



CHIEF PROCUREMENT OFFICE

Bill Grunloh, Department of Transportation - Highway Construction

October 31, 2022

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

Re: FY2022 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 616 contracts for a total value of \$252,673,391.00 to small businesses, including subcontracts, in FY2022. The average contract amount is \$410,184.07.

For FY2022, the department's total spend was \$2,157,183,407.00 which equates to an overall small business participation of 11.7%.

It is my opinion that IDOT is committed to small business contracting. In fact, 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 FY2023 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.
- Implement the changes made to the Construction Bond Act (PA-102-0968, effective 01-01-2023) that allows bidders on Small Business Initiative (SBI) projects to provide performance bonds for less than the full amount of the contract.
- Implement the newly announced Federal Highway Administration program, "Enhancing Highway Workforce Development Opportunities Contracting Initiative," to its fullest potential. 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 commend the department for its ongoing efforts to improve workforce development in construction projects throughout the State of Illinois.

The department and I have had initial discussions about implementing these possible suggestions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bill Grunloh", written in a cursive style.

Bill Grunloh
Chief Procurement Officer