

Securing a state contract can be a game-changer for a small business. Years ago, the state set a goal of awarding 10% of its contracts to small businesses. While small businesses make up a vast majority of all businesses in Illinois, the state has never come close to meeting its 10% goal. **Fewer than 3%** of Illinois state contracts were awarded to small businesses in 2024.

The process a small business owner faces in securing a contract is daunting and confusing, with different rules, deadlines, and qualifications for each state department and agency. The procurement process favors large businesses and repeat contractors, **stymying innovation**.

This legislation will require state agencies to uniformly **advertise** all small business set-aside contracts available for bid to the small business community. It will also require the state to create a **scorecard** to evaluate and award contracts to small businesses. The scorecard will include factors such as relevant experience, location, and staff credentials. The scorecard will establish a uniform system for evaluating bids from all qualified small businesses.

By implementing this legislation, Illinois would join several other states at the forefront of small business procurement reform:



**Minnesota** promotes opportunities for small and diverse businesses to contract with the state through its Office of Equity in Procurement.



**Georgia** provides transparent selection criteria to small businesses applying for state contracts using its Procurement Manual.



**Virginia** gives preference to micro business bidders for contracts under \$10,000 and to small business bidders for contracts between \$10,000 and \$100,000.

Policymakers should do more to **champion** the small businesses that drive our economy. These changes will help small businesses receive their **fair share** of Illinois state contracts.