



## **Recommendation for Legislation on Minority Contracting**

This memorandum recommends that the Illinois General Assembly immediately pass legislation that will substantially increase the revenue Black and/or African American owned businesses receive via government contracts.

### **Purpose**

Illinois has failed many Black and/or African American owned businesses because they have been unable to procure their fair share of government contracts or receive a fair share of the revenue associated with government contracts. This proposed legislation makes the reforms necessary to ensure that Black and/or African American owned businesses receive their fair share of government contracts and receive their fair share of revenue associated with said contracts. This legislation begins to level the playing field for Black and/or African American owned businesses that have been systemically denied their fair share of government contracts and/or the associated revenue.

### **Goal of 40% of Revenue Associated with Government Contracts Awarded to Minority Owned Businesses**

This proposed legislation establishes a goal that 40% of state contracts be awarded to minority owned businesses. This legislation establishes a goal that 40% of all revenue generated through state contracts be awarded to minority owned businesses.

### **Goal of 20% of Revenue Associated with Government Contracts Awarded to Black Owned Businesses**

This proposed legislation establishes a goal that 20% of all state contracts be awarded to Black and/or African American owned businesses. This legislation establishes a goal that 20% of all revenue generated through state contracts be awarded to Black and/or African American owned businesses.

### **Eliminating the Good Faith Waiver**

The “good faith waiver” must be eliminated so that state agencies and prime contractors must allocate 20% of the revenue generated through government contracts to Black and/or African American owned businesses.

### **Claw Back**

A prime contractor that does not meet the above-referenced goals must return funds which were allocated for, but not awarded to, Black and/or African American owned businesses. Said contractor will have sixty days after the completion of any project to return said funds.

## **Transparency**

Annual minority contracting reports must include the following:

- The total procurement budget of the state and the percentage of the state budget spent on procurement
- The amount of revenue procured by Black and/or African American owned businesses via government contracts
- The number of government contracts awarded to Black and/or African American owned businesses
- The number of certified Black and/or African American owned businesses
- The number of instances each state agency awarded contracts to Black and/or African American owned businesses
- Whether or not the procurement funds disbursed by each state agency were tendered to Black and/or African American owned businesses.
- The number of times each agency clawed back funds from a general contractor for failing to tender 20% of the revenue associated with a project to Black and/or African American owned businesses.