



CHIEF PROCUREMENT OFFICE

Bill Grunloh, Department of Transportation - Highway Construction

October 31, 2023

Honorable Don Harmon
President of the Senate
327 Capitol Building
Springfield, Illinois 62706

Re: FY2023 Small Business Contracts Report

Dear President Harmon:

In accordance with 30 ILCS 500/45-90(f) of the Illinois Procurement Code, the Chief Procurement Officer (CPO) is required to submit an annual report by November 1 of each year that includes a summary of contracts awarded to small businesses and an analysis of the level of the overall goal concerning purchases from small businesses.

The Illinois Department of Transportation (IDOT) awarded 543 contracts for a total value of \$234,014,976.00 to small businesses, including subcontracts, in FY2023. The average contract amount is \$430,966.81.

For FY2023, the department's total spend was \$2,346,864,495.00 which equates to an overall small business participation of 10.00%.

The department has a dedicated bureau, the Office of Business and Workforce Diversity (OBWD), to assist small and disadvantaged businesses in becoming aware of the department's procurement and workforce opportunities. IDOT provides assistance to small businesses, including Disadvantaged Business Enterprise (DBE) firms and individuals interested in doing business with the department, in ways that ensure equity, access, and transparency. IDOT, in accordance with federal guidelines, strives to facilitate and implement programs that can help current and future business partners open the door to doing business with IDOT.

A small business compliance plan was submitted to me, by IDOT, outlining the FY2024 goals of the department. The plan has been reviewed and approved by me with the following suggestions:

- Reevaluate the types of small business projects (types of expertise required) currently included in the Highway Lettings. There is currently no prequalification required for small businesses on the Highway Lettings, so it is sometimes difficult to determine qualifications of firms submitting bids

- Reevaluate the dollar amount of projects considered for the Small Business Set-Aside Program to effectuate more projects are included for small businesses on the lettings.
- The Federal Highway Administration program is working on guidelines for a new program, "Enhancing Highway Workforce Development Opportunities Contracting Initiative." This program will allow, on an experimental basis, projects to use innovative contracting approaches that are not otherwise permitted by law, geographic, economic, or other hiring preferences. This will improve workforce development opportunities in the transportation construction sector. I would recommend the department continue to monitor the progress of the development of this program and utilize it to the fullest extent possible when available.

The department and I continue to have discussions about implementing these recommendations.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Grunloh". The signature is fluid and cursive, with a prominent loop at the end.

Bill Grunloh
Chief Procurement Officer