



## 94TH GENERAL ASSEMBLY

### State of Illinois

2005 and 2006

SB0488

Introduced 2/16/2005, by Sen. Carole Pankau

#### SYNOPSIS AS INTRODUCED:

65 ILCS 5/8-9-1  
65 ILCS 5/8-10-3

from Ch. 24, par. 8-9-1  
from Ch. 24, par. 8-10-3

Amends the Illinois Municipal Code. Provides that in municipalities of fewer than 500,000 inhabitants, any work or public improvement contract in excess of \$50,000 (now, \$10,000), that is not to be paid by a special tax or a special assessment, shall be let to the lowest responsible bidder. Provides that when the municipality, after a two-thirds vote of alderman or trustees to approve the ordinance, directs one of its officers to employ manual labor, laborers, and artisans for a construction or improvement project that all material used for that construction or project that has a value of \$50,000 (now, \$10,000) or more shall be let to the lowest responsible bidder. Provides that in municipalities of more than 500,000 inhabitants, a purchase order or a contract of any nature for labor, services, or work, or for the purchase, lease, or sale of personal property, materials, equipment, or supplies must be let for bid if the amount of the purchase order, lease, or contract exceeds \$50,000 (now, \$10,000).

LRB094 09002 AJO 39223 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 Illinois Municipal Code is amended by  
5 changing Sections 8-9-1 and 8-10-3 as follows:

6 (65 ILCS 5/8-9-1) (from Ch. 24, par. 8-9-1)

7 Sec. 8-9-1. In municipalities of less than 500,000 except  
8 as otherwise provided in Articles 4 and 5 any work or other  
9 public improvement which is not to be paid for in whole or in  
10 part by special assessment or special taxation, when the  
11 expense thereof will exceed \$50,000 ~~\$10,000~~, shall be  
12 constructed either (1) by a contract let to the lowest  
13 responsible bidder after advertising for bids, in the manner  
14 prescribed by ordinance, except that any such contract may be  
15 entered into by the proper officers without advertising for  
16 bids, if authorized by a vote of two-thirds of all the aldermen  
17 or trustees then holding office; or (2) in the following  
18 manner, if authorized by a vote of two-thirds of all the  
19 aldermen or trustees then holding office, to-wit: the  
20 commissioner of public works or other proper officers to be  
21 designated by ordinance, shall superintend and cause to be  
22 carried out the construction of the work or other public  
23 improvement and shall employ exclusively for the performance of  
24 all manual labor thereon, laborers and artisans whom the  
25 municipality shall pay by the day or hour; and all material of  
26 the value of \$50,000 ~~\$10,000~~ and upward used in the  
27 construction of the work or other public improvement, shall be  
28 purchased by contract let to the lowest responsible bidder in  
29 the manner to be prescribed by ordinance. However, nothing  
30 contained in this section shall apply to any contract by a  
31 city, village or incorporated town with the federal government  
32 or any agency thereof.

1 In every city which has adopted Division 1 of Article 10,  
2 every such laborer or artisan shall be certified by the civil  
3 service commission to the commissioner of public works or other  
4 proper officers, in accordance with the requirement of that  
5 division.

6 In municipalities of 500,000 or more population the letting  
7 of contracts for work or other public improvements of the  
8 character described in this section shall be governed by the  
9 provisions of Division 10 of this Article 8.

10 (Source: P.A. 86-576.)

11 (65 ILCS 5/8-10-3) (from Ch. 24, par. 8-10-3)

12 Sec. 8-10-3. (a) Except as otherwise herein provided, all  
13 purchase orders or contracts of whatever nature, for labor,  
14 services or work, the purchase, lease, or sale of personal  
15 property, materials, equipment or supplies, involving amounts  
16 in excess of \$50,000 ~~\$10,000~~, made by or on behalf of any such  
17 municipality, shall be let by free and open competitive bidding  
18 after advertisement, to the lowest responsible bidder, or in  
19 the appropriate instance, to the highest responsible bidder,  
20 depending upon whether such municipality is to expend or to  
21 receive money. All such purchase orders or contracts, as  
22 defined above, which shall involve amounts of \$10,000, or less,  
23 shall be let in the manner described above whenever  
24 practicable, except that such purchase orders or contracts may  
25 be let in the open market in a manner calculated to insure the  
26 best interests of the public, after solicitation of bids by  
27 mail, telephone, or otherwise. The provisions of this Section  
28 are subject to any contrary provision contained in "An Act  
29 concerning the use of Illinois mined coal in certain plants and  
30 institutions", filed July 13, 1937, as heretofore and hereafter  
31 amended.

32 (b) The corporate authorities of a municipality may by  
33 ordinance provide that contracts to provide goods and services  
34 to the municipality contain a provision requiring the  
35 contractor and its affiliates to collect and remit Illinois Use

1 Tax on all sales of tangible personal property into the State  
2 of Illinois in accordance with the provisions of the Illinois  
3 Use Tax Act, and municipal use tax on all sales of tangible  
4 personal property into the municipality in accordance with a  
5 municipal ordinance authorized by Section 8-11-6 or 8-11-1.5,  
6 during the term of the contract or for some other specified  
7 period, regardless of whether the contractor or affiliate is a  
8 "retailer maintaining a place of business within this State" as  
9 defined in Section 2 of the Use Tax Act. The provision may  
10 state that if the requirement is not met, the contract may be  
11 terminated by the municipality, and the contractor may be  
12 subject to such other penalties or the exercise of such  
13 remedies as may be stated in the contract or the ordinance  
14 adopted under this Section. An ordinance adopted under this  
15 Section may contain exceptions for emergencies or other  
16 circumstances when the exception is in the best interest of the  
17 public. For purposes of this Section, the term "affiliate"  
18 means any entity that (1) directly, indirectly, or  
19 constructively controls another entity, (2) is directly,  
20 indirectly, or constructively controlled by another entity, or  
21 (3) is subject to the control of a common entity. For purposes  
22 of this subsection (b), an entity controls another entity if it  
23 owns, directly or individually, more than 10% of the voting  
24 securities of that entity. As used in this subsection (b), the  
25 term "voting security" means a security that (1) confers upon  
26 the holder the right to vote for the election of members of the  
27 board of directors or similar governing body of the business or  
28 (2) is convertible into, or entitles the holder to receive upon  
29 its exercise, a security that confers such a right to vote. A  
30 general partnership interest is a voting security.

31 (Source: P.A. 93-25, eff. 6-20-03.)