



**NOTICE 2025.04
HIGHER EDUCATION**

To: University Procurement Staff
State Purchasing Officers

From: Bridget McHatton
Chief Procurement Officer – Higher Education

Date: December 23, 2024

Subject: Illinois Businesses (30 ILCS 500/45-105)

CC: Commission on Equity and Inclusion
Procurement Policy Board

“In procuring construction and construction-related professional services for projects with a total value that exceeds the small purchase maximum established by Section 20-20 of [the Illinois Procurement] Code, construction agencies shall provide a bid preference to a responsive and responsible bidder that is an Illinois business as defined in this Section. The construction agency shall allocate to the lowest bid by an Illinois business that is responsible and responsive a bid preference of 4% of the contract base bid.” [30 ILCS 500/45-105(e)].

“This applies only to projects where a business that is not an Illinois business submits a bid.” [30 ILCS 500/45-105(e)].

This “does not apply to any contract for any project for which federal funds are available for expenditure when its provisions may be in conflict with federal law or federal regulation.” [30 ILCS 500/45-105(f)].

“Construction agency” means the Illinois Public Institutions of Higher Education and the Illinois Mathematics and Science Academy entering into construction contracts authorized by law.

"Illinois business" means a contractor that is, for at least one year prior, operating and headquartered in Illinois, subject to applicable State taxes, and providing, at the time that an invitation for a bid or notice of contract opportunity is first advertised, construction or construction-related professional services.” [30 ILCS 500/45-105(g)].

"Illinois business" includes a foreign corporation duly authorized to transact business in Illinois;

- that has a bona fide establishment for transacting business in Illinois;
- where it is operating, headquartered, and
- performing construction or construction-related professional services at least one year before an invitation for a bid or notice of contract opportunity is first advertised.

Subcontractors or businesses headquartered outside of the State that have an affiliated entity operating in the State are not considered an “Illinois business.”

At time of submission, a bidder or contractor must submit an affidavit and supporting documentation that the bidder or contractor is eligible for a 4% bid preference under 30 ILCS 500/45-105. Additionally, the Chief Procurement Officer for the Illinois Public Institutions of Higher Education may require the contractor, during the term of a contract, to complete and submit an affidavit and supporting documentation. The Illinois Business Affidavit form available on the Chief Procurement Office for Public Institutions of Higher Education website shall serve as the affidavit.

“If a contractor who is awarded a contract through the use of a preference for Illinois businesses provided false information in order to obtain that preference, then the contractor is subject to disciplinary procedures as identified in Section 50-65 of [the Illinois Procurement Code].” [30 ILCS 500/45-105(e-10)].

Each construction agency shall provide the following information annually to the Governor and General Assembly by September 1st.

- Illinois businesses procured by the construction agency
- Primary location of the construction project
- Percentage of the university’s utilization of Illinois businesses on the project as a whole
- Actions that the university has undertaken to increase the use of Illinois businesses

If there are any questions regarding this Notice, please contact your assigned State Purchasing Officer or the CPO Office at eec.cpohe@illinois.gov. This Notice is effective January 1, 2025.