



CHIEF PROCUREMENT OFFICE

Art Moore, Capital Development Board

October 31, 2023

Re: CPO-CDB FY23 Small Business Participation Report pursuant to 30 ILCS 500/45-90(f) and Small Business Annual Report pursuant to 30 ILCS 500/45-45(f)

Illinois General Assembly
Reports@ILGA.Gov

The Capital Development Board (CDB) has a long history of utilizing small business firms in the design and construction of the State's buildings. When one of the State's 8,700 properties requires repair or renovation, CDB manages the project. Many projects involve modernizing facilities to meet accessibility standards and protecting the lives and safety of Illinois residents by removing such environmental hazards as asbestos and lead.

The Chief Procurement Officer for the Capital Development Board (CPO-CDB) has never exercised authority to set-aside contracts for small businesses since CDB's percentage of contracting with small businesses continually exceeds the 10% statewide goal (30 ILCS 500/45-90(a)) along with the fair proportion of construction contract goal of 25% (30 ILCS 500/45-45(c)). CDB and the CPO-CDB routinely measure the overall pool of prequalified vendors, as well as those who receive contracts, to evaluate the need for a set-aside program. Nearly all CDB's contracts are awarded to vendors that are prequalified to bid by the CDB. In FY23, 59% of all CDB prequalified firms were small businesses. CDB awarded five hundred two (502) contracts, representing 35% of all CDB contracts, to small businesses. The average contract amount awarded to small business was \$230,156.

The total spend with small business is as follows:

| <u>Fiscal Year</u> | <u>Total Spend \$</u> | <u>Total Spend \$ to Small Business</u> | <u>Percentage of Contracts</u> |
|--------------------|-----------------------|---|--------------------------------|
| FY 2019 | \$321,098,228 | \$70,126,976 | 22% |
| FY 2020 | \$186,281,312 | \$93,247,922 | 50% |
| FY 2021 | \$471,762,165 | \$96,233,730 | 20% |
| FY 2022 | \$600,022,648 | \$167,400,040 | 28% |
| FY 2023 | \$808,434,149 | \$115,538,136 | 14% |



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Fiscal Year 2023 participation data indicates that:

- Most prequalified vendors are small businesses.
- CDB continues to exceed small business participation goals.
- The dollar amount that is spent with small businesses continues to increase.

The CPO-CDB continues to monitor the value of contracts awarded to small businesses to evaluate the need for a set-aside program. The FY23 spend with small businesses was 14% of total contract spend. These numbers include contracts, change orders, and modifications that were obligated within the fiscal year. This participation level does not include the participation by subcontractors, most of which are small businesses. As a result, actual participation of small businesses is probably much larger than just the participation by prime contractors identified in this report.

Regardless of the method for delivering a project, vertical construction is largely performed through tiers of subcontractors and material suppliers, the majority of whom are likely to be small businesses. The CPO-CDB and CDB recognize the vital role small businesses play in CDB projects at the subcontractor level and look forward to their inclusion in future achievement numbers. CDB and CPO-CDB are evaluating staff needs to identify an appropriate approach to tracking and reporting an accurate value associated with the subcontractor spend with small businesses.

Arthur Moore
Chief Procurement Officer
Capital Development Board