

Business Enterprise Program (BEP) Guidance

Version 1, as of March 25, 2026

The State of Illinois Business Enterprise Program (BEP) is designed to foster an inclusive, equitable and competitive business environment and support underrepresented businesses to increase their capacity, grow revenue and enhance their credentials as businesses owned by minorities, women, and persons with disabilities.

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Business Enterprise Program (BEP) Participation Requirement

The BEP program requires grantees to dedicate a pre-determined portion of their BEAD award dollars toward utilizing BEP-certified contractors and vendors.

- BEP-certified vendors are vendors certified by the State of Illinois as Minority Business Enterprises (MBE), Women Business Enterprises (WBE), or Persons with Disabilities Business Enterprises (PBE).
- BEP participation is required for projects receiving a **BEAD award in an amount greater than \$250,000**. This does not include the grantee's matching amount.
- Only businesses certified by the State of Illinois as Minority Business Enterprises (MBE), Women Business Enterprises (WBE) or Persons with Disabilities Business Enterprises (PBE) count toward BEP goals.
 - Certification must be valid at the time of bid and during performance of the contract.
 - The goal can be met by the primary contractor, sub-contractors, or vendors, so long as they are BEP-certified.



Grantee Obligation

- The grantee will provide IOB with a conditional approval request letter indicating the grantee's understanding of BEP requirements and intent to comply with the program's requirements. The grantee will generate this letter by populating a standardized template provided by the IOB, saving the letter on grantee letterhead, and including a signature from the Authorized Signatory/Designee. This letter will allow IOB to proceed with the grant agreement process.
- Once BEP participation goals are determined and communicated to the grantee, they will provide the IOB with a BEP Utilization Plan, signed by the Authorized Signatory/Designee, identifying the BEP certified vendors to be used in the project.
 - The BEP Utilization Plan does not need to be signed by the vendor, nor is any other documentation from the vendor required.
 - **An approved Utilization Plan will be required for the grantee to receive disbursement of the fixed amount subaward milestone "All Contractor contracts signed" as well as any of the deployment milestones.**
- The grantee is responsible for utilizing approved BEP vendors/contractors disclosed in the Utilization Plan and obtaining signed lien waivers from each BEP vendor/contractor prior to the closeout of the project.
- Any changes to BEP vendors/contractors from those listed in the Utilization Plan must be communicated to the IOB. The IOB will provide a vendor change form to be completed by the grantee.

Goal Determination

The BEP participation goals are capped by state statute at 30% of the grant award; however, the IOB will further define BEP goals for each specific project based on the following criteria:

- Number of certified MBEs, WBEs, and PBEs that are both capable and available for performing the scope of work for the project.
 - This is assessed by geographic area and by the type of work to be performed. The determination is made by National Institute of Governmental Purchasing (NIGP) code, a 5-digit code used to classify commodities and services in procurements.
- Historic availability of BEP vendors for past Connect Illinois projects.

If an insufficient number of vendors are determined to be available, the IOB may set a 0% participation goal. In this instance, grantees are still encouraged to seek out BEP vendors but will not be required to do so.

BEP Goal Waiver

- If the grantee is unable to find sufficient BEP vendors after performing and documenting all “Good Faith Efforts” as enumerated in the applicable section below, the IOB will consider reducing or completely waiving the BEP participation goal.
- Granting a waiver is a last resort, as several options exist for grantees to meet BEP goals, including by hiring sub-contractors for construction or purchasing materials or supplies from any approved supplier in Illinois.
- If a grantee must request a waiver, the grantee must first demonstrate and document good faith efforts they took to meet the established BEP participation goal.
- Please see Good Faith Efforts and Required Waiver Document sections below for further details.
- An internal Illinois Department of Commerce and Economic Opportunity (DCEO) committee reviews and makes determinations on all waiver requests.

Good Faith Efforts

To request a waiver of the BEP goal, grantees must demonstrate that they actively sought and reasonably considered certified BEP participation in their project. This will involve:

1. Early and meaningful outreach

- Contacting certified firms early enough for them to prepare quotes
- Providing adequate project information (i.e., plans, specifications, scope)

2. Broad solicitation

- Soliciting multiple certified firms within a reasonable distance from the project area for each sub-contractable scope (e.g., construction, design/engineering, material purchase)
- Utilizing the Commission on Equity & Inclusion’s (CEI) [BEP directory](#)
- Following up with non-responsive firms

3. Breaking work into feasible units

- Structuring subcontracts in sizes and scopes that certified firms can perform
- Assuring work is not bundled in a manner to prohibitively exclude BEP firms

4. Fair evaluation of quotes

- Considering BEP firms bids in good faith
- Not rejecting BEP firms for pretextual or discriminatory reasons
- Documenting legitimate business reasons for rejection (e.g., price, capacity, schedule, etc.)

5. Assistance where appropriate

- Providing reasonable help with bonding, insurance, scheduling, access to information, etc.

Actions That Do Not Satisfy the Good Faith Effort:

- Last-minute outreach
- Contacting only one certified firm per trade
- Passive efforts (i.e., posting once with no follow-up)
- Rejecting BEP firms solely due to slightly higher price

Required Waiver Documentation

To demonstrate good-faith efforts, the grantee will need to provide at least the following:

- Lists of certified firms contacted including dates, methods, and name of person contacted.
- Copies of emails, letters, advertisements and solicitations.
- Quotes received (both from BEP-certified vendors and non-BEP certified vendors) and comparison summaries.
- Written explanations for rejected or unavailable BEP firms.
 - Evidence of efforts to substitute or increase BEP participation.

Consequences for Non-Compliance:

- Failure to meet the BEP goal without a fully approved waiver may result in the following:
 - Withholding of payments equal to the BEP goal participation amount.
 - Grant Agreement termination.
 - Suspension or debarment from future state grants/contracts.
 - Referral for civil or criminal enforcement in cases of fraud.

Applicable State Guidance and Additional Resources:

- [Business Enterprise of Minorities, Women, and Persons with Disabilities Act \(30 ILCS 575/\) - Illinois Statute governing the BEP program](#)
- [Admin Rules Title 44 Part 30](#) - Rules and regulations for the BEP program
- [CEI BEP Vendor Directory](#) - Searchable directory of all BEP certified vendors in the State of Illinois
- [Commission on Equity & Inclusion](#) – Website for the State of Illinois Commission which administers the BEP Program