

# HB5170



## 96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB5170

Introduced 2/1/2010, by Rep. Linda Chapa LaVia

### SYNOPSIS AS INTRODUCED:

30 ILCS 500/45-57

Amends the Illinois Procurement Code. Of contracts awarded by the Illinois Department of Transportation, requires that (i) 3% be awarded to businesses owned by disabled veterans and (ii) 3% of subcontracts under those contracts be awarded to businesses owned by disabled veterans.

LRB096 17432 JAM 32788 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 Illinois Procurement Code is amended by  
5 changing Section 45-57 as follows:

6 (30 ILCS 500/45-57)

7 Sec. 45-57. Disabled veterans; IDOT set-aside.

8 (a) It is the goal of the State to promote and encourage  
9 the continued economic development of businesses owned and  
10 controlled by qualified service disabled veterans and that  
11 qualified service disabled veteran-owned businesses (referred  
12 to as SDVOB) participate in the State's procurement process as  
13 both prime and subcontractors. A Task Force shall be  
14 established, appointed by the Directors or Secretaries of, and  
15 made up of representatives of, the Illinois Department of  
16 Veterans' Affairs, the Illinois Department of Transportation,  
17 the Department of Central Management Services, the Business  
18 Enterprise Program, and the Business Enterprise Council. The  
19 Department of Central Management Services shall provide  
20 administrative support to the Task Force. The purpose of this  
21 Task Force shall be to determine the appropriate percentage  
22 goal for award each fiscal year of the State's total  
23 expenditures for contracts awarded under this Code to SDVOB.

1 That portion of a contract under which the contractor  
2 subcontracts with a SDVOB may be counted toward the goal of  
3 this subsection. In making that determination the Task Force  
4 shall consult with statewide veterans' service organizations  
5 and the business community, including businesses owned by  
6 qualified disabled veterans. The Task Force shall submit its  
7 report to the General Assembly concerning its recommendations  
8 regarding the appropriate percentage goal for award each fiscal  
9 year of the State's total expenditures for contracts awarded  
10 under this Code to qualified service disabled veterans no later  
11 than 90 days after the effective date of this amendatory Act of  
12 the 96th General Assembly.

13 (b) Once the appropriate goal is established, then by each  
14 September 1, each chief procurement officer shall report to the  
15 Department of Central Management Services on all of the  
16 following for the immediately preceding fiscal year, and by  
17 each October 1 the Department of Central Management Services  
18 shall compile and report that information to the General  
19 Assembly:

20 (1) The number of SDVOB who submitted a bid for a  
21 contract under this Code.

22 (2) The number of SDVOB who entered into contracts with  
23 the State under this Code and the total value of those  
24 contracts.

25 (c) Each year, each chief procurement officer shall review  
26 the progress of all State agencies under its jurisdiction in

1 meeting the goal described in subsection (a), with input from  
2 statewide veterans' service organizations and from the  
3 business community, including businesses owned by qualified  
4 disabled veterans, and shall make recommendations to be  
5 included in the Department of Central Management Services'  
6 report to the General Assembly regarding continuation,  
7 increases, or decreases of the percentage goal. The  
8 recommendations shall be based upon the number of businesses  
9 that are owned by qualified disabled veterans and on the  
10 continued need to encourage and promote businesses owned by  
11 qualified disabled veterans.

12 (d) To assist the State in reaching the goal described in  
13 subsection (a), the Governor shall recommend to the General  
14 Assembly changes in programs to assist businesses owned by  
15 qualified disabled veterans.

16 (e) As used in this Section:

17 "Business" means a business that has average annual gross  
18 sales over the 3 most recent calendar years of less than  
19 \$31,000,000 as evidenced by the federal income tax returns of  
20 the business.

21 "Control" means the exclusive, ultimate, majority, or sole  
22 control of the business, including but not limited to capital  
23 investment and all other financial matters, property,  
24 acquisitions, contract negotiations, legal matters,  
25 officer-director-employee selection and comprehensive hiring,  
26 operation responsibilities, cost-control matters, income and

1 dividend matters, financial transactions, and rights of other  
2 shareholders or joint partners. Control shall be real,  
3 substantial, and continuing, not pro forma. Control shall  
4 include the power to direct or cause the direction of the  
5 management and policies of the business and to make the  
6 day-to-day as well as major decisions in matters of policy,  
7 management, and operations. Control shall be exemplified by  
8 possessing the requisite knowledge and expertise to run the  
9 particular business.

10 "Qualified service disabled veteran" means a veteran who  
11 has been found to have a service-connected disability by the  
12 United States Department of Veterans Affairs or the United  
13 States Department of Defense.

14 "Qualified disabled veteran-owned business" means a  
15 business entity that is at least 51% owned by one or more  
16 qualified disabled veterans, or in the case of a corporation,  
17 at least 51% of the stock of which is owned by one or more  
18 qualified disabled veterans; and the management and daily  
19 business operations of which are controlled by one or more of  
20 the qualified disabled veterans who own it.

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

24 "Veteran" means a person who served in the active military,  
25 naval, or air service and who was discharged or released from  
26 his or her service under conditions other than dishonorable.

1           (f) The Illinois Department of Veterans' Affairs and the  
2 Department of Central Management Services Business Enterprise  
3 Program shall work together to devise a certification procedure  
4 to assure that businesses taking advantage of this Act are  
5 legitimately classified as qualified service disabled  
6 veteran-owned businesses.

7           (g) Notwithstanding any other provision of this Section,  
8 each fiscal year 3% of the Illinois Department of  
9 Transportation's total expenditures for contracts that fiscal  
10 year must be expended for procurement contracts awarded to  
11 service disabled veteran-owned businesses. In addition, each  
12 fiscal year 3% of the total expenditures for subcontracts that  
13 fiscal year under procurement contracts awarded by the Illinois  
14 Department of Transportation must be expended for subcontracts  
15 awarded to service disabled veteran-owned businesses.

16           (Source: P.A. 96-96, eff. 1-1-10.)