



CHIEF PROCUREMENT OFFICE
Art Moore, Capital Development Board

November 16, 2018

Re: CPO-CDB Small Business Participation Report – FY18, pursuant to ILCS 500/45-90(f)

To the Illinois General Assembly:

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 since CDB’s percentage of contracting with small businesses continually exceeds the 10% statewide goal. 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 of the CDB’s contracts are awarded to vendors that are prequalified to bid by the CDB. In FY18, 61.1% of all CDB prequalified firms are small businesses. In FY18, one hundred forty-four contracts representing 69% of CDB contracts awarded were awarded to small businesses.

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 2014	\$213,116,530	\$60,347,095	28.3%
FY 2015	\$300,833,450	\$56,187,474	18.7%
FY 2016	\$63,387,195	\$26,543,823	42%
FY 2017	\$87,773,456	\$28,969,798	33%
FY 2018	\$94,387,013	\$45,597,923	48%



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Fiscal Year 2018 participation data indicates that:

- Most prequalified vendors are small businesses
- CDB awards most contracts to small businesses
- CDB exceeds small business participation goals

The CPO-CDB continues to monitor the value of contracts awarded to small businesses to evaluate the need for a set-aside program. The FY18 small business contracts of 48% of total spend is another strong performance for small business participation. 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 much larger than just the participation by prime contractors identified in this report.

The CPO-CDB and CDB recognize the vital role small businesses play in CDB projects at the subcontractor level and are excited to count them in future achievement numbers. The CPO-CDB is thankful for the legislative changes by the 100th General Assembly to allow subcontractor participation to be counted in overall small business participation measurement. 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 has encouraged CDB to track and calculate the role small businesses play in CDB projects at the subcontractor level. The CPO-CDB is working to develop a method to include subcontractor data in future small business reports.

If you have any questions or would like further information regarding this or any other matter, please do not hesitate to contact me. Office telephone: 217-558-2156.

Sincerely,

Arthur Moore
Chief Procurement Officer for the Capital Development Board

cc: Jeff Heck, Executive Director CDB
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