

HB1579



104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB1579

Introduced 1/28/2025, by Rep. Dave Vella

SYNOPSIS AS INTRODUCED:

30 ILCS 500/20-10
20 ILCS 605/605-1118 new

Amends the Department of Commerce and Economic Opportunity Law of the Civil Administrative Code of Illinois. Provides that the Department of Commerce and Economic Opportunity shall create and administer a bid credit program to provide economic incentives, through bid credits, for small and medium-sized manufacturers. Amends the Illinois Procurement Code to make conforming changes. Effective immediately.

LRB104 06275 HLH 16310 b

A BILL FOR

1 AN ACT concerning State government.

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 (Text of Section from P.A. 96-159, 96-588, 97-96, 97-895,
8 98-1076, 99-906, 100-43, 101-31, 101-657, 102-29, 103-558, and
9 103-564)

10 Sec. 20-10. Competitive sealed bidding; reverse auction.

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

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

18 (c) Public notice. Public notice of the invitation for
19 bids shall be published in the Illinois Procurement Bulletin
20 at least 14 calendar days before the date set in the invitation
21 for the opening of bids.

22 (d) Bid opening. Bids shall be opened publicly or through
23 an electronic procurement system in the presence of one or

1 more witnesses at the time and place designated in the
2 invitation for bids. The name of each bidder, including earned
3 and applied bid credit from the Illinois Works Jobs Program
4 Act and including the earned and applied bid credit from the
5 program established under Section 605-1118 of the Department
6 of Commerce and Economic Opportunity Law of the Civil
7 Administrative Code of Illinois, the amount of each bid, and
8 other relevant information as may be specified by rule shall
9 be recorded. After the award of the contract, the winning bid
10 and the record of each unsuccessful bid shall be open to public
11 inspection.

12 (e) Bid acceptance and bid evaluation. Bids shall be
13 unconditionally accepted without alteration or correction,
14 except as authorized in this Code. Bids shall be evaluated
15 based on the requirements set forth in the invitation for
16 bids, which may include criteria to determine acceptability
17 such as inspection, testing, quality, workmanship, delivery,
18 and suitability for a particular purpose. Those criteria that
19 will affect the bid price and be considered in evaluation for
20 award, such as discounts, transportation costs, and total or
21 life cycle costs, shall be objectively measurable. The
22 invitation for bids shall set forth the evaluation criteria to
23 be used.

24 (f) Correction or withdrawal of bids. Correction or
25 withdrawal of inadvertently erroneous bids before or after
26 award, or cancellation of awards of contracts based on bid

1 mistakes, shall be permitted in accordance with rules. After
2 bid opening, no changes in bid prices or other provisions of
3 bids prejudicial to the interest of the State or fair
4 competition shall be permitted. All decisions to permit the
5 correction or withdrawal of bids based on bid mistakes shall
6 be supported by written determination made by a State
7 purchasing officer.

8 (g) Award. The contract shall be awarded with reasonable
9 promptness by written notice to the lowest responsible and
10 responsive bidder whose bid meets the requirements and
11 criteria set forth in the invitation for bids, except when a
12 State purchasing officer determines it is not in the best
13 interest of the State and by written explanation determines
14 another bidder shall receive the award. The explanation shall
15 appear in the appropriate volume of the Illinois Procurement
16 Bulletin. The written explanation must include:

17 (1) a description of the agency's needs;

18 (2) a determination that the anticipated cost will be
19 fair and reasonable;

20 (3) a listing of all responsible and responsive
21 bidders; and

22 (4) the name of the bidder selected, the total
23 contract price, and the reasons for selecting that bidder.

24 Each chief procurement officer may adopt guidelines to
25 implement the requirements of this subsection (g).

26 The written explanation shall be filed with the

1 Legislative Audit Commission, and the Commission on Equity and
2 Inclusion, and the Procurement Policy Board, and be made
3 available for inspection by the public, within 14 calendar
4 days after the agency's decision to award the contract.

5 (g-5) Failed bid notice. In addition to the requirements
6 of subsection (g), if a bidder has failed to be awarded a
7 contract after 4 consecutive bids to provide the same services
8 to the Department of Transportation, the Capital Development
9 Board, or the Illinois State Toll Highway Authority, the
10 applicable agency shall, in writing, detail why each of the 4
11 bids was not awarded to the bidder. The applicable agency
12 shall submit by certified copy to the bidder the reason or
13 reasons why each of the 4 bids was not awarded to the bidder.
14 The agency shall submit that certified copy to the bidder
15 within the same calendar quarter in which the fourth bid was
16 rejected. This subsection does not apply if information
17 pertaining to a failed bid was previously disclosed to a
18 bidder by electronic means. If any agency chooses to provide
19 information by electronic means, the agency shall have a
20 written policy outlining how the agency will reasonably ensure
21 the bidder receives the information. For the purposes of this
22 subsection, "electronic means" means an email communication
23 from the applicable agency to the bidder or a public posting on
24 the applicable agency's procurement bulletin.

25 (h) Multi-step sealed bidding. When it is considered
26 impracticable to initially prepare a purchase description to

1 support an award based on price, an invitation for bids may be
2 issued requesting the submission of unpriced offers to be
3 followed by an invitation for bids limited to those bidders
4 whose offers have been qualified under the criteria set forth
5 in the first solicitation.

6 (i) Alternative procedures. Notwithstanding any other
7 provision of this Act to the contrary, the Director of the
8 Illinois Power Agency may create alternative bidding
9 procedures to be used in procuring professional services under
10 Section 1-56, subsections (a) and (c) of Section 1-75 and
11 subsection (d) of Section 1-78 of the Illinois Power Agency
12 Act and Section 16-111.5(c) of the Public Utilities Act and to
13 procure renewable energy resources under Section 1-56 of the
14 Illinois Power Agency Act. These alternative procedures shall
15 be set forth together with the other criteria contained in the
16 invitation for bids, and shall appear in the appropriate
17 volume of the Illinois Procurement Bulletin.

18 (j) Reverse auction. Notwithstanding any other provision
19 of this Section and in accordance with rules adopted by the
20 chief procurement officer, that chief procurement officer may
21 procure supplies or services through a competitive electronic
22 auction bidding process after the chief procurement officer
23 determines that the use of such a process will be in the best
24 interest of the State. The chief procurement officer shall
25 publish that determination in his or her next volume of the
26 Illinois Procurement Bulletin.

1 An invitation for bids shall be issued and shall include
2 (i) a procurement description, (ii) all contractual terms,
3 whenever practical, and (iii) conditions applicable to the
4 procurement, including a notice that bids will be received in
5 an electronic auction manner.

6 Public notice of the invitation for bids shall be given in
7 the same manner as provided in subsection (c).

8 Bids shall be accepted electronically at the time and in
9 the manner designated in the invitation for bids. During the
10 auction, a bidder's price shall be disclosed to other bidders.
11 Bidders shall have the opportunity to reduce their bid prices
12 during the auction. At the conclusion of the auction, the
13 record of the bid prices received and the name of each bidder
14 shall be open to public inspection.

15 After the auction period has terminated, withdrawal of
16 bids shall be permitted as provided in subsection (f).

17 The contract shall be awarded within 60 calendar days
18 after the auction by written notice to the lowest responsible
19 bidder, or all bids shall be rejected except as otherwise
20 provided in this Code. Extensions of the date for the award may
21 be made by mutual written consent of the State purchasing
22 officer and the lowest responsible bidder.

23 This subsection does not apply to (i) procurements of
24 professional and artistic services, (ii) telecommunications
25 services, communication services, and information services,
26 and (iii) contracts for construction projects, including

1 design professional services.

2 (Source: P.A. 102-29, eff. 6-25-21; 103-558, eff. 1-1-24;
3 103-564, eff. 11-17-23.)

4 (Text of Section from P.A. 96-159, 96-795, 97-96, 97-895,
5 98-1076, 99-906, 100-43, 101-31, 101-657, 102-29, 103-558, and
6 103-564)

7 Sec. 20-10. Competitive sealed bidding; reverse auction.

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
16 bids shall be published in the Illinois Procurement Bulletin
17 at least 14 calendar days before the date set in the invitation
18 for the opening of bids.

19 (d) Bid opening. Bids shall be opened publicly or through
20 an electronic procurement system in the presence of one or
21 more witnesses at the time and place designated in the
22 invitation for bids. The name of each bidder, including earned
23 and applied bid credit from the Illinois Works Jobs Program
24 Act and including the earned and applied bid credit from the
25 program established under Section 605-1118 of the Department

1 of Commerce and Economic Opportunity Law of the Civil
2 Administrative Code of Illinois, the amount of each bid, and
3 other relevant information as may be specified by rule shall
4 be recorded. After the award of the contract, the winning bid
5 and the record of each unsuccessful bid shall be open to public
6 inspection.

7 (e) Bid acceptance and bid evaluation. Bids shall be
8 unconditionally accepted without alteration or correction,
9 except as authorized in this Code. Bids shall be evaluated
10 based on the requirements set forth in the invitation for
11 bids, which may include criteria to determine acceptability
12 such as inspection, testing, quality, workmanship, delivery,
13 and suitability for a particular purpose. Those criteria that
14 will affect the bid price and be considered in evaluation for
15 award, such as discounts, transportation costs, and total or
16 life cycle costs, shall be objectively measurable. The
17 invitation for bids shall set forth the evaluation criteria to
18 be used.

19 (f) Correction or withdrawal of bids. Correction or
20 withdrawal of inadvertently erroneous bids before or after
21 award, or cancellation of awards of contracts based on bid
22 mistakes, shall be permitted in accordance with rules. After
23 bid opening, no changes in bid prices or other provisions of
24 bids prejudicial to the interest of the State or fair
25 competition shall be permitted. All decisions to permit the
26 correction or withdrawal of bids based on bid mistakes shall

1 be supported by written determination made by a State
2 purchasing officer.

3 (g) Award. The contract shall be awarded with reasonable
4 promptness by written notice to the lowest responsible and
5 responsive bidder whose bid meets the requirements and
6 criteria set forth in the invitation for bids, except when a
7 State purchasing officer determines it is not in the best
8 interest of the State and by written explanation determines
9 another bidder shall receive the award. The explanation shall
10 appear in the appropriate volume of the Illinois Procurement
11 Bulletin. The written explanation must include:

12 (1) a description of the agency's needs;

13 (2) a determination that the anticipated cost will be
14 fair and reasonable;

15 (3) a listing of all responsible and responsive
16 bidders; and

17 (4) the name of the bidder selected, the total
18 contract price, and the reasons for selecting that bidder.

19 Each chief procurement officer may adopt guidelines to
20 implement the requirements of this subsection (g).

21 The written explanation shall be filed with the
22 Legislative Audit Commission, and the Commission on Equity and
23 Inclusion, and the Procurement Policy Board, and be made
24 available for inspection by the public, within 14 days after
25 the agency's decision to award the contract.

26 (g-5) Failed bid notice. In addition to the requirements

1 of subsection (g), if a bidder has failed to be awarded a
2 contract after 4 consecutive bids to provide the same services
3 to the Department of Transportation, the Capital Development
4 Board, or the Illinois State Toll Highway Authority, the
5 applicable agency shall, in writing, detail why each of the 4
6 bids was not awarded to the bidder. The applicable agency
7 shall submit by certified copy to the bidder the reason or
8 reasons why each of the 4 bids was not awarded to the bidder.
9 The agency shall submit that certified copy to the bidder
10 within the same calendar quarter in which the fourth bid was
11 rejected. This subsection does not apply if information
12 pertaining to a failed bid was previously disclosed to a
13 bidder by electronic means. If any agency chooses to provide
14 information by electronic means, the agency shall have a
15 written policy outlining how the agency will reasonably ensure
16 the bidder receives the information. For the purposes of this
17 subsection, "electronic means" means an email communication
18 from the applicable agency to the bidder or a public posting on
19 the applicable agency's procurement bulletin.

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

1 (i) Alternative procedures. Notwithstanding any other
2 provision of this Act to the contrary, the Director of the
3 Illinois Power Agency may create alternative bidding
4 procedures to be used in procuring professional services under
5 subsections (a) and (c) of Section 1-75 and subsection (d) of
6 Section 1-78 of the Illinois Power Agency Act and Section
7 16-111.5(c) of the Public Utilities Act and to procure
8 renewable energy resources under Section 1-56 of the Illinois
9 Power Agency Act. These alternative procedures shall be set
10 forth together with the other criteria contained in the
11 invitation for bids, and shall appear in the appropriate
12 volume of the Illinois Procurement Bulletin.

13 (j) Reverse auction. Notwithstanding any other provision
14 of this Section and in accordance with rules adopted by the
15 chief procurement officer, that chief procurement officer may
16 procure supplies or services through a competitive electronic
17 auction bidding process after the chief procurement officer
18 determines that the use of such a process will be in the best
19 interest of the State. The chief procurement officer shall
20 publish that determination in his or her next volume of the
21 Illinois Procurement Bulletin.

22 An invitation for bids shall be issued and shall include
23 (i) a procurement description, (ii) all contractual terms,
24 whenever practical, and (iii) conditions applicable to the
25 procurement, including a notice that bids will be received in
26 an electronic auction manner.

1 Public notice of the invitation for bids shall be given in
2 the same manner as provided in subsection (c).

3 Bids shall be accepted electronically at the time and in
4 the manner designated in the invitation for bids. During the
5 auction, a bidder's price shall be disclosed to other bidders.
6 Bidders shall have the opportunity to reduce their bid prices
7 during the auction. At the conclusion of the auction, the
8 record of the bid prices received and the name of each bidder
9 shall be open to public inspection.

10 After the auction period has terminated, withdrawal of
11 bids shall be permitted as provided in subsection (f).

12 The contract shall be awarded within 60 calendar days
13 after the auction by written notice to the lowest responsible
14 bidder, or all bids shall be rejected except as otherwise
15 provided in this Code. Extensions of the date for the award may
16 be made by mutual written consent of the State purchasing
17 officer and the lowest responsible bidder.

18 This subsection does not apply to (i) procurements of
19 professional and artistic services, (ii) telecommunications
20 services, communication services, and information services,
21 and (iii) contracts for construction projects, including
22 design professional services.

23 (Source: P.A. 102-29, eff. 6-25-21; 103-558, eff. 1-1-24;
24 103-564, eff. 11-17-23.)

25 Section 10. The Department of Commerce and Economic

1 Opportunity Law of the Civil Administrative Code of Illinois
2 is amended by adding Section 605-1118 as follows:

3 (20 ILCS 605/605-1118 new)

4 Sec. 605-1118. Manufacturing bid credit program.

5 (a) For State fiscal years beginning on or after July 1,
6 2025, the Department shall create and administer a bid credit
7 program to provide economic incentives, through bid credits,
8 for small and medium-sized manufacturers. The program shall
9 allow approved manufacturers to earn bid credits for use
10 toward future bids for projects contracted by the State or an
11 agency of the State in order to increase the chances that the
12 approved manufacturer will be selected. Manufacturers shall
13 earn bid credits at a rate established by the Department by
14 rule based on: (i) the size of the business; (ii) whether the
15 business had a previous relationship with the State within the
16 5-year period immediately preceding the date of the
17 application; and (iii) whether the bid will have a positive
18 impact on the growth of the business. The Department shall
19 establish the rate by rule and shall publish it on the
20 Department's website.

21 (b) As used in this Section:

22 "Medium-sized manufacturer" means a business that is
23 primarily engaged in manufacturing activities and that has
24 between 50 and 200 employees on the date of the application.

25 "Small manufacturer" means a business that is primarily

1 engaged in manufacturing activities and that has fewer than 50
2 employees on the date of the application.

3 Section 95. No acceleration or delay. Where this Act makes
4 changes in a statute that is represented in this Act by text
5 that is not yet or no longer in effect (for example, a Section
6 represented by multiple versions), the use of that text does
7 not accelerate or delay the taking effect of (i) the changes
8 made by this Act or (ii) provisions derived from any other
9 Public Act.

10 Section 99. Effective date. This Act takes effect upon
11 becoming law.