### **102ND GENERAL ASSEMBLY**

# State of Illinois

# 2021 and 2022

#### HB4384

Introduced 1/21/2022, by Rep. Eva Dina Delgado

#### SYNOPSIS AS INTRODUCED:

30 ILCS 500/30-60 new

Amends the Illinois Procurement Code. Provides that within 30 days after the date that a written request for a change order is submitted by a contractor to a State agency, if the State agency fails to either issue the change order with an agreement on price or give specified written notice to the contractor, then the contractor may stop work after giving written notice to the State agency at least 10 days before stopping work. Provides further requirements upon the occurrence of a State agency's failure to issue a change order with an agreement on price or give specified written notice to the contractor. Provides similar requirements for request for change orders submitted by a subcontractor to a contractor. Specifies that apply only to contracts for construction the provisions and construction-related services entered into by the Department of Transportation, the Capital Development Board, and public institutions of higher education, including contractors and subcontractors of those State entities. Effective immediately.

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1 AN ACT concerning finance.

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

4 Section 5. The Illinois Procurement Code is amended by 5 adding Section 30-60 as follows:

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(30 ILCS 500/30-60 new)

7 <u>Sec. 30-60. Request for change orders.</u>

(a) Within 30 days after the date that a written request 8 9 for a change order is submitted by a contractor to a State agency, if the State agency fails to either issue the change 10 order with an agreement on price or give written notice to the 11 12 contractor of the reasons why the change order is unreasonable, counter on price in writing, or explain in 13 14 writing that an additional 14 days are necessary to make a determination, the contractor may stop work after giving 15 16 written notice to the State agency at least 10 days before 17 stopping work. If the State agency requests an additional 14 days, the State agency must either issue the change order with 18 19 an agreement on price after 14 days have elapsed or the 20 contractor may stop work.

21 (b) If a State agency fails to issue a change order with an 22 agreement on price or give written notice to the contractor as 23 provided under subsection (a):

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| 1  | (1) the agreement price must be increased by the                |
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| 2  | amount sought in the request for a change order;                |
| 3  | (2) the time for performance must be extended by the            |
| 4  | amount sought in the request for a change order;                |
| 5  | (3) the contractor may submit to the State agency a             |
| 6  | bill or invoice for the labor, materials, equipment, or         |
| 7  | services that are the subject of the request for a change       |
| 8  | order; and  |
| 9  | (4) the State agency shall pay the contractor for such          |
| 10 | labor, materials, equipment, or services with the next          |
| 11 | payment made to the contractor.                                 |
| 12 | (c) Within 30 days after the date that a written request        |
| 13 | for a change order is submitted by a subcontractor to a         |
| 14 | contractor, if the contractor fails to either issue the change  |
| 15 | order with an agreement on price or give written notice to the  |
| 16 | subcontractor of the reasons why the change order is            |
| 17 | <u>unreasonable, counter on price in writing, or explain in</u> |
| 18 | writing that an additional 14 days are necessary to make a      |
| 19 | determination, the subcontractor may stop work after giving     |
| 20 | written notice to the contractor at least 10 days before        |
| 21 | stopping work. If the contractor requests an additional 14      |
| 22 | days, the contractor must either issue the change order with    |
| 23 | an agreement on price after 14 days have elapsed or the         |
| 24 | subcontractor may stop work.                                    |
| 25 | (d) If a contractor fails to issue a change order with an       |
| 26 | agreement on price or give written notice to the subcontractor  |

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| 1  | as provided under subsection (a):                             |
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| 2  | (1) the agreement price must be increased by the              |
| 3  | amount sought in the request for a change order;              |
| 4  | (2) the time for performance must be extended by the          |
| 5  | amount sought in the request for a change order;              |
| 6  | (3) the subcontractor may submit to the contractor a          |
| 7  | bill or invoice for the labor, materials, equipment, or       |
| 8  | services that are the subject of the request for a change     |
| 9  | order; and  |
| 10 | (4) the contractor shall pay the subcontractor for            |
| 11 | such labor, materials, equipment, or services with the        |
| 12 | next payment made to the subcontractor.                       |
| 13 | (e) The requirements of this Section apply only to            |
| 14 | contracts for construction and construction-related services  |
| 15 | entered into by the Department of Transportation, the Capital |
| 16 | Development Board, and public institutions of higher          |
| 17 | education, including contractors and subcontractors of those  |
| 18 | State entities.   |
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Section 99. Effective date. This Act takes effect upon becoming law.

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