



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

SB2226

Introduced 1/11/2006, by Sen. Edward D. Maloney

SYNOPSIS AS INTRODUCED:

105 ILCS 5/10-20.21

from Ch. 122, par. 10-20.21

Amends the School Code. With respect to school districts other than Chicago, requires that certain contracts involving an expenditure in excess of \$25,000 or a lower amount as required by local policy (rather than \$10,000) be awarded to the lowest responsible bidder. Makes changes concerning the exceptions to this requirement, including an exception for contracts for services of corporations possessing a high degree of professional skill where ability and fitness play an important part, contracts for food services, contracts for utilities and related services when the cost is less than that offered by a local distribution company, and contracts for repair, maintenance, remodeling, renovation, or construction involving an expenditure not to exceed \$50,000 (rather than \$20,000). Adds an exception for contracts for the provision of motor vehicle fuel. Effective immediately.

LRB094 15505 LJB 50704 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning schools.

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

1 agent; (vii) purchases and contracts for the use, purchase,
2 delivery, movement, or installation of data processing
3 equipment, software, or services and telecommunications and
4 interconnect equipment, software, and services; (viii)
5 contracts for duplicating machines and supplies; (ix)
6 contracts for the purchase of utilities and related services
7 ~~natural gas~~ when the cost is less than that offered by the
8 local distribution company ~~a public utility~~; (x) purchases of
9 equipment previously owned by some entity other than the
10 district itself; (xi) contracts for repair, maintenance,
11 remodeling, renovation, or construction, or a single project
12 involving an expenditure not to exceed \$50,000 ~~\$20,000~~ and not
13 involving a change or increase in the size, type, or extent of
14 an existing facility; (xii) contracts for goods or services
15 procured from another governmental agency or consortia of
16 agencies; (xiii) contracts for goods or services which are
17 economically procurable from only one source, such as for the
18 purchase of magazines, books, periodicals, pamphlets and
19 reports, and for utility services such as water, light, heat,
20 telephone or telegraph; (xiv) where funds are expended in an
21 emergency and such emergency expenditure is approved by 3/4 of
22 the members of the board; ~~and~~ (xv) State master contracts
23 authorized under Article 28A of this Code; and (xvi) contracts
24 for the provision of motor vehicle fuel.

25 All competitive bids for contracts involving an
26 expenditure in excess of \$25,000 or a lower amount as required
27 by board policy ~~\$10,000~~ must be sealed by the bidder and must
28 be opened by a member or employee of the school board at a
29 public bid opening at which the contents of the bids must be
30 announced. Each bidder must receive at least 3 days' notice of
31 the time and place of the bid opening. For purposes of this
32 Section due advertisement includes, but is not limited to, at
33 least one public notice at least 10 days before the bid date in
34 a newspaper published in the district, or if no newspaper is
35 published in the district, in a newspaper of general
36 circulation in the area of the district. State master contracts

1 and certified education purchasing contracts, as defined in
2 Article 28A of this Code, are not subject to the requirements
3 of this paragraph.

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

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

33 (c) If the State education purchasing entity creates a
34 master contract as defined in Article 28A of this Code, then
35 the State education purchasing entity shall notify school
36 districts of the existence of the master contract.

1 (d) In purchasing supplies, materials, equipment, or
2 services that are not subject to subsection (c) of this
3 Section, before a school district solicits bids or awards a
4 contract, the district may review and consider as a bid under
5 subsection (a) of this Section certified education purchasing
6 contracts that are already available through the State
7 education purchasing entity.

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

9 Section 99. Effective date. This Act takes effect upon
10 becoming law.