



SMALL BUSINESS CONTRACTS ACT

FISCAL YEAR 2013 ANNUAL REPORT

State of Illinois

Chief Procurement Office

CHIEF PROCUREMENT OFFICE

Illinois' four independent Chief Procurement Officers (CPO) exercise all procurement authority enacted by the Illinois Procurement Code for the state agencies and universities and have a fiduciary responsibility to the taxpayers of the state. When exercising that authority, each CPO appoints State Purchasing Officers (SPO) to exercise the CPOs' procurement authority at the state agencies and universities.

By virtue of their statutory authority and independence, the CPOs ensure that procurements made by the State are transparent, accountable, and in the best interest of the State. Where possible, a competitive bid process is used and an award is made to the lowest-cost responsible and responsive bidder. It is the express duty of all CPOs and SPOs to maximize the value of procurements and to act in a manner that maintains the integrity and public's trust of State government.

EXECUTIVE SUMMARY

The Small Business Contracts Act (SBCA) creates the goal that the State award not less than 10% of the value of all contracts to small business. The CPOs are responsible for reviewing and approving agency and university SBCA compliance plans, monitoring agency and university progress, and reporting on their outcomes. The State's progress towards the 10% goal is the subject of this report.

Each year the State of Illinois spends billions of dollars making it one of the largest purchasers of goods and services in the state. State contracts awarded to Illinois' small businesses return 65% of each dollar back to their local economies, promote hiring, and encourage capital investment. The Chief Procurement Office plays a critical role in strengthening Illinois' economy by ensuring that small businesses have meaningful opportunities to sell their goods and services to the State, and by developing policies and practices that encourage agencies and universities to buy from Illinois' small vendors.

In Fiscal Year 2013, the four Chief Procurement Officers oversaw \$9.9 billion of expenditures whose procurements were subject to the Illinois Procurement Code. Of that, agencies and universities spent \$242.6 million with small businesses in Illinois. This was a 2.3% increase in small business spend compared to the \$237.0 million in Fiscal Year 2012.

In Fiscal Year 2012, the total spent with small businesses represented 2.8% of \$8.5 billion in total spend. In Fiscal Year 2013, the total spent represents 2.4% of the \$9.9 billion. One contributing factor for the decrease in percentage of the whole is the significant decrease in the number of contracts; 62,148 in Fiscal Year 2012 versus 36,019 in Fiscal Year 2013.

The CPO continues to successfully use four strategies for increasing contracts awarded to small businesses. Increasing the use of small business set-asides and the unbundling of large construction contracts have yielded great success. CPO efforts to simplify procurement, like creation of the Illinois Procurement Gateway vendor portal, implementation of the NIGP Code classification system, and development of new training opportunities, directly benefit small business owners and should lead to more participation and awards.

CPO	Total All Contract Awards	SBCA Spend	SBCA % of Total
CPO-GS	\$ 8,078,307,029	\$ 139,783,025	1.7%
CPO-HE	\$ 75,349,962	\$ 29,388,154	39.0%
CPO-DOT	\$ 1,589,036,374	\$ 7,931,687	0.5%
CPO-CDB	\$ 179,287,000	\$ 65,545,000	36.6%

MISSION & VALUES

To work with agencies and universities to meet their procurement needs

while exercising independent authority, oversight, and approval

designed to continuously improve the procurement process

and ensure: compliance with law, fair treatment, diversity, integrity, transparency and value.

Ben Bagby
CPO Higher Education

Matt Brown
CPO General Services

Bill Grunloh
CPO Department of Transportation (road construction)

Fred Hahn
CPO Capital Development Board

FISCAL YEAR 2013 SUMMARY

Total All Contract Awards	=	\$8,078,307,0292
Small Business Contract Awards	=	\$242,647,866
% Total Contract Awards to Small Business	=	2.4%
# Contracts to Small Business	=	36,019
Average Contract Amount	=	\$6,737

SMALL BUSINESS CONTRACTS ACT OVERVIEW

The Small Business Contracts Act (SBCA) establishes a goal that not less than 10% of the total dollar amount of State contracts be awarded to small businesses. It requires that the CPO submits an annual report by March 1 of each year.

Annual Report

As a measure of the State's progress towards reaching the 10% goal, the following metrics are used:

1. Total of the State's procurements subject to the goal
2. Goals for contracting with small businesses by each agency and university
3. Goals achieved by each agency and university
4. Number of contracts awarded by each agency and university
5. Average contract amount for each agency and university

Annual Compliance Plans

Individual, yet centrally coordinated, procurement planning is essential to increasing contracting with small business. Each agency and university submits to their respective CPO for review and acceptance an annual compliance plan. The CPOs provide guidance and assistance in development of the plans and monitor progress during the year.

Plan Components:

- (a) Contract goals for current fiscal year
- (b) Method to reach the goals
- (c) Timetable for reaching the goals

In addition to Compliance Plans, each agency and university submits to the CPO an annual report of its utilization of small businesses during the preceding fiscal year, and a mid-fiscal year report of its utilization to date for the then current fiscal year. Both the annual and mid-fiscal year reports include a self-evaluation of the agency's and university's efforts in meeting its small business contracting goals as provided in their Compliance Plan.

The SBCA requires the CPO to have a good understanding and appreciation of the current contracting challenges facing small business owners and entrepreneurs. It also requires the exploration of ideas and development of coordinated state policies, from vendor technical assistance to expansion of procurement opportunities, that will increase the State's purchase from small business.

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STRATEGIC GOALS FISCAL YEAR 2013

“Small businesses” are independently owned and operated and are not dominant in their field of operation.

Additional criteria:

1. Illinois business

2. Annual gross sales:

- Wholesale \$10,000,000 or less
- Retail or Services \$6,000,000 or less
- Manufacturing \$10,000,000 or less and 250 employees or less
- Construction \$10,000,000 or less

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In Fiscal Year 2012, the CPOs implemented strategies and set goals to increase the State’s small business contracting. In the past 24 months, knowledge and insights have been gained about catalysts and impediments to increasing awards.

Strategic Goal One — Increase Small Business Set-Asides (Increase Contract Opportunities)

An important procurement tool available to the Chief Procurement Officers is the authority to set-aside contracts for small business competition. While setting-aside a contract limits competition to a defined pool, awarding the contract still requires fairness and accountability.

In Fiscal Year 2013, the CPO for General Services (CPO-GS) increased the 65 small business set-aside categories of supplies and services to 120 categories. A state agency under the procurement jurisdiction of the CPO-GS must purchase items in the 120 set-aside categories from a qualified Illinois small business regardless of the dollar amount of the purchase. Additionally, the CPO-GS set-aside one time purchases of under \$50,000 for small business.

Working with the CPO-GS, the Illinois Toll Highway Authority (THA) launched a small business initiative to increase small companies participating in THA’s \$12 billion capital program. The initiative includes both select construction contracts being set-aside specifically for small businesses, and establishing small business goals on a project-by-project basis. So far, the program is showing contracting success and enthusiasm.

The CPO for Higher Education continues to evaluate the benefits and challenges of setting-aside contracts for universities not meeting the 10% contract goal. The set-aside procurement approach would not be used where the statutory goal is already being met or exceeded.

The Chief Procurement Office (CPO) produces an annual report of the Small Business Set-Aside Program. Please visit the CPO’s website (www2.illinois.gov/cpo/) to obtain a copy.

Strategic Goal Two—Increase Small Business Database (Increase Competition)

Vendors must meet the criteria of a small business (see inset on page 2) to have their contract awards counted in this report. One way to verify that a business meets the statutory requirements for participation is through a small business application process administered by the CPO-GS. Vendors submit applications and demonstrate revenues by providing tax documents. CPO staff vet the information and if approved, enter the vendor’s information into the small business database.

In Fiscal Year 2013, the small business database increased to an average of 4,400 vendors, up from 4,200 vendors in Fiscal year 2012. State agencies solicit vendors in the small business database for set-aside contracts; agencies and public universities use the database when calculating small business awards for this report.

One concern expressed by small business owners is that most of the solicitation notices that they receive from State agencies do not apply to their line of business. Reading many scopes of work that don’t lead to bidding is a time-consuming effort. To remedy this situation, the CPO-GS will switch from the current product/service classification system that

has nearly 1,300 descriptions, to the NIGP Code. The NIGP Code is a standard taxonomy used by the majority of state governments to describe goods and services. The NIGP Code contains more than 8,000 descriptions allowing greater specificity.

The CPO continues to lead a Small Business Coalition comprised of the Office of the Comptroller, Office of the Treasurer, Business Enterprise Program, Department of Veterans Affairs, small business programs in the Department of Commerce and Economic Opportunity, the US Small Business Administration and the Illinois State Chamber of Commerce.

Among the Coalition's purposes is leveraging limited resources for small business outreach.

Coalition partners inform small businesses about contracting opportunities with the State of Illinois and refer them to the CPO for direct assistance. In Fiscal Year 2013, the CPO presented to small business owners at conferences and engagements sponsored by the Illinois Chamber of Commerce, Illinois Department of Central Management Services/Business Enterprise Program, Illinois Department of Veterans' Affairs, Illinois Department of Commerce and Economic Opportunity (Women's Business Owners Symposium), Illinois Department on Aging, and Illinois Toll Highway Authority.

Strategic Goal Three—Count All Small Businesses Receiving State Dollars (Increase Transparency)

A significant amount of the State's annual contract spend goes indirectly to subcontractors who potentially qualify as small businesses. This is especially true in the Department of Transportation's highway construction. But, the Small Business Contracts Act (SBSCA) only counts awards to small businesses that are prime contractors. To get a more accurate accounting of all Illinois small businesses benefitting from state contracts, the CPO would need to report the amount that small businesses receive as subcontractors. The CPO supports a bill sponsored by Representative LaShawn K. Ford that amends the SBSCA and permits counting qualified subcontracts.

In Fiscal Year 2013, the CPO began developing a vendor portal, called the Illinois Procurement Gateway or IPG, where the CPO may pre-approve the administrative requirements of individuals and businesses seeking to participate in the state's procurement process. Easing the paperwork burden for small businesses may encourage them to participate in state procurement. The IPG will streamline procurement processes and increase the efficiency of government contracting. Additionally, it will create a comprehensive searchable database of small businesses, including those that are owned by veterans, minorities, females, and persons with disabilities. See more on page 17.

Strategic Goal Four — Train Procurement Staff and Business Owners

As the State's procurement authority and expert, a cornerstone of the Chief Procurement Office's strategy for increasing small business contracting is to provide procurement training, resources, and guidance to agency and university personnel. In Fiscal Year 2013, the CPOs trained and counseled more than 125 agency procurement staff in matters relating to small business contracting.

Many small business owners express trepidation towards government contracting. They believe selling to the State is too complex, difficult, and mired in red-tape. To address these concerns, the CPO is taking steps to increase on-site training opportunities, webinars, and CPO-produced training videos. One step is the development of the "Procurement 101: A Guide to State Contracting" series of instructional manuals and seminars.

"Small business affects every Illinois citizen. There are over 1 million small businesses in Illinois which represents 98% of all employers and employ 48% of the private-sector workforce.

Illinois businesses are vital to the economy, and that is why each agency and university must strive to meet or exceed the 10% goal set forth in the Small Business Contracts Act."

State Representative La Shawn K. Ford, co-sponsor of Small Business Contracts Act

CAPITAL DEVELOPMENT BOARD

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 8,400 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. Nearly all of the Capital Development Board's contracts are awarded to vendors who are required to be prequalified in order to submit bids or offers.

CDB and the CPO-CDB have routinely measured the pool of prequalified vendors, as well as those vendors who receive contracts, to evaluate the possible need for a set-aside program. By the end of Fiscal Year 2013, 682 of 974 architectural/engineer ("A/E") firms prequalified with CDB fell under the small business threshold, as did 925 of 966 construction firms. Of 148 contracts awarded to A/E firms in Fiscal Year 2013, 99 were awarded to A/E firms falling under the small business threshold, and of 169 construction contracts awarded, 87 were awarded to firms falling under the small business threshold. Because these measurements have disclosed that most prequalified vendors are small businesses, and that most contracts are awarded to small businesses, no formal set-aside program has ever been adopted.

However, the CPO-CDB continues to monitor the value of contracts awarded to continue to evaluate the need for a set-aside program; indeed, these values decreased during Fiscal Year 2012 where 10.5% of contract dollars went to small businesses. CDB attributed that decrease to the increased use of single-prime contracting. The dollar participation increased greatly in Fiscal Year 2013, with approximately 36.5%, or \$65,545,000 of the \$179,287,000 in contracts awarded to small businesses. Additionally, regardless of the method for delivering a project, construction is largely performed through tiers of subcontractors, and material suppliers, the majority of whom are likely to be small businesses. The CPO has encouraged CDB to evaluate the role small businesses play in CDB projects at the subcontractor level.

	Total Contract Spend	SBCA Spend	SBCA % of Total
Fiscal Year 2009	\$135,300,000	\$49,500,000	36.6%
Fiscal Year 2010	\$174,300,000	\$39,000,000	22.4%
Fiscal Year 2011	\$126,191,956	\$49,461,478	39.2%
Fiscal Year 2012	\$287,710,891	\$30,014,229	10.4%
Fiscal Year 2013	\$179,287,000	\$65,545,000	36.6%

	SBCA Spend	Number of Contracts	Average Contract Value
Fiscal Year 2011	\$49,461,478	160	\$309,134
Fiscal Year 2012	\$30,014,229	164	\$183,013
Fiscal Year 2013	\$65,545,000	186	\$352,392

DEPARTMENT OF TRANSPORTATION CONSTRUCTION AND CONSTRUCTION-RELATED SERVICES

Two Chief Procurement Officers oversee procurements for the Department of Transportation. CPO Bill Grunloh oversees Construction and Construction-related procurements and CPO Matt Brown oversees General Services or non-construction procurements and contract awards.

In terms of dollar amount awarded, the Department of Transportation's (DOT) small business contracting is the highest in the State. In Fiscal Year 2013, DOT awarded \$55.3 million in construction and non-construction contracts to small businesses; more than double the amount awarded by the second leading agency.

IDOT's Small Business Set-Aside Program started several years ago. The designated Small Business Set-Aside projects are identified in several places 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, 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. All bidders, including those correctly prequalified by the Department, are required to submit with the bids a Qualification and Equipment Inventory Certification Form. The form is included with the proposal and bidding documents.

Typically, the Department administers an average of seven (7) scheduled lettings per year with approximately seven (7) Small Business Set-Aside projects per each letting.

SMALL BUSINESS CONTRACTING FOR ROAD CONSTRUCTION AND RELATED SERVICES

	Total Spend for Construction	SBCA Spend	SBCA % of Total
Fiscal Year 2013	\$1,589,036,374	\$7,931,687	.50%

GENERAL SERVICES—Small Business Contracting by Agency

Agency	Fiscal Year	Total Spend	SBCA Spend	SBCA % of Total SBSP Spend	
AGING	FY11	\$1,101,859	\$19,220	1.7%	\$0
AGING	FY12	\$986,842	\$122,439	12.4%	\$4,335
AGING	FY13	\$1,234,743	\$408,560	33.1%	\$103,894
AGRICULTURE	FY11	\$9,724,530	\$3,857,174	39.7%	\$2,243,431
AGRICULTURE	FY12	\$9,895,138	\$1,755,813	17.7%	\$2,423,484
AGRICULTURE	FY13	\$9,379,806	\$1,609,750	17.2%	\$1,249,192
ARTS COUNCIL	FY11	\$92,029	\$12,425	13.5%	\$12,425
ARTS COUNCIL	FY12	\$211,907	\$73,032	34.5%	\$73,031
ARTS COUNCIL	FY13	\$174,645	\$74,848	42.9%	\$71,000
BOARD OF HIGHER EDUCATION	FY11	\$628,175	\$3,773	0.6%	\$0
BOARD OF HIGHER EDUCATION	FY12	\$494,972	\$21,394	4.3%	\$5,800
BOARD OF HIGHER EDUCATION	FY13	\$468,461	\$35,528	7.6%	\$35,528
CENTRAL MANAGEMENT SERVICES	FY11	\$425,936,841	\$12,149,798	2.9%	\$7,962,400
CENTRAL MANAGEMENT SERVICES	FY12	\$438,810,204	\$11,948,803	2.7%	\$8,985,409
CENTRAL MANAGEMENT SERVICES	FY13	\$3,144,935,097	\$10,976,054	0.3%	\$9,839,054
CHILDREN AND FAMILY SERVICES	FY11	\$34,557,374	\$4,087,668	11.8%	\$236,578
CHILDREN AND FAMILY SERVICES	FY12	\$23,291,470	\$3,591,981	15.4%	\$309,702
CHILDREN AND FAMILY SERVICES	FY13	\$15,872,851	\$3,880,540	24.4%	\$2,099,615
CIVIL SERVICE COMMISSION	FY11				\$0
CIVIL SERVICE COMMISSION	FY12				\$0
CIVIL SERVICE COMMISSION	FY13	\$25,282	\$7,957	31.5%	\$0
COMMERCE AND ECONOMIC OPPORTUNITY	FY11	\$23,292,959	\$747,042	3.2%	\$0
COMMERCE AND ECONOMIC OPPORTUNITY	FY12	\$29,109,311	\$2,091,837	7.2%	\$391,950
COMMERCE AND ECONOMIC OPPORTUNITY	FY13	\$36,684,274	\$1,030,264	2.8%	\$243,950
COMMERCE COMMISSION	FY11	\$903,226	\$170,229	18.8%	\$0
COMMERCE COMMISSION	FY12	\$1,036,359	\$171,086	16.5%	\$15,564
COMMERCE COMMISSION	FY13	\$855,317	\$171,450	20.0%	\$18,477
COMMUNITY COLLEGE BOARD	FY11	\$355,763	\$22,644	6.4%	\$22,644
COMMUNITY COLLEGE BOARD	FY12	\$850,713	\$8,058	0.9%	\$8,058
COMMUNITY COLLEGE BOARD	FY13	\$421,617	\$2,284	0.5%	\$2,284
CORRECTIONS	FY11	\$298,433,952	\$14,009,659	4.7%	\$10,609,105
CORRECTIONS	FY12	\$300,318,773	\$11,334,328	3.8%	\$11,334,327
CORRECTIONS	FY13	\$282,493,937	\$11,436,824	4.0%	\$11,436,824
COUNCIL ON DEVELOPMENTAL DISABILITIES	FY11	\$78,228	\$2,490	3.2%	\$2,489
COUNCIL ON DEVELOPMENTAL DISABILITIES	FY12	\$92,804	\$6,719	7.2%	\$6,719
COUNCIL ON DEVELOPMENTAL DISABILITIES	FY13	\$78,454	\$15,404	19.6%	\$13,644
CRIMINAL JUSTICE INFORMATION AUTHORITY	FY11	\$568,461	\$46,534	8.2%	\$4,288
CRIMINAL JUSTICE INFORMATION AUTHORITY	FY12	\$467,865	\$27,696	5.9%	\$29,154
CRIMINAL JUSTICE INFORMATION AUTHORITY	FY13	\$509,122	\$51,748	10.2%	\$39,487

GENERAL SERVICES—Small Business Contracting by Agency

Agency	Fiscal Year	Total Spend	SBCA Spend	SBCA % of Total SBSP Spend	
DEAF & HARD OF HEARING COMMISSION	FY11	\$87,835	\$618	0.7%	\$617
DEAF & HARD OF HEARING COMMISSION	FY12	\$96,076	\$2,310	2.4%	\$2,310
DEAF & HARD OF HEARING COMMISSION	FY13	\$92,324	\$7,959	8.6%	\$7,959
EDUCATIONAL LABOR RELATIONS BOARD	FY11	\$53,348	\$10,900	20.4%	\$0
EDUCATIONAL LABOR RELATIONS BOARD	FY12	\$58,455	\$20,677	35.4%	\$20,677
EDUCATIONAL LABOR RELATIONS BOARD	FY13	\$59,650	\$32,516	54.5%	\$32,516
EMERGENCY MANAGEMENT AGENCY	FY11	\$8,434,746	\$129,302	1.5%	\$117,034
EMERGENCY MANAGEMENT AGENCY	FY12	\$14,812,154	\$650,106	4.4%	\$210,590
EMERGENCY MANAGEMENT AGENCY	FY13	\$6,098,152	\$587,489	9.6%	\$521,653
EMPLOYMENT SECURITY	FY11	\$31,566,661	\$2,515,416	8.0%	\$487,348
EMPLOYMENT SECURITY	FY12	\$19,300,036	\$3,642,797	18.9%	\$434,442
EMPLOYMENT SECURITY	FY13	\$14,102,402	\$4,009,884	28.4%	\$206,381
ENVIRONMENTAL PROTECT AGENCY	FY11	\$27,350,210	\$1,626,023	5.9%	\$1,032,458
ENVIRONMENTAL PROTECT AGENCY	FY12	\$28,023,281	\$1,201,692	4.3%	\$351,841
ENVIRONMENTAL PROTECT AGENCY	FY13	\$26,478,088	\$2,133,408	8.1%	\$756,572
EXECUTIVE ETHICS COMMISSION	FY11	\$245,822	\$0	41.3%	\$101,521
EXECUTIVE ETHICS COMMISSION	FY12	\$241,546	\$0	35.0%	\$84,529
EXECUTIVE ETHICS COMMISSION	FY13	\$219,614	\$10,673	4.9%	\$10,763
FINANCE AUTHORITY	FY11	\$2,311,655	\$317,920	13.8%	\$0
FINANCE AUTHORITY	FY12	\$2,299,718	\$99,783	4.3%	\$3,463
FINANCE AUTHORITY	FY13	\$5,275,815	\$1,488,004	28.2%	\$0
FINANCIAL AND PROFESSIONAL REGULATION	FY11	\$4,001,043	\$668,537	16.7%	\$48,949
FINANCIAL AND PROFESSIONAL REGULATION	FY12	\$4,550,820	\$1,006,742	22.1%	\$1,006,751
FINANCIAL AND PROFESSIONAL REGULATION	FY13	\$5,275,815	\$1,488,004	28.2%	\$1,347,880
GAMING BOARD	FY11	\$813,492	\$15,347	1.9%	\$12,562
GAMING BOARD	FY12	\$802,737	\$58,682	7.3%	\$22,798
GAMING BOARD	FY13	\$756,345	\$76,632	10.1%	\$35,356
GUARDIAN & ADVOCACY COMMISSION	FY11	\$204,864	\$10,430	5.1%	\$8,567
GUARDIAN & ADVOCACY COMMISSION	FY12	\$244,781	\$8,425	3.4%	\$8,425
GUARDIAN & ADVOCACY COMMISSION	FY13	\$234,763	\$25,857	11.0%	\$20,000
HEALTHCARE & FAMILY SERVICES	FY11	\$2,543,719,141	\$3,886,722	0.2%	\$217,642
HEALTHCARE & FAMILY SERVICES	FY12	\$3,274,231,717	\$4,818,309	0.1%	\$4,576,650
HEALTHCARE & FAMILY SERVICES	FY13	\$644,441,503	\$5,692,981	0.9%	\$5,422,685
HISTORIC PRESERVATION AGENCY	FY11	\$2,392,392	\$237,265	9.9%	\$201,740
HISTORIC PRESERVATION AGENCY	FY12	\$2,413,890	\$454,051	18.8%	\$198,519
HISTORIC PRESERVATION AGENCY	FY13	\$3,405,548	\$972,775	28.6%	\$450,000
HUMAN RIGHTS	FY11	\$238,856	\$117,035	49.0%	\$0
HUMAN RIGHTS	FY12	\$240,536	\$96,264	40.0%	\$96,264
HUMAN RIGHTS	FY13	\$262,626	\$80,230	30.5%	\$80,231
HUMAN RIGHTS COMMISSION	FY11	\$95,663	\$369	0.4%	\$0
HUMAN RIGHTS COMMISSION	FY12	\$90,058	\$4,984	5.5%	\$4,983
HUMAN RIGHTS COMMISSION	FY13	\$50,142	\$19,661	39.2%	\$4,495

GENERAL SERVICES—Small Business Contracting by Agency

Agency	Fiscal Year	Total Spend	SBCA Spend	SBCA % of Total SBSP Spend	
HOUSING DEVELOPMENT AUTHORITY	FY11	\$0	\$0	0.0%	\$0
HOUSING DEVELOPMENT AUTHORITY	FY12	\$9,548,505	\$21,187	1.2%	\$93,132
HOUSING DEVELOPMENT AUTHORITY	FY13				\$220,828
HUMAN SERVICES	FY11	\$713,900,784	\$9,945,795	1.4%	\$6,371,415
HUMAN SERVICES	FY12	\$857,251,267	\$14,786,114	1.7%	\$5,810,267
HUMAN SERVICES	FY13	\$959,514,315	\$14,956,013	1.6%	\$11,984,126
INSURANCE	FY11	\$2,238,390	\$238,156	10.6%	\$120,251
INSURANCE	FY12	\$3,773,381	\$453,247	12.0%	\$101,270
INSURANCE	FY13	\$3,246,929	\$571,662	17.6%	\$107,661
JUVENILE JUSTICE	FY11	\$21,531,911	\$1,361,543	6.3%	\$993,401
JUVENILE JUSTICE	FY12	\$23,863,587	\$797,557	3.3%	\$797,556
JUVENILE JUSTICE	FY13	\$19,251,475	\$860,534	4.5%	\$860,534
LABOR	FY11	\$98,343	\$20,014	20.4%	\$20,014
LABOR	FY12	\$347,899	\$20,550	5.9%	\$20,550
LABOR	FY13	\$123,314	\$22,270	18.1%	\$22,270
LABOR RELATIONS BOARD	FY11	\$104,636	\$20,592	19.7%	\$19,127
LABOR RELATIONS BOARD	FY12	\$115,779	\$93,173	80.5%	\$54,386
LABOR RELATIONS BOARD	FY13	\$99,668	\$53,971	54.2%	\$0
LAW ENFORCEMENT TRAINING STANDARDS BD	FY11	\$226,772	\$12,430	5.5%	\$0
LAW ENFORCEMENT TRAINING STANDARDS BD	FY12	\$248,153	\$12,228	4.9%	\$0
LAW ENFORCEMENT TRAINING STANDARDS BD	FY13	\$201,788	\$2,747	1.4%	\$0
MILITARY AFFAIRS	FY11	\$11,083,292	\$1,495,185	13.5%	\$1,471,953
MILITARY AFFAIRS	FY12	\$11,501,760	\$2,135,047	18.6%	\$1,966,151
MILITARY AFFAIRS	FY13	\$11,369,116		0.0%	\$1,907,649
NATURAL RESOURCES	FY11	\$39,172,211	\$3,563,110	9.1%	\$1,896,880
NATURAL RESOURCES	FY12	\$36,253,576	\$6,068,156	16.7%	\$3,851,732
NATURAL RESOURCES	FY13	\$38,489,822	\$6,112,160	15.9%	\$3,739,397
OEIG	FY11	\$370,285	\$15,865	4.3%	\$0
OEIG	FY12	\$347,195	\$23,355	6.7%	\$7,640
OEIG	FY13	\$387,795	\$57,884	14.9%	\$6,402
OFFICE OF THE STATE FIRE MARSHAL	FY11	\$1,837,419	\$961,468	52.3%	\$75,152
OFFICE OF THE STATE FIRE MARSHAL	FY12	\$1,691,061	\$563,838	33.3%	\$464,591
OFFICE OF THE STATE FIRE MARSHAL	FY13	\$1,519,647	\$672,221	44.2%	\$672,221
PRISONER REVIEW BOARD	FY11	\$85,118	\$3,324	3.9%	\$0
PRISONER REVIEW BOARD	FY12	\$117,326	\$4,804	4.1%	\$4,803
PRISONER REVIEW BOARD	FY13	\$86,419	\$10,142	11.7%	\$1,193
PROPERTY TAX APPEAL BOARD	FY11	\$86,446	\$10,616	12.3%	\$0
PROPERTY TAX APPEAL BOARD	FY12	\$196,183	\$111,656	56.9%	\$0
PROPERTY TAX APPEAL BOARD	FY13	\$175,836	\$112,180	63.8%	\$0

GENERAL SERVICES—Small Business Contracting by Agency

Agency	Fiscal Year	Total Spend	SBCA Spend	SBCA % of Total SBSP Spend	
PUBLIC HEALTH	FY11	\$27,136,633	\$651,949	2.4%	\$599,638
PUBLIC HEALTH	FY12	\$64,348,520	\$1,033,278	1.6%	\$428,264
PUBLIC HEALTH	FY13	\$75,034,449	\$1,646,606	2.2%	\$1,646,606
RACING BOARD	FY11	\$100,299	\$3,622	3.6%	\$0
RACING BOARD	FY12	\$99,729	\$3,740	3.7%	\$3,739
RACING BOARD	FY13	\$104,803	\$40,176	38.3%	\$0
REVENUE	FY11	\$40,557,330	\$1,099,435	2.7%	\$421,366
REVENUE	FY12	\$15,712,261	\$1,786,224	11.4%	\$728,504
REVENUE	FY13	\$14,123,191	\$1,862,998	13.2%	\$1,862,998
STATE BOARD OF EDUCATION	FY11				
STATE BOARD OF EDUCATION	FY12				
STATE BOARD OF EDUCATION	FY13	\$67,544,100	\$1,388,579	2.1%	\$582,597
STATE POLICE	FY11	\$46,871,462	\$1,100,046	2.3%	\$697,784
STATE POLICE	FY12	\$44,462,590	\$2,604,962	5.9%	\$2,025,950
STATE POLICE	FY13	\$49,914,002	\$3,228,519	6.5%	\$2,585,209
STATE POLICE MERIT BOARD	FY11	\$82,498	\$21,773	26.4%	\$0
STATE POLICE MERIT BOARD	FY12	\$84,315	\$10,562	12.5%	\$88
STATE POLICE MERIT BOARD	FY13	\$91,263	\$19,413	21.3%	\$0
STATE UNIVERSITIES CIVIL SERVICE	FY11	\$187,579	\$2,903	1.5%	\$0
STATE UNIVERSITIES CIVIL SERVICE	FY12	\$183,598	\$4,685	2.6%	\$0
STATE UNIVERSITIES CIVIL SERVICE	FY13	\$198,791	\$7,947	4.0%	\$0
TOLL HIGHWAY AUTHORITY	FY11	\$290,141,426	\$7,386,295	2.5%	\$1,216,378
TOLL HIGHWAY AUTHORITY	FY12	\$227,799,509	\$6,347,680	2.8%	\$6,347,680
TOLL HIGHWAY AUTHORITY	FY13	\$463,964,666	\$9,306,656	2.0%	\$7,435,709
TRANSPORTATION	FY11	\$250,350,622	\$76,004,678	2.8%	\$1,125,718
TRANSPORTATION	FY12	\$2,342,259,637	\$69,010,252	2.9%	\$6,889,190
TRANSPORTATION	FY13	\$2,156,970,210	\$47,350,566	2.2%	\$7,216,076
VETERANS' AFFAIRS	FY11	\$15,275,361	\$3,615,345	23.7%	\$619,124
VETERANS' AFFAIRS	FY12	\$16,333,857	\$4,074,971	24.9%	\$3,455,990
VETERANS' AFFAIRS	FY13	\$15,597,997	\$5,104,464	32.7%	\$5,104,464
WORKERS' COMPENSATION COMMISSION	FY11	\$574,239	\$17,860	3.1%	\$17,860
WORKERS' COMPENSATION COMMISSION	FY12	\$628,692	\$182,913	29.1%	\$527,352
WORKERS' COMPENSATION COMMISSION	FY13	\$411,040	\$68,033	16.6%	\$68,033

SMALL BUSINESS SET-ASIDE PROGRAM (SBSP)

The Chief Procurement Officer for General Services administers the Small Business Set-Aside Program. The program is established as part of the Illinois Procurement Code (30 ILCS 500/45-45), and allows only qualified Illinois small businesses to compete for contracts in 120 categories of products and services. It also requires that State agencies purchase from Illinois small businesses when making one time purchases under \$50,000.

FISCAL YEAR 2013 SBSP STATISTICS

SBSP Contract Awards	= \$80,462,026 (23.9% increase over FY12)
# small businesses awarded contracts	= 2,106 (21.7% increase over FY12)
Contract Awards to small businesses registered in both SBSP and the Business Enterprise Program (BEP)	= \$41,678,354
% of SBSP awards to BEP vendors	= 51.7%

GENERAL SERVICES—Average Contract Amount by Agency

State Agency	Number of SBCA		
	Fiscal Year	Contracts	Average Contract Amount
AGING	FY11	30	\$641
AGING	FY12	30	\$4,081
AGING	FY13	36	\$11,348
AGRICULTURE	FY11	555	\$6,950
AGRICULTURE	FY12	651	\$2,697
AGRICULTURE	FY13	553	\$2,910
ARTS COUNCIL	FY11	25	\$497
ARTS COUNCIL	FY12	62	\$1,178
ARTS COUNCIL	FY13	54	\$1,386
BOARD OF HIGHER EDUCATION	FY11	17	\$222
BOARD OF HIGHER EDUCATION	FY12	25	\$856
BOARD OF HIGHER EDUCATION	FY13	34	\$1,044
CENTRAL MANAGEMENT SERVICES	FY11	8,350	\$1,455
CENTRAL MANAGEMENT SERVICES	FY12	5,617	\$2,127
CENTRAL MANAGEMENT SERVICES	FY13	5,810	\$1,889
CHILDREN AND FAMILY SERVICES	FY11	184	\$22,216
CHILDREN AND FAMILY SERVICES	FY12	157	\$22,879
CHILDREN AND FAMILY SERVICES	FY13	154	\$25,198
CIVIL SERVICE COMMISSION	FY11	0	\$0
CIVIL SERVICE COMMISSION	FY12	0	\$0
CIVIL SERVICE COMMISSION	FY13	5	\$1,591
COMMERCE AND ECONOMIC OPPORTUNITY	FY11	260	\$2,873
COMMERCE AND ECONOMIC OPPORTUNITY	FY12	368	\$5,684
COMMERCE AND ECONOMIC OPPORTUNITY	FY13	286	\$3,602
COMMERCE COMMISSION	FY11	70	\$2,432
COMMERCE COMMISSION	FY12	60	\$2,851
COMMERCE COMMISSION	FY13	97	\$1,767
COMMUNITY COLLEGE BOARD	FY11	38	\$596
COMMUNITY COLLEGE BOARD	FY12	35	\$230
COMMUNITY COLLEGE BOARD	FY13	23	\$99
CORRECTIONS	FY11	3,917	\$3,577
CORRECTIONS	FY12	3,555	\$3,189
CORRECTIONS	FY13	4,719	\$2,423
COUNCIL ON DEVELOPMENTAL DISAB	FY11	15	\$166
COUNCIL ON DEVELOPMENTAL DISAB	FY12	31	\$217
COUNCIL ON DEVELOPMENTAL DISAB	FY13	35	\$440
CRIMINAL JUSTICE INFO. AUTHORITY	FY11	112	\$415
CRIMINAL JUSTICE INFO. AUTHORITY	FY12	60	\$462
CRIMINAL JUSTICE INFO. AUTHORITY	FY13	71	\$729
DEAF & HARD OF HEARING COMM	FY11	15	\$41
DEAF & HARD OF HEARING COMM	FY12	8	\$289
DEAF & HARD OF HEARING COMM	FY13	32	\$249
EDUCATIONAL LABOR RELATIONS BOARD	FY11	0	\$0
EDUCATIONAL LABOR RELATIONS BOARD	FY12	71	\$291
EDUCATIONAL LABOR RELATIONS BOARD	FY13	90	\$361

GENERAL SERVICES—Average Contract Amount by Agency

State Agency	Fiscal Year	Number of SBCA	
		Contracts	Average Contract Amount
EMERGENCY MANAGEMENT AGENCY	FY11	210	\$616
EMERGENCY MANAGEMENT AGENCY	FY12	301	\$2,160
EMERGENCY MANAGEMENT AGENCY	FY13	323	\$1,818
EMPLOYMENT SECURITY	FY11	258	\$9,750
EMPLOYMENT SECURITY	FY12	450	\$8,095
EMPLOYMENT SECURITY	FY13	216	\$18,564
ENVIRONMENTAL PROTECT AGENCY	FY11	365	\$4,455
ENVIRONMENTAL PROTECT AGENCY	FY12	605	\$1,986
ENVIRONMENTAL PROTECT AGENCY	FY13	552	\$3,864
EXECUTIVE ETHICS COMMISSION	FY11		
EXECUTIVE ETHICS COMMISSION	FY12	57	\$1,483
EXECUTIVE ETHICS COMMISSION	FY13	26	\$410
FINANCE AUTHORITY	FY11	43	\$7,393
FINANCE AUTHORITY	FY12	0	\$0
FINANCE AUTHORITY	FY13	0	\$0
FINANCIAL AND PROFESSIONAL REG	FY11	94	\$7,112
FINANCIAL AND PROFESSIONAL REG	FY12	161	\$6,253
FINANCIAL AND PROFESSIONAL REG	FY13	191	\$7,790
GAMING BOARD	FY11	52	\$295
GAMING BOARD	FY12	108	\$543
GAMING BOARD	FY13	98	\$782
GUARDIAN & ADVOCACY COMM	FY11	60	\$174
GUARDIAN & ADVOCACY COMM	FY12	47	\$179
GUARDIAN & ADVOCACY COMM	FY13	64	\$404
HEALTHCARE & FAMILY SERVICES	FY11	306	\$12,702
HEALTHCARE & FAMILY SERVICES	FY12	384	\$12,548
HEALTHCARE & FAMILY SERVICES	FY13	323	\$17,625
HISTORIC PRESERVATION AGENCY	FY11	445	\$533
HISTORIC PRESERVATION AGENCY	FY12	553	\$821
HISTORIC PRESERVATION AGENCY	FY13	791	\$1,230
HUMAN RIGHTS	FY11	266	\$440
HUMAN RIGHTS	FY12	117	\$823
HUMAN RIGHTS	FY13	157	\$511
HUMAN RIGHTS COMMISSION	FY11	10	\$37
HUMAN RIGHTS COMMISSION	FY12	23	\$217
HUMAN RIGHTS COMMISSION	FY13	5	\$3,932
HUMAN SERVICES	FY11	2,737	\$3,634
HUMAN SERVICES	FY12	2,470	\$5,986
HUMAN SERVICES	FY13	2,399	\$6,234
INSURANCE	FY11	130	\$1,832
INSURANCE	FY12	136	\$3,333
INSURANCE	FY13	64	\$8,932

GENERAL SERVICES—Average Contract Amount by Agency

State Agency	Fiscal Year	Number of SBCA	
		Contracts	Average Contract Amount
JUVENILE JUSTICE	FY11	706	\$1,929
JUVENILE JUSTICE	FY12	502	\$1,589
JUVENILE JUSTICE	FY13	457	\$1,883
LABOR	FY11	36	\$556
LABOR	FY12	48	\$428
LABOR	FY13	42	\$530
LABOR RELATIONS BOARD	FY11	25	\$824
LABOR RELATIONS BOARD	FY12	113	\$825
LABOR RELATIONS BOARD	FY13	72	\$750
LAW ENFORCEMENT TRNG & STNDRDS BOARD	FY11	52	\$239
LAW ENFORCEMENT TRNG & STNDRDS BOARD	FY12	39	\$314
LAW ENFORCEMENT TRNG & STNDRDS BOARD	FY13	21	\$131
MATH AND SCIENCE ACADEMY	FY11	72	\$2,211
MATH AND SCIENCE ACADEMY	FY12	613	\$1,047
MATH AND SCIENCE ACADEMY	FY13	0	\$0
MILITARY AFFAIRS	FY11	835	\$1,791
MILITARY AFFAIRS	FY12	913	\$2,338
MILITARY AFFAIRS	FY13	683	\$2,793
NATURAL RESOURCES	FY11	4,208	\$847
NATURAL RESOURCES	FY12	3,810	\$1,593
NATURAL RESOURCES	FY13	3,049	\$2,004
OEIG	FY11	32	\$496
OEIG	FY12	62	\$538
OEIG	FY13	46	\$1,258
OFFICE OF THE STATE FIRE MARSH	FY11	79	\$12,170
OFFICE OF THE STATE FIRE MARSH	FY12	112	\$5,034
OFFICE OF THE STATE FIRE MARSH	FY13	164	\$4,099
PRISONER REVIEW BOARD	FY11	25	\$133
PRISONER REVIEW BOARD	FY12	13	\$370
PRISONER REVIEW BOARD	FY13	10	\$1,014
PROPERTY TAX APPEAL BOARD	FY11	49	\$217
PROPERTY TAX APPEAL BOARD	FY12	106	\$1,053
PROPERTY TAX APPEAL BOARD	FY13	128	\$876
PUBLIC HEALTH	FY11	478	\$1,364
PUBLIC HEALTH	FY12	413	\$2,502
PUBLIC HEALTH	FY13	441	\$3,734
RACING BOARD	FY11	27	\$134
RACING BOARD	FY12	0	\$0
RACING BOARD	FY13	29	\$1,385
REVENUE	FY11	378	\$2,909
REVENUE	FY12	592	\$3,017
REVENUE	FY13	325	\$5,732

GENERAL SERVICES—Average Contract Amount by Agency

State Agency	Fiscal Year	Number of SBCA Contracts	Average Contract Amount
STATE BOARD OF EDUCATION	FY11	n/a	n/a
STATE BOARD OF EDUCATION	FY12	n/a	n/a
STATE BOARD OF EDUCATION	FY13	260	\$7,581
STATE POLICE	FY11	739	\$1,489
STATE POLICE	FY12	751	\$3,469
STATE POLICE	FY13	745	\$4,333
STATE POLICE MERIT BOARD	FY11	31	\$702
STATE POLICE MERIT BOARD	FY12	20	\$528
STATE POLICE MERIT BOARD	FY13	31	\$626
STATE UNIV. CIVIL SERVICE SYSTEM	FY11	8	\$363
STATE UNIV. CIVIL SERVICE SYSTEM	FY12	9	\$521
STATE UNIV. CIVIL SERVICE SYSTEM	FY13	3	\$2,649
STUDENT ASSISTANCE COMMISSION	FY11	125	\$901
STUDENT ASSISTANCE COMMISSION	FY12	131	\$1,004
STUDENT ASSISTANCE COMMISSION	FY13	94	\$1,069
TOLL HIGHWAY	FY11	1,660	\$4,450
TOLL HIGHWAY	FY12	1,781	\$3,564
TOLL HIGHWAY	FY13	2,155	\$4,318
TRANSPORTATION	FY11	6,680	\$11,378
TRANSPORTATION	FY12	7,278	\$9,482
TRANSPORTATION	FY13	6,407	\$7,390
VETERANS' AFFAIRS	FY11	748	\$4,833
VETERANS' AFFAIRS	FY12	750	\$5,433
VETERANS' AFFAIRS	FY13	1,713	\$2,980
WORKERS' COMPENSATION COMMISSION	FY11	25	\$714
WORKERS' COMPENSATION COMMISSION	FY12	77	\$2,375
WORKERS' COMPENSATION COMMISSION	FY13	73	\$932

HIGHER EDUCATION

Each of the universities used the Small Business Set-aside Program database of qualified small businesses and their own internal fiscal resources to determine the number of those businesses that received contracts and the value of those contracts. The other information gathered for the report was based on each individual university's contract and expenditure data. The universities maintain separate procurement and accounting systems, collect data differently and have different abilities to extract data from their systems. With no central or uniform system of data collection and extraction, it is a challenge to obtain and report this data. Here, the data sets do vary from university to university suggesting a need to work more closely to obtain better, more accurate and more consistent data. However, the overall results are a good indication of the level of contracting with qualified small business by the state universities.

The small business contracting data found in this report shows that most universities exceed the goal while others have come up short. It is important to note that universities spend from a variety of sources, some of which are not subject to the Small Business Contracts Act. This report shows appropriated funds (those subject to the Act). To give a better picture of small business activity by the universities, we have also been able to gather some data on non-appropriated fund spending that is not subject to the Act. In addition, not all small businesses are qualified. This report shows contracting activity with qualified firms only. Outreach, with an emphasis on encouraging small businesses to become qualified, is one way to help improve the opportunity to meet or exceed the goal. Historically, the state universities have not utilized a small business set-aside, did not consistently collect small business contracting data, and as a result, there is no standard or complete database of information regarding contracts awarded to small businesses.

In recognition of the policy of the state to promote the use of small businesses and to better address some of the concerns about contracting with small business, we will be instituting staff and function changes to provide a focus on small business matters.

University	Fiscal Year	Total Contract Spend	SBCA Spend	SBCA % of Total	Number of Contracts	Average Contract Value
Chicago State University	FY12	\$26,778,370	\$866,766	3.2%	750	\$7,880
Chicago State University	FY13	\$12,326,700	\$1,972,272	16.0%	398	\$4,955
Eastern Illinois University	FY12	\$33,552,189	\$776,540	2.3%	2,056	\$38,827
Eastern Illinois University	FY13	\$500,000	\$0	0%	0	\$0
Governors State University	FY12	\$20,970,508	\$2,077,090	9.9%	4,782	\$16,485
Governors State University	FY13	\$0	\$0	0%	0	\$0
Illinois Math & Science Academy	FY 13	\$6,679,943	\$1,008,671	15.0%	448	\$2,251
Illinois State University	FY12	\$7,176,200	\$4,182,618	58.3%	1,969	\$5,489
Illinois State University	FY13	\$7,788,900	\$1,054,617	14.0%	337	\$3,129
Northeastern Illinois University	FY12	\$5,378,960	\$1,481,741	27.5%	5,132	\$6,828
Northeastern Illinois University	FY13	\$0	\$0	0%	0	\$0
Northern Illinois University	FY12	\$2,396,715	\$929,160	38.8%	4,459	\$16,020
Northern Illinois University	FY13	\$7,558,100	\$0	0%	0	\$0
Southern Illinois University	FY12	\$264,013,963	\$16,188,228	6.1%	5,378	\$47,334
Southern Illinois University	FY13	\$0	\$0	0%	0	\$0
University of Illinois	FY12	\$41,730,600	\$26,294,760	63.0%	1,443	\$45,180
University of Illinois	FY13	\$39,532,000	\$24,984,224	63.0%	426	\$58,648
Western Illinois University	FY12	\$7,886,780	\$91,385	1.2%	1,729	\$1,865
Western Illinois University	FY13	\$964,319	\$368,370	38.0%	68	\$5,417

University Non-Appropriated Funds
(Spending not subject to the Small Business Contracts Act goal)

University	Fiscal Year	Total Contract Spend	SBCA Spend	SBCA % of Total	Number of Contracts	Average Contract Value
Chicago State University	FY13	0	0	0	0	0
Eastern Illinois University	FY13	\$1,391,533	\$51,208	4%	55	\$931
Governors State University	FY13	0	\$3,073,864	4%	188	\$16,350
Illinois Math & Science Academy	FY13	\$254,879	\$123,616	49%	40	\$3,090
Illinois State University	FY13	0	0	0	0	0
Northeastern Illinois University	FY13	\$4,019,500	\$2,214,745	55%	284	\$7,798
Northern Illinois University	FY13	\$7,628,289	\$2,517,335	33%	77	\$32,693
Southern Illinois University	FY13	\$481,001,061	\$11,809,300	2%	9,518	\$1,241
University of Illinois	FY13	0	0	0	0	0
Western Illinois University	FY13	\$76,769,454	\$1,450,943	2%	211	\$6,877

**ILLINOIS
PROCUREMENT GATEWAY (IPG)**

Excessive paperwork burdens create disadvantages for small businesses. Owners often struggle to understand, implement, and maintain the overwhelming paperwork demands of government regulation. The IPG is an online registration allowing businesses to reduce paperwork and become pre-approved in advance of responding to solicitations. Registering in the IPG in advance minimizes the risk that the State will disqualify a vendor (especially the lowest cost or most qualified) for administrative errors at the time of evaluation, and creates an electronic company record that may be updated at any time from an internet connection.