98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB2761

Introduced 1/28/2014, by Sen. James F. Clayborne, Jr.

SYNOPSIS AS INTRODUCED:

20 ILCS 2705/2705-600

Amends the Civil Administrative Code of Illinois Department of Transportation Law. Extends the repeal date of the target market program from June 30, 2014 to June 30, 2017. Effective immediately.

LRB098 16261 MLW 51320 b

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AN ACT concerning State government.

2 Be it enacted by the People of the State of Illinois, 3 represented in the General Assembly:

Section 5. The Department of Transportation Law of the
Civil Administrative Code of Illinois is amended by changing
Section 2705-600 as follows:

7 (20 ILCS 2705/2705-600)

8 (Section scheduled to be repealed on June 30, 2014)

9 Sec. 2705-600. Target market program. In order to remedy 10 particular incidents and patterns of egregious race or gender 11 discrimination, the chief procurement officer, in consultation 12 with the Department, shall have the power to implement a target 13 market program incorporating the following terms:

14 (0.5) Each fiscal year, the Department shall review any discrimination all evidence 15 and of related to 16 transportation construction projects. Evidence of 17 discrimination may include, but is not limited to: (i) the Department's utilization 18 determination of the of 19 minority-owned and female-owned firms in its prime 20 associated subcontracts; (ii) contracts and the 21 availability of minority-owned and female-owned firms in 22 the Department's geographic market areas and specific construction industry markets; (iii) any disparities 23

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between the utilization of minority-owned and female-owned 1 firms in the Department's markets and the utilization of 2 3 those firms the Department's prime contracts and on subcontracts in those markets; (iv) any disparities 4 5 between the utilization of minority-owned and female-owned 6 firms in the overall construction markets in which the Department purchases and the utilization of those firms in 7 8 the overall construction economy in which the Department 9 operates; (v) evidence of discrimination in the rates at 10 which minority-owned and female-owned firms in the 11 Department's markets form businesses compared to similar 12 non-minority-owned and non-female-owned firms in the 13 Department's markets and in the dollars earned by such 14 businesses; and (vi) quantitative and qualitative 15 anecdotal evidence of discrimination. If after reviewing 16 such evidence, the Department finds and the chief 17 procurement officer concurs in the findings that the Department has a strong basis in evidence that it has a 18 19 compelling interest in remedying the identified 20 discrimination against a specific group, race, or gender, and that the only remedy for such discrimination is a 21 22 narrowly tailored target market, the chief procurement 23 officer, in consultation with the Department, has the power 24 to establish and implement a target market program tailored 25 specific findings of to address the egregious 26 discrimination made by the Department, after a public SB2761

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hearing at which minority, female, and general contractor groups, community organizations, and other interested parties shall have the opportunity to provide comments.

(1) In January of each year, the Department and the 4 5 chief procurement officer shall report jointly to the General Assembly the results of any evidentiary inquiries 6 7 studies that establish the Department's compelling or 8 interest in remedying egregious discrimination based upon 9 strong evidence of the need for a narrowly tailored target 10 market to remedy such discrimination and public hearings 11 held pursuant to this Section, and shall report the actions 12 to be taken to address the findings, including, if 13 warranted, the establishment and implementation of any 14 target market initiatives.

15 (2) The chief procurement officer shall work with the 16 officers and divisions of the Department to determine the 17 appropriate designation of contracts as target market contracts. The chief procurement officer, in consultation 18 19 with the Department, shall determine appropriate contract 20 formation and bidding procedures for target market 21 contracts, including, but not limited to, the dividing of 22 procurements so designated into contract award units in 23 order to facilitate offers or bids from minority-owned 24 businesses and female-owned businesses and the removal of 25 bid bond requirements for minority-owned businesses and 26 female-owned businesses. Minority-owned businesses and

1 female-owned businesses shall remain eligible to seek the 2 procurement award of contracts that have not been 3 designated as target market contracts.

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procurement chief officer 4 (3) The mav make 5 participation in the target market program dependent upon 6 submission to stricter compliance audits than are 7 generally applicable. No contract shall be eligible for 8 inclusion in target market program unless the the 9 Department determines that there are at least 3 10 minority-owned businesses or female-owned businesses 11 interested in participating in that type of contract. The 12 Department, with the concurrence of the chief procurement 13 officer, may develop guidelines to regulate the level of 14 participation of individual minority-owned businesses and 15 female-owned businesses in the target market program in 16 order to prevent the domination of the target market 17 program by a small number of those entities. The Department 18 may require minority-owned businesses and female-owned 19 businesses to participate in training programs offered by 20 the Department or other State agencies as a condition 21 precedent to participation in the target market program.

(4) Participation in the target market program shall be
 limited to minority-owned businesses and female-owned
 businesses and joint ventures consisting exclusively of
 minority-owned businesses, female-owned businesses, or
 both, that are certified as disadvantaged businesses

pursuant to the provisions of Section 6(d) of the Business 1 2 Enterprise for Minorities, Females, and Persons with 3 Disabilities Act. A firm awarded a target market contract may subcontract up to 50% of the dollar value of the target 4 5 market. contract to subcontractors who are not. 6 minority-owned businesses or female-owned businesses.

7 (5) The Department may include in the target market 8 program contracts that are funded by the federal government 9 to the extent allowed by federal law and may vary the 10 standards of eligibility of the target market program to 11 the extent necessary to comply with the federal funding 12 requirements.

13 (6) If no satisfactory bid or response is received with 14 respect to a contract that has been designated as part of 15 the target market program, the chief procurement officer, 16 in consultation with the Department, may delete that 17 contract from the target market program. In addition, the procurement officer, in consultation with 18 chief the 19 Department, may thereupon designate and set aside for the 20 target market program additional contracts corresponding in approximate value to the contract that was deleted from 21 22 the target market program, in keeping with the narrowly 23 tailored process used for selecting contracts suitable for 24 the program and to the extent feasible.

(7) The chief procurement officer, in consultationwith the Department, shall promulgate such rules as he or

she deems necessary to administer the target market
 program.

If any part, sentence, or clause of this Section is for any reason held invalid or to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Section.

7 This Section is repealed on June 30, <u>2017</u> 2014.

8 (Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793
9 for the effective date of P.A. 96-795); 97-228, eff. 7-28-11.)

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