

1 AN ACT concerning 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. Notwithstanding
6 the provisions of this subsection (b), no construction
7 business is a small business if its annual sales and receipts
8 exceed \$20,000,000. , subject to the following limitations:

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

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

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

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

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

23 (d) Withdrawal of designation. A small business set-aside
24 designation may be withdrawn by the purchasing agency when
25 deemed in the best interests of the State. Upon withdrawal,
26 all bids or offers shall be rejected, and the bidders or

1 offerors shall be notified of the reason for rejection. The
2 contract shall then be awarded in accordance with this Code
3 without the designation of small business set-aside. Each
4 chief procurement officer shall make the annual report
5 available on his or her official website. Each chief
6 procurement officer shall also issue a press release in
7 conjunction with the small business annual report that
8 includes an executive summary of the annual report and a link
9 to the annual report on the chief procurement officer's
10 website.

11 (e) Small business specialist. Each chief procurement
12 officer shall designate one or more individuals to serve as
13 its small business specialist. The small business specialists
14 shall collectively work together to accomplish the following
15 duties:

16 (1) Compiling and maintaining a comprehensive list of
17 potential small contractors. In this duty, he or she shall
18 cooperate with the Federal Small Business Administration
19 in locating potential sources for various products and
20 services.

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

23 (3) Examining requests from State agencies for the
24 purchase of property or services to help determine which
25 invitations to bid are to be designated small business
26 set-asides.

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

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

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

20 The requirement for reporting to the General Assembly
21 shall be satisfied by filing copies of the report as required
22 by Section 3.1 of the General Assembly Organization Act.

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

24 Section 99. Effective date. This Act takes effect upon
25 becoming law.