



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

HB1602

Introduced 1/31/2023, by Rep. Anthony DeLuca

SYNOPSIS AS INTRODUCED:

70 ILCS 2405/11

from Ch. 42, par. 310

Amends the Sanitary District Act of 1917. Increases the mandatory competitive bid threshold to not less than \$25,000 or more than \$100,000 (currently, not less than \$10,000 or more than \$40,000). Allows a sanitary district to enter into an intergovernmental agreement with a unit of local government for non-emergency construction, alteration, repair, improvement, or maintenance work on the public way in an amount no greater than \$500,000 (currently, \$100,000) to save taxpayer funds and eliminate duplication of government effort. Makes conforming changes. Allows contracts to be entered into in without competitive bidding for contracts greater than \$100,000 to less than \$500,000 (currently, \$40,000 to \$100,000) if the board of trustees declares that an emergency exists affecting the public health or safety. Effective immediately.

LRB103 03462 AWJ 48468 b

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Sanitary District Act of 1917 is amended by
5 changing Section 11 as follows:

6 (70 ILCS 2405/11) (from Ch. 42, par. 310)

7 Sec. 11. Except as otherwise hereinafter provided, all
8 contracts for purchases or sales by a sanitary district
9 organized under this Act, the expense of which will exceed the
10 mandatory competitive bid threshold, shall be let to the
11 lowest responsible bidder therefor upon not less than 14 days'
12 public notice of the terms and conditions upon which the
13 contract is to be let, having been given by publication in a
14 newspaper of general circulation published in the district,
15 and the board may reject any and all bids, and readvertise. In
16 determining the lowest responsible bidder, the board shall
17 take into consideration the qualities and serviceability of
18 the articles supplied, their conformity with specifications,
19 their suitability to the requirements of the district, the
20 availability of support services, the uniqueness of the
21 service, materials, equipment, or supplies as it applies to
22 network integrated computer systems, the compatibility of the
23 service, materials, equipment or supplies with existing

1 equipment, and the delivery terms. Contracts for services in
2 excess of the mandatory competitive bid threshold may, subject
3 to the provisions of this Section, be let by competitive
4 bidding at the discretion of the district board of trustees.

5 Cash, a cashier's check, a certified check, or a bid bond
6 with adequate surety approved by the board of trustees as a
7 deposit of good faith, in a reasonable amount, but not in
8 excess of 10% of the contract amount, may be required of each
9 bidder by the district on all bids involving amounts in excess
10 of the mandatory competitive bid threshold and, if so
11 required, the advertisement for bids shall so specify.

12 All contracts for purchases or sales that will not exceed
13 the mandatory competitive bid threshold may be made in the
14 open market without publication in a newspaper as above
15 provided, but whenever practical shall be based on at least 3
16 competitive bids. For purposes of this Section, the "mandatory
17 competitive bid threshold" is a dollar amount equal to 0.1% of
18 the total general fixed assets of the district as reported in
19 the most recent required audit report. In no event, however,
20 shall the mandatory competitive bid threshold dollar amount be
21 less than \$25,000 or ~~\$10,000~~, nor more than \$100,000 ~~\$40,000~~.

22 If a unit of local government performs non-emergency
23 construction, alteration, repair, improvement, or maintenance
24 work on the public way, the sanitary district may enter into an
25 intergovernmental agreement with the unit of local government
26 allowing similar construction work to be performed by the

1 sanitary district on the same project, in an amount no greater
2 than \$500,000 ~~\$100,000~~, to save taxpayer funds and eliminate
3 duplication of government effort. The sanitary district and
4 the other unit of local government shall, before work is
5 performed by either unit of local government on a project,
6 adopt a resolution by a majority vote of both governing bodies
7 certifying work will occur at a specific location, the reasons
8 why both units of local government require work to be
9 performed in the same location, and the projected cost savings
10 if work is performed by both units of local government on the
11 same project. Officials or employees of the sanitary district
12 may, if authorized by resolution, purchase in the open market
13 any supplies, materials, equipment, or services for use within
14 the project in an amount no greater than \$500,000 ~~\$100,000~~
15 without advertisement or without filing a requisition or
16 estimate. A full written account of each project performed by
17 the sanitary district and a requisition for the materials,
18 supplies, equipment, and services used by the sanitary
19 district required to complete the project must be submitted by
20 the officials or employees authorized to make purchases to the
21 board of trustees of the sanitary district no later than 30
22 days after purchase. The full written account must be
23 available for public inspection for at least one year after
24 expenditures are made.

25 Contracts which by their nature are not adapted to award
26 by competitive bidding, including, without limitation,

1 contracts for the services of individuals, groups or firms
2 possessing a high degree of professional skill where the
3 ability or fitness of the individual or organization plays an
4 important part, contracts for financial management services
5 undertaken pursuant to "An Act relating to certain investments
6 of public funds by public agencies", approved July 23, 1943,
7 as now or hereafter amended, contracts for the purchase or
8 sale of utilities, contracts for materials economically
9 procurable only from a single source of supply, contracts for
10 the use, purchase, delivery, movement, or installation of data
11 processing equipment, software, or services and
12 telecommunications and interconnect equipment, software, or
13 services, contracts for duplicating machines and supplies,
14 contracts for goods or services procured from another
15 governmental agency, purchases of equipment previously owned
16 by an entity other than the district itself, and leases of real
17 property where the sanitary district is the lessee shall not
18 be subject to the competitive bidding requirements of this
19 Section.

20 The competitive bidding requirements of this Section do
21 not apply to contracts for construction of a facility or
22 structure for the sanitary district when the facility or
23 structure will be designed, built, and tested before being
24 conveyed to the sanitary district.

25 The competitive bidding requirements of this Section do
26 not apply to contracts, including contracts for both materials

1 and services incidental thereto, for the repair or replacement
2 of a sanitary district's treatment plant, sewers, equipment,
3 or facilities damaged or destroyed as the result of a sudden or
4 unexpected occurrence, including, but not limited to, a flood,
5 fire, tornado, earthquake, storm, or other natural or man-made
6 disaster, if the board of trustees determines in writing that
7 the awarding of those contracts without competitive bidding is
8 reasonably necessary for the sanitary district to maintain
9 compliance with a permit issued under the National Pollution
10 Discharge Elimination System (NPDES) or any successor system
11 or with any outstanding order relating to that compliance
12 issued by the United States Environmental Protection Agency,
13 the Illinois Environmental Protection Agency, or the Illinois
14 Pollution Control Board. The authority to issue contracts
15 without competitive bidding pursuant to this paragraph expires
16 6 months after the date of the writing determining that the
17 awarding of contracts without competitive bidding is
18 reasonably necessary.

19 Where the board of trustees declares, by a 2/3 vote of all
20 members of the board, that there exists an emergency affecting
21 the public health or safety, contracts totaling not more than
22 the emergency contract cap may be let to the extent necessary
23 to resolve such emergency without public advertisement or
24 competitive bidding. For purposes of this Section, the
25 "emergency contract cap" is a dollar amount equal to 0.4% of
26 the total general fixed assets of the district as reported in

1 the most recent required audit report. In no event, however,
2 shall the emergency contract cap dollar amount be less than
3 \$100,000 or ~~\$40,000~~, nor more than \$500,000 ~~\$100,000~~. The
4 ordinance or resolution embodying the emergency declaration
5 shall contain the date upon which such emergency will
6 terminate. The board of trustees may extend the termination
7 date if in its judgment the circumstances so require. A full
8 written account of the emergency, together with a requisition
9 for the materials, supplies, labor or equipment required
10 therefor shall be submitted immediately upon completion and
11 shall be open to public inspection for a period of at least one
12 year subsequent to the date of such emergency purchase. Within
13 30 days after the passage of the resolution or ordinance
14 declaring an emergency affecting the public health or safety,
15 the District shall submit to the Illinois Environmental
16 Protection Agency the full written account of any such
17 emergency along with a copy of the resolution or ordinance
18 declaring the emergency, in accordance with requirements as
19 may be provided by rule.

20 A contract for any work or other public improvement, to be
21 paid for in whole or in part by special assessment or special
22 taxation, shall be entered into and the performance thereof
23 controlled by Division 2 of Article 9 of the "Illinois
24 Municipal Code", approved May 29, 1961, as heretofore and
25 hereafter amended, as near as may be. The contracts may be let
26 for making proper and suitable connections between the mains

1 and outlets of the respective sewers in the district with any
2 conduit, conduits, main pipe or pipes that may be constructed
3 by such sanitary district.

4 (Source: P.A. 100-882, eff. 8-14-18.)

5 Section 99. Effective date. This Act takes effect upon
6 becoming law.