

1 AN ACT concerning State contracts.

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

4 Section 1. Short title. This Act may be cited as the
5 Illinois Historically Underutilized Business Zone Act.

6 Section 5. Definitions. As used in this Act:

7 "Contracting officer" means a person who has the
8 authority to enter into a State department or agency
9 procurement contract on behalf of the State and to make
10 determinations and findings regarding that contract.

11 "Department" means the Department of Commerce and
12 Community Affairs.

13 "Director" means the Director of Commerce and Community
14 Affairs.

15 "Full and open competition" means the competitive sealed
16 bidding process described in Section 20-10 of the Illinois
17 Procurement Code.

18 "Small business" means any business that is a small
19 business under Section 45-45 of the Illinois Procurement
20 Code.

21 Section 10. IHUBZone Program. There is established the
22 IHUBZone Program to be carried out by the Department to
23 provide for State contracting assistance to qualified
24 IHUBZone small business.

25 Section 15. IHUBZone designations. The Department may
26 designate an area within the State as an IHUBZone if the area
27 is located in one or more of the following:

- 28 (1) A qualified census tract as defined in Section
- 29 42(d)(5)(C)(i)(I) of the Internal Revenue Code of 1986.

1 (2) A county (i) that is not located in a
2 metropolitan statistical area as defined in Section
3 143(k)(2)(B) of the Internal Revenue Code of 1986 and
4 (ii) with a median household income of less than 80% of
5 the State median household income or with an unemployment
6 rate of not less than 140% of the statewide average based
7 on U.S. Department of Labor recent data.

8 (3) The boundaries of federally-recognized Indian
9 reservations.

10 Section 15. Qualified small businesses.

11 (a) To qualify for the IHUBZone program, a small
12 business must meet all of the following criteria:

13 (1) It must be located in an IHUBZone.

14 (2) It must be owned and controlled by one or more
15 persons who (i) are U.S. citizens, (ii) are Illinois
16 residents, and (iii) reside in an IHUBZone.

17 (3) At least 35% of its employees must reside in an
18 IHUBZone.

19 (b) The Department shall establish and maintain a list
20 of qualified IHUBZone small business, which shall to the
21 extent practicable:

22 (1) Include the name, address, and type of business
23 of the qualified small business.

24 (2) Be updated by the Department on at least an
25 annual basis.

26 (3) Be available to the public upon request.

27 Section 25. Sole source contracts. Notwithstanding any
28 other provision of law, a contracting officer may award sole
29 source contracts under this Act to any qualified IHUBZone
30 small business if all of the following criteria are met:

31 (1) The qualified IHUBZone small business is
32 determined to be a responsible contractor with respect to

1 the performance of the contract opportunity and the
2 contracting officer does not have a reasonable
3 expectation that 2 or more qualified IHUBZone small
4 businesses will submit offers for the contracting
5 opportunity.

6 (2) The anticipated award price of the contract,
7 including options, will not exceed \$3,000,000.

8 (3) In the estimation of the contracting officer,
9 the contract award can be made at a fair and reasonable
10 price.

11 Section 30. Competitive IHUBZone contracts.
12 Notwithstanding any other provision of law, a contracting
13 officer shall award contracting opportunities on the basis of
14 competition restricted to qualified IHUBZone small businesses
15 if he or she has a reasonable expectation that (i) not less
16 than 2 qualified IHUBZone small businesses will submit offers
17 and (ii) that the award can be made at a fair market price.

18 Section 35. Full and open competition. If a contract is
19 to be awarded on the basis of full and open competition, the
20 price offered by a qualified IHUBZone small business shall be
21 deemed as being lower than the price offered by another
22 bidder, other than another qualified IHUBZone small business,
23 if the price offered by the qualified IHUBZone small business
24 is not more than 10% higher than the price offered by the
25 otherwise lowest responsive and responsible bidder.

26 Section 40. Appeal. If a contracting officer does not
27 award a contract to any qualified IHUBZone small business,
28 then a qualified IHUBZone small business that submitted an
29 offer may file an appeal with the Department. Not less than
30 5 days from the date that the Department receives the appeal,
31 the Director or his or her designee may notify the

1 contracting officer of the intent to appeal the contracting
2 officer's decision and, within 15 days after this date, may
3 file a written request for reconsideration of the contracting
4 officer's decision with the director of the department or
5 agency.

6 Section 45. Administration. The Department may adopt
7 rules concerning the administration of the IHUBZone Program.

8 Section 50. Provision of data. Upon the request of the
9 Director, any State agency or department shall promptly
10 provide to the Department any information that the Director
11 determines to be necessary to carry out the IHUBZone Program.

12 Section 55. Penalties. Any individual or entity that
13 knowingly misrepresents the status of a business concern as a
14 qualified IHUBZone small business commits a Class 3 felony.

15 Section 905. The Illinois Procurement Code is amended by
16 changing Section 30-45 and by adding Section 45-47 as
17 follows:

18 (30 ILCS 500/30-45)

19 Sec. 30-45. Other Acts. This Article is subject to
20 applicable provisions of the following Acts:

- 21 (1) the Prevailing Wage Act;
- 22 (2) the Public Construction Bond Act;
- 23 (3) the Public Works Employment Discrimination Act;
- 24 (4) the Public Works Preference Act;
- 25 (5) the Employment of Illinois Workers on Public
26 Works Act;
- 27 (6) the Public Contract Fraud Act; and
- 28 (7) the Illinois Construction Evaluation Act; and
- 29 (8) the Illinois Historically Underutilized

1 Business Zone Act.

2 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

3 (30 ILCS 500/45-47 new)

4 Sec. 45-47. IHUBZones. Contracts shall be awarded to
5 qualified IHUBZone small businesses under the Illinois
6 Historically Underutilized Business Zone Act.

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Statutes amended in order of appearance

New Act

30 ILCS 500/30-45

30 ILCS 500/45-47 new