

1 AN ACT concerning State government.

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. Each 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 bids  
12 or offers for those contracts shall specify designation as  
13 small business set-asides. In awarding the contracts, only  
14 bids or offers from qualified small businesses shall be  
15 considered.

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

1 shall be included. The maximum number of employees and the  
2 maximum dollar volume that a small business may have under the  
3 rules promulgated by the chief procurement officer may vary  
4 from industry to industry to the extent necessary to reflect  
5 differing characteristics of those industries or objectives of  
6 the applicable small business rules. Except for contracts,  
7 goods, and services procured by the Department of  
8 Transportation, the maximum number of employees and maximum  
9 dollar volume shall be 7 subject to the following limitations:

10 (1) No wholesale business is a small business if its  
11 annual sales for its most recently completed fiscal year  
12 exceed \$13,000,000.

13 (2) No retail business or business selling services is  
14 a small business if its annual sales and receipts exceed  
15 \$8,000,000.

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

18 (4) No construction business is a small business if  
19 its annual sales and receipts exceed \$14,000,000.

20 (b-1) For contracts, goods, and services procured by the  
21 Department of Transportation, no business shall be a small  
22 business, regardless of type, if (i) its annual sales for its  
23 most recently completed fiscal year exceed the small business  
24 size standard for its specific industry, as established by the  
25 U.S. Small Business Administration, or (ii) it employs more  
26 individuals than the number set forth in the small business

1 size standard for its specific industry, as established by the  
2 U.S. Small Business Administration, whichever is applicable.

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

7 (d) Withdrawal of designation. A small business set-aside  
8 designation may be withdrawn by the purchasing agency when  
9 deemed in the best interests of the State. Upon withdrawal,  
10 all bids or offers shall be rejected, and the bidders or  
11 offerors shall be notified of the reason for rejection. The  
12 contract shall then be awarded in accordance with this Code  
13 without the designation of small business set-aside. Each  
14 chief procurement officer shall make the annual report  
15 available on his or her official website. Each chief  
16 procurement officer shall also issue a press release in  
17 conjunction with the small business annual report that  
18 includes an executive summary of the annual report and a link  
19 to the annual report on the chief procurement officer's  
20 website.

21 (e) Small business specialist. Each chief procurement  
22 officer shall designate one or more individuals to serve as  
23 its small business specialist. The small business specialists  
24 shall collectively work together to accomplish the following  
25 duties:

26 (1) Compiling and maintaining a comprehensive list of

1 potential small contractors. In this duty, he or she shall  
2 cooperate with the Federal Small Business Administration  
3 in locating potential sources for various products and  
4 services.

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

7 (3) Examining requests from State agencies for the  
8 purchase of property or services to help determine which  
9 invitations to bid are to be designated small business  
10 set-asides.

11 (4) Making recommendations to the chief procurement  
12 officer for the simplification of specifications and terms  
13 in order to increase the opportunities for small business  
14 participation.

15 (5) Assisting in investigations by purchasing agencies  
16 to determine the responsibility of bidders or offerors on  
17 small business set-asides.

18 (f) Small business annual report. Each small business  
19 specialist designated under subsection (e) shall annually  
20 before November 1 report in writing to the General Assembly  
21 concerning the awarding of contracts to small businesses. The  
22 report shall include the total value of awards made in the  
23 preceding fiscal year under the designation of small business  
24 set-aside. The report shall also include the total value of  
25 awards made to businesses owned by minorities, women, and  
26 persons with disabilities, as defined in the Business

1 Enterprise for Minorities, Women, and Persons with  
2 Disabilities Act, in the preceding fiscal year under the  
3 designation of small business set-aside.

4 The requirement for reporting to the General Assembly  
5 shall be satisfied by filing copies of the report as required  
6 by Section 3.1 of the General Assembly Organization Act.

7 (Source: P.A. 103-570, eff. 1-1-24.)