

STATE OF ILLINOIS  
CHIEF PROCUREMENT OFFICE  
For Higher Education

*FY16 Small Business Contracts Act  
30 ILCS 503*



## *About the Chief Procurement Office*

### *Our Mission and Values*

To work with the State's public universities to meet their procurement needs free of undue influence through independent authority, oversight and approval. The CPO-HE further works with the universities to continually improve procurement policies and to establish best practices that recognize the specific needs of the universities in relation to their role and importance to the State of Illinois.

The CPO-HE operates with the following principals underlying all activities: legal compliance, fair treatment, need-based decision-making, diversity, integrity, transparency, and value.

### *Our Purpose*

The CPO for Higher Education exercises independent procurement authority under the Illinois Procurement Code (30 ILCS 500) on behalf of and for the benefit of public institutions of higher education (state universities).

While retaining procurement authority, the CPO exercises this authority through independent State Purchasing Officers (SPOs). The SPOs have general direct oversight of the procurement activities of the university purchasing staff and give approval to proceed at various stages of the process.

By virtue of their statutory authority and independence, the CPO and SPOs ensure that procurements made by the State are transparent, accountable, and in the best interest of the State. Whenever possible, a competitive bid process is used and an award is made to the lowest-cost responsible and responsive bidder. The SPOs work in close conjunction with university purchasing staff to meet the needs of the university, to maximize the value of procurements and to act in a manner that maintains the integrity and the public's trust of State government.

SPOs also attend outreach events whenever possible and talk to small business, BEP and Veteran-owned businesses about the benefits of doing business with the universities. They help vendors learn about the various registration processes as well as the procurement process.



## **The Small Business Contracts Act**

The General Assembly enacted the Small Business Contracts Act (SBCA) 30 ILCS 503 recognizing that contracting with Illinois' small business owners facilitates job creation and economic development. The SBCA creates a goal that not less than 10% of the value of all contracts funded with State appropriated or Federal funds be awarded to small businesses.

### **Results for FY16**

Total Contracts to All Businesses	15,394
Total Contracts to Certified Small Businesses	575
Total Available Dollars Subject to SBCA	\$81,856,015
Goal to Award to Small Business (10% of total)	\$8,185,602
Value of Awards to Certified Small Businesses	\$5,218,090
% of Total Goal Dollars to Certified Small Businesses	64%
Average Contract Amount	\$26,095

This report only addresses those contracts paid from State appropriated and Federal Funds. University "local" funds are not covered by the Small Business Contracts Act.\* Four of the nine public universities did not allocate any State and Federal appropriations for contracting purposes, instead opting to use those funds for personnel and other operating expenses.

The public universities use their own internal resources, along with the Small Business Set-aside Program (SBSP) database of certified small businesses, to determine the number of small businesses that received contracts and the value of those contracts. Each university maintains their own separate contract and accounting systems and each collects data and extract that data from their systems differently. With no central or uniform system of data collection and extraction, it is a challenge to obtain and report this information. As a result, the overall results may not show a true reflection of the level of contracting with certified small businesses by the state universities.

The Chief Procurement Officer for Higher Education has never exercised authority to set-aside contracts for small businesses and historically, the state universities have done a good job of meeting or exceeding the goal. The data found in this report shows that some universities far exceed the goal while others have fallen short. It is important to note that universities have access to spend from a variety of funding sources, including those not subject to the Small Business Contracts Act. In addition, this report shows only contracting activity with firms certified in the SBSP database.

In recognition of the policy of the State to promote the use of small businesses, we will be providing a larger focus on small business matters and may look at implementing set-asides as a way to increase utilization of small businesses. Outreach is another way to help improve the opportunity to meet or exceed the goal.

\*In Fiscal Year 2016, the CPO-HE oversaw close to \$2 billion of expenditures whose procurements were subject to the Illinois Procurement Code. Of that, universities awarded over \$90 million overall to small businesses using all funding sources compared to \$55 million in Fiscal Year 2015. This gain of \$35 million represents a 63.6% increase overall in small business awards from all funding sources.

University Spend with Small Businesses During Past Three Fiscal Years

University	Fiscal Year	Total State/ Federal Appropriations Subject to Goal	Value of Contracts Awarded to Small Businesses	% of Contracts Paid to Small Businesses	# of Contracts to Small Businesses	Average Contract Value to Small Businesses
Chicago State University	FY13	\$12,326,700	\$1,972,272	16%	398	\$4,955
	FY14	\$10,206,614	\$1,276,492	13%	669	\$1,908
	FY15	\$18,244,538	\$1,278,867	7%	669	\$1,912
	FY16	Did not report	\$0	0%	0	\$0
Eastern Illinois University	FY13	\$500,000	\$0	0%	0	\$0
	FY14	\$43,578,100	\$0	0%	0	\$0
	FY15	\$1,980,058	\$0	0%	0	\$0
	FY16	\$25,033,600	\$448,575	2%	15	\$16,614
Governors State University	FY13	\$0	\$0	0%	0	\$0
	FY14	\$6,289,274	\$264,859	3%	59	\$4,489
	FY15	\$525,000	\$523,214	99%	15	\$34,881
	FY16	\$525,000	\$543,428	104%	112	\$4,852
Illinois State University *	FY13	\$7,788,900	\$1,054,617	14%	337	\$3,129
	FY14	\$0	\$0	0%	0	\$0
	FY15	\$0	\$0	0%	0	\$0
	FY16	(\$266,631)	\$0	0%	0	\$0
Northeastern Illinois University*	FY13	\$0	\$0	0%	0	\$0
	FY14	\$0	\$0	0%	0	\$0
	FY15	\$0	\$0	0%	0	\$0
	FY16	\$0	\$0	0%	0	\$0
Northern Illinois University*	FY13	\$7,558,100	\$0	0%	0	\$0
	FY14	\$25,175,867	\$251,759	1%	78	\$3,228
	FY15	\$6,420,177	\$1,979,280	31%	172	\$11,507
	FY16	\$0	\$0	0%	0	\$0
Southern Illinois University	FY13	\$0	\$0	0%	0	\$0
	FY14	\$2,756,805	\$5,070	0.18%	2	\$2,535
	FY15	\$8,176,853	\$5,000	0.06%	2	\$2,500
	FY16	\$11,190,622	\$29,000	1.04%	3	\$9,667
University of Illinois	FY13	\$39,532,000	\$24,984,224	63%	426	\$58,648
	FY14	\$40,438,600	\$30,026,496	74%	505	\$59,458
	FY15	\$40,753,300	\$30,830,300	76%	4,034	\$7,643
	FY16	\$40,753,300	\$4,075,330	4%	409	\$174,243
Western Illinois University	FY13	\$964,319	\$368,370	38%	68	\$5,417
	FY14	\$1,226,604	\$314,239	26%	66	\$4,761
	FY15	\$1,433,780	\$457,848	32%	173	\$2,647
	FY16	\$4,620,124	\$121,757	16%	36	\$3,382

## SBCA Annual Report FY16

University	State/Federal Appropriation Subject to SBCA	Awards to Small Businesses (\$)	Small Business Awards as a Percent of Appropriation Subject
Chicago State University	Did not report	0	0%
Eastern Illinois University	\$25,033,600	\$448,575	2%
Governors State University	\$525,000	\$543,428	4%
Illinois State University*	\$-266,631	\$0	0%
Northeastern Illinois University*	\$0	\$0	0%
Northern Illinois University*	\$0	0	0%
Southern Illinois University*	\$11,190,622	\$29,000	1%
University of Illinois	\$40,753,300	\$4,075,330	4%
Western Illinois University	\$4,620,124	\$121,757	16%

## CPO Contact Information

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Illinois Procurement Gateway - <https://ipg.vendorreq.com>

Illinois Procurement Bulletin / Public Institutions of Higher Education - <http://www.procure.stateuniv.state.il.us>

Pathway to Procurement - <http://www.illinois.gov/cpo/PathwayToProcurement>

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The CPO-HE strives to continuously improve all aspects of the procurement process. Our vision is to:

- Review procurement laws, associated rules, policies and procedures and propose changes that increase efficiency while maintaining trust and transparency;
- Have a set of procurement guidelines and associated forms that are comprehensive and easy to understand;
- Modernize the procurement system by instituting practical electronic measures including electronic bidding and data analytics; and
- Have a permanent training program for staff to ensure we have the most knowledgeable workforce possible and to extend training to vendors to ensure they have maximum opportunity and potential to successfully contract with the universities.