

1 AN ACT concerning State government.

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

4 ARTICLE 1

5 Section 1-1. Short title. This Article may be cited as the
6 Local Government Electronic Reverse Auction Act.

7 Section 1-5. Unit of local government defined. As used in
8 this Article, "unit" and "unit of local government" mean a unit
9 of local government as defined in Section 1 of Article VII of
10 the Illinois Constitution.

11 Section 1-10. Reverse auction. Notwithstanding any other
12 provision of law and in accordance with rules adopted by the
13 unit, a unit of local government, whether or not it is a home
14 rule unit as defined in Section 6 of Article VII of the
15 Illinois Constitution, may procure supplies or services
16 through a competitive electronic auction bidding process after
17 the unit's purchasing officer explains in writing to the unit's
18 governing body his or her determination that the use of such a
19 process will be in the best interest of the unit.

20 The purchasing officer shall publish that determination in
21 the same manner required by law for the unit's invitations for

1 bids.

2 An invitation for bids shall be issued and shall include
3 (i) a procurement description, (ii) all contractual terms,
4 whenever practical, and (iii) conditions applicable to the
5 procurement, including a notice that bids will be received in
6 an electronic auction manner.

7 Public notice of the invitation for bids shall be given in
8 the same manner as required by law for the unit's other
9 invitations for bids.

10 Bids shall be accepted electronically at the time and in
11 the manner designated in the invitation for bids. During the
12 auction, a bidder's price shall be disclosed to other bidders.
13 Bidders shall have the opportunity to reduce their bid prices
14 during the auction. At the conclusion of the auction, the
15 record of the bid prices received and the name of each bidder
16 shall be open to public inspection.

17 After the auction period has terminated, withdrawal of bids
18 shall be permitted as otherwise provided by law.

19 The contract shall be awarded within 60 days after the
20 auction by written notice to the lowest responsible bidder, or
21 all bids shall be rejected except as otherwise provided by law.

22 Extensions of the date for the award may be made by mutual
23 written consent of the purchasing officer and the lowest
24 responsible bidder.

25 Section 1-15. Application. This Act does not apply to (i)

1 procurements of professional and artistic services, (ii)
2 telecommunications services, communication services, and
3 information services, and (iii) contracts for construction
4 projects.

5 ARTICLE 95

6 Section 95-10. The Deposit of State Moneys Act is amended
7 by changing Section 22.5 as follows:

8 (15 ILCS 520/22.5) (from Ch. 130, par. 41a)

9 (For force and effect of certain provisions, see Section 90
10 of P.A. 94-79)

11 Sec. 22.5. Permitted investments. The State Treasurer may,
12 with the approval of the Governor, invest and reinvest any
13 State money in the treasury which is not needed for current
14 expenditures due or about to become due, in obligations of the
15 United States government or its agencies or of National
16 Mortgage Associations established by or under the National
17 Housing Act, 1201 U.S.C. 1701 et seq., or in mortgage
18 participation certificates representing undivided interests in
19 specified, first-lien conventional residential Illinois
20 mortgages that are underwritten, insured, guaranteed, or
21 purchased by the Federal Home Loan Mortgage Corporation or in
22 Affordable Housing Program Trust Fund Bonds or Notes as defined
23 in and issued pursuant to the Illinois Housing Development Act.

1 All such obligations shall be considered as cash and may be
2 delivered over as cash by a State Treasurer to his successor.

3 The State Treasurer may, with the approval of the Governor,
4 purchase any state bonds with any money in the State Treasury
5 that has been set aside and held for the payment of the
6 principal of and interest on the bonds. The bonds shall be
7 considered as cash and may be delivered over as cash by the
8 State Treasurer to his successor.

9 The State Treasurer may, with the approval of the Governor,
10 invest or reinvest any State money in the treasury that is not
11 needed for current expenditure due or about to become due, or
12 any money in the State Treasury that has been set aside and
13 held for the payment of the principal of and the interest on
14 any State bonds, in shares, withdrawable accounts, and
15 investment certificates of savings and building and loan
16 associations, incorporated under the laws of this State or any
17 other state or under the laws of the United States; provided,
18 however, that investments may be made only in those savings and
19 loan or building and loan associations the shares and
20 withdrawable accounts or other forms of investment securities
21 of which are insured by the Federal Deposit Insurance
22 Corporation.

23 The State Treasurer may not invest State money in any
24 savings and loan or building and loan association unless a
25 commitment by the savings and loan (or building and loan)
26 association, executed by the president or chief executive

1 officer of that association, is submitted in the following
2 form:

3 The Savings and Loan (or Building
4 and Loan) Association pledges not to reject arbitrarily
5 mortgage loans for residential properties within any
6 specific part of the community served by the savings and
7 loan (or building and loan) association because of the
8 location of the property. The savings and loan (or building
9 and loan) association also pledges to make loans available
10 on low and moderate income residential property throughout
11 the community within the limits of its legal restrictions
12 and prudent financial practices.

13 The State Treasurer may, with the approval of the Governor,
14 invest or reinvest, at a price not to exceed par, any State
15 money in the treasury that is not needed for current
16 expenditures due or about to become due, or any money in the
17 State Treasury that has been set aside and held for the payment
18 of the principal of and interest on any State bonds, in bonds
19 issued by counties or municipal corporations of the State of
20 Illinois.

21 The State Treasurer may, with the approval of the Governor,
22 invest or reinvest any State money in the Treasury which is not
23 needed for current expenditure, due or about to become due, or
24 any money in the State Treasury which has been set aside and
25 held for the payment of the principal of and the interest on
26 any State bonds, in participations in loans, the principal of

1 which participation is fully guaranteed by an agency or
2 instrumentality of the United States government; provided,
3 however, that such loan participations are represented by
4 certificates issued only by banks which are incorporated under
5 the laws of this State or any other state or under the laws of
6 the United States, and such banks, but not the loan
7 participation certificates, are insured by the Federal Deposit
8 Insurance Corporation.

9 The State Treasurer may, with the approval of the Governor,
10 invest or reinvest any State money in the Treasury that is not
11 needed for current expenditure, due or about to become due, or
12 any money in the State Treasury that has been set aside and
13 held for the payment of the principal of and the interest on
14 any State bonds, in any of the following:

15 (1) Bonds, notes, certificates of indebtedness,
16 Treasury bills, or other securities now or hereafter issued
17 that are guaranteed by the full faith and credit of the
18 United States of America as to principal and interest.

19 (2) Bonds, notes, debentures, or other similar
20 obligations of the United States of America, its agencies,
21 and instrumentalities.

22 (2.5) Bonds, notes, debentures, or other similar
23 obligations of a foreign government, other than the
24 Republic of the Sudan, that are guaranteed by the full
25 faith and credit of that government as to principal and
26 interest, but only if the foreign government has not

1 defaulted and has met its payment obligations in a timely
2 manner on all similar obligations for a period of at least
3 25 years immediately before the time of acquiring those
4 obligations.

5 (3) Interest-bearing savings accounts,
6 interest-bearing certificates of deposit, interest-bearing
7 time deposits, or any other investments constituting
8 direct obligations of any bank as defined by the Illinois
9 Banking Act.

10 (4) Interest-bearing accounts, certificates of
11 deposit, or any other investments constituting direct
12 obligations of any savings and loan associations
13 incorporated under the laws of this State or any other
14 state or under the laws of the United States.

15 (5) Dividend-bearing share accounts, share certificate
16 accounts, or class of share accounts of a credit union
17 chartered under the laws of this State or the laws of the
18 United States; provided, however, the principal office of
19 the credit union must be located within the State of
20 Illinois.

21 (6) Bankers' acceptances of banks whose senior
22 obligations are rated in the top 2 rating categories by 2
23 national rating agencies and maintain that rating during
24 the term of the investment.

25 (7) Short-term obligations of corporations organized
26 in the United States with assets exceeding \$500,000,000 if

1 (i) the obligations are rated at the time of purchase at
2 one of the 3 highest classifications established by at
3 least 2 standard rating services and mature not later than
4 180 days from the date of purchase, (ii) the purchases do
5 not exceed 10% of the corporation's outstanding
6 obligations, (iii) no more than one-third of the public
7 agency's funds are invested in short-term obligations of
8 corporations, and (iv) the corporation has not been
9 identified as a forbidden entity, as that term is defined
10 in Section 1-110.6 of the Illinois Pension Code, by an
11 independent researching firm that specializes in global
12 security risk that has been engaged by the State Treasurer.

13 (8) Money market mutual funds registered under the
14 Investment Company Act of 1940, provided that the portfolio
15 of the money market mutual fund is limited to obligations
16 described in this Section and to agreements to repurchase
17 such obligations.

18 (9) The Public Treasurers' Investment Pool created
19 under Section 17 of the State Treasurer Act or in a fund
20 managed, operated, and administered by a bank.

21 (10) Repurchase agreements of government securities
22 having the meaning set out in the Government Securities Act
23 of 1986, as now or hereafter amended or succeeded, subject
24 to the provisions of that Act and the regulations issued
25 thereunder.

26 (11) Investments made in accordance with the

1 Technology Development Act.

2 For purposes of this Section, "agencies" of the United
3 States Government includes:

4 (i) the federal land banks, federal intermediate
5 credit banks, banks for cooperatives, federal farm credit
6 banks, or any other entity authorized to issue debt
7 obligations under the Farm Credit Act of 1971 (12 U.S.C.
8 2001 et seq.) and Acts amendatory thereto;

9 (ii) the federal home loan banks and the federal home
10 loan mortgage corporation;

11 (iii) the Commodity Credit Corporation; and

12 (iv) any other agency created by Act of Congress.

13 The Treasurer may, with the approval of the Governor, lend
14 any securities acquired under this Act. However, securities may
15 be lent under this Section only in accordance with Federal
16 Financial Institution Examination Council guidelines and only
17 if the securities are collateralized at a level sufficient to
18 assure the safety of the securities, taking into account market
19 value fluctuation. The securities may be collateralized by cash
20 or collateral acceptable under Sections 11 and 11.1.

21 (Source: P.A. 94-79, eff. 1-27-06; for force and effect of
22 certain provisions, see Section 90 of P.A. 94-79; 95-521, eff.
23 8-28-07.)

24 Section 95-15. The Department of Transportation Law of the
25 Civil Administrative Code of Illinois is amended by adding

1 Sections 2705-590, 2705-595, and 2705-600 as follows:

2 (20 ILCS 2705/2705-590 new)

3 Sec. 2705-590. Office of Business and Workforce Diversity.

4 (a) The Office of Business and Workforce Diversity is
5 established within the Department.

6 (b) The Office shall administer and be responsible for the
7 Department's efforts to achieve greater diversity in its
8 construction projects and in promoting equal opportunities
9 within the Department. The responsibilities of the Office shall
10 be administered between 2 distinct bureaus, designed to
11 establish policy, procedures, and monitoring efforts pursuant
12 to the governing regulations supporting minorities and those
13 supporting women in contracting and workforce activities.

14 (c) Applicant firms must be found eligible to be certified
15 as a Disadvantaged Business Enterprise (DBE) program under the
16 federal regulations contained in 49 CFR part 26 and part 23.
17 Only those businesses that are involved in highway
18 construction-related services (non-vertical), consultant, and
19 supplier/equipment rental/trucking services may be considered
20 for participation in the Department's DBE program. Once
21 certified, the firm's name shall be listed in the Illinois
22 Unified Certification Program's (IL UCP) DBE Directory
23 (Directory). The IL UCP's 5 participating agencies shall
24 maintain the Directory to provide a reference source to assist
25 bidders and proposers in meeting DBE contract goals. The

1 Directory shall list the firms in alphabetical order and
2 provides the industry categories/list and the districts in
3 which the firms have indicated they are available.

4 (20 ILCS 2705/2705-595 new)

5 Sec. 2705-595. Prequalification of minority-owned and
6 women-owned contractors. The Department shall, within 30 days
7 after the effective date of this amendatory Act of the 96th
8 General Assembly, establish a committee to review the rules for
9 prequalification of contractors adopted by the Department at 44
10 Illinois Administrative Code 650. The purpose of the review is
11 to determine whether the rules for prequalification operate as
12 a barrier to minority-owned and women-owned contractors
13 becoming prequalified to bid on or make proposals for
14 Department contracts. The committee shall, in addition to
15 Department staff, be constituted with membership representing
16 the construction industry and minority-owned and women-owned
17 contractors. The committee shall complete its work and make
18 recommendations for any changes to the rules for
19 prequalification to the Secretary of Transportation within 180
20 days after the effective date of this amendatory Act of the
21 96th General Assembly.

22 (20 ILCS 2705/2705-600 new)

23 Sec. 2705-600. Target market program. In order to achieve
24 all diversity goals, the Department's chief procurement

1 officer shall develop and coordinate a target market program
2 including the following elements:

3 (1) In January of each year, the chief procurement
4 officer shall estimate the dollar value of all contracts to
5 be awarded by the Department during that year and shall
6 multiply that total by the minority-owned business target
7 market percentage and the women-owned business target
8 market percentage for that year. Contracts with an
9 estimated dollar value equal to those products shall be set
10 aside (prior to advertisement in the case of contracts to
11 be awarded by bid) to be let only to qualified
12 minority-owned businesses and qualified women-owned
13 businesses, respectively.

14 (2) The chief procurement officer shall work with the
15 officers and divisions of the Department to determine the
16 appropriate designation of contracts as target market
17 contracts. To the extent practical, the chief procurement
18 officer shall divide the procurements so designated into
19 contract award units of economically feasible production
20 runs in order to facilitate offers or bids from
21 minority-owned businesses and women-owned businesses. In
22 making the annual designation of target market contracts,
23 the chief procurement officer shall attempt to vary the
24 included procurements so that a variety of goods and
25 services produced by different minority-owned businesses
26 and women-owned businesses shall be set aside each year.

1 Minority-owned businesses and women-owned businesses shall
2 remain eligible to seek the procurement award of contracts
3 that have not been designated as target market contracts.

4 (3) The Department shall develop a list of
5 minority-owned businesses and women-owned businesses that
6 are interested in participating in the target market
7 program, including the type of contract in which each
8 minority-owned businesses and women-owned businesses is
9 interested in participating. The Department may make
10 participation in the target market program dependent upon
11 submission to stricter compliance audits than are
12 generally applicable. No contract shall be eligible for
13 inclusion in the target market program unless the list
14 developed by the Department indicates that there are at
15 least 3 qualified minority-owned businesses or women-owned
16 businesses interested in participating in that type of
17 contract. The Department may develop guidelines to
18 regulate the level of participation of individual
19 minority-owned businesses and women-owned businesses in
20 the target market program in order to prevent the
21 domination of the target market program by a small number
22 of those entities. If necessary or useful, the Department
23 may require minority-owned businesses and women-owned
24 businesses to participate in training programs offered by
25 the Department or other State agencies as a condition to
26 participation in the target market program.

1 (4) Participation in the target market program shall be
2 limited to minority-owned businesses and women-owned
3 businesses and joint ventures consisting exclusively of
4 minority-owned businesses, women-owned businesses, or
5 both. The prime contractor on a target market contract may
6 subcontract up to 50% of the dollar value of the target
7 market contract to subcontractors who are not
8 minority-owned businesses or women-owned businesses.

9 (5) The Department may include in the target market
10 program contracts that are funded by the federal government
11 and may vary the standards of eligibility of the target
12 market program (for example, by allowing the participation
13 of businesses owned by a person with a disability) to the
14 extent necessary to comply with the federal funding
15 requirements.

16 (6) If no satisfactory bid or response is received with
17 respect to a contract that has been designated as part of
18 the target market program, the Department may delete that
19 contract from the target market program. In addition, the
20 chief procurement officer shall thereupon designate and
21 set aside for the target market program additional
22 contracts corresponding in approximate value to the
23 contract that was deleted from the target market program,
24 to the extent feasible.

25 (7) In order to facilitate the performance of target
26 market contracts by minority-owned businesses and

1 women-owned businesses, the chief procurement officer may
2 expedite payments under target market contracts, may
3 reduce retainages under target market contracts when
4 appropriate, and may pay the contractor a portion of the
5 value of a target market contract at the time of award as
6 an advance to cover start-up and mobilization costs.

7 Section 95-20. The Illinois Finance Authority Act is
8 amended by changing Section 801-40 as follows:

9 (20 ILCS 3501/801-40)

10 Sec. 801-40. In addition to the powers otherwise authorized
11 by law and in addition to the foregoing general corporate
12 powers, the Authority shall also have the following additional
13 specific powers to be exercised in furtherance of the purposes
14 of this Act.

15 (a) The Authority shall have power (i) to accept grants,
16 loans or appropriations from the federal government or the
17 State, or any agency or instrumentality thereof, to be used for
18 the operating expenses of the Authority, or for any purposes of
19 the Authority, including the making of direct loans of such
20 funds with respect to projects, and (ii) to enter into any
21 agreement with the federal government or the State, or any
22 agency or instrumentality thereof, in relationship to such
23 grants, loans or appropriations.

24 (b) The Authority shall have power to procure and enter

1 into contracts for any type of insurance and indemnity
2 agreements covering loss or damage to property from any cause,
3 including loss of use and occupancy, or covering any other
4 insurable risk.

5 (c) The Authority shall have the continuing power to issue
6 bonds for its corporate purposes. Bonds may be issued by the
7 Authority in one or more series and may provide for the payment
8 of any interest deemed necessary on such bonds, of the costs of
9 issuance of such bonds, of any premium on any insurance, or of
10 the cost of any guarantees, letters of credit or other similar
11 documents, may provide for the funding of the reserves deemed
12 necessary in connection with such bonds, and may provide for
13 the refunding or advance refunding of any bonds or for accounts
14 deemed necessary in connection with any purpose of the
15 Authority. The bonds may bear interest payable at any time or
16 times and at any rate or rates, notwithstanding any other
17 provision of law to the contrary, and such rate or rates may be
18 established by an index or formula which may be implemented or
19 established by persons appointed or retained therefor by the
20 Authority, or may bear no interest or may bear interest payable
21 at maturity or upon redemption prior to maturity, may bear such
22 date or dates, may be payable at such time or times and at such
23 place or places, may mature at any time or times not later than
24 40 years from the date of issuance, may be sold at public or
25 private sale at such time or times and at such price or prices,
26 may be secured by such pledges, reserves, guarantees, letters

1 of credit, insurance contracts or other similar credit support
2 or liquidity instruments, may be executed in such manner, may
3 be subject to redemption prior to maturity, may provide for the
4 registration of the bonds, and may be subject to such other
5 terms and conditions all as may be provided by the resolution
6 or indenture authorizing the issuance of such bonds. The holder
7 or holders of any bonds issued by the Authority may bring suits
8 at law or proceedings in equity to compel the performance and
9 observance by any person or by the Authority or any of its
10 agents or employees of any contract or covenant made with the
11 holders of such bonds and to compel such person or the
12 Authority and any of its agents or employees to perform any
13 duties required to be performed for the benefit of the holders
14 of any such bonds by the provision of the resolution
15 authorizing their issuance, and to enjoin such person or the
16 Authority and any of its agents or employees from taking any
17 action in conflict with any such contract or covenant.
18 Notwithstanding the form and tenor of any such bonds and in the
19 absence of any express recital on the face thereof that it is
20 non-negotiable, all such bonds shall be negotiable
21 instruments. Pending the preparation and execution of any such
22 bonds, temporary bonds may be issued as provided by the
23 resolution. The bonds shall be sold by the Authority in such
24 manner as it shall determine. The bonds may be secured as
25 provided in the authorizing resolution by the receipts,
26 revenues, income and other available funds of the Authority and

1 by any amounts derived by the Authority from the loan agreement
2 or lease agreement with respect to the project or projects; and
3 bonds may be issued as general obligations of the Authority
4 payable from such revenues, funds and obligations of the
5 Authority as the bond resolution shall provide, or may be
6 issued as limited obligations with a claim for payment solely
7 from such revenues, funds and obligations as the bond
8 resolution shall provide. The Authority may grant a specific
9 pledge or assignment of and lien on or security interest in
10 such rights, revenues, income, or amounts and may grant a
11 specific pledge or assignment of and lien on or security
12 interest in any reserves, funds or accounts established in the
13 resolution authorizing the issuance of bonds. Any such pledge,
14 assignment, lien or security interest for the benefit of the
15 holders of the Authority's bonds shall be valid and binding
16 from the time the bonds are issued without any physical
17 delivery or further act, and shall be valid and binding as
18 against and prior to the claims of all other parties having
19 claims against the Authority or any other person irrespective
20 of whether the other parties have notice of the pledge,
21 assignment, lien or security interest. As evidence of such
22 pledge, assignment, lien and security interest, the Authority
23 may execute and deliver a mortgage, trust agreement, indenture
24 or security agreement or an assignment thereof. A remedy for
25 any breach or default of the terms of any such agreement by the
26 Authority may be by mandamus proceedings in any court of

1 competent jurisdiction to compel the performance and
2 compliance therewith, but the agreement may prescribe by whom
3 or on whose behalf such action may be instituted. It is
4 expressly understood that the Authority may, but need not,
5 acquire title to any project with respect to which it exercises
6 its authority.

7 (d) With respect to the powers granted by this Act, the
8 Authority may adopt rules and regulations prescribing the
9 procedures by which persons may apply for assistance under this
10 Act. Nothing herein shall be deemed to preclude the Authority,
11 prior to the filing of any formal application, from conducting
12 preliminary discussions and investigations with respect to the
13 subject matter of any prospective application.

14 (e) The Authority shall have power to acquire by purchase,
15 lease, gift or otherwise any property or rights therein from
16 any person useful for its purposes, whether improved for the
17 purposes of any prospective project, or unimproved. The
18 Authority may also accept any donation of funds for its
19 purposes from any such source. The Authority shall have no
20 independent power of condemnation but may acquire any property
21 or rights therein obtained upon condemnation by any other
22 authority, governmental entity or unit of local government with
23 such power.

24 (f) The Authority shall have power to develop, construct
25 and improve either under its own direction, or through
26 collaboration with any approved applicant, or to acquire

1 through purchase or otherwise, any project, using for such
2 purpose the proceeds derived from the sale of its bonds or from
3 governmental loans or grants, and to hold title in the name of
4 the Authority to such projects.

5 (g) The Authority shall have power to lease pursuant to a
6 lease agreement any project so developed and constructed or
7 acquired to the approved tenant on such terms and conditions as
8 may be appropriate to further the purposes of this Act and to
9 maintain the credit of the Authority. Any such lease may
10 provide for either the Authority or the approved tenant to
11 assume initially, in whole or in part, the costs of
12 maintenance, repair and improvements during the leasehold
13 period. In no case, however, shall the total rentals from any
14 project during any initial leasehold period or the total loan
15 repayments to be made pursuant to any loan agreement, be less
16 than an amount necessary to return over such lease or loan
17 period (1) all costs incurred in connection with the
18 development, construction, acquisition or improvement of the
19 project and for repair, maintenance and improvements thereto
20 during the period of the lease or loan; provided, however, that
21 the rentals or loan repayments need not include costs met
22 through the use of funds other than those obtained by the
23 Authority through the issuance of its bonds or governmental
24 loans; (2) a reasonable percentage additive to be agreed upon
25 by the Authority and the borrower or tenant to cover a properly
26 allocable portion of the Authority's general expenses,

1 including, but not limited to, administrative expenses,
2 salaries and general insurance, and (3) an amount sufficient to
3 pay when due all principal of, interest and premium, if any on,
4 any bonds issued by the Authority with respect to the project.
5 The portion of total rentals payable under clause (3) of this
6 subsection (g) shall be deposited in such special accounts,
7 including all sinking funds, acquisition or construction
8 funds, debt service and other funds as provided by any
9 resolution, mortgage or trust agreement of the Authority
10 pursuant to which any bond is issued.

11 (h) The Authority has the power, upon the termination of
12 any leasehold period of any project, to sell or lease for a
13 further term or terms such project on such terms and conditions
14 as the Authority shall deem reasonable and consistent with the
15 purposes of the Act. The net proceeds from all such sales and
16 the revenues or income from such leases shall be used to
17 satisfy any indebtedness of the Authority with respect to such
18 project and any balance may be used to pay any expenses of the
19 Authority or be used for the further development, construction,
20 acquisition or improvement of projects. In the event any
21 project is vacated by a tenant prior to the termination of the
22 initial leasehold period, the Authority shall sell or lease the
23 facilities of the project on the most advantageous terms
24 available. The net proceeds of any such disposition shall be
25 treated in the same manner as the proceeds from sales or the
26 revenues or income from leases subsequent to the termination of

1 any initial leasehold period.

2 (i) The Authority shall have the power to make loans to
3 persons to finance a project, to enter into loan agreements
4 with respect thereto, and to accept guarantees from persons of
5 its loans or the resultant evidences of obligations of the
6 Authority.

7 (j) The Authority may fix, determine, charge and collect
8 any premiums, fees, charges, costs and expenses, including,
9 without limitation, any application fees, commitment fees,
10 program fees, financing charges or publication fees from any
11 person in connection with its activities under this Act.

12 (k) In addition to the funds established as provided
13 herein, the Authority shall have the power to create and
14 establish such reserve funds and accounts as may be necessary
15 or desirable to accomplish its purposes under this Act and to
16 deposit its available monies into the funds and accounts.

17 (l) At the request of the governing body of any unit of
18 local government, the Authority is authorized to market such
19 local government's revenue bond offerings by preparing bond
20 issues for sale, advertising for sealed bids, receiving bids at
21 its offices, making the award to the bidder that offers the
22 most favorable terms or arranging for negotiated placements or
23 underwritings of such securities. The Authority may, at its
24 discretion, offer for concurrent sale the revenue bonds of
25 several local governments. Sales by the Authority of revenue
26 bonds under this Section shall in no way imply State guarantee

1 of such debt issue. The Authority may require such financial
2 information from participating local governments as it deems
3 necessary in order to carry out the purposes of this subsection
4 (1).

5 (m) The Authority may make grants to any county to which
6 Division 5-37 of the Counties Code is applicable to assist in
7 the financing of capital development, construction and
8 renovation of new or existing facilities for hospitals and
9 health care facilities under that Act. Such grants may only be
10 made from funds appropriated for such purposes from the Build
11 Illinois Bond Fund.

12 (n) The Authority may establish an urban development action
13 grant program for the purpose of assisting municipalities in
14 Illinois which are experiencing severe economic distress to
15 help stimulate economic development activities needed to aid in
16 economic recovery. The Authority shall determine the types of
17 activities and projects for which the urban development action
18 grants may be used, provided that such projects and activities
19 are broadly defined to include all reasonable projects and
20 activities the primary objectives of which are the development
21 of viable urban communities, including decent housing and a
22 suitable living environment, and expansion of economic
23 opportunity, principally for persons of low and moderate
24 incomes. The Authority shall enter into grant agreements from
25 monies appropriated for such purposes from the Build Illinois
26 Bond Fund. The Authority shall monitor the use of the grants,

1 and shall provide for audits of the funds as well as recovery
2 by the Authority of any funds determined to have been spent in
3 violation of this subsection (n) or any rule or regulation
4 promulgated hereunder. The Authority shall provide technical
5 assistance with regard to the effective use of the urban
6 development action grants. The Authority shall file an annual
7 report to the General Assembly concerning the progress of the
8 grant program.

9 (o) The Authority may establish a Housing Partnership
10 Program whereby the Authority provides zero-interest loans to
11 municipalities for the purpose of assisting in the financing of
12 projects for the rehabilitation of affordable multi-family
13 housing for low and moderate income residents. The Authority
14 may provide such loans only upon a municipality's providing
15 evidence that it has obtained private funding for the
16 rehabilitation project. The Authority shall provide 3 State
17 dollars for every 7 dollars obtained by the municipality from
18 sources other than the State of Illinois. The loans shall be
19 made from monies appropriated for such purpose from the Build
20 Illinois Bond Fund. The total amount of loans available under
21 the Housing Partnership Program shall not exceed \$30,000,000.
22 State loan monies under this subsection shall be used only for
23 the acquisition and rehabilitation of existing buildings
24 containing 4 or more dwelling units. The terms of any loan made
25 by the municipality under this subsection shall require
26 repayment of the loan to the municipality upon any sale or

1 other transfer of the project.

2 (p) The Authority may award grants to universities and
3 research institutions, research consortiums and other
4 not-for-profit entities for the purposes of: remodeling or
5 otherwise physically altering existing laboratory or research
6 facilities, expansion or physical additions to existing
7 laboratory or research facilities, construction of new
8 laboratory or research facilities or acquisition of modern
9 equipment to support laboratory or research operations
10 provided that such grants (i) be used solely in support of
11 project and equipment acquisitions which enhance technology
12 transfer, and (ii) not constitute more than 60 percent of the
13 total project or acquisition cost.

14 (q) Grants may be awarded by the Authority to units of
15 local government for the purpose of developing the appropriate
16 infrastructure or defraying other costs to the local government
17 in support of laboratory or research facilities provided that
18 such grants may not exceed 40% of the cost to the unit of local
19 government.

20 (r) The Authority may establish a Direct Loan Program to
21 make loans to individuals, partnerships or corporations for the
22 purpose of an industrial project, as defined in Section 801-10
23 of this Act. For the purposes of such program and not by way of
24 limitation on any other program of the Authority, the Authority
25 shall have the power to issue bonds, notes, or other evidences
26 of indebtedness including commercial paper for purposes of

1 providing a fund of capital from which it may make such loans.
2 The Authority shall have the power to use any appropriations
3 from the State made especially for the Authority's Direct Loan
4 Program for additional capital to make such loans or for the
5 purposes of reserve funds or pledged funds which secure the
6 Authority's obligations of repayment of any bond, note or other
7 form of indebtedness established for the purpose of providing
8 capital for which it intends to make such loans under the
9 Direct Loan Program. For the purpose of obtaining such capital,
10 the Authority may also enter into agreements with financial
11 institutions and other persons for the purpose of selling loans
12 and developing a secondary market for such loans. Loans made
13 under the Direct Loan Program may be in an amount not to exceed
14 \$300,000 and shall be made for a portion of an industrial
15 project which does not exceed 50% of the total project. No loan
16 may be made by the Authority unless approved by the affirmative
17 vote of at least 8 members of the board. The Authority shall
18 establish procedures and publish rules which shall provide for
19 the submission, review, and analysis of each direct loan
20 application and which shall preserve the ability of each board
21 member to reach an individual business judgment regarding the
22 propriety of making each direct loan. The collective discretion
23 of the board to approve or disapprove each loan shall be
24 unencumbered. The Authority may establish and collect such fees
25 and charges, determine and enforce such terms and conditions,
26 and charge such interest rates as it determines to be necessary

1 and appropriate to the successful administration of the Direct
2 Loan Program. The Authority may require such interests in
3 collateral and such guarantees as it determines are necessary
4 to project the Authority's interest in the repayment of the
5 principal and interest of each loan made under the Direct Loan
6 Program.

7 (s) The Authority may guarantee private loans to third
8 parties up to a specified dollar amount in order to promote
9 economic development in this State.

10 (t) The Authority may adopt rules and regulations as may be
11 necessary or advisable to implement the powers conferred by
12 this Act.

13 (u) The Authority shall have the power to issue bonds,
14 notes or other evidences of indebtedness, which may be used to
15 make loans to units of local government which are authorized to
16 enter into loan agreements and other documents and to issue
17 bonds, notes and other evidences of indebtedness for the
18 purpose of financing the protection of storm sewer outfalls,
19 the construction of adequate storm sewer outfalls, and the
20 provision for flood protection of sanitary sewage treatment
21 plans, in counties that have established a stormwater
22 management planning committee in accordance with Section
23 5-1062 of the Counties Code. Any such loan shall be made by the
24 Authority pursuant to the provisions of Section 820-5 to 820-60
25 of this Act. The unit of local government shall pay back to the
26 Authority the principal amount of the loan, plus annual

1 interest as determined by the Authority. The Authority shall
2 have the power, subject to appropriations by the General
3 Assembly, to subsidize or buy down a portion of the interest on
4 such loans, up to 4% per annum.

5 (v) The Authority may accept security interests as provided
6 in Sections 11-3 and 11-3.3 of the Illinois Public Aid Code.

7 (w) Moral Obligation. In the event that the Authority
8 determines that monies of the Authority will not be sufficient
9 for the payment of the principal of and interest on its bonds
10 during the next State fiscal year, the Chairperson, as soon as
11 practicable, shall certify to the Governor the amount required
12 by the Authority to enable it to pay such principal of and
13 interest on the bonds. The Governor shall submit the amount so
14 certified to the General Assembly as soon as practicable, but
15 no later than the end of the current State fiscal year. This
16 subsection shall apply only to any bonds or notes as to which
17 the Authority shall have determined, in the resolution
18 authorizing the issuance of the bonds or notes, that this
19 subsection shall apply. Whenever the Authority makes such a
20 determination, that fact shall be plainly stated on the face of
21 the bonds or notes and that fact shall also be reported to the
22 Governor. In the event of a withdrawal of moneys from a reserve
23 fund established with respect to any issue or issues of bonds
24 of the Authority to pay principal or interest on those bonds,
25 the Chairperson of the Authority, as soon as practicable, shall
26 certify to the Governor the amount required to restore the

1 reserve fund to the level required in the resolution or
2 indenture securing those bonds. The Governor shall submit the
3 amount so certified to the General Assembly as soon as
4 practicable, but no later than the end of the current State
5 fiscal year. The Authority shall obtain written approval from
6 the Governor for any bonds and notes to be issued under this
7 Section. In addition to any other bonds authorized to be issued
8 under Sections 825-60, 825-65(e), 830-25 and 845-5, the
9 principal amount of Authority bonds outstanding issued under
10 this Section 801-40(w) or under 20 ILCS 3850/1-80 or 30 ILCS
11 360/2-6(c), which have been assumed by the Authority, shall not
12 exceed \$150,000,000. This subsection (w) shall in no way be
13 applied to any bonds issued by the Authority on behalf of the
14 Illinois Power Agency under Section 825-90 of this Act.

15 (x) The Authority may enter into agreements or contracts
16 with any person necessary or appropriate to place the payment
17 obligations of the Authority under any of its bonds in whole or
18 in part on any interest rate basis, cash flow basis, or other
19 basis desired by the Authority, including without limitation
20 agreements or contracts commonly known as "interest rate swap
21 agreements", "forward payment conversion agreements", and
22 "futures", or agreements or contracts to exchange cash flows or
23 a series of payments, or agreements or contracts, including
24 without limitation agreements or contracts commonly known as
25 "options", "puts", or "calls", to hedge payment, rate spread,
26 or similar exposure; provided that any such agreement or

1 contract shall not constitute an obligation for borrowed money
2 and shall not be taken into account under Section 845-5 of this
3 Act or any other debt limit of the Authority or the State of
4 Illinois.

5 (y) The Authority shall publish summaries of projects and
6 actions approved by the members of the Authority on its
7 website. These summaries shall include, but not be limited to,
8 information regarding the:

9 (1) project;

10 (2) Board's action or actions;

11 (3) purpose of the project;

12 (4) Authority's program and contribution;

13 (5) volume cap;

14 (6) jobs retained;

15 (7) projected new jobs;

16 (8) construction jobs created;

17 (9) estimated sources and uses of funds;

18 (10) financing summary;

19 (11) project summary;

20 (12) business summary;

21 (13) ownership or economic disclosure statement;

22 (14) professional and financial information;

23 (15) service area; and

24 (16) legislative district.

25 The disclosure of information pursuant to this subsection
26 shall comply with the Freedom of Information Act.

1 (Source: P.A. 94-91, eff. 7-1-05; 95-470, eff. 8-27-07; 95-481,
2 eff. 8-28-07; 95-876, eff. 8-21-08.)

3 Section 95-30. The Fiscal Control and Internal Auditing Act
4 is amended by changing Sections 1003, 2001, and 2002 as
5 follows:

6 (30 ILCS 10/1003) (from Ch. 15, par. 1003)

7 Sec. 1003. Definitions.

8 (a) "Designated State agencies" include the offices of the
9 Secretary of State, the State Comptroller, the State Treasurer,
10 and the Attorney General, the State Board of Education, the
11 State colleges and universities, the Illinois Toll Highway
12 Authority, the Illinois Housing Development Authority, the
13 public retirement systems, the Illinois Student Assistance
14 Commission, the Illinois Finance Authority, the Environmental
15 Protection Agency, the Capital Development Board, the
16 Department of Military Affairs, the State Fire Marshal, and
17 each Department of State government created in Article 5,
18 Section 5-15 of the Civil Administrative Code of Illinois and
19 ~~other State agencies designated by the Governor under Section~~
20 ~~2001.~~

21 (b) "State agency" means that term as defined in the
22 Illinois State Auditing Act, as now or hereafter amended,
23 except the judicial branch which shall be covered by subsection
24 (c) of Section 2001 and Section 3004 of this Act.

1 (c) "Chief executive officer" includes, respectively, the
2 Secretary of State, the State Comptroller, the State Treasurer,
3 the Attorney General, the State Superintendent of Education,
4 such chief executive officers as are designated by the
5 governing board of each State college and university, the
6 executive director of the Illinois Toll Highway Authority, and
7 the executive director of the Illinois Housing Development
8 Authority, as well as the chief executive officer of each
9 designated other State agency.

10 (Source: P.A. 86-936.)

11 (30 ILCS 10/2001) (from Ch. 15, par. 2001)

12 Sec. 2001. Program of internal auditing.

13 (a) Each designated State agency as defined in Section
14 1003(a) shall maintain ~~establish~~ a full-time program of
15 internal auditing. In the event that a designated State agency
16 is merged, abolished, reorganized, or renamed, the successor
17 State agency shall also be a designated State agency. ~~The~~
18 ~~Governor shall designate State agencies under this Act not~~
19 ~~later than April 1 of each odd numbered year. The designations~~
20 ~~shall be filed with the Index Division of the Office of the~~
21 ~~Secretary of State as a public record. The Legislative Audit~~
22 ~~Commission may make formal recommendations to the Governor that~~
23 ~~the Governor designate other State agencies under this Act.~~

24 (a-5) Within 30 days after the effective date of this
25 amendatory Act of the 96th General Assembly, each chief

1 internal auditor transferred under Executive Order 2003-10 to
2 the Department of Central Management Services shall be
3 transferred to the auditor's designated State agency, and if an
4 auditor does not have a designated State agency or has more
5 than one designated State agency, then the chief executive
6 officer of a State agency shall appoint such person as the
7 chief internal auditor of a State agency. A chief internal
8 auditor transferred under this amendatory Act of the 96th
9 General Assembly shall be appointed to a 5-year term beginning
10 on the effective date of this amendatory Act of the 96th
11 General Assembly.

12 The rights of employees and of the State and its agencies
13 under the Personnel Code and applicable collective bargaining
14 agreements or under any pension retirement or annuity plan
15 shall not be affected by this amendatory Act of the 96th
16 General Assembly.

17 All books, records, papers, documents, property (real and
18 personal), unexpended appropriations, and pending business
19 pertaining to the functions transferred by this amendatory Act
20 of the 96th General Assembly shall be delivered to the
21 respective State agency pursuant to the direction of the chief
22 executive officer of that State agency.

23 (b) The chief executive officer of a State agency is not
24 relieved from the responsibility for maintaining an effective
25 internal control system merely because that State agency is not
26 designated and required to have a full-time program of internal

1 auditing under this Act. Agencies which do not have full-time
2 internal audit programs may have internal audits performed by
3 the Department of Central Management Services.

4 (c) The Supreme Court will establish by its rulemaking
5 authority or by administrative order a full-time program of
6 internal auditing of State-funded activities of the judicial
7 branch, which is consistent with the intent of this Article.

8 (Source: P.A. 86-936.)

9 (30 ILCS 10/2002) (from Ch. 15, par. 2002)

10 Sec. 2002. Qualifications of chief internal auditor.

11 (a) The chief executive officer of each designated State
12 agency shall appoint a chief internal auditor with a bachelor's
13 degree, who is either:

14 (1) a certified internal auditor by examination or a
15 certified public accountant and who has at least 4 years of
16 progressively responsible professional auditing
17 experience; or

18 (2) an auditor with at least 5 years of progressively
19 responsible professional auditing experience.

20 (b) The chief internal auditor shall report directly to the
21 chief executive officer and shall have direct communications
22 with the chief executive officer and the governing board, if
23 applicable, in the exercise of auditing activities. All chief
24 internal auditors and all full-time members of an internal
25 audit staff shall be free of all operational duties.

1 (c) The chief internal auditor shall serve a 5-year term
2 beginning on the date of the appointment. A chief internal
3 auditor may be removed only for cause after a hearing before
4 the Executive Ethics Commission concerning the removal. Any
5 chief internal auditor who is appointed to replace a removed
6 chief internal auditor may serve only until the expiration of
7 the term of the removed chief internal auditor. The annual
8 salary of a chief internal auditor cannot be diminished during
9 the term of the chief internal auditor.

10 (Source: P.A. 86-936.)

11 Section 95-35. The Illinois Procurement Code is amended by
12 changing Sections 1-15.15, 1-15.30, 1-15.70, 1-15.80, 5-5,
13 5-25, 10-5, 10-10, 10-15, 15-25, 15-30, 20-10, 20-25, 20-30,
14 20-50, 20-60, 20-65, 20-70, 20-75, 20-80, 20-155, 20-160,
15 40-25, 50-5, 50-10, 50-10.5, 50-11, 50-12, 50-14, 50-14.5,
16 50-20, 50-30, 50-35, 50-37, 50-60, 50-65, 50-70, and 53-10 and
17 by adding Sections 1-15.107, 10-20, 10-25, 20-43, 20-120, 50-2,
18 50-21, 50-38, and 50-39 as follows:

19 (30 ILCS 500/1-15.15)

20 Sec. 1-15.15. Chief Procurement Officer. "Chief
21 Procurement Officer" means any of the 4 persons appointed by a
22 majority of the members of the Executive Ethics Commission for:

23 (1) ~~for~~ procurements for construction and
24 construction-related services committed by law to the

1 jurisdiction or responsibility of the Capital Development
2 Board,~~the executive director of the Capital Development Board.~~

3 (2) ~~for~~ procurements for all construction,
4 construction-related services, operation of any facility, and
5 the provision of any service or activity committed by law to
6 the jurisdiction or responsibility of the Illinois Department
7 of Transportation, including the direct or reimbursable
8 expenditure of all federal funds for which the Department of
9 Transportation is responsible or accountable for the use
10 thereof in accordance with federal law, regulation, or
11 procedure,~~the Secretary of Transportation.~~

12 (3) ~~for~~ all procurements made by a public institution of
13 higher education,~~a representative designated by the Governor.~~

14 (4) (Blank). ~~for all procurements made by the Illinois~~
15 ~~Power Agency, the Director of the Illinois Power Agency.~~

16 (5) ~~for~~ all other procurements,~~the Director of the~~
17 ~~Department of Central Management Services.~~

18 (Source: P.A. 95-481, eff. 8-28-07.)

19 (30 ILCS 500/1-15.30)

20 Sec. 1-15.30. Contract. "Contract" means all types of State
21 agreements, including change orders and renewals, regardless
22 of what they may be called, for the procurement, use, or
23 disposal of supplies, services, professional or artistic
24 services, or construction or for leases of real property,
25 whether the State is lessor or lessee, or capital improvements,

1 and including master contracts, contracts for financing
2 through use of installment or lease-purchase arrangements,
3 renegotiated contracts, amendments to contracts, and change
4 orders.

5 (Source: P.A. 90-572, eff. 2-6-98.)

6 (30 ILCS 500/1-15.70)

7 Sec. 1-15.70. Purchasing agency. "Purchasing agency" means
8 a State agency that enters into a contract at the direction of
9 a State purchasing officer authorized by a chief procurement
10 officer or a chief procurement officer. ~~"Purchasing agency"~~
11 ~~means a State agency that is authorized by this Code, by its~~
12 ~~implementing rules, or by authorized delegation of a chief~~
13 ~~procurement officer to enter into contracts.~~

14 (Source: P.A. 90-572, eff. 2-6-98.)

15 (30 ILCS 500/1-15.80)

16 Sec. 1-15.80. Responsible bidder or offeror. "Responsible
17 bidder or offeror" means a person who has the capability in all
18 respects to perform fully the contract requirements and the
19 integrity and reliability that will assure good faith
20 performance. A responsible bidder or offeror shall not include
21 a business or other entity that does not exist as a legal
22 entity at the time a bid or proposal is submitted for a State
23 contract.

24 (Source: P.A. 90-572, eff. 2-6-98.)

1 (30 ILCS 500/1-15.107 new)

2 Sec. 1-15.107. Subcontract. "Subcontract" means a contract
3 between a person and a person who has or is seeking a contract
4 subject to this Code, pursuant to which the subcontractor
5 provides to the contractor or another subcontractor some or all
6 of the goods, services, property, remuneration, or other forms
7 of consideration that are the subject of the primary contract
8 and includes, among other things, subleases from a lessee of a
9 State agency.

10 (30 ILCS 500/5-5)

11 Sec. 5-5. Procurement Policy Board.

12 (a) Creation. There is created a Procurement Policy Board,
13 an agency of the State of Illinois.

14 (b) Authority and duties. The Board shall have the
15 authority and responsibility to review, comment upon, and
16 recommend, consistent with this Code, rules and practices
17 governing the procurement, management, control, and disposal
18 of supplies, services, professional or artistic services,
19 construction, and real property and capital improvement leases
20 procured by the State. The Board shall also have the authority
21 to recommend a program for professional development and provide
22 opportunities for training in procurement practices and
23 policies to chief procurement officers and their staffs in
24 order to ensure that all procurement is conducted in an

1 efficient, professional, and appropriately transparent manner.

2 Upon a three-fifths vote of its members, the Board may
3 review a contract. Upon a three-fifths vote of its members, the
4 Board may propose procurement rules for consideration by chief
5 procurement officers. These proposals shall be published in
6 each volume of the Procurement Bulletin. Except as otherwise
7 provided by law, the Board shall act upon the vote of a
8 majority of its members who have been appointed and are
9 serving.

10 (b-5) Reviews, studies, and hearings. The Board may review,
11 study, and hold public hearings concerning the implementation
12 and administration of this Code. Each chief procurement
13 officer, ~~associate procurement officer,~~ State purchasing
14 officer, procurement compliance monitor, and State agency
15 shall cooperate with the Board, provide information to the
16 Board, and be responsive to the Board in the Board's conduct of
17 its reviews, studies, and hearings.

18 (c) Members. The Board shall consist of 5 members appointed
19 one each by the 4 legislative leaders and the Governor. Each
20 member shall have demonstrated sufficient business or
21 professional experience in the area of procurement to perform
22 the functions of the Board. No member may be a member of the
23 General Assembly.

24 (d) Terms. Of the initial appointees, the Governor shall
25 designate one member, as Chairman, to serve a one-year term,
26 the President of the Senate and the Speaker of the House shall

1 each appoint one member to serve 3-year terms, and the Minority
2 Leader of the House and the Minority Leader of the Senate shall
3 each appoint one member to serve 2-year terms. Subsequent terms
4 shall be 4 years. Members may be reappointed for succeeding
5 terms.

6 (e) Reimbursement. Members shall receive no compensation
7 but shall be reimbursed for any expenses reasonably incurred in
8 the performance of their duties.

9 (f) Staff support. Upon a three-fifths vote of its members,
10 the Board may employ an executive director. Subject to
11 appropriation, the Board also may employ a reasonable and
12 necessary number of staff persons.

13 (g) Meetings. Meetings of the Board may be conducted
14 telephonically, electronically, or through the use of other
15 telecommunications. Written minutes of such meetings shall be
16 created and available for public inspection and copying.

17 (h) Procurement recommendations. Upon a three-fifths vote
18 of its members, the Board may review a proposal, bid, or
19 contract and issue a recommendation to void a contract or
20 reject a proposal or bid based on any violation of this Code or
21 the existence of a conflict of interest as described in
22 subsections (b) and (d) of Section 50-35. A chief procurement
23 officer or State purchasing officer shall notify the Board if a
24 conflict of interest is identified, discovered, or reasonably
25 suspected to exist. Any person or entity may notify the Board
26 of a conflict of interest. A recommendation of the Board shall

1 be delivered to the appropriate chief procurement officer and
2 Executive Ethics Commission within 5 days and must be published
3 in the next volume of the Procurement Bulletin.

4 (i) The Board shall refer any alleged violations of this
5 Code to the Executive Inspector General in addition to or
6 instead of issuing a recommendation to void a contract.

7 (Source: P.A. 93-839, eff. 7-30-04.)

8 (30 ILCS 500/5-25)

9 Sec. 5-25. Rulemaking authority; agency policy; agency
10 response.

11 (a) Rulemaking. A chief procurement officer ~~State agency~~
12 authorized to make procurements under this Code shall have the
13 authority to promulgate rules to carry out that authority. That
14 rulemaking on specific procurement topics is mentioned in
15 specific Sections of this Code shall not be construed as
16 prohibiting or limiting rulemaking on other procurement
17 topics.

18 All rules shall be promulgated in accordance with the
19 Illinois Administrative Procedure Act. Contractual provisions,
20 specifications, and procurement descriptions are not rules and
21 are not subject to the Illinois Administrative Procedure Act.
22 All rules other than those promulgated by the Board shall be
23 presented in writing to the Board and the Executive Procurement
24 Officer for ~~its~~ review and comment. The Board and the Executive
25 Procurement Officer shall express their ~~its~~ opinions and

1 recommendations in writing. The ~~Both the~~ proposed rules and
2 ~~Board~~ recommendations shall be made available for public
3 review. The rules shall also be approved by ~~the applicable~~
4 ~~chief procurement officer~~ and the Joint Committee on
5 Administrative Rules.

6 (b) Policy. Each chief procurement officer, ~~associate~~
7 ~~procurement officer,~~ and ~~State agency~~ shall promptly notify the
8 Procurement Policy Board in writing of any proposed new
9 procurement rule or policy or any proposed change in an
10 existing procurement rule or policy.

11 (c) Response. Each State agency must respond promptly in
12 writing to all inquiries and comments of the Procurement Policy
13 Board or Executive Procurement Officer.

14 (Source: P.A. 93-839, eff. 7-30-04.)

15 (30 ILCS 500/10-5)

16 Sec. 10-5. Exercise of procurement authority. The chief
17 procurement officer shall exercise all procurement authority
18 created by this Code. The State purchasing officers appointed
19 under this Code shall exercise procurement authority at the
20 direction of their respective chief procurement officer.
21 Decisions of a State purchasing officer are subject to review
22 by the respective chief procurement officer. ~~The State~~
23 ~~purchasing officers shall be appointed by their respective~~
24 ~~chief procurement officer and approved by the director of each~~
25 ~~State agency. The State purchasing officer of each State agency~~

1 ~~shall exercise the procurement authority created by this Code~~
2 ~~except as otherwise provided in this Code.~~

3 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

4 (30 ILCS 500/10-10)

5 Sec. 10-10. Independent State purchasing officers ~~General~~
6 ~~appointments.~~

7 (a) The chief procurement officer shall appoint ~~and the~~
8 ~~director of each State agency shall approve~~ a State purchasing
9 officer for each agency that the chief procurement officer is
10 responsible for under Section 1-15.15. A State purchasing
11 officer shall be located in the State agency that the officer
12 serves but shall report to his or her respective chief
13 procurement officer. The State purchasing officer shall have
14 direct communication with agency staff assigned to assist with
15 any procurement process. At the direction of his or her
16 respective chief procurement officer, a State purchasing
17 officer shall enter into contracts for a purchasing agency. All
18 actions of a State purchasing officer are subject to review by
19 a chief procurement officer in accordance with procedures and
20 policies established by the chief procurement officer.

21 (b) In addition to any other requirement or qualification
22 required by State law, within 18 months after appointment, a
23 State purchasing officer must be a Certified Professional
24 Public Buyer or a Certified Public Purchasing Officer, pursuant
25 to certification by the Universal Public Purchasing

1 Certification Council. A State purchasing officer shall serve a
2 term of 5 years beginning on the date of the officer's
3 appointment. A State purchasing officer shall have an office
4 located in the State agency that the officer serves but shall
5 report to the chief procurement officer. A State purchasing
6 officer may be removed by a chief procurement officer for cause
7 after a hearing by the Executive Ethics Commission. The chief
8 procurement officer or executive officer of the State agency
9 housing the State purchasing officer may institute a complaint
10 against the State purchasing officer by filing such a complaint
11 with the Commission and the Commission shall have a public
12 hearing based on the complaint. The State purchasing officer,
13 chief procurement officer, and executive officer of the State
14 agency shall receive notice of the hearing and shall be
15 permitted to present their respective arguments on the
16 complaint. After the hearing, the Commission shall make a
17 non-binding recommendation on whether the State purchasing
18 officer shall be removed ~~to exercise within his or her~~
19 ~~jurisdiction the procurement authority created by this Code.~~
20 The salary of a State purchasing officer shall be established
21 by the chief procurement officer and may not be diminished
22 during the officer's term. In the absence of an appointed ~~and~~
23 ~~approved~~ State purchasing officer, the applicable chief
24 procurement officer shall exercise the procurement authority
25 created by this Code and may appoint a temporary acting State
26 purchasing officer.

1 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

2 (30 ILCS 500/10-15)

3 Sec. 10-15. Procurement compliance monitors ~~Associate~~
4 ~~Procurement Officers.~~

5 (a) The Executive Ethics Commission shall appoint
6 procurement compliance monitors to oversee and review the
7 procurement processes. Each procurement compliance monitor
8 shall serve a term of 5 years beginning on the date of the
9 officer's appointment. Each procurement compliance monitor
10 shall have an office located in the State agency that the
11 monitor serves but shall report to the appropriate chief
12 procurement officer. The compliance monitor shall have direct
13 communications with the executive officer of a State agency in
14 exercising duties. A procurement compliance monitor may be
15 removed only for cause after a hearing by the Executive Ethics
16 Commission. The appropriate chief procurement officer or
17 executive officer of the State agency housing the procurement
18 compliance monitor may institute a complaint against the
19 procurement compliance monitor with the Commission and the
20 Commission shall hold a public hearing based on the complaint.
21 The procurement compliance monitor, State purchasing officer,
22 appropriate chief procurement officer, and executive officer
23 of the State agency shall receive notice of the hearing and
24 shall be permitted to present their respective arguments on the
25 complaint. After the hearing, the Commission shall determine

1 whether the procurement compliance monitor shall be removed.
2 The salary of a procurement compliance monitor shall be
3 established by the Executive Ethics Commission and may not be
4 diminished during the officer's term.

5 (b) The procurement compliance monitor may: (i) review each
6 contract or contract amendment prior to execution to ensure
7 that applicable procurement and contracting standards were
8 followed; (ii) attend any procurement meetings; (iii) access
9 any records or files related to procurement; (iv) issue reports
10 to the chief procurement officer on procurement issues that
11 present issues or that have not been corrected after
12 consultation with appropriate State officials; (v) ensure the
13 State agency is maintaining appropriate records; and (vi)
14 ensure transparency of the procurement process.

15 (c) If the procurement compliance monitor is aware of
16 misconduct, waste, or inefficiency with respect to State
17 procurement, the procurement compliance monitor shall advise
18 the State agency of the issue. If the State agency does not
19 correct the issue, the monitor shall report the problem to the
20 chief procurement officer and Inspector General. ~~The Governor,~~
21 ~~with the consent of the statutory chief procurement officers,~~
22 ~~may for proper and effective administration of this Code~~
23 ~~appoint associate procurement officers. All associate~~
24 ~~procurement officers shall be submitted to the Senate for~~
25 ~~advice and consent. For the purposes of this Code, duly~~
26 ~~appointed associate procurement officers shall function in all~~

1 ~~respects as chief procurement officers. Associate procurement~~
2 ~~officers shall serve at the pleasure of the Governor.~~

3 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

4 (30 ILCS 500/10-20 new)

5 Sec. 10-20. Independent chief procurement officers.

6 (a) Appointment. Within 60 days after the effective date of
7 this amendatory Act of the 96th General Assembly, the Executive
8 Ethics Commission, with the advice and consent of the Senate
9 shall appoint 4 chief procurement officers, one for each of the
10 following categories:

11 (1) for procurements for construction and
12 construction-related services committed by law to the
13 jurisdiction or responsibility of the Capital Development
14 Board;

15 (2) for procurements for all construction,
16 construction-related services, operation of any facility,
17 and the provision of any service or activity committed by
18 law to the jurisdiction or responsibility of the Illinois
19 Department of Transportation, including the direct or
20 reimbursable expenditure of all federal funds for which the
21 Department of Transportation is responsible or accountable
22 for the use thereof in accordance with federal law,
23 regulation, or procedure;

24 (3) for all procurements made by a public institution
25 of higher education; and

1 (4) for all other procurement needs of State agencies.

2 A chief procurement officer shall be responsible to the
3 Executive Ethics Commission but must be located within the
4 agency that the officer provides with procurement services. The
5 chief procurement officer for higher education shall have an
6 office located within the Board of Higher Education, unless
7 otherwise designated by the Executive Ethics Commission. The
8 chief procurement officer for all other procurement needs of
9 the State shall have an office located within the Department of
10 Central Management Services, unless otherwise designated by
11 the Executive Ethics Commission.

12 (b) Terms and independence. Each chief procurement officer
13 appointed under this Section shall serve for a term of 5 years
14 beginning on the date of the officer's appointment. The chief
15 procurement officer may be removed for cause after a hearing by
16 the Executive Ethics Commission. The Governor or the director
17 of a State agency directly responsible to the Governor may
18 institute a complaint against the officer by filing such
19 complaint with the Commission. The Commission shall have a
20 hearing based on the complaint. The officer and the complainant
21 shall receive reasonable notice of the hearing and shall be
22 permitted to present their respective arguments on the
23 complaint. After the hearing, the Commission shall make a
24 finding on the complaint and may take disciplinary action,
25 including but not limited to removal of the officer.

26 The salary of a chief procurement officer shall be

1 established by the Executive Ethics Commission and may not be
2 diminished during the officer's term. The salary may not exceed
3 the salary of the director of a State agency for which the
4 officer serves as chief procurement officer.

5 (c) Qualifications. In addition to any other requirement or
6 qualification required by State law, each chief procurement
7 officer must within 12 months of employment be a Certified
8 Professional Public Buyer or a Certified Public Purchasing
9 Officer, pursuant to certification by the Universal Public
10 Purchasing Certification Council, and must reside in Illinois.

11 (d) Fiduciary duty. Each chief procurement officer owes a
12 fiduciary duty to the State.

13 (30 ILCS 500/10-25 new)

14 Sec. 10-25. Executive Procurement Officer. There is hereby
15 created, under the supervision of the Office of the Governor,
16 an Executive Procurement Office, headed by an Executive
17 Procurement Officer, who shall be appointed by the Governor.
18 The Executive Procurement Officer shall have the following
19 powers and duties:

20 (1) To recommend policies and procedures to ensure
21 consistency between the chief procurement officers and
22 their staffs, provided that each chief procurement officer
23 shall have final and exclusive authority over particular
24 procurement decisions.

25 (2) To assist chief procurement officers in the

1 development of and revision of policies that decisions on
2 procurement related matters remain free from political or
3 other inappropriate extrinsic influence.

4 (3) To provide guidance to all chief procurement
5 officers and their staffs on how to ensure that all State
6 procurement is conducted in a manner that is appropriately
7 responsive to and sensitive to the needs of vendors and the
8 business community in general through the development of
9 technologically sophisticated, efficient, and innovative
10 methodologies for managing procurement processes.

11 (4) Respecting the authority of the chief procurement
12 officers over procurement in their respective areas, to
13 assist with the implementation of policies mandated
14 through statute or executive order that promote diversity
15 among State contractors, including, but not limited to, the
16 implementation of the Business Enterprise and
17 Disadvantaged Business Enterprise Program.

18 The Executive Procurement Officer's compensation shall be
19 established by the Governor and paid from appropriations made
20 to the Office of the Governor.

21 This Section is repealed the second Monday of January 2011.

22 (30 ILCS 500/15-25)

23 Sec. 15-25. Bulletin content.

24 (a) Invitations for bids. Notice of each and every contract
25 that is offered, including renegotiated contracts and change

1 orders, shall be published in the Bulletin. The applicable
2 chief procurement officer may provide by rule an organized
3 format for the publication of this information, but in any case
4 it must include at least the date first offered, the date
5 submission of offers is due, the location that offers are to be
6 submitted to, the purchasing State agency, the responsible
7 State purchasing officer, a brief purchase description, the
8 method of source selection, information of how to obtain a
9 comprehensive purchase description and any disclosure and
10 contract forms, and encouragement to prospective vendors to
11 hire qualified veterans, as defined by Section 45-67 of this
12 Code, and Illinois residents discharged from any Illinois adult
13 correctional center.

14 (b) Contracts let or awarded. Notice of each and every
15 contract that is let or awarded, including renegotiated
16 contracts and change orders, shall be published in the next
17 available subsequent Bulletin, and the applicable chief
18 procurement officer may provide by rule an organized format for
19 the publication of this information, but in any case it must
20 include at least all of the information specified in subsection
21 (a), ~~as well as~~ the name of the successful responsible bidder
22 or offeror, the contract price, the number of unsuccessful
23 responsive bidders, the information required in subsection (g)
24 of Section 20-10 if applicable, and any other disclosure
25 specified in any Section of this Code. This notice must be
26 posted in the online electronic Bulletin no later than 10

1 business days after the contract is awarded ~~prior to execution~~
2 ~~of the contract.~~

3 (c) Emergency purchase disclosure. Any chief procurement
4 officer or, State purchasing officer, ~~or designee~~ exercising
5 emergency purchase authority under this Code shall publish a
6 written description and reasons and the total cost, if known,
7 or an estimate if unknown and the name of the responsible chief
8 procurement officer and State purchasing officer, and the
9 business or person contracted with for all emergency purchases
10 in the next timely, practicable Bulletin. This notice must be
11 posted in the online electronic Bulletin no later than 3 ~~within~~
12 ~~3~~ business days after the ~~execution of the contract~~ is awarded.
13 Notice of a hearing to extend an emergency contract must be
14 posted in the online electronic Procurement Bulletin no later
15 than 5 business days prior to the hearing.

16 (c-5) Business Enterprise Program report. Each purchasing
17 agency shall post in the online electronic Bulletin a copy of
18 its annual report of utilization of businesses owned by
19 minorities, females, and persons with disabilities as
20 submitted to the Business Enterprise Council for Minorities,
21 Females, and Persons with Disabilities pursuant to Section 6(c)
22 of the Business Enterprise for Minorities, Females, and Persons
23 with Disabilities Act within 10 business days after its
24 submission of its report to the Council.

25 (c-10) Renewals. Notice of each contract renewal shall be
26 posted in the online electronic Bulletin within 10 business

1 days of the determination to renew the contract and the next
2 available subsequent Bulletin. The notice shall include at
3 least all of the information required in subsection (b).

4 (c-15) Sole source procurements. Before entering into a
5 sole source contract, a chief procurement officer exercising
6 sole source procurement authority under this Code shall publish
7 a written description of intent to enter into a sole source
8 contract along with a description of the item to be procured
9 and the intended sole source contractor. This notice must be
10 posted in the online electronic Procurement Bulletin before a
11 sole source contract is awarded and at least 14 days before the
12 hearing required by Section 20-25.

13 (d) Other required disclosure. The applicable chief
14 procurement officer shall provide by rule for the organized
15 publication of all other disclosure required in other Sections
16 of this Code in a timely manner.

17 (e) The changes to subsections (b), (c), (c-5), (c-10), and
18 (c-15) of this Section made by this amendatory Act of the 96th
19 General Assembly apply to reports submitted, offers made, and
20 notices on contracts executed on or after its effective date.

21 (Source: P.A. 94-1067, eff. 8-1-06; 95-536, eff. 1-1-08.)

22 (30 ILCS 500/15-30)

23 Sec. 15-30. Electronic Bulletin clearinghouse.

24 (a) The Procurement Policy Board shall maintain on its
25 official website a searchable database containing all

1 information required to be included in the Illinois Procurement
2 Bulletin under subsections (b), ~~and~~ (c), (c-10), and (c-15) of
3 Section 15-25 and all information required to be disclosed
4 under Section 50-41. The posting of procurement information on
5 the website is subject to the same posting requirements as the
6 online electronic Bulletin.

7 (b) For the purposes of this Section, searchable means
8 searchable and sortable by successful responsible bidder or
9 offeror or, for emergency purchases, business or person
10 contracted with; the contract price or total cost; the service
11 or good; the purchasing State agency; and the date first
12 offered or announced.

13 (c) ~~The Department of Central Management Services, the~~
14 ~~Capital Development Board, the Department of Transportation,~~
15 ~~and the higher education~~ chief procurement officer shall
16 provide the Procurement Policy Board the information and
17 resources necessary, and in a manner, to effectuate the purpose
18 of this Section.

19 (Source: P.A. 95-536, eff. 1-1-08.)

20 (30 ILCS 500/20-10)

21 Sec. 20-10. Competitive sealed bidding.

22 (a) Conditions for use. All contracts shall be awarded by
23 competitive sealed bidding except as otherwise provided in
24 Section 20-5.

25 (b) Invitation for bids. An invitation for bids shall be

1 issued and shall include a purchase description and the
2 material contractual terms and conditions applicable to the
3 procurement.

4 (c) Public notice. Public notice of the invitation for bids
5 shall be published in the Illinois Procurement Bulletin at
6 least 14 days before the date set in the invitation for the
7 opening of bids.

8 (d) Bid opening. Bids shall be opened publicly in the
9 presence of one or more witnesses at the time and place
10 designated in the invitation for bids. The name of each bidder,
11 the amount of each bid, and other relevant information as may
12 be specified by rule shall be recorded. After the award of the
13 contract, the winning bid and the record of each unsuccessful
14 bid shall be open to public inspection.

15 (e) Bid acceptance and bid evaluation. Bids shall be
16 unconditionally accepted without alteration or correction,
17 except as authorized in this Code. Bids shall be evaluated
18 based on the requirements set forth in the invitation for bids,
19 which may include criteria to determine acceptability such as
20 inspection, testing, quality, workmanship, delivery, and
21 suitability for a particular purpose. Those criteria that will
22 affect the bid price and be considered in evaluation for award,
23 such as discounts, transportation costs, and total or life
24 cycle costs, shall be objectively measurable. The invitation
25 for bids shall set forth the evaluation criteria to be used.

26 (f) Correction or withdrawal of bids. Correction or

1 withdrawal of inadvertently erroneous bids before or after
2 award, or cancellation of awards of contracts based on bid
3 mistakes, shall be permitted in accordance with rules. After
4 bid opening, no changes in bid prices or other provisions of
5 bids prejudicial to the interest of the State or fair
6 competition shall be permitted. All decisions to permit the
7 correction or withdrawal of bids based on bid mistakes shall be
8 supported by written determination made by a State purchasing
9 officer.

10 (g) Award. The contract shall be awarded with reasonable
11 promptness by written notice to the lowest responsible and
12 responsive bidder whose bid meets the requirements and criteria
13 set forth in the invitation for bids, except when a State
14 purchasing officer determines it is not in the best interest of
15 the State and by written explanation determines another bidder
16 shall receive the award. The explanation shall appear in the
17 appropriate volume of the Illinois Procurement Bulletin. The
18 written explanation must include:

19 (1) a description of the agency's needs;

20 (2) a determination that the anticipated cost will be
21 fair and reasonable;

22 (3) a listing of all responsible and responsive
23 bidders; and

24 (4) the name of the bidder selected, pricing, and the
25 reasons for selecting that bidder.

26 Each chief procurement officer may adopt guidelines to

1 implement the requirements of this subsection (g).

2 The written explanation shall be filed with the Legislative
3 Audit Commission and the Procurement Policy Board and be made
4 available for inspection by the public within 30 days after the
5 agency's decision to award the contract.

6 (h) Multi-step sealed bidding. When it is considered
7 impracticable to initially prepare a purchase description to
8 support an award based on price, an invitation for bids may be
9 issued requesting the submission of unpriced offers to be
10 followed by an invitation for bids limited to those bidders
11 whose offers have been qualified under the criteria set forth
12 in the first solicitation.

13 (i) Alternative procedures. Notwithstanding any other
14 provision of this Act to the contrary, the Director of the
15 Illinois Power Agency may create alternative bidding
16 procedures to be used in procuring professional services under
17 Section 1-75(a) of the Illinois Power Agency Act and Section
18 16-111.5(c) of the Public Utilities Act. These alternative
19 procedures shall be set forth together with the other criteria
20 contained in the invitation for bids, and shall appear in the
21 appropriate volume of the Illinois Procurement Bulletin.

22 (j) Reverse auction. Notwithstanding any other provision
23 of this Section and in accordance with rules adopted by the
24 chief procurement officer, that chief procurement officer may
25 procure supplies or services through a competitive electronic
26 auction bidding process after the chief procurement officer

1 determines that the use of such a process will be in the best
2 interest of the State. The chief procurement officer shall
3 publish that determination in his or her next volume of the
4 Illinois Procurement Bulletin.

5 An invitation for bids shall be issued and shall include
6 (i) a procurement description, (ii) all contractual terms,
7 whenever practical, and (iii) conditions applicable to the
8 procurement, including a notice that bids will be received in
9 an electronic auction manner.

10 Public notice of the invitation for bids shall be given in
11 the same manner as provided in subsection (c).

12 Bids shall be accepted electronically at the time and in
13 the manner designated in the invitation for bids. During the
14 auction, a bidder's price shall be disclosed to other bidders.
15 Bidders shall have the opportunity to reduce their bid prices
16 during the auction. At the conclusion of the auction, the
17 record of the bid prices received and the name of each bidder
18 shall be open to public inspection.

19 After the auction period has terminated, withdrawal of bids
20 shall be permitted as provided in subsection (f).

21 The contract shall be awarded within 60 days after the
22 auction by written notice to the lowest responsible bidder, or
23 all bids shall be rejected except as otherwise provided in this
24 Code. Extensions of the date for the award may be made by
25 mutual written consent of the State purchasing officer and the
26 lowest responsible bidder.

1 This subsection does not apply to (i) procurements of
2 professional and artistic services, (ii) telecommunications
3 services, communication services, and information services,
4 and (iii) contracts for construction projects.

5 (Source: P.A. 95-481, eff. 8-28-07.)

6 (30 ILCS 500/20-25)

7 Sec. 20-25. Sole source procurements.

8 (a) In accordance with standards set by rule, contracts may
9 be awarded without use of the specified method of source
10 selection when there is only one economically feasible source
11 for the item. A State contract may not be awarded as a sole
12 source procurement unless approved by the chief procurement
13 officer following a public hearing at which the chief
14 procurement officer and purchasing agency present written
15 justification for the procurement method. The Procurement
16 Policy Board and the public may present testimony.

17 (b) This Section may not be used as a basis for amending a
18 contract for professional or artistic services if the amendment
19 would result in an increase in the amount paid under the
20 contract of more than 5% of the initial award, or would extend
21 the contract term beyond the time reasonably needed for a
22 competitive procurement, not to exceed 2 months.

23 (c) Notice of intent to enter into a sole source contract
24 shall be provided to the Procurement Policy Board and published
25 in the online electronic Bulletin at least 14 days before the

1 public hearing required in subsection (a). The notice shall
2 include the sole source procurement justification form
3 prescribed by the Board, a description of the item to be
4 procured, the intended sole source contractor, and the date,
5 time, and location of the public hearing. A copy of the notice
6 and all documents provided at the hearing shall be included in
7 the subsequent Procurement Bulletin.

8 ~~At least 2 weeks before entering into a sole source~~
9 ~~contract, the purchasing agency shall publish in the Illinois~~
10 ~~Procurement Bulletin a notice of intent to do so along with a~~
11 ~~description of the item to be procured and the intended sole~~
12 ~~source contractor.~~

13 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

14 (30 ILCS 500/20-30)

15 Sec. 20-30. Emergency purchases.

16 (a) Conditions for use. In accordance with standards set by
17 rule, a purchasing agency may make emergency procurements
18 without competitive sealed bidding or prior notice when there
19 exists a threat to public health or public safety, or when
20 immediate expenditure is necessary for repairs to State
21 property in order to protect against further loss of or damage
22 to State property, to prevent or minimize serious disruption in
23 critical State services that affect health, safety, or
24 collection of substantial State revenues, or to ensure the
25 integrity of State records; provided, however, that the term of

1 the emergency purchase shall be limited to the time reasonably
2 needed for a competitive procurement, not to exceed 90 days. A
3 contract may be extended beyond 90 days if the chief
4 procurement officer determines additional time is necessary
5 and that the contract scope and duration are limited to the
6 emergency. Prior to execution of the extension, the chief
7 procurement officer must hold a public hearing and provide
8 written justification for all emergency contracts. Members of
9 the public may present testimony. Emergency procurements shall
10 be made with as much competition as is practicable under the
11 circumstances. A written description of the basis for the
12 emergency and reasons for the selection of the particular
13 contractor shall be included in the contract file.

14 (b) Notice. Notice of all emergency procurements shall be
15 provided to the Procurement Policy Board and published in the
16 online electronic Bulletin no later than 3 business days after
17 the contract is awarded. Notice of intent to extend an
18 emergency contract shall be provided to the Procurement Policy
19 Board and published in the online electronic Bulletin at least
20 14 days before the public hearing. Notice shall include at
21 least a description of the need for the emergency purchase, the
22 contractor, and if applicable, the date, time, and location of
23 the public hearing. A copy of this notice and all documents
24 provided at the hearing shall be included in the subsequent
25 Procurement Bulletin. Before the next appropriate volume of the
26 Illinois Procurement Bulletin, the purchasing agency shall

1 publish in the Illinois Procurement Bulletin a copy of each
2 written description and reasons and the total cost of each
3 emergency procurement made during the previous month. When only
4 an estimate of the total cost is known at the time of
5 publication, the estimate shall be identified as an estimate
6 and published. When the actual total cost is determined, it
7 shall also be published in like manner before the 10th day of
8 the next succeeding month.

9 (c) Affidavits. A chief procurement officer ~~purchasing~~
10 ~~agency~~ making a procurement under this Section shall file
11 affidavits with the Procurement Policy Board ~~chief procurement~~
12 ~~officer~~ and the Auditor General within 10 days after the
13 procurement setting forth the amount expended, the name of the
14 contractor involved, and the conditions and circumstances
15 requiring the emergency procurement. When only an estimate of
16 the cost is available within 10 days after the procurement, the
17 actual cost shall be reported immediately after it is
18 determined. At the end of each fiscal quarter, the Auditor
19 General shall file with the Legislative Audit Commission and
20 the Governor a complete listing of all emergency procurements
21 reported during that fiscal quarter. The Legislative Audit
22 Commission shall review the emergency procurements so reported
23 and, in its annual reports, advise the General Assembly of
24 procurements that appear to constitute an abuse of this
25 Section.

26 (d) Quick purchases. The chief procurement officer may

1 promulgate rules extending the circumstances by which a
2 purchasing agency may make purchases under this Section,
3 including but not limited to the procurement of items available
4 at a discount for a limited period of time.

5 (e) The changes to this Section made by this amendatory Act
6 of the 96th General Assembly apply to procurements executed on
7 or after its effective date.

8 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

9 (30 ILCS 500/20-43 new)

10 Sec. 20-43. Bidder or offeror authorized to do business in
11 Illinois. In addition to meeting any other requirement of law
12 or rule, a person (other than an individual acting as a sole
13 proprietor) may qualify as a bidder or offeror under this Code
14 only if the person is a legal entity authorized to do business
15 in Illinois prior to submitting the bid, offer, or proposal.

16 (30 ILCS 500/20-50)

17 Sec. 20-50. Specifications. Specifications shall be
18 prepared in accordance with consistent standards that are
19 promulgated by the chief procurement officer and reviewed by
20 the Board and the Joint Committee on Administrative Rules.
21 Those standards shall include a prohibition against the use of
22 brand-name only products, except for products intended for
23 retail sale or as specified by rule, ~~and shall include a~~
24 ~~restriction on the use of specifications drafted by a potential~~

1 ~~bidder~~. All specifications shall seek to promote overall
2 economy for the purposes intended and encourage competition in
3 satisfying the State's needs and shall not be unduly
4 restrictive.

5 A solicitation or specification for a contract or a
6 contract, including a contract but not limited to of a college,
7 university, or institution under the jurisdiction of a
8 governing board listed in Section 1-15.100, may not require,
9 stipulate, suggest, or encourage a monetary or other financial
10 contribution or donation, cash bonus or incentive, or economic
11 investment as an explicit or implied term or condition for
12 awarding or completing the contract. The contract,
13 solicitation, or specification also may not include a
14 requirement that an individual or individuals employed by such
15 a college, university, or institution receive a consulting
16 contract for professional services.

17 (Source: P.A. 90-572, eff. date - See Sec. 99-5; 91-627, eff.
18 8-19-99.)

19 (30 ILCS 500/20-60)

20 Sec. 20-60. Duration of contracts.

21 (a) Maximum duration. A contract, other than a contract
22 entered into pursuant to the State University Certificates of
23 Participation Act, may be entered into for any period of time
24 deemed to be in the best interests of the State but not
25 exceeding 10 years inclusive of proposed contract renewals. The

1 length of a lease for real property or capital improvements
2 shall be in accordance with the provisions of Section 40-25. A
3 contract for bond or mortgage insurance awarded by the Illinois
4 Housing Development Authority, however, may be entered into for
5 any period of time less than or equal to the maximum period of
6 time that the subject bond or mortgage may remain outstanding.

7 (b) Subject to appropriation. All contracts made or entered
8 into shall recite that they are subject to termination and
9 cancellation in any year for which the General Assembly fails
10 to make an appropriation to make payments under the terms of
11 the contract.

12 (Source: P.A. 95-344, eff. 8-21-07.)

13 (30 ILCS 500/20-65)

14 Sec. 20-65. Right to audit records.

15 (a) Maintenance of books and records. Every contract and
16 subcontract shall require the contractor or subcontractor, as
17 applicable, to maintain books and records relating to the
18 performance of the contract or subcontract and necessary to
19 support amounts charged to the State under the contract or
20 subcontract. The books and records shall be maintained by the
21 contractor for a period of 3 years from the later of the date
22 of final payment under the contract or completion of the
23 contract and by the subcontractor for a period of 3 years from
24 the later of the date of final payment under the subcontract or
25 completion of the subcontract. However, the 3-year period shall

1 be extended for the duration of any audit in progress at the
2 time of that period's expiration.

3 (b) Audit. Every contract and subcontract shall provide
4 that all books and records required to be maintained under
5 subsection (a) shall be available for review and audit by the
6 Auditor General, chief procurement officer, internal auditor,
7 and the purchasing agency. Every contract and subcontract shall
8 require the contractor and subcontractor, as applicable, to
9 cooperate fully with any audit.

10 (c) Failure to maintain books and records. Failure to
11 maintain the books and records required by this Section shall
12 establish a presumption in favor of the State for the recovery
13 of any funds paid by the State for which required books and
14 records are not available.

15 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

16 (30 ILCS 500/20-70)

17 Sec. 20-70. Finality of determinations. Except as
18 otherwise provided in this Code, determinations ~~Determinations~~
19 made by a chief procurement officer, State purchasing officer,
20 or a purchasing agency under this Code are final and conclusive
21 unless they are clearly erroneous, arbitrary, capricious, or
22 contrary to law.

23 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

24 (30 ILCS 500/20-75)

1 Sec. 20-75. Disputes and protests. The chief procurement
2 officers shall by rule establish procedures to be followed ~~by~~
3 ~~purchasing agencies~~ in resolving protested solicitations and
4 awards and contract controversies, for debarment or suspension
5 of contractors, and for resolving other procurement-related
6 disputes.

7 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

8 (30 ILCS 500/20-80)

9 Sec. 20-80. Contract files.

10 (a) Written determinations. All written determinations
11 required under this Article shall be placed in the contract
12 file maintained by the chief procurement officer.

13 (b) Filing with Comptroller. Whenever a grant, defined
14 pursuant to accounting standards established by the
15 Comptroller, or a contract liability, except for: (1) contracts
16 paid from personal services, or (2) contracts between the State
17 and its employees to defer compensation in accordance with
18 Article 24 of the Illinois Pension Code, exceeding \$10,000 is
19 incurred by any State agency, a copy of the contract, purchase
20 order, grant, or lease shall be filed with the Comptroller
21 within 15 days thereafter. Any cancellation or modification to
22 any such contract liability shall be filed with the Comptroller
23 within 15 days of its execution.

24 (c) Late filing affidavit. When a contract, purchase order,
25 grant, or lease required to be filed by this Section has not

1 been filed within 30 days of execution, the Comptroller shall
2 refuse to issue a warrant for payment thereunder until the
3 agency files with the Comptroller the contract, purchase order,
4 grant, or lease and an affidavit, signed by the chief executive
5 officer of the agency or his or her designee, setting forth an
6 explanation of why the contract liability was not filed within
7 30 days of execution. A copy of this affidavit shall be filed
8 with the Auditor General.

9 (d) Timely execution of Professional and artistic services
10 contracts. No voucher shall be submitted to the Comptroller for
11 a warrant to be drawn for the payment of money from the State
12 treasury or from other funds held by the State Treasurer on
13 account of any contract ~~for services involving professional or~~
14 ~~artistic skills involving an expenditure of more than \$5,000~~
15 ~~for the same type of service at the same location during any~~
16 ~~fiscal year~~ unless the contract is reduced to writing before
17 the services are performed and filed with the Comptroller.
18 Vendors shall not be paid for any goods that were received or
19 services that were rendered before the contract was reduced to
20 writing and signed by all necessary parties. A chief
21 procurement officer may request an exception to this subsection
22 by submitting a written statement to the Comptroller and
23 Treasurer setting forth the circumstances and reasons why the
24 contract could not be reduced to writing before the supplies
25 were received or services were performed. A waiver of this
26 subsection must be approved by the Comptroller and Treasurer.

1 ~~When a contract for professional or artistic skills in excess~~
2 ~~of \$5,000 was not reduced to writing before the services were~~
3 ~~performed, the Comptroller shall refuse to issue a warrant for~~
4 ~~payment for the services until the State agency files with the~~
5 ~~Comptroller:~~

6 ~~(1) a written contract covering the services, and~~

7 ~~(2) an affidavit, signed by the chief executive officer~~
8 ~~of the State agency or his or her designee, stating that~~
9 ~~the services for which payment is being made were agreed to~~
10 ~~before commencement of the services and setting forth an~~
11 ~~explanation of why the contract was not reduced to writing~~
12 ~~before the services commenced.~~

13 A copy of this affidavit shall be filed with the Auditor
14 General. This Section shall not apply to emergency purchases if
15 notice of the emergency purchase is filed with the Procurement
16 Policy Board and published in the Bulletin as required by this
17 Code. ~~The Comptroller shall maintain professional or artistic~~
18 ~~service contracts filed under this Section separately from~~
19 ~~other filed contracts.~~

20 (e) Method of source selection. When a contract is filed
21 with the Comptroller under this Section, the Comptroller's file
22 shall identify the method of source selection used in obtaining
23 the contract.

24 (Source: P.A. 90-572, eff. date - See Sec. 99-5; 91-904, eff.
25 7-6-00.)

1 (30 ILCS 500/20-120 new)

2 Sec. 20-120. Subcontractors.

3 (a) Any contract granted under this Code shall state
4 whether the services of a subcontractor will or may be used. To
5 the extent that the information is known, the contract shall
6 include the names and addresses of all subcontractors and the
7 expected amount of money each will receive under the contract.
8 The contractor shall provide the chief procurement officer or
9 State purchasing officer a copy of any subcontract so
10 identified within 20 days after the execution of the State
11 contract or after execution of the subcontract, whichever is
12 later.

13 (b) If at any time during the term of a contract, a
14 contractor adds or changes any subcontractors, he or she shall
15 promptly notify, in writing, the chief procurement officer,
16 State purchasing officer, or their designee of the names and
17 addresses and the expected amount of money each new or replaced
18 subcontractor will receive. The contractor shall provide to the
19 responsible chief procurement officer a copy of the subcontract
20 within 20 days after the execution of the subcontract.

21 (c) In addition to any other requirements of this Code, a
22 subcontract subject to this Section must include all of the
23 subcontractor's certifications required by Article 50 of the
24 Code.

25 (d) This Section applies to procurements executed on or
26 after the effective date of this amendatory Act of the 96th

1 General Assembly.

2 (30 ILCS 500/20-155)

3 Sec. 20-155. Solicitation and contract documents.

4 (a) After award of a contract and subject to provisions of
5 the Freedom of Information Act, the procuring agency shall make
6 available for public inspection and copying all pre-award,
7 post-award, administration, and close-out documents relating
8 to that particular contract.

9 (b) A procurement file shall be maintained for all
10 contracts, regardless of the method of procurement. The
11 procurement file shall contain the basis on which the award is
12 made, all submitted bids and proposals, all evaluation
13 materials, score sheets and all other documentation related to
14 or prepared in conjunction with evaluation, negotiation, and
15 the award process. The procurement file shall contain a written
16 determination, signed by the chief procurement officer or State
17 purchasing officer, setting forth the reasoning for the
18 contract award decision. The procurement file shall be open to
19 public inspection within 7 business days following award of the
20 contract.

21 (Source: P.A. 94-978, eff. 6-30-06.)

22 (30 ILCS 500/20-160)

23 Sec. 20-160. Business entities; certification;
24 registration with the State Board of Elections.

1 (a) For purposes of this Section, the terms "business
2 entity", "contract", "State contract", "contract with a State
3 agency", "State agency", "affiliated entity", and "affiliated
4 person" have the meanings ascribed to those terms in Section
5 50-37.

6 (b) Every bid submitted to and every contract executed by
7 the State on or after the effective date of this amendatory Act
8 of the 95th General Assembly shall contain (1) a certification
9 by the bidder or contractor that either (i) the bidder or
10 contractor is not required to register as a business entity
11 with the State Board of Elections pursuant to this Section or
12 (ii) the bidder or contractor has registered as a business
13 entity with the State Board of Elections and acknowledges a
14 continuing duty to update the registration and (2) a statement
15 that the contract is voidable under Section 50-60 for the
16 bidder's or contractor's failure to comply with this Section.

17 (c) Within 30 days after the effective date of this
18 amendatory Act of the 95th General Assembly, each business
19 entity (i) whose aggregate bids and proposals on State
20 contracts annually total more than \$50,000, (ii) whose
21 aggregate bids and proposals on State contracts combined with
22 the business entity's aggregate annual total value of State
23 contracts exceed \$50,000, or (iii) whose contracts with State
24 agencies, in the aggregate, annually total more than \$50,000
25 shall register with the State Board of Elections in accordance
26 with Section 9-35 of the Election Code. A business entity

1 required to register under this subsection shall submit a copy
2 of the certificate of registration to the applicable chief
3 procurement officer within 90 days after the effective date of
4 this amendatory Act of the 95th General Assembly. A business
5 entity required to register under this subsection due to item
6 (i) or (ii) has a continuing duty to ensure that the
7 registration is accurate during the period beginning on the
8 date of registration and ending on the day after the date the
9 contract is awarded; any change in information must be reported
10 to the State Board of Elections 5 business days following such
11 change or no later than a day before the contract is awarded,
12 whichever date is earlier ~~within 2 business days following such~~
13 ~~change~~. A business entity required to register under this
14 subsection due to item (iii) has a continuing duty to report
15 any changes in information to the State Board of Elections on
16 the final day of January, April, July, and October of each
17 year, or the first business day after such dates, if such dates
18 do not fall on a business day ~~ensure that the registration is~~
19 ~~accurate in accordance with subsection (f)~~.

20 (d) Any business entity, not required under subsection (c)
21 to register within 30 days after the effective date of this
22 amendatory Act of the 95th General Assembly, whose aggregate
23 bids and proposals on State contracts annually total more than
24 \$50,000, or whose aggregate bids and proposals on State
25 contracts combined with the business entity's aggregate annual
26 total value of State contracts exceed \$50,000, shall register

1 with the State Board of Elections in accordance with Section
2 9-35 of the Election Code prior to submitting to a State agency
3 the bid or proposal whose value causes the business entity to
4 fall within the monetary description of this subsection. A
5 business entity required to register under this subsection has
6 a continuing duty to ensure that the registration is accurate
7 during the period beginning on the date of registration and
8 ending on the day after the date the contract is awarded. Any
9 change in information must be reported to the State Board of
10 Elections within 5 business days following such change or no
11 later than a day before the contract is awarded, whichever date
12 is earlier ~~2 business days following such change.~~

13 (e) A business entity whose contracts with State agencies,
14 in the aggregate, annually total more than \$50,000 must
15 maintain its registration under this Section and has a
16 continuing duty to ensure that the registration is accurate for
17 the duration of the term of office of the incumbent
18 officeholder awarding the contracts or for a period of 2 years
19 following the expiration or termination of the contracts,
20 whichever is longer. Any change in information shall be
21 reported to the State Board of Elections on the final day of
22 January, April, July, and October of each year, or the first
23 business day after such dates, if such dates do not fall on a
24 business day. ~~If within 10 days following such change; however,~~
25 ~~if~~ a business entity required to register under this subsection
26 has a pending bid or proposal, any change in information shall

1 be reported to the State Board of Elections within 5 business
2 days following such change or no later than a day before the
3 contract is awarded, whichever date is earlier ~~2 business days.~~

4 (f) A business entity's continuing duty under this Section
5 to ensure the accuracy of its registration includes the
6 requirement that the business entity notify the State Board of
7 Elections of any change in information, including but not
8 limited to changes of affiliated entities or affiliated
9 persons.

10 (g) A copy of a certificate of registration must accompany
11 any bid or proposal for a contract with a State agency by a
12 business entity required to register under this Section. A
13 chief procurement officer shall not accept a bid or proposal
14 unless the certificate is submitted to the agency with the bid
15 or proposal.

16 (h) A registration, and any changes to a registration, must
17 include the business entity's verification of accuracy and
18 subjects the business entity to the penalties of the laws of
19 this State for perjury.

20 In addition to any penalty under Section 9-35 of the
21 Election Code, intentional, willful, or material failure to
22 disclose information required for registration shall render
23 the contract, bid, proposal, or other procurement relationship
24 voidable by the chief procurement officer if he or she deems it
25 to be in the best interest of the State of Illinois.

26 (i) This Section applies regardless of the method of source

1 selection used in awarding the contract.

2 (Source: P.A. 95-971, eff. 1-1-09.)

3 (30 ILCS 500/40-25)

4 Sec. 40-25. Length of leases.

5 (a) Maximum term. Leases shall be for a term not to exceed
6 10 years inclusive of proposed contract renewals and shall
7 include a termination option in favor of the State after 5
8 years.

9 (b) Renewal. Leases may include a renewal option. An option
10 to renew may be exercised only when a State purchasing officer
11 determines in writing that renewal is in the best interest of
12 the State and notice of the exercise of the option is published
13 in the appropriate volume of the Procurement Bulletin at least
14 60 days prior to the exercise of the option.

15 (c) Subject to appropriation. All leases shall recite that
16 they are subject to termination and cancellation in any year
17 for which the General Assembly fails to make an appropriation
18 to make payments under the terms of the lease.

19 (d) Holdover. Beginning January 1, 2010, no lease may
20 continue on a month-to-month or other holdover basis for a
21 total of more than 6 months. Beginning July 1, 2010, the
22 Comptroller shall withhold payment of leases beyond this
23 holdover period.

24 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

1 (30 ILCS 500/50-2 new)

2 Sec. 50-2. Continuing disclosure; false certification.
3 Every person that has entered into a multi-year contract and
4 every subcontractor with a multi-year subcontract shall
5 certify, by July 1 of each fiscal year covered by the contract
6 after the initial fiscal year, to the responsible chief
7 procurement officer whether it continues to satisfy the
8 requirements of this Article pertaining to eligibility for a
9 contract award. If a contractor or subcontractor is not able to
10 truthfully certify that it continues to meet all requirements,
11 it shall provide with its certification a detailed explanation
12 of the circumstances leading to the change in certification
13 status. A contractor or subcontractor that makes a false
14 statement material to any given certification required under
15 this Article is, in addition to any other penalties or
16 consequences prescribed by law, subject to liability under the
17 Whistleblower Reward and Protection Act for submission of a
18 false claim.

19 (30 ILCS 500/50-5)

20 Sec. 50-5. Bribery.

21 (a) Prohibition. No person or business shall be awarded a
22 contract or subcontract under this Code who:

23 (1) has been convicted under the laws of Illinois or
24 any other state of bribery or attempting to bribe an
25 officer or employee of the State of Illinois or any other

1 state in that officer's or employee's official capacity; or
2 (2) has made an admission of guilt of that conduct that
3 is a matter of record but has not been prosecuted for that
4 conduct.

5 (b) Businesses. No business shall be barred from
6 contracting with any unit of State or local government, or
7 subcontracting under such a contract, as a result of a
8 conviction under this Section of any employee or agent of the
9 business if the employee or agent is no longer employed by the
10 business and:

11 (1) the business has been finally adjudicated not
12 guilty; or

13 (2) the business demonstrates to the governmental
14 entity with which it seeks to contract or which is a
15 signatory to the contract to which the subcontract relates,
16 and that entity finds that the commission of the offense
17 was not authorized, requested, commanded, or performed by a
18 director, officer, or high managerial agent on behalf of
19 the business as provided in paragraph (2) of subsection (a)
20 of Section 5-4 of the Criminal Code of 1961.

21 (c) Conduct on behalf of business. For purposes of this
22 Section, when an official, agent, or employee of a business
23 committed the bribery or attempted bribery on behalf of the
24 business and in accordance with the direction or authorization
25 of a responsible official of the business, the business shall
26 be chargeable with the conduct.

1 (d) Certification. Every bid submitted to and contract
2 executed by the State and every subcontract subject to Section
3 20-120 of this Code shall contain a certification by the
4 contractor or the subcontractor, respectively, that the
5 contractor or subcontractor is not barred from being awarded a
6 contract or subcontract under this Section and acknowledges
7 that the chief procurement officer may declare the related
8 contract void if any certifications required by this Section
9 are false. A contractor who makes a false statement, material
10 to the certification, commits a Class 3 felony.

11 (Source: P.A. 90-572, eff. 2-6-98.)

12 (30 ILCS 500/50-10)

13 Sec. 50-10. Felons.

14 (a) Unless otherwise provided, no person or business
15 convicted of a felony shall do business with the State of
16 Illinois or any State agency, or enter into a subcontract, from
17 the date of conviction until 5 years after the date of
18 completion of the sentence for that felony, unless no person
19 held responsible by a prosecutorial office for the facts upon
20 which the conviction was based continues to have any
21 involvement with the business.

22 (b) Every bid submitted to and contract executed by the
23 State and every subcontract subject to Section 20-120 of this
24 Code shall contain a certification by the bidder or contractor
25 or subcontractor, respectively, that the bidder, contractor,

1 or subcontractor is not barred from being awarded a contract or
2 subcontract under this Section and acknowledges that the chief
3 procurement officer may declare the related contract void if
4 any of the certifications required by this Section are false.

5 (Source: P.A. 90-572, eff. 2-6-98.)

6 (30 ILCS 500/50-10.5)

7 Sec. 50-10.5. Prohibited bidders and contractors.

8 (a) Unless otherwise provided, no business shall bid or
9 enter into a contract or subcontract under this Code ~~with the~~
10 ~~State of Illinois or any State agency~~ if the business or any
11 officer, director, partner, or other managerial agent of the
12 business has been convicted of a felony under the
13 Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under
14 the Illinois Securities Law of 1953 for a period of 5 years
15 from the date of conviction.

16 (b) Every bid submitted to and contract executed by the
17 State and every subcontract subject to Section 20-120 of this
18 Code shall contain a certification by the bidder, ~~or~~
19 contractor, or subcontractor, respectively, that the bidder,
20 contractor, or subcontractor is not barred from being awarded a
21 contract or subcontract under this Section and ~~that the~~
22 ~~contractor~~ acknowledges that the chief procurement officer
23 ~~contracting State agency~~ shall declare the related contract
24 void if any of the certifications ~~certification~~ completed
25 pursuant to this subsection (b) are ~~is~~ false.

1 (c) If a business is not a natural person, the prohibition
2 in subsection (a) applies only if:

3 (1) the business itself is convicted of a felony
4 referenced in subsection (a); or

5 (2) the business is ordered to pay punitive damages
6 based on the conduct of any officer, director, partner, or
7 other managerial agent who has been convicted of a felony
8 referenced in subsection (a).

9 (d) A natural person who is convicted of a felony
10 referenced in subsection (a) remains subject to Section 50-10.

11 (e) No person or business shall bid or enter into a
12 contract under this Code if the person or business:

13 (1) assisted the State of Illinois or a State agency in
14 determining whether there is a need for a contract except
15 as part of a response to a publicly issued request for
16 information; or

17 (2) assisted the State of Illinois or a State agency by
18 reviewing, drafting, or preparing a request for proposals
19 or request for information or provided similar assistance.

20 For purposes of this subsection (e), "business" includes
21 all individuals with whom a business is affiliated, including,
22 but not limited to, any officer, agent, employee, consultant,
23 independent contractor, director, partner, manager, or
24 shareholder of a business.

25 (Source: P.A. 93-600, eff. 1-1-04.)

1 (30 ILCS 500/50-11)

2 Sec. 50-11. Debt delinquency.

3 (a) No person shall submit a bid for or enter into a
4 contract or subcontract ~~with a State agency~~ under this Code if
5 that person knows or should know that he or she or any
6 affiliate is delinquent in the payment of any debt to the
7 State, unless the person or affiliate has entered into a
8 deferred payment plan to pay off the debt. For purposes of this
9 Section, the phrase "delinquent in the payment of any debt"
10 shall be determined by the Debt Collection Board. For purposes
11 of this Section, the term "affiliate" means any entity that (1)
12 directly, indirectly, or constructively controls another
13 entity, (2) is directly, indirectly, or constructively
14 controlled by another entity, or (3) is subject to the control
15 of a common entity. For purposes of this subsection (a), a
16 person controls an entity if the person owns, directly or
17 individually, more than 10% of the voting securities of that
18 entity. As used in this subsection (a), the term "voting
19 security" means a security that (1) confers upon the holder the
20 right to vote for the election of members of the board of
21 directors or similar governing body of the business or (2) is
22 convertible into, or entitles the holder to receive upon its
23 exercise, a security that confers such a right to vote. A
24 general partnership interest is a voting security.

25 (b) Every bid submitted to and contract executed by the
26 State and every subcontract subject to Section 20-120 of this

1 Code shall contain a certification by the bidder, ~~or~~
2 contractor, or subcontractor, respectively, that the
3 contractor or the subcontractor and its affiliate is not barred
4 from being awarded a contract or subcontract under this Section
5 and ~~that the contractor~~ acknowledges that the chief procurement
6 officer ~~contracting State agency~~ may declare the related
7 contract void if any of the certifications ~~certification~~
8 completed pursuant to this subsection (b) are ~~is~~ false.

9 (Source: P.A. 92-404, eff. 7-1-02; 93-25, eff. 6-20-03.)

10 (30 ILCS 500/50-12)

11 Sec. 50-12. Collection and remittance of Illinois Use Tax.

12 (a) No person shall enter into a contract with a State
13 agency or enter into a subcontract under this Code unless the
14 person and all affiliates of the person collect and remit
15 Illinois Use Tax on all sales of tangible personal property
16 into the State of Illinois in accordance with the provisions of
17 the Illinois Use Tax Act regardless of whether the person or
18 affiliate is a "retailer maintaining a place of business within
19 this State" as defined in Section 2 of the Use Tax Act. For
20 purposes of this Section, the term "affiliate" means any entity
21 that (1) directly, indirectly, or constructively controls
22 another entity, (2) is directly, indirectly, or constructively
23 controlled by another entity, or (3) is subject to the control
24 of a common entity. For purposes of this subsection (a), an
25 entity controls another entity if it owns, directly or

1 individually, more than 10% of the voting securities of that
2 entity. As used in this subsection (a), the term "voting
3 security" means a security that (1) confers upon the holder the
4 right to vote for the election of members of the board of
5 directors or similar governing body of the business or (2) is
6 convertible into, or entitles the holder to receive upon its
7 exercise, a security that confers such a right to vote. A
8 general partnership interest is a voting security.

9 (b) Every bid submitted and contract executed by the State
10 and every subcontract subject to Section 20-120 of this Code
11 shall contain a certification by the bidder, ~~or~~ contractor, or
12 subcontractor, respectively, that the bidder, ~~or~~ contractor,
13 or subcontractor is not barred from bidding for or entering
14 into a contract under subsection (a) of this Section and ~~that~~
15 ~~the bidder or contractor~~ acknowledges that the chief
16 procurement officer ~~contracting State agency~~ may declare the
17 related contract void if any of the certifications
18 ~~certification~~ completed pursuant to this subsection (b) are ~~is~~
19 false.

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

21 (30 ILCS 500/50-14)

22 Sec. 50-14. Environmental Protection Act violations.

23 (a) Unless otherwise provided, no person or business found
24 by a court or the Pollution Control Board to have committed a
25 willful or knowing violation of the Environmental Protection

1 Act shall do business with the State of Illinois or any State
2 agency or enter into a subcontract that is subject to this Code
3 from the date of the order containing the finding of violation
4 until 5 years after that date, unless the person or business
5 can show that no person involved in the violation continues to
6 have any involvement with the business.

7 (b) A person or business otherwise barred from doing
8 business with the State of Illinois or any State agency or
9 subcontracting under this Code by subsection (a) may be allowed
10 to do business with the State of Illinois or any State agency
11 if it is shown that there is no practicable alternative to the
12 State to contracting with that person or business.

13 (c) Every bid submitted to and contract executed by the
14 State and every subcontract subject to Section 20-120 of this
15 Code shall contain a certification by the bidder, ~~or~~
16 contractor, or subcontractor, respectively, that the bidder,
17 ~~or~~ contractor, or subcontractor is not barred from being
18 awarded a contract or subcontract under this Section and ~~that~~
19 ~~the contractor~~ acknowledges that the contracting State agency
20 may declare the related contract void if any of the
21 certifications ~~certification~~ completed pursuant to this
22 subsection (c) are ~~is~~ false.

23 (Source: P.A. 93-575, eff. 1-1-04; 93-826, eff. 7-28-04.)

24 (30 ILCS 500/50-14.5)

25 Sec. 50-14.5. Lead Poisoning Prevention Act violations.

1 Owners of residential buildings who have committed a willful or
2 knowing violation of the Lead Poisoning Prevention Act are
3 prohibited from doing business with the State of Illinois or
4 any State agency, or subcontracting under this Code, until the
5 violation is mitigated.

6 (Source: P.A. 94-879, eff. 6-20-06.)

7 (30 ILCS 500/50-20)

8 Sec. 50-20. Exemptions. ~~The~~ ~~With the approval of the~~
9 appropriate chief procurement officer ~~involved, the Governor,~~
10 ~~or an executive ethics board or commission he or she~~
11 ~~designates,~~ may file a request with the Executive Ethics
12 Commission to exempt named individuals from the prohibitions of
13 Section 50-13 when, in his or, her, ~~or its~~ judgment, the public
14 interest in having the individual in the service of the State
15 outweighs the public policy evidenced in that Section. The
16 Executive Ethics Commission may grant an exemption after a
17 public hearing at which any person may present testimony. The
18 chief procurement officer shall publish notice of the date,
19 time, and location of the hearing in the online electronic
20 Bulletin at least 14 days prior to the hearing and provide
21 notice to the individual subject to the waiver and the
22 Procurement Policy Board. The Executive Ethics Commission
23 shall also provide public notice of the date, time, and
24 location of the hearing on its website. If the Commission
25 grants an exemption, the ~~An~~ exemption is effective only if ~~when~~

1 it is filed with the Secretary of State and the Comptroller
2 prior to the execution of any contract and includes a statement
3 setting forth the name of the individual and all the pertinent
4 facts that would make that Section applicable, setting forth
5 the reason for the exemption, and declaring the individual
6 exempted from that Section. Notice of each exemption shall be
7 published in the Illinois Procurement Bulletin. A contract for
8 which a waiver has been issued but has not been filed in
9 accordance with this Section is voidable by the State. The
10 changes to this Section made by this amendatory Act of the 96th
11 General Assembly shall apply to exemptions granted on or after
12 its effective date.

13 (Source: P.A. 90-572, eff. 2-6-98.)

14 (30 ILCS 500/50-21 new)

15 Sec. 50-21. Bond issuances.

16 (a) A State agency shall not enter into a contract with
17 respect to the issuance of bonds or other securities by the
18 State or a State agency with any entity that uses an
19 independent consultant.

20 As used in this subsection, "independent consultant" means
21 a person used by the entity to obtain or retain securities
22 business through direct or indirect communication by the person
23 with a State official or employee on behalf of the entity when
24 the communication is undertaken by the person in exchange for
25 or with the understanding of receiving payment from the entity

1 or another person. "Independent consultant" does not include
2 (i) a finance professional employed by the entity or (ii) a
3 person whose sole basis of compensation from the entity is the
4 actual provision of legal, accounting, or engineering advice,
5 services, or assistance in connection with the securities
6 business that the entity seeks to obtain or retain.

7 (b) Prior to entering into a contract with a State agency
8 with respect to the issuance of bonds or other securities by
9 the State or a State agency, a contracting party subject to the
10 Municipal Securities Rulemaking Board's Rule G-37, or a
11 successor rule, shall include a certification that the
12 contracting entity is and shall remain for the duration of the
13 contract in compliance with the Rule's requirements for
14 reporting political contributions. Subsequent failure to
15 remain in compliance shall make the contract voidable by the
16 State.

17 (c) If a federal agency finds that an entity has knowingly
18 violated in Illinois the Municipal Securities Rulemaking
19 Board's Rule G-37 (or any successor rule) with respect to the
20 making of prohibited political contributions or payments, then
21 the chief procurement officer shall impose a penalty that is at
22 least twice the fine assessed against that entity by the
23 federal agency. The chief procurement officer shall also bar
24 that entity from participating in any State agency contract
25 with respect to the issuance of bonds or other securities for a
26 period of one year. The one-year period shall begin upon the

1 expiration of any debarment period imposed by a federal agency.
2 If no debarment is imposed by a federal agency, then the
3 one-year period shall begin on the date the chief procurement
4 officer is advised of the violation.

5 If a federal agency finds that an entity has knowingly
6 violated in Illinois the Municipal Securities Rulemaking
7 Board's Rule G-38 (or any successor rule) with respect to the
8 prohibition on obtaining or retaining municipal securities
9 business, then the chief procurement officer shall bar that
10 entity from participating in any State agency contract with
11 respect to the issuance of bonds or other securities for a
12 period of one year. The one-year period shall begin upon the
13 expiration of any debarment period imposed by a federal agency.
14 If no debarment is imposed by a federal agency, then the
15 one-year period shall begin on the date the chief procurement
16 officer is advised of the violation.

17 (d) Nothing in this Section shall be construed to apply
18 retroactively, but shall apply prospectively on and after the
19 effective date of this amendatory Act of the 96th General
20 Assembly.

21 (30 ILCS 500/50-30)

22 Sec. 50-30. Revolving door prohibition.

23 (a) Chief procurement officers, ~~associate procurement~~
24 ~~officers,~~ State purchasing officers, procurement compliance
25 monitors, their designees whose principal duties are directly

1 related to State procurement, and executive officers confirmed
2 by the Senate are expressly prohibited for a period of 2 years
3 after terminating an affected position from engaging in any
4 procurement activity relating to the State agency most recently
5 employing them in an affected position for a period of at least
6 6 months. The prohibition includes but is not limited to:
7 lobbying the procurement process; specifying; bidding;
8 proposing bid, proposal, or contract documents; on their own
9 behalf or on behalf of any firm, partnership, association, or
10 corporation. This subsection applies only to persons who
11 terminate an affected position on or after January 15, 1999.

12 (b) In addition to any other provisions of this Code,
13 employment of former State employees is subject to the State
14 Officials and Employees Ethics Act.

15 (Source: P.A. 93-615, eff. 11-19-03.)

16 (30 ILCS 500/50-35)

17 Sec. 50-35. Financial disclosure ~~Disclosure~~ and potential
18 conflicts of interest.

19 (a) All offers from responsive bidders or offerors with an
20 annual value of more than \$10,000, and all subcontracts, copies
21 of which must be provided by Section 20-120 of this Code, shall
22 be accompanied by disclosure of the financial interests of the
23 contractor, bidder, or proposer and each subcontractor to be
24 used. The financial disclosure of each successful bidder or
25 offeror and its subcontractors shall be incorporated as a

1 material term of the contract and shall become part of the
2 publicly available contract or procurement file maintained by
3 the appropriate chief procurement officer. Each disclosure
4 under this Section and Section 50-34 shall be signed and made
5 under penalty of perjury by an authorized officer or employee
6 on behalf of the bidder or offeror, and must be filed with the
7 Procurement Policy Board.

8 (b) Disclosure ~~by the responsive bidders or offerors~~ shall
9 include any ownership or distributive income share that is in
10 excess of 5%, or an amount greater than 60% of the annual
11 salary of the Governor, of the disclosing bidding entity or its
12 parent entity, whichever is less, unless the contractor, ~~or~~
13 bidder, or subcontractor (i) is a publicly traded entity
14 subject to Federal 10K reporting, in which case it may submit
15 its 10K disclosure in place of the prescribed disclosure, or
16 (ii) is a privately held entity that is exempt from Federal 10k
17 reporting but has more than 400 shareholders, in which case it
18 may submit the information that Federal 10k reporting companies
19 are required to report under 17 CFR 229.401 and list the names
20 of any person or entity holding any ownership share that is in
21 excess of 5% in place of the prescribed disclosure. The form of
22 disclosure shall be prescribed by the applicable chief
23 procurement officer and must include at least the names,
24 addresses, and dollar or proportionate share of ownership of
25 each person identified in this Section, their instrument of
26 ownership or beneficial relationship, and notice of any

1 potential conflict of interest resulting from the current
2 ownership or beneficial relationship of each person identified
3 in this Section having in addition any of the following
4 relationships:

5 (1) State employment, currently or in the previous 3
6 years, including contractual employment of services.

7 (2) State employment of spouse, father, mother, son, or
8 daughter, including contractual employment for services in
9 the previous 2 years.

10 (3) Elective status; the holding of elective office of
11 the State of Illinois, the government of the United States,
12 any unit of local government authorized by the Constitution
13 of the State of Illinois or the statutes of the State of
14 Illinois currently or in the previous 3 years.

15 (4) Relationship to anyone holding elective office
16 currently or in the previous 2 years; spouse, father,
17 mother, son, or daughter.

18 (5) Appointive office; the holding of any appointive
19 government office of the State of Illinois, the United
20 States of America, or any unit of local government
21 authorized by the Constitution of the State of Illinois or
22 the statutes of the State of Illinois, which office
23 entitles the holder to compensation in excess of expenses
24 incurred in the discharge of that office currently or in
25 the previous 3 years.

26 (6) Relationship to anyone holding appointive office

1 currently or in the previous 2 years; spouse, father,
2 mother, son, or daughter.

3 (7) Employment, currently or in the previous 3 years,
4 as or by any registered lobbyist of the State government.

5 (8) Relationship to anyone who is or was a registered
6 lobbyist in the previous 2 years; spouse, father, mother,
7 son, or daughter.

8 (9) Compensated employment, currently or in the
9 previous 3 years, by any registered election or re-election
10 committee registered with the Secretary of State or any
11 county clerk in the State of Illinois, or any political
12 action committee registered with either the Secretary of
13 State or the Federal Board of Elections.

14 (10) Relationship to anyone; spouse, father, mother,
15 son, or daughter; who is or was a compensated employee in
16 the last 2 years of any registered election or re-election
17 committee registered with the Secretary of State or any
18 county clerk in the State of Illinois, or any political
19 action committee registered with either the Secretary of
20 State or the Federal Board of Elections.

21 (b-1) The disclosure required under this Section must also
22 include the name and address of each lobbyist and other agent
23 of the bidder or offeror who is not identified under
24 subsections (a) and (b) and who has communicated, is
25 communicating, or may communicate with any State officer or
26 employee concerning the bid or offer. The disclosure under this

1 subsection is a continuing obligation and must be promptly
2 supplemented for accuracy throughout the process and
3 throughout the term of the contract if the bid or offer is
4 successful.

5 (b-2) The disclosure required under this Section must also
6 include, for each of the persons identified in subsection (b)
7 or (b-1), each of the following that occurred within the
8 previous 10 years: debarment from contracting with any
9 governmental entity; professional licensure discipline;
10 bankruptcies; adverse civil judgments and administrative
11 findings; and criminal felony convictions. The disclosure
12 under this subsection is a continuing obligation and must be
13 promptly supplemented for accuracy throughout the process and
14 throughout the term of the contract if the bid or offer is
15 successful.

16 (c) The disclosure in subsection (b) is not intended to
17 prohibit or prevent any contract. The disclosure is meant to
18 fully and publicly disclose any potential conflict to the chief
19 procurement officers, State purchasing officers, their
20 designees, and executive officers so they may adequately
21 discharge their duty to protect the State.

22 (d) When a potential for a conflict of interest is
23 identified, discovered, or reasonably suspected, the chief
24 procurement officer or State procurement officer shall send the
25 contract to the Procurement Policy Board. The Board shall
26 recommend, in writing, whether to allow or void the contract,

1 bid, offer, or subcontract weighing the best interest of the
2 State of Illinois. All recommendations shall be submitted to
3 the chief procurement officer. The chief procurement officer
4 must hold a public hearing if the Procurement Policy Board
5 makes a recommendation to (i) void a contract or (ii) void a
6 bid or offer and the chief procurement officer selected or
7 intends to award the contract to the bidder or offeror. A chief
8 procurement officer is prohibited from awarding a contract
9 before a hearing if the Board recommendation does not support a
10 bid or offer. The recommendation and proceedings of any
11 hearing, if applicable, shall become part of the contract, bid,
12 or proposal file and shall be available to the public.

13 ~~(d) In the case of any contract for personal services in~~
14 ~~excess of \$50,000; any contract competitively bid in excess of~~
15 ~~\$250,000; any other contract in excess of \$50,000; when a~~
16 ~~potential for a conflict of interest is identified, discovered,~~
17 ~~or reasonably suspected it shall be reviewed and commented on~~
18 ~~in writing by the Governor of the State of Illinois, or by an~~
19 ~~executive ethics board or commission he or she might designate.~~
20 ~~The comment shall be returned to the responsible chief~~
21 ~~procurement officer who must rule in writing whether to void or~~
22 ~~allow the contract, bid, offer, or proposal weighing the best~~
23 ~~interest of the State of Illinois. The comment and~~
24 ~~determination shall become a publicly available part of the~~
25 ~~contract, bid, or proposal file.~~

26 (e) These thresholds and disclosure do not relieve the

1 chief procurement officer, the State purchasing officer, or
2 their designees from reasonable care and diligence for any
3 contract, bid, offer, or proposal. The chief procurement
4 officer, the State purchasing officer, or their designees shall
5 be responsible for using any reasonably known and publicly
6 available information to discover any undisclosed potential
7 conflict of interest and act to protect the best interest of
8 the State of Illinois.

9 (f) Inadvertent or accidental failure to fully disclose
10 shall render the contract, bid, proposal, subcontract, or
11 relationship voidable by the chief procurement officer if he or
12 she deems it in the best interest of the State of Illinois and,
13 at his or her discretion, may be cause for barring from future
14 contracts, bids, proposals, subcontracts, or relationships
15 with the State for a period of up to 2 years.

16 (g) Intentional, willful, or material failure to disclose
17 shall render the contract, bid, proposal, subcontract, or
18 relationship voidable by the chief procurement officer if he or
19 she deems it in the best interest of the State of Illinois and
20 shall result in debarment from future contracts, bids,
21 proposals, subcontracts, or relationships for a period of not
22 less than 2 years and not more than 10 years. Reinstatement
23 after 2 years and before 10 years must be reviewed and
24 commented on in writing by the Governor of the State of
25 Illinois, or by an executive ethics board or commission he or
26 she might designate. The comment shall be returned to the

1 responsible chief procurement officer who must rule in writing
2 whether and when to reinstate.

3 (h) In addition, all disclosures shall note any other
4 current or pending contracts, proposals, subcontracts, leases,
5 or other ongoing procurement relationships the bidding,
6 proposing, ~~or~~ offering, or subcontracting entity has with any
7 other unit of State government and shall clearly identify the
8 unit and the contract, proposal, lease, or other relationship.

9 (i) The contractor or bidder has a continuing obligation to
10 supplement the disclosure required by this Section throughout
11 the bidding process or during the term of any contract.

12 (Source: P.A. 95-331, eff. 8-21-07.)

13 (30 ILCS 500/50-37)

14 Sec. 50-37. Prohibition of political contributions.

15 (a) As used in this Section:

16 The terms "contract", "State contract", and "contract
17 with a State agency" each mean any contract, as defined in
18 this Code, between a business entity and a State agency let
19 or awarded pursuant to this Code. The terms "contract",
20 "State contract", and "contract with a State agency" do not
21 include cost reimbursement contracts; purchase of care
22 agreements as defined in Section 1-15.68 of this Code;
23 contracts for projects eligible for full or partial
24 federal-aid funding reimbursements authorized by the
25 Federal Highway Administration; grants, including but are

1 not limited to grants for job training or transportation;
2 and grants, loans, or tax credit agreements for economic
3 development purposes.

4 "Contribution" means a contribution as defined in
5 Section 9-1.4 of the Election Code.

6 "Declared candidate" means a person who has filed a
7 statement of candidacy and petition for nomination or
8 election in the principal office of the State Board of
9 Elections.

10 "State agency" means and includes all boards,
11 commissions, agencies, institutions, authorities, and
12 bodies politic and corporate of the State, created by or in
13 accordance with the Illinois Constitution or State
14 statute, of the executive branch of State government and
15 does include colleges, universities, public employee
16 retirement systems, and institutions under the
17 jurisdiction of the governing boards of the University of
18 Illinois, Southern Illinois University, Illinois State
19 University, Eastern Illinois University, Northern Illinois
20 University, Western Illinois University, Chicago State
21 University, Governors State University, Northeastern
22 Illinois University, and the Illinois Board of Higher
23 Education.

24 "Officeholder" means the Governor, Lieutenant
25 Governor, Attorney General, Secretary of State,
26 Comptroller, or Treasurer. The Governor shall be

1 considered the officeholder responsible for awarding all
2 contracts by all officers and employees of, and vendors and
3 others doing business with, executive branch State
4 agencies under the jurisdiction of the Executive Ethics
5 Commission and not within the jurisdiction of the Attorney
6 General, the Secretary of State, the Comptroller, or the
7 Treasurer.

8 "Sponsoring entity" means a sponsoring entity as
9 defined in Section 9-3 of the Election Code.

10 "Affiliated person" means (i) any person with any
11 ownership interest or distributive share of the bidding or
12 contracting business entity in excess of 7.5%, (ii)
13 executive employees of the bidding or contracting business
14 entity, and (iii) the spouse ~~and minor children~~ of any such
15 persons.

16 "Affiliated entity" means (i) any corporate parent and
17 each operating subsidiary of the bidding or contracting
18 business entity, (ii) each operating subsidiary of the
19 corporate parent of the bidding or contracting business
20 entity ~~any member of the same unitary business group~~, (iii)
21 any organization recognized by the United States Internal
22 Revenue Service as a tax-exempt organization described in
23 Section 501(c) of the Internal Revenue Code of 1986 (or any
24 successor provision of federal tax law) established by the
25 bidding or contracting business entity, any affiliated
26 entity of that business entity, or any affiliated person of

1 that business entity, or (iv) any political committee for
2 which the bidding or contracting business entity, or any
3 501(c) organization described in item (iii) related to that
4 business entity, is the sponsoring entity.

5 "Business entity" means any entity doing business for
6 profit, whether organized as a corporation, partnership,
7 sole proprietorship, limited liability company or
8 partnership, or otherwise.

9 "Executive employee" means (i) the President,
10 Chairman, or Chief Executive Officer of a business entity
11 and any other individual that fulfills equivalent duties as
12 the President, Chairman of the Board, or Chief Executive
13 Officer of a business entity; and (ii) any employee of a
14 business entity whose compensation is determined directly,
15 in whole or in part, by the award or payment of contracts
16 by a State agency to the entity employing the employee. A
17 regular salary that is paid irrespective of the award or
18 payment of a contract with a State agency shall not
19 constitute "compensation" under item (ii) of this
20 definition, or other employee with executive
21 decision-making authority over the long-term and
22 day-to-day affairs of the entity employing the employee, or
23 an employee whose compensation is determined directly, in
24 whole or in part, by the award or payment of contracts by a
25 State agency to the entity employing the employee.

26 (b) Any business entity whose contracts with State

1 agencies, in the aggregate, annually total more than \$50,000,
2 and any affiliated entities or affiliated persons of such
3 business entity, are prohibited from making any contributions
4 to any political committees established to promote the
5 candidacy of (i) the officeholder responsible for awarding the
6 contracts or (ii) any other declared candidate for that office.
7 This prohibition shall be effective for the duration of the
8 term of office of the incumbent officeholder awarding the
9 contracts or for a period of 2 years following the expiration
10 or termination of the contracts, whichever is longer.

11 (c) Any business entity whose aggregate pending bids and
12 proposals on State contracts total more than \$50,000, or whose
13 aggregate pending bids and proposals on State contracts
14 combined with the business entity's aggregate annual total
15 value of State contracts exceed \$50,000, and any affiliated
16 entities or affiliated persons of such business entity, are
17 prohibited from making any contributions to any political
18 committee established to promote the candidacy of the
19 officeholder responsible for awarding the contract on which the
20 business entity has submitted a bid or proposal during the
21 period beginning on the date the invitation for bids or request
22 for proposals is issued and ending on the day after the date
23 the contract is awarded.

24 (d) All contracts between State agencies and a business
25 entity that violate subsection (b) or (c) shall be voidable
26 under Section 50-60. If a business entity violates subsection

1 (b) 3 or more times within a 36-month period, then all
2 contracts between State agencies and that business entity shall
3 be void, and that business entity shall not bid or respond to
4 any invitation to bid or request for proposals from any State
5 agency or otherwise enter into any contract with any State
6 agency for 3 years from the date of the last violation. A
7 notice of each violation and the penalty imposed shall be
8 published in both the Procurement Bulletin and the Illinois
9 Register.

10 (e) Any political committee that has received a
11 contribution in violation of subsection (b) or (c) shall pay an
12 amount equal to the value of the contribution to the State no
13 more than 30 days after notice of the violation concerning the
14 contribution appears in the Illinois Register. Payments
15 received by the State pursuant to this subsection shall be
16 deposited into the general revenue fund.

17 (Source: P.A. 95-971, eff. 1-1-09; 95-1038, eff. 3-11-09.)

18 (30 ILCS 500/50-38 new)

19 Sec. 50-38. Lobbying restrictions.

20 (a) A person or business that is let or awarded a contract
21 is not entitled to receive any payment, compensation, or other
22 remuneration from the State to compensate the person or
23 business for any expenses related to travel, lodging, or meals
24 that are paid by the person or business to any officer, agent,
25 employee, consultant, independent contractor, director,

1 partner, manager, or shareholder.

2 (b) Any bidder or offeror on a State contract that hires a
3 person required to register under the Lobbyist Registration Act
4 to assist in obtaining a contract shall (i) disclose all costs,
5 fees, compensation, reimbursements, and other remunerations
6 paid or to be paid to the lobbyist related to the contract,
7 (ii) not bill or otherwise cause the State of Illinois to pay
8 for any of the lobbyist's costs, fees, compensation,
9 reimbursements, or other remuneration, and (iii) sign a
10 verification certifying that none of the lobbyist's costs,
11 fees, compensation, reimbursements, or other remuneration were
12 billed to the State. This information, along with all
13 supporting documents, shall be filed with the agency awarding
14 the contract and with the Secretary of State. The chief
15 procurement officer shall post this information, together with
16 the contract award notice, in the online Procurement Bulletin.

17 (c) Ban on contingency fee. No person or entity shall
18 retain a person or entity to attempt to influence the outcome
19 of a procurement decision made under this Code for compensation
20 contingent in whole or in part upon the decision or
21 procurement. Any person who violates this subsection is guilty
22 of a business offense and shall be fined not more than \$10,000.

23 (30 ILCS 500/50-39 new)

24 Sec. 50-39. Procurement communications reporting
25 requirement.

1 (a) Any written or oral communication received by a State
2 employee that imparts or requests material information or makes
3 a material argument regarding potential action concerning a
4 procurement matter, including, but not limited to, an
5 application, a contract, or a project, shall be reported to the
6 Procurement Policy Board.

7 (b) The report required by subsection (a) shall be
8 submitted monthly and include at least the following: (i) the
9 date and time of each communication; (ii) the identity of each
10 person from whom the written or oral communication was
11 received, the individual or entity represented by that person,
12 and any action the person requested or recommended; (iii) the
13 identity and job title of the person to whom each communication
14 was made; (iv) if a response is made, the identity and job
15 title of the person making each response; (v) a detailed
16 summary of the points made by each person involved in the
17 communication; (vi) the duration of the communication; (vii)
18 the location or locations of all persons involved in the
19 communication and, if the communication occurred by telephone,
20 the telephone numbers for the callers and recipients of the
21 communication; and (viii) any other pertinent information.

22 (c) Additionally, when an oral communication made by a
23 person required to register under the Lobbyist Registration Act
24 is received by a State employee that is covered under this
25 Section, all individuals who initiate or participate in the
26 oral communication shall submit a written report to that State

1 employee that memorializes the communication and includes, but
2 is not limited to, the items listed in subsection (b).

3 (d) The Procurement Policy Board shall make each report
4 submitted pursuant to this Section available on its website
5 within 7 days after its receipt of the report. The Procurement
6 Policy Board may promulgate rules to ensure compliance with
7 this Section.

8 (e) An employee who knowingly and intentionally violates
9 this Section shall be subject to suspension or discharge.

10 (30 ILCS 500/50-60)

11 Sec. 50-60. Voidable contracts.

12 (a) If any contract or amendment thereto is entered into or
13 purchase or expenditure of funds is made at any time in
14 violation of this Code or any other law, the contract or
15 amendment thereto may be declared void by the chief procurement
16 officer or may be ratified and affirmed, provided the chief
17 procurement officer determines that ratification is in the best
18 interests of the State. If the contract is ratified and
19 affirmed, it shall be without prejudice to the State's rights
20 to any appropriate damages.

21 (b) If, during the term of a contract, the chief
22 procurement officer ~~contracting agency~~ determines that the
23 contractor is delinquent in the payment of debt as set forth in
24 Section 50-11 of this Code, the chief procurement officer ~~State~~
25 ~~agency~~ may declare the contract void if it determines that

1 voiding the contract is in the best interests of the State. The
2 Debt Collection Board shall adopt rules for the implementation
3 of this subsection (b).

4 (c) If, during the term of a contract, the chief
5 procurement officer ~~contracting agency~~ determines that the
6 contractor is in violation of Section 50-10.5 of this Code, the
7 chief procurement officer ~~contracting agency~~ shall declare the
8 contract void.

9 (d) If, during the term of a contract, the contracting
10 agency learns from an annual certification or otherwise
11 determines that the contractor no longer qualifies to enter
12 into State contracts by reason of Section 50-5, 50-10, 50-12,
13 50-14, or 50-14.5 of this Article, the chief procurement
14 officer may declare the contract void if it determines that
15 voiding the contract is in the best interests of the State.

16 (e) If, during the term of a contract, the chief
17 procurement officer learns from an annual certification or
18 otherwise determines that a subcontractor subject to Section
19 20-120 no longer qualifies to enter into State contracts by
20 reason of Section 50-5, 50-10, 50-10.5, 50-11, 50-12, 50-14, or
21 50-14.5 of this Article, the chief procurement officer may
22 declare the related contract void if it determines that voiding
23 the contract is in the best interests of the State.

24 (f) The changes to this Section made by this amendatory Act
25 of the 96th General Assembly apply to actions taken by the
26 chief procurement officer on or after its effective date.

1 (Source: P.A. 92-404, eff. 7-1-02; 93-600, eff. 1-1-04.)

2 (30 ILCS 500/50-65)

3 Sec. 50-65. Suspension ~~Contractor~~ suspension. Any
4 contractor or subcontractor may be suspended for violation of
5 this Code or for failure to conform to specifications or terms
6 of delivery. Suspension shall be for cause and may be for a
7 period of up to 10 years at the discretion of the applicable
8 chief procurement officer. Contractors or subcontractors may
9 be debarred in accordance with rules promulgated by the chief
10 procurement officer or as otherwise provided by law.

11 (Source: P.A. 93-77, eff. 7-2-03.)

12 (30 ILCS 500/50-70)

13 Sec. 50-70. Additional provisions. This Code is subject to
14 applicable provisions of the following Acts:

- 15 (1) Article 33E of the Criminal Code of 1961;
16 (2) the Illinois Human Rights Act;
17 (3) the Discriminatory Club Act;
18 (4) the Illinois Governmental Ethics Act;
19 (5) the State Prompt Payment Act;
20 (6) the Public Officer Prohibited Activities Act;
21 (7) the Drug Free Workplace Act;
22 (8) the Illinois Power Agency Act; ~~and~~
23 (9) the Employee Classification Act; and -
24 (10) the State Officials and Employees Ethics Act.

1 (Source: P.A. 95-26, eff. 1-1-08; 95-481, eff. 8-28-07; 95-876,
2 eff. 8-21-08.)

3 (30 ILCS 500/53-10)

4 Sec. 53-10. Concessions and leases of State property.

5 (a) Except for property under the jurisdiction of a public
6 institution of higher education, concessions, including the
7 assignment, license, sale, or transfer of interests in or
8 rights to discoveries, inventions, patents, or copyrightable
9 works, may be entered into by the State agency with
10 jurisdiction over the property, whether tangible or
11 intangible.

12 (b) Except for property under the jurisdiction of a public
13 institution of higher education, all leases of State property
14 and concessions shall be reduced to writing and shall be
15 awarded under the provisions of Article 20, except that the
16 contract shall be awarded to the highest and best bidder or
17 offeror.

18 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

19 (30 ILCS 500/1-15.03 rep.)

20 Section 95-36. The Illinois Procurement Code is amended by
21 repealing Section 1-15.03.

22 Section 95-38. The Business Enterprise for Minorities,
23 Females, and Persons with Disabilities Act is amended by

1 changing Sections 2 and 4 as follows:

2 (30 ILCS 575/2) (from Ch. 127, par. 132.602)

3 (Section scheduled to be repealed on June 30, 2010)

4 Sec. 2. Definitions.

5 (A) For the purpose of this Act, the following terms shall
6 have the following definitions:

7 (1) "Minority person" shall mean a person who is a citizen
8 or lawful permanent resident of the United States and who is:

9 (a) African American (a person having origins in any of
10 the black racial groups in Africa);

11 (b) Hispanic (a person of Spanish or Portuguese culture
12 with origins in Mexico, South or Central America, or the
13 Caribbean Islands, regardless of race);

14 (c) Asian American (a person having origins in any of
15 the original peoples of the Far East, Southeast Asia, the
16 Indian Subcontinent or the Pacific Islands); or

17 (d) Native American or Alaskan Native (a person having
18 origins in any of the original peoples of North America).

19 (2) "Female" shall mean a person who is a citizen or lawful
20 permanent resident of the United States and who is of the
21 female gender.

22 (2.05) "Person with a disability" means a person who is a
23 citizen or lawful resident of the United States and is a person
24 qualifying as being disabled under subdivision (2.1) of this
25 subsection (A).

1 (2.1) "Disabled" means a severe physical or mental
2 disability that:

3 (a) results from:

4 amputation,

5 arthritis,

6 autism,

7 blindness,

8 burn injury,

9 cancer,

10 cerebral palsy,

11 cystic fibrosis,

12 deafness,

13 head injury,

14 heart disease,

15 hemiplegia,

16 hemophilia,

17 respiratory or pulmonary dysfunction,

18 mental retardation,

19 mental illness,

20 multiple sclerosis,

21 muscular dystrophy,

22 musculoskeletal disorders,

23 neurological disorders, including stroke and epilepsy,

24 paraplegia,

25 quadriplegia and other spinal cord conditions,

26 sickle cell anemia,

1 specific learning disabilities, or
2 end stage renal failure disease; and

3 (b) substantially limits one or more of the person's major
4 life activities.

5 Another disability or combination of disabilities may also
6 be considered as a severe disability for the purposes of item
7 (a) of this subdivision (2.1) if it is determined by an
8 evaluation of rehabilitation potential to cause a comparable
9 degree of substantial functional limitation similar to the
10 specific list of disabilities listed in item (a) of this
11 subdivision (2.1).

12 (3) "Minority owned business" means a business concern
13 which is at least 51% owned by one or more minority persons, or
14 in the case of a corporation, at least 51% of the stock in
15 which is owned by one or more minority persons; and the
16 management and daily business operations of which are
17 controlled by one or more of the minority individuals who own
18 it.

19 (4) "Female owned business" means a business concern which
20 is at least 51% owned by one or more females, or, in the case of
21 a corporation, at least 51% of the stock in which is owned by
22 one or more females; and the management and daily business
23 operations of which are controlled by one or more of the
24 females who own it.

25 (4.1) "Business owned by a person with a disability" means
26 a business concern that is at least 51% owned by one or more

1 persons with a disability and the management and daily business
2 operations of which are controlled by one or more of the
3 persons with disabilities who own it. A not-for-profit agency
4 for persons with disabilities that is exempt from taxation
5 under Section 501 of the Internal Revenue Code of 1986 is also
6 considered a "business owned by a person with a disability".

7 (4.2) "Council" means the Business Enterprise Council for
8 Minorities, Females, and Persons with Disabilities created
9 under Section 5 of this Act.

10 (5) "State contracts" shall mean all State contracts,
11 funded exclusively with State funds which are not subject to
12 federal reimbursement, whether competitively bid or negotiated
13 as defined by the Secretary of the Council and approved by the
14 Council.

15 "State construction contracts" means all State contracts
16 entered into by a State agency or State university for the
17 repair, remodeling, renovation or construction of a building or
18 structure, or for the construction or maintenance of a highway
19 defined in Article 2 of the Illinois Highway Code.

20 (6) "State agencies" shall mean all departments, officers,
21 boards, commissions, institutions and bodies politic and
22 corporate of the State, but does not include the Board of
23 Trustees of the University of Illinois, the Board of Trustees
24 of Southern Illinois University, the Board of Trustees of
25 Chicago State University, the Board of Trustees of Eastern
26 Illinois University, the Board of Trustees of Governors State

1 University, the Board of Trustees of Illinois State University,
2 the Board of Trustees of Northeastern Illinois University, the
3 Board of Trustees of Northern Illinois University, the Board of
4 Trustees of Western Illinois University, municipalities or
5 other local governmental units, or other State constitutional
6 officers.

7 (7) "State universities" shall mean the Board of Trustees
8 of the University of Illinois, the Board of Trustees of
9 Southern Illinois University, the Board of Trustees of Chicago
10 State University, the Board of Trustees of Eastern Illinois
11 University, the Board of Trustees of Governors State
12 University, the Board of Trustees of Illinois State University,
13 the Board of Trustees of Northeastern Illinois University, the
14 Board of Trustees of Northern Illinois University, and the
15 Board of Trustees of Western Illinois University.

16 (8) "Certification" means a determination made by the
17 Council or by one delegated authority from the Council to make
18 certifications, or by a State agency with statutory authority
19 to make such a certification, that a business entity is a
20 business owned by a minority, female, or person with a
21 disability for whatever purpose. A business owned and
22 controlled by females shall select and designate whether such
23 business is to be certified as a "Female-owned business" or
24 "Minority-owned business" if the females are also minorities.

25 (9) "Control" means the exclusive or ultimate and sole
26 control of the business including, but not limited to, capital

1 investment and all other financial matters, property,
2 acquisitions, contract negotiations, legal matters,
3 officer-director-employee selection and comprehensive hiring,
4 operating responsibilities, cost-control matters, income and
5 dividend matters, financial transactions and rights of other
6 shareholders or joint partners. Control shall be real,
7 substantial and continuing, not pro forma. Control shall
8 include the power to direct or cause the direction of the
9 management and policies of the business and to make the
10 day-to-day as well as major decisions in matters of policy,
11 management and operations. Control shall be exemplified by
12 possessing the requisite knowledge and expertise to run the
13 particular business and control shall not include simple
14 majority or absentee ownership.

15 (10) "Business concern or business" means a business that
16 has ~~average~~ annual gross sales of less than \$75,000,000 ~~over~~
17 ~~the 3 most recent calendar years of less than \$31,400,000~~ as
18 evidenced by the federal income tax return of the business. A
19 firm with gross sales in excess of this cap may apply to the
20 Council for certification for a particular contract if the firm
21 can demonstrate that the contract would have significant impact
22 on businesses owned by minorities, females, or persons with
23 disabilities as suppliers or subcontractors or in employment of
24 minorities, females, or persons with disabilities.

25 (B) When a business concern is owned at least 51% by any
26 combination of minority persons, females, or persons with

1 disabilities, even though none of the 3 classes alone holds at
2 least a 51% interest, the ownership requirement for purposes of
3 this Act is considered to be met. The certification category
4 for the business is that of the class holding the largest
5 ownership interest in the business. If 2 or more classes have
6 equal ownership interests, the certification category shall be
7 determined by the business concern ~~Department of Central~~
8 ~~Management Services~~.

9 (Source: P.A. 95-344, eff. 8-21-07.)

10 (30 ILCS 575/4) (from Ch. 127, par. 132.604)

11 (Section scheduled to be repealed on June 30, 2010)

12 Sec. 4. Award of State contracts.

13 (a) Except as provided in subsections (b) and (c), not less
14 than 20% ~~12%~~ of the total dollar amount of State contracts, as
15 defined by the Secretary of the Council and approved by the
16 Council, shall be established as a goal to be awarded to
17 businesses owned by minorities, females, and persons with
18 disabilities; provided, however, that ~~contracts representing~~
19 ~~at least five-twelfths~~ of the total amount of all State
20 contracts awarded to businesses owned by minorities, females,
21 and persons with disabilities pursuant to this Section,
22 contracts representing at least 11% shall be awarded to
23 businesses owned by minorities, contracts representing at
24 least 7% shall be awarded to female-owned businesses, and
25 contracts representing at least 2% shall be awarded to

1 ~~businesses owned by persons with disabilities shall be awarded~~
2 ~~to female owned businesses, and that contracts representing at~~
3 ~~least one sixth of the total amount of all State contracts~~
4 ~~awarded to businesses owned by minorities, females, and persons~~
5 ~~with disabilities pursuant to this Section shall be awarded to~~
6 ~~businesses owned by persons with disabilities.~~

7 The above percentage relates to the total dollar amount of
8 State contracts during each State fiscal year, calculated by
9 examining independently each type of contract for each agency
10 or university which lets such contracts. Only that percentage
11 of arrangements which represents the participation of
12 businesses owned by minorities, females, and persons with
13 disabilities on such contracts shall be included.

14 (b) In the case of State construction contracts, the
15 provisions of subsection (a) requiring a portion of State
16 contracts to be awarded to businesses owned and controlled by
17 persons with disabilities do not apply. Not less than 10% of
18 the total dollar amount of State construction contracts is
19 established as a goal to be awarded to minority and female
20 owned businesses, and contracts representing 50% of the amount
21 of all State construction contracts awarded to minority and
22 female owned businesses shall be awarded to female owned
23 businesses.

24 (c) In the case of all work undertaken by the University of
25 Illinois related to the planning, organization, and staging of
26 the games, the University of Illinois shall establish a goal of

1 awarding not less than 25% of the annual dollar value of all
2 contracts, purchase orders, and other agreements (collectively
3 referred to as "the contracts") to minority-owned businesses or
4 businesses owned by a person with a disability and 5% of the
5 annual dollar value the contracts to female-owned businesses.
6 For purposes of this subsection, the term "games" has the
7 meaning set forth in the Olympic Games and Paralympic Games
8 (2016) Law.

9 (d) ~~(e)~~ Within one year after April 28, 2009 (the effective
10 date of Public Act 96-8) ~~this amendatory Act of the 96th~~
11 ~~General Assembly~~, the Department of Central Management
12 Services shall conduct a social scientific study that measures
13 the impact of discrimination on minority and female business
14 development in Illinois. Within 18 months after April 28, 2009
15 (the effective date of Public Act 96-8) ~~this amendatory Act~~,
16 the Department shall issue a report of its findings and any
17 recommendations on whether to adjust the goals for minority and
18 female participation established in this Act. Copies of this
19 report and the social scientific study shall be filed with the
20 Governor and the General Assembly.

21 (Source: P.A. 96-7, eff. 4-3-09; 96-8, eff. 4-28-09; revised
22 4-30-09.)

23 Section 95-40. The Illinois Grant Funds Recovery Act is
24 amended by changing Section 4 and by adding Section 4.1 as
25 follows:

1 (30 ILCS 705/4) (from Ch. 127, par. 2304)

2 Sec. 4. Grant Application and Agreement Requirements
3 Requirement.

4 (a) Any person or organization, public or private, desiring
5 to receive grant funds must submit a grant application to the
6 appropriate grantor agency. Applications for grant funds shall
7 be made on prescribed forms developed by the grantor agency,
8 and shall include, without being limited to, the following
9 provisions:

10 (1) the name, address, chief officers, and general
11 description of the applicant;

12 (2) a general description of the program, project, or
13 use for which grant funding is requested;

14 (3) such plans, equipment lists, and other documents as
15 may be required to show the type, structure, and general
16 character of the program, project, or use for which grant
17 funding is requested;

18 (4) cost estimates of developing, constructing,
19 operating, or completing the program, project, or use for
20 which grant funding is requested; and

21 (5) a program of proposed expenditures for the grant
22 funds.

23 (b) Grant funds may not be used except pursuant to a
24 written grant agreement, and any disbursement of grant funds
25 without a grant agreement is void. At a minimum, a grant

1 agreement must:

2 (1) ~~(a)~~ describe the purpose of the grant and be signed
3 by the grantor agency making the grant and all grantees of
4 the grant;

5 (2) ~~(b)~~ specify how payments shall be made, what
6 constitutes permissible expenditure of the grant funds,
7 and the financial controls applicable to the grant,
8 including, for those grants in excess of \$25,000, the
9 filing of quarterly reports describing the progress of the
10 program, project, or use and the expenditure of the grant
11 funds related thereto;

12 (3) ~~(c)~~ specify the period of time for which the grant
13 is valid and, subject to the limitation of Section 5, the
14 period of time during which grant funds may be expended by
15 the grantee; ~~and~~

16 (4) contain a provision that any grantees receiving
17 grant funds are required to permit the grantor agency, the
18 Auditor General, or the Attorney General to inspect and
19 audit any books, records, or papers related to the program,
20 project, or use for which grant funds were provided;

21 (5) ~~(d)~~ contain a provision that all funds remaining at
22 the end of the grant agreement or at the expiration of the
23 period of time grant funds are available for expenditure or
24 obligation by the grantee shall be returned to the State
25 within 45 days; and

26 (6) contain a provision in which the grantee certifies

