) a certification made by an authorized official of Cook  
16 County under that county's veteran-owned business program or  
17 programs at least 60 days after the effective date of this  
18 amendatory Act of the 102nd General Assembly, provided that,  
19 no less than 30 days after the effective date of this  
20 amendatory Act of the 102nd General Assembly, and on an annual  
21 basis thereafter, that county official certifies to the  
22 Department of Veterans' Affairs that Cook County's  
23 certification standards do not conflict with the requirements  
24 of this Code, and further provided that upon issuing the  
25 certification, the county official immediately or as soon as  
26 practicable notifies the Department of Central Management

1 Services of the fact and nature of the certification. A SDVOSB  
2 or VOSB owned and controlled by women, minorities, or persons  
3 with disabilities, as those terms are defined in Section 2 of  
4 the Business Enterprise for Minorities, Women, and Persons  
5 with Disabilities Act, may also select and designate whether  
6 that business is to be certified as a "women-owned business",  
7 "minority-owned business", or "business owned by a person with  
8 a disability", as defined in Section 2 of the Business  
9 Enterprise for Minorities, Women, and Persons with  
10 Disabilities Act.

11 "Control" means the exclusive, ultimate, majority, or sole  
12 control of the business, including but not limited to capital  
13 investment and all other financial matters, property,  
14 acquisitions, contract negotiations, legal matters,  
15 officer-director-employee selection and comprehensive hiring,  
16 operation responsibilities, cost-control matters, income and  
17 dividend matters, financial transactions, and rights of other  
18 shareholders or joint partners. Control shall be real,  
19 substantial, and continuing, not pro forma. Control shall  
20 include the power to direct or cause the direction of the  
21 management and policies of the business and to make the  
22 day-to-day as well as major decisions in matters of policy,  
23 management, and operations. Control shall be exemplified by  
24 possessing the requisite knowledge and expertise to run the  
25 particular business, and control shall not include simple  
26 majority or absentee ownership.

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

5 "Qualified service-disabled veteran-owned small business"  
6 or "SDVOSB" means a small business (i) that is at least 51%  
7 owned by one or more qualified service-disabled veterans  
8 living in Illinois or, in the case of a corporation, at least  
9 51% of the stock of which is owned by one or more qualified  
10 service-disabled veterans living in Illinois; (ii) that has  
11 its home office in Illinois; and (iii) for which items (i) and  
12 (ii) are factually verified annually by the Department of  
13 Central Management Services.

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

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

25 "Small business" means a business that has annual gross  
26 sales of less than \$75,000,000 as evidenced by the federal

1 income tax return of the business. A firm with gross sales in  
2 excess of this cap may apply to the Department of Central  
3 Management Services for certification for a particular  
4 contract if the firm can demonstrate that the contract would  
5 have significant impact on SDVOSB or VOSB as suppliers or  
6 subcontractors or in employment of veterans or  
7 service-disabled veterans.

8 "State agency" has the meaning provided in Section  
9 1-15.100 of this Code.

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

18 "Veteran" means a person who (i) has been a member of the  
19 armed forces of the United States or, while a citizen of the  
20 United States, was a member of the armed forces of allies of  
21 the United States in time of hostilities with a foreign  
22 country and (ii) has served under one or more of the following  
23 conditions: (a) the veteran served a total of at least 6  
24 months; (b) the veteran served for the duration of hostilities  
25 regardless of the length of the engagement; (c) the veteran  
26 was discharged on the basis of hardship; or (d) the veteran was

1 released from active duty because of a service connected  
2 disability and was discharged under honorable conditions.

3 (f) Certification program. The Illinois Department of  
4 Veterans' Affairs and the Department of Central Management  
5 Services shall work together to devise a certification  
6 procedure to assure that businesses taking advantage of this  
7 Section are legitimately classified as qualified  
8 service-disabled veteran-owned small businesses or qualified  
9 veteran-owned small businesses.

10 (f-5) Cook County certification program.

11 (1) If, no less than 30 days after the effective date  
12 of this amendatory Act of the 102nd General Assembly and  
13 on an annual basis thereafter, an authorized Cook County  
14 official certifies to the Department of Veterans' Affairs  
15 that Cook County's certification standards relative to its  
16 veteran-owned business program or programs continue to  
17 meet the requirements of this Act, the Department of  
18 Central Management Services shall, through its website and  
19 other online and print materials, with an authorized  
20 official of Cook County: (i) notify parties seeking  
21 certification under this Code that, if they are based in  
22 Cook County, they may seek and obtain certification under  
23 this Act by seeking and obtaining certification under the  
24 county's veteran-owned business program or programs; (ii)  
25 provide the parties with a website that immediately gives  
26 them access to Cook County's program or programs; and



1       (iii) ensure that parties who obtain certification under  
2       Cook County's program or programs are immediately  
3       registered with the State as certified and qualified  
4       businesses under this Code.

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

15       (g) Penalties.

16           (1) Administrative penalties. The chief procurement  
17       officers appointed pursuant to Section 10-20 shall suspend  
18       any person who commits a violation of Section 17-10.3 or  
19       subsection (d) of Section 33E-6 of the Criminal Code of  
20       2012 relating to this Section from bidding on, or  
21       participating as a contractor, subcontractor, or supplier  
22       in, any State contract or project for a period of not less  
23       than 3 years, and, if the person is certified as a  
24       service-disabled veteran-owned small business or a  
25       veteran-owned small business, then the Department shall  
26       revoke the business's certification for a period of not

1 less than 3 years. An additional or subsequent violation  
2 shall extend the periods of suspension and revocation for  
3 a period of not less than 5 years. The suspension and  
4 revocation shall apply to the principals of the business  
5 and any subsequent business formed or financed by, or  
6 affiliated with, those principals.

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

16 (3) List of suspended persons. The chief procurement  
17 officers appointed pursuant to Section 10-20 shall monitor  
18 the status of all reported violations of Section 17-10.3  
19 or subsection (d) of Section 33E-6 of the Criminal Code of  
20 1961 or the Criminal Code of 2012 relating to this Section  
21 and shall maintain and make available to all State  
22 agencies a central listing of all persons that committed  
23 violations resulting in suspension.

24 (4) Use of suspended persons. During the period of a  
25 person's suspension under paragraph (1) of this  
26 subsection, a State agency shall not enter into any

1 contract with that person or with any contractor using the  
2 services of that person as a subcontractor.

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

11 (Source: P.A. 100-43, eff. 8-9-17; 100-391, eff. 8-25-17;  
12 100-863, eff. 8-14-18.)

13 Section 99. Effective date. This Act takes effect upon  
14 becoming law.