



---

Chief Procurement Office Capital Development Board

Fredrick Hahn, Chief Procurement Officer

---

TO: Thomas Klein, CDB General Counsel

FROM: Fredrick Hahn, Chief Procurement Officer

A handwritten signature in black ink, appearing to read 'F. Hahn', is written over the 'FROM' line.

DATE: August 1, 2014

RE: FY14 Small Business Utilization Report and FY15 Small Business Compliance Plan

Thank you for submitting the referenced documents. It appears that CDB's pool of prequalified vendors continues to contain a large proportion of small businesses. A majority of CDB contracts go to prequalified vendors. The information shows that approximately 65 of 86 A/E and 163 of 277 construction contracts (to include Art-in-Architecture) were with small businesses. The total value to small businesses was over \$65M, or approximately 28% of the \$213,116,530.68 awarded. This is a slight decrease over last year's 36.5% amount, but generally reflects experiences over prior years.

CDB does not have a formal compliance plan because small businesses have made up such a large portion of CDB's vendor pool, and they have received a significant portion of the contracts. The contracting numbers exceed the levels contained in the Small Business Contracts Act and Section 45-45 of the Procurement Code. As required by Section 15 of the Small Business Contracts Act, I approve this approach.

CDB obtains the information about the annual sales level from prequalification applications submitted by vendors. The information is submitted every two or three years, depending on the category of the vendor, and there is no check of the information. CDB should consider a more formal process for recognizing a small business.

The CPOs have suggested statutory changes that would permit counting subcontractors in the small business numbers. Such an approach might better reflect the participation of small businesses in construction projects and whether set-asides might be appropriate.

Please let me know if CDB has any suggestions for improvements to this program.

401 South Spring Street  
318 Stratton Office Building  
Springfield, Illinois 62706  
(217) 558-2156  
(217) 558-5407 Facsimile