




CHIEF PROCUREMENT OFFICE

Ellen H. Daley, General Services

Notice 2024.10 General Services

To: Agency Procurement Officers
Central Management Services Bureau of Strategic Sourcing
State Purchasing Officers

From: Ellen H. Daley 

Date: 2/20/2024

Subject: Small Business Set-Asides and Small Purchase Designation

CC: Procurement Policy Board
Commission on Equity and Inclusion
Procurement Compliance Monitors

This notice is effective immediately and rescinds CPO Notice 2018.10 on March 5, 2024.

The Chief Procurement Officer for General Services' (CPO-GS) small purchase process provides increased contract opportunities for Illinois small businesses and procurement efficiencies for agencies.

Small businesses in Illinois are a major creator of new jobs and the engine for our state's economic growth. Our procurement laws, policies, and efforts supporting Illinois' small businesses have had a significant impact on citizens throughout the state. Pursuant to Section 45-45(a) of the Illinois Procurement Code, procurements valued from \$2,000 inclusive to the small purchase maximum and procured using the small purchase method shall be set aside for vendors approved in the Small Business Set-Aside Program (SBSP), unless emergency or sole source conditions apply. With exception, contracts valued at and greater than \$2,000 and best described using an NIGP Code found in *Small Business Set-Aside Contracts Based on NIGP Code* (attached and on the CPO's website) shall be set aside for SBSP vendors. Contracts valued below two million dollars (\$2,000,000) and best described using four NIGP codes, 918-71, 918-28, 918-29, and 918-30, shall be set aside for SBSP vendors.

Since August 2016, agencies have had the opportunity to expedite the small purchase process by accepting responsibility for following prescribed steps for small purchases valued up to \$10,000 inclusive. This prescription has fewer steps and does not include review of the agency's actions by their State Purchasing Officer (SPO). Acceptance of the responsibility is voluntary and requires State Agency Heads to sign the *State Agency Small Purchase Designation* form. I appreciate the diligence that designated agencies have used to remain in compliance.

On March 6, 2024, the small purchase process for designated agencies will increase to \$20,000 inclusive. To receive the designation, State Agency Heads shall accept responsibility for following Conditions #1, #2, #3, and #4 described below and sign and return the *State Agency Small Purchase Designation* form by March 5, 2024. The acceptance of this designation is completely voluntary and pursuant to the authority of 44 Ill. Admin. 1.1060. For



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agencies that do not return the *State Agency Small Purchase Designation* form by March 5, 2024, they shall follow Condition #8 beginning on March 6, 2024.

State agencies with designated authority to conduct small purchases under the conditions described in #1, #2, #3, and #4 shall adhere to the conditions below and follow the BidBuy small purchase job aids.

#1 Small Purchases less than \$2,000

- These procurements are not set-aside for small businesses.
- The State Agency may source a single SBSP or non-SBSP vendor.
- No SBSP waiver is required.
- No SPO involvement is required.
- The executed *State Agency Small Purchase Designation* form serves as the written determination for awarding the contract and shall be put into the procurement file.

#2 Small Purchases General from \$2,000 to \$20,000 inclusive

- These procurements are set-aside for small businesses.
- General Small Purchases are procurements when neither emergency nor sole source conditions exist.
- The State Agency may source a single SBSP vendor.
- All SBSP vendors with the selected NIGP Codes must be solicited unless the State Agency is able to source a single SBSP vendor.
- A non-SBSP vendor may be used only after all required SBSP vendors have been solicited and determined unacceptable.
- SBSP waiver is required if awarding the procurement to a non-SBSP vendor.
- The State Agency shall authorize the SBSP waiver if required.
- No SPO involvement is required.
- The executed *State Agency Small Purchase Designation* form serves as the written determination for awarding the contract and shall be put into the procurement file.

#3 Small Purchases when Emergency Conditions exist from \$2,000 to \$20,000 inclusive

- The State Agency determines if a small purchase meets emergency conditions.
- The State Agency may source a single SBSP or non-SBSP vendor.
- No SPO involvement is required.
- The executed *State Agency Small Purchase Designation* form serves as the written determination for awarding the contract and shall be put into the procurement file.



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#4 Small Purchases when Sole Source Conditions exist from \$2,000 to \$20,000 inclusive

- The State Agency determines if a small purchase meets sole source conditions.
- The State Agency may source a single SBSP or non-SBSP vendor.
- No SPO involvement is required.
- The executed *State Agency Small Purchase Designation* form serves as the written determination for awarding the contract and shall be put into the procurement file.

#5 Small Purchases General greater than \$20,000 to the small purchase maximum

- These procurements are set-aside for small businesses.
- General Small Purchases are procurements when neither emergency nor sole source conditions exist.
- All SBSP vendors with the selected NIGP Codes must be solicited.
- A non-SBSP vendor may be used only after all required SBSP vendors have been solicited and determined unacceptable or other another justification warrants use of a non-SBSP vendor.
- SBSP waiver is required if awarding the procurement to a non-SBSP vendor.
- The SPO shall authorize the SBSP waiver if required.

#6 Small Purchases when Emergency Conditions exist greater than \$20,000 to the small purchase maximum

- The State Agency may source a single SBSP or non-SBSP vendor.
- SPO approval is required.

#7 Small Purchases when Sole Source Conditions exist greater than \$20,000

- The State Agency may source a single SBSP or non-SBSP vendor.
- SPO approval is required.

Condition	Dollar Value	Procurement Conditions	SBSP Set-Aside	SBSP Waiver?	Signatory on SBSP Waiver
#1	< \$2,000	General/Sole Source/Emergency	No	No	N/A
#2	\$2,000 - \$20,000	General	Yes	Yes	Agency
#3	\$2,000 - \$20,000	Sole Source	No	No	N/A
#4	\$2,000 - \$20,000	Emergency	No	No	N/A
#5	> \$20,000	General	Yes	Yes	SPO
#6	> \$20,000	Sole Source	No	No	N/A
#7	> \$20,000	Emergency	No	No	N/A



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State agencies without designated authority shall follow the Standard Small Purchase Process described below in Condition #8.

#8 Small Purchases without Designated Authority from \$1 to \$2,000 inclusive

- Small Purchase ***General or when Emergency or Sole Source Conditions exist less than \$2,000***
 - The State Agency is not required to use BidBuy to conduct the transaction.
 - General Small Purchases are procurements when neither emergency nor sole source conditions exist.
 - These procurements are not set-aside for small businesses.
 - The State Agency may source a single SBSP or non-SBSP vendor
 - The State Agency shall submit a monthly report to the SPO assigned to their agency detailing each small purchase completed in the previous month with the (1) date of award, (2) name of vendor, (3) estimated contract value, (4) description of the supply or service, and (5) if the awarded vendor is in the SBSP.
 - The SPO shall provide written determination that each small purchase on the monthly report meets the requirements of this Notice, and applicable sections of the Procurement Code (30 ILCS 500/20-20, 30 ILCS 500/45-45) and Administrative rule (44 ILL CODE 1.2020, 44 ILL CODE 1.4545).

- Small Purchase ***General from \$2,000 to \$20,000 inclusive***
 - These procurements are set-aside for small businesses.
 - The State Agency may source a single SBSP vendor.
 - All SBSP vendors with the selected NIGP Codes must be solicited unless the State Agency is able to source a single SBSP vendor.
 - A non-SBSP vendor may be used only after all required SBSP vendors have been solicited and determined unacceptable.
 - SBSP waiver is required if awarding the procurement to a non-SBSP vendor.
 - The SPO shall authorize the SBSP waiver if required.
 - The State Agency shall submit a monthly report to the SPO assigned to their agency detailing each small purchase completed in the previous month with the (1) date of award, (2) name of vendor, (3) estimated contract value, (4) description of the supply or service, and (5) if the awarded vendor is in the SBSP.
 - The SPO shall provide written determination that each small purchase on the monthly report meets the requirements of this Notice, and applicable sections of the Procurement Code (30 ILCS 500/20-20, 30 ILCS 500/45-45) and Administrative rule (44 ILL CODE 1.2020, 44 ILL CODE 1.4545).



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- Small Purchase ***when Emergency or Sole Source conditions exist from \$2,000 to \$20,000 inclusive***
 - The State Agency determines if a small purchase meets emergency conditions.
 - The State Agency may source a single SBSP or non-SBSP vendor.
 - The State Agency shall submit a monthly report to the SPO assigned to their agency detailing each small purchase completed in the previous month with the (1) date of award, (2) name of vendor, (3) estimated contract value, (4) description of the supply or service, and (5) if the awarded vendor is in the SBSP.
 - The SPO shall provide written determination that each small purchase on the monthly report meets the requirements of this Notice, and applicable sections of the Procurement Code (30 ILCS 500/20-20, 30 ILCS 500/45-45) and Administrative rule (44 ILL CODE 1.2020, 44 ILL CODE 1.4545).

If there are any questions regarding this notice, please contact your State Purchasing Officer or the Chief Procurement Office at (217) 558-2231.

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