

LEGISLATION FOCUSED ON SMALL BUSINESSES SEEKING STATE CONTRACTS PASSES!

The Illinois General Assembly passed legislation focused on important reforms to the bidding procedures for state contracts. Winning a state contract can be a game-changer for a small business. While much attention is focused on luring large businesses to our state, the SBAC has been fighting to help small businesses get their fair share of state contracts.

HB 2878

requires an annual report on the progress state departments and agencies have made on meeting the mandated targets for contracts awarded to small, minority, and women-owned businesses. These reports will shine a light on the progress made in reaching these important goals.

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adds additional requirements to the good faith exception rule that allows state departments and agencies to sidestep contracting goals by declaring that there are no qualified small, minority, or women-owned businesses to bid on a contract. The legislation raises the bar and requires state departments and agencies to report the reasons for their determination that there is no qualified small business for the project.

HB 2878

establishes a pilot program within the Department of Transportation that allows select small businesses to post a letter of credit rather than a surety bond for awarded state contracts. Current law requires all companies to post a surety bond, which is expensive and oftentimes difficult for a small business to secure. This could make a big difference to a company winning its first state contract.

Thanks to all who have supported our efforts. While the fight continues, we believe these changes will help small businesses secure more state contracts and help level the playing field between big and small businesses in our state.