



93RD GENERAL ASSEMBLY
State of Illinois
2003 and 2004

Introduced 02/05/04, by David E. Miller

SYNOPSIS AS INTRODUCED:

30 ILCS 500/45-45

Amends the Illinois Procurement Code. With respect to the small business preference, changes the maximum annual sales or receipts for a business to qualify as small to \$10,000,000 (now \$7,500,000) for a wholesaler and \$6,000,000 (now \$1,500,000) for a retailer.

LRB093 15972 JAM 41595 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning procurement.

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
24 business may have under the rules promulgated by the chief
25 procurement officer may vary from industry to industry to the
26 extent necessary to reflect differing characteristics of those
27 industries, subject to the following limitations:

28 (1) No wholesale business is a small business if its
29 annual sales for its most recently completed fiscal year
30 exceed \$10,000,000 ~~\$7,500,000~~.

31 (2) No retail business or business selling services is
32 a small business if its annual sales and receipts exceed

1 \$6,000,000 ~~\$1,500,000~~.

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

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

6 (c) Fair proportion. For the purpose of subsection (a), for
7 State agencies of the executive branch, a fair proportion of
8 construction contracts shall be no less than 25% nor more than
9 40% of the annual total contracts for construction.

10 (d) Withdrawal of designation. A small business set-aside
11 designation may be withdrawn by the purchasing agency when
12 deemed in the best interests of the State. Upon withdrawal, all
13 bids or offers shall be rejected, and the bidders or offerors
14 shall be notified of the reason for rejection. The contract
15 shall then be awarded in accordance with this Code without the
16 designation of small business set-aside.

17 (e) Small business specialist. The chief procurement
18 officer shall designate a State purchasing officer who will be
19 responsible for engaging an experienced contract negotiator to
20 serve as its small business specialist, whose duties shall
21 include:

22 (1) Compiling and maintaining a comprehensive bidders
23 list of small businesses. In this duty, he or she shall
24 cooperate with the Federal Small Business Administration
25 in locating potential sources for various products and
26 services.

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

29 (3) Examining requests from State agencies for the
30 purchase of property or services to help determine which
31 invitations to bid are to be designated small business
32 set-asides.

33 (4) Making recommendations to the chief procurement
34 officer for the simplification of specifications and terms
35 in order to increase the opportunities for small business
36 participation.

1 (5) Assisting in investigations by purchasing agencies
2 to determine the responsibility of bidders on small
3 business set-asides.

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

16 The requirement for reporting to the General Assembly shall
17 be satisfied by filing copies of the report as required by
18 Section 3.1 of the General Assembly Organization Act.

19 (Source: P.A. 92-60, eff. 7-12-01.)