

HB1328



97TH GENERAL ASSEMBLY

State of Illinois

2011 and 2012

HB1328

Introduced 2/9/2011, by Rep. Lisa M. Dugan

SYNOPSIS AS INTRODUCED:

New Act

Creates the Vendor Rights Act. Provides that a State agency may not alter certain terms of a contract, grant, or purchase of care agreement upon less than 90 days' written notice to the vendor. Provides that a State agency or vendor may terminate a contract, grant, or purchase of care agreement upon not less than 90 days' written notice. Provides that a State agency and a vendor may modify or amend a contract, grant, or purchase of care agreement by mutual consent. Effective immediately.

LRB097 07092 PJG 47190 b

FISCAL NOTE ACT
MAY APPLY

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 1. Short title. This Act may be cited as the Vendor
5 Rights Act.

6 Section 5. Alteration. A State agency may not alter the
7 following terms of a contract, grant, or purchase of care
8 agreement upon less than 90 days' written notice to the vendor:

9 (1) The amount.

10 (2) The rate paid per unit of service.

11 (3) The number of people who may be served.

12 (4) The rules governing who is eligible to receive
13 services.

14 (5) The scope of reimbursable services.

15 (6) The funding mechanism.

16 (7) The reporting requirements.

17 Notwithstanding any other provision of law, if the State agency
18 gives written notice of intent to alter, the terms of a
19 contract, grant, or purchase of care agreement shall remain in
20 full force and effect until at least 90 days after the State
21 agency gives written notice or until the contract, grant, or
22 purchase of care agreement ends according to its terms,
23 whichever is sooner.

1 Section 10. Subsequent fiscal year appropriations.
2 Notwithstanding any other provision of law, if, at the end of a
3 fiscal year, no appropriations for the subsequent fiscal year
4 have been enacted, and a State agency requests that a vendor
5 continue to provide services, the provision of those services
6 shall be in accordance with the terms of the contract, grant,
7 or purchase of care agreement that is in effect at the end of
8 the fiscal year until the State agency enters into a new
9 contract, grant, or purchase of care agreement with the vendor.

10 Section 15. Unilateral termination. A State agency or a
11 vendor may terminate a contract, grant, or purchase of care
12 agreement at any time, for any reason, upon not less than 90
13 days' written notice to the other party.

14 Section 20. Material breach; insufficient federal funds.
15 Notwithstanding Section 15, a State agency may terminate a
16 contract, grant, or purchase of care agreement prior to 90 days
17 after giving notice to the vendor if:

18 (1) The vendor substantially or materially breaches
19 the contract, grant, or purchase of care agreement; or

20 (2) The contract, grant, or purchase of care agreement
21 is supported by a federal funds source that fails to
22 appropriate or otherwise make available sufficient funds.

1 Section 25. Modification by mutual consent.
2 Notwithstanding any other provision of this Act, a State agency
3 and a vendor may modify or amend a contract, grant, or purchase
4 of care agreement at any time during its term by mutual
5 consent, expressed in writing and signed by the parties.

6 Section 99. Effective date. This Act takes effect upon
7 becoming law.