



Sen. Don Harmon

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09300HB1002sam001

LRB093 05691 MKM 54194 a

1 AMENDMENT TO HOUSE BILL 1002

2 AMENDMENT NO. _____. Amend House Bill 1002 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Procurement Code is amended by
5 changing Section 20-60 and by adding Article 42.5 as follows:

6 (30 ILCS 500/20-60)

7 Sec. 20-60. Duration of contracts.

8 (a) Maximum duration. A contract may be entered into for
9 any period of time deemed to be in the best interests of the
10 State but not exceeding 10 years. The length of a lease for
11 real property or capital improvements shall be in accordance
12 with the provisions of Section 40-25. The length of bond,
13 mortgage, or title insurance related to housing shall be in
14 accordance with the provisions of Section 42.5-25.

15 (b) Subject to appropriation. All contracts made or entered
16 into shall recite that they are subject to termination and
17 cancellation in any year for which the General Assembly fails
18 to make an appropriation to make payments under the terms of
19 the contract.

20 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

21 (30 ILCS 500/Art. 42.5 heading new)

22 ARTICLE 42.5. BOND AND TITLE INSURANCE FOR HOUSING

1 (30 ILCS 500/42.5-5 new)

2 Sec. 42.5-5. Applicability. All policies of insurance for
3 mortgage or title insurance related to housing or bond
4 insurance for bonds issued to finance housing must be procured
5 in accordance with the provisions of this Article.

6 (30 ILCS 500/42.5-10 new)

7 Sec. 42.5-10. Authority. State purchasing officers may
8 procure mortgage and title insurance related to housing or to
9 procure bond insurance for bonds issued to finance housing.

10 (30 ILCS 500/42.5-15 new)

11 Sec. 42.5-15. Method of source selection.

12 (a) Except as provided in Sections 20-20, 20-25, and 20-30,
13 all contracts for title or bond insurance related to housing
14 shall be awarded by a request for qualification process in
15 accordance with Section 42.5-20.

16 (b) Mortgage insurance may be negotiated with private
17 insurers or governmental entities without using a public
18 bidding process.

19 (30 ILCS 500/42.5-20 new)

20 Sec. 42.5-20. Request for qualification process.

21 (a) Bond insurance and title insurance shall be procured by
22 a request for qualification, except as provided in Section
23 42.5-15.

24 (b) A request for qualification shall be issued and may
25 include:

26 (1) the type of bonds or property to be insured;

27 (2) the national reputation of the insurer;

28 (3) the capitalization of the insurer; and

29 (4) the rating of the insurer.

30 (c) Public notice of the request for qualification to
31 provide bond or title insurance shall be published in the

1 Illinois Procurement Bulletin at least 14 days before the date
2 set forth in the request for receipt of responses.

3 (d) The response to the request for qualification shall
4 consist of written information sufficient to show that the
5 respondent can meet minimum criteria set forth in the request.
6 The State purchasing officer may enter into discussions with
7 respondents for the purpose of clarifying State needs and the
8 information supplied by the respondents.

9 (e) Based upon the information received, the State
10 purchasing officer shall develop a list of vendors qualified to
11 issue bond and title insurance for the purchasing agency. A
12 notice of award shall be published in the Procurement Bulletin
13 listing all vendors qualified to provide the insurance for the
14 purchasing agency.

15 (f) When needed, the purchasing agency shall solicit bids
16 from each of the qualified vendors for the specific transaction
17 contemplated. Qualified vendors have 5 days to respond;
18 thereafter, an award must be made to the vendor with the lowest
19 bid. The list of prequalified vendors must be updated
20 periodically but in no event less than every 3 years. The
21 purchasing agency may amend its notice of award at any time to
22 delete those vendors that no longer meet its stated criteria.

23 (30 ILCS 500/42.5-25 new)

24 Sec. 42.5-25. Length of term.

25 (a) The length of the bond insurance shall be for a period
26 equal to the maximum time the subject bonds may remain
27 outstanding.

28 (b) The length of the mortgage insurance shall be equal to
29 the term of the underlying mortgage.

30 (c) The title policy shall remain in effect for as long as
31 the purchasing agency owns or is a mortgagee of the subject
32 property.

1 Section 99. Effective date. This Act takes effect January
2 1, 2005.".