

103RD GENERAL ASSEMBLY State of Illinois 2023 and 2024 HB3551

Introduced 2/17/2023, by Rep. Jay Hoffman

SYNOPSIS AS INTRODUCED:

30 ILCS 500/1-15.93 30 ILCS 500/30-30

Amends the Illinois Procurement Code. Removes a repeal date for the definition of "single prime", but makes the definition inoperative on January 1, 2026 for public institutions of higher education. Removes a provision limiting applicability through December 31, 2025 of provisions related to single prime projects. Removes a provision limiting the Capital Development Board from using the single prime procurement delivery method under specified circumstances. Limits provisions relating to building construction contracts in excess of \$250,000 to public institutions of higher education. Provides that, before electing to use single prime on a project, the Capital Development Board must make a written determination that must include a description as to the particular advantages of the single prime procurement method for that project and an evaluation of specified factors. Provides that the Chief Procurement Officer must review the Capital Development Board's determination and consider the adequacy the evaluation of the specified factors to determine whether the Board may proceed with single prime. Allows the Board to cure their determination if the Chief Procurement Officer finds the Board's written determination insufficient. Effective immediately.

LRB103 30888 HLH 57616 b

1 AN ACT concerning finance.

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

- Section 5. The Illinois Procurement Code is amended by changing Sections 1-15.93 and 30-30 as follows:
- 6 (30 ILCS 500/1-15.93)
- 7 (Section scheduled to be repealed on January 1, 2026)
- 8 Sec. 1-15.93. Single prime. "Single prime" means the
- 9 design-bid-build procurement delivery method for a building
- 10 construction project in which the Capital Development Board or
- 11 a public institution of higher education, as defined in
- 12 Section 1-13 of this Code, is the construction agency
- procuring 2 or more subdivisions of work enumerated in
- 14 paragraphs (1) through (5) of subsection (a) of Section 30-30
- of this Code under a single contract. The provisions of this
- Section are inoperative, but only for a public institution of
- 17 <u>higher education</u>, on and after January 1, 2026. This Section
- 18 is repealed on January 1, 2026.
- 19 (Source: P.A. 101-369, eff. 12-15-19; 101-645, eff. 6-26-20;
- 20 102-671, eff. 11-30-21; 102-1119, eff. 1-23-23.)
- 21 (30 ILCS 500/30-30)
- Sec. 30-30. Design-bid-build construction.

1 (a) The provisions of this subsection are operative
2 through December 31, 2025.

Except as provided in subsection (a-5), for building construction contracts in excess of \$250,000, separate specifications may be prepared for all equipment, labor, and materials in connection with the following 5 subdivisions of the work to be performed:

- (1) plumbing;
- (2) heating, piping, refrigeration, and automatic temperature control systems, including the testing and balancing of those systems;
- (3) ventilating and distribution systems for conditioned air, including the testing and balancing of those systems;
 - (4) electric wiring; and
- 16 (5) general contract work.

Except as provided in subsection (a-5), the specifications may be so drawn as to permit separate and independent bidding upon each of the 5 subdivisions of work. All contracts awarded for any part thereof may award the 5 subdivisions of work separately to responsible and reliable persons, firms, or corporations engaged in these classes of work. The contracts, at the discretion of the construction agency, may be assigned to the successful bidder on the general contract work or to the successful bidder on the subdivision of work designated by the construction agency before the bidding as the prime

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subdivision of work, provided that all payments will be made directly to the contractors for the 5 subdivisions of work upon compliance with the conditions of the contract.

For Beginning on the effective date of this amendatory Act of the 101st General Assembly and through December 31, 2025, for single prime projects: (i) the bid of the successful low bidder shall identify the name of the subcontractor, if any, and the bid proposal costs for each of the 5 subdivisions of work set forth in this Section; (ii) the contract entered into with the successful bidder shall provide that no identified subcontractor may be terminated without the written consent of the Capital Development Board; (iii) the contract shall comply with the disadvantaged business practices of the Business Enterprise for Minorities, Women, and Persons Disabilities Act and the equal employment practices of Section 2-105 of the Illinois Human Rights Act; and (iv) the Capital Development Board shall submit an annual report to the General Assembly and Governor on the bidding, award, and performance of all single prime projects.

For building construction projects with a total construction cost valued at \$5,000,000 or less, the Capital Development Board shall not use the single prime procurement delivery method for more than 50% of the total number of projects bid for each fiscal year. Any project with a total construction cost valued greater than \$5,000,000 may be bid using single prime at the discretion of the Executive Director

of the Capital Development Board.

The Capital Development Board shall determine whether the single prime procurement delivery method is to be pursued. Before electing to use single prime on a project, the Capital Development Board must make a written determination that must include a description as to the particular advantages of the single prime procurement method for that project and an evaluation of items in paragraphs (1) through (4). The Chief Procurement Officer must review the Capital Development Board's determination and consider the adequacy of information in paragraphs (1) through (4) to determine whether the Capital Development Board may proceed with single prime. Approval by the Chief Procurement Officer will not be unreasonably withheld. The following factors must be considered by the Chief Procurement Officer in any determination:

- (1) The benefit that utilizing the single prime procurement method will have on the Capital Development Board's ability to increase participation of minority-owned firms, woman-owned firms, firms owned by persons with a disability, and veteran-owned firms.
- (2) The probability that single prime will be in the best interest of the State by providing a material savings of time or cost over the design-bid-build or other multiple prime delivery system. The best interest of the State justification must show the specific benefits of using the single prime method, including documentation of

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- (3) The type and size of the project and its suitability to the single prime procurement method.
- (4) Whether the project will comply with the disadvantaged business and equal employment practices of the State, as established in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, Section 45-57 of this Code and Section 2-105 of the Illinois Human Rights Act.

Development Board's written determination is insufficient, the Capital Development Board shall have the opportunity to cure its determination. Within 15 days of receiving approval from the Chief Procurement Officer, the Capital Development Board will provide an advisory copy of the written determination to Procurement Policy Board and the Commission on Equity and Inclusion. The Capital Development Board must maintain the full record of determination for 5 years.

(a-5) Beginning on the effective date of this amendatory
Act of the 102nd General Assembly and through December 31,

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2025, for single prime projects in which a public institution of higher education is a construction agency awarding building construction contracts in excess of \$250,000, separate specifications may be prepared for all equipment, labor, and materials in connection with the 5 subdivisions of work enumerated in subsection (a). Any public institution of higher education contract awarded for any part thereof may award 2 or more of the 5 subdivisions of work together or separately to responsible and reliable persons, firms, or corporations engaged in these classes of work if: (i) the public institution of higher education has submitted to the Procurement Policy Board and the Commission on Equity and Inclusion a written notice that includes the reasons for using the single prime method and an explanation of why the use of that method is in the best interest of the State and arranges to have the notice posted on the institution's online procurement webpage and its online procurement bulletin at least 3 business days following submission to the Procurement Policy Board and the Commission on Equity and Inclusion; (ii) the successful low bidder has prequalified with the public institution of higher education; (iii) the bid of the successful low bidder identifies the name of the subcontractor, if any, and the bid proposal costs for each of the 5 subdivisions of work set forth in subsection (a); (iv) the contract entered into with the successful bidder provides 26 that no identified subcontractor may be terminated without the

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written consent of the public institution of higher education; and (v) the successful low bidder has prequalified with the University of Illinois or with the Capital Development Board.

building construction projects with construction cost valued at \$20,000,000 or less, institutions of higher education shall not use the single prime delivery method for more than 50% of the total number of projects bid for each fiscal year. Projects with a total construction cost valued at \$20,000,000 or more may be bid using the single prime delivery method at the discretion of the public institution of higher education. With respect to any construction project described in this subsection (a-5), the public institution of higher education shall: (i) specify in writing as a public record that the project shall comply with the Business Enterprise for Minorities, Women, Persons with Disabilities Act and the equal employment practices of Section 2-105 of the Illinois Human Rights Act; and (ii) report annually to the Governor, General Assembly, Procurement Policy Board, and Auditor General on the bidding, award, and performance of all single prime projects. On and after the effective date of this amendatory Act of the 102nd General Assembly, the public institution of higher education may award in each fiscal year single prime contracts with an aggregate total value of no more than \$100,000,000. The Board of Trustees of the University of Illinois may award in each fiscal year single prime contracts with an aggregate total

- 1 value of not more than \$300,000,000.
- 2 (b) The provisions of this subsection are operative on and
 3 after January 1, 2026. For building construction contracts in
 4 excess of \$250,000, <u>public institutions of higher education</u>
 5 <u>shall prepare</u> separate specifications shall be prepared for
 6 all equipment, labor, and materials in connection with the
 7 following 5 subdivisions of the work to be performed:
 - (1) plumbing;
 - (2) heating, piping, refrigeration, and automatic temperature control systems, including the testing and balancing of those systems;
 - (3) ventilating and distribution systems for conditioned air, including the testing and balancing of those systems;
 - (4) electric wiring; and
- 16 (5) general contract work.

The specifications must be so drawn as to permit separate and independent bidding upon each of the 5 subdivisions of work. All contracts awarded for any part thereof shall award the 5 subdivisions of work separately to responsible and reliable persons, firms, or corporations engaged in these classes of work. The contracts, at the discretion of the construction agency, may be assigned to the successful bidder on the general contract work or to the successful bidder on the subdivision of work designated by the construction agency before the bidding as the prime subdivision of work, provided

- 1 that all payments will be made directly to the contractors for
- 2 the 5 subdivisions of work upon compliance with the conditions
- 3 of the contract.
- 4 (Source: P.A. 101-369, eff. 12-15-19; 101-645, eff. 6-26-20;
- 5 102-671, eff. 11-30-21; 102-1119, eff. 1-23-23.)
- 6 Section 99. Effective date. This Act takes effect upon
- 7 becoming law.