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Chief Procurement Office General Services

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Matt Brown, Chief Procurement Officer

## MEMORANDUM

**TO:** State Purchasing Officers

**FROM:** Scott McKinnery, Small Business SPO

**DATE:** October 22, 2012

**SUBJECT:** Explanation of Small Business Data for the SBCA Annual Report and Compliance Plan

The attached Excel workbook contains agency-by-agency expenditures subject to the Procurement Code. Please use this data in determining your FY 2012 spend with small business. We will report your data in two reports to the General Assembly: the FY'12 Small Business Set-Aside Program Annual Report and the FY'12 Small Business Contracts Act Annual Report.

The instructions that follow will help you identify:

1. Set-Aside spend with small businesses
  - Set-Aside spend is the value of contracting with small businesses when the agency intentionally set-aside the procurement for small business competition and documented the decision prior to solicitation.
  - Set-Aside awards must go to a qualified small business in the Sell2IL database.
  - Businesses registered in the Sell2IL database have been verified by the Chief Procurement Office to meet the Procurement Code's definition of small business in 30 ILCS 500/45-45(b).
  
2. Non Set-Aside spend with small businesses
  - Non Set-Aside spend is the value of contracting with small businesses that were **not** intentionally set-aside for small business competition. In other words, the agency awarded a contract to a small business, but the award was not the result of a set-aside.
  - Non Set-Aside awards must go to a small business as defined in the Procurement Code, but the small business does not need to be registered in the Sell2IL database.
  - Agencies may be awarding contracts to businesses that they are certain meet the Procurement Code's small business definition, but those businesses are not registered in the Sell2IL database. These contract amounts may be counted towards the agency's Small Business Contracts Act goal.

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EXCEL WORKBOOK

Each agency worksheet contains four groups of information. Please perform the following activities:

- FY'12 Small Business Obligations Subject to the Procurement Code
  - Each vendor listed is registered in the Sell2IL database; by default, each transaction under the small purchase threshold will be counted towards a small business set-aside transaction
  - Highlight in **yellow** each transaction where the procurement was not set-aside
- FY'12 Small Business Unobligated Payments Subject to the Procurement Code
  - Each vendor listed is registered in the Sell2IL database; by default, each transaction will be counted towards a small business set-aside transaction
  - Highlight in **yellow** each transaction where the procurement was not set-aside
- FY'12 All Obligations Subject to the Procurement Code
  - Highlight in **yellow** each transaction where the vendor is not registered in the Sell2IL database, but is known to be a small business under the Procurement Code's definition
- FY'12 All Unobligated Payments Subject to the Procurement Code
  - Highlight in **yellow** each transaction where the vendor is not registered in the Sell2IL database, but is known to be a small business under the Procurement Code's definition

On each agencies spread sheet, there is a total of FY12 payments to small business , and a total of FY12 all payments. The following is how the two totals were calculated on each agencies worksheet:

(FY12 small business obligations ) + (FY12 small business unobligated payments ) = Total FY12 payments to small business

(FY12 all obligations) + (FY12 all unobligated payments )= total of FY12 payments

Certain assumptions have been made in compiling this information from the Comptroller's Office. For obligations, the worksheet includes all payments against obligations that were initially filed in FY 2012 with "Award Code" A-M or 1-4. Award Codes N-Z indicates exempt from Procurement Code, so these obligations were excluded. Payments to government entities (Legal Status 08) were also excluded as they are exempt from the Code. The data does not include payments without a vendor TIN (payments primarily to revolving funds and other internal transactions). For unobligated payments, the date does not include the following detail object codes:

- 1100-1199 (personal services),
- 1201-1202 (reimbursements to employees)
- 1290-1299 (travel)
- 1900-1999 (primarily prompt payment interest)
- 4400-4499 (grants)
- 8800-8899 (debt service)
- 9900-9999 (refunds)

All other payments not referencing an obligation should be included.

Agencies need to return their expenditure categorization no later than November 05, 2012.

Please pass this information along to your agencies as soon as possible. It is likely that agency procurement staff will need to coordinate with agency fiscal staff in providing responses to you.

Please contact me at (217) 558-3723 or [Scott.McKinnery@illinois.gov](mailto:Scott.McKinnery@illinois.gov) with any questions.