



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

HB2409

Introduced 2/19/2009, by Rep. Karen May

SYNOPSIS AS INTRODUCED:

70 ILCS 2305/11	from Ch. 42, par. 287
70 ILCS 2305/12	from Ch. 42, par. 288
70 ILCS 2305/29	from Ch. 42, par. 296.9

Amends the North Shore Sanitary District Act. In a provision pertaining to the mandatory competitive bid requirements of the sanitary district, exempts from the requirements contracts for the repair or replacement of equipment or facilities damaged as the result of an unexpected occurrence (flood, fire, tornado, or other disaster). Sets forth limitations on the exemption. Provides that the sanitary district may use a "design-build" procurement method for any public project under specified circumstances. Defines "design-build". Provides that the board of trustees may establish a self-insurance program. Provides that the board of trustees may provide for payment by the sanitary district of the costs of a self-insurance program. Makes other changes.

LRB096 08679 RLJ 18805 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

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

4 Section 5. The North Shore Sanitary District Act is amended
5 by changing Sections 11, 12, and 29 as follows:

6 (70 ILCS 2305/11) (from Ch. 42, par. 287)

7 Sec. 11. Except as otherwise provided in this Section, all
8 contracts for purchases or sales by the municipality, the
9 expense of which will exceed the mandatory competitive bid
10 threshold, shall be let to the lowest responsible bidder
11 therefor upon not less than 14 days' public notice of the terms
12 and conditions upon which the contract is to be let, having
13 been given by publication in a newspaper of general circulation
14 published in the district, and the board may reject any and all
15 bids and readvertise. In determining the lowest responsible
16 bidder, the board shall take into consideration the qualities
17 and serviceability of the articles supplied, their conformity
18 with specifications, their suitability to the requirements of
19 the district, the availability of support services, the
20 uniqueness of the service, materials, equipment, or supplies as
21 it applies to network integrated computer systems, the
22 compatibility of the service, materials, equipment or supplies
23 with existing equipment, and the delivery terms. Contracts for

1 services in excess of the mandatory competitive bid threshold
2 may, subject to the provisions of this Section, be let by
3 competitive bidding at the discretion of the district board of
4 trustees. All contracts for purchases or sales that will not
5 exceed the mandatory competitive bid threshold may be made in
6 the open market without publication in a newspaper as above
7 provided, but whenever practical shall be based on at least 3
8 competitive bids. For purposes of this Section, the "mandatory
9 competitive bid threshold" is a dollar amount equal to 0.1% of
10 the total general fixed assets of the district as reported in
11 the most recent required audit report. In no event, however,
12 shall the mandatory competitive bid threshold dollar amount be
13 less than \$10,000, nor more than \$40,000.

14 Cash, a cashier's check, a certified check, or a bid bond
15 with adequate surety approved by the board of trustees as a
16 deposit of good faith, in a reasonable amount, but not in
17 excess of 10% of the contract amount, may be required of each
18 bidder by the district on all bids involving amounts in excess
19 of the mandatory competitive bid threshold and, if so required,
20 the advertisement for bids shall so specify.

21 Contracts which by their nature are not adapted to award by
22 competitive bidding, including, without limitation, contracts
23 for the services of individuals, groups or firms possessing a
24 high degree of professional skill where the ability or fitness
25 of the individual or organization plays an important part,
26 contracts for financial management services undertaken

1 pursuant to "An Act relating to certain investments of public
2 funds by public agencies", approved July 23, 1943, as now or
3 hereafter amended, contracts for the purchase or sale of
4 utilities, contracts for commodities including supply
5 contracts for natural gas and electricity, contracts for
6 materials economically procurable only from a single source of
7 supply, contracts for services, supplies, materials, parts, or
8 equipment which are available only from a single source or
9 contracts for maintenance, repairs, OEM supplies, or OEM parts
10 from the manufacturer or from a source authorized by the
11 manufacturer, contracts for the use, purchase, delivery,
12 movement, or installation of data processing equipment,
13 software, or services and telecommunications and interconnect
14 equipment, software, or services, contracts for duplicating
15 machines and supplies, contracts for goods or services procured
16 from another governmental agency, purchases of equipment
17 previously owned by an entity other than the district itself,
18 purchases of used equipment, purchases at auction or similar
19 transactions which by their very nature are not suitable to
20 competitive bids, and leases of real property where the
21 sanitary district is the lessee shall not be subject to the
22 competitive bidding requirements of this Section.

23 The District may use a design-build procurement method for
24 any public project provided the Board of Trustees approves the
25 contract for the public project by a vote of 4 of the 5
26 trustees. For the purpose of this Section, "design-build" means

1 a delivery system that provides responsibility within a single
2 contract for the furnishing of architecture, engineering, land
3 surveying and related services as required, and the labor,
4 materials, equipment, and other construction services for the
5 project.

6 In the case of an emergency affecting the public health or
7 safety so declared by the Board of Trustees of the municipality
8 at a meeting thereof duly convened, which declaration shall
9 require the affirmative vote of four of the five Trustees
10 elected, and shall set forth the nature of the danger to the
11 public health or safety, contracts totaling not more than the
12 emergency contract cap may be let to the extent necessary to
13 resolve such emergency without public advertisement or
14 competitive bidding. For purposes of this Section, the
15 "emergency contract cap" is a dollar amount equal to 0.4% of
16 the total general fixed assets of the district as reported in
17 the most recent required audit report. In no event, however,
18 shall the emergency contract cap dollar amount be less than
19 \$40,000, nor more than \$250,000. The Resolution or Ordinance in
20 which such declaration is embodied shall fix the date upon
21 which such emergency shall terminate which date may be extended
22 or abridged by the Board of Trustees as in their judgment the
23 circumstances require. A full written account of any such
24 emergency, together with a requisition for the materials,
25 supplies, labor or equipment required therefor shall be
26 submitted immediately upon completion and shall be open to

1 public inspection for a period of at least one year subsequent
2 to the date of such emergency purchase. Within 30 days after
3 the passage of the resolution or ordinance declaring an
4 emergency affecting the public health or safety, the
5 municipality shall submit to the Illinois Environmental
6 Protection Agency the full written account of any such
7 emergency along with a copy of the resolution or ordinance
8 declaring the emergency, in accordance with requirements as may
9 be provided by rule.

10 To address operating emergencies not affecting the public
11 health or safety, the Board of Trustees shall authorize, in
12 writing, officials or employees of the sanitary district to
13 purchase in the open market and without advertisement any
14 supplies, materials, equipment, or services for immediate
15 delivery to meet the bona fide operating emergency, without
16 filing a requisition or estimate therefor, in an amount not in
17 excess of \$100,000; provided that the Board of Trustees must be
18 notified of the operating emergency. A full, written account of
19 each operating emergency and a requisition for the materials,
20 supplies, equipment, and services required to meet the
21 operating emergency must be immediately submitted by the
22 officials or employees authorized to make purchases to the
23 Board of Trustees. The account must be available for public
24 inspection for a period of at least one year after the date of
25 the operating emergency purchase. The exercise of authority
26 with respect to purchases for a bona fide operating emergency

1 is not dependent on a declaration of an operating emergency by
2 the Board of Trustees.

3 The competitive bidding requirements of this Section do not
4 apply to contracts, including contracts for both materials and
5 services incidental thereto, for the repair or replacement of a
6 sanitary district's treatment plant, sewers, equipment, or
7 facilities damaged or destroyed as the result of a sudden or
8 unexpected occurrence, including, but not limited to, a flood,
9 fire, tornado, earthquake, storm, or other natural or man-made
10 disaster, if the board of trustees determines in writing that
11 the awarding of those contracts without competitive bidding is
12 reasonably necessary for the sanitary district to maintain
13 compliance with a permit issued under the National Pollution
14 Discharge Elimination System (NPDES) or any successor system or
15 with any outstanding order relating to that compliance issued
16 by the United States Environmental Protection Agency, the
17 Illinois Environmental Protection Agency, or the Illinois
18 Pollution Control Board. The authority to issue contracts
19 without competitive bidding pursuant to this paragraph expires
20 6 months after the date of the writing determining that the
21 awarding of contracts without competitive bidding is
22 reasonably necessary.

23 No Trustee shall be interested, directly or indirectly, in
24 any contract, work or business of the municipality, or in the
25 sale of any article, whenever the expense, price or
26 consideration of the contract work, business or sale is paid

1 either from the treasury or by any assessment levied by any
2 Statute or Ordinance. No Trustee shall be interested, directly
3 or indirectly, in the purchase of any property which (1)
4 belongs to the municipality, or (2) is sold for taxes or
5 assessments of the municipality, or (3) is sold by virtue of
6 legal process in the suit of the municipality.

7 A contract for any work or other public improvement, to be
8 paid for in whole or in part by special assessment or special
9 taxation, shall be entered into and the performance thereof
10 controlled by the provisions of Division 2 of Article 9 of the
11 "Illinois Municipal Code", approved May 29, 1961, as heretofore
12 or hereafter amended, as near as may be. However, contracts may
13 be let for making proper and suitable connections between the
14 mains and outlets of the respective sanitary sewers in the
15 district with any conduit, conduits, main pipe or pipes that
16 may be constructed by such sanitary district.

17 (Source: P.A. 95-607, eff. 9-11-07.)

18 (70 ILCS 2305/12) (from Ch. 42, par. 288)

19 Sec. 12. The board of trustees may levy and collect other
20 taxes for corporate purposes upon property within the
21 territorial limits of the sanitary district, the aggregate
22 amount of which for each year may not exceed .083% of value, as
23 equalized or assessed by the Department of Revenue, except that
24 if a higher rate has been established by referendum before
25 August 2, 1965, it shall continue. If the board desires to levy

1 such taxes at a rate in excess of .083% but not in excess of
2 .35% of the value of all taxable property within the district
3 as equalized or assessed by the Department of Revenue, they
4 shall order the question to be submitted at an election to be
5 held within the district. The certification and submission of
6 the question and the election shall be governed by the general
7 election law. Upon the filing of a petition signed by 10% of
8 the registered voters of the district, the right to levy an
9 additional tax, or any portion thereof, authorized by the legal
10 voters, may at any time after one or more tax levies
11 thereunder, be terminated by a majority vote of the electors of
12 the district at a referendum. The trustees of the district
13 shall certify the proposition to the proper election officials,
14 who shall submit the proposition at an election in accordance
15 with the general election law.

16 In addition to the other taxes authorized by this Section,
17 the board of trustees may levy and collect, without referendum,
18 a tax for the purpose of paying the cost of operation of the
19 chlorination of sewage, or other means of disinfection or
20 additional treatment as may be required by water quality
21 standards approved or adopted by the Pollution Control Board or
22 by the court, which tax is not subject to the rate limitations
23 imposed by this Section but may be extended at a rate not to
24 exceed .03% of the value of all taxable property within the
25 district as equalized or assessed by the Department of Revenue.

26 Such tax may be extended at a rate in excess of .03% but

1 not to exceed .05%, providing the question of levying such
2 increase has first been submitted to the voters of such
3 district at any regular election held in such district in
4 accordance with the general election law and has been approved
5 by a majority of such voters voting thereon.

6 The board shall cause the amount required to be raised by
7 taxation in each year to be certified to the county clerk ~~by~~
8 ~~the second Tuesday in September,~~ as provided in Section 8-15 of
9 the Property Tax Code 157 of the General Revenue Law of
10 ~~Illinois~~. All taxes so levied and certified shall be collected
11 and enforced in the same manner and by the same officers as
12 State and county taxes, and shall be paid over by the officers
13 collecting the same to the treasurer of the sanitary district
14 in the manner and at the time provided by the General Revenue
15 Law of Illinois.

16 The treasurer shall, when the moneys of the district are
17 deposited with any bank or savings and loan association,
18 require that bank or savings and loan association to pay the
19 same rates of interest for the moneys deposited as the bank or
20 savings and loan association is accustomed to pay to depositors
21 under like circumstances, in the usual course of its business.
22 All interest so paid shall be placed in the general funds of
23 the district, to be used as other moneys belonging to the
24 district raised by general taxation or sale of water.

25 No bank or savings and loan association shall receive
26 public funds as permitted by this Section, unless it has

1 complied with the requirements established pursuant to Section
2 6 of "An Act relating to certain investments of public funds by
3 public agencies", approved July 23, 1943, as now or hereafter
4 amended.

5 In addition to the foregoing, the Board of Trustees shall
6 have all of the powers set forth in Division 7 of Article 8 of
7 the Illinois Municipal Code until September 10, 1986.

8 (Source: P.A. 90-655, eff. 7-30-98.)

9 (70 ILCS 2305/29) (from Ch. 42, par. 296.9)

10 Sec. 29. The board of trustees of any sanitary district may
11 arrange to provide for the benefit of employees and trustees of
12 the sanitary district group life, health, accident, hospital
13 and medical insurance, or any one or any combination of those
14 types of insurance. The board of trustees may also establish a
15 self-insurance program to provide such group life, health,
16 accident, hospital and medical coverage, or any one or any
17 combination of such coverage. The board of trustees may enact
18 an ordinance prescribing the method of operation of such an
19 insurance program. Such insurance may include provision for
20 employees and trustees who rely on treatment by prayer or
21 spiritual means alone for healing in accordance with the tenets
22 and practice of a well recognized religious denomination. The
23 board of trustees may provide for payment by the sanitary
24 district of the premium or charge for such insurance or the
25 cost of a self-insurance program.

1 ~~The~~ ~~If the board of trustees does not provide for a plan~~
2 ~~pursuant to which the sanitary district pays the premium or~~
3 ~~charge for any group insurance plan,~~ the board of trustees may
4 provide for the withholding and deducting from the compensation
5 of such of the employees and trustees as consent thereto the
6 premium or charge for any group life, health, accident,
7 hospital and medical insurance.

8 The board of trustees may only obtain insurance ~~exercise~~
9 ~~the powers granted in this Section only if the kinds of group~~
10 ~~insurance are obtained~~ from an insurance company or companies
11 authorized to do business in the State of Illinois or such ~~from~~
12 ~~any~~ other organization or service provider authorized to do
13 business in the State of Illinois ~~offering similar coverage.~~
14 ~~The board of trustees may enact an ordinance prescribing the~~
15 ~~method of operation of such an insurance program.~~

16 (Source: P.A. 90-655, eff. 7-30-98.)