



MEMORANDUM

TO: State Purchasing Officers

FROM: Paul Campbell, Director *5/1/06*

DATE: May 1, 2006

SUBJECT: Business Enterprise Program (BEP) Subcontracting Participation Goal Requirements

Last year, CMS instituted a new policy that required agencies to include a subcontracting participation goal in select solicitations in an effort to increase access for diverse firms. As a result, an additional \$5+ million of State business has been awarded to certified minority and/or female-owned businesses.

These solicitations include a specific Business Enterprise Program (BEP) utilization goal of a set percentage based on the availability of certified vendors to perform the anticipated direct subcontracting opportunities of the contract. Although the utilization plan is not part of the formal evaluation process, the plan is reviewed to ensure the selected vendor can meet the goal or is committed to making a good faith effort towards meeting the goal.

In our continuing effort to increase subcontracting opportunities for BEP firms, the following policy will become effective immediately for any Request for Proposal (RFP) that has a potential value of \$500,000 or greater.

- o Utilizing the Procurement Business Case (PBC) "Justification" tab, agencies shall indicate in the "Programmatic Objective" area whether the intended procurement will include a BEP subcontracting participation goal. At minimum, the language should include, "This RFP will include a BEP subcontracting participation goal." Or, "This RFP will not include a BEP subcontracting participation goal." In either case, the State Purchasing Officer (SPO) must e-mail the PBC number to CMS at CMS.BEPgoal@illinois.gov prior to approving the PBC. It is not necessary for the SPO to wait for a response from CMS to proceed with PBC approval.
 - ✓ If a goal will be included, CMS will assist the agency in establishing an appropriate percentage goal and in developing the BEP subcontracting language for insertion into the RFP. Prior to publishing the RFP to the Illinois Procurement Bulletin, CMS must again be contacted to review the final draft of the RFP (via the e-mail address above). CMS will grant final approval through the PBC "Work Log" giving authority to the agency to publish the solicitation.
 - ✓ If a goal will not be included, the SPO may proceed with the development of the RFP. However, during the development process, the agency will be required to draft a Decision Memorandum (see attached sample template) providing a complete and detailed justification why the procurement will not include a subcontracting goal. The Decision Memorandum must be signed by the Agency SPO and Agency Head and submitted to the Chief Procurement Officer for review and final approval. The RFP may not be published to the Illinois Procurement Bulletin until all signatures have been obtained. Signatures of the SPO and Agency Head may not be delegated. The completed and signed Decision Memorandum shall be attached to the PBC (i.e., a scanned file) and maintained in the Procurement File.

- If a PBC meeting the criteria outlined above (i.e., RFP, \$500,000+) has already been developed and approved by the SPO, and the RFP has not yet been published on the Illinois Procurement Bulletin, the agency will be required to e-mail the PBC number to CMS at CMS.BEPgoal@illinois.gov. This e-mail shall include a statement as to whether or not a BEP subcontracting participation goal is being included in the RFP. All other processes and requirements outlined above will apply to these RFP's.
- The policies and procedures outlined in this memorandum do not eliminate other PBC or procurement process requirements (e.g., OMB review, etc.).

It is vital that agencies adhere to these procedures to ensure the continued success of the BEP program and to help increase opportunities for diverse businesses. Please share this memorandum with the appropriate staff within your agency that may be affected by these requirements.

If you have any questions, please contact Nancy Quoss, Bureau of Strategic Sourcing and Procurement, at (312) 814-1589 or Natalie Pedraza, Business Enterprise Program, at (312) 814-1282.

(AGENCY LETTERHEAD)

Decision Memorandum

BEP Subcontracting Participation Goal

Project Title:

PBC #:

Date:

Completed by:

Title:

Issue

Although policy requires that all Request for Proposals with a value over \$500,000 contain a BEP subcontracting participation goal, the procurement referenced above will not contain this goal when published on the Illinois Procurement Bulletin.

Justification

(Explain in detail why this particular procurement will not contain a subcontracting goal. Include relevant facts and data to support the decision.)

Recommendation

Based on the justification provided above, it is recommended that this agency be permitted to publish the referenced solicitation on the Illinois Procurement Bulletin without a BEP subcontracting participation goal.

Questions should be referred to xxxxxxxxxxxx at (###) ###-####.

Decision

I agree with the recommendation:

- Approved
- Denied
- Approved with Modifications
- Additional Information Requested

Signature

Date

Agency State Purchasing Officer

I agree with the recommendation:

- Approved
- Denied
- Approved with Modifications
- Additional Information Requested

Signature

Date

Agency Head

I agree with the recommendation:

- Approved
- Denied
- Approved with Modifications
- Additional Information Requested

Signature

Date

Chief Procurement Officer