

Rep. Jay Hoffman

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1 AMENDMENT TO HOUSE BILL 3551 2 AMENDMENT NO. . Amend House Bill 3551, AS AMENDED, by replacing everything after the enacting clause with the 3 4 following: "Section 5. The Illinois Procurement Code is amended by 5 6 changing Sections 1-15.93, 30-30, 33-5, and 45-105 as follows: 7 (30 ILCS 500/1-15.93) 8 (Section scheduled to be repealed on January 1, 2026) Sec. 1-15.93. Single prime. "Single prime" means the 9 design-bid-build procurement delivery method for a building 10 construction project in which the Capital Development Board or 11 12 a public institution of higher education, as defined in 13 Section 1-13 of this Code, is the construction agency

procuring 2 or more subdivisions of work enumerated in

paragraphs (1) through (5) of subsection (a) of Section 30-30

of this Code under a single contract. The provisions of this

- 1 Section are inoperative for public institutions of higher
- 2 education on and after January 1, 2026. This Section is
- 3 repealed on January 1, 2026.
- 4 (Source: P.A. 101-369, eff. 12-15-19; 101-645, eff. 6-26-20;
- 5 102-671, eff. 11-30-21; 102-1119, eff. 1-23-23.)
- 6 (30 ILCS 500/30-30)
- 7 Sec. 30-30. Design-bid-build construction.
- 8 (a) The provisions of this subsection are operative
- 9 through December 31, 2025.
- 10 Except as provided in subsection (a-5), for building
- 11 construction contracts in excess of \$250,000, separate
- 12 specifications may be prepared for all equipment, labor, and
- 13 materials in connection with the following 5 subdivisions of
- the work to be performed:
- 15 (1) plumbing;
- 16 (2) heating, piping, refrigeration, and automatic
- temperature control systems, including the testing and
- 18 balancing of those systems;
- 19 (3) ventilating and distribution systems for
- 20 conditioned air, including the testing and balancing of
- 21 those systems;
- 22 (4) electric wiring; and
- 23 (5) general contract work.
- 24 Except as provided in subsection (a-5), the specifications
- 25 may be so drawn as to permit separate and independent bidding

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upon each of the 5 subdivisions of work. All contracts awarded for any part thereof may award the 5 subdivisions of work separately to responsible and reliable persons, firms, or corporations engaged in these classes of work. The contracts, at the discretion of the construction agency, may be assigned to the successful bidder on the general contract work or to the successful bidder on the subdivision of work designated by the construction agency before the bidding as the prime subdivision of work, provided that all payments will be made directly to the contractors for the 5 subdivisions of work upon compliance with the conditions of the contract.

For Beginning on the effective date of this amendatory Act of the 101st General Assembly and through December 31, 2025, for single prime projects: (i) the bid of the successful low bidder shall identify the name of the subcontractor, if any, and the bid proposal costs for each of the 5 subdivisions of work set forth in this Section; (ii) the contract entered into with the successful bidder shall provide that no identified subcontractor may be terminated without the written consent of the Capital Development Board; (iii) the contract shall comply with the disadvantaged business practices of the Business Enterprise for Minorities, Women, and Persons Disabilities Act and the equal employment practices of Section 2-105 of the Illinois Human Rights Act; and (iv) the Capital Development Board shall submit an annual report to the General Assembly and Governor on the bidding, award, and performance

of all single prime projects.

Until December 31, 2023, for For building construction projects with a total construction cost valued at \$5,000,000 or less, the Capital Development Board shall not use the single prime procurement delivery method for more than 50% of the total number of projects bid for each fiscal year. Until December 31, 2023, any Any project with a total construction cost valued greater than \$5,000,000 may be bid using single prime at the discretion of the Executive Director of the Capital Development Board.

For contracts entered into on or after January 1, 2024, the Capital Development Board shall determine whether the single prime procurement delivery method is to be pursued. Before electing to use single prime on a project, the Capital Development Board must make a written determination that must include a description as to the particular advantages of the single prime procurement method for that project and an evaluation of the items in paragraphs (1) through (4). The Chief Procurement Officer must review the Capital Development Board's determination and consider the adequacy of information in paragraphs (1) through (4) to determine whether the Capital Development Board may proceed with single prime. Approval by the Chief Procurement Officer shall not be unreasonably withheld. The following factors must be considered by the Chief Procurement Officer in any determination:

(1) The benefit that using the single prime

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procurement method will have on the Capital Development

Board's ability to increase participation of

minority-owned firms, woman-owned firms, firms owned by

persons with a disability, and veteran-owned firms.

- (2) The likelihood that single prime will be in the best interest of the State by providing a material savings of time or cost over the multiple prime delivery system. The best interest of the State justification must show the specific benefits of using the single prime method, including documentation of the estimates or scheduling impacts of any of the following: project complexity and trade coordination required, length of project, availability of skilled workforce, geographical area, project timelines, project budget, ability to secure minority, women, persons with disabilities and veteran participation, or other information.
- (3) The type and size of the project and its suitability to the single prime procurement method.
- (4) Whether the project will comply with the disadvantaged business and equal employment practices of the State, as established in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act, Section 45-57 of this Code, and Section 2-105 of the Illinois Human Rights Act.
- If the Chief Procurement Officer finds that the Capital Development Board's written determination is insufficient, the

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Capital Development Board shall have the opportunity to cure
its determination. Within 15 days of receiving approval from
the Chief Procurement Officer, the Capital Development Board
shall provide an advisory copy of the written determination to
the Procurement Policy Board and the Commission on Equity and
Inclusion. The Capital Development Board must maintain the
full record of determination for 5 years.

(a-5) Beginning on the effective date of this amendatory Act of the 102nd General Assembly and through December 31, 2025, for single prime projects in which a public institution of higher education is a construction agency awarding building construction contracts in excess of \$250,000, separate specifications may be prepared for all equipment, labor, and materials in connection with the 5 subdivisions of work enumerated in subsection (a). Any public institution of higher education contract awarded for any part thereof may award 2 or more of the 5 subdivisions of work together or separately to responsible and reliable persons, firms, or corporations engaged in these classes of work if: (i) the public institution of higher education has submitted to Procurement Policy Board and the Commission on Equity and Inclusion a written notice that includes the reasons for using the single prime method and an explanation of why the use of that method is in the best interest of the State and arranges to have the notice posted on the institution's online procurement webpage and its online procurement bulletin at

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least 3 business days following submission to the Procurement Policy Board and the Commission on Equity and Inclusion; (ii) the successful low bidder has prequalified with the public institution of higher education; (iii) the bid of successful low bidder identifies the $\circ f$ name the subcontractor, if any, and the bid proposal costs for each of the 5 subdivisions of work set forth in subsection (a); (iv) the contract entered into with the successful bidder provides that no identified subcontractor may be terminated without the written consent of the public institution of higher education; and (v) the successful low bidder has prequalified with the University of Illinois or with the Capital Development Board.

building construction projects with construction cost valued at \$20,000,000 or less, institutions of higher education shall not use the single prime delivery method for more than 50% of the total number of projects bid for each fiscal year. Projects with a total construction cost valued at \$20,000,000 or more may be bid using the single prime delivery method at the discretion of the public institution of higher education. With respect to any construction project described in this subsection (a-5), the public institution of higher education shall: (i) specify in writing as a public record that the project shall comply with the Business Enterprise for Minorities, Women, Persons with Disabilities Act and the equal employment practices of Section 2-105 of the Illinois Human Rights Act;

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- 1 and (ii) report annually to the Governor, General Assembly, Procurement Policy Board, and Auditor General on the bidding, 2 award, and performance of all single prime projects. On and 3 4 after the effective date of this amendatory Act of the 102nd 5 General Assembly, the public institution of higher education may award in each fiscal year single prime contracts with an 6 aggregate total value of no more than \$100,000,000. The Board 7 of Trustees of the University of Illinois may award in each 8 9 fiscal year single prime contracts with an aggregate total 10 value of not more than \$300,000,000.
 - (b) For public institutions of higher education, the The provisions of this subsection are operative on and after January 1, 2026. For building construction contracts in excess of \$250,000, separate specifications shall be prepared for all equipment, labor, and materials in connection with the following 5 subdivisions of the work to be performed:
 - (1) plumbing;
 - (2) heating, piping, refrigeration, and automatic temperature control systems, including the testing and balancing of those systems;
 - (3) ventilating and distribution systems for conditioned air, including the testing and balancing of those systems;
 - (4) electric wiring; and
- 25 (5) general contract work.
- The specifications must be so drawn as to permit separate

1 and independent bidding upon each of the 5 subdivisions of work. All contracts awarded for any part thereof shall award 2 3 the 5 subdivisions of work separately to responsible and 4 reliable persons, firms, or corporations engaged in these 5 classes of work. The contracts, at the discretion of the construction agency, may be assigned to the successful bidder 6 on the general contract work or to the successful bidder on the 7 8 subdivision of work designated by the construction agency 9 before the bidding as the prime subdivision of work, provided 10 that all payments will be made directly to the contractors for 11 the 5 subdivisions of work upon compliance with the conditions of the contract. 12

- 13 (Source: P.A. 101-369, eff. 12-15-19; 101-645, eff. 6-26-20;
- 14 102-671, eff. 11-30-21; 102-1119, eff. 1-23-23.)
- 15 (30 ILCS 500/33-5)
- 16 Sec. 33-5. Definitions. In this Article:
- "Construction management services" includes:
- 18 (1)services provided in the planning and 19 pre-construction phases of construction project а 20 including, but not limited to, consulting with, advising, 21 assisting, and making recommendations to the Board and 22 architect, engineer, or licensed land surveyor on all 23 aspects of planning for project construction; reviewing 24 all plans and specifications as they are being developed 25 and making recommendations with respect to construction

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feasibility, availability of material and labor, time requirements for procurement and construction, and projected costs; making, reviewing, and refining budget estimates based on the Board's program and other available information; making recommendations to the Board and the architect or engineer regarding the division of work in the plans and specifications to facilitate the bidding and awarding of contracts; soliciting the interest of capable contractors and taking bids on the project; analyzing the bids received; and preparing and maintaining a progress schedule during the design phase of the project and preparation of a proposed construction schedule; and

(2) services provided in the construction phase of the project including, but not limited to, maintaining competent supervisory staff to coordinate and provide general direction of the work and progress of the contractors on the project; directing the work as it is being performed for general conformance with working drawings and specifications; establishing procedures for coordinating among the Board, architect or engineer, contractors, and construction manager with respect to all aspects of the project and implementing those procedures; maintaining job site records and making appropriate progress reports; implementing labor policy in conformance with the requirements of the public owner; reviewing the safety and equal opportunity programs of each contractor

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for conformance with the public owner's policy and making recommendations; reviewing and processing all applications for payment by involved contractors and material suppliers in accordance with the terms of the contract; making recommendations and processing requests for changes in the work and maintaining records of change orders; scheduling and conducting job meetings to ensure orderly progress of the work; developing and monitoring a project progress schedule, coordinating and expediting the work of all contractors and providing periodic status reports to the owner and the architect or engineer; and establishing and maintaining a cost control system and conducting meetings to review costs.

"Construction manager" means any individual, sole proprietorship, firm, partnership, corporation, or other legal entity providing construction management services for the Board and prequalified by the State in accordance with 30 ILCS 500/33-10.

"Board" means the Capital Development Board or, to the extent that the services are to be procured by for a public institution of higher education, the public institution of higher education.

23 (Source: P.A. 102-1119, eff. 1-23-23.)

24 (30 ILCS 500/45-105)

Sec. 45-105. Bid preference for Illinois businesses.

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(a) (Blank). For the purposes of this Section:

"Illinois business" means a contractor that: (i) is headquartered in Illinois and providing, at the time that an invitation for a bid or notice of contract opportunity is first advertised, construction or construction related professional services for Illinois based projects; (ii) conducts meaningful day to day business operations at a facility in Illinois that is the place of employment for the majority of its regular, full-time workforce; (iii) holds all appropriate State licenses; and (iv) is subject to applicable State taxes. "Illinois business" does not include any subcontractors.

"Illinois-based project" means an individual project of construction and other construction related services for construction agency that will result in the conduct of business within the State or the employment of individuals within the State.

- (b) It is hereby declared to be the public policy of the State of Illinois to promote the economy of Illinois through the use of Illinois businesses for all State construction contracts.
- Construction agencies procuring construction and construction-related professional services shall reasonable efforts to contract with Illinois businesses.
- (d) Beginning in 2022, each construction agency shall submit a report to the Governor and the General Assembly by

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- 1 September 1 of each year that identifies the Illinois businesses procured by the construction agency, the primary 2 location of the construction project, the percentage of the 3 4 construction agency's utilization of Illinois businesses on 5 the project as a whole, and the actions that the construction 6 agency has undertaken to increase the use of Illinois 7 businesses.
 - (e) In procuring construction and construction-related professional services for projects with a total value that exceeds the small purchase maximum established by Section 20-20 of this Code with a total construction cost of more than \$100,000, construction agencies shall provide a bid preference to a <u>responsive and</u> responsible bidder that is an Illinois business as defined in this Section. The construction agency shall allocate to the lowest bid by an Illinois business that is responsible and responsive any responsible bidder that is an Illinois business a bid preference of 4% of the contract base bid. This subsection applies only to projects where a business that is not an Illinois business submits a bid.
 - (f) This Section does not apply to any contract for any project for which federal funds are available for expenditure when its provisions may be in conflict with federal law or federal regulation.
 - (g) As used in this Section, "Illinois business" means a contractor that is operating and headquartered in Illinois and providing, at the time that an invitation for a bid or notice

1	of contract opportunity is first advertised, construction or
2	construction-related professional services, and is operating
3	<u>as:</u>
4	(1) a sole proprietor whose primary residence is in
5	<u>Illinois;</u>
6	(2) a business incorporated or organized as a domestic
7	corporation under the Business Corporation Act of 1983;
8	(3) a business organized as a domestic partnership
9	under the Uniform Partnership Act of 1997;
10	(4) a business organized as a domestic limited
11	partnership under the Uniform Limited Partnership Act of
12	<u>2001;</u>
13	(5) a business organized under the Limited Liability
14	Company Act; or
15	(6) a business organized under the Professional
16	Limited Liability Company Act.
17	"Illinois business" does not include any subcontractors.
18	(Source: P.A. 102-721, eff. 1-1-23.)
19	Section 10. The Design-Build Procurement Act is amended by
20	changing Section 10 as follows:
21	(30 ILCS 537/10)
22	(Section scheduled to be repealed on January 1, 2026)
23	Sec. 10. Definitions. As used in this Act:

"State construction agency" means the Capital Development

- 1 Board or, in the case of a design-build procurement by for a
- public institution of higher education, the public institution 2
- 3 of higher education.
- 4 "Delivery system" means the design and construction
- 5 approach used to develop and construct a project.
- "Design-bid-build" means the traditional delivery system 6
- used on public projects in this State that incorporates the 7
- Architectural, Engineering, and Land Surveying Qualification 8
- 9 Based Selection Act (30 ILCS 535/) and the principles of
- 10 competitive selection in the Illinois Procurement Code (30
- 11 ILCS 500/).
- "Design-build" means a delivery system that provides 12
- 13 responsibility within a single contract for the furnishing of
- 14 architecture, engineering, land surveying and related services
- 15 as required, and the labor, materials, equipment, and other
- 16 construction services for the project.
- "Design-build contract" means a contract for a public 17
- project under this Act between the State construction agency 18
- 19 and а design-build entity to furnish architecture,
- 20 engineering, land surveying, and related services as required,
- and to furnish the labor, materials, equipment, and other 2.1
- 22 construction services for the project. The design-build
- 23 contract may be conditioned upon subsequent refinements in
- 24 scope and price and may allow the State construction agency to
- 25 make modifications in the project scope without invalidating
- 26 the design-build contract.

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"Design-build entity" means any individual, sole proprietorship, firm, partnership, joint venture, corporation, professional corporation, or other entity that proposes to design and construct any public project under this Act. A design-build entity and associated design-build professionals shall conduct themselves in accordance with the laws of this State and the related provisions of the Illinois Administrative Code, as referenced by the licensed design professionals Acts of this State.

"Design professional" means any individual, sole proprietorship, firm, partnership, joint venture, corporation, professional corporation, or other entity that offers services under the Illinois Architecture Practice Act of 1989 (225 ILCS 305/), the Professional Engineering Practice Act of 1989 (225 ILCS 325/), the Structural Engineering Licensing Act of 1989 (225 ILCS 340/), or the Illinois Professional Land Surveyor Act of 1989 (225 ILCS 330/).

"Evaluation criteria" means the requirements for the separate phases of the selection process as defined in this Act and may include the specialized experience, technical qualifications and competence, capacity to perform, past performance, experience with similar projects, assignment of personnel to the project, and other appropriate factors. Price may not be used as a factor in the evaluation of Phase I proposals.

"Proposal" means the offer to enter into a design-build

- 1 contract as submitted by a design-build entity in accordance
- 2 with this Act.
- 3 "Public institution of higher education" has the meaning
- 4 ascribed in subsection (f) of Section 1-13 of the Illinois
- 5 Procurement Code.
- 6 "Request for proposal" means the document used by the
- State construction agency to solicit proposals for a 7
- 8 design-build contract.
- 9 "Scope and performance criteria" means the requirements
- 10 for the public project, including but not limited to, the
- 11 intended usage, capacity, size, scope, quality and performance
- standards, life-cycle costs, and other programmatic criteria 12
- that are expressed in performance-oriented and quantifiable 13
- 14 specifications and drawings that can be reasonably inferred
- 15 and are suited to allow a design-build entity to develop a
- 16 proposal.
- (Source: P.A. 102-1119, eff. 1-23-23.) 17
- 18 Section 99. Effective date. This Act takes effect January
- 19 1, 2024.".