



## 100TH GENERAL ASSEMBLY

### State of Illinois

### 2017 and 2018

#### HB4774

by Rep. Stephanie A. Kifowit

#### SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1022	from Ch. 34, par. 5-1022
60 ILCS 1/85-30	
60 ILCS 1/205-105	
65 ILCS 5/8-9-1	from Ch. 24, par. 8-9-1

Amends the Counties Code. In provisions regarding determination of the lowest responsible bidder in purchases by a county with fewer than 2,000,000 inhabitants for services, materials, and equipment, a local company that bids within 5% to 10% of the lowest bid, if that lowest bid is made by a non-local company, is the lowest responsible bidder. Provides that if more than one local company's bid is within 5% to 10% of the lowest bid made by a non-local company, the county board shall award the contract to the lowest responsible bidder among the local company bids. Defines "local company" as a company or business entity located within the contracting county or any contiguous county in the State that has the majority of its regular, full-time workforce located within the contracting county or contiguous county. Amends the Township Code. Makes similar changes in provisions concerning construction contracts and contracts for services, materials, equipment, or supplies. Amends the Illinois Municipal Code. Makes similar changes in provisions concerning purchasing and public works contracts in municipalities of less than 500,000.

LRB100 18254 AWJ 33457 b

FISCAL NOTE ACT  
MAY APPLY

STATE MANDATES  
ACT MAY REQUIRE  
REIMBURSEMENT

1 AN ACT concerning local government.

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

4 Section 5. The Counties Code is amended by changing Section  
5 5-1022 as follows:

6 (55 ILCS 5/5-1022) (from Ch. 34, par. 5-1022)  
7 Sec. 5-1022. Competitive bids.

8 (a) Any purchase by a county with fewer than 2,000,000  
9 inhabitants of services, materials, equipment or supplies in  
10 excess of \$30,000, other than professional services, shall be  
11 contracted for in one of the following ways:

12 (1) by a contract let to the lowest responsible bidder  
13 after advertising for bids in a newspaper published within  
14 the county or, if no newspaper is published within the  
15 county, then a newspaper having general circulation within  
16 the county; or

17 (2) by a contract let without advertising for bids in  
18 the case of an emergency if authorized by the county board.

19 (b) In determining the lowest responsible bidder, the  
20 county board shall take into consideration the qualities of the  
21 articles supplied; their conformity with the specifications;  
22 their suitability to the requirements of the county,  
23 availability of support services; uniqueness of the service,

1 materials, equipment, or supplies as it applies to networked,  
2 integrated computer systems; compatibility to existing  
3 equipment; and the delivery terms. The county board also may  
4 take into consideration whether a bidder is a private  
5 enterprise or a State-controlled enterprise and,  
6 notwithstanding any other provision of this Section or a lower  
7 bid by a State-controlled enterprise, may let a contract to the  
8 lowest responsible bidder that is a private enterprise.

9 (b-5) In determining the lowest responsible bidder, a local  
10 company that bids within 5% to 10% of the lowest bid, if that  
11 lowest bid is made by a non-local company, is the lowest  
12 responsible bidder. If more than one local company's bid is  
13 within 5% to 10% of the lowest bid made by a non-local company,  
14 the county board shall follow subsection (b) in determining the  
15 lowest responsible bidder among the local company bids.

16 As used in this subsection, "local company" means a company  
17 or business entity located within the contracting county or any  
18 contiguous county in the State that has the majority of its  
19 regular, full-time workforce located within the contracting  
20 county or contiguous county.

21 (c) This Section does not apply to contracts by a county  
22 with the federal government or to purchases of used equipment,  
23 purchases at auction or similar transactions which by their  
24 very nature are not suitable to competitive bids, pursuant to  
25 an ordinance adopted by the county board.

26 (d) Notwithstanding the provisions of this Section, a

1 county may let without advertising for bids in the case of  
2 purchases and contracts, when individual orders do not exceed  
3 \$35,000, for the use, purchase, delivery, movement, or  
4 installation of data processing equipment, software, or  
5 services and telecommunications and inter-connect equipment,  
6 software, and services.

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

1 its exercise, a security that confers such a right to vote. A  
2 general partnership interest is a voting security.

3 (f) Bids submitted to, and contracts executed by, the  
4 county may require a certification by the bidder or contractor  
5 that the bidder or contractor is not barred from bidding for or  
6 entering into a contract under this Section and that the bidder  
7 or contractor acknowledges that the county may declare the  
8 contract void if the certification completed pursuant to this  
9 subsection (f) is false.

10 (Source: P.A. 95-331, eff. 8-21-07; 96-170, eff. 1-1-10.)

11 Section 10. The Township Code is amended by changing  
12 Sections 85-30 and 205-105 as follows:

13 (60 ILCS 1/85-30)

14 Sec. 85-30. Purchases; bids. Any purchase by a township for  
15 services, materials, equipment, or supplies in excess of  
16 \$20,000 (other than professional services) shall be contracted  
17 for in one of the following ways:

18 (1) By a contract let to the lowest responsible bidder  
19 after advertising for bids at least once (i) in a newspaper  
20 published within the township, or (ii) if no newspaper is  
21 published within the township, then in one published within  
22 the county, or (iii) if no newspaper is published within  
23 the county, then in a newspaper having general circulation  
24 within the township.

1           (2) By a contract let without advertising for bids in  
2           the case of an emergency if authorized by the township  
3           board.

4           If a contract is let under item (1), in determining the  
5           lowest responsible bidder, a local company that bids within 5%  
6           to 10% of the lowest bid, if that lowest bid is made by a  
7           non-local company, is the lowest responsible bidder. If more  
8           than one local company's bid is within 5% to 10% of the lowest  
9           bid made by a non-local company, the township board shall award  
10           the contract to the lowest responsible bidder among the local  
11           company bids. As used in this paragraph, "local company" means  
12           a company or business entity located within the contracting  
13           township or any contiguous township in the State that has the  
14           majority of its regular, full-time workforce located within the  
15           contracting township or contiguous township.

16           This Section does not apply to contracts by a township with  
17           the federal government.

18           (Source: P.A. 94-435, eff. 8-2-05.)

19           (60 ILCS 1/205-105)

20           Sec. 205-105. Construction contracts; bids.

21           (a) All contracts for construction work whose estimated  
22           cost will exceed \$20,000 shall be let to the lowest responsible  
23           bidder after publication of notice for bids. Notice for bids  
24           shall be published once in a newspaper published and having  
25           general circulation in the township, if there is one. If there

1 is no such newspaper, notice for bids shall be published in a  
2 newspaper published and having general circulation in the  
3 county. Notice for bids shall be published at least 10 days  
4 before the date set for receiving bids. Bids shall be opened  
5 and publicly read, and an award shall be made to the lowest  
6 responsible bidder within 15 days after the receipt of bids.

7 (a-5) In determining the lowest responsible bidder, a local  
8 company that bids within 5% to 10% of the lowest bid, if that  
9 lowest bid is made by a non-local company, is the lowest  
10 responsible bidder. If more than one local company's bid is  
11 within 5% to 10% of the lowest bid made by a non-local company,  
12 the township board shall award the contract to the lowest  
13 responsible bidder among the local company bids.

14 As used in this subsection, "local company" means a company  
15 or business entity located within the contracting township or  
16 any contiguous township in the State that has the majority of  
17 its regular, full-time workforce located within the  
18 contracting township or contiguous township.

19 (b) This Section shall not apply to engineering, legal, or  
20 other professional services, but it shall apply to the purchase  
21 of equipment unless the township board, by a resolution adopted  
22 by a three-fourths vote, determines that it is for the best  
23 interests of the township that advertising for bids for the  
24 equipment be dispensed with.

25 (Source: P.A. 95-300, eff. 8-20-07.)

1           Section 15. The Illinois Municipal Code is amended by  
2 changing Section 8-9-1 as follows:

3           (65 ILCS 5/8-9-1) (from Ch. 24, par. 8-9-1)

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



1 contained in this section shall apply to any contract by a  
2 city, village or incorporated town with the federal government  
3 or any agency thereof.

4 When entering into contract let to the lowest responsible  
5 bidder after advertising for bids under this Section, in  
6 determining the lowest responsible bidder, a local company that  
7 bids within 5% to 10% of the lowest bid, if that lowest bid is  
8 made by a non-local company, is the lowest responsible bidder.  
9 If more than one local company's bid is within 5% to 10% of the  
10 lowest bid made by a non-local company, the corporate  
11 authorities of the municipality shall award the contract to the  
12 lowest responsible bidder among the local company bids. As used  
13 in this paragraph, "local company" means a company or business  
14 entity located within the contracting municipality or any  
15 contiguous municipality in the State that has the majority of  
16 its regular, full-time workforce located within the  
17 contracting municipality or contiguous municipality.

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

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

1 (Source: P.A. 100-338, eff. 8-25-17.)