



## 98TH GENERAL ASSEMBLY

### State of Illinois

2013 and 2014

HB4415

by Rep. William Davis

#### SYNOPSIS AS INTRODUCED:

30 ILCS 500/45-45

Amends the Illinois Procurement Code. Provides that the Director of Central Management Services (instead of the chief procurement officer) has the authority to designate small business set-asides. Provides that the Business Enterprise for Minorities, Females, and Persons with Disabilities Act applies to small business set-asides.

LRB098 19285 JWD 54437 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 45-45 as follows:

6 (30 ILCS 500/45-45)

7 Sec. 45-45. Small businesses.

8 (a) Set-asides. The Director of Central Management  
9 Services (Director) ~~chief procurement officer~~ has authority to  
10 designate as small business set-asides a fair proportion of  
11 construction, supply, and service contracts for award to small  
12 businesses in Illinois. Advertisements for bids or offers for  
13 those contracts shall specify designation as small business  
14 set-asides. In awarding the contracts, only bids or offers from  
15 qualified small businesses shall be considered.

16 (b) Small business. "Small business" means a business that  
17 is independently owned and operated and that is not dominant in  
18 its field of operation. The Director ~~chief procurement officer~~  
19 shall establish a detailed definition by rule, using in  
20 addition to the foregoing criteria other criteria, including  
21 the number of employees and the dollar volume of business. When  
22 computing the size status of a bidder, annual sales and  
23 receipts of the bidder and all of its affiliates shall be

1 included. The maximum number of employees and the maximum  
2 dollar volume that a small business may have under the rules  
3 promulgated by the Director ~~chief procurement officer~~ may vary  
4 from industry to industry to the extent necessary to reflect  
5 differing characteristics of those industries, subject to the  
6 following limitations:

7 (1) No wholesale business is a small business if its  
8 annual sales for its most recently completed fiscal year  
9 exceed \$10,000,000.

10 (2) No retail business or business selling services is  
11 a small business if its annual sales and receipts exceed  
12 \$6,000,000.

13 (3) No manufacturing business is a small business if it  
14 employs more than 250 persons.

15 (4) No construction business is a small business if its  
16 annual sales and receipts exceed \$10,000,000.

17 (c) Fair proportion. For the purpose of subsection (a), for  
18 State agencies of the executive branch, a fair proportion of  
19 construction contracts shall be no less than 25% nor more than  
20 40% of the annual total contracts for construction.

21 (d) Withdrawal of designation. A small business set-aside  
22 designation may be withdrawn by the purchasing agency when  
23 deemed in the best interests of the State. Upon withdrawal, all  
24 bids or offers shall be rejected, and the bidders or offerors  
25 shall be notified of the reason for rejection. The contract  
26 shall then be awarded in accordance with this Code without the

1 designation of small business set-aside.

2 (e) Small business specialist. The Director ~~chief~~  
3 ~~procurement officer~~ shall designate a State purchasing officer  
4 who will be responsible for engaging an experienced contract  
5 negotiator to serve as its small business specialist, whose  
6 duties shall include:

7 (1) Compiling and maintaining a comprehensive bidders  
8 list of small businesses. In this duty, he or she shall  
9 cooperate with the Federal Small Business Administration  
10 in locating potential sources for various products and  
11 services.

12 (2) Assisting small businesses in complying with the  
13 procedures for bidding on State contracts.

14 (3) Examining requests from State agencies for the  
15 purchase of property or services to help determine which  
16 invitations to bid are to be designated small business  
17 set-asides.

18 (4) Making recommendations to the Director ~~chief~~  
19 ~~procurement officer~~ for the simplification of  
20 specifications and terms in order to increase the  
21 opportunities for small business participation.

22 (5) Assisting in investigations by purchasing agencies  
23 to determine the responsibility of bidders on small  
24 business set-asides.

25 (f) Small business annual report. The State purchasing  
26 officer designated under subsection (e) shall annually before

1 December 1 report in writing to the General Assembly concerning  
2 the awarding of contracts to small businesses. The report shall  
3 include the total value of awards made in the preceding fiscal  
4 year under the designation of small business set-aside. The  
5 report shall also include the total value of awards made to  
6 businesses owned by minorities, females, and persons with  
7 disabilities, as defined in the Business Enterprise for  
8 Minorities, Females, and Persons with Disabilities Act, in the  
9 preceding fiscal year under the designation of small business  
10 set-aside.

11 The Business Enterprise for Minorities, Females, and  
12 Persons with Disabilities Act applies to contracts procured  
13 under this Section.

14 The requirement for reporting to the General Assembly shall  
15 be satisfied by filing copies of the report as required by  
16 Section 3.1 of the General Assembly Organization Act.

17 (Source: P.A. 92-60, eff. 7-12-01; 93-769, eff. 1-1-05.)