



## 100TH GENERAL ASSEMBLY

### State of Illinois

2017 and 2018

HB3478

by Rep. Sara Wojcicki Jimenez

#### SYNOPSIS AS INTRODUCED:

30 ILCS 500/5-5  
30 ILCS 500/5-30  
30 ILCS 500/20-20  
30 ILCS 500/20-170 new  
30 ILCS 525/2

from Ch. 85, par. 1602

Amends the Illinois Procurement Code. Requires State agencies to respond promptly in writing to all inquiries and comments of the Procurement Policy Board. Lowers certain notice requirements from 30 days to 14. Increases the small purchase threshold to \$100,000. Creates a Special Committee on Procurement Efficiency, Minority, Female, and Veterans Contracting, and Illinois Preference in Purchasing. Sets forth membership and goals of the Special Committee. Amends the Governmental Joint Purchasing Act. Allows a chief procurement officer to authorize the purchase or lease of personal property, supplies, and services which have been procured through a competitive process by a federal agency or consortium of entities. Requires the filing of certain reports. Effective January 1, 2018.

LRB100 10704 MLM 20930 b

1 AN ACT concerning finance.

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

4 Section 5. The Illinois Procurement Code is amended by  
5 changing Sections 5-5, 5-30, 20-20, and 20-170 as follows:

6 (30 ILCS 500/5-5)

7 Sec. 5-5. Procurement Policy Board.

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

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

22 Upon a three-fifths vote of its members, the Board may  
23 review a contract. Upon a three-fifths vote of its members, the

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

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

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

21 (d) Terms. Of the initial appointees, the Governor shall  
22 designate one member, as Chairman, to serve a one-year term,  
23 the President of the Senate and the Speaker of the House shall  
24 each appoint one member to serve 3-year terms, and the Minority  
25 Leader of the House and the Minority Leader of the Senate shall  
26 each appoint one member to serve 2-year terms. Subsequent terms

1 shall be 4 years. Members may be reappointed for succeeding  
2 terms.

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

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

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

14 (h) Procurement recommendations. Upon a three-fifths vote  
15 of its members, the Board may review a proposal, bid, or  
16 contract and issue a recommendation to void a contract or  
17 reject a proposal or bid based on any violation of this Code or  
18 the existence of a conflict of interest as described in  
19 subsections (b) and (d) of Section 50-35. A chief procurement  
20 officer or State purchasing officer shall notify the Board if  
21 an alleged conflict of interest or violation of the Code is  
22 identified, discovered, or reasonably suspected to exist. Any  
23 person or entity may notify the Board of an alleged conflict of  
24 interest or violation of the Code. A recommendation of the  
25 Board shall be delivered to the appropriate chief procurement  
26 officer and Executive Ethics Commission within 7 calendar days

1 and must be published in the next volume of the Procurement  
2 Bulletin. In the event that an alleged conflict of interest or  
3 violation of the Code that was not originally disclosed with  
4 the bid, offer, or proposal is identified and filed with the  
5 Board, the Board shall provide written notice of the alleged  
6 conflict of interest or violation to the bidder, offeror,  
7 potential contractor, contractor, or subcontractor on that  
8 contract. If the alleged conflict of interest or violation is  
9 by the subcontractor, written notice shall also be provided to  
10 the bidder, offeror, potential contractor, or contractor. The  
11 bidder, offeror, potential contractor, contractor, or  
12 subcontractor shall have 15 calendar days to provide a written  
13 response to the notice, and a hearing before the Board on the  
14 alleged conflict of interest or violation shall be held upon  
15 request by the bidder, offeror, potential contractor,  
16 contractor, or subcontractor. The requested hearing date and  
17 time shall be determined by the Board, but in no event shall  
18 the hearing occur later than 15 calendar days after the date of  
19 the request.

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

24 (j) Each State agency must respond promptly in writing to  
25 all inquiries and comments of the Procurement Policy Board.

26 (Source: P.A. 97-895, eff. 8-3-12; 98-1076, eff. 1-1-15.)

1 (30 ILCS 500/5-30)

2 Sec. 5-30. Proposed contracts; Procurement Policy Board.

3 (a) Except as provided in subsection (c), within 14 ~~30~~  
4 calendar days after notice of the awarding or letting of a  
5 contract has appeared in the Procurement Bulletin in accordance  
6 with subsection (b) of Section 15-25, the Board may request in  
7 writing from the contracting agency and the contracting agency  
8 shall promptly, but in no event later than 7 calendar days  
9 after receipt of the request, provide to the Board, by  
10 electronic or other means satisfactory to the Board,  
11 documentation in the possession of the contracting agency  
12 concerning the proposed contract. Nothing in this subsection is  
13 intended to waive or abrogate any privilege or right of  
14 confidentiality authorized by law.

15 (b) No contract subject to this Section may be entered into  
16 until the 14-day ~~30-day~~ period described in subsection (a) has  
17 expired, unless the contracting agency requests in writing that  
18 the Board waive the period and the Board grants the waiver in  
19 writing.

20 (c) This Section does not apply to (i) contracts entered  
21 into under this Code for small and emergency procurements as  
22 those procurements are defined in Article 20 and (ii) contracts  
23 for professional and artistic services that are nonrenewable,  
24 one year or less in duration, and have a value of less than  
25 \$20,000. If requested in writing by the Board, however, the

1 contracting agency must promptly, but in no event later than 10  
2 calendar days after receipt of the request, transmit to the  
3 Board a copy of the contract for an emergency procurement and  
4 documentation in the possession of the contracting agency  
5 concerning the contract.

6 (Source: P.A. 98-1076, eff. 1-1-15.)

7 (30 ILCS 500/20-20)

8 Sec. 20-20. Small purchases.

9 (a) Amount. Any individual procurement of supplies or  
10 services ~~other than professional or artistic services,~~ not  
11 exceeding \$100,000 ~~\$10,000~~ and any procurement of construction  
12 not exceeding \$100,000, or any individual procurement of  
13 professional or artistic services not exceeding \$100,000  
14 ~~\$30,000~~ may be made without competitive source selection ~~sealed~~  
15 ~~bidding~~. Procurements shall not be artificially divided so as  
16 to constitute a small purchase under this Section. Any  
17 procurement of construction not exceeding \$100,000 may be made  
18 by an alternative competitive source selection. The  
19 construction agency shall establish rules for an alternative  
20 competitive source selection process. This Section does not  
21 apply to construction-related professional services contracts  
22 awarded in accordance with the provisions of the Architectural,  
23 Engineering, and Land Surveying Qualifications Based Selection  
24 Act.

25 (b) Adjustment. Each July 1, the small purchase maximum

1 established in subsection (a) shall be adjusted for inflation  
2 as determined by the Consumer Price Index for All Urban  
3 Consumers as determined by the United States Department of  
4 Labor and rounded to the nearest \$100.

5 (c) Based upon rules proposed by the Board and rules  
6 promulgated by the chief procurement officers, the small  
7 purchase maximum established in subsection (a) may be modified.  
8 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

9 (30 ILCS 500/20-170 new)

10 Sec. 20-170. Special Committee on Procurement Efficiency,  
11 Minority, Female, and Veterans Contracting, and Illinois  
12 Preference in Purchasing.

13 (a) The Special Committee on Procurement Efficiency,  
14 Minority, Female, and Veterans Contracting, and Illinois  
15 Preference in Purchasing is hereby created under the Executive  
16 Ethics Commission. The Special Committee shall consist of the  
17 following members:

18 (1) three members appointed by the President of the  
19 Senate, only one of whom may be a current member of the  
20 Senate;

21 (2) three members appointed by the Minority Leader of  
22 the Senate, only one of whom may be a current member of the  
23 Senate;

24 (3) three members appointed by the Speaker of the House  
25 of Representatives, only one of whom may be a current



1 member of the House;

2 (4) three members appointed by the Minority Leader of  
3 the House, only one of whom may be a current member of the  
4 House;

5 (5) the Director of Central Management Services or his  
6 or her designee;

7 (6) the Chief Procurement Officer for general  
8 services;

9 (7) the Chief Procurement Officer for the Department of  
10 Transportation;

11 (8) the Chief Procurement Officer with jurisdiction  
12 over institutions of higher education; and

13 (9) the Executive Director of the Capital Development  
14 Board or his or her designee.

15 (b) Members of the Special Committee must be appointed no  
16 later than 30 days after the effective date of this amendatory  
17 Act of the 100th General Assembly.

18 (c) If a vacancy occurs on the Special Committee, it shall  
19 be filled according to the guidelines of the initial  
20 appointment.

21 (d) The Special Committee shall elect a chairperson and  
22 vice-chairperson at the first meeting of the Special Committee.  
23 At the discretion of the chairperson, additional individuals  
24 may participate as non-voting members in the meetings of the  
25 Special Committee.

26 (e) Members of the Special Committee shall serve without

1 compensation. The Executive Ethics Commission shall provide  
2 staff and administrative services to the Special Committee.

3 (f) The Special Committee shall conduct at least 3 hearings  
4 with at least one in Springfield and one in Chicago. Each  
5 hearing shall be open to the public and notice of such hearings  
6 shall be posted on the websites of the Procurement Policy  
7 Board, the Department of Central Management Services, and the  
8 General Assembly at least 6 days prior to the hearing.

9 (g) The Special Committee on Procurement Efficiency and  
10 Illinois Preference in Purchasing shall:

11 (1) review the current procurement process in Illinois  
12 to determine what inefficiencies currently exist in the State  
13 procurement process and propose legislation to reduce  
14 inefficiencies while protecting State funds, ethics, and  
15 transparency;

16 (2) review Illinois' procurement laws regarding  
17 contracting with minority-owned businesses, female-owned  
18 businesses, businesses owned by persons with disabilities,  
19 and veteran-owned businesses to determine what changes  
20 should be made to increase participation of these  
21 businesses in State procurements; and

22 (3) review Illinois' resident bidder preference laws  
23 and propose legislation aimed at strengthening Illinois'  
24 resident bidder preference laws while not harming resident  
25 bidders who do business in other states.

26 (h) The Special Committee shall make its findings and

1 recommendations to the General Assembly and to the Governor,  
2 including legislative proposals, no later than December 31,  
3 2018.

4 (i) This Section is repealed on January 31, 2019.

5 Section 10. The Governmental Joint Purchasing Act is  
6 amended by changing Section 2 as follows:

7 (30 ILCS 525/2) (from Ch. 85, par. 1602)

8 Sec. 2. Joint purchasing authority.

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

18 (a-5) A chief procurement officer established in Section  
19 10-20 of the Illinois Procurement Code may authorize the  
20 purchase of personal property, supplies, and services jointly  
21 with a governmental entity of this or another state or with a  
22 consortium of governmental entities of one or more other  
23 states. Subject to provisions of the joint purchasing  
24 solicitation, the appropriate chief procurement officer may

1 designate the resulting contract as available to governmental  
2 units in Illinois. The chief procurement officers shall submit  
3 to the General Assembly by November 1 of each year a report of  
4 procurements made under this subsection (a-5).

5 (a-10) Each chief procurement officer appointed pursuant  
6 to Section 10-20 of the Illinois Procurement Code may authorize  
7 the purchase or lease of personal property, supplies, and  
8 services which have been procured through a competitive process  
9 by a federal agency, a consortium of governmental, educational,  
10 medical, research, or similar entities, or group purchasing  
11 organizations of which the chief procurement officer or State  
12 agency is a member or affiliate, including, without limitation,  
13 any purchasing entity operating under the federal General  
14 Service Administration, the federal Higher Education  
15 Cooperative Act, and the Midwestern Higher Education  
16 Cooperation Act. A chief procurement officer may authorize  
17 purchases and contracts established by other means if the chief  
18 procurement officer determines it is in the best interests of  
19 the State. Each chief procurement officer may establish  
20 detailed rules and policies and procedures for use of these  
21 cooperative solicitations and contracts, including, without  
22 limitation, that the State agency make a determination that the  
23 award or contract is in the best interest of the State and that  
24 the contract include provisions required by Illinois law.  
25 Notice of awards or contracts shall be published by the chief  
26 procurement officer in the Illinois Procurement Bulletin at

1 least 14 days prior to use of the award or contract. Each chief  
2 procurement officer shall submit to the General Assembly by  
3 November 1 of each year a report of procurements made under  
4 this subsection (a-10).

5 (b) Any not-for-profit agency that qualifies under Section  
6 45-35 of the Illinois Procurement Code and that either (1) acts  
7 pursuant to a board established by or controlled by a unit of  
8 local government or (2) receives grant funds from the State or  
9 from a unit of local government, shall be eligible to  
10 participate in contracts established by the State.

11 (Source: P.A. 96-584, eff. 1-1-10; 97-895, eff. 8-3-12.)

12 Section 99. Effective date. This Act takes effect January  
13 1, 2018.