



Rep. William Davis

Filed: 3/23/2021

10200HB0554ham001

LRB102 14226 AWJ 23706 a

1 AMENDMENT TO HOUSE BILL 554

2 AMENDMENT NO. _____. Amend House Bill 554 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Municipal Code is amended by
5 adding Section 11-42.1-5 as follows:

6 (65 ILCS 5/11-42.1-5 new)

7 Sec. 11-42.1-5. Contract preference to local businesses.

8 (a) As used in this Section:

9 "Local business" means a vendor or contractor who has a
10 valid, verifiable physical business address located within the
11 corporate boundaries of a municipality, at least 6 months
12 prior to bid or proposal opening date, from which the vendor,
13 contractor, or consultant operates or performs business on a
14 daily basis, including manufacturing, production,
15 distribution, or employment of other non-family individuals,
16 and holds a valid business license issued by the municipality,

1 if applicable, or is registered with the municipality.
2 "Verifiable physical business address" does not include post
3 office boxes and post office boxes shall not be used for the
4 purpose of establishing a physical business address.

5 "Municipality" means the Village of Alsip, Village of
6 Beecher, City of Blue Island, Village of Burnham, City of
7 Calumet City, Village of Calumet Park, City of Chicago
8 Heights, City Of Country Club Hills, Village of Crestwood,
9 Village of Crete, Village of Dixmoor, Village of Dolton,
10 Village of East Hazel Crest, Village of Flossmoor, Village of
11 Ford Heights, Village of Glenwood, City of Harvey, Village of
12 Hazel Crest, Village of Homewood, Village of Lansing, Village
13 of Lynwood, City of Markham, Village of Matteson, Village of
14 Midlothian, Village of Mokena, Village of Monee, City of Oak
15 Forest, Village of Olympia Fields, Village of Orland Hills,
16 Village of Orland Park, Village of Park Forest, Village of
17 Peotone, Village of Phoenix, Village of Posen, Village of
18 Richton Park, Village of Riverdale, Village of Robbins,
19 Village of Sauk Village, Village of South Chicago Heights,
20 Village of South Holland, Village of Steger, Village of
21 Thornton, Village of Tinley Park, Village of University Park,
22 or Village of Worth.

23 "Non-local business" means any vendor or contractor who
24 does not meet the definition of "local business".

25 "Solicitation" means the a municipality's process to
26 obtain bids or proposals.

1 (b) Each municipality shall adopt an ordinance, or modify
2 existing ordinances or resolutions, that allows each
3 municipality to give preference to a qualified and responsive
4 local business in the manner permitted by this Section no
5 later than January 1, 2022.

6 (c) A municipality may give preference to a qualified and
7 responsive local business in the solicitation of bids for
8 supplies, materials, and equipment or a contract for any work
9 or public improvement as follows:

10 (1) If a municipality gives preference under this
11 Section, the lowest evaluated bid price from a responsive
12 and responsible local business shall be accepted, provided
13 that the lowest bid from a responsive and responsible
14 local business does not exceed the lowest evaluated bid
15 price from a responsive and responsible non-local business
16 as follows:

17 (A) if the total bid is \$250,000 or less, not more
18 than 2% more than the lowest evaluated bid price, with
19 a cap of \$20,000;

20 (B) if the total bid is more than \$250,000, but
21 less than \$1,000,000, not more than one and one-half
22 percent more than the lowest evaluated bid price, with
23 a cap of \$20,000;

24 (C) if the total bid is \$1,000,000 or more, but
25 less than \$2,000,000, not more than 1% more than the
26 lowest evaluated bid price, with a cap of \$20,000; and

1 (D) if the total bid is \$2,000,000 or more, not
2 more than \$20,000 than the lowest evaluated bid price.

3 (2) If a lowest evaluated bid price ties between a
4 local business and a non-local business, the contract
5 shall be awarded to the local business. If a bid price tie
6 between two or more local businesses, the local business
7 with the greatest number of full-time employees working in
8 a municipality shall be awarded the contract or receive
9 the first opportunity to negotiate, as applicable.

10 (3) A municipality shall provide formal notice that
11 the preference established by this Section shall be
12 applicable in the bid specifications or request for
13 proposals.

14 (4) In order for a local business to be eligible to
15 claim the preference as provided in this Section, the
16 local business must request such preference in its
17 solicitation response and provide a current copy of its
18 municipal-issued business license, if applicable.

19 (5) No contract shall be awarded to a local business
20 when the local business' bid exceeds the lowest responsive
21 and responsible bid by \$20,000 or more.

22 (d) The preference set forth in this Section shall not
23 apply to the following purchases or contracts:

24 (1) Goods or services provided under a cooperative
25 purchasing agreement.

26 (2) Purchases or contracts funded in whole or in part

1 by a governmental entity, other than the municipality, and
2 the laws, regulations, or policies governing such funding
3 prohibit the application of a local preference.

4 (3) Purchases made or contracts let under emergency or
5 noncompetitive situations.

6 Application of the local business preference to a
7 particular purchase, contract, or category of contracts may be
8 waived at the discretion of a municipality's city council.

9 (e) The local preference established under this Section
10 shall not be construed to inhibit, limit, or restrict the
11 right or obligation of a municipality to compare and review
12 the quality of materials proposed for purchase, and to compare
13 and review the qualifications, character, responsibility, and
14 fitness of all persons, firms, or corporations submitting bids
15 or proposals.

16 (f) A home rule municipality shall adopt an ordinance or
17 modify ordinances or resolutions in a manner consistent with
18 this Section and may not regulate giving preferences to local
19 businesses in a manner inconsistent with this Section. This
20 Section is a limitation under subsection (i) of Section 6 of
21 Article VII of the Illinois Constitution on the concurrent
22 exercise by home rule units of powers and functions exercised
23 by the State.

24 Section 99. Effective date. This Act takes effect upon
25 becoming law."