

HOW TO DO BUSINESS WITH THE STATE OF ILLINOIS

STATE PROCUREMENT SUMMIT



11/17/2015

Illinois Chamber of Commerce & State of Illinois
Chief Procurement Officers

Welcome and Housekeeping

- Sign-in
- Resources and Materials
- Morning and Afternoon Objectives
- Ask Questions!
- Speaker Introductions
- IPG Registration/Doing Business with the State
- Disclosures and Conflicts
- Communication Do's and Don'ts

Illinois Procurement Gateway Success

- What is the IPG?
- Why Register?
- How Do I Register?

Coming Soon!



Pathway to Procurement
Chief Procurement Offices

Search

[Chief Procurement Offices](#) [Procurement Bulletins](#) [BidBuy](#) [Illinois Procurement Gateway](#) [Helpdesks](#)



i'm a new vendor	Procurement Roadmap	Events.	Vendor Training
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Procurement News

Illinois Procurement Gateway

[Illinois Procurement Gateway](#)

11/5/2015 - Test Vendors are now able to use the Illinois Procurement Gateway (IPG) to submit certain procurement-related information in advance of responding to solicitations. Registering in advance will save time, money and effort, and will reduce ...

 Vendor Training	 Statutes & Rules	 Related Entities	 Step-by-Step Guides	 Freedom of Information Act	 Comment & Inquiry
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Illinois Procurement Gateway-What

- The Illinois Procurement Gateway (IPG) is a streamlined process of vendor enrollment and registration.
- The IPG is a web based system that serves as the primary location for entering, organizing, and reviewing vendor information.
- The IPG allows prospective vendors to provide disclosures, registrations, and other documentation needed to do business with a state agency or university in advance of any particular procurement.

Illinois Procurement Gateway-Why

- Instead of submitting required information (such as company ownership, Department of Human Right's public contract number and State Board of Elections registration number) in paper form with every solicitation response, vendors are able to submit the information in advance electronically.
- After the Chief Procurement Office reviews and approves the application in the IPG, vendors receive a registration number that can be included in solicitation responses in place of certain paper forms.

Illinois Procurement Gateway-Why

- Registration in the IPG is not mandatory, but may save time for vendors as it eliminates the need to submit multiple paper-based forms.
- It also provides reassurance to vendors that they will not be disqualified for failure to comply with a mandatory requirement for doing business with the State.

Illinois Procurement Gateway-Why

- Buyers for state agencies and universities can search the IPG database for vendors by NIGP Code, and for Business Enterprise Program, Small Business, and Veteran-Owned businesses.
- When making awards for professional and artistic services, emergency purchases, and small purchases, the IPG provides state agencies and universities with a valuable resource of available vendors who have already registered with the State.

Illinois Procurement Gateway-How

- To register for the Illinois Procurement Gateway, please go to [Illinois Procurement Gateway](#).
- For assistance with the Illinois Procurement Gateway, please go to the [IPG Help Link](#).
- IPG Phone 217-782-1270

Doing Business with the State

- How to Find Procurement Opportunities

- Required Steps to Do Business
 - ▣ Secretary of State
 - ▣ State Board of Elections
 - No Pay-To-Play
 - ▣ Department of Human Rights

Doing Business with the State

- Financial Disclosure and Conflict of Interest Form
- Lobbying Restrictions
- Iran Disclosure
- Standard Certifications

Doing Business with the State

- Small Business Set-Aside Program
- Veterans Business Program
- Business Enterprise Program

Doing Business with the State

- CDB Contracts
 - ▣ Prequalification of Prime Vendors
 - ▣ Registration of Subcontractors

- IDOT Contracts
 - ▣ Prequalification of Prime Vendors
 - ▣ Registration of Subcontractors

How to Find Procurement Opportunities

- State agencies and universities offer contract opportunities posted on the Procurement Bulletin. The Bulletin contains notices and other information required by the Code or by rules.
- The Bulletin provides vendors with a central location to find contract opportunities with state agencies and universities and is the official procurement website.

How to Find Procurement Opportunities

- Vendors may always view all open opportunities at any time, but must register for a Bulletin account at no cost to download solicitations and procurement-related documents and receive e-mail notifications of procurement opportunities with state agencies and universities.
- Vendors may include their product and service information as part of their profile. Solicitation announcements are sorted based on this information.

How to Find Procurement Opportunities

- Capital Development Procurement Bulletin
- Higher Education Procurement Bulletin
- Illinois Department of Transportation Procurement Bulletin
- General Services (All Other State Agencies) Procurement Bulletin

Required Steps To Do Business- SOS

- Vendors may qualify to submit bids or proposals only if they are a legal entity authorized to do business in Illinois at the time of submitting the bid, offer or proposal.

- This applies to both in-state and out-of-state firms.

- A Vendor must be:
 - ▣ a legal entity,
 - ▣ registered to conduct business in Illinois, and
 - ▣ in good standing with the Illinois Secretary of State.

Required Steps To Do Business-SOS

□ In-State Firms

- ▣ Corporations (Corp); Limited Liability Companies (LLC); Limited Partnerships (LP); Limited Liability Limited Partnerships (LLLP).
- ▣ Sole Proprietorships - If the firm's name is the same as the sole proprietor's name, nothing is required.

Required Steps to Do Business-SOS

□ Out-of-State Firms

- ▣ All Out-of-State Firms - A foreign corporation is defined as any corporation who has not incorporated within the State of Illinois.
- ▣ A Guide for Qualifying Foreign Corporations published by the Secretary of State answers questions on how to qualify your Corporation/LLC to do business in Illinois.

Required Steps To Do Business-SOS

- For more information on becoming authorized to do business or conduct affairs in Illinois, please go to [Illinois Secretary of State Business Services Webpage](#).

Required Steps To Do Business-SBE

- You must register with the State Board of Elections (SBE) if any of these conditions apply:
 - ▣ Submitting a bid or proposal exceeding \$50,000 on any State agency or public university solicitation; or
 - ▣ The bid or proposal is less than \$50,000 but the annual total value of all of your contracts and offers with all State agencies and public universities (including all current State contracts, the bid or proposal you are submitting, any other pending offers, and offers you previously submitted this year where you were not awarded a contract) exceeds \$50,000.

Required Steps To Do Business-SBE

- This requirement to register applies to all vendors except for not-for-profit organizations and governmental entities. There are no exceptions for out-of-state or non-U.S. vendors.
- You must be registered with the SBE by the time bids or proposals are due. There is no grace period allowing for registration to register with the SBE after the due date of solicitations.

Required Steps To Do Business-SBE

- To further information on registration requirements and to register with the State Board of Elections, please go to State Board of Elections Business Registration.

Required Steps to Do Business-PTP

- **No Pay-To-Play:** Any person or business entity whose contracts with universities or state agencies in the aggregate annually total more than \$50,000 are prohibited from making any contributions to any political committees established to promote the candidacy of the officerholder responsible for awarding the contracts or any other declared candidate for that office.
- This prohibition is effective for the duration of the term of office of the incumbent officerholder awarding the contract or for a period of two years following the expiration or termination of the contract, whichever is longer.

Required Steps to Do Business-PTP

- There is further prohibition for any person or business entity whose aggregate pending bids or proposals total more than \$50,000 from contributing to any political committee established to promote the candidacy of the officerholder responsible for awarding the contract on which the business entity has submitted a bid or proposal during the period beginning on the date the invitation for bid or request for proposal is issued and ending on the date after the contract is awarded.

Required Steps to Do Business-PTP

- This applies to all “affiliated” entities and “affiliated” persons of the business.

Required Steps to Do Business-PTP

- “Affiliated entity” means:
 - any corporate parent and each operating subsidiary of the bidding or contracting business entity,
 - each operating subsidiary of the corporate parent of the bidding or contracting business entity,
 - any organization recognized by the United States Internal Revenue Service as a tax-exempt organization described in Section 501(c) of the Internal Revenue Code of 1986 (or any successor provision of federal tax law) established by the bidding or contracting business entity, any affiliated entity of that business entity, or any affiliated person of that business entity, or
 - any political committee for which the bidding or contracting business entity, or any 501(c) organization related to that business entity, is the sponsoring entity.

Required Steps to Do Business-PTP

- “Affiliated person” means
 - ▣ any person with any ownership interest or distributive share of the bidding or contracting business entity in excess of 7.5%,
 - ▣ executive employees of the bidding or contracting business entity, and
 - ▣ the spouse of any such persons.

Required Steps to Do Business-PTP

- “Executive employee” means
 - ▣ the President, Chairman, or Chief Executive Officer of a business entity and any other individual that fulfills equivalent duties as the President, Chairman of the Board, or Chief Executive Officer of a business entity; and
 - ▣ any employee of a business entity whose compensation is determined directly, in whole or in part, by the award or payment of contracts by a State agency to the entity employing the employee.
 - ▣ A regular salary that is paid irrespective of the award or payment of a contract with a State agency shall not constitute “compensation” under this definition.

Required Steps to Do Business-PTP

- Strike 1 and 2 CPO determines whether to disqualify you as a vendor/void all contracts.
- 3 Strikes and you are debarred for 3 years and all contracts are voided.
- Publication of violation in the *Illinois Register* and Procurement Bulletin.
- Campaign has to make payment to State in the amount of the contribution.

Required Steps To Do Business-IDHR

- All entities that wish to do business with any agency, board, or commission of the State of Illinois must register for an eligible bidder number through the Illinois Department of Human Rights (IDHR) by filing an Employer Report Form (PC-1) with the IDHR Public Contracts Unit.

Required Steps To Do Business-IDHR

- All potential bidders must register if any one of the following applies:
 - ▣ The business entity employs 15 or more persons at the time of application for a public contract;
 - ▣ The business entity has employed 15 or more persons at any time during the 365-day period prior to the date of your applying for a public contract; or
 - ▣ The business entity is directed to file by a contracting agency of the State of Illinois, any political subdivision, or a municipal corporation.

Required Steps To Do Business-IDHR

- There is a \$75.00 (non-refundable) registration fee.
- Registration will be valid for five years from the date of issuance.
- If you wish to register multiple locations that all have the same FEIN as the corporate office, you must submit a completed PC-1 application for all Illinois locations to be eligible to bid on business with the State of Illinois. No additional fee is required.

Required Steps To Do Business-IDHR

- For information on DHR requirements and registering with DHR, please go to [Illinois Department of Human Rights Public Contracting Webpage](#).

Financial Disclosures and COI

- Bidders and offerors who respond to solicitations to do business with universities are required to complete financial disclosures and a conflicts of interest form with their proposal for purchases over the \$50,000 and for any known subcontractors whose contracts are in excess of \$50,000.
- The form is also required for parent companies of bidders and offerors.
- A bid, offer, or proposal that does not include this form is considered non-responsive.

Financial Disclosures and COI

- The form is reviewed for actual or potential conflicts of interest. If circumstances change and the previously submitted form is no longer accurate, disclosing entities must provide an updated form.
- Financial disclosures are also required and incorporated as material terms of the contract and are part of the publicly available procurement file.

Lobbying Restrictions

- Any bidder or offeror on a state contract that hires a person required to register under the Lobbyist Registration Act to assist in obtaining a contract is required to disclose all costs, fees, compensation or other reimbursements, or other remunerations paid to the lobbyist related to the contract.
 - ▣ Has, is, or may communicate with a State official or employee.

- The bidder or offeror may not bill or cause the State to pay for any of the lobbyist's costs and must sign a verification that none of the lobbyist's costs were billed to the State.

Lobbying Restrictions

- Lobbyist information must be filed with the state agency or university awarding the contract (part of the financial disclosure and COI forms) and with the Secretary of State.
- The CPO is required to publish this information in the Bulletin.

Iran Disclosure

- Every bid, offer, or proposal submitted for a State contract requires disclosure by the person or business entity, or any of its corporate parents or subsidiaries, of whether it has business operations that involve contracts with the Government of Iran or companies in which the Government of Iran has an ownership or investment interest.
- The CPO may consider the disclosure when evaluating bids or offers or awarding the contract. The CPO must provide to the State Comptroller the name of each entity disclosed as doing business with or having done business in Iran. The State Comptroller must post that information to his or her official website.

Standard Certifications

- As part of bids or offers or registration in the IPG, vendors certify that they are compliant with various State laws, including revolving door and drug-free workplace statutes.

Small Business Set-Aside Program

- Small Business Set-Aside Program (SBSP)
 - State agencies and universities have a goal to buy not less than 10% of state contracts from Illinois small businesses.
 - The SBSP helps agencies and universities meet that goal through the use of “set-asides”.
 - When a procurement is designated as a small business set-aside, only certified SBSP vendors are considered for award.

Small Business Set-Aside Program

- Register through the IPG.

- Illinois business (sole proprietorship with primary residence in Illinois or a domestic corporation or partnership).

- Annual gross sales:
 - ▣ Wholesale - \$13,000,000 or less (effective 1/1/15)
 - ▣ Retail or Services - \$8,000,000 or less (effective 1/1/15)
 - ▣ Construction - \$14,000,000 or less (effective 1/1/15)

- Manufacturing - 250 employees or less.

Veterans Business Program

- Through the Veterans Business Program (VBP), state agencies and universities are encouraged to spend at least 3% of their procurement budgets with certified Veteran-owned and Service-Disabled Veteran-owned businesses.
- Illinois businesses with annual gross sales under \$75 million that are 51% owned by qualified veterans or service-disabled veterans living in Illinois.

Business Enterprise Program

- The Business Enterprise Program promotes the economic development of small businesses owned by Minorities, Females, and Persons with Disabilities.
- State agencies and universities have a goal to buy at least 20% of goods and services from BEP-certified businesses.

Business Enterprise Program

- Do you qualify for the BEP Program?
 - ▣ At least 51 percent owned and controlled by persons who are minority, women or designated as disabled.
 - ▣ Must be a United States citizen or resident alien.
 - ▣ Annual gross sales of less than \$75 million.

- CMS certifies BEP and Veteran Business Program firms. Please go to [CMS Vendor Registration BEP and VBP](#).

CDB Contracts

- In addition to meeting the requirements for a responsible bidder, firms must be prequalified with CDB. CDB prequalifies for A/E, Construction Manager/Program Manager, and Contractors.
- State agencies and Universities may use CDB's list of prequalified firms in choosing firms. Universities may have additional pre-qualification/registration requirements on construction contracts. Check the university's procurement website.

CDB Contracts

- The prequalification process may take up to 30-45 days, consequently persons or entities are urged to prequalify in order to be ready for upcoming projects. Firms must be prequalified prior to bidding or providing applications for selection.
- For information on becoming prequalified with CDB, please go to [CDB Prequalification](#).

CDB Contracts

- In addition to prime contractors, subcontractors must be registered with CDB. Subcontractor registration is different than being prequalified.
- For information on subcontractor registration, please go to [CDB Subcontractor Registration](#).

IDOT Construction Contracts

- Any firm interested in bidding on construction projects for IDOT, local entities, and/or Illinois Department of Natural Resources (IDNR) as a prime contractor must first be prequalified.
- Per federal law, all subcontractors are required to register with IDOT in order to be eligible to work for a prime contractor on state let construction projects. Subcontractor registration is different than being prequalified as a prime contractor.

IDOT Construction Contracts

- For information on becoming pre-qualified as a prime vendor or becoming registered as a subcontractor, please go to [IDOT Construction Contracts Registration](#).

IDOT A/E Contracts

- All engineering, land surveying and architectural consultants interested in providing services to IDOT, whether as a prime or subconsultant, must be prequalified with the department. IDOT prequalifies architectural/engineering consultants in multiple transportation categories of service.
- For information on becoming prequalified as an A/E, please go to [IDOT Engineering, Architectural & Professional Services](#).

IDOT Land Acquisition Services

- Land acquisition activity is often required to complete IDOT's Multi-Year Multi-Modal Transportation Improvement Program. To accomplish the goals of this program, IDOT utilizes outside vendors for the purpose of obtaining land acquisition services such as appraisal, review appraisals, negotiations, relocation assistance, title insurance services, property management, and incidental land surveys.
- For information on becoming an approved specialty agent, please go to IDOT Land Acquisition Services.

thank
thank
you!

Questions??

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