

1 AN ACT concerning procurement.

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

16 (b) Small business. "Small business" means a business  
17 that is independently owned and operated and that is not  
18 dominant in its field of operation. The chief procurement  
19 officer shall establish a detailed definition by rule, using  
20 in addition to the foregoing criteria other criteria,  
21 including the number of employees and the dollar volume of  
22 business. When computing the size status of a bidder, annual  
23 sales and receipts of the bidder and all of its affiliates  
24 shall be included. The maximum number of employees and the  
25 maximum dollar volume that a small business may have under  
26 the rules promulgated by the chief procurement officer may  
27 vary from industry to industry to the extent necessary to  
28 reflect differing characteristics of those industries,  
29 subject to the following limitations:

30 (1) No wholesale business is a small business if  
31 its annual sales for its most recently completed fiscal

1 year exceed \$7,500,000.

2 (2) No retail business or business selling services  
3 is a small business if its annual sales and receipts  
4 exceed \$1,500,000.

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

7 (4) No construction business is a small business if  
8 its annual sales and receipts exceed \$10,000,000  
9 \$3,000,000.

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

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15 set-aside designation may be withdrawn by the purchasing  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

22 (e) Small business specialist. The chief procurement  
23 officer shall designate a State purchasing officer who will  
24 be responsible for engaging an experienced contract  
25 negotiator to serve as its small business specialist, whose  
26 duties shall include:

27 (1) Compiling and maintaining a comprehensive  
28 bidders list of small businesses. In this duty, he or  
29 she shall cooperate with the Federal Small Business  
30 Administration in locating potential sources for various  
31 products and services.

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

34 (3) Examining requests from State agencies for the

1 purchase of property or services to help determine which  
2 invitations to bid are to be designated small business  
3 set-asides.

4 (4) Making recommendations to the chief procurement  
5 officer for the simplification of specifications and  
6 terms in order to increase the opportunities for small  
7 business participation.

8 (5) Assisting in investigations by purchasing  
9 agencies to determine the responsibility of bidders on  
10 small business set-asides.

11 (f) Small business annual report. The State purchasing  
12 officer designated under subsection (e) shall annually before  
13 December 1 report in writing to the General Assembly  
14 concerning the awarding of contracts to small businesses.  
15 The report shall include the total value of awards made in  
16 the preceding fiscal year under the designation of small  
17 business set-aside. The report shall also include the total  
18 value of awards made to businesses owned by minorities,  
19 females, and persons with disabilities, as defined in the  
20 Business Enterprise for Minorities, Females, and Persons with  
21 Disabilities Act, in the preceding fiscal year under the  
22 designation of small business set-aside.

23 The requirement for reporting to the General Assembly  
24 shall be satisfied by filing copies of the report as required  
25 by Section 3.1 of the General Assembly Organization Act.

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

27 Section 99. Effective date. This Act takes effect upon  
28 becoming law.