

STATE OF ILLINOIS
NINETY-FOURTH GENERAL ASSEMBLY
SENATE

Senate Resolution No. 102

Offered by Senators del Valle and Hendon

WHEREAS, It is the public policy of the State to promote and encourage the continuing economic development of minority- and female-owned and -operated businesses and that minority- and female-owned and -operated businesses participate in the State's procurement process as both prime contractors and subcontractors; and

WHEREAS, It is mandated by the U.S. Department of Transportation, 49 CFR Pt. 26, to ensure nondiscrimination in the award and administration of Illinois Department of Transportation (IDOT)-assisted contracts in IDOT's highway, transit, and airport financial assistance programs by ensuring that only firms owned and controlled by socially and economically disadvantaged individuals are permitted to participate as DBEs; and

WHEREAS, It is the public policy of this State to promote and encourage the continuous economic development of businesses owned by persons with disabilities; and

WHEREAS, It is mandated by the U.S. Department of Transportation to help create a level playing field for firms owned and controlled by socially and economically disadvantaged individuals in IDOT-assisted contracts; and

WHEREAS, The enactment of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act (the Act) serves the State's continuing interest in promoting open access in the awarding of State contracts to disadvantaged small business enterprises victimized by discriminatory practices; and

WHEREAS, It is mandated by the U.S. Department of Transportation to help remove barriers to firms owned and

controlled by socially and economically disadvantaged individuals in IDOT-assisted contracts; and

WHEREAS, The Act establishes goals for awarding State contracts to businesses owned and controlled by minorities, females, and persons with disabilities; and

WHEREAS, It is mandated by the U.S. Department of Transportation that recipients must set an overall goal for DBE participation in IDOT-assisted contracts; and

WHEREAS, The State of Illinois has observed that the goals established in the Act have served to increase the participation of minority and female businesses in contracts awarded by the State; and

WHEREAS, It is mandated by the U.S. Department of Transportation that the overall goal must be based on demonstrable evidence of the availability of ready, willing, and able DBEs; and

WHEREAS, The Act creates the Business Enterprise Council (the Council) to help implement, monitor, and enforce the Act's goals through the State's Business Enterprise Program; and

WHEREAS, It is mandated by the U.S. Department of Transportation that IDOT must have a DBE Liaison Officer who shall be responsible for implementing all aspects of the DBE program; and

WHEREAS, The Business Enterprise Council is charged by statute with devising a certification procedure to assure that businesses taking advantage of the Act are legitimately classified as businesses owned and controlled by minorities, females, or persons with disabilities; and

WHEREAS, The U.S. Department of Transportation requires a certification procedure to ensure that only firms meeting the minimum eligibility requirements are eligible to be certified as DBEs; and

WHEREAS, The Business Enterprise Council is assisted in administering the Business Enterprise Program by a Secretary and the Department of Central Management Services; and

WHEREAS, IDOT implements the requirements of the Federal DBE program through the Illinois Unified Certification Program (ILUCP); and

WHEREAS, Recent media attention has identified businesses circumventing similar programs in Illinois municipalities by using straw men or women (known as front corporations and pass throughs) for the purpose of receiving contracts reserved for businesses certified as minority, female, or disabled owned and controlled; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-FOURTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that the Auditor General shall conduct a management audit of the State's Business Enterprise Program and the Illinois Department of Transportation's certification of businesses as DBEs through the ILUCP; and be it further

RESOLVED, That the audit include, but not be limited to, the following determinations:

- (1) Whether certification and recertification procedures are adequate to assure that businesses participating in the Business Enterprise Program and businesses certified by IDOT in the ILUCP are legitimately classified as businesses owned and controlled by minorities, females, or persons with disabilities;
- (2) Whether the established procedures and processes that govern certification of businesses owned and controlled by minorities, females, or persons with disabilities are being followed;
- (3) Whether staff responsible for certification of these businesses have received adequate training;
- (4) What steps are followed to verify information provided by businesses participating in the Business Enterprise Program and businesses certified by IDOT in the ILUCP, such as review of pertinent documentation, interviews, and on-site visits;
- (5) Whether the certifications are periodically reviewed to ensure that businesses in the programs continue to be qualified for participation; and

(6) Whether procedures for enforcing compliance with the Act and federal regulations, including contract termination and contractor suspension, are adequate and uniformly enforced; and be it further

RESOLVED, That the Business Enterprise Council, the Department of Central Management Services, the Illinois Department of Transportation, businesses participating in the State's Business Enterprise Program and IDOT's ILUCP, and any other entity that may have relevant information pertaining to this audit cooperate fully and promptly with the Auditor General's Office in the conduct of this audit; and be it further

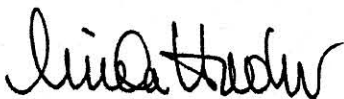
RESOLVED, That the Auditor General commence this audit as soon as possible and report his findings and recommendations upon completion in accordance with Section 3-14 of the Illinois State Auditing Act; and be it further

RESOLVED, That a copy of this resolution be transmitted to the Auditor General.

Adopted by the Senate, April 21, 2005.



President of the Senate



Secretary of the Senate