

1 AN ACT concerning education.

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 natural gas when the cost is less
16 than that offered by a public utility; (x) purchases of
17 equipment previously owned by some entity other than the
18 district itself; (xi) contracts for repair, maintenance,
19 remodeling, renovation, or construction, or a single project
20 involving an expenditure not to exceed \$50,000 ~~\$20,000~~ and not
21 involving a change or increase in the size, type, or extent of
22 an existing facility; (xii) contracts for goods or services
23 procured from another governmental agency or consortia of
24 agencies; (xiii) contracts for goods or services which are
25 economically procurable from only one source, such as for the
26 purchase of magazines, books, periodicals, pamphlets and

1 reports, and for utility services such as water, light, heat,
2 telephone or telegraph; (xiv) where funds are expended in an
3 emergency and such emergency expenditure is approved by 3/4 of
4 the members of the board; ~~and~~ (xv) State master contracts
5 authorized under Article 28A of this Code; and (xvi) contracts
6 for the provision of motor vehicle fuel. A school board must
7 either award electricity contracts involving an expenditure in
8 excess of \$25,000 to the lowest responsible bidder, considering
9 conformity with specifications, terms of delivery, quality,
10 and serviceability, after due advertisement or procure
11 electricity through a request for proposals process similar to
12 the process set forth in Article 19b of this Code. If a school
13 district joins a utility consortium, then that consortium must
14 either award electricity contracts involving an expenditure in
15 excess of \$25,000 to the lowest responsible bidder, considering
16 conformity with specifications, terms of delivery, quality,
17 and serviceability, after due advertisement or procure
18 electricity through a request for proposals process similar to
19 the process set forth in Article 19b of this Code.

20 All competitive bids for contracts involving an
21 expenditure in excess of \$25,000 or a lower amount as required
22 by board policy ~~\$10,000~~ must be sealed by the bidder and must
23 be opened by a member or employee of the school board at a
24 public bid opening at which the contents of the bids must be
25 announced. Each bidder must receive at least 3 days' notice of
26 the time and place of the bid opening. For purposes of this

1 Section due advertisement includes, but is not limited to, at
2 least one public notice at least 10 days before the bid date in
3 a newspaper published in the district, or if no newspaper is
4 published in the district, in a newspaper of general
5 circulation in the area of the district. State master contracts
6 and certified education purchasing contracts, as defined in
7 Article 28A of this Code, are not subject to the requirements
8 of this paragraph.

9 (b) To require, as a condition of any contract for goods
10 and services, that persons bidding for and awarded a contract
11 and all affiliates of the person collect and remit Illinois Use
12 Tax on all sales of tangible personal property into the State
13 of Illinois in accordance with the provisions of the Illinois
14 Use Tax Act regardless of whether the person or affiliate is a
15 "retailer maintaining a place of business within this State" as
16 defined in Section 2 of the Use Tax Act. For purposes of this
17 Section, the term "affiliate" means any entity that (1)
18 directly, indirectly, or constructively controls another
19 entity, (2) is directly, indirectly, or constructively
20 controlled by another entity, or (3) is subject to the control
21 of a common entity. For purposes of this subsection (b), an
22 entity controls another entity if it owns, directly or
23 individually, more than 10% of the voting securities of that
24 entity. As used in this subsection (b), the term "voting
25 security" means a security that (1) confers upon the holder the
26 right to vote for the election of members of the board of

1 directors or similar governing body of the business or (2) is
2 convertible into, or entitles the holder to receive upon its
3 exercise, a security that confers such a right to vote. A
4 general partnership interest is a voting security.

5 To require that bids and contracts include a certification
6 by the bidder or contractor that the bidder or contractor is
7 not barred from bidding for or entering into a contract under
8 this Section and that the bidder or contractor acknowledges
9 that the school board may declare the contract void if the
10 certification completed pursuant to this subsection (b) is
11 false.

12 (b-5) To require all contracts and agreements that pertain
13 to goods and services and that are intended to generate
14 additional revenue and other remunerations for the school
15 district in excess of \$1,000, including without limitation
16 vending machine contracts, sports and other attire, class
17 rings, and photographic services, to be approved by the school
18 board. The school board shall file as an attachment to its
19 annual budget a report, in a form as determined by the State
20 Board of Education, indicating for the prior year the name of
21 the vendor, the product or service provided, and the actual net
22 revenue and non-monetary remuneration from each of the
23 contracts or agreements. In addition, the report shall indicate
24 for what purpose the revenue was used and how and to whom the
25 non-monetary remuneration was distributed.

26 (c) If the State education purchasing entity creates a

1 master contract as defined in Article 28A of this Code, then
2 the State education purchasing entity shall notify school
3 districts of the existence of the master contract.

4 (d) In purchasing supplies, materials, equipment, or
5 services that are not subject to subsection (c) of this
6 Section, before a school district solicits bids or awards a
7 contract, the district may review and consider as a bid under
8 subsection (a) of this Section certified education purchasing
9 contracts that are already available through the State
10 education purchasing entity.

11 (Source: P.A. 93-25, eff. 6-20-03; 93-1036, eff. 9-14-04;
12 94-714, eff. 7-1-06.)

13 Section 99. Effective date. This Act takes effect upon
14 becoming law.