



Sen. Pamela J. Althoff

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09800SB1949sam001

LRB098 07740 HLH 56664 a

1 AMENDMENT TO SENATE BILL 1949

2 AMENDMENT NO. _____. Amend Senate Bill 1949 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Procurement Code is amended by
5 changing Sections 1-13, 1-15.107, 1-15.108, 1-15.110, 35-40,
6 45-45, 50-10.5, 50-35, and 50-36 and by adding Section 1-15.109
7 as follows:

8 (30 ILCS 500/1-13)

9 (Section scheduled to be repealed on December 31, 2014)

10 Sec. 1-13. Applicability to public institutions of higher
11 education.

12 (a) This Code shall apply to public institutions of higher
13 education, regardless of the source of the funds with which
14 contracts are paid, except as provided in this Section.

15 (b) Except as provided in this Section, this Code shall not
16 apply to procurements made by or on behalf of public

1 institutions of higher education for any of the following:

2 (1) Memberships in professional, academic, or athletic
3 organizations on behalf of a public institution of higher
4 education, an employee of a public institution of higher
5 education, or a student at a public institution of higher
6 education.

7 (2) Procurement expenditures for events or activities
8 paid for exclusively by revenues generated by the event or
9 activity, gifts or donations for the event or activity,
10 private grants, or any combination thereof.

11 (3) Procurement expenditures for events or activities
12 for which the use of specific vendors is mandated or
13 identified by the sponsor of the event or activity,
14 provided that the sponsor is providing a majority of the
15 funding for the event or activity.

16 (4) Procurement expenditures necessary to provide
17 artistic or musical services, performances, or productions
18 held at a venue operated by a public institution of higher
19 education.

20 (5) Procurement expenditures for periodicals and books
21 procured for use by a university library or academic
22 department, except for expenditures related to procuring
23 textbooks for student use or materials for resale or
24 rental.

25 Notice of each contract entered into by a public institution of
26 higher education that is related to the procurement of goods

1 and services identified in items (1) through (5) of this
2 subsection shall be published in the Procurement Bulletin
3 within 14 days after contract execution. The Chief Procurement
4 Officer shall prescribe the form and content of the notice.
5 Each public institution of higher education shall provide the
6 Chief Procurement Officer, on a monthly basis, in the form and
7 content prescribed by the Chief Procurement Officer, a report
8 of contracts that are related to the procurement of goods and
9 services identified in this subsection. At a minimum, this
10 report shall include the name of the contractor, a description
11 of the supply or service provided, the total amount of the
12 contract, the term of the contract, and the exception to the
13 Code utilized. A copy of any or all of these contracts shall be
14 made available to the Chief Procurement Officer immediately
15 upon request. The Chief Procurement Officer shall submit a
16 report to the Governor and General Assembly no later than
17 November 1 of each year that shall include, at a minimum, an
18 annual summary of the monthly information reported to the Chief
19 Procurement Officer.

20 (c) Procurements made by or on behalf of public
21 institutions of higher education for any of the following shall
22 be made in accordance with the requirements of this Code to the
23 extent practical as provided in this subsection:

24 (1) Contracts with a foreign entity necessary for
25 research or educational activities, provided that the
26 foreign entity either does not maintain an office in the

1 United States or is the sole source of the service or
2 product.

3 (2) Procurements of FDA-regulated goods, products, and
4 services necessary for the delivery of care and treatment
5 at medical, dental, or veterinary teaching facilities
6 utilized by the University of Illinois or Southern Illinois
7 University.

8 (3) Contracts for programming and broadcast license
9 rights for university-operated radio and television
10 stations.

11 (4) Procurements required for fulfillment of a grant.

12 Upon the written request of a public institution of higher
13 education, the Chief Procurement Officer may waive
14 registration, certification, and hearing requirements of this
15 Code if, based on the item to be procured or the terms of a
16 grant, compliance is impractical. The public institution of
17 higher education shall provide the Chief Procurement Officer
18 with specific reasons for the waiver, including the necessity
19 of contracting with a particular vendor, and shall certify that
20 an effort was made in good faith to comply with the provisions
21 of this Code. The Chief Procurement Officer shall provide
22 written justification for any waivers. By November 1 of each
23 year, the Chief Procurement Officer shall file a report with
24 the General Assembly identifying each contract approved with
25 waivers and providing the justification given for any waivers
26 for each of those contracts. Notice of each waiver made under

1 this subsection shall be published in the Procurement Bulletin
2 within 14 days after contract execution. The Chief Procurement
3 Officer shall prescribe the form and content of the notice.

4 (d) Notwithstanding this Section, a waiver of the
5 registration requirements of Section 20-160 does not permit a
6 business entity and any affiliated entities or affiliated
7 persons to make campaign contributions if otherwise prohibited
8 by Section 50-37. The total amount of contracts awarded in
9 accordance with this Section shall be included in determining
10 the aggregate amount of contracts or pending bids of a business
11 entity and any affiliated entities or affiliated persons.

12 (e) Notwithstanding subsection (e) of Section 50-10.5 of
13 this Code, the Chief Procurement Officer, with the approval of
14 the Executive Ethics Commission, may permit a public
15 institution of higher education to accept a bid or enter into a
16 contract with a business that assisted the public institution
17 of higher education in determining whether there is a need for
18 a contract or assisted in reviewing, drafting, or preparing
19 documents related to a bid or contract, provided that the bid
20 or contract is essential to research administered by the public
21 institution of higher education and it is in the best interest
22 of the public institution of higher education to accept the bid
23 or contract. For purposes of this subsection, "business"
24 includes all individuals with whom a business is affiliated,
25 including, but not limited to, any officer, agent, employee,
26 consultant, independent contractor, director, partner,

1 manager, or shareholder of a business. The Executive Ethics
2 Commission may promulgate rules and regulations for the
3 implementation and administration of the provisions of this
4 subsection (e).

5 (f) As used in this Section:

6 "Grant" means non-appropriated funding provided by a
7 federal or private entity to support a project or program
8 administered by a public institution of higher education and
9 any non-appropriated funding provided to a sub-recipient of the
10 grant.

11 "Public institution of higher education" means Chicago
12 State University, Eastern Illinois University, Governors State
13 University, Illinois State University, Northeastern Illinois
14 University, Northern Illinois University, Southern Illinois
15 University, University of Illinois, Western Illinois
16 University, and, for purposes of this Code only, the Illinois
17 Mathematics and Science Academy.

18 (g) This Section is repealed on December 31, 2016 ~~2014~~.

19 (Source: P.A. 97-643, eff. 12-20-11; 97-895, eff. 8-3-12.)

20 (30 ILCS 500/1-15.107)

21 Sec. 1-15.107. Subcontract. "Subcontract" means a contract
22 between a person and a person who has a contract subject to
23 this Code, pursuant to which the subcontractor provides to the
24 contractor, or, if the contract price exceeds \$50,000, another
25 subcontractor, some or all of the goods, services, real

1 property, remuneration, or other monetary forms of
2 consideration that are the subject and necessary to the
3 execution, in whole or in part, of the primary contract and
4 includes, among other things, subleases from a lessee of a
5 State agency.

6 (Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793
7 for the effective date of P.A. 96-795); 97-895, eff. 8-3-12.)

8 (30 ILCS 500/1-15.108)

9 Sec. 1-15.108. Subcontractor. "Subcontractor" means a
10 person or entity that enters into a contractual agreement with
11 a total value of \$50,000 or more with a person or entity who
12 has a contract subject to this Code pursuant to which the
13 person or entity provides some or all of the goods, services,
14 real property, remuneration, or other monetary forms of
15 consideration that are the subject and necessary to the
16 execution, in whole or in part, of the primary State contract,
17 including subleases from a lessee of a State contract.

18 (Source: P.A. 96-920, eff. 7-1-10; 97-895, eff. 8-3-12.)

19 (30 ILCS 500/1-15.109 new)

20 Sec. 1-15.109. Supplier. "Supplier" means any person or
21 entity providing all personal property, including but not
22 limited to equipment, materials, printing and insurance, and
23 the financing of those supplies that can be procured regularly
24 or are available on the commercial market.

1 (30 ILCS 500/1-15.110)

2 Sec. 1-15.110. Supplies. "Supplies" means all personal
3 property, including but not limited to equipment, materials,
4 printing, and insurance, and the financing of those supplies
5 that can be procured regularly or are available on the
6 commercial market.

7 (Source: P.A. 90-572, eff. 2-6-98.)

8 (30 ILCS 500/35-40)

9 Sec. 35-40. Subcontractors.

10 (a) Any contract granted under this Article shall state
11 whether the services of a subcontractor will be used. The
12 contract shall include the names and addresses of all
13 subcontractors with subcontracts with an annual value of more
14 than \$50,000, the general type of work to be performed by such
15 subcontractors, and the expected amount of money each will
16 receive under the contract. Upon the request of the chief
17 procurement officer appointed pursuant to paragraph (2) of
18 subsection (a) of Section 10-20, the contractor shall provide
19 the chief procurement officer a copy of a subcontract so
20 identified within 15 days after the request is made. A
21 subcontractor, or contractor on behalf of a subcontractor, may
22 identify information that is deemed proprietary or
23 confidential. If the chief procurement officer determines the
24 information is not relevant to the primary contract, or the

1 chief procurement officer determines the information is
2 proprietary or could harm the business interest of the
3 subcontractor, then the chief procurement officer may, in his
4 or her discretion, redact the information. Redacted
5 information shall not become part of the public record.

6 (b) If at any time during the term of a contract, a
7 contractor adds or changes any subcontractors, he or she shall
8 promptly notify, in writing, the chief procurement officer for
9 matters other than construction or the higher education chief
10 procurement officer, whichever is appropriate, and the
11 responsible State purchasing officer, or their designee of the
12 names and addresses and the expected amount of money each new
13 or replaced subcontractor will receive. Upon request of the
14 chief procurement officer appointed pursuant to paragraph (2)
15 of subsection (a) of Section 10-20, the contractor shall
16 provide the chief procurement officer a copy of any new or
17 amended subcontract so identified within 15 days after the
18 request is made.

19 (c) In addition to any other requirements of this Code, a
20 subcontract subject to this Section must include all of the
21 subcontractor's certifications required by Article 50 of this
22 Code.

23 (d) This Section applies to procurements solicited on or
24 after the effective date of this amendatory Act of the 98th
25 General Assembly.

26 (Source: P.A. 95-481, eff. 8-28-07; 96-920, eff. 7-1-10.)

1 (30 ILCS 500/45-45)

2 Sec. 45-45. Small businesses.

3 (a) Set-asides. The chief procurement officer has
4 authority to designate as small business set-asides a fair
5 proportion of construction, supply, and service contracts for
6 award to small businesses in Illinois. Advertisements for bids
7 or offers for those contracts shall specify designation as
8 small business set-asides. In awarding the contracts, only bids
9 or offers from qualified small businesses shall be considered.

10 (b) Small business. "Small business" means a business that
11 is independently owned and operated and that is not dominant in
12 its field of operation. The chief procurement officer shall
13 establish a detailed definition by rule, using in addition to
14 the foregoing criteria other criteria, including the number of
15 employees and the dollar volume of business. When computing the
16 size status of a bidder, annual sales and receipts of the
17 bidder and all of its affiliates shall be included. The maximum
18 number of employees and the maximum dollar volume that a small
19 business may have under the rules promulgated by the chief
20 procurement officer may vary from industry to industry to the
21 extent necessary to reflect differing characteristics of those
22 industries, subject to the following limitations:

23 (1) No wholesale business is a small business if its
24 annual sales for its most recently completed fiscal year
25 exceed \$14,000,000 ~~10,000,000~~.

1 (2) No retail business or business selling services is
2 a small business if it employs more than 100 employees or
3 if its annual sales and receipts exceed \$~~7,000,000~~
4 ~~6,000,000~~. For retail business or business selling
5 information technology services that include, but are not
6 limited to, computer programming, data processing and
7 system design businesses, annual sales and receipts may not
8 exceed \$25,000,000.

9 (3) No manufacturing business is a small business if it
10 employs more than 250 persons.

11 (4) No construction business is a small business if its
12 annual sales and receipts exceed \$10,000,000.

13 (c) Fair proportion. For the purpose of subsection (a), for
14 State agencies of the executive branch, a fair proportion of
15 construction contracts shall be no less than 25% nor more than
16 40% of the annual total contracts for construction.

17 (d) Withdrawal of designation. A small business set-aside
18 designation may be withdrawn by the purchasing agency when
19 deemed in the best interests of the State. Upon withdrawal, all
20 bids or offers shall be rejected, and the bidders or offerors
21 shall be notified of the reason for rejection. The contract
22 shall then be awarded in accordance with this Code without the
23 designation of small business set-aside.

24 (e) Small business specialist. The chief procurement
25 officer shall designate a State purchasing officer who will be
26 responsible for engaging an experienced contract negotiator to

1 serve as its small business specialist, whose duties shall
2 include:

3 (1) Compiling and maintaining a comprehensive bidders
4 list of small businesses. In this duty, he or she shall
5 cooperate with the Federal Small Business Administration
6 in locating potential sources for various products and
7 services.

8 (2) Assisting small businesses in complying with the
9 procedures for bidding on State contracts.

10 (3) Examining requests from State agencies for the
11 purchase of property or services to help determine which
12 invitations to bid are to be designated small business
13 set-asides.

14 (4) Making recommendations to the chief procurement
15 officer for the simplification of specifications and terms
16 in order to increase the opportunities for small business
17 participation.

18 (5) Assisting in investigations by purchasing agencies
19 to determine the responsibility of bidders on small
20 business set-asides.

21 (f) Small business annual report. The State purchasing
22 officer designated under subsection (e) shall annually before
23 December 1 report in writing to the General Assembly concerning
24 the awarding of contracts to small businesses. The report shall
25 include the total value of awards made in the preceding fiscal
26 year under the designation of small business set-aside. The

1 report shall also include the total value of awards made to
2 businesses owned by minorities, females, and persons with
3 disabilities, as defined in the Business Enterprise for
4 Minorities, Females, and Persons with Disabilities Act, in the
5 preceding fiscal year under the designation of small business
6 set-aside.

7 The requirement for reporting to the General Assembly shall
8 be satisfied by filing copies of the report as required by
9 Section 3.1 of the General Assembly Organization Act.

10 (Source: P.A. 92-60, eff. 7-12-01; 93-769, eff. 1-1-05.)

11 (30 ILCS 500/50-10.5)

12 Sec. 50-10.5. Prohibited bidders and contractors.

13 (a) Unless otherwise provided, no business shall bid or
14 enter into a contract or subcontract under this Code if the
15 business or any officer, director, partner, or other managerial
16 agent of the business has been convicted of a felony under the
17 Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under
18 the Illinois Securities Law of 1953 for a period of 5 years
19 from the date of conviction.

20 (b) Every bid submitted to and contract executed by the
21 State and every subcontract subject to Section 20-120 of this
22 Code shall contain a certification by the bidder, contractor,
23 or subcontractor, respectively, that the bidder, contractor,
24 or subcontractor is not barred from being awarded a contract or
25 subcontract under this Section and acknowledges that the chief

1 procurement officer shall declare the related contract void if
2 any of the certifications completed pursuant to this subsection
3 (b) are false. If the false certification is made by a
4 subcontractor, then the contractor's submitted bid and the
5 executed contract may not be declared void, unless the
6 contractor refuses to terminate the subcontract upon the
7 State's request after a finding that the subcontract's
8 certification was false.

9 (c) If a business is not a natural person, the prohibition
10 in subsection (a) applies only if:

11 (1) the business itself is convicted of a felony
12 referenced in subsection (a); or

13 (2) the business is ordered to pay punitive damages
14 based on the conduct of any officer, director, partner, or
15 other managerial agent who has been convicted of a felony
16 referenced in subsection (a).

17 (d) A natural person who is convicted of a felony
18 referenced in subsection (a) remains subject to Section 50-10.

19 (e) No person or business shall bid or enter into a
20 contract under this Code if the person or business assisted an
21 employee of the State of Illinois, who, by the nature of his or
22 her duties, has the authority to participate personally and
23 substantially in the decision to award a State contract, by
24 reviewing, drafting, directing, or preparing any invitation
25 for bids, a request for proposal, or request for information or
26 provided similar assistance except as part of a publicly issued

1 opportunity to review drafts of all or part of these documents.

2 This subsection does not prohibit a person or business from
3 submitting a bid or proposal or entering into a contract if the
4 person or business: (i) initiates a communication with an
5 employee to provide general information about products,
6 services, or industry best practices and, if applicable, that
7 communication is documented in accordance with Section 50-39 or
8 (ii) responds to a communication initiated by an employee of
9 the State for the purposes of providing information to evaluate
10 new products, trends, services, or technologies.

11 Nothing in this Section prohibits a vendor developing
12 technology, goods, or services from bidding or offering to
13 supply that technology or those goods or services if the
14 subject demonstrated to the State represents industry trends
15 and innovation and is not specifically designed to meet the
16 State's needs.

17 For purposes of this subsection (e), "business" includes
18 all individuals with whom a business is affiliated, including,
19 but not limited to, any officer, agent, employee, consultant,
20 independent contractor, director, partner, or manager ~~or~~
21 ~~shareholder~~ of a business.

22 No person or business shall submit specifications to a
23 State agency unless requested to do so by an employee of the
24 State. No person or business who contracts with a State agency
25 to write specifications for a particular procurement need shall
26 submit a bid or proposal or receive a contract for that

1 procurement need.

2 (Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793
3 for the effective date of changes made by P.A. 96-795); 96-920,
4 eff. 7-1-10; 97-895, eff. 8-3-12.)

5 (30 ILCS 500/50-35)

6 Sec. 50-35. Financial disclosure and potential conflicts
7 of interest.

8 (a) All offers from responsive bidders or offerors with an
9 annual value of more than \$50,000 ~~\$25,000~~ shall be accompanied
10 by disclosure of the financial interests of the contractor,
11 bidder, or proposer and each subcontractor to be used. In
12 addition, all subcontracts identified as provided by Section
13 20-120 of this Code with an annual value of more than \$50,000
14 shall be accompanied by disclosure of the financial interests
15 of each subcontractor. The financial disclosure of each
16 successful bidder or offeror and its subcontractors shall be
17 incorporated as a material term of the contract and shall
18 become part of the publicly available contract or procurement
19 file maintained by the appropriate chief procurement officer.
20 Each disclosure under this Section shall be signed and made
21 under penalty of perjury by an authorized officer or employee
22 on behalf of the bidder or offeror, and must be filed with the
23 Procurement Policy Board.

24 (b) Disclosure shall include any ownership or distributive
25 income share that is in excess of 5%, or an amount greater than

1 60% of the annual salary of the Governor, of the disclosing
2 entity or its parent entity, whichever is less, unless the
3 contractor, bidder, or subcontractor (i) is a publicly traded
4 entity subject to Federal 10K reporting, in which case it may
5 submit its 10K disclosure in place of the prescribed
6 disclosure, or (ii) is a privately held entity that is exempt
7 from Federal 10k reporting but has more than 100 ~~200~~
8 shareholders, in which case it may submit the information that
9 Federal 10k reporting companies are required to report under 17
10 CFR 229.401 and list the names of any person or entity holding
11 any ownership share that is in excess of 5% in place of the
12 prescribed disclosure. The form of disclosure shall be
13 prescribed by the applicable chief procurement officer and must
14 include at least the names, addresses, and dollar or
15 proportionate share of ownership of each person identified in
16 this Section, their instrument of ownership or beneficial
17 relationship, and notice of any potential conflict of interest
18 resulting from the current ownership or beneficial
19 relationship of each person identified in this Section having
20 in addition any of the following relationships:

21 (1) State employment, currently or in the previous 3
22 years, including contractual employment of services.

23 (2) State employment of spouse, father, mother, son, or
24 daughter, including contractual employment for services in
25 the previous 2 years.

26 (3) Elective status; the holding of elective office of

1 the State of Illinois, the government of the United States,
2 any unit of local government authorized by the Constitution
3 of the State of Illinois or the statutes of the State of
4 Illinois currently or in the previous 3 years.

5 (4) Relationship to anyone holding elective office
6 currently or in the previous 2 years; spouse, father,
7 mother, son, or daughter.

8 (5) Appointive office; the holding of any appointive
9 government office of the State of Illinois, the United
10 States of America, or any unit of local government
11 authorized by the Constitution of the State of Illinois or
12 the statutes of the State of Illinois, which office
13 entitles the holder to compensation in excess of expenses
14 incurred in the discharge of that office currently or in
15 the previous 3 years.

16 (6) Relationship to anyone holding appointive office
17 currently or in the previous 2 years; spouse, father,
18 mother, son, or daughter.

19 (7) Employment, currently or in the previous 3 years,
20 as or by any registered lobbyist of the State government.

21 (8) Relationship to anyone who is or was a registered
22 lobbyist in the previous 2 years; spouse, father, mother,
23 son, or daughter.

24 (9) Compensated employment, currently or in the
25 previous 3 years, by any registered election or re-election
26 committee registered with the Secretary of State or any

1 county clerk in the State of Illinois, or any political
2 action committee registered with either the Secretary of
3 State or the Federal Board of Elections.

4 (10) Relationship to anyone; spouse, father, mother,
5 son, or daughter; who is or was a compensated employee in
6 the last 2 years of any registered election or re-election
7 committee registered with the Secretary of State or any
8 county clerk in the State of Illinois, or any political
9 action committee registered with either the Secretary of
10 State or the Federal Board of Elections.

11 (b-1) The disclosure required under this Section must also
12 include the name and address of each lobbyist required to
13 register under the Lobbyist Registration Act and other agent of
14 the bidder or offeror who is not identified under subsections
15 (a) and (b) and who has communicated, is communicating, or may
16 communicate with any State officer or employee concerning the
17 bid or offer. The disclosure under this subsection is a
18 continuing obligation and must be promptly supplemented for
19 accuracy throughout the process and throughout the term of the
20 contract if the bid or offer is successful.

21 (b-2) The disclosure required under this Section must also
22 include, for each of the persons identified in subsection (b)
23 or (b-1), each of the following that occurred within the
24 previous 10 years: debarment from contracting with any
25 governmental entity; professional licensure discipline;
26 bankruptcies; adverse civil judgments and administrative

1 findings; and criminal felony convictions. The disclosure
2 under this subsection is a continuing obligation and must be
3 promptly supplemented for accuracy throughout the process and
4 throughout the term of the contract if the bid or offer is
5 successful.

6 (c) The disclosure in subsection (b) is not intended to
7 prohibit or prevent any contract. The disclosure is meant to
8 fully and publicly disclose any potential conflict to the chief
9 procurement officers, State purchasing officers, their
10 designees, and executive officers so they may adequately
11 discharge their duty to protect the State.

12 (d) When a potential for a conflict of interest is
13 identified, discovered, or reasonably suspected, the chief
14 procurement officer or State procurement officer shall send the
15 contract to the Procurement Policy Board. In accordance with
16 the objectives of subsection (c), if the Procurement Policy
17 Board finds evidence of a potential conflict of interest not
18 originally disclosed by the contractor or subcontractor, the
19 Board shall provide written notice to the contractor or
20 subcontractor that is identified, discovered, or reasonably
21 suspected of having a potential conflict of interest. The
22 contractor or subcontractor shall have 15 days to respond in
23 writing to the Board, and a hearing before the Board will be
24 granted upon the contractor's or subcontractor's request, at a
25 date and time to be determined by the Board, but which in no
26 event shall occur later than 15 days after the date of the

1 request. Upon consideration, the Board shall recommend, in
2 writing, whether to allow or void the contract, bid, offer, or
3 subcontract weighing the best interest of the State of
4 Illinois. All recommendations shall be submitted to the
5 Executive Ethics Commission. The Executive Ethics Commission
6 must hold a public hearing within 30 days after receiving the
7 Board's recommendation if the Procurement Policy Board makes a
8 recommendation to (i) void a contract or (ii) void a bid or
9 offer and the chief procurement officer selected or intends to
10 award the contract to the bidder or offeror. A chief
11 procurement officer is prohibited from awarding a contract
12 before a hearing if the Board recommendation does not support a
13 bid or offer. The recommendation and proceedings of any
14 hearing, if applicable, shall be available to the public.

15 (e) These thresholds and disclosure do not relieve the
16 chief procurement officer, the State purchasing officer, or
17 their designees from reasonable care and diligence for any
18 contract, bid, offer, or proposal. The chief procurement
19 officer, the State purchasing officer, or their designees shall
20 be responsible for using any reasonably known and publicly
21 available information to discover any undisclosed potential
22 conflict of interest and act to protect the best interest of
23 the State of Illinois.

24 (f) Inadvertent or accidental failure to fully disclose
25 shall render the contract, bid, proposal, subcontract, or
26 relationship voidable by the chief procurement officer if he or

1 she deems it in the best interest of the State of Illinois and,
2 at his or her discretion, may be cause for barring from future
3 contracts, bids, proposals, subcontracts, or relationships
4 with the State for a period of up to 2 years.

5 (g) Intentional, willful, or material failure to disclose
6 shall render the contract, bid, proposal, subcontract, or
7 relationship voidable by the chief procurement officer if he or
8 she deems it in the best interest of the State of Illinois and
9 shall result in debarment from future contracts, bids,
10 proposals, subcontracts, or relationships for a period of not
11 less than 2 years and not more than 10 years. Reinstatement
12 after 2 years and before 10 years must be reviewed and
13 commented on in writing by the Governor of the State of
14 Illinois, or by an executive ethics board or commission he or
15 she might designate. The comment shall be returned to the
16 responsible chief procurement officer who must rule in writing
17 whether and when to reinstate.

18 (h) In addition, all disclosures shall note any other
19 current or pending contracts, proposals, subcontracts, leases,
20 or other ongoing procurement relationships the bidding,
21 proposing, offering, or subcontracting entity has with any
22 other unit of State government and shall clearly identify the
23 unit and the contract, proposal, lease, or other relationship.

24 (i) The contractor or bidder has a continuing obligation to
25 supplement the disclosure required by this Section throughout
26 the bidding process or during the term of any contract.

1 (Source: P.A. 96-795, eff. 7-1-10 (see Section 5 of P.A. 96-793
2 for the effective date of changes made by P.A. 96-795); 96-920,
3 eff. 7-1-10; 97-490, eff. 8-22-11; 97-895, eff. 8-3-12.)

4 (30 ILCS 500/50-36)

5 Sec. 50-36. Disclosure of business in Iran.

6 (a) As used in this Section:

7 "Business operations" means engaging in commerce in any
8 form in Iran, including, but not limited to, acquiring,
9 developing, maintaining, owning, selling, possessing, leasing,
10 or operating equipment, facilities, personnel, products,
11 services, personal property, real property, or any other
12 apparatus of business or commerce.

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

20 "Mineral-extraction activities" include exploring,
21 extracting, processing, transporting, or wholesale selling or
22 trading of elemental minerals or associated metal alloys or
23 oxides (ore), including gold, copper, chromium, chromite,
24 diamonds, iron, iron ore, silver, tungsten, uranium, and zinc.

25 "Oil-related activities" include, but are not limited to,

1 owning rights to oil blocks; exporting, extracting, producing,
2 refining, processing, exploring for, transporting, selling, or
3 trading of oil; and constructing, maintaining, or operating a
4 pipeline, refinery, or other oil-field infrastructure. The
5 mere retail sale of gasoline and related consumer products is
6 not considered an oil-related activity.

7 "Petroleum resources" means petroleum, petroleum
8 byproducts, or natural gas.

9 "Substantial action" means adopting, publicizing, and
10 implementing a formal plan to cease scrutinized business
11 operations within one year and to refrain from any such new
12 business operations.

13 (b) Each bid, offer, or proposal submitted for a State
14 contract, other than a small purchase defined in Section 20-20,
15 shall include a disclosure of whether or not the bidder,
16 offeror, or proposing entity, or any of its corporate parents
17 or subsidiaries, within the 24 months before submission of the
18 bid, offer, or proposal had business operations that involved
19 contracts with or provision of supplies or services to the
20 Government of Iran, companies in which the Government of Iran
21 has any direct or indirect equity share, consortiums or
22 projects commissioned by the Government of Iran, or companies
23 involved in consortiums or projects commissioned by the
24 Government of Iran and:

25 (1) more than 10% of the company's revenues produced in
26 or assets located in Iran involve oil-related activities or

1 mineral-extraction activities; less than 75% of the
2 company's revenues produced in or assets located in Iran
3 involve contracts with or provision of oil-related or
4 mineral-extraction products or services to the Government
5 of Iran or a project or consortium created exclusively by
6 that government; and the company has failed to take
7 substantial action; or

8 (2) the company has, on or after August 5, 1996, made
9 an investment of \$20 million or more, or any combination of
10 investments of at least \$10 million each that in the
11 aggregate equals or exceeds \$20 million in any 12-month
12 period, that directly or significantly contributes to the
13 enhancement of Iran's ability to develop petroleum
14 resources of Iran.

15 (c) A bid, offer, or proposal that does not include the
16 disclosure required by subsection (b) shall not be awarded a
17 contract ~~considered responsive~~. A chief procurement officer
18 may request any correction of the disclosure and may consider
19 the disclosure when evaluating the bid, offer, or proposal or
20 awarding the contract.

21 (d) Each chief procurement officer shall provide the State
22 Comptroller with the name of each entity disclosed under
23 subsection (b) as doing business or having done business in
24 Iran. The State Comptroller shall post that information on his
25 or her official website.

26 (Source: P.A. 95-616, eff. 1-1-08.)

1 Section 99. Effective date. This Act takes effect upon
2 becoming law.".