

SB2786



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

SB2786

Introduced 1/13/2026, by Sen. Lakesia Collins

SYNOPSIS AS INTRODUCED:

30 ILCS 500/20-25.3 new

Amends the Illinois Procurement Code. Provides that the Department of Central Management Services may enter into a sole source contract with a specified contractor for a 6-month procurement modernization pilot project. Provides that the contractor shall conduct a comprehensive procurement modernization study for units of local government. Provides that the pilot program shall be conducted in no more than 7 municipalities of the contractor's choosing, each having a population of less than 200,000, to test the applicability of artificial intelligence applications across diverse regional and administrative environments. Effective immediately.

LRB104 15744 HLH 28929 b

A BILL FOR

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 adding Section 20-25.3 as follows:

6 (30 ILCS 500/20-25.3 new)

7 Sec. 20-25.3. Procurement modernization and artificial
8 intelligence pilot program.

9 (a) The General Assembly finds and declares that:

10 (1) The State of Illinois and units of local
11 government within the State face persistent challenges in
12 achieving efficient, transparent, and equitable
13 procurement operations, resulting in delays, redundancy,
14 and inconsistent access to State and local contracts for
15 small businesses, minority-owned businesses, and
16 women-owned businesses.

17 (2) Modernizing procurement systems through artificial
18 intelligence and data-driven tools presents a responsible
19 means of improving efficiency, enhancing accountability,
20 and expanding participation in public contracting.

21 (3) Recent executive actions by the Governor
22 underscore the State's commitment to adopting secure,
23 ethical, and forward-looking technology in public

1 administration.

2 (4) These initiatives reflect a broader statewide
3 policy objective: leveraging innovation for fiscal
4 responsibility, equity, and operational excellence across
5 government functions.

6 (5) A focused pilot program implementing AI-based
7 procurement analysis will allow Illinois to test and
8 validate these principles on a limited scale before
9 pursuing statewide modernization.

10 (b) The purposes of this Section are: to allocate funding
11 for a limited duration pilot program that applies artificial
12 intelligence tools to local government procurement management;
13 to evaluate the impact of those tools on efficiency, equity,
14 and cost savings; and to develop frameworks for future
15 adoption of those tools.

16 (c) As used in this Section:

17 "AI" means artificial intelligence.

18 "Contractor" means Amp AI, doing business as Nozma.

19 "Department" means the Department of Central Management
20 Services.

21 "Minority-owned business" has the meaning given to that
22 term in the Business Enterprise for Minorities, Women, and
23 Persons with Disabilities Act.

24 "Small business" means a corporation or a concern,
25 including its affiliates, that is independently owned and
26 operated, not dominant in its field, and that employs fewer

1 than 50 full-time employees or has gross annual sales of less
2 than \$4,000,000.

3 "Women-owned business" has the meaning given to that term
4 in the Business Enterprise for Minorities, Women, and Persons
5 with Disabilities Act.

6 (d) Subject to the procedural requirements of this Code
7 concerning sole source procurements, the Department may enter
8 into a sole source contract with the contractor for a 6-month
9 procurement modernization pilot project.

10 (e) Upon entering into a contract under subsection (d),
11 the contractor shall, under the supervision of the Department
12 and the Office of the Governor:

13 (1) conduct a comprehensive procurement modernization
14 study for units of local government benchmarking Illinois
15 against peer states;

16 (2) develop and test a proof-of-concept request for
17 proposal classification and qualification engine;

18 (3) conduct an equity and access analysis to ensure
19 inclusivity in local government contracting for small
20 businesses, minority-owned businesses, veteran-owned
21 businesses, and rural contractors;

22 (4) develop a data integrity and security framework
23 for future AI procurement applications;

24 (5) publish monthly progress dashboards;

25 (6) host at least one stakeholder workshop; and

26 (7) submit a final report to the Governor and General

1 Assembly.

2 (f) The pilot program established under this Section shall
3 be conducted in no more than 7 municipalities of the
4 contractor's choosing, each having a population of less than
5 200,000, to test the applicability of AI procurement systems
6 across diverse regional and administrative environments.

7 (g) The pilot program established under this Section shall
8 commence within 30 days after the effective date of this
9 amendatory Act of the 104th General Assembly and conclude
10 within 6 months after the date on which the program commences
11 unless the program is extended by the Governor for cause.

12 (h) The Department shall coordinate with the Office of
13 Equity and Inclusion and the Legislative Ethics Commission to
14 ensure that all pilot program activities comply with statutory
15 and fiscal standards and shall submit a final report to the
16 Governor, the President of the Senate, and the Speaker of the
17 House of Representatives.

18 Based on pilot program results, the Department of Central
19 Management Services shall prepare draft administrative rules
20 or legislative proposals for broader procurement modernization
21 initiatives, including performance metrics and workforce
22 training.

23 The Department may also collaborate with other State
24 agencies, units of local government, and institutions of
25 higher education to identify and develop additional
26 applications of artificial intelligence in public procurement,

1 contract management, and administrative services.

2 To promote equitable access to technology and innovation
3 across Illinois, the Department may, through intergovernmental
4 agreements or partnerships, make the tools, data frameworks,
5 or best practices developed under this Act available to
6 municipalities and townships that lack the fiscal or
7 technological capacity to independently implement those
8 systems.

9 The Department may also seek or accept public or private
10 grants, philanthropic contributions, or cooperative funding to
11 support the participation of financially constrained
12 municipalities if those collaborations remain consistent with
13 State procurement and ethics laws. Any such efforts shall be
14 designed to leverage existing resources, avoid duplication of
15 effort, and ensure that future expansion of the pilot program
16 aligns with the State's equity, transparency, and fiscal
17 responsibility goals.

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