



Notice 2017.01

Capital Development Board

To: Jodi Golden, Executive Director Capital Development Board
CDB Procurement Staff
CPO-CDB State Purchasing Officers

From: Margaret van Dijk, Chief Procurement Officer for the Capital Development Board

Date: October 4, 2016

Subject: Requirements for Disclosure and Certification and
Addition or Change of Subcontractors

This CPO Notice is effective immediately. This notice repeals and replaces CPO Notice 2013.01 and provides additional information when there is an addition or change of subcontractors.

The Illinois Procurement Code (Code) defines subcontractor to mean a person or entity that enters into a contractual agreement with a total value of \$50,000 or more with a person or entity who has a contract subject to the Code. 30 ILCS 500/1-15.108.

Subcontractor Financial Disclosures and Certifications

In accordance with the Code, all subcontracts with an annual value of more than \$50,000 must have required documentation. Required documentation may be provided by completing [Form A](#) or have an approved Illinois Procurement Gateway registration number and completing [Form B](#). The documentation provided in Form A or Form B is incorporated as a material term of the contract and becomes part of the public procurement file.

No work may be performed by subcontractors until Form A or Form B has been reviewed and approved by the Chief Procurement Office. This requirement applies to contractor and architect or engineer subcontractors and subconsultants, including second or third tier subcontractors and subconsultants. If a subcontractor was not required to complete Form A or Form B because the value of the subcontract was below \$50,000 and a change order or modification causes a contract to exceed \$50,000, Form A or Form B must be completed by the subcontractor and approved as part of the change order or modification process.



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Addition or Change of Subcontractors

For the addition or change of a subcontractor, the Code provides:

If at any time during the term of a contract, a contractor adds or changes any subcontractors, he or she shall promptly notify, in writing, the chief procurement officer, State purchasing officer, or their designee of the names and addresses of each new or replaced subcontractor and the general type of work to be performed.
30 ILCS 500/20-120(b).

A contractor may not change a subcontractor listed in the original bid or proposal, except for good cause, and with the consent of the State Purchasing Officer (SPO). Good cause examples are provided for in CPO rule, and are designed to reduce bid shopping and bid swapping and ensure that goals set for a project under the Business Enterprise Program and Veteran Business Program are not undermined. See 44 Ill. Admin. Code §8.2005(n)(3)(A). Contractors are required to provide a copy of its request for change to the listed subcontractor by registered or certified mail to the last known address of the subcontractor. 44 Ill. Admin. Code §8.2005(n)(3)(B).

If, at any time during the term of the contract, after the initial approved Contractors Schedule of Values (CSV), a contractor desires to add or change any subcontractors with subcontracts with a value of \$50,000 or more, the contractor shall promptly notify CDB, in writing, of the names and addresses of the proposed subcontractors, the estimated amount of money each new or replaced subcontractor will receive, and the general type of work to be performed. Subcontractors shall be required to register with CDB prior to entering into an agreement and provide a completed [Form A](#) or [Form B](#) prior to entering into a contract with the Prime Contractor. See 44 Ill. Admin. Code §8.2005(n)(2).

To meet the requirements of the Code and rules and to ensure consistency and timeliness of notice, contractors, CDB, and the Chief Procurement Office will undertake the following steps when there is a requested addition or change of subcontractors after the initial approved CSV:

1. CDB Construction is notified of a requested subcontractor addition or change by the prime contractor. CDB Construction requests the contractor complete Document 670-Subcontractor Add/Change form found on the CDB reference library.
2. The contractor returns the 670 form to the Project Manager (PM). CDB verifies prime contractor has provided a copy of the contractor's request for change to the affected subcontractor by registered or certified mail to the last known address of the subcontractor and includes a copy of the notice with the 670 form.
3. For MBE/FBE/VBE firms used to meet contracting goals, CDB Construction forwards the 670 form, copy of notice to the original subcontractor, and any additional information necessary to CDB FEP for review.



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- CDB FEP reviews the addition or change to determine if the contracting goals are met. If goals are not met, CDB FEP works with prime contractor to ensure compliance with original contracting goals. Once approved, CDB FEP forwards all information to CDB Contracts for review.
4. For subcontractors not used to meet contracting goals, CDB Construction forwards the 670 form, copy of notice to the original subcontractor with the registered or certified mail receipt, and any additional information necessary to CDB Contracts for review.
 5. CDB Contracts obtains Form A or Form B for the added or changed subcontractor. CDB Contracts will review for Potential Conflicts of Interest and prepare all necessary documents for submission to the CPO Office.
 6. CDB Contracts submits the 670 form, copy of notice to the original subcontractor with the registered or certified mail receipt, Form A or Form B, and (when applicable) FEP review documentation to the CPO Office for review and approval. Upon approval, the CPO Office will return the approved 670 form to CDB Contracts for issuance of Authorization to Proceed (ATP).
 7. Once ATP is issued the contractor may use the new firm for field work and bill accordingly once the amended CSV is approved by CDB.
 8. CDB Contracts includes a copy of completed Document 670 and Form A or Form B in the procurement file and the subcontractor tracking log.

An updated Document 670-Add/Change form is released with issuance of this CPO memo and should be used in conjunction with requests for additions or changes of subcontractors.

Please ensure all relevant staff are notified and incorporate the new 670 Add/Change form and approval process into their work procedures. If there are any questions, please contact the Chief Procurement Office at 217-558-2156.

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