



Illinois Department of Transportation

Office of Highways Project Implementation
2300 South Dirksen Parkway / Springfield, Illinois 62764

October 23, 2018

Honorable John Hollman
(Acting) Clerk of the Illinois House of Representative
300 Capitol Building
Springfield, Illinois 62706

Dear Honorable John Hollman:

In accordance with 30 ILCS 500/45-45(f) of the Illinois Procurement Code, the Small Business Specialist is required to submit a report each year concerning the award of contracts to small businesses made in the preceding fiscal year. The Department of Transportation (IDOT) has diligently pursued contracting opportunities with small businesses during Fiscal Year 2018.

IDOT's Small Business Set-Aside Program began in 2005. The designated small business set-aside projects are identified in the Transportation Procurement Bulletin. In accordance with Section 500/45-45 of the Illinois Procurement Code and the rules of the department, only bids from qualified small businesses will be considered for award. The nature of road and bridge construction does not lend itself well to small contracts that would fit into the Small Business Set-Aside Program. Projects are unbundled to the greatest extent possible to increase available projects for these lettings. To encourage maximum competition, these small business set-asides are open bidding items and prequalification is waived on these items. All bidders, including those prequalified by the department, are required to submit with the bids a Qualification and Equipment Inventory Certification form which is included with the proposal and bidding documents.

Typically, the department administers an average of seven scheduled lettings per year with approximately seven small business set-aside projects per each letting.

The total number of contracts awarded to small businesses under the designation of small business set-aside, by IDOT in FY18, was 53 with a total dollar amount of \$6,191,528.96.

Per the Business Enterprise Program Act, 30 ILCS 575/6(d) notwithstanding any provisions to the contrary in this Act, any State agency or State university which administers a construction program, for which federal law or regulations establish standards and procedures for the utilization of minority, disadvantaged, and female-owned business, shall implement a disadvantaged business

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enterprise program to include minority, disadvantaged and female-owned businesses, using the federal standards and procedures for the establishment of goals and utilization procedures for the State-funded, as well as the federally assisted, portions of the program. As a recipient of federal-aid and pursuant to the requirements of the federal regulations, 49 CFR Part 26, IDOT (Construction) implemented a Disadvantaged Business Enterprises (DBE) program. In FY18, the department awarded \$214,437,747 to DBE firms for a total of 1632 contracts.

The Small Business Specialists for IDOT Construction continues to work with the department to expand competition and State contracting opportunities to assist small businesses, enhance their credentials and grow their revenue, which in turn, spurs economic growth and job creation throughout Illinois.

If you have any questions or need additional information, please contact me.

Sincerely,



Paul A. Loete, P.E.
Director of Highways Project Implementation
Chief Engineer

Enclosures

FISCAL YEAR 2019
Illinois Department of Transportation
SMALL BUSINESS CONTRACTING COMPLIANCE PLAN

1. GOALS

- 1.1 For Fiscal Year 2019, provide the Agency's projected total dollar spend on State Contracts: \$2,269,000,000
- 1.2 For Fiscal Year 2019, provide the dollar amount projected to be spent on State Contracts with Small Businesses in the following three categories:
 - 1.2.1 Projected spend with qualified small businesses pursued as a set-aside = \$6,000,000
 - 1.2.2 Projected spend with qualified small business **not** pursued as a set-aside = \$334,350,000
 - 1.2.3 Total projected spend with Small Businesses = \$340,350,000
- 1.3 For Fiscal year 2019, provide the Agency's total projected spend with Small Businesses as a percent of total projected spend on State Contracts = 15%

2. METHOD

- 2.1 For Fiscal Year 2019, identify with specificity the manner in which the agency intends to achieve the spend projections above in 1.2.1 and 1.2.2.

The spend projections outlined above will be achieved through the Small Business Set-Aside program, the Disadvantaged Business Enterprise (DBE) program, and counting of subcontracts with small businesses that result from state contracts.

3. TIMELINE

- 3.1 For Fiscal Year 2019, identify a timetable for reaching the spend goals outlined above in 1.2.1 and 1.2.2

IDOT's efforts to contract and subcontract with small businesses is accomplished by administering an average of seven (7) scheduled lettings per year. Small Business Set-Aside projects average seven (7) contracts per letting. Throughout every fiscal year, IDOT continually certifies small businesses in the Disadvantaged Business Enterprise program allowing minority, disadvantaged and female-owned businesses contracting opportunities.

**FISCAL YEAR 2018
SMALL BUSINESS CONTRACTING (30 ILCS 500/45-90)
ANNUAL REPORT**

Illinois Department of Transportation

1. Agency Utilization of Small Businesses

Total Agency Spend	\$1,728,382,117
Agency Spend with Small Businesses Pursued as a Set-Aside	\$6,191,529
Agency Spend with Small Businesses NOT pursued as a Set-Aside	\$321,047,053
Agency Spend with Small Businesses as a Percent of Total Agency Spend	18.9%

2. Self-Evaluation of Agency Effort and Accomplishments in Contracting with Illinois Small Business

2.1 If the agency's total spend with small businesses as a percent of total agency spend is **not** 10% or greater, then check any of the situations that apply. NOT APPLICABLE.

X	Situation
<input checked="" type="checkbox"/>	The products or services we purchased were mostly provided by large business sole source vendors.
<input type="checkbox"/>	The products we purchased were brand name and there were no small businesses that provided the products.
<input type="checkbox"/>	The products or services we would have purchased from small businesses were instead purchased from State Use vendors.
<input type="checkbox"/>	The supply base for the products or services we purchased included larger diversified vendors that counted towards the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.
<input type="checkbox"/>	The products or services we purchased were required to be purchased from Illinois Correctional Industries.
<input type="checkbox"/>	Small business vendors were solicited, and no offers were received.
<input type="checkbox"/>	The prices offered by qualified small businesses were substantially greater than the prices offered by large businesses.
<input type="checkbox"/>	The small business supply base did not meet the regional or geographic requirements for the products and services we purchased.
<input type="checkbox"/>	Other. Please attach an additional sheet(s) with explanation.

2.2 Please provide additional information regarding the agency's efforts to meet the 10% goal under the Act. You may want to comment on the strategy and time lines expressed in the Compliance Plan.

In FY 18, IDOT awarded \$327.2 million in construction contracts and subcontracts to small businesses as defined by 30 ILCS 500/45-45. This includes contracts and subcontracts awarded under the designation of Small Business Set-Aside and awards made to businesses owned by minorities, females, and persons with disabilities under the designation of small business.

On August 9, 2017, Public Act 100-43 added a newly created section to the Illinois Procurement Code, 30 ILCS 500/45-90. This legislation added the counting of subcontracts with small businesses that result from state contracts towards the goal of not less than 10% of the value of all contracts to small businesses. Allowing the counting of these subcontracts was important because it is a better measure of how well state procurement is impacting small businesses. In FY18 the total awarded contracts for construction projects was \$1.73 billion, with \$327.2 million going to small businesses; IDOT awarded 18.9% of construction contracts to small businesses.

IDOT's Small Business Set-Aside projects are identified in several places in the Transportation Procurement Bulletin. In accordance with Section 500/45-45 and the rules of the Department published at 44 Illinois Administrative Code Part 6 Section 6.125, only bids from qualified small businesses will be considered for award. The nature of road and bridge construction does not lend itself well to small contracts that would fit into the Small Business Set-Aside Program, so projects are unbundled to the greatest extent possible to increase available projects for these lettings. To encourage maximum competition, these Small Business Set-Asides are open bidding items. In accordance with the rules of the Department, prequalification is waived for these items and a bid bond is not required on Small Business Set-Aside Projects.

IDOT is committed to small business contracting and has dedicated a bureau to assist small and disadvantaged businesses learn about the agency's procurements. It is IDOT's goal to provide assistance to Disadvantaged Business Enterprises (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 us.

The Department works towards this goal in a variety of ways, most notably through the tools available at our Resource Centers, the Supportive Services Program that is executed through our partnerships with consultants who provide management and technical supportive services assistance, and corresponding supportive services programs that fall under the umbrella Supportive Services Program. This support is provided at no charge to IDOT's DBE firms, to firms seeking IDOT DBE certification, to IL UCP DBE certified firms who have an IDOT contract, and to prime contractors doing business with IDOT.

IDOT does not recommend changes at this time.