



STATE OF ILLINOIS
PROCUREMENT POLICY BOARD

David Vaught, Chairman

Members: Michael Bass, Ed Bedore, Ricardo Morales, Diego Ferrer

RESOLUTION OF
THE ILLINOIS PROCUREMENT POLICY BOARD

WHEREAS, the Illinois Procurement Policy Board (the “Board”), pursuant to statutory authority (30 ILCS 500/5-5) has the authority and responsibility to review, comment upon, and recommend procurement practices to the State of Illinois;

WHEREAS, the general policy of the State of Illinois (“State”), as provided in the Illinois Procurement Code, Article 50, is to ensure that State procurements are conducted in an ethical manner and that potential financial conflicts of interest and other financial interests which could taint the procurement process, are openly disclosed to the State and the public;

WHEREAS, specifically, Section 50-35 of the Illinois Procurement Code (30 ILCS 500/50-35) was amended by Public Act 96-795 (known as Senate Bill 51) regarding financial disclosures and requires that financial disclosures “. . . must be filed with the Procurement Policy Board”;

WHEREAS, the trailer bill to Senate Bill 51, Public Act 96-920, amended Section 50-35 again to provide that the threshold contract amount for requiring financial interest disclosures was increased from \$10,000 to \$25,000;

WHEREAS, the current language of Section 50-35(a) provides, “All offers from responsive bidders or offerors with an annual value of more than \$25,000 and all subcontracts identified as provided by Section 20-120 of this Code, shall be accompanied by disclosure of the financial interests of the contractor, bidder, proposer and each subcontractor to be used. The financial disclosure of each successful bidder or offeror and its subcontractors shall be incorporated as a material term of the contract . . .” (emphasis added);

WHEREAS, the Board interprets the phrase “successful bidder or offeror” to include any party contracting with the State to provide goods or services whether through competitive selection, sole source



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contract, emergency contract, or small purchase contract, or any other type of contract allowed under the Procurement Code;

WHEREAS, the Board notes that the General Assembly chose the dollar amount of \$25,000 (an increase over the previous dollar amount of \$10,000) as the threshold amount requiring disclosures of financial interests;

WHEREAS, the Board notes that the General Assembly set this amount in 50-35(a) at \$25,000 even though it knew that the small purchase threshold was set at \$50,000 for supplies and services and even after a lobbying campaign by the Board to set the financial disclosure threshold at \$50,000 in order to be in line with the small purchase threshold. Through those lobbying efforts it was learned that the General Assembly wanted financial disclosures to be given even for small purchases of \$25,000 or more even though this threshold was below the \$50,000 threshold for small purchases.

NOW, THEREFORE, based upon the foregoing recitations, the Board is resolved to make the following comment and recommendation to the Chief Procurement Officers regarding the interpretation of the Illinois Procurement Code:

Based upon the Board's interpretation of the statutory intent behind the financial disclosure requirements and also based upon the Board's review of best practices for purposes of ethical and open policy of State government procurements, the Board recommends that all State purchases allowed under the Procurement Code involving a contract of \$25,000 or more require the disclosure of financial information to be given by the successful bidder or offeror and any subcontractor regardless of whether or not the contract is issued through the Procurement Bulletin and competitively selected. The Board finds that the disclosure of financial interests should apply to all contracts procured under the Illinois Procurement Code, whether competitively selected or not and instead selected based on the small purchase, emergency, or sole source provisions of the Procurement Code. The purpose of the financial interest disclosure and the statutory language



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requiring the same is independent from and not subject to a requirement that the contract be competitively

selected or issued through the Procurement Bulletin. **APPROVED THIS 1 DAY OF SEPTEMBER**

2010.

AYE VOTES: 5

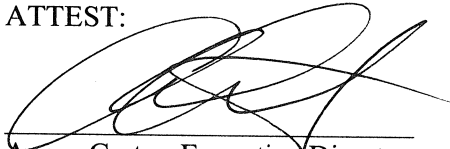
NAY VOTES: 0

CHAIRMAN OF THE ILLINOIS
PROCUREMENT POLICY BOARD



David Vaught

ATTEST:



Aaron Carter, Executive Director