



CHIEF PROCUREMENT OFFICE

Art Moore, Capital Development Board

November 1, 2022

Re: CPO-CDB FY22 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 along with the fair proportion of construction contract goal of 25%. 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 CDB's contracts are awarded to vendors that are prequalified to bid by the CDB. In FY22, 58% of all CDB prequalified firms are small businesses. In FY22, two hundred seventy-three (273) contracts, representing 55% of CDB contracts awarded were awarded to small businesses. The average contract amount awarded to small business was \$506,747.

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 2018	\$94,387,013	\$45,597,923	48%
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%



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Fiscal Year 2022 participation data indicates that:

- Most prequalified vendors are small businesses
- CDB awards most contracts to small businesses
- CDB exceeds small business participation goals
- CDB continues the trend of increased dollars going to small businesses

The CPO-CDB continues to monitor the value of contracts awarded to small businesses to evaluate the need for a set-aside program. The FY22 spend with small businesses was 28% of total contract spend. The actual dollars spent with small business during FY22 is the highest it has been over the past six years. 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 is the final stages of implementing an electronic tool that will allow for the tracking of small business subcontractor spend. This new reporting tool will help alleviate the reporting deficiency in future reports. The CPO-CDB has increased the focus on this endeavor and will dedicate staff to the accurate reporting of subcontractor spend.

Arthur Moore
Chief Procurement Officer
Capital Development Board