



**94TH GENERAL ASSEMBLY**  
**State of Illinois**  
**2005 and 2006**  
**HB1457**

Introduced 02/10/05, by Rep. Gary Hannig

**SYNOPSIS AS INTRODUCED:**

30 ILCS 500/20-10

Amends the Illinois Procurement Code. Authorizes the use of a reverse auction during the competitive sealed bid process in which responsive and responsible bidders lower their bids for supplies and services. Requires that the reverse auction be in accordance with rules adopted by each chief procurement officer. Effective immediately.

LRB094 09223 JAM 39457 b

FISCAL NOTE ACT  
MAY APPLY

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 5. The Illinois Procurement Code is amended by  
5 changing Section 20-10 as follows:

6 (30 ILCS 500/20-10)

7 Sec. 20-10. Competitive sealed bidding.

8 (a) Conditions for use. All contracts shall be awarded by  
9 competitive sealed bidding except as otherwise provided in  
10 Section 20-5.

11 (b) Invitation for bids. An invitation for bids shall be  
12 issued and shall include a purchase description and the  
13 material contractual terms and conditions applicable to the  
14 procurement.

15 (c) Public notice. Public notice of the invitation for bids  
16 shall be published in the Illinois Procurement Bulletin at  
17 least 14 days before the date set in the invitation for the  
18 opening of bids.

19 (d) Bid opening. Bids shall be opened publicly in the  
20 presence of one or more witnesses at the time and place  
21 designated in the invitation for bids. The name of each bidder,  
22 the amount of each bid, and other relevant information as may  
23 be specified by rule shall be recorded. After the award of the  
24 contract, the winning bid and the record of each unsuccessful  
25 bid shall be open to public inspection.

26 (e) Bid acceptance and bid evaluation. Bids shall be  
27 unconditionally accepted without alteration or correction,  
28 except as authorized in this Code. Bids shall be evaluated  
29 based on the requirements set forth in the invitation for bids,  
30 which may include criteria to determine acceptability such as  
31 inspection, testing, quality, workmanship, delivery, and  
32 suitability for a particular purpose. Those criteria that will

1 affect the bid price and be considered in evaluation for award,  
2 such as discounts, transportation costs, and total or life  
3 cycle costs, shall be objectively measurable. The invitation  
4 for bids shall set forth the evaluation criteria to be used.

5 (f) Correction or withdrawal of bids. Correction or  
6 withdrawal of inadvertently erroneous bids before or after  
7 award, or cancellation of awards of contracts based on bid  
8 mistakes, shall be permitted in accordance with rules. After  
9 bid opening, no changes in bid prices or other provisions of  
10 bids prejudicial to the interest of the State or fair  
11 competition shall be permitted. All decisions to permit the  
12 correction or withdrawal of bids based on bid mistakes shall be  
13 supported by written determination made by a State purchasing  
14 officer.

15 (g) Award. The contract shall be awarded with reasonable  
16 promptness by written notice to the lowest responsible and  
17 responsive bidder whose bid meets the requirements and criteria  
18 set forth in the invitation for bids, except when a State  
19 purchasing officer determines it is not in the best interest of  
20 the State and by written explanation determines another bidder  
21 shall receive the award. The explanation shall appear in the  
22 appropriate volume of the Illinois Procurement Bulletin.

23 (h) Multi-step sealed bidding. When it is considered  
24 impracticable to initially prepare a purchase description to  
25 support an award based on price, an invitation for bids may be  
26 issued requesting the submission of unpriced offers to be  
27 followed by an invitation for bids limited to those bidders  
28 whose offers have been qualified under the criteria set forth  
29 in the first solicitation.

30 (i) Reverse auctions. In accordance with rules adopted by  
31 each chief procurement officer, the appropriate State  
32 purchasing officer may procure needed supplies or services  
33 through a reverse auction technique that would allow responsive  
34 and responsible bidders to adjust prices downward during the  
35 competitive sealed bidding process. The reverse auction shall  
36 follow all of the requirements of subsections (a) through (h)

1 of this Section but may allow for the electronic submission,  
2 revision, and display of prices during the period of the  
3 reverse auction. The names of the vendors participating shall  
4 be disclosed, but their names need not be displayed with their  
5 associated pricing until after the conclusion of a successful  
6 auction.

7 (Source: P.A. 90-572, eff. date - See Sec. 99-5.)

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