



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2198

Introduced 2/7/2025, by Sen. Adriane Johnson

SYNOPSIS AS INTRODUCED:

20 ILCS 605/605-1118 new
30 ILCS 500/45-45
30 ILCS 500/50-95 new

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that, subject to appropriation, the Department of Commerce and Economic Opportunity shall create a small business financing program to provide low-interest financing to small businesses that secure State contracts to assist with the fulfilment of those contracts. Amends the Illinois Procurement Code. Provides that the Department of Central Management Services shall, in consultation with State agencies, develop a scorecard for the assessment of bids from businesses that have annual gross sales of less than \$15,000,000 as evidenced by the federal income tax return of the business. Makes changes in provisions concerning the advertisement of bids to small businesses.

LRB104 10102 HLH 20174 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 Department of Commerce and Economic
5 Opportunity Law of the Civil Administrative Code of Illinois
6 is amended by adding Section 605-1118 as follows:

7 (20 ILCS 605/605-1118 new)

8 Sec. 605-1118. Small business financing program. Subject
9 to appropriation, the Department shall create a small business
10 financing program to provide low-interest financing to small
11 businesses that secure State contracts to assist with the
12 fulfilment of those contracts.

13 Section 10. The Illinois Procurement Code is amended by
14 changing Section 45-45 and by adding Section 50-95 as follows:

15 (30 ILCS 500/45-45)

16 Sec. 45-45. Small businesses.

17 (a) Set-asides. Each chief procurement officer has
18 authority to designate as small business set-asides a fair
19 proportion of construction, supply, and service contracts for
20 award to small businesses in Illinois. Advertisements for bids
21 or offers for those contracts shall specify designation as

1 small business set-asides and the advertisements shall be
2 uniformly distributed to the small business community in this
3 State. In awarding the contracts, only bids or offers from
4 qualified small businesses shall be considered.

5 (b) Small business. "Small business" means a business that
6 is independently owned and operated and that is not dominant
7 in its field of operation. The chief procurement officer shall
8 establish a detailed definition by rule, using in addition to
9 the foregoing criteria other criteria, including the number of
10 employees and the dollar volume of business. When computing
11 the size status of a potential contractor, annual sales and
12 receipts of the potential contractor and all of its affiliates
13 shall be included. The maximum number of employees and the
14 maximum dollar volume that a small business may have under the
15 rules promulgated by the chief procurement officer may vary
16 from industry to industry to the extent necessary to reflect
17 differing characteristics of those industries, subject to the
18 following limitations:

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

22 (2) No retail business or business selling services is
23 a small business if its annual sales and receipts exceed
24 \$8,000,000.

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

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

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

7 (d) Withdrawal of designation. A small business set-aside
8 designation may be withdrawn by the purchasing agency when
9 deemed in the best interests of the State. Upon withdrawal,
10 all bids or offers shall be rejected, and the bidders or
11 offerors shall be notified of the reason for rejection. The
12 contract shall then be awarded in accordance with this Code
13 without the designation of small business set-aside. Each
14 chief procurement officer shall make the annual report
15 available on his or her official website. Each chief
16 procurement officer shall also issue a press release in
17 conjunction with the small business annual report that
18 includes an executive summary of the annual report and a link
19 to the annual report on the chief procurement officer's
20 website.

21 (e) Small business specialist. Each chief procurement
22 officer shall designate one or more individuals to serve as
23 its small business specialist. The small business specialists
24 shall collectively work together to accomplish the following
25 duties:

26 (1) Compiling and maintaining a comprehensive list of

1 potential small contractors. In this duty, he or she shall
2 cooperate with the Federal Small Business Administration
3 in locating potential sources for various products and
4 services.

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

7 (3) Examining requests from State agencies for the
8 purchase of property or services to help determine which
9 invitations to bid are to be designated small business
10 set-asides.

11 (4) Making recommendations to the chief procurement
12 officer for the simplification of specifications and terms
13 in order to increase the opportunities for small business
14 participation.

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

18 (f) Small business annual report. Each small business
19 specialist designated under subsection (e) shall annually
20 before November 1 report in writing to the General Assembly
21 concerning the awarding of contracts to small businesses. The
22 report shall include the total value of awards made in the
23 preceding fiscal year under the designation of small business
24 set-aside. The report shall also include the total value of
25 awards made to businesses owned by minorities, women, and
26 persons with disabilities, as defined in the Business

1 Enterprise for Minorities, Women, and Persons with
2 Disabilities Act, in the preceding fiscal year under the
3 designation of small business set-aside.

4 The requirement for reporting to the General Assembly
5 shall be satisfied by filing copies of the report as required
6 by Section 3.1 of the General Assembly Organization Act.

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

8 (30 ILCS 500/50-95 new)

9 Sec. 50-95. Small business scorecard. The Department of
10 Central Management Services shall, in consultation with State
11 agencies, develop a scorecard for the assessment of bids from
12 businesses that have annual gross sales of less than
13 \$15,000,000 as evidenced by the federal income tax return of
14 the business. The scorecard shall include the relevant
15 experience of the business, the location of the business, the
16 length of time the business has been operating in this State,
17 staff credentials, innovation, and other socioeconomic
18 factors.