

1 AN ACT concerning State government.

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

4 Section 5. The Civil Administrative Code of Illinois is  
5 amended by adding Section 5-725 as follows:

6 (20 ILCS 5/5-725 new)

7 Sec. 5-725. Third-party State contracts.

8 (a) For purposes of this Sections:

9 "Contractor" means any entity, including an  
10 individual, institution, federal, State, or local  
11 governmental entity, or any other public or private entity,  
12 that enters into a third-party contract.

13 "State agency" means an executive office, department,  
14 division, board, commission, or other office in the  
15 executive branch of State government.

16 "Third-party contract" means an agreement, or  
17 combination or series of agreements, by which a contractor  
18 agrees with a State agency to provide services that are  
19 substantially similar to and in lieu of services that would  
20 otherwise be performed, in whole or in part, by State  
21 employees.

22 "State employee" means an employee of any State agency.

23 (b) Notwithstanding any law to the contrary, third-party

1 contracts are permissible only when they are in the best  
2 interests of the State. For purposes of this Section, a  
3 third-party contract is in the best interests of the State when  
4 it is clearly demonstrated that all of the following conditions  
5 are met:

6 (1) The proposed third-party contract will result in  
7 significant and measurable overall cost savings to the  
8 State.

9 (2) The savings shall be large enough to ensure that  
10 they will not be eliminated by private sector and State  
11 cost fluctuations that could normally be expected during  
12 the third-party contracting period.

13 (3) The amount of savings clearly justify the size and  
14 duration of the third-party contract.

15 (4) The savings will not be achieved through  
16 diminishment in the quality or quantity of services.

17 (5) The third-party contract is awarded through a  
18 competitive bidding process as set forth in the Illinois  
19 Procurement Code.

20 (6) The potential for future economic risk to the State  
21 from potential contractor rate increases or increased  
22 obstacles to future competitive bidding is minimal.

23 (7) The third-party contract does not adversely affect  
24 the State's affirmative action efforts or veterans' hiring  
25 preferences.

26 (8) The potential economic advantage of a third-party

1       contract is not outweighed by the public's interest in  
2       having a particular service performed directly by State  
3       employees.

4           (9) The proposed third-party contract would not have  
5       the effect of moving Illinois jobs to other states or  
6       countries.

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