

# Local Government Contracting

Matuszewich, Kelly & McKeever LLP

BY

JAMES P. KELLY  
Jpkelly@mkm-law.com  
(815) 459-3120

# When is Competitive Bidding Required?

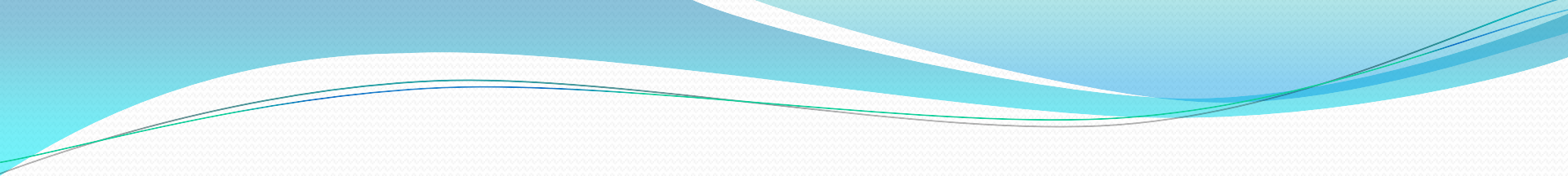
- ❖ Contracts over \$20,000 for construction 65 ILCS 5/8-9-1, 605 ILCS 5/6-201.7, 60 ILCS 1/85-30
  - ❖ Let to lowest responsible bidder
  - ❖ After advertizing
  - ❖ Following procedure establish by ordinance
  - ❖ Townships and Township Road Districts must award bids to the lowest responsible bidder for goods and construction services
- ❖ Bids are not required when there is a sole source provider.
- ❖ Bidding is not required for professional services such as for architectural, engineering and land surveying services

# Prohibited Activities

- ❖ Splitting Contracts
  - ❖ Contracts for more than \$20,000 can not be avoided by splitting them into smaller contracts
- ❖ Bid-Rigging
- ❖ Kickbacks
- ❖ Bid – Rotating
- ❖ 720 ILCS 5/33E-1 Public Contracts
  - ❖ Interference with public contracting. It is the finding of the General Assembly that the cost to the public is increased and the quality of goods, services and construction paid for by public monies is decreased when contracts for such goods, services or construction are obtained by any means other than through independent noncollusive submission of bids or offers by individual contractors or suppliers, and the evaluation of those bids or offers by the governmental unit pursuant only to criteria publicly announced in advance.

# Contract Requirements

- ❖ Prevailing Wage – Publish and Advertise
- ❖ Contract for public works over \$5000 requires material and work bond from each contractor who works on the project.
- ❖ Performance Bond – Not required by Statute
- ❖ Bid Bond – Not required by Statute
- ❖ Contractors Certification – Required – States that primary contractor is not barred from contracting with any unit of local government. 720 ILCS 5/33 E-1

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- ❖ Sexual Harassment Policy – Contract, recommended in bid specifications
  - ❖ Non-Discrimination – Contract, recommended in bid specifications 755 ILCS 10/0.01

# The Process

- ❖ Determine the materials required and scope of work
- ❖ Publish Bid
- ❖ Pre-Bid meeting with all contractors after notice
- ❖ Receipt and opening of Bid
  - ❖ Response bids. A bid with a material variance is unresponsive.
- ❖ Lowest responsible bidderes
  - ❖ Responsive
  - ❖ Lowest and Responsible
    - ❖ The lowest bidder is not always the most responsible bidder. The government can consider the financial ability of the bidder, work on previous similar projects, the ability of the bidder to complete the work

# The Process

- ❖ Acceptance of bid
  - ❖ The bid must be formally accepted and contract formed