

1 AN ACT concerning education.

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

4 Section 5. The School Code is amended by changing Sections  
5 10-20.21 and 34-21.3 as follows:

6 (105 ILCS 5/10-20.21) (from Ch. 122, par. 10-20.21)  
7 Sec. 10-20.21. Contracts.

8 (a) To award all contracts for purchase of supplies,  
9 materials or work or contracts with private carriers for  
10 transportation of pupils involving an expenditure in excess of  
11 \$25,000 or a lower amount as required by board policy ~~\$10,000~~  
12 to the lowest responsible bidder, considering conformity with  
13 specifications, terms of delivery, quality and serviceability,  
14 after due advertisement, except the following: (i) contracts  
15 for the services of individuals possessing a high degree of  
16 professional skill where the ability or fitness of the  
17 individual plays an important part; (ii) contracts for the  
18 printing of finance committee reports and departmental  
19 reports; (iii) contracts for the printing or engraving of  
20 bonds, tax warrants and other evidences of indebtedness; (iv)  
21 contracts for the purchase of perishable foods and perishable  
22 beverages; (v) contracts for materials and work which have been  
23 awarded to the lowest responsible bidder after due

1 advertisement, but due to unforeseen revisions, not the fault  
2 of the contractor for materials and work, must be revised  
3 causing expenditures not in excess of 10% of the contract  
4 price; (vi) contracts for the maintenance or servicing of, or  
5 provision of repair parts for, equipment which are made with  
6 the manufacturer or authorized service agent of that equipment  
7 where the provision of parts, maintenance, or servicing can  
8 best be performed by the manufacturer or authorized service  
9 agent; (vii) purchases and contracts for the use, purchase,  
10 delivery, movement, or installation of data processing  
11 equipment, software, or services and telecommunications and  
12 interconnect equipment, software, and services; (viii)  
13 contracts for duplicating machines and supplies; (ix)  
14 contracts for the purchase of natural gas when the cost is less  
15 than that offered by a public utility; (x) purchases of  
16 equipment previously owned by some entity other than the  
17 district itself; (xi) contracts for repair, maintenance,  
18 remodeling, renovation, or construction, or a single project  
19 involving an expenditure not to exceed \$50,000 ~~\$20,000~~ and not  
20 involving a change or increase in the size, type, or extent of  
21 an existing facility; (xii) contracts for goods or services  
22 procured from another governmental agency; (xiii) contracts  
23 for goods or services which are economically procurable from  
24 only one source, such as for the purchase of magazines, books,  
25 periodicals, pamphlets and reports, and for utility services  
26 such as water, light, heat, telephone or telegraph; (xiv) where

1 funds are expended in an emergency and such emergency  
2 expenditure is approved by 3/4 of the members of the board; and  
3 (xv) State master contracts authorized under Article 28A of  
4 this Code.

5 All competitive bids for contracts involving an  
6 expenditure in excess of \$25,000 or a lower amount as required  
7 by board policy ~~\$10,000~~ must be sealed by the bidder and must  
8 be opened by a member or employee of the school board at a  
9 public bid opening at which the contents of the bids must be  
10 announced. Each bidder must receive at least 3 days' notice of  
11 the time and place of the bid opening. For purposes of this  
12 Section due advertisement includes, but is not limited to, at  
13 least one public notice at least 10 days before the bid date in  
14 a newspaper published in the district, or if no newspaper is  
15 published in the district, in a newspaper of general  
16 circulation in the area of the district. State master contracts  
17 and certified education purchasing contracts, as defined in  
18 Article 28A of this Code, are not subject to the requirements  
19 of this paragraph.

20 (b) To require, as a condition of any contract for goods  
21 and services, that persons bidding for and awarded a contract  
22 and all affiliates of the person collect and remit Illinois Use  
23 Tax on all sales of tangible personal property into the State  
24 of Illinois in accordance with the provisions of the Illinois  
25 Use Tax Act regardless of whether the person or affiliate is a  
26 "retailer maintaining a place of business within this State" as

1 defined in Section 2 of the Use Tax Act. For purposes of this  
2 Section, the term "affiliate" means any entity that (1)  
3 directly, indirectly, or constructively controls another  
4 entity, (2) is directly, indirectly, or constructively  
5 controlled by another entity, or (3) is subject to the control  
6 of a common entity. For purposes of this subsection (b), an  
7 entity controls another entity if it owns, directly or  
8 individually, more than 10% of the voting securities of that  
9 entity. As used in this subsection (b), the term "voting  
10 security" means a security that (1) confers upon the holder the  
11 right to vote for the election of members of the board of  
12 directors or similar governing body of the business or (2) is  
13 convertible into, or entitles the holder to receive upon its  
14 exercise, a security that confers such a right to vote. A  
15 general partnership interest is a voting security.

16 To require that bids and contracts include a certification  
17 by the bidder or contractor that the bidder or contractor is  
18 not barred from bidding for or entering into a contract under  
19 this Section and that the bidder or contractor acknowledges  
20 that the school board may declare the contract void if the  
21 certification completed pursuant to this subsection (b) is  
22 false.

23 (b-5) To require all contracts and agreements that pertain  
24 to goods and services and that are intended to generate  
25 additional revenue and other remunerations for the school  
26 district in excess of \$1,000, including without limitation

1 vending machine contracts, sports and other attire, class  
2 rings, and photographic services, to be approved by the school  
3 board. The school board shall file as an attachment to its  
4 annual budget a report, in a form as determined by the State  
5 Board of Education, indicating for the prior year the name of  
6 the vendor, the product or service provided, and the actual net  
7 revenue and non-monetary remuneration from each of the  
8 contracts or agreements. In addition, the report shall indicate  
9 for what purpose the revenue was used and how and to whom the  
10 non-monetary remuneration was distributed.

11 (c) If the State education purchasing entity creates a  
12 master contract as defined in Article 28A of this Code, then  
13 the State education purchasing entity shall notify school  
14 districts of the existence of the master contract.

15 (d) In purchasing supplies, materials, equipment, or  
16 services that are not subject to subsection (c) of this  
17 Section, before a school district solicits bids or awards a  
18 contract, the district may review and consider as a bid under  
19 subsection (a) of this Section certified education purchasing  
20 contracts that are already available through the State  
21 education purchasing entity.

22 (Source: P.A. 93-25, eff. 6-20-03; 93-1036, eff. 9-14-04;  
23 94-714, eff. 7-1-06.)

24 (105 ILCS 5/34-21.3) (from Ch. 122, par. 34-21.3)

25 Sec. 34-21.3. Contracts. The board shall by record vote let

1 all contracts (other than those excepted by Section 10-20.21 of  
2 The School Code and any contracts for services related to the  
3 preparation and delivery of food and all ancillary services)  
4 for supplies, materials, work, and contracts with private  
5 carriers for transportation of pupils, involving an  
6 expenditure in excess of \$25,000 or a lower amount as required  
7 by board policy ~~\$10,000~~ by competitive bidding as provided in  
8 Section 10-20.21 of The School Code.

9 The board may delegate to the general superintendent of  
10 schools, by resolution, the authority to approve contracts in  
11 amounts of \$25,000 ~~\$10,000~~ or less.

12 For a period of one year from and after the expiration or  
13 other termination of his or her term of office as a member of  
14 the board: (i) the former board member shall not be eligible  
15 for employment nor be employed by the board, a local school  
16 council, an attendance center, or any other subdivision or  
17 agent of the board or the school district governed by the  
18 board, and (ii) neither the board nor the chief purchasing  
19 officer shall let or delegate authority to let any contract for  
20 services, employment, or other work to the former board member  
21 or to any corporation, partnership, association, sole  
22 proprietorship, or other entity other than publicly traded  
23 companies from which the former board member receives an annual  
24 income, dividends, or other compensation in excess of \$1,500.  
25 Any contract that is entered into by or under a delegation of  
26 authority from the board or the chief purchasing officer shall

1 contain a provision stating that the contract is not legally  
2 binding on the board if entered into in violation of the  
3 provisions of this paragraph.

4 In addition, the State Board of Education, in consultation  
5 with the board, shall (i) review existing conflict of interest  
6 and disclosure laws or regulations that are applicable to the  
7 executive officers and governing boards of school districts  
8 organized under this Article and school districts generally,  
9 (ii) determine what additional disclosure and conflict of  
10 interest provisions would enhance the reputation and fiscal  
11 integrity of the board and the procedure under which contracts  
12 for goods and services are let, and (iii) develop appropriate  
13 reporting forms and procedures applicable to the executive  
14 officers, governing board, and other officials of the school  
15 district.

16 (Source: P.A. 89-15, eff. 5-30-95.)

17 Section 10. The Public Community College Act is amended by  
18 changing Sections 3-27.1 and 7-23.1 as follows:

19 (110 ILCS 805/3-27.1) (from Ch. 122, par. 103-27.1)

20 Sec. 3-27.1. Contracts. To award all contracts for purchase  
21 of supplies, materials or work involving an expenditure in  
22 excess of \$25,000 or a lower amount as required by board policy  
23 ~~\$10,000~~ to the lowest responsible bidder considering  
24 conformity with specifications, terms of delivery, quality,

1 and serviceability; after due advertisement, except the  
2 following: (a) contracts for the services of individuals  
3 possessing a high degree of professional skill where the  
4 ability or fitness of the individual plays an important part;  
5 (b) contracts for the printing of finance committee reports and  
6 departmental reports; (c) contracts for the printing or  
7 engraving of bonds, tax warrants and other evidences of  
8 indebtedness; (d) contracts for materials and work which have  
9 been awarded to the lowest responsible bidder after due  
10 advertisement, but due to unforeseen revisions, not the fault  
11 of the contractor for materials and work, must be revised  
12 causing expenditures not in excess of 10% of the contract  
13 price; (e) contracts for the maintenance or servicing of, or  
14 provision of repair parts for, equipment which are made with  
15 the manufacturer or authorized service agent of that equipment  
16 where the provision of parts, maintenance, or servicing can  
17 best be performed by the manufacturer or authorized service  
18 agent; (f) purchases and contracts for the use, purchase,  
19 delivery, movement, or installation of data processing  
20 equipment, software, or services and telecommunications and  
21 inter-connect equipment, software, and services; (g) contracts  
22 for duplicating machines and supplies; (h) contracts for the  
23 purchase of natural gas when the cost is less than that offered  
24 by a public utility; (i) purchases of equipment previously  
25 owned by some entity other than the district itself; (j)  
26 contracts for repair, maintenance, remodeling, renovation, or



1 construction, or a single project involving an expenditure not  
2 to exceed \$50,000 ~~\$15,000~~ and not involving a change or  
3 increase in the size, type, or extent of an existing facility;  
4 (k) contracts for goods or services procured from another  
5 governmental agency; (l) contracts for goods or services which  
6 are economically procurable from only one source, such as for  
7 the purchase of magazines, books, periodicals, pamphlets and  
8 reports, and for utility services such as water, light, heat,  
9 telephone or telegraph; and (m) where funds are expended in an  
10 emergency and such emergency expenditure is approved by 3/4 of  
11 the members of the board.

12 All competitive bids for contracts involving an  
13 expenditure in excess of \$25,000 or a lower amount as required  
14 by board policy ~~\$10,000~~ must be sealed by the bidder and must  
15 be opened by a member or employee of the board at a public bid  
16 opening at which the contents of the bids must be announced.  
17 Each bidder must receive at least 3 days' notice of the time  
18 and place of such bid opening. For purposes of this Section due  
19 advertisement includes, but is not limited to, at least one  
20 public notice at least 10 days before the bid date in a  
21 newspaper published in the district, or if no newspaper is  
22 published in the district, in a newspaper of general  
23 circulation in the area of the district.

24 The provisions of this Section do not apply to guaranteed  
25 energy savings contracts entered into under Article V-A.

26 (Source: P.A. 87-1023; 88-173.)

1 (110 ILCS 805/7-23.1) (from Ch. 122, par. 107-23.1)

2 Sec. 7-23.1. Contracts. The board shall let all contracts  
3 (other than those excepted by Section 3-27.1 of this Act) for  
4 supplies, materials or work involving an expenditure in excess  
5 of \$25,000 or a lower amount as required by board policy  
6 ~~\$10,000~~ by competitive bidding as provided in Section 3-27.1 of  
7 this Act.

8 (Source: P.A. 92-648, eff. 7-11-02.)

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