

1 AN ACT concerning education.

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

4 Section 5. The School Code is amended by changing Section  
5 10-20.21 as follows:

6 (105 ILCS 5/10-20.21) (from Ch. 122, par. 10-20.21)  
7 Sec. 10-20.21. Contracts.

8 (a) To award all contracts for purchase of supplies,  
9 materials or work or contracts with private carriers for  
10 transportation of pupils involving an expenditure in excess of  
11 \$10,000 to the lowest responsible bidder, considering  
12 conformity with specifications, terms of delivery, quality and  
13 serviceability, after due advertisement, except the following:  
14 (i) contracts for the services of individuals possessing a high  
15 degree of professional skill where the ability or fitness of  
16 the individual plays an important part; (ii) contracts for the  
17 printing of finance committee reports and departmental  
18 reports; (iii) contracts for the printing or engraving of  
19 bonds, tax warrants and other evidences of indebtedness; (iv)  
20 contracts for the purchase of perishable foods and perishable  
21 beverages; (v) contracts for materials and work which have been  
22 awarded to the lowest responsible bidder after due  
23 advertisement, but due to unforeseen revisions, not the fault  
24 of the contractor for materials and work, must be revised  
25 causing expenditures not in excess of 10% of the contract  
26 price; (vi) contracts for the maintenance or servicing of, or  
27 provision of repair parts for, equipment which are made with  
28 the manufacturer or authorized service agent of that equipment  
29 where the provision of parts, maintenance, or servicing can  
30 best be performed by the manufacturer or authorized service  
31 agent; (vii) purchases and contracts for the use, purchase,  
32 delivery, movement, or installation of data processing

1 equipment, software, or services and telecommunications and  
2 interconnect equipment, software, and services; (viii)  
3 contracts for duplicating machines and supplies; (ix)  
4 contracts for the purchase of natural gas when the cost is less  
5 than that offered by a public utility; (x) purchases of  
6 equipment previously owned by some entity other than the  
7 district itself; (xi) contracts for repair, maintenance,  
8 remodeling, renovation, or construction, or a single project  
9 involving an expenditure not to exceed \$20,000 and not  
10 involving a change or increase in the size, type, or extent of  
11 an existing facility; (xii) contracts for goods or services  
12 procured from another governmental agency; (xiii) contracts  
13 for goods or services which are economically procurable from  
14 only one source, such as for the purchase of magazines, books,  
15 periodicals, pamphlets and reports, and for utility services  
16 such as water, light, heat, telephone or telegraph; (xiv) where  
17 funds are expended in an emergency and such emergency  
18 expenditure is approved by 3/4 of the members of the board; and  
19 (xv) State master contracts authorized under Article 28A of  
20 this Code.

21 All competitive bids for contracts involving an  
22 expenditure in excess of \$10,000 must be sealed by the bidder  
23 and must be opened by a member or employee of the school board  
24 at a public bid opening at which the contents of the bids must  
25 be announced. Each bidder must receive at least 3 days' notice  
26 of the time and place of the bid opening. For purposes of this  
27 Section due advertisement includes, but is not limited to, at  
28 least one public notice at least 10 days before the bid date in  
29 a newspaper published in the district, or if no newspaper is  
30 published in the district, in a newspaper of general  
31 circulation in the area of the district. State master contracts  
32 and certified education purchasing contracts, as defined in  
33 Article 28A of this Code, are not subject to the requirements  
34 of this paragraph.

35 (b) To require, as a condition of any contract for goods  
36 and services, that persons bidding for and awarded a contract

1 and all affiliates of the person collect and remit Illinois Use  
2 Tax on all sales of tangible personal property into the State  
3 of Illinois in accordance with the provisions of the Illinois  
4 Use Tax Act regardless of whether the person or affiliate is a  
5 "retailer maintaining a place of business within this State" as  
6 defined in Section 2 of the Use Tax Act. For purposes of this  
7 Section, the term "affiliate" means any entity that (1)  
8 directly, indirectly, or constructively controls another  
9 entity, (2) is directly, indirectly, or constructively  
10 controlled by another entity, or (3) is subject to the control  
11 of a common entity. For purposes of this subsection (b), an  
12 entity controls another entity if it owns, directly or  
13 individually, more than 10% of the voting securities of that  
14 entity. As used in this subsection (b), the term "voting  
15 security" means a security that (1) confers upon the holder the  
16 right to vote for the election of members of the board of  
17 directors or similar governing body of the business or (2) is  
18 convertible into, or entitles the holder to receive upon its  
19 exercise, a security that confers such a right to vote. A  
20 general partnership interest is a voting security.

21 To require that bids and contracts include a certification  
22 by the bidder or contractor that the bidder or contractor is  
23 not barred from bidding for or entering into a contract under  
24 this Section and that the bidder or contractor acknowledges  
25 that the school board may declare the contract void if the  
26 certification completed pursuant to this subsection (b) is  
27 false.

28 (b-5) To require all contracts and agreements that pertain  
29 to goods and services and that are intended to generate  
30 additional revenue and other remunerations for the school  
31 district in excess of \$1,000, including without limitation  
32 vending machine contracts, sports and other attire, class  
33 rings, and photographic services, to be approved by the school  
34 board. The school board shall file as an attachment to its  
35 annual budget a report, in a form as determined by the State  
36 Board of Education, indicating for the prior year the name of

1 the vendor, the product or service provided, and the actual net  
2 revenue and non-monetary remuneration from each of the  
3 contracts or agreements. In addition, the report shall indicate  
4 for what purpose the revenue was used and how and to whom the  
5 non-monetary remuneration was distributed.

6 (c) If the State education purchasing entity creates a  
7 master contract as defined in Article 28A of this Code, then  
8 the State education purchasing entity shall notify school  
9 districts of the existence of the master contract.

10 (d) In purchasing supplies, materials, equipment, or  
11 services that are not subject to subsection (c) of this  
12 Section, before a school district solicits bids or awards a  
13 contract, the district may review and consider as a bid under  
14 subsection (a) of this Section certified education purchasing  
15 contracts that are already available through the State  
16 education purchasing entity.

17 (Source: P.A. 93-25, eff. 6-20-03; 93-1036, eff. 9-14-04.)

18 Section 90. The State Mandates Act is amended by adding  
19 Section 8.29 as follows:

20 (30 ILCS 805/8.29 new)

21 Sec. 8.29. Exempt mandate. Notwithstanding Sections 6 and 8  
22 of this Act, no reimbursement by the State is required for the  
23 implementation of any mandate created by this amendatory Act of  
24 the 94th General Assembly.

25 Section 99. Effective date. This Act takes effect July 1,  
26 2006.