



95TH GENERAL ASSEMBLY

State of Illinois

2007 and 2008

HB0261

Introduced 1/19/2007, by Rep. Roger L. Eddy

SYNOPSIS AS INTRODUCED:

105 ILCS 5/10-20.21

from Ch. 122, par. 10-20.21

Amends the School Code. With respect to school districts other than Chicago, requires that certain contracts involving an expenditure in excess of \$25,000 or a lower amount as required by local policy (rather than \$10,000) be awarded to the lowest responsible bidder. Makes changes concerning the exceptions to this requirement, including an exception for contracts for services of corporations possessing a high degree of professional skill where ability and fitness play an important part, contracts for food services, contracts for utilities and related services when the cost is less than that offered by a local distribution company, and contracts for repair, maintenance, remodeling, renovation, or construction involving an expenditure not to exceed \$50,000 (rather than \$20,000). Effective immediately.

LRB095 04802 NHT 24862 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning schools.

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

4 Section 5. The School Code is amended by changing Section
5 10-20.21 as follows:

6 (105 ILCS 5/10-20.21) (from Ch. 122, par. 10-20.21)
7 Sec. 10-20.21. Contracts.

8 (a) To award all contracts for purchase of supplies,
9 materials or work or contracts with private carriers for
10 transportation of pupils involving an expenditure in excess of
11 \$25,000 or a lower amount as required by board policy ~~\$10,000~~
12 to the lowest responsible bidder, considering conformity with
13 specifications, terms of delivery, quality and serviceability,
14 after due advertisement, except the following: (i) contracts
15 for the services of individuals or corporations possessing a
16 high degree of professional skill where the ability or fitness
17 of the individual or corporation plays an important part; (ii)
18 contracts for the printing of finance committee reports and
19 departmental reports; (iii) contracts for the printing or
20 engraving of bonds, tax warrants and other evidences of
21 indebtedness; (iv) contracts for the purchase of perishable
22 foods and perishable beverages, including, but not limited to,
23 food service contracts; (v) contracts for materials and work

1 which have been awarded to the lowest responsible bidder after
2 due advertisement, but due to unforeseen revisions, not the
3 fault of the contractor for materials and work, must be revised
4 causing expenditures not in excess of 10% of the contract
5 price; (vi) contracts for the maintenance or servicing of, or
6 provision of repair parts for, equipment which are made with
7 the manufacturer or authorized service agent of that equipment
8 where the provision of parts, maintenance, or servicing can
9 best be performed by the manufacturer or authorized service
10 agent; (vii) purchases and contracts for the use, purchase,
11 delivery, movement, or installation of data processing
12 equipment, software, or services and telecommunications and
13 interconnect equipment, software, and services; (viii)
14 contracts for duplicating machines and supplies; (ix)
15 contracts for the purchase of utilities and related services
16 ~~natural gas~~ when the cost is less than that offered by the
17 local distribution company ~~a public utility~~; (x) purchases of
18 equipment previously owned by some entity other than the
19 district itself; (xi) contracts for repair, maintenance,
20 remodeling, renovation, or construction, or a single project
21 involving an expenditure not to exceed \$50,000 ~~\$20,000~~ and not
22 involving a change or increase in the size, type, or extent of
23 an existing facility; (xii) contracts for goods or services
24 procured from another governmental agency or consortia of
25 agencies; (xiii) contracts for goods or services which are
26 economically procurable from only one source, such as for the

1 purchase of magazines, books, periodicals, pamphlets and
2 reports, and for utility services such as water, light, heat,
3 telephone or telegraph; (xiv) where funds are expended in an
4 emergency and such emergency expenditure is approved by 3/4 of
5 the members of the board; and (xv) State master contracts
6 authorized under Article 28A of this Code.

7 All competitive bids for contracts involving an
8 expenditure in excess of \$25,000 or a lower amount as required
9 by board policy ~~\$10,000~~ must be sealed by the bidder and must
10 be opened by a member or employee of the school board at a
11 public bid opening at which the contents of the bids must be
12 announced. Each bidder must receive at least 3 days' notice of
13 the time and place of the bid opening. For purposes of this
14 Section due advertisement includes, but is not limited to, at
15 least one public notice at least 10 days before the bid date in
16 a newspaper published in the district, or if no newspaper is
17 published in the district, in a newspaper of general
18 circulation in the area of the district. State master contracts
19 and certified education purchasing contracts, as defined in
20 Article 28A of this Code, are not subject to the requirements
21 of this paragraph.

22 (b) To require, as a condition of any contract for goods
23 and services, that persons bidding for and awarded a contract
24 and all affiliates of the person collect and remit Illinois Use
25 Tax on all sales of tangible personal property into the State
26 of Illinois in accordance with the provisions of the Illinois

1 Use Tax Act regardless of whether the person or affiliate is a
2 "retailer maintaining a place of business within this State" as
3 defined in Section 2 of the Use Tax Act. For purposes of this
4 Section, the term "affiliate" means any entity that (1)
5 directly, indirectly, or constructively controls another
6 entity, (2) is directly, indirectly, or constructively
7 controlled by another entity, or (3) is subject to the control
8 of a common entity. For purposes of this subsection (b), an
9 entity controls another entity if it owns, directly or
10 individually, more than 10% of the voting securities of that
11 entity. As used in this subsection (b), the term "voting
12 security" means a security that (1) confers upon the holder the
13 right to vote for the election of members of the board of
14 directors or similar governing body of the business or (2) is
15 convertible into, or entitles the holder to receive upon its
16 exercise, a security that confers such a right to vote. A
17 general partnership interest is a voting security.

18 To require that bids and contracts include a certification
19 by the bidder or contractor that the bidder or contractor is
20 not barred from bidding for or entering into a contract under
21 this Section and that the bidder or contractor acknowledges
22 that the school board may declare the contract void if the
23 certification completed pursuant to this subsection (b) is
24 false.

25 (b-5) To require all contracts and agreements that pertain
26 to goods and services and that are intended to generate

1 additional revenue and other remunerations for the school
2 district in excess of \$1,000, including without limitation
3 vending machine contracts, sports and other attire, class
4 rings, and photographic services, to be approved by the school
5 board. The school board shall file as an attachment to its
6 annual budget a report, in a form as determined by the State
7 Board of Education, indicating for the prior year the name of
8 the vendor, the product or service provided, and the actual net
9 revenue and non-monetary remuneration from each of the
10 contracts or agreements. In addition, the report shall indicate
11 for what purpose the revenue was used and how and to whom the
12 non-monetary remuneration was distributed.

13 (c) If the State education purchasing entity creates a
14 master contract as defined in Article 28A of this Code, then
15 the State education purchasing entity shall notify school
16 districts of the existence of the master contract.

17 (d) In purchasing supplies, materials, equipment, or
18 services that are not subject to subsection (c) of this
19 Section, before a school district solicits bids or awards a
20 contract, the district may review and consider as a bid under
21 subsection (a) of this Section certified education purchasing
22 contracts that are already available through the State
23 education purchasing entity.

24 (Source: P.A. 93-25, eff. 6-20-03; 93-1036, eff. 9-14-04;
25 94-714, eff. 7-1-06.)

26 Section 99. Effective date. This Act takes effect upon

1 becoming law.