



## 103RD GENERAL ASSEMBLY

### State of Illinois

2023 and 2024

SB3541

Introduced 2/9/2024, by Sen. Jason Plummer

#### SYNOPSIS AS INTRODUCED:

New Act

Creates the Procurement Protection Act. Provides that a company domiciled within the jurisdiction of foreign adversary or a federally banned corporation shall be ineligible to bid or submit proposal for contracts with the State. Provides that each bid or offer submitted for a contract with a State agency or political subdivision shall include a disclosure of whether or not the bidder, offeror, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid or offer had business operations that involved contracts with or provision of supplies or services from or to any foreign adversary, state-owned enterprise of a foreign adversary, or a company domiciled within the jurisdiction of a foreign adversary. Provides that a bid or offer that does not include the disclosure required by the provisions may be given a period after the bid or offer is submitted to cure non-disclosure. Allows a chief procurement officer to consider the disclosure when evaluating the bid or offer or awarding the contract. Sets forth exceptions to the general provisions. Defines terms. Effective immediately.

LRB103 39067 MXP 69204 b

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  
5 Procurement Protection Act of 2024.

6 Section 5. Purpose. The purpose of this Act is to ensure  
7 that suppliers to the State and to political subdivisions of  
8 the State are safe, reliable, and free from undue influence  
9 from foreign adversaries.

10 Section 10. Definitions. As used in this Act:

11 "Company" means any sole proprietorship, organization,  
12 association, corporation, partnership, joint venture, limited  
13 partnership, limited liability partnership, limited liability  
14 company, or other entity or business association, including  
15 all wholly owned subsidiaries, majority owned subsidiaries,  
16 parent companies, or affiliates of such entities or business  
17 associations, that exists for the purpose of making profit.

18 "Department" means the Department of Central Management  
19 Services.

20 "Domicile" means either the country in which a company is  
21 registered, where the company's affairs are primarily  
22 completed, or the location where the majority of ownership

1 share is held.

2 "Federally banned corporation" means any company or  
3 designated equipment currently banned or at any point hereto  
4 banned at the federal level. This shall include bans resulting  
5 from the following federal agencies and Acts: (i) the Federal  
6 Communications Commission, including but not limited to any  
7 equipment or service deemed to pose a threat to national  
8 security identified on the Covered List developed pursuant to  
9 47 C.F.R. 1.50002, and Trust Communications Networks Act of  
10 2019, 47 U.S.C. 1601 et seq.; (ii) the United States  
11 Department of Commerce; (iii) the Cybersecurity and  
12 Infrastructure Security Agency; the Federal Acquisition  
13 Security Council; and (v) Section 889 of the John S. McCain  
14 National Defense Authorization Act for Fiscal Year 2019.

15 "Foreign adversary" shall mean the People's Republic of  
16 China, the Russian Federation, the Islamic Republic of Iran,  
17 the Democratic People's Republic of Korea, the Republic of  
18 Cuba, the Venezuelan regime of Nicolás Maduro, or the Syrian  
19 Arab Republic, including any agent of or any other entity  
20 under significant control of such foreign country of concern,  
21 or any other entity deemed by the Governor in consultation  
22 with the Department of Central Management Services.

23 "Foreign adversary company" shall mean any company  
24 domiciled in a foreign adversary, owned or controlled, in  
25 whole or in part, by the government of a foreign adversary, by  
26 individuals acting in official government capacities of a

1 foreign adversary, by a company domiciled in a foreign  
2 adversary, or by any company otherwise under control of a  
3 foreign adversary. "Government of China" shall mean the  
4 People's Republic of China led by the Chinese Communist Party.

5 Section 15. Procurement restrictions.

6 (a) Except as provided under subsection (e), the following  
7 covered companies shall be ineligible to bid on or submit a  
8 proposal for a contract with a State agency or political  
9 subdivision of the State for goods or services:

10 (1) a foreign adversary company; or

11 (2) A federally banned corporation.

12 (b) For the purposes of complying with subsection (a), any  
13 company that offers or provide goods or services to a State  
14 agency or a political subdivision of the State that were  
15 supplied, manufactured, or produced by a covered company under  
16 subsection (a) shall, for the purposes of this subsection, be  
17 considered a covered company.

18 (c) A State agency or any political subdivision of the  
19 State shall require a company that submits a bid or proposal  
20 with respect to a contract for goods or services to certify  
21 that the company is not a covered company as defined under  
22 subsection (a).

23 (d) If the Department determines that a company has  
24 submitted a false certification under subsection (b) of this  
25 Act:

1           (1) The company shall be liable for a civil penalty in  
2           an amount that is equal to the greater of \$250,000.00 or  
3           twice the amount of the contract for which a bid or  
4           proposal was submitted; and

5           (2) The State agency or the Department shall terminate  
6           the contract with company; and c. The company shall be  
7           ineligible to, and shall not, bid on a State contract for  
8           60 months.

9           (e) Notwithstanding subsection (a), a State agency may  
10          enter into a contract for goods manufactured by a covered  
11          company if:

12           (1) there is no other reasonable option for procuring  
13           this good;

14           (2) the contract is pre-approved by the Department;  
15           and

16           (3) not procuring this good would pose a greater  
17           threat to the State than the threat associated with the  
18           good itself.

19          Section 20. Procurement disclosure requirements; general.

20          (a) Each bid or offer submitted for a contract with a State  
21          agency or political subdivision shall include a disclosure of  
22          whether or not the bidder, offeror, or any of its corporate  
23          parents or subsidiaries, within the 24 months before  
24          submission of the bid or offer had business operations that  
25          involved contracts with or provision of supplies or services

1 from or to any foreign adversary, state-owned enterprise of a  
2 foreign adversary, or a company domiciled within the  
3 jurisdiction of a foreign adversary.

4 (b) A bid or offer that does not include the disclosure  
5 required by subsection (a) may be given a period after the bid  
6 or offer is submitted to cure non-disclosure. A chief  
7 procurement officer may consider the disclosure when  
8 evaluating the bid or offer or awarding the contract.

9 (c) Each chief procurement officer shall provide the  
10 Department with the name of each entity disclosed under  
11 subsection (b) as doing business or having done business in or  
12 with a foreign adversary, a state-owned enterprise of a  
13 foreign adversary, or a company.

14 Section 25. Procurement disclosure requirements; military  
15 adversaries.

16 (a) Any company which wishes to submit a bid or offer for a  
17 contract with a State agency or for any contract with a  
18 political subdivision of the State must certify with the  
19 [State agency] or the Department that the bidder, offeror, or  
20 any of its corporate parents or subsidiaries, has not within  
21 the sixty (60) months before submission of the bid or offer,  
22 had business operations that involved contracts with or  
23 provision of goods or services to any military entity of any  
24 foreign adversary, any state owned enterprise of a foreign  
25 adversary, any political party of a foreign adversary, or any

1 federally banned corporation.

2 (b) No bid or offer may be submitted for a State contract  
3 or for any contract with a political subdivision of the State  
4 if the bidder, offeror, or any of its corporate parents or  
5 subsidiaries, within the 60 months before submission of the  
6 bid or offer, had business operations that involved contracts  
7 with or provision of goods or services to any military entity  
8 of any foreign adversary, any state owned enterprise of a  
9 foreign adversary, or any federally banned corporation.

10 (c) Each chief procurement officer shall provide the  
11 Department with the name of each entity disclosed under this  
12 Section as doing business or having done business in or with a  
13 foreign adversary, a state-owned enterprise of a foreign  
14 adversary, or a company domiciled within a foreign adversary.

15 (d) If the Department determines that a company has  
16 submitted a false certification under subsection (a) of this  
17 Section:

18 (1) The company shall be liable for a civil penalty in  
19 an amount that is equal to the greater of \$250,000.00 or  
20 twice the amount of the contract for which a bid or  
21 proposal was submitted.

22 (2) The State agency or the Department shall terminate  
23 the contract with company; and

24 (3) The company shall be ineligible to, and shall not,  
25 bid on a State contract for 60 months.

1           Section 97. Severability. The provisions of this Act are  
2 severable under Section 1.31 of the Statute on Statutes.

3           Section 99. Effective date. This Act takes effect upon  
4 becoming law.