

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 and by adding Section 50-95 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 and the advertisements shall be  
14 uniformly distributed to the small business community in this  
15 State. In awarding the contracts, only bids or offers from  
16 qualified small businesses shall be considered.

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

1 receipts of the potential contractor and all of its affiliates  
2 shall be included. The maximum number of employees and the  
3 maximum dollar volume that a small business may have under the  
4 rules promulgated by the chief procurement officer may vary  
5 from industry to industry to the extent necessary to reflect  
6 differing characteristics of those industries, subject to the  
7 following limitations:

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

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

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

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

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

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23 designation may be withdrawn by the purchasing agency when  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

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

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

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

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

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

26 (4) Making recommendations to the chief procurement

1 officer for the simplification of specifications and terms  
2 in order to increase the opportunities for small business  
3 participation.

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

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

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

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

23 (30 ILCS 500/50-95 new)

24 Sec. 50-95. Small business scorecard. Each chief  
25 procurement officer shall, in consultation with State

1 agencies, develop a scorecard for businesses that have annual  
2 gross sales of less than \$15,000,000 as evidenced by the  
3 federal income tax return of the business. The scorecard shall  
4 include the relevant experience of the business, the location  
5 of the business, the length of time the business has been  
6 operating in this State, staff credentials, innovation, and  
7 other socioeconomic factors.