

AN ACT concerning State government.

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

Section 5. The Department of Central Management Services Law of the Civil Administrative Code of Illinois is amended by changing Sections 405-105 and 405-411 as follows:

(20 ILCS 405/405-105) (was 20 ILCS 405/64.1)

Sec. 405-105. Fidelity, surety, property, and casualty insurance. The Department shall establish and implement a program to coordinate the handling of all fidelity, surety, property, and casualty insurance exposures of the State and the departments, divisions, agencies, branches, and universities of the State. In performing this responsibility, the Department shall have the power and duty to do the following:

(1) Develop and maintain loss and exposure data on all State property.

(2) Study the feasibility of establishing a self-insurance plan for State property and prepare estimates of the costs of reinsurance for risks beyond the realistic limits of the self-insurance.

(3) Prepare a plan for centralizing the purchase of property and casualty insurance on State property under a master policy or policies and purchase the insurance

contracted for as provided in the Illinois Purchasing Act.

(4) Evaluate existing provisions for fidelity bonds required of State employees and recommend changes that are appropriate commensurate with risk experience and the determinations respecting self-insurance or reinsurance so as to permit reduction of costs without loss of coverage.

(5) Investigate procedures for inclusion of school districts, public community college districts, and other units of local government in programs for the centralized purchase of insurance.

(6) Implement recommendations of the State Property Insurance Study Commission that the Department finds necessary or desirable in the performance of its powers and duties under this Section to achieve efficient and comprehensive risk management.

(7) Prepare and, in the discretion of the Director, implement a plan providing for the purchase of public liability insurance or for self-insurance for public liability or for a combination of purchased insurance and self-insurance for public liability (i) covering the State and drivers of motor vehicles owned, leased, or controlled by the State of Illinois pursuant to the provisions and limitations contained in the Illinois Vehicle Code, (ii) covering other public liability exposures of the State and its employees within the scope of their employment, and (iii) covering drivers of motor vehicles not owned, leased,

or controlled by the State but used by a State employee on State business, in excess of liability covered by an insurance policy obtained by the owner of the motor vehicle or in excess of the dollar amounts that the Department shall determine to be reasonable. Any contract of insurance let under this Law shall be by bid in accordance with the procedure set forth in the Illinois Purchasing Act. Any provisions for self-insurance shall conform to subdivision (11).

The term "employee" as used in this subdivision (7) and in subdivision (11) means a person while in the employ of the State who is a member of the staff or personnel of a State agency, bureau, board, commission, committee, department, university, or college or who is a State officer, elected official, commissioner, member of or ex officio member of a State agency, bureau, board, commission, committee, department, university, or college, or a member of the National Guard while on active duty pursuant to orders of the Governor of the State of Illinois, or any other person while using a licensed motor vehicle owned, leased, or controlled by the State of Illinois with the authorization of the State of Illinois, provided the actual use of the motor vehicle is within the scope of that authorization and within the course of State service.

Subsequent to payment of a claim on behalf of an

employee pursuant to this Section and after reasonable advance written notice to the employee, the Director may exclude the employee from future coverage or limit the coverage under the plan if (i) the Director determines that the claim resulted from an incident in which the employee was grossly negligent or had engaged in willful and wanton misconduct or (ii) the Director determines that the employee is no longer an acceptable risk based on a review of prior accidents in which the employee was at fault and for which payments were made pursuant to this Section.

The Director is authorized to promulgate administrative rules that may be necessary to establish and administer the plan.

Appropriations from the Road Fund shall be used to pay auto liability claims and related expenses involving employees of the Department of Transportation, the Illinois State Police, and the Secretary of State.

(8) Charge, collect, and receive from all other agencies of the State government fees or monies equivalent to the cost of purchasing the insurance.

(9) Establish, through the Director, charges for risk management services rendered to State agencies by the Department. The State agencies so charged shall reimburse the Department by vouchers drawn against their respective appropriations. The reimbursement shall be determined by the Director as amounts sufficient to reimburse the

Department for expenditures incurred in rendering the service.

The Department shall charge the employing State agency or university for workers' compensation payments for temporary total disability paid to any employee after the employee has received temporary total disability payments for 120 days if the employee's treating physician has issued a release to return to work with restrictions and the employee is able to perform modified duty work but the employing State agency or university does not return the employee to work at modified duty. Modified duty shall be duties assigned that may or may not be delineated as part of the duties regularly performed by the employee. Modified duties shall be assigned within the prescribed restrictions established by the treating physician and the physician who performed the independent medical examination. The amount of all reimbursements shall be deposited into the Workers' Compensation Revolving Fund which is hereby created as a revolving fund in the State treasury. In addition to any other purpose authorized by law, moneys in the Fund shall be used, subject to appropriation, to pay these or other temporary total disability claims of employees of State agencies and universities.

Beginning with fiscal year 1996, all amounts recovered by the Department through subrogation in workers'

compensation and workers' occupational disease cases shall be deposited into the Workers' Compensation Revolving Fund created under this subdivision (9).

(10) Through December 31, 2012, establish ~~Establish~~ rules, procedures, and forms to be used by State agencies in the administration and payment of workers' compensation claims. Through December 31, 2012, the ~~The~~ Department shall initially evaluate and determine the compensability of any injury that is the subject of a workers' compensation claim and provide for the administration and payment of such a claim for all State agencies. Through December 31, 2012, the ~~The~~ Director may delegate to any agency with the agreement of the agency head the responsibility for evaluation, administration, and payment of that agency's claims.

(10a) ~~If the Director determines it would be in the best interests of the State and its employees, prepare and implement a plan providing for: (i) the purchase of workers' compensation insurance for workers' compensation liability; (ii) third party administration of self insurance, in whole or in part, for workers' compensation liability; or (iii) a combination of purchased insurance and self insurance for workers' compensation liability, including reinsurance or stop loss insurance. Any contract for insurance or third party administration shall be on terms consistent with State~~

~~policy; awarded in compliance with the Illinois Procurement Code; and based on, but not limited to, the following criteria: administrative cost, service capabilities of the carrier or other contractor and premiums, fees, or charges.~~ By April 1 of each year prior to calendar year 2013, the Director must report and provide information to the State Workers' Compensation Program Advisory Board concerning the status of the State workers' compensation program for the next fiscal year. Information that the Director must provide to the State Workers' Compensation Program Advisory Board includes, but is not limited to, documents, reports of negotiations, bid invitations, requests for proposals, specifications, copies of proposed and final contracts or agreements, and any other materials concerning contracts or agreements for the program. By the first of each month prior to calendar year 2013 ~~thereafter~~, the Director must provide updated, and any new, information to the State Workers' Compensation Program Advisory Board until the State workers' compensation program for the next fiscal year is determined.

(10b) No later than January 1, 2013, the chief procurement officer appointed under paragraph (4) of subsection (a) of Section 10-20 of the Illinois Procurement Code (hereinafter "chief procurement officer"), in consultation with the Department of Central Management

Services, shall procure one or more private vendors to administer, beginning January 1, 2013, the program providing payments for workers' compensation liability with respect to the employees of all State agencies. The chief procurement officer may procure a single contract applicable to all State agencies or multiple contracts applicable to one or more State agencies. If the chief procurement officer procures a single contract applicable to all State agencies, then the Department of Central Management Services shall be designated as the agency that enters into the contract and shall be responsible for the contract. If the chief procurement officer procures multiple contracts applicable to one or more State agencies, each agency to which the contract applies shall be designated as the agency that shall enter into the contract and shall be responsible for the contract. If the chief procurement officer procures contracts applicable to an individual State agency, the agency subject to the contract shall be designated as the agency responsible for the contract.

(10c) The procurement of private vendors for the administration of the workers' compensation program for State employees is subject to the provisions of the Illinois Procurement Code and administration by the chief procurement officer.

(10d) Contracts for the procurement of private vendors

for the administration of the workers' compensation program for State employees shall be based upon, but limited to, the following criteria: (i) administrative cost, (ii) service capabilities of the vendor, and (iii) the compensation (including premiums, fees, or other charges). A vendor for the administration of the workers' compensation program for State employees shall provide services, including, but not limited to:

(A) providing a web-based case management system and provide access to the Office of the Attorney General;

(B) ensuring claims adjusters are available to provide testimony or information as requested by the Office of the Attorney General;

(C) establishing a preferred provider program for all State agencies and facilities; and

(D) authorizing the payment of medical bills at the preferred provider discount rate.

(10e) By September 15, 2012, the Department of Central Management Services shall prepare a plan to effectuate the transfer of responsibility and administration of the workers' compensation program for State employees to the selected private vendors. The Department shall submit a copy of the plan to the General Assembly.

(11) Any plan for public liability self-insurance implemented under this Section shall provide that (i) the

Department shall attempt to settle and may settle any public liability claim filed against the State of Illinois or any public liability claim filed against a State employee on the basis of an occurrence in the course of the employee's State employment; (ii) any settlement of such a claim is not subject to fiscal year limitations and must be approved by the Director and, in cases of settlements exceeding \$100,000, by the Governor; and (iii) a settlement of any public liability claim against the State or a State employee shall require an unqualified release of any right of action against the State and the employee for acts within the scope of the employee's employment giving rise to the claim.

Whenever and to the extent that a State employee operates a motor vehicle or engages in other activity covered by self-insurance under this Section, the State of Illinois shall defend, indemnify, and hold harmless the employee against any claim in tort filed against the employee for acts or omissions within the scope of the employee's employment in any proper judicial forum and not settled pursuant to this subdivision (11), provided that this obligation of the State of Illinois shall not exceed a maximum liability of \$2,000,000 for any single occurrence in connection with the operation of a motor vehicle or \$100,000 per person per occurrence for any other single occurrence, or \$500,000 for any single occurrence in

connection with the provision of medical care by a licensed physician employee.

Any claims against the State of Illinois under a self-insurance plan that are not settled pursuant to this subdivision (11) shall be heard and determined by the Court of Claims and may not be filed or adjudicated in any other forum. The Attorney General of the State of Illinois or the Attorney General's designee shall be the attorney with respect to all public liability self-insurance claims that are not settled pursuant to this subdivision (11) and therefore result in litigation. The payment of any award of the Court of Claims entered against the State relating to any public liability self-insurance claim shall act as a release against any State employee involved in the occurrence.

(12) Administer a plan the purpose of which is to make payments on final settlements or final judgments in accordance with the State Employee Indemnification Act. The plan shall be funded through appropriations from the General Revenue Fund specifically designated for that purpose, except that indemnification expenses for employees of the Department of Transportation, the Illinois State Police, and the Secretary of State shall be paid from the Road Fund. The term "employee" as used in this subdivision (12) has the same meaning as under subsection (b) of Section 1 of the State Employee

Indemnification Act. Subject to sufficient appropriation, the Director shall approve payment of any claim, without regard to fiscal year limitations, presented to the Director that is supported by a final settlement or final judgment when the Attorney General and the chief officer of the public body against whose employee the claim or cause of action is asserted certify to the Director that the claim is in accordance with the State Employee Indemnification Act and that they approve of the payment. In no event shall an amount in excess of \$150,000 be paid from this plan to or for the benefit of any claimant.

(13) Administer a plan the purpose of which is to make payments on final settlements or final judgments for employee wage claims in situations where there was an appropriation relevant to the wage claim, the fiscal year and lapse period have expired, and sufficient funds were available to pay the claim. The plan shall be funded through appropriations from the General Revenue Fund specifically designated for that purpose.

Subject to sufficient appropriation, the Director is authorized to pay any wage claim presented to the Director that is supported by a final settlement or final judgment when the chief officer of the State agency employing the claimant certifies to the Director that the claim is a valid wage claim and that the fiscal year and lapse period have expired. Payment for claims that are properly

submitted and certified as valid by the Director shall include interest accrued at the rate of 7% per annum from the forty-fifth day after the claims are received by the Department or 45 days from the date on which the amount of payment is agreed upon, whichever is later, until the date the claims are submitted to the Comptroller for payment. When the Attorney General has filed an appearance in any proceeding concerning a wage claim settlement or judgment, the Attorney General shall certify to the Director that the wage claim is valid before any payment is made. In no event shall an amount in excess of \$150,000 be paid from this plan to or for the benefit of any claimant.

Nothing in Public Act 84-961 shall be construed to affect in any manner the jurisdiction of the Court of Claims concerning wage claims made against the State of Illinois.

(14) Prepare and, in the discretion of the Director, implement a program for self-insurance for official fidelity and surety bonds for officers and employees as authorized by the Official Bond Act.

(Source: P.A. 96-928, eff. 6-15-10; 97-18, eff. 6-28-11.)

(20 ILCS 405/405-411)

Sec. 405-411. Consolidation of workers' compensation functions.

(a) Notwithstanding any other law to the contrary, the

Director of Central Management Services, working in cooperation with the Director of any other agency, department, board, or commission directly responsible to the Governor, may direct the consolidation, within the Department of Central Management Services, of those workers' compensation functions at that agency, department, board, or commission that are suitable for centralization.

Upon receipt of the written direction to transfer workers' compensation functions to the Department of Central Management Services, the personnel, equipment, and property (both real and personal) directly relating to the transferred functions shall be transferred to the Department of Central Management Services, and the relevant documents, records, and correspondence shall be transferred or copied, as the Director may prescribe.

(b) Upon receiving written direction from the Director of Central Management Services, the Comptroller and Treasurer are authorized to transfer the unexpended balance of any appropriations related to the workers' compensation functions transferred to the Department of Central Management Services and shall make the necessary fund transfers from the General Revenue Fund, any special fund in the State treasury, or any other federal or State trust fund held by the Treasurer to the Workers' Compensation Revolving Fund for use by the Department of Central Management Services in support of workers' compensation functions or any other related costs or expenses

of the Department of Central Management Services.

(c) The rights of employees and the State and its agencies under the Personnel Code and applicable collective bargaining agreements or under any pension, retirement, or annuity plan shall not be affected by any transfer under this Section.

(d) The functions transferred to the Department of Central Management Services by this Section shall be vested in and shall be exercised by the Department of Central Management Services. Each act done in the exercise of those functions shall have the same legal effect as if done by the agencies, offices, divisions, departments, bureaus, boards and commissions from which they were transferred.

Every person or other entity shall be subject to the same obligations and duties and any penalties, civil or criminal, arising therefrom, and shall have the same rights arising from the exercise of such rights, powers, and duties as had been exercised by the agencies, offices, divisions, departments, bureaus, boards, and commissions from which they were transferred.

Whenever reports or notices are now required to be made or given or papers or documents furnished or served by any person in regards to the functions transferred to or upon the agencies, offices, divisions, departments, bureaus, boards, and commissions from which the functions were transferred, the same shall be made, given, furnished or served in the same manner to or upon the Department of Central Management

Services.

This Section does not affect any act done, ratified, or cancelled or any right occurring or established or any action or proceeding had or commenced in an administrative, civil, or criminal cause regarding the functions transferred, but those proceedings may be continued by the Department of Central Management Services.

This Section does not affect the legality of any rules in the Illinois Administrative Code regarding the functions transferred in this Section that are in force on the effective date of this Section. If necessary, however, the affected agencies shall propose, adopt, or repeal rules, rule amendments, and rule recodifications as appropriate to effectuate this Section.

(e) There is hereby created within the Department of Central Management Services an advisory body to be known as the State Workers' Compensation Program Advisory Board to review, assess, and provide recommendations to improve the State workers' compensation program and to ensure that the State manages the program in the interests of injured workers and taxpayers. The Governor shall appoint one person to the Board, who shall serve as the Chairperson. The Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the President of the Senate, and the Minority Leader of the Senate shall each appoint one person to the Board. Each member initially appointed to the Board shall serve

a term ending December 31, 2013, and each Board member appointed thereafter shall serve a 3-year term. A Board member shall continue to serve on the Board until his or her successor is appointed. In addition, the Director of the Department of Central Management Services, the Attorney General, the Director of the Department of Insurance, the Secretary of the Department of Transportation, the Director of the Department of Corrections, the Secretary of the Department of Human Services, the Director of the Department of Revenue, and the Chairman of the Illinois Workers' Compensation Commission, or their designees, shall serve as ex officio, non-voting members of the Board. Members of the Board shall not receive compensation but shall be reimbursed from the Workers' Compensation Revolving Fund for reasonable expenses incurred in the necessary performance of their duties, and the Department of Central Management Services shall provide administrative support to the Board. The Board shall meet at least 3 times per year or more often if the Board deems it necessary or proper. By September 30, 2011, the Board shall issue a written report, to be delivered to the Governor, the Director of the Department of Central Management Services, and the General Assembly, with a recommended set of best practices for the State workers' compensation program. By July 1 of each year thereafter, the Board shall issue a written report, to be delivered to those same persons or entities, with recommendations on how to improve upon such practices.

(f) The Director of Central Management Services shall take all appropriate actions with respect to the State's workers' compensation obligations necessary to transfer administration of those obligations to an independent private vendor as provided by Section 405-105.

(Source: P.A. 97-18, eff. 6-28-11.)

Section 10. The State Finance Act is amended by changing Section 6z-64 as follows:

(30 ILCS 105/6z-64)

Sec. 6z-64. The Workers' Compensation Revolving Fund.

(a) The Workers' Compensation Revolving Fund is created as a revolving fund, not subject to fiscal year limitations, in the State treasury. The following moneys shall be deposited into the Fund:

(1) amounts authorized for transfer to the Fund from the General Revenue Fund and other State funds (except for funds classified by the Comptroller as federal trust funds or State trust funds) pursuant to State law or Executive Order;

(2) federal funds received by the Department of Central Management Services (the "Department") as a result of expenditures from the Fund;

(3) interest earned on moneys in the Fund;

(4) receipts or inter-fund transfers resulting from

billings issued ~~by the Department~~ to State agencies and universities for the cost of workers' compensation services ~~rendered by the Department~~ that are not compensated through the specific fund transfers authorized by this Section, if any;

(5) amounts received from a State agency or university for workers' compensation payments for temporary total disability, as provided in Section 405-105 of the Department of Central Management Services Law of the Civil Administrative Code of Illinois; and

(6) amounts recovered through subrogation in workers' compensation and workers' occupational disease cases.

(b) Moneys in the Fund may be used by the Department for reimbursement or payment for:

(1) providing workers' compensation services to State agencies and State universities; or

(2) providing for payment of administrative and other expenses (and, beginning January 1, 2013, fees and charges made pursuant to a contract with a private vendor) incurred ~~by the Department~~ in providing workers' compensation services.

(c) State agencies may direct the Comptroller to process inter-fund transfers or make payment through the voucher and warrant process to the Workers' Compensation Revolving Fund in satisfaction of billings issued under subsection (a) of this Section.

(d) Reconciliation. For the fiscal year beginning on July 1, 2004 only, the Director of Central Management Services (the "Director") shall order that each State agency's payments and transfers made to the Fund be reconciled with actual Fund costs for workers' compensation services provided by the Department and attributable to the State agency and relevant fund on no less than an annual basis. The Director may require reports from State agencies as deemed necessary to perform this reconciliation.

(d-5) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2005 and until June 30, 2006, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Director of Central Management Services, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Workers' Compensation Revolving Fund from the designated funds not exceeding the following totals:

Mental Health Fund	\$17,694,000
Statistical Services Revolving Fund	\$1,252,600
Department of Corrections Reimbursement and Education Fund	\$1,198,600
Communications Revolving Fund	\$535,400
Child Support Administrative Fund	\$441,900
Health Insurance Reserve Fund	\$238,900
Fire Prevention Fund	\$234,100
Park and Conservation Fund	\$142,000

Motor Fuel Tax Fund	\$132,800
Illinois Workers' Compensation	
Commission Operations Fund	\$123,900
State Boating Act Fund	\$112,300
Public Utility Fund	\$106,500
State Lottery Fund	\$101,300
Traffic and Criminal Conviction	
Surcharge Fund	\$88,500
State Surplus Property Revolving Fund	\$82,700
Natural Areas Acquisition Fund	\$65,600
Securities Audit and Enforcement Fund	\$65,200
Agricultural Premium Fund	\$63,400
Capital Development Fund	\$57,500
State Gaming Fund	\$54,300
Underground Storage Tank Fund	\$53,700
Illinois State Medical Disciplinary Fund	\$53,000
Personal Property Tax Replacement Fund	\$53,000
General Professions Dedicated Fund	\$51,900
Total	\$23,003,100

(d-10) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, on the first day of each calendar quarter of the fiscal year beginning July 1, 2005, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from each designated fund into the Workers' Compensation Revolving Fund amounts equal to

one-fourth of each of the following totals:

General Revenue Fund	\$34,000,000
Road Fund.....	\$25,987,000
Total	\$59,987,000

(d-12) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, on the effective date of this amendatory Act of the 94th General Assembly, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from each designated fund into the Workers' Compensation Revolving Fund the following amounts:

General Revenue Fund	\$10,000,000
Road Fund.....	\$5,000,000
Total	\$15,000,000

(d-15) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, on July 1, 2006, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from each designated fund into the Workers' Compensation Revolving Fund the following amounts:

General Revenue Fund	\$44,028,200
Road Fund.....	\$28,084,000
Total	\$72,112,200

(d-20) Notwithstanding any other provision of State law to

the contrary, on or after July 1, 2006 and until June 30, 2007, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Director of Central Management Services, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Workers' Compensation Revolving Fund from the designated funds not exceeding the following totals:

Mental Health Fund	\$19,121,800
Statistical Services Revolving Fund	\$1,353,700
Department of Corrections Reimbursement and Education Fund	\$1,295,300
Communications Revolving Fund	\$578,600
Child Support Administrative Fund	\$477,600
Health Insurance Reserve Fund	\$258,200
Fire Prevention Fund	\$253,000
Park and Conservation Fund	\$153,500
Motor Fuel Tax Fund	\$143,500
Illinois Workers' Compensation Commission Operations Fund	\$133,900
State Boating Act Fund	\$121,400
Public Utility Fund	\$115,100
State Lottery Fund	\$109,500
Traffic and Criminal Conviction Surcharge Fund ..	\$95,700
State Surplus Property Revolving Fund	\$89,400
Natural Areas Acquisition Fund	\$70,800
Securities Audit and Enforcement Fund	\$70,400

Agricultural Premium Fund	\$68,500
State Gaming Fund	\$58,600
Underground Storage Tank Fund	\$58,000
Illinois State Medical Disciplinary Fund	\$57,200
Personal Property Tax Replacement Fund	\$57,200
General Professions Dedicated Fund	\$56,100
Total	\$24,797,000

(d-25) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, on July 1, 2009, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from each designated fund into the Workers' Compensation Revolving Fund the following amounts:

General Revenue Fund	\$55,000,000
Road Fund	\$34,803,000
Total	\$89,803,000

(d-30) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2009 and until June 30, 2010, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Director of Central Management Services, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Workers' Compensation Revolving Fund from the designated funds not exceeding the following totals:

Food and Drug Safety Fund	\$13,900
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Teacher Certificate Fee Revolving Fund	\$6,500
Transportation Regulatory Fund	\$14,500
Financial Institution Fund	\$25,200
General Professions Dedicated Fund	\$25,300
Illinois Veterans' Rehabilitation Fund	\$64,600
State Boating Act Fund	\$177,100
State Parks Fund	\$104,300
Lobbyist Registration Administration Fund	\$14,400
Agricultural Premium Fund	\$79,100
Fire Prevention Fund	\$360,200
Mental Health Fund	\$9,725,200
Illinois State Pharmacy Disciplinary Fund	\$5,600
Public Utility Fund	\$40,900
Radiation Protection Fund	\$14,200
Firearm Owner's Notification Fund	\$1,300
Solid Waste Management Fund	\$74,100
Illinois Gaming Law Enforcement Fund	\$17,800
Subtitle D Management Fund	\$14,100
Illinois State Medical Disciplinary Fund	\$26,500
Facility Licensing Fund	\$11,700
Plugging and Restoration Fund	\$9,100
Explosives Regulatory Fund	\$2,300
Aggregate Operations Regulatory Fund	\$5,000
Coal Mining Regulatory Fund	\$1,900
Registered Certified Public Accountants' Administration and Disciplinary Fund	\$1,500

Weights and Measures Fund	\$56,100
Division of Corporations Registered	
Limited Liability Partnership Fund	\$3,900
Illinois School Asbestos Abatement Fund	\$14,000
Secretary of State Special License Plate Fund	\$30,700
Capital Development Board Revolving Fund	\$27,000
DCFS Children's Services Fund	\$69,300
Asbestos Abatement Fund	\$17,200
Illinois Health Facilities Planning Fund	\$26,800
Emergency Public Health Fund	\$5,600
Nursing Dedicated and Professional Fund	\$10,000
Optometric Licensing and Disciplinary	
Board Fund	\$1,600
Underground Resources Conservation	
Enforcement Fund	\$11,500
Drunk and Drugged Driving Prevention Fund	\$18,200
Long Term Care Monitor/Receiver Fund	\$35,400
Community Water Supply Laboratory Fund	\$5,600
Securities Investors Education Fund	\$2,000
Used Tire Management Fund	\$32,400
Natural Areas Acquisition Fund	\$101,200
Open Space Lands Acquisition	
and Development Fund	\$28,400
Working Capital Revolving Fund	\$489,100
State Garage Revolving Fund	\$791,900
Statistical Services Revolving Fund	\$3,984,700

Communications Revolving Fund	\$1,432,800
Facilities Management Revolving Fund	\$1,911,600
Professional Services Fund	\$483,600
Motor Vehicle Review Board Fund	\$15,000
Environmental Laboratory Certification Fund	\$3,000
Public Health Laboratory Services	
Revolving Fund	\$2,500
Lead Poisoning Screening, Prevention,	
and Abatement Fund	\$28,200
Securities Audit and Enforcement Fund	\$258,400
Department of Business Services	
Special Operations Fund	\$111,900
Feed Control Fund	\$20,800
Tanning Facility Permit Fund	\$5,400
Plumbing Licensure and Program Fund	\$24,400
Tax Compliance and Administration Fund	\$27,200
Appraisal Administration Fund	\$2,400
Small Business Environmental Assistance Fund	\$2,200
Illinois State Fair Fund	\$31,400
Secretary of State Special Services Fund	\$317,600
Department of Corrections Reimbursement	
and Education Fund	\$324,500
Health Facility Plan Review Fund	\$31,200
Illinois Historic Sites Fund	\$11,500
Attorney General Court Ordered and Voluntary	
Compliance Payment Projects Fund	\$18,500

Public Pension Regulation Fund	\$5,600
Illinois Charity Bureau Fund	\$11,400
Renewable Energy Resources Trust Fund	\$6,700
Energy Efficiency Trust Fund	\$3,600
Pesticide Control Fund	\$56,800
Attorney General Whistleblower Reward and Protection Fund	\$14,200
Partners for Conservation Fund	\$36,900
Capital Litigation Trust Fund	\$800
Motor Vehicle License Plate Fund	\$99,700
Horse Racing Fund	\$18,900
Death Certificate Surcharge Fund	\$12,800
Auction Regulation Administration Fund	\$500
Motor Carrier Safety Inspection Fund	\$55,800
Assisted Living and Shared Housing Regulatory Fund	\$900
Illinois Thoroughbred Breeders Fund	\$9,200
Illinois Clean Water Fund	\$42,300
Secretary of State DUI Administration Fund	\$16,100
Child Support Administrative Fund	\$1,037,900
Secretary of State Police Services Fund	\$1,200
Tourism Promotion Fund	\$34,400
IMSA Income Fund	\$12,700
Presidential Library and Museum Operating Fund ..	\$83,000
Dram Shop Fund	\$44,500
Illinois State Dental Disciplinary Fund	\$5,700

Cycle Rider Safety Training Fund	\$8,700
Traffic and Criminal Conviction Surcharge Fund ..	\$106,100
Design Professionals Administration and Investigation Fund	\$4,500
State Police Services Fund	\$276,100
Metabolic Screening and Treatment Fund	\$90,800
Insurance Producer Administration Fund	\$45,600
Coal Technology Development Assistance Fund	\$11,700
Hearing Instrument Dispenser Examining and Disciplinary Fund	\$1,900
Low-Level Radioactive Waste Facility Development and Operation Fund	\$1,000
Environmental Protection Permit and Inspection Fund	\$66,900
Park and Conservation Fund	\$199,300
Local Tourism Fund	\$2,400
Illinois Capital Revolving Loan Fund	\$10,000
Large Business Attraction Fund	\$100
Adeline Jay Geo-Karis Illinois Beach Marina Fund	\$27,200
Public Infrastructure Construction Loan Revolving Fund	\$1,700
Insurance Financial Regulation Fund	\$69,200
Total	\$24,197,800

(d-35) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be

provided for by law, on July 1, 2010, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer from each designated fund into the Workers' Compensation Revolving Fund the following amounts:

General Revenue Fund	\$55,000,000
Road Fund.....	\$50,955,300
Total	\$105,955,300

(d-40) Notwithstanding any other provision of State law to the contrary, on or after July 1, 2010 and until June 30, 2011, in addition to any other transfers that may be provided for by law, at the direction of and upon notification of the Director of Central Management Services, the State Comptroller shall direct and the State Treasurer shall transfer amounts into the Workers' Compensation Revolving Fund from the designated funds not exceeding the following totals:

Food and Drug Safety Fund	\$8,700
Financial Institution Fund	\$44,500
General Professions Dedicated Fund	\$51,400
Live and Learn Fund	\$10,900
Illinois Veterans' Rehabilitation Fund	\$106,000
State Boating Act Fund	\$288,200
State Parks Fund	\$185,900
Wildlife and Fish Fund	\$1,550,300
Lobbyist Registration Administration Fund	\$18,100
Agricultural Premium Fund	\$176,100

Mental Health Fund	\$291,900
Firearm Owner's Notification Fund	\$2,300
Illinois Gaming Law Enforcement Fund	\$11,300
Illinois State Medical Disciplinary Fund	\$42,300
Facility Licensing Fund	\$14,200
Plugging and Restoration Fund	\$15,600
Explosives Regulatory Fund	\$4,800
Aggregate Operations Regulatory Fund	\$6,000
Coal Mining Regulatory Fund	\$7,200
Registered Certified Public Accountants'	
Administration and Disciplinary Fund	\$1,900
Weights and Measures Fund	\$105,200
Division of Corporations Registered	
Limited Liability Partnership Fund	\$5,300
Illinois School Asbestos Abatement Fund	\$19,900
Secretary of State Special License Plate Fund	\$38,700
DCFS Children's Services Fund	\$123,100
Illinois Health Facilities Planning Fund	\$29,700
Emergency Public Health Fund	\$6,800
Nursing Dedicated and Professional Fund	\$13,500
Optometric Licensing and Disciplinary	
Board Fund	\$1,800
Underground Resources Conservation	
Enforcement Fund	\$16,500
Mandatory Arbitration Fund	\$5,400
Drunk and Drugged Driving Prevention Fund	\$26,400

Long Term Care Monitor/Receiver Fund	\$43,800
Securities Investors Education Fund	\$28,500
Used Tire Management Fund	\$6,300
Natural Areas Acquisition Fund	\$185,000
Open Space Lands Acquisition and Development Fund	\$46,800
Working Capital Revolving Fund	\$741,500
State Garage Revolving Fund	\$356,200
Statistical Services Revolving Fund	\$1,775,900
Communications Revolving Fund	\$630,600
Facilities Management Revolving Fund	\$870,800
Professional Services Fund	\$275,500
Motor Vehicle Review Board Fund	\$12,900
Public Health Laboratory Services Revolving Fund	\$5,300
Lead Poisoning Screening, Prevention, and Abatement Fund	\$42,100
Securities Audit and Enforcement Fund	\$162,700
Department of Business Services Special Operations Fund	\$143,700
Feed Control Fund	\$32,300
Tanning Facility Permit Fund	\$3,900
Plumbing Licensure and Program Fund	\$32,600
Tax Compliance and Administration Fund	\$48,400
Appraisal Administration Fund	\$3,600
Illinois State Fair Fund	\$30,200

Secretary of State Special Services Fund	\$214,400
Department of Corrections Reimbursement and Education Fund	\$438,300
Health Facility Plan Review Fund	\$29,900
Public Pension Regulation Fund	\$9,900
Pesticide Control Fund	\$107,500
Partners for Conservation Fund	\$189,300
Motor Vehicle License Plate Fund	\$143,800
Horse Racing Fund	\$20,900
Death Certificate Surcharge Fund	\$16,800
Auction Regulation Administration Fund	\$1,000
Motor Carrier Safety Inspection Fund	\$56,800
Assisted Living and Shared Housing Regulatory Fund	\$2,200
Illinois Thoroughbred Breeders Fund	\$18,100
Secretary of State DUI Administration Fund	\$19,800
Child Support Administrative Fund	\$1,809,500
Secretary of State Police Services Fund	\$2,500
Medical Special Purposes Trust Fund	\$20,400
Dram Shop Fund	\$57,200
Illinois State Dental Disciplinary Fund	\$9,500
Cycle Rider Safety Training Fund	\$12,200
Traffic and Criminal Conviction Surcharge Fund ..	\$128,900
Design Professionals Administration and Investigation Fund	\$7,300
State Police Services Fund	\$335,700

Metabolic Screening and Treatment Fund	\$81,600
Insurance Producer Administration Fund	\$77,000
Hearing Instrument Dispenser Examining and Disciplinary Fund	\$1,900
Park and Conservation Fund	\$361,500
Adeline Jay Geo-Karis Illinois Beach Marina Fund	\$42,800
Insurance Financial Regulation Fund	\$108,000
Total	\$13,033,200

(d-45) Notwithstanding any other provision of State law to the contrary and in addition to any other transfers that may be provided for by law, on July 1, 2011, or as soon as may be practical thereafter, the State Comptroller shall direct and the State Treasurer shall transfer the sum of \$45,000,000 from the General Revenue Fund into the Workers' Compensation Revolving Fund.

(e) The term "workers' compensation services" means services, claims expenses, and related administrative costs incurred in performing the duties under Sections 405-105 and 405-411 of the Department of Central Management Services Law of the Civil Administrative Code of Illinois.

(Source: P.A. 96-45, eff. 7-15-09; 96-959, eff. 7-1-10; 97-641, eff. 12-19-11.)

Section 15. The Illinois Procurement Code is amended by changing Sections 1-10, 1-13, 1-15.107, 1-15.108, 5-5, 10-10,

10-15, 15-1, 15-25, 15-30, 20-10, 20-25, 20-120, 20-155, 20-160, 45-35, 50-5, 50-10, 50-10.5, 50-11, 50-12, 50-14, 50-35, 50-39, and 50-60 and by adding Sections 1-12 and 15-35 as follows:

(30 ILCS 500/1-10)

Sec. 1-10. Application.

(a) This Code applies only to procurements for which contractors were first solicited on or after July 1, 1998. This Code shall not be construed to affect or impair any contract, or any provision of a contract, entered into based on a solicitation prior to the implementation date of this Code as described in Article 99, including but not limited to any covenant entered into with respect to any revenue bonds or similar instruments. All procurements for which contracts are solicited between the effective date of Articles 50 and 99 and July 1, 1998 shall be substantially in accordance with this Code and its intent.

(b) This Code shall apply regardless of the source of the funds with which the contracts are paid, including federal assistance moneys. This Code shall not apply to:

(1) Contracts between the State and its political subdivisions or other governments, or between State governmental bodies except as specifically provided in this Code.

(2) Grants, except for the filing requirements of

Section 20-80.

(3) Purchase of care.

(4) Hiring of an individual as employee and not as an independent contractor, whether pursuant to an employment code or policy or by contract directly with that individual.

(5) Collective bargaining contracts.

(6) Purchase of real estate, except that notice of this type of contract with a value of more than \$25,000 must be published in the Procurement Bulletin within 7 days after the deed is recorded in the county of jurisdiction. The notice shall identify the real estate purchased, the names of all parties to the contract, the value of the contract, and the effective date of the contract.

(7) Contracts necessary to prepare for anticipated litigation, enforcement actions, or investigations, provided that the chief legal counsel to the Governor shall give his or her prior approval when the procuring agency is one subject to the jurisdiction of the Governor, and provided that the chief legal counsel of any other procuring entity subject to this Code shall give his or her prior approval when the procuring entity is not one subject to the jurisdiction of the Governor.

(8) Contracts for services to Northern Illinois University by a person, acting as an independent contractor, who is qualified by education, experience, and

technical ability and is selected by negotiation for the purpose of providing non-credit educational service activities or products by means of specialized programs offered by the university.

(9) Procurement expenditures by the Illinois Conservation Foundation when only private funds are used.

(10) Procurement expenditures by the Illinois Health Information Exchange Authority involving private funds from the Health Information Exchange Fund. "Private funds" means gifts, donations, and private grants.

(11) Public-private agreements entered into according to the procurement requirements of Section 20 of the Public-Private Partnerships for Transportation Act and design-build agreements entered into according to the procurement requirements of Section 25 of the Public-Private Partnerships for Transportation Act.

(c) This Code does not apply to the electric power procurement process provided for under Section 1-75 of the Illinois Power Agency Act and Section 16-111.5 of the Public Utilities Act.

(d) Except for Section 20-160 and Article 50 of this Code, and as expressly required by Section 9.1 of the Illinois Lottery Law, the provisions of this Code do not apply to the procurement process provided for under Section 9.1 of the Illinois Lottery Law.

(e) This Code does not apply to the process used by the

Capital Development Board to retain a person or entity to assist the Capital Development Board with its duties related to the determination of costs of a clean coal SNG brownfield facility, as defined by Section 1-10 of the Illinois Power Agency Act, as required in subsection (h-3) of Section 9-220 of the Public Utilities Act, including calculating the range of capital costs, the range of operating and maintenance costs, or the sequestration costs or monitoring the construction of clean coal SNG brownfield facility for the full duration of construction.

(f) This Code does not apply to the process used by the Illinois Power Agency to retain a mediator to mediate sourcing agreement disputes between gas utilities and the clean coal SNG brownfield facility, as defined in Section 1-10 of the Illinois Power Agency Act, as required under subsection (h-1) of Section 9-220 of the Public Utilities Act.

(g) ~~(e)~~ This Code does not apply to the processes used by the Illinois Power Agency to retain a mediator to mediate contract disputes between gas utilities and the clean coal SNG facility and to retain an expert to assist in the review of contracts under subsection (h) of Section 9-220 of the Public Utilities Act. This Code does not apply to the process used by the Illinois Commerce Commission to retain an expert to assist in determining the actual incurred costs of the clean coal SNG facility and the reasonableness of those costs as required under subsection (h) of Section 9-220 of the Public Utilities

Act.

(h) Each chief procurement officer may access records necessary to review whether a contract, purchase, or other expenditure is or is not subject to the provisions of this Code, unless such records would be subject to attorney-client privilege.

(Source: P.A. 96-840, eff. 12-23-09; 96-1331, eff. 7-27-10; 97-96, eff. 7-13-11; 97-239, eff. 8-2-11; 97-502, eff. 8-23-11; revised 9-7-11.)

(30 ILCS 500/1-12 new)

Sec. 1-12. Applicability to artistic or musical services.

(a) This Code shall not apply to procurement expenditures necessary to provide artistic or musical services, performances, or theatrical productions held at a venue operated or leased by a State agency.

(b) Notice of each contract entered into by a State agency that is related to the procurement of goods and services identified in this Section shall be published in the Illinois Procurement Bulletin within 14 days after contract execution. The chief procurement officer shall prescribe the form and content of the notice. Each State agency shall provide the chief procurement officer, on a monthly basis, in the form and content prescribed by the chief procurement officer, a report of contracts that are related to the procurement of goods and services identified in this Section. At a minimum, this report

shall include the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to the Code utilized. A copy of any or all of these contracts shall be made available to the chief procurement officer immediately upon request. The chief procurement officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that shall include, at a minimum, an annual summary of the monthly information reported to the chief procurement officer.

(c) This Section is repealed December 31, 2016.

(30 ILCS 500/1-13)

(Section scheduled to be repealed on December 31, 2014)

Sec. 1-13. Applicability to public institutions of higher education.

(a) This Code shall apply to public institutions of higher education, regardless of the source of the funds with which contracts are paid, except as provided in this Section.

(b) Except as provided in this Section, this Code shall not apply to procurements made by or on behalf of public institutions of higher education for any of the following:

(1) Memberships in professional, academic, or athletic organizations on behalf of a public institution of higher education, an employee of a public institution of higher education, or a student at a public institution of higher

education.

(2) Procurement expenditures for events or activities paid for exclusively by revenues generated by the event or activity, gifts or donations for the event or activity, private grants, or any combination thereof.

(3) Procurement expenditures for events or activities for which the use of specific vendors is mandated or identified by the sponsor of the event or activity, provided that the sponsor is providing a majority of the funding for the event or activity.

(4) Procurement expenditures necessary to provide artistic or musical services, performances, or productions held at a venue operated by a public institution of higher education.

(5) Procurement expenditures for periodicals and books procured for use by a university library or academic department, except for expenditures related to procuring textbooks for student use or materials for resale or rental.

Notice of each contract entered into by a public institution of higher education that is related to the procurement of goods and services identified in items (1) through (5) of this subsection shall be published in the Procurement Bulletin within 14 days after contract execution. The Chief Procurement Officer shall prescribe the form and content of the notice. Each public institution of higher education shall provide the

Chief Procurement Officer, on a monthly basis, in the form and content prescribed by the Chief Procurement Officer, a report of contracts that are related to the procurement of goods and services identified in this subsection. At a minimum, this report shall include the name of the contractor, a description of the supply or service provided, the total amount of the contract, the term of the contract, and the exception to the Code utilized. A copy of any or all of these contracts shall be made available to the Chief Procurement Officer immediately upon request. The Chief Procurement Officer shall submit a report to the Governor and General Assembly no later than November 1 of each year that shall include, at a minimum, an annual summary of the monthly information reported to the Chief Procurement Officer.

(c) Procurements made by or on behalf of public institutions of higher education for any of the following shall be made in accordance with the requirements of this Code to the extent practical as provided in this subsection:

(1) Contracts with a foreign entity necessary for research or educational activities, provided that the foreign entity either does not maintain an office in the United States or is the sole source of the service or product.

(2) Procurements of FDA-regulated goods, products, and services necessary for the delivery of care and treatment at medical, dental, or veterinary teaching facilities

utilized by the University of Illinois or Southern Illinois University.

(3) Contracts for programming and broadcast license rights for university-operated radio and television stations.

(4) Procurements required for fulfillment of a grant.

Upon the written request of a public institution of higher education, the Chief Procurement Officer may waive registration, certification, and hearing requirements of this Code if, based on the item to be procured or the terms of a grant, compliance is impractical. The public institution of higher education shall provide the Chief Procurement Officer with specific reasons for the waiver, including the necessity of contracting with a particular vendor, and shall certify that an effort was made in good faith to comply with the provisions of this Code. The Chief Procurement Officer shall provide written justification for any waivers. By November 1 of each year, the Chief Procurement Officer shall file a report with the General Assembly identifying each contract approved with waivers and providing the justification given for any waivers for each of those contracts. Notice of each waiver made under this subsection shall be published in the Procurement Bulletin within 14 days after contract execution. The Chief Procurement Officer shall prescribe the form and content of the notice.

(d) Notwithstanding this Section, a waiver of the registration requirements of Section 20-160 does not permit a

business entity and any affiliated entities or affiliated persons to make campaign contributions if otherwise prohibited by Section 50-37. The total amount of contracts awarded in accordance with this Section shall be included in determining the aggregate amount of contracts or pending bids of a business entity and any affiliated entities or affiliated persons.

(e) Notwithstanding subsection (e) of Section 50-10.5 of this Code, the Chief Procurement Officer, with the approval of the Executive Ethics Commission, may permit a public institution of higher education to accept a bid or enter into a contract with a business that assisted the public institution of higher education in determining whether there is a need for a contract or assisted in reviewing, drafting, or preparing documents related to a bid or contract, provided that the bid or contract is essential to research administered by the public institution of higher education and it is in the best interest of the public institution of higher education to accept the bid or contract. For purposes of this subsection, "business" includes all individuals with whom a business is affiliated, including, but not limited to, any officer, agent, employee, consultant, independent contractor, director, partner, manager, or shareholder of a business. The Executive Ethics Commission may promulgate rules and regulations for the implementation and administration of the provisions of this subsection (e).

(f) As used in this Section:

"Grant" means non-appropriated funding provided by a federal or private entity to support a project or program administered by a public institution of higher education and any non-appropriated funding provided to a sub-recipient of the grant.

"Public institution of higher education" means Chicago State University, Eastern Illinois University, Governors State University, Illinois State University, Northeastern Illinois University, Northern Illinois University, Southern Illinois University, University of Illinois, ~~and~~ Western Illinois University, and, for purposes of this Code only, the Illinois Mathematics and Science Academy.

(g) This Section is repealed on December 31, 2014.

(Source: P.A. 97-643, eff. 12-20-11.)

(30 ILCS 500/1-15.107)

Sec. 1-15.107. Subcontract. "Subcontract" means a contract between a person and a person who has ~~or is seeking~~ a contract subject to this Code, pursuant to which the subcontractor provides to the contractor, or, if the contract price exceeds \$50,000, another subcontractor, some or all of the goods, services, real property, remuneration, or other monetary forms of consideration that are the subject of the primary contract and includes, among other things, subleases from a lessee of a State agency.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793

for the effective date of P.A. 96-795).)

(30 ILCS 500/1-15.108)

Sec. 1-15.108. Subcontractor. "Subcontractor" means a person or entity that enters into a contractual agreement with a total value of \$50,000 ~~\$25,000~~ or more with a person or entity who has ~~or is seeking~~ a contract subject to this Code pursuant to which the person or entity provides some or all of the goods, services, real property, remuneration, or other monetary forms of consideration that are the subject of the primary State contract, including subleases from a lessee of a State contract.

(Source: P.A. 96-920, eff. 7-1-10.)

(30 ILCS 500/5-5)

Sec. 5-5. Procurement Policy Board.

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

(b) Authority and duties. The Board shall have the authority and responsibility to review, comment upon, and recommend, consistent with this Code, rules and practices governing the procurement, management, control, and disposal of supplies, services, professional or artistic services, construction, and real property and capital improvement leases procured by the State. The Board shall also have the authority to recommend a program for professional development and provide

opportunities for training in procurement practices and policies to chief procurement officers and their staffs in order to ensure that all procurement is conducted in an efficient, professional, and appropriately transparent manner.

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

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

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

(d) Terms. Of the initial appointees, the Governor shall designate one member, as Chairman, to serve a one-year term, the President of the Senate and the Speaker of the House shall each appoint one member to serve 3-year terms, and the Minority Leader of the House and the Minority Leader of the Senate shall each appoint one member to serve 2-year terms. Subsequent terms shall be 4 years. Members may be reappointed for succeeding terms.

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

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

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

(h) Procurement recommendations. Upon a three-fifths vote of its members, the Board may review a proposal, bid, or contract and issue a recommendation to void a contract or reject a proposal or bid based on any violation of this Code or the existence of a conflict of interest as described in subsections (b) and (d) of Section 50-35. A chief procurement officer or State purchasing officer shall notify the Board if

an alleged a conflict of interest or violation of the Code is identified, discovered, or reasonably suspected to exist. Any person or entity may notify the Board of an alleged a conflict of interest or violation of the Code. A recommendation of the Board shall be delivered to the appropriate chief procurement officer and Executive Ethics Commission within 5 days and must be published in the next volume of the Procurement Bulletin. In the event that an alleged conflict of interest or violation of the Code that was not originally disclosed with the bid, offer, or proposal is identified and filed with the Board, the Board shall provide written notice of the alleged conflict of interest or violation to the contractor or subcontractor on that contract. If the alleged conflict of interest or violation is by the subcontractor, written notice shall also be provided to the contractor. The contractor or subcontractor shall have 15 days to provide a written response to the notice, and a hearing before the Board on the alleged conflict of interest or violation shall be held upon request by the contractor or subcontractor. The requested hearing date and time shall be determined by the Board, but in no event shall the hearing occur later than 15 days after the date of the request.

(i) After providing notice and a hearing as required by subsection (h), the ~~The~~ Board shall refer any alleged violations of this Code to the Executive Inspector General in addition to or instead of issuing a recommendation to void a contract.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/10-10)

Sec. 10-10. Independent State purchasing officers.

(a) The chief procurement officer shall appoint a State purchasing officer for each agency that the chief procurement officer is responsible for under Section 1-15.15. A State purchasing officer shall be located in the State agency that the officer serves but shall report to his or her respective chief procurement officer. The State purchasing officer shall have direct communication with agency staff assigned to assist with any procurement process. At the direction of his or her respective chief procurement officer, a State purchasing officer shall have the authority to approve or reject ~~enter~~ ~~into~~ contracts for a purchasing agency. If the State purchasing officer provides written approval of the contract, the head of the applicable State agency shall have the authority to sign and enter into that contract. All actions of a State purchasing officer are subject to review by a chief procurement officer in accordance with procedures and policies established by the chief procurement officer.

(b) In addition to any other requirement or qualification required by State law, within 30 ~~18~~ months after appointment, a State purchasing officer must be a Certified Professional Public Buyer or a Certified Public Purchasing Officer, pursuant

to certification by the Universal Public Purchasing Certification Council. A State purchasing officer shall serve a term of 5 years beginning on the date of the officer's appointment. A State purchasing officer shall have an office located in the State agency that the officer serves but shall report to the chief procurement officer. A State purchasing officer may be removed by a chief procurement officer for cause after a hearing by the Executive Ethics Commission. The chief procurement officer or executive officer of the State agency housing the State purchasing officer may institute a complaint against the State purchasing officer by filing such a complaint with the Commission and the Commission shall have a public hearing based on the complaint. The State purchasing officer, chief procurement officer, and executive officer of the State agency shall receive notice of the hearing and shall be permitted to present their respective arguments on the complaint. After the hearing, the Commission shall make a non-binding recommendation on whether the State purchasing officer shall be removed. The salary of a State purchasing officer shall be established by the chief procurement officer and may not be diminished during the officer's term. In the absence of an appointed State purchasing officer, the applicable chief procurement officer shall exercise the procurement authority created by this Code and may appoint a temporary acting State purchasing officer.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793

for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/10-15)

Sec. 10-15. Procurement compliance monitors.

(a) The Executive Ethics Commission shall appoint procurement compliance monitors to oversee and review the procurement processes. Each procurement compliance monitor shall serve a term of 5 years beginning on the date of the officer's appointment. Each procurement compliance monitor shall have an office located in the State agency that the monitor serves but shall report to the appropriate chief procurement officer. The compliance monitor shall have direct communications with the executive officer of a State agency in exercising duties. A procurement compliance monitor may be removed only for cause after a hearing by the Executive Ethics Commission. The appropriate chief procurement officer or executive officer of the State agency housing the procurement compliance monitor may institute a complaint against the procurement compliance monitor with the Commission and the Commission shall hold a public hearing based on the complaint. The procurement compliance monitor, State purchasing officer, appropriate chief procurement officer, and executive officer of the State agency shall receive notice of the hearing and shall be permitted to present their respective arguments on the complaint. After the hearing, the Commission shall determine whether the procurement compliance monitor shall be removed.

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

(b) The procurement compliance monitor shall: (i) review any procurement, contract, or contract amendment as directed by the Executive Ethics Commission or a chief procurement officer; and (ii) report any findings of the review, in writing, to the Commission, the affected agency, the chief procurement officer responsible for the affected agency, and any entity requesting the review. The procurement compliance monitor may: (i) review each contract or contract amendment prior to execution to ensure that applicable procurement and contracting standards were followed; (ii) attend any procurement meetings; (iii) access any records or files related to procurement; (iv) issue reports to the chief procurement officer on procurement issues that present issues or that have not been corrected after consultation with appropriate State officials; (v) ensure the State agency is maintaining appropriate records; and (vi) ensure transparency of the procurement process.

(c) If the procurement compliance monitor is aware of misconduct, waste, or inefficiency with respect to State procurement, the procurement compliance monitor shall advise the State agency of the issue in writing. If the State agency does not correct the issue, the monitor shall report the problem, in writing, to the chief procurement officer and Inspector General.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/15-1)

Sec. 15-1. Publisher. Each chief procurement officer, in consultation with the agencies under his or her jurisdiction, possesses the rights to and is the authority ~~The Department of Central Management Services is the State agency responsible for publishing its volume ~~volumes~~ of the Illinois Procurement Bulletin. The Capital Development Board is responsible for publishing its volumes of the Illinois Procurement Bulletin. The Department of Transportation is responsible for publishing its volumes of the Illinois Procurement Bulletin. The higher education chief procurement officer is responsible for publishing the higher education volumes of the Illinois Procurement Bulletin. The Illinois Power Agency is the State agency responsible for publishing its volumes of the Illinois Procurement Bulletin.~~

Each volume of the Illinois Procurement Bulletin shall be available electronically and may be available in print. References in this Code to the publication and distribution of the Illinois Procurement Bulletin include both its print and electronic formats.

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

(30 ILCS 500/15-25)

Sec. 15-25. Bulletin content.

(a) Invitations for bids. Notice of each and every contract that is offered, including renegotiated contracts and change orders, shall be published in the Bulletin, and all businesses listed on the Department of Transportation Disadvantaged Business Enterprise Directory, the Department of Central Management Services Business Enterprise Program and Small Business Vendors Directory, and the Capital Development Board's Directory of Certified Minority and Female Business Enterprises shall be furnished written instructions and information on how to register on each Procurement Bulletin maintained by the State. Such information shall be provided to each business within 30 days after the business' notice of certification. The applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least the date first offered, the date submission of offers is due, the location that offers are to be submitted to, the purchasing State agency, the responsible State purchasing officer, a brief purchase description, the method of source selection, information of how to obtain a comprehensive purchase description and any disclosure and contract forms, and encouragement to prospective vendors to hire qualified veterans, as defined by Section 45-67 of this Code, and qualified Illinois minorities, women, persons with disabilities, and residents discharged from any Illinois adult

correctional center.

(b) Contracts let. Notice of each and every contract that is let, including renegotiated contracts and change orders, shall be issued electronically to those bidders or offerors submitting responses to the solicitations, inclusive of the unsuccessful bidders, immediately upon contract let. Failure of any chief procurement officer to give such notice shall result in tolling the time for filing a bid protest up to 5 business days. The apparent low bidder's award and all other bids from bidders responding to solicitations shall be posted on the agency's website the next business day.

(b-5) Contracts awarded. Notice of each and every contract that is awarded, including renegotiated contracts and change orders, shall be issued electronically to the successful responsible bidder or offeror, posted on the agency's website the next business day, and published in the next available subsequent Bulletin. The applicable chief procurement officer may provide by rule an organized format for the publication of this information, but in any case it must include at least all of the information specified in subsection (a) as well as the name of the successful responsible bidder or offeror, the contract price, the number of unsuccessful responsive bidders, and any other disclosure specified in any Section of this Code. This notice must be posted in the online electronic Bulletin prior to execution of the contract.

(c) Emergency purchase disclosure. Any chief procurement

officer or State purchasing officer exercising emergency purchase authority under this Code shall publish a written description and reasons and the total cost, if known, or an estimate if unknown and the name of the responsible chief procurement officer and State purchasing officer, and the business or person contracted with for all emergency purchases in the next timely, practicable Bulletin. This notice must be posted in the online electronic Bulletin no later than 3 business days after the contract is awarded. Notice of a hearing to extend an emergency contract must be posted in the online electronic Procurement Bulletin no later than 5 business days prior to the hearing.

(c-5) Business Enterprise Program report. Each purchasing agency shall, with the assistance of the applicable chief procurement officer, post in the online electronic Bulletin a copy of its annual report of utilization of businesses owned by minorities, females, and persons with disabilities as submitted to the Business Enterprise Council for Minorities, Females, and Persons with Disabilities pursuant to Section 6(c) of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act within 10 business days after its submission of its report to the Council.

(c-10) Renewals. Notice of each contract renewal shall be posted in the online electronic Bulletin within 10 business days of the determination to renew the contract and the next available subsequent Bulletin. The notice shall include at

least all of the information required in subsection (b).

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

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

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

(f) ~~Each The Department of Central Management Services, the Capital Development Board, the Department of Transportation, and the higher education~~ chief procurement officer shall, in consultation with the agencies under his or her jurisdiction, provide the Procurement Policy Board with the information and resources necessary, and in a manner, to effectuate the purpose of this amendatory Act of the 96th General Assembly.

(Source: P.A. 95-536, eff. 1-1-08; 96-795, eff. 7-1-10 (see

Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-1444, eff. 8-20-10.)

(30 ILCS 500/15-30)

Sec. 15-30. Electronic Bulletin clearinghouse.

(a) The Procurement Policy Board shall maintain on its official website a searchable database containing all information required to be included in the Illinois Procurement Bulletin under subsections (b), (c), (c-10), and (c-15) of Section 15-25 and all information required to be disclosed under Section 50-41. The posting of procurement information on the website is subject to the same posting requirements as the online electronic Bulletin.

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

(c) The applicable chief procurement officer shall provide the Procurement Policy Board the information and resources necessary, and in a manner, to effectuate the purpose of this Section.

(Source: P.A. 95-536, eff. 1-1-08; 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/15-35 new)

Sec. 15-35. Vendor portal. Each chief procurement officer may, in consultation with the agencies under his or her jurisdiction and the Procurement Policy Board, establish a vendor portal. The vendor portal shall allow a prospective vendor to provide certifications, disclosures, registrations, and other documentation needed to do business with a State agency in advance of any particular procurement. A prospective vendor who registers with the vendor portal and provides this information may submit its registration number, with a confirmation that the portal information remains current, as part of its response to a competitive selection or a contracting process, rather than submit the same information in full. One or more chief procurement officers may jointly operate a vendor portal if a single portal would better serve the needs of the State agencies and the vendor community. A chief procurement officer may accept, for use on procurements and contracts under his or her jurisdiction, the registration from another chief procurement officer's vendor portal. This Section applies notwithstanding any laws to the contrary except for later enacted laws that specifically refer to this Section.

Nothing in this Section shall preclude a State agency from implementing its own pre-qualification, certification, disclosure, and registration requirements necessary to conduct and manage its program operation.

This Section does not apply to any contract for any project as to which federal funds are available for expenditure when its provisions may be in conflict with federal law or federal regulation.

(30 ILCS 500/20-10)

(Text of Section from P.A. 96-159, 96-588, 97-96, and 97-198)

Sec. 20-10. Competitive sealed bidding; reverse auction.

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

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

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

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

bid shall be open to public inspection.

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

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

(g) Award. The contract shall be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder whose bid meets the requirements and criteria set forth in the invitation for bids, except when a State

purchasing officer determines it is not in the best interest of the State and by written explanation determines another bidder shall receive the award. The explanation shall appear in the appropriate volume of the Illinois Procurement Bulletin. The written explanation must include:

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

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

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

(4) the name of the bidder selected, the total contract price, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

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

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

(i) Alternative procedures. Notwithstanding any other

provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under subsection (a) of Section 1-75 and subsection (d) of Section 1-78 of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the ~~Director of Central Management Services as~~ chief procurement officer, ~~a State purchasing officer under~~ that chief procurement officer ~~officer's jurisdiction~~ may procure supplies or services through a competitive electronic auction bidding process after the ~~purchasing officer explains in writing to the~~ chief procurement officer determines ~~his or her determination~~ that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

An invitation for bids shall be issued and shall include (i) a procurement description, (ii) all contractual terms, whenever practical, and (iii) conditions applicable to the

procurement, including a notice that bids will be received in an electronic auction manner.

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

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

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

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

This subsection does not apply to (i) procurements of professional and artistic services, (ii) ~~including but not limited to~~ telecommunications services, communication ~~communications~~ services, ~~Internet services,~~ and information services, and (iii) ~~(ii)~~ contracts for construction projects, including design professional services.

(Source: P.A. 95-481, eff. 8-28-07; 96-159, eff. 8-10-09;

96-588, eff. 8-18-09; 97-96, eff. 7-13-11.)

(Text of Section from P.A. 96-159, 96-795, 97-96, and 97-198)

Sec. 20-10. Competitive sealed bidding; reverse auction.

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

(b) Invitation for bids. An invitation for bids shall be issued and shall include a purchase description and the material contractual terms and conditions applicable to the procurement.

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

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

(e) Bid acceptance and bid evaluation. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this Code. Bids shall be evaluated

based on the requirements set forth in the invitation for bids, which may include criteria to determine acceptability such as inspection, testing, quality, workmanship, delivery, and suitability for a particular purpose. Those criteria that will affect the bid price and be considered in evaluation for award, such as discounts, transportation costs, and total or life cycle costs, shall be objectively measurable. The invitation for bids shall set forth the evaluation criteria to be used.

(f) Correction or withdrawal of bids. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards of contracts based on bid mistakes, shall be permitted in accordance with rules. After bid opening, no changes in bid prices or other provisions of bids prejudicial to the interest of the State or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids based on bid mistakes shall be supported by written determination made by a State purchasing officer.

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

written explanation must include:

- (1) a description of the agency's needs;
- (2) a determination that the anticipated cost will be fair and reasonable;
- (3) a listing of all responsible and responsive bidders; and
- (4) the name of the bidder selected, the total contract price pricing, and the reasons for selecting that bidder.

Each chief procurement officer may adopt guidelines to implement the requirements of this subsection (g).

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

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

(i) Alternative procedures. Notwithstanding any other provision of this Act to the contrary, the Director of the Illinois Power Agency may create alternative bidding procedures to be used in procuring professional services under subsection (a) of Section 1-75 and subsection (d) of Section

1-78 of the Illinois Power Agency Act and Section 16-111.5(c) of the Public Utilities Act and to procure renewable energy resources under Section 1-56 of the Illinois Power Agency Act. These alternative procedures shall be set forth together with the other criteria contained in the invitation for bids, and shall appear in the appropriate volume of the Illinois Procurement Bulletin.

(j) Reverse auction. Notwithstanding any other provision of this Section and in accordance with rules adopted by the chief procurement officer, that chief procurement officer may procure supplies or services through a competitive electronic auction bidding process after the chief procurement officer determines that the use of such a process will be in the best interest of the State. The chief procurement officer shall publish that determination in his or her next volume of the Illinois Procurement Bulletin.

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

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

Bids shall be accepted electronically at the time and in the manner designated in the invitation for bids. During the auction, a bidder's price shall be disclosed to other bidders.

Bidders shall have the opportunity to reduce their bid prices during the auction. At the conclusion of the auction, the record of the bid prices received and the name of each bidder shall be open to public inspection.

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

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

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

(Source: P.A. 96-159, eff. 8-10-09; 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 97-96, eff. 7-13-11.)

(30 ILCS 500/20-25)

Sec. 20-25. Sole source procurements.

(a) In accordance with standards set by rule, contracts may be awarded without use of the specified method of source selection when there is only one economically feasible source

for the item. A State contract may ~~not~~ be awarded as a sole source procurement unless an interested party submits a written request for ~~approved by the chief procurement officer following~~ a public hearing at which the chief procurement officer and purchasing agency present written justification for the procurement method. Any interested party ~~The Procurement Policy Board and the public~~ may present testimony. A sole source contract where a hearing was requested by an interested party may be awarded after the hearing is conducted with the approval of the chief procurement officer.

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

(c) Notice of intent to enter into a sole source contract shall be provided to the Procurement Policy Board and published in the online electronic Bulletin at least 14 days before the public hearing required in subsection (a). The notice shall include the sole source procurement justification form prescribed by the Board, a description of the item to be procured, the intended sole source contractor, and the date, time, and location of the public hearing. A copy of the notice and all documents provided at the hearing shall be included in the subsequent Procurement Bulletin.

(d) By August 1 each year, each chief procurement officer shall file a report with the General Assembly identifying each contract the officer sought under the sole source procurement method and providing the justification given for seeking sole source as the procurement method for each of those contracts.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-920, eff. 7-1-10.)

(30 ILCS 500/20-120)

Sec. 20-120. Subcontractors.

(a) Any contract granted under this Code shall state whether the services of a subcontractor will ~~or may~~ be used. The contract shall include the names and addresses of all known subcontractors with subcontracts with an annual value of more than \$50,000, ~~\$25,000~~ and the general type of work to be performed by these subcontractors, and the expected amount of money each will receive under the contract. Upon the request of the chief procurement officer appointed pursuant to paragraph (2) of subsection (a) of Section 10-20, the ~~For procurements subject to the authority of the chief procurement officer appointed pursuant to subsection (a) (2) of Section 10-20, the contract shall include only the names and addresses of all known subcontractors of the primary contractor with subcontracts with an annual value of more than \$25,000. The contractor shall provide the chief procurement officer or State~~

~~purchasing officer~~ a copy of a ~~any~~ subcontract ~~with an annual value of more than \$25,000~~ so identified within 15 ~~20~~ days after the request is made ~~execution of the State contract or after execution of the subcontract, whichever is later~~. A subcontractor, or contractor on behalf of a subcontractor, may identify information that is deemed proprietary or confidential. If the chief procurement officer determines the information is not relevant to the primary contract, the chief procurement officer may excuse the inclusion of the information. If the chief procurement officer determines the information is proprietary or could harm the business interest of the subcontractor, the chief procurement officer may, in his or her discretion, redact the information. Redacted information shall not become part of the public record.

(b) If at any time during the term of a contract, a contractor adds or changes any subcontractors, he or she shall promptly notify, in writing, the chief procurement officer, State purchasing officer, or their designee of the names and addresses of ~~and the expected amount of money~~ each new or replaced subcontractor and the general type of work to be performed. Upon the request of the chief procurement officer appointed pursuant to paragraph (2) of subsection (a) of Section 10-20, the contractor shall provide the chief procurement officer a copy of any new or amended subcontract so identified within 15 days after the request is made. ~~will receive. The contractor shall provide to the responsible chief~~

~~procurement officer a copy of the subcontract within 20 days after the execution of the subcontract.~~

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

(d) This Section applies to procurements solicited on or after the effective date of this amendatory Act of the 96th General Assembly. The changes made to this Section by this amendatory Act of the 97th General Assembly apply to procurements solicited on or after the effective date of this amendatory Act of the 97th General Assembly.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of P.A. 96-795); 96-920, eff. 7-1-10.)

(30 ILCS 500/20-155)

Sec. 20-155. Solicitation and contract documents.

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

(b) A procurement file shall be maintained for all contracts, regardless of the method of procurement. The procurement file shall contain the basis on which the award is made, all submitted bids and proposals, all evaluation

materials, score sheets and all other documentation related to or prepared in conjunction with evaluation, negotiation, and the award process. The procurement file shall contain a written determination, signed by the chief procurement officer or State purchasing officer, setting forth the reasoning for the contract award decision. The procurement file shall not include trade secrets or other competitively sensitive, confidential, or proprietary information. The procurement file shall be open to public inspection within 7 business days following award of the contract.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/20-160)

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

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

(b) Every bid submitted to and every contract executed by the State on or after January 1, 2009 (the effective date of Public Act 95-971) shall contain (1) a certification by the bidder or contractor that either (i) the bidder or contractor is not required to register as a business entity with the State

Board of Elections pursuant to this Section or (ii) the bidder or contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration and (2) a statement that the contract is voidable under Section 50-60 for the bidder's or contractor's failure to comply with this Section.

(c) Within 30 days after the effective date of this amendatory Act of the 95th General Assembly, each business entity (i) whose aggregate bids and proposals on State contracts annually total more than \$50,000, (ii) whose aggregate bids and proposals on State contracts combined with the business entity's aggregate annual total value of State contracts exceed \$50,000, or (iii) whose contracts with State agencies, in the aggregate, annually total more than \$50,000 shall register with the State Board of Elections in accordance with Section 9-35 of the Election Code. A business entity required to register under this subsection shall submit a copy of the certificate of registration to the applicable chief procurement officer within 90 days after the effective date of this amendatory Act of the 95th General Assembly. A business entity required to register under this subsection due to item (i) or (ii) has a continuing duty to ensure that the registration is accurate during the period beginning on the date of registration and ending on the day after the date the contract is awarded; any change in information must be reported to the State Board of Elections 5 business days following such

change or no later than a day before the contract is awarded, whichever date is earlier. A business entity required to register under this subsection due to item (iii) has a continuing duty to ensure that the registration is accurate in accordance with subsection (e).

(d) Any business entity, not required under subsection (c) to register within 30 days after the effective date of this amendatory Act of the 95th General Assembly, whose aggregate bids and proposals on State contracts annually total more than \$50,000, or whose aggregate bids and proposals on State contracts combined with the business entity's aggregate annual total value of State contracts exceed \$50,000, shall register with the State Board of Elections in accordance with Section 9-35 of the Election Code prior to submitting to a State agency the bid or proposal whose value causes the business entity to fall within the monetary description of this subsection. A business entity required to register under this subsection has a continuing duty to ensure that the registration is accurate during the period beginning on the date of registration and ending on the day after the date the contract is awarded. Any change in information must be reported to the State Board of Elections within 5 business days following such change or no later than a day before the contract is awarded, whichever date is earlier.

(e) A business entity whose contracts with State agencies, in the aggregate, annually total more than \$50,000 must

maintain its registration under this Section and has a continuing duty to ensure that the registration is accurate for the duration of the term of office of the incumbent officeholder awarding the contracts or for a period of 2 years following the expiration or termination of the contracts, whichever is longer. A business entity, required to register under this subsection, has a continuing duty to report any changes on a quarterly basis to the State Board of Elections within 10 business days following the last day of January, April, July, and October of each year. Any update pursuant to this paragraph that is received beyond that date is presumed late and the civil penalty authorized by subsection (e) of Section 9-35 of the Election Code (10 ILCS 5/9-35) may be assessed.

Also, if a business entity required to register under this subsection has a pending bid or proposal, any change in information shall be reported to the State Board of Elections within 5 business days following such change or no later than a day before the contract is awarded, whichever date is earlier.

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

(g) For ~~A copy of a certificate of registration must~~

~~accompany~~ any bid or proposal for a contract with a State agency by a business entity required to register under this Section, the chief procurement officer shall verify that the business entity is required to register under this Section and is in compliance with the registration requirements on the date the bid or proposal is due. A chief procurement officer shall not accept a bid or proposal if the business entity is not in compliance with the registration requirements as of the date bids or proposals are due ~~unless the certificate is submitted to the agency with the bid or proposal.~~

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

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

(i) This Section applies regardless of the method of source selection used in awarding the contract.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-848, eff. 1-1-10; 97-333, eff. 8-12-11.)

(30 ILCS 500/45-35)

Sec. 45-35. Facilities for persons with severe disabilities.

(a) Qualification. Supplies and services may be procured without advertising or calling for bids from any qualified not-for-profit agency for persons with severe disabilities that:

(1) complies with Illinois laws governing private not-for-profit organizations;

(2) is certified as a sheltered workshop by the Wage and Hour Division of the United States Department of Labor or is an accredited vocational program that provides transition services to youth between the ages of 14 1/2 and 22 in accordance with individualized education plans under Section 14-8.03 of the School Code and that provides residential services at a child care institution, as defined under Section 2.06 of the Child Care Act of 1969, or at a group home, as defined under Section 2.16 of the Child Care Act of 1969; and

(3) meets the applicable Illinois Department of Human Services just standards.

(b) Participation. To participate, the not-for-profit agency must have indicated an interest in providing the supplies and services, must meet the specifications and needs of the using agency, and must set a fair market price.

(c) Committee. There is created within the Department of

Central Management Services a committee to facilitate the purchase of products and services of persons so severely disabled by a physical, developmental, or mental disability or a combination of any of those disabilities that they cannot engage in normal competitive employment. This committee is called the State Use Committee. The committee shall consist of the Director of the Department of Central Management Services or his or her designee, the Director of the Department of Human Services or his or her designee, one public member representing private business who is knowledgeable of the employment needs and concerns of persons with developmental disabilities, one public member representing private business who is knowledgeable of the needs and concerns of rehabilitation facilities, one public member who is knowledgeable of the employment needs and concerns of persons with developmental disabilities, one public member who is knowledgeable of the needs and concerns of rehabilitation facilities, and 2 public members from a statewide association that represents community-based rehabilitation facilities, all appointed by the Governor. The public members shall serve 2 year terms, commencing upon appointment and every 2 years thereafter. A public member may be reappointed, and vacancies shall be filled by appointment for the completion of the term. In the event there is a vacancy on the Committee, the Governor must make an appointment to fill that vacancy within 30 calendar days after the notice of vacancy. The members shall serve without

compensation but shall be reimbursed for expenses at a rate equal to that of State employees on a per diem basis by the Department of Central Management Services. All members shall be entitled to vote on issues before the committee.

The committee shall have the following powers and duties:

(1) To request from any State agency information as to product specification and service requirements in order to carry out its purpose.

(2) To meet quarterly or more often as necessary to carry out its purposes.

(3) To request a quarterly report from each participating qualified not-for-profit agency for persons with severe disabilities describing the volume of sales for each product or service sold under this Section.

(4) To prepare a report for the Governor annually.

(5) To prepare a publication that lists all supplies and services currently available from any qualified not-for-profit agency for persons with severe disabilities. This list and any revisions shall be distributed to all purchasing agencies.

(6) To encourage diversity in supplies and services provided by qualified not-for-profit agencies for persons with severe disabilities and discourage unnecessary duplication or competition among facilities.

(7) To develop guidelines to be followed by qualifying agencies for participation under the provisions of this

Section. The guidelines shall be developed within 6 months after the effective date of this Code and made available on a nondiscriminatory basis to all qualifying agencies.

(8) To review all bids submitted under the provisions of this Section and reject any bid for any purchase that is determined to be substantially more than the purchase would have cost had it been competitively bid.

(9) To develop a 5-year plan for increasing the number of products and services purchased from qualified not-for-profit agencies for persons with severe disabilities, including the feasibility of developing mandatory set-aside contracts. This 5-year plan must be developed no later than 180 calendar days after the effective date of this amendatory Act of the 96th General Assembly.

(c-5) Conditions for Use. Each chief procurement officer shall, in consultation with the State Use Committee, determine which articles, materials, services, food stuffs, and supplies that are produced, manufactured, or provided by persons with severe disabilities in qualified not-for-profit agencies shall be given preference by purchasing agencies procuring those items.

(d) Former committee. The committee created under subsection (c) shall replace the committee created under Section 7-2 of the Illinois Purchasing Act, which shall continue to operate until the appointments under subsection (c)

are made.

(Source: P.A. 96-634, eff. 8-24-09.)

(30 ILCS 500/50-5)

Sec. 50-5. Bribery.

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

(1) has been convicted under the laws of Illinois or any other state of bribery or attempting to bribe an officer or employee of the State of Illinois or any other state in that officer's or employee's official capacity; or

(2) has made an admission of guilt of that conduct that is a matter of record but has not been prosecuted for that conduct.

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

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

(2) the business demonstrates to the governmental entity with which it seeks to contract or which is a signatory to the contract to which the subcontract relates, and that entity finds that the commission of the offense

was not authorized, requested, commanded, or performed by a director, officer, or high managerial agent on behalf of the business as provided in paragraph (2) of subsection (a) of Section 5-4 of the Criminal Code of 1961.

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

(d) Certification. Every bid submitted to and contract executed by the State and every subcontract subject to Section 20-120 of this Code shall contain a certification by the contractor or the subcontractor, respectively, that the contractor or subcontractor is not barred from being awarded a contract or subcontract under this Section and acknowledges that the chief procurement officer may declare the related contract void if any certifications required by this Section are false. If the false certification is made by a subcontractor, then the contractor's submitted bid and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false. A contractor or subcontractor who makes a false statement, material to the certification, commits a Class 3 felony.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/50-10)

Sec. 50-10. Felons.

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

(b) Every bid submitted to and contract executed by the State and every subcontract subject to Section 20-120 of this Code shall contain a certification by the bidder or contractor or subcontractor, respectively, that the bidder, contractor, or subcontractor is not barred from being awarded a contract or subcontract under this Section and acknowledges that the chief procurement officer may declare the related contract void if any of the certifications required by this Section are false. If the false certification is made by a subcontractor, then the contractor's submitted bid and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/50-10.5)

Sec. 50-10.5. Prohibited bidders and contractors.

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

(b) Every bid submitted to and contract executed by the State and every subcontract subject to Section 20-120 of this Code shall contain a certification by the bidder, contractor, or subcontractor, respectively, that the bidder, contractor, or subcontractor is not barred from being awarded a contract or subcontract under this Section and acknowledges that the chief procurement officer shall declare the related contract void if any of the certifications completed pursuant to this subsection (b) are false. If the false certification is made by a subcontractor, then the contractor's submitted bid and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false.

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

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

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

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

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

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

~~(2) assisted an employee of the State of Illinois, who, by the nature of his or her duties, has the authority to participate personally and substantially in the decision to award a State contract, or a State agency by reviewing, drafting, directing, or preparing any invitation for bids, a request for proposal, or request for information or provided similar assistance except as part of a publicly issued opportunity to review drafts of all or part of these documents.~~

This subsection does not prohibit a person or business from

submitting a bid or proposal or entering into a contract if the person or business: (i) initiates a communication with an employee to provide general information about products, services, or industry best practices and, if applicable, that communication is documented in accordance with Section 50-39 or (ii) responds to a communication initiated by an employee of the State for the purposes of providing information to evaluate new products, trends, services, or technologies.

Nothing in this Section prohibits a vendor developing technology, goods, or services from bidding or offering to supply that technology or those goods or services if the subject demonstrated to the State represents industry trends and innovation and is not specifically designed to meet the State's needs.

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

No person or business shall submit specifications to a State agency unless requested to do so by an employee of the State. No person or business who contracts with a State agency to write specifications for a particular procurement need shall submit a bid or proposal or receive a contract for that procurement need.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793

for the effective date of changes made by P.A. 96-795); 96-920, eff. 7-1-10.)

(30 ILCS 500/50-11)

Sec. 50-11. Debt delinquency.

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

security.

(b) Every bid submitted to and contract executed by the State and every subcontract subject to Section 20-120 of this Code shall contain a certification by the bidder, contractor, or subcontractor, respectively, that the contractor or the subcontractor and its affiliate is not barred from being awarded a contract or subcontract under this Section and acknowledges that the chief procurement officer may declare the related contract void if any of the certifications completed pursuant to this subsection (b) are false. If the false certification is made by a subcontractor, then the contractor's submitted bid and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false.

(Source: P.A. 96-493, eff. 1-1-10; 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for effective date of changes made by P.A. 96-795); 96-1000, eff. 7-2-10.)

(30 ILCS 500/50-12)

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

(a) No person shall enter into a contract with a State agency or enter into a subcontract under this Code unless the person and all affiliates of the person collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provisions of

the Illinois Use Tax Act regardless of whether the person or affiliate is a "retailer maintaining a place of business within this State" as defined in Section 2 of the Use Tax Act. For purposes of this Section, the term "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes of this subsection (a), an entity controls another entity if it owns, directly or individually, more than 10% of the voting securities of that entity. As used in this subsection (a), the term "voting security" means a security that (1) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.

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

made by a subcontractor, then the contractor's submitted bid and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/50-14)

Sec. 50-14. Environmental Protection Act violations.

(a) Unless otherwise provided, no person or business found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act shall do business with the State of Illinois or any State agency or enter into a subcontract that is subject to this Code from the date of the order containing the finding of violation until 5 years after that date, unless the person or business can show that no person involved in the violation continues to have any involvement with the business.

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

(c) Every bid submitted to and contract executed by the

State and every subcontract subject to Section 20-120 of this Code shall contain a certification by the bidder, contractor, or subcontractor, respectively, that the bidder, contractor, or subcontractor is not barred from being awarded a contract or subcontract under this Section and acknowledges that the contracting State agency may declare the related contract void if any of the certifications completed pursuant to this subsection (c) are false. If the false certification is made by a subcontractor, then the contractor's submitted bid and the executed contract may not be declared void, unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontract's certification was false.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795).)

(30 ILCS 500/50-35)

Sec. 50-35. Financial disclosure and potential conflicts of interest.

(a) All offers from responsive bidders or offerors with an annual value of more than \$25,000, ~~and all subcontracts identified as provided by Section 20-120 of this Code,~~ shall be accompanied by disclosure of the financial interests of the contractor, bidder, or proposer and each subcontractor to be used. In addition, all subcontracts identified as provided by Section 20-120 of this Code with an annual value of more than

\$50,000 shall be accompanied by disclosure of the financial interests of each subcontractor. The financial disclosure of each successful bidder or offeror and its subcontractors shall be incorporated as a material term of the contract and shall become part of the publicly available contract or procurement file maintained by the appropriate chief procurement officer. Each disclosure under this Section ~~and Section 50-34~~ shall be signed and made under penalty of perjury by an authorized officer or employee on behalf of the bidder or offeror, and must be filed with the Procurement Policy Board.

(b) Disclosure shall include any ownership or distributive income share that is in excess of 5%, or an amount greater than 60% of the annual salary of the Governor, of the disclosing entity or its parent entity, whichever is less, unless the contractor, bidder, or subcontractor (i) is a publicly traded entity subject to Federal 10K reporting, in which case it may submit its 10K disclosure in place of the prescribed disclosure, or (ii) is a privately held entity that is exempt from Federal 10k reporting but has more than 200 shareholders, in which case it may submit the information that Federal 10k reporting companies are required to report under 17 CFR 229.401 and list the names of any person or entity holding any ownership share that is in excess of 5% in place of the prescribed disclosure. The form of disclosure shall be prescribed by the applicable chief procurement officer and must include at least the names, addresses, and dollar or

proportionate share of ownership of each person identified in this Section, their instrument of ownership or beneficial relationship, and notice of any potential conflict of interest resulting from the current ownership or beneficial relationship of each person identified in this Section having in addition any of the following relationships:

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

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

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

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

(5) Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in

the previous 3 years.

(6) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter.

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

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

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

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

(b-1) The disclosure required under this Section must also include the name and address of each lobbyist required to register under the Lobbyist Registration Act and other agent of the bidder or offeror who is not identified under subsections

(a) and (b) and who has communicated, is communicating, or may communicate with any State officer or employee concerning the bid or offer. The disclosure under this subsection is a continuing obligation and must be promptly supplemented for accuracy throughout the process and throughout the term of the contract if the bid or offer is successful.

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

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

(d) When a potential for a conflict of interest is identified, discovered, or reasonably suspected, the chief procurement officer or State procurement officer shall send the

contract to the Procurement Policy Board. In accordance with the objectives of subsection (c), if the Procurement Policy Board finds evidence of a potential conflict of interest not originally disclosed by the contractor or subcontractor, the Board shall provide written notice to the contractor or subcontractor that is identified, discovered, or reasonably suspected of having a potential conflict of interest. The contractor or subcontractor shall have 15 days to respond in writing to the Board, and a hearing before the Board will be granted upon the contractor's or subcontractor's request, at a date and time to be determined by the Board, but which in no event shall occur later than 15 days after the date of the request. Upon consideration, the ~~The~~ Board shall recommend, in writing, whether to allow or void the contract, bid, offer, or subcontract weighing the best interest of the State of Illinois. All recommendations shall be submitted to the Executive Ethics Commission ~~chief procurement officer~~. The Executive Ethics Commission ~~chief procurement officer~~ must hold a public hearing within 30 days after receiving the Board's recommendation if the Procurement Policy Board makes a recommendation to (i) void a contract or (ii) void a bid or offer and the chief procurement officer selected or intends to award the contract to the bidder or offeror. A chief procurement officer is prohibited from awarding a contract before a hearing if the Board recommendation does not support a bid or offer. The recommendation and proceedings of any

hearing, if applicable, ~~shall become part of the contract, bid, or proposal file and~~ shall be available to the public.

(e) These thresholds and disclosure do not relieve the chief procurement officer, the State purchasing officer, or their designees from reasonable care and diligence for any contract, bid, offer, or proposal. The chief procurement officer, the State purchasing officer, or their designees shall be responsible for using any reasonably known and publicly available information to discover any undisclosed potential conflict of interest and act to protect the best interest of the State of Illinois.

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

(g) Intentional, willful, or material failure to disclose shall render the contract, bid, proposal, subcontract, or relationship voidable by the chief procurement officer if he or she deems it in the best interest of the State of Illinois and shall result in debarment from future contracts, bids, proposals, subcontracts, or relationships for a period of not less than 2 years and not more than 10 years. Reinstatement after 2 years and before 10 years must be reviewed and

commented on in writing by the Governor of the State of Illinois, or by an executive ethics board or commission he or she might designate. The comment shall be returned to the responsible chief procurement officer who must rule in writing whether and when to reinstate.

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

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

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-920, eff. 7-1-10; 97-490, eff. 8-22-11.)

(30 ILCS 500/50-39)

Sec. 50-39. Procurement communications reporting requirement.

(a) Any written or oral communication received by a State employee who, by the nature of his or her duties, has the authority to participate personally and substantially in the decision to award a State contract and that imparts or requests material information or makes a material argument regarding

potential action concerning an active a procurement matter, including, but not limited to, an application, a contract, or a project, shall be reported to the Procurement Policy Board, and, with respect to the Illinois Power Agency, by the initiator of the communication, and may be reported also by the recipient.

Any person communicating orally, in writing, electronically, or otherwise with the Director or any person employed by, or associated with, the Illinois Power Agency to impart, solicit, or transfer any information related to the content of any power procurement plan, the manner of conducting any power procurement process, the procurement of any power supply, or the method or structure of contracting with power suppliers must disclose to the Procurement Policy Board the full nature, content, and extent of any such communication in writing by submitting a report with the following information:

(1) The names of any party to the communication.

(2) The date on which the communication occurred.

(3) The time at which the communication occurred.

(4) The duration of the communication.

(5) The method (written, oral, etc.) of the communication.

(6) A summary of the substantive content of the communication.

These communications do not include the following: (i) statements by a person publicly made in a public forum; (ii)

statements regarding matters of procedure and practice, such as format, the number of copies required, the manner of filing, and the status of a matter; ~~and~~ (iii) statements made by a State employee of the agency to the agency head or other employees of that agency, ~~or~~ to the employees of the Executive Ethics Commission, or to an employee of another State agency who, through the communication, is either (a) exercising his or her experience or expertise in the subject matter of the particular procurement in the normal course of business, for official purposes, and at the initiation of the purchasing agency or the appropriate State purchasing officer, or (b) exercising oversight, supervisory, or management authority over the procurement in the normal course of business and as part of official responsibilities; (iv) unsolicited communications providing general information about products, services, or industry best practices before those products or services become involved in a procurement matter; (v) communications received in response to procurement solicitations, including, but not limited to, vendor responses to a request for information, request for proposal, request for qualifications, invitation for bid, or a small purchase, sole source, or emergency solicitation, or questions and answers posted to the Illinois Procurement Bulletin to supplement the procurement action, provided that the communications are made in accordance with the instructions contained in the procurement solicitation, procedures, or guidelines; (vi)

communications that are privileged, protected, or confidential under law; and (vii) communications that are part of a formal procurement process as set out by statute, rule, or the solicitation, guidelines, or procedures, including, but not limited to, the posting of procurement opportunities, the process for approving a procurement business case or its equivalent, fiscal approval, submission of bids, the finalizing of contract terms and conditions with an awardee or apparent awardee, and similar formal procurement processes.

The provisions of this Section shall not apply to communications regarding the administration and implementation of an existing contract, except communications regarding change orders or the renewal or extension of a contract.

(b) The report required by subsection (a) shall be submitted monthly and include at least the following: (i) the date and time of each communication; (ii) the identity of each person from whom the written or oral communication was received, the individual or entity represented by that person, and any action the person requested or recommended; (iii) the identity and job title of the person to whom each communication was made; (iv) if a response is made, the identity and job title of the person making each response; (v) a detailed summary of the points made by each person involved in the communication; (vi) the duration of the communication; (vii) the location or locations of all persons involved in the communication and, if the communication occurred by telephone,

the telephone numbers for the callers and recipients of the communication; and (viii) any other pertinent information. No trade secrets or other proprietary or confidential information shall be included in any communication reported to the Procurement Policy Board.

(c) Additionally, when an oral communication made by a person required to register under the Lobbyist Registration Act is received by a State employee that is covered under this Section, all individuals who initiate or participate in the oral communication shall submit a written report to that State employee that memorializes the communication and includes, but is not limited to, the items listed in subsection (b).

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

(e) The reporting requirements shall also be conveyed through ethics training under the State Officials and Employees Ethics Act. An employee who knowingly and intentionally violates this Section shall be subject to suspension or discharge. The Executive Ethics Commission shall promulgate rules, including emergency rules, to implement this Section.

(f) This Section becomes operative on January 1, 2011.

(g) For purposes of this Section:

"Active procurement matter" means a procurement process

beginning with requisition or determination of need by an agency and continuing through the publication of an award notice or other completion of a final procurement action, the resolution of any protests, and the expiration of any protest or Procurement Policy Board review period, if applicable. "Active procurement matter" also includes communications relating to change orders, renewals, or extensions.

"Material information" means information that a reasonable person would deem important in determining his or her course of action and pertains to significant issues, including, but not limited to, price, quantity, and terms of payment or performance.

"Material argument" means a communication that a reasonable person would believe was made for the purpose of influencing a decision relating to a procurement matter. "Material argument" does not include general information about products, services, or industry best practices or a response to a communication initiated by an employee of the State for the purposes of providing information to evaluate new products, trends, services, or technologies.

(Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-920, eff. 7-1-10; 97-333, eff. 8-12-11; 97-618, eff. 10-26-11.)

(30 ILCS 500/50-60)

Sec. 50-60. Voidable contracts.

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

(b) If, during the term of a contract, the chief procurement officer determines that the contractor is delinquent in the payment of debt as set forth in Section 50-11 of this Code, the chief procurement officer may declare the contract void if it determines that voiding the contract is in the best interests of the State. The Debt Collection Bureau shall adopt rules for the implementation of this subsection (b).

(c) If, during the term of a contract, the chief procurement officer determines that the contractor is in violation of Section 50-10.5 of this Code, the chief procurement officer shall declare the contract void.

(d) If, during the term of a contract, the contracting agency learns from an annual certification or otherwise determines that the contractor no longer qualifies to enter into State contracts by reason of Section 50-5, 50-10, 50-12, 50-14, or 50-14.5 of this Article, the chief procurement

officer may declare the contract void if it determines that voiding the contract is in the best interests of the State.

(e) If, during the term of a contract, the chief procurement officer learns from an annual certification or otherwise determines that a subcontractor subject to Section 20-120 no longer qualifies to enter into State contracts by reason of Section 50-5, 50-10, 50-10.5, 50-11, 50-12, 50-14, or 50-14.5 of this Article, the chief procurement officer may declare the related contract void if it determines that voiding the contract is in the best interests of the State. However, the related contract shall not be declared void unless the contractor refuses to terminate the subcontract upon the State's request after a finding that the subcontractor no longer qualifies to enter into State contracts by reason of one of the Sections listed in this subsection.

(f) The changes to this Section made by Public Act 96-795 apply to actions taken by the chief procurement officer on or after July 1, 2010.

(Source: P.A. 96-493, eff. 1-1-10; 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793 for the effective date of changes made by P.A. 96-795); 96-1000, eff. 7-2-10.)

Section 20. The Governmental Joint Purchasing Act is amended by changing Sections 2, 3, 4, and 4.2 as follows:

(30 ILCS 525/2) (from Ch. 85, par. 1602)

Sec. 2. Joint purchasing authority.

(a) Any governmental unit may purchase personal property, supplies and services jointly with one or more other governmental units. All such joint purchases shall be by competitive solicitation bids as provided in Section 4 of this Act. The provisions of any other acts under which a governmental unit operates which refer to purchases and procedures in connection therewith shall be superseded by the provisions of this Act when the governmental units are exercising the joint powers created by this Act.

(a-5) A chief procurement officer established in Section 10-20 of the Illinois Procurement Code ~~The Department of Central Management Services~~ may authorize the purchase of personal property, supplies, and services jointly with a governmental entity of this or another state or with a consortium of governmental entities of one or more other states. Subject to provisions of the joint purchasing solicitation, the appropriate chief procurement officer ~~Department of Central Management Services~~ may designate the resulting contract as available to governmental units in Illinois.

(b) Any not-for-profit agency that qualifies under Section 45-35 of the Illinois Procurement Code and that either (1) acts pursuant to a board established by or controlled by a unit of local government or (2) receives grant funds from the State or from a unit of local government, shall be eligible to

participate in contracts established by the State.

(Source: P.A. 96-584, eff. 1-1-10.)

(30 ILCS 525/3) (from Ch. 85, par. 1603)

Sec. 3. Conduct of competitive selection ~~bid letting~~. Under any agreement of governmental units that desire to make joint purchases pursuant to subsection (a) of Section 2, one of the governmental units shall conduct the competitive selection process ~~letting of bids~~. Where the State of Illinois is a party to the joint purchase agreement, the appropriate chief procurement officer ~~Department of Central Management Services~~ shall conduct or authorize the competitive selection process ~~letting of bids~~. Expenses of such competitive selection process ~~bid letting~~ may be shared by the participating governmental units in proportion to the amount of personal property, supplies or services each unit purchases.

When the State of Illinois is a party to the joint purchase agreement pursuant to subsection (a) of Section 2, the acceptance of responses to the competitive selection process ~~bids~~ shall be in accordance with the Illinois Procurement Code and rules promulgated under that Code. When the State of Illinois is not a party to the joint purchase agreement, the acceptance of responses to the competitive selection process ~~bids~~ shall be governed by the agreement.

When the State of Illinois is a party to a joint purchase agreement pursuant to subsection (a-5) of Section 2, the State

may act as the lead state or as a participant state. When the State of Illinois is the lead state, all such joint purchases shall be conducted in accordance with the Illinois Procurement Code. When Illinois is a participant state, all such joint purchases shall be conducted in accordance with the procurement laws of the lead state; provided that all such joint procurements must be by competitive solicitation process ~~sealed bid~~. All resulting awards shall be published in the appropriate volume of the Illinois Procurement Bulletin as may be required by Illinois law governing publication of the solicitation, protest, and award of Illinois State contracts. Contracts resulting from a joint purchase shall contain all provisions required by Illinois law and rule.

The personal property, supplies or services involved shall be distributed or rendered directly to each governmental unit taking part in the purchase. The person selling the personal property, supplies or services may bill each governmental unit separately for its proportionate share of the cost of the personal property, supplies or services purchased.

The credit or liability of each governmental unit shall remain separate and distinct. Disputes between bidders and governmental units shall be resolved between the immediate parties.

(Source: P.A. 96-584, eff. 1-1-10.)

(30 ILCS 525/4) (from Ch. 85, par. 1604)

Sec. 4. Bids and proposals. The purchases of all personal property, supplies and services under this Act shall be based on competitive solicitations ~~, sealed bids~~. For purchases pursuant to subsection (a) of Section 2, bids and proposals shall be solicited by public notice inserted at least once in a newspaper of general circulation in one of the counties where the materials are to be used and at least 5 calendar days before the final date of submitting bids or proposals. Where the State of Illinois is a party to the joint purchase agreement, public notice soliciting the bids shall be published ~~inserted~~ in the appropriate volume of the Illinois Procurement Bulletin. Such notice shall include a general description of the personal property, supplies or services to be purchased and shall state where all blanks and specifications may be obtained and the time and place for the opening of bids and proposals. The governmental unit conducting the competitive selection process ~~bid-letting~~ may also solicit sealed bids or proposals by sending requests by mail to prospective suppliers and by posting notices on a public bulletin board in its office.

All purchases, orders or contracts shall be awarded to the lowest responsible bidder or highest-ranked proposer, taking into consideration the qualities of the articles or services supplied, their conformity with the specifications, their suitability to the requirements of the participating governmental units and the delivery terms.

Where the State of Illinois is not a party, all bids or

proposals may be rejected and new bids or proposals solicited if one or more of the participating governmental units believes the public interest may be served thereby. Each bid or proposal, with the name of the bidder or proposer, shall be entered on a record, which record with the successful bid or proposal indicated thereon shall, after the award of the purchase or order or contract, be open to public inspection. A copy of all contracts shall be filed with the purchasing office agent or clerk or secretary of each participating governmental unit.

(Source: P.A. 96-584, eff. 1-1-10.)

(30 ILCS 525/4.2) (from Ch. 85, par. 1604.2)

Sec. 4.2. Any governmental unit may, without violating any bidding requirement otherwise applicable to it, procure personal property, supplies and services under any contract let by the State pursuant to lawful procurement procedures. Purchases made by the State of Illinois must be approved or authorized by the appropriate chief procurement officer.

(Source: P.A. 87-960.)

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