Frequently Asked Questions

1. Who does this act apply to?

   *This act applies to all State of Illinois agencies. It has impact on Purchasing as well as Capital at the University of Illinois.*

2. Who is considered a vendor?

   *A vendor is a responsible bidder or offerer which is a person that has the capability in all respects to fully perform the contracts requirements and the integrity and reliability that will assure good faith performance. Vendors must be a legal entity at the time a bid or proposal is submitted for a State contract. (Sec. 1-15.80)*

3. What is considered a contract?

   *The Act defines a contract to mean all types of State agreements, including change orders and renewals, regardless of what they may be called, for the procurement, use, or disposal of supplies, services, professional or artistic services, or construction or for leases of real property, whether the State is lessor or lessee, or capital improvements, and including master contracts, contracts for financing through use of installment or lease-purchase arrangements, renegotiated contracts, amendments to contracts and change orders. (Sec. 1-15.30)*

4. Is a PO considered a contract?

   *Yes, see item 3 above.*

5. What is the definition of a subcontractor per PA 096-795?

   *A subcontractor is one who:
   a. Enters into an agreement with the primary contractor;
   b. Has an agreement that has a total value of $25,000 or more annually with the prime contractor; and
   c. Provides goods, services, property, remuneration or other forms of consideration that are subject of the primary State contract.*
6. What does $25,000 annually and over for a subcontractor mean?

Specifically, subcontractors identified on the Schedule of Values or the PSA Attachment D with a contract value over $25,000 must provide documentation per PA 096-795.

7. What do we do if a conflict of interest is disclosed on a potential prime contract?

Currently, the President of the University as stated in the Procurement Code has responsibility to manage conflicts of interest. The President has delegated the resolution of conflicts of interest by campus specifically to:

a. Heather Haberaecker, Executive Assistant Vice President for Business and Finance – UIC – (contact Sue Sturmon at ssturmon@uic.edu);

b. Michael Bloechle, Interim Director UIS Business Services – UIS – contact Bloechle.Michael@uis.edu);

c. Maxine Sandretto, Assistant Vice President for Business and Financial Services – UIUC – (contact coi@uillinois.edu).

In the event the University wishes to seek a waiver from the Executive Ethics Commission, the CPO will become involved in the process.

8. What do we do if a conflict of interest is disclosed on a sub contract, particularly since it is after the contract is executed?

We are not required to review the sub vendors' conflict of interest. The documents are collected and posted to the IPHEC website for the CPO and PPB use.

9. What are the consequences if a Prime Vendor does not comply with the act, i.e. does not provide us with the required information on subcontractors?

By law, their contract, bid, or proposal, is voidable by the chief procurement officer and it may be cause for barring from future contracts, bids, or proposal.

10. What if the prime contractor does not sign all his subcontracts at the beginning of the project when the Schedule of Values is completed?

Since they are required to provide the subcontract documentation within 20 calendar days after the executing of the State contract or after execution of the subcontract, whichever is later, this may happen and still be within the letter of the law. We are dependent on the prime vendor to provide us documentation within the time frame.
allowed and need to continuously reiterate the requirements in communications with our vendors.

11. What do we do if a prime vendor or sub vendor is changed/removed from the project?

   If a prime or sub vendor is removed, nothing is required. If a prime or sub vendor is added to the project, all the documentation required by law needs to be provided for the new vendor or sub vendor.

12. When contractors are assigned to another (Multiple assigned contract) are they considered primes or subs?

   The contractors that are assigned are still considered to be a prime contractor by law since they will have a contract directly with the University. Therefore, the assigned subcontractors will be required to provide the required documentation for their first level of subs.

13. Do “sole sources” in the specifications and design standards (where only one manufacturer is indicated as an acceptable manufacturer) require a hearing per the sole source sections in the act?

   This would not be considered a sole source contract unless only one contractor could provide the designated supply or service. The term “sole source” should not be used to describe “Brand Only” specifications in solicitations where all of the potential bidders could obtain the supply or service. The process for approval of a specification for a designated brand or product is in Section 526.2050 of the Procurement Rules of the Chief Procurement Officer for Public Institutions of Higher Education.

14. What projects must be in PRZM?

   UOCP&RES will issue a new policy regarding what projects are in PRZM and FCPWeb to provide consistency across the campuses.

15. What items need to be reviewed on subcontractor Certifications and Statutory Requirements form and Financial Disclosures and Potential Conflicts of Interest form(s)?

   - The correct forms are provided.
   - All relevant sections and blanks have been completed.
   - The signature block is completed.

   If these items are not complete, the forms should be rejected back to the Prime Vendor with a note on the deficiencies.

   Note: Subcontractors only, any identified potential conflicts of interest do NOT have to be reviewed by Purchasing.
16. If the cost of bonding is $25,000 or greater, are the Certifications and Statutory Requirements form and Financial Disclosures and Potential Conflicts of Interest form(s) required from the bonding companies as subcontractors to the Prime?

*No, at this time the forms are not required for bonding companies.*