



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB5915

by Rep. Jil Tracy

SYNOPSIS AS INTRODUCED:

30 ILCS 500/45-45

Amends the Illinois Procurement Code. In provisions defining "small business", increases the maximum annual sales for: a wholesale business from \$10,000,000 to \$13,000,000; a retail business or a business selling services from \$6,000,000 to \$8,000,000; and a construction business from \$10,000,000 to \$14,000,000.

LRB098 19343 JWD 54496 b

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 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 bids
14 or offers from qualified small businesses shall be considered.

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

1 business may have under the rules promulgated by the chief
2 procurement officer may vary from industry to industry to the
3 extent necessary to reflect differing characteristics of those
4 industries, subject to the following limitations:

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

8 (2) No retail business or business selling services is
9 a small business if its annual sales and receipts exceed
10 \$8,000,000 ~~\$6,000,000~~.

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

13 (4) No construction business is a small business if its
14 annual sales and receipts exceed \$14,000,000 ~~\$10,000,000~~.

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

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20 designation may be withdrawn by the purchasing agency when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

26 (e) Small business specialist. The chief procurement

1 officer shall designate a State purchasing officer who will be
2 responsible for engaging an experienced contract negotiator to
3 serve as its small business specialist, whose duties shall
4 include:

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

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

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

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

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

23 (f) Small business annual report. The State purchasing
24 officer designated under subsection (e) shall annually before
25 December 1 report in writing to the General Assembly concerning
26 the awarding of contracts to small businesses. The report shall

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

9 The requirement for reporting to the General Assembly shall
10 be satisfied by filing copies of the report as required by
11 Section 3.1 of the General Assembly Organization Act.

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