

APPELLATE COURT OF ILLINOIS, FIRST JUDICIAL DISTRICT, SECOND
DIVISION

3 R Health Care Products, Inc. v. Cardinal Health 110, LLC, and the
Department of Central Management Services

2026 IL App (1st) 241911 · No. 1-24-1911 · Decided May 26, 2026

SUMMARY

The Illinois Appellate Court affirmed dismissal of 3R Health Care Products’ breach-of-contract and declaratory-judgment claims arising from Cardinal Health’s state pharmaceutical-supply contract and DBE waiver. The court held that 3R was not a party or intended third-party beneficiary of the contract and therefore lacked a legal interest to challenge it. The court reversed dismissal of the tortious-interference claim, concluding that the alleged mandatory good-faith DBE consideration requirement and 3R’s alleged status as the only qualified subcontractor were sufficient to plead a business expectancy.

CASE DETAILS

COURT	Appellate Court of Illinois, First Judicial District, Second Division
WRITING FOR THE COURT	Justice Ellis; Presiding Justice Van Tine; Justice McBride
JURISDICTION	Illinois Appellate Court, First District, Second Division
DECIDED	May 26, 2026
DOCKET	1-24-1911
DISPOSITION	reversed_and_remanded
PROCEDURAL POSTURE	Appeal from dismissal with prejudice under section 2-615 of the Illinois Code of Civil Procedure of claims for breach of contract, tortious interference with business expectancy, and declaratory judgment.
STANDARD OF REVIEW	De novo review of a section 2-615 dismissal; the court accepts well-pleaded facts as true and draws reasonable inferences in the plaintiff's favor.
PRECEDENTIAL VALUE	Published Illinois appellate opinion
PARTIES	3 R Health Care Products, Inc. v. Cardinal Health 110, LLC, Department of Central Management Services

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QUESTIONS PRESENTED

1. Whether 3 R was an intended third-party beneficiary of the contract between Cardinal and the Department of Central Management Services and therefore could sue for breach of that contract.
2. Whether 3 R had a legal interest sufficient to seek a declaration that the Cardinal-State contract and DBE waiver were invalid.
3. Whether the complaint adequately pleaded a reasonable business expectancy and the other elements of tortious interference with business expectancy.
4. Whether the contract and declaratory-judgment counts were properly dismissed with prejudice rather than without prejudice.
5. Whether the Business Enterprise for Minorities, Women, and Persons with Disabilities Act requires actual DBE participation or instead requires only a good-faith effort to secure DBE participation subject to waiver.

HOLDINGS

1. The BEP Act mandates a bidder's good-faith effort to secure DBE participation, but it does not mandate ultimate DBE participation when the statutory waiver requirements are satisfied.
2. 3 R was not an intended third-party beneficiary of the contract between Cardinal and the State and therefore lacked standing to sue for breach of that contract.
3. 3 R lacked standing to seek a declaration invalidating the Cardinal-State contract or its DBE waiver because it had no tangible legal interest in the contract.
4. The complaint adequately pleaded a reasonable business expectancy supporting a tortious-interference claim.
5. Dismissal with prejudice was proper because the contract and declaratory-judgment counts failed as a matter of law, not merely because of inadequate factual detail.

KEY QUOTATIONS

“A good-faith attempt at DBE inclusion is mandatory, but DBE inclusion itself is not.” (§ 42)

“So as alleged, we have none of the vagaries here of a typical bidding process. 3R has alleged that (1) it was fully qualified to perform this subcontract work and (2) it had literally no competition from other DBEs. And Cardinal was under a mandatory duty to consider 3R in good faith. The complaint alleges an actionable business expectancy.” (§ 73)

“The judgment of the circuit court is reversed as to count III. The judgment of the circuit court is otherwise affirmed. We remand for further proceedings.” (¶ 80)

FACTUAL BACKGROUND

Illinois sought bids for a long-term pharmaceutical-supply contract containing disadvantaged-business-enterprise participation goals. Cardinal solicited 3 R, an Illinois-certified DBE, but rejected it and obtained waivers after representing to the State that 3 R could not meet contract requirements or provide necessary information. 3 R alleged that it was qualified, willing, and able to perform the subcontract and was the only qualified DBE candidate, and sued for breach of contract, tortious interference with business expectancy, and declaratory relief.

PROCEDURAL HISTORY

3 R sued Cardinal and the Department of Central Management Services after Cardinal obtained waivers of disadvantaged-business-enterprise participation goals in a State pharmaceutical-supply procurement. The Circuit Court of Cook County dismissed the complaint with prejudice, concluding that 3 R lacked standing, had no cognizable business expectancy, and could not challenge the contract or waiver. The Appellate Court affirmed dismissal of the contract and declaratory-judgment counts, reversed dismissal of the tortious-interference count, and remanded.

DISPOSITION

reversed_and_remanded

REMAND INSTRUCTIONS

Remand for further proceedings on count III, the tortious-interference-with-business-expectancy claim. The dismissals of the breach-of-contract and declaratory-judgment counts remain affirmed.

CASES CITED

- Bosch v. NorthShore University Health System, 2019 IL App (1st) 190070, ¶ 5
- Quiroz v. Chicago Transit Authority, 2022 IL 127603, ¶ 11
- Turner v. Memorial Medical Center, 233 Ill. 2d 494, 499 (2009)
- Tillman v. Pritzker, 2021 IL 126387, ¶ 17
- Stop NorthPoint, LLC v. City of Joliet, 2024 IL App (3d) 220517, ¶ 70
- Haake v. Board of Education for Glenbard Township High School District 87, 399 Ill. App. 3d 121, 128-29 (2010)
- Carlson v. Rehabilitation Institute of Chicago, 2016 IL App (1st) 143853, ¶ 14
- XL Disposal Corp. v. John Sexton Contractors Co., 168 Ill. 2d 355, 361 (1995)
- Midwest Neurosurgeons, LLC v. F.W. Electric, Inc., 2025 IL App (5th) 240957, ¶ 15
- Holmes v. Federal Insurance Co., 353 Ill. App. 3d 1062, 1066 (2004)
- Advanced Concepts Chicago, Inc. v. CDW Corp., 405 Ill. App. 3d 289, 296 (2010)

- Level-1 Global Solutions, LLC v. Presidio Networked Solutions Group, LLC, No. 23 C 2978, 2023 WL 9892111, at *1, *3 (N.D. Ill. Dec. 4, 2023)
- Organization of Minority Vendors, Inc. v. Illinois Central Gulf R.R., 579 F. Supp. 574, 598-99 (N.D. Ill. 1983)
- Cahokia Unit School District No. 187 v. Pritzker, 2021 IL 126212, ¶ 36
- Horwitz v. Sonnenschein Nath & Rosenthal, 2018 IL App (1st) 161909, ¶ 33
- Western National Bank of Cicero v. Moenning, 224 Ill. App. 3d 67, 75 (1991)
- Voyles v. Sandia Mortgage Corp., 196 Ill. 2d 288, 300-01 (2001)
- Anderson v. Vanden Dorpel, 172 Ill. 2d 399, 406-08 (1996)
- 540 North Lake Shore Drive Condominium Ass'n v. MCZ Development Corp., 2025 IL App (1st) 230733, ¶¶ 38, 41
- Malatesta v. Leichter, 186 Ill. App. 3d 602, 617-18 (1989)
- 3DGS, LLC v. Chai Trust Co., 19 CV 7524, 2020 WL 7353406, at *9 (N.D. Ill. Dec. 15, 2020)
- United States ex rel. Blaum v. Triad Isotopes, Inc., 104 F. Supp. 3d 901, 931 (N.D. Ill. 2015)
- Patrick Engineering, Inc. v. City of Naperville, 2012 IL 113148, ¶ 40
- Whitley v. Frazier, 21 Ill. 2d 292, 294 (1961)
- Community Home Physicians, LLC v. De La Mora, 2026 IL App (3d) 250174-U, ¶ 62
- Antonacci v. Seyfarth Shaw, LLP, 2015 IL App (1st) 142372, ¶ 32