

GUIDANCE REGARDING REPORTING REQUIREMENTS ON CONTRACTS EXCEEDING \$25,000

The School Code was amended in January of 2008 to add requirements concerning reports on contracts exceeding \$25,000, beginning with FY 08, in conjunction with submission of the Annual Statement of Affairs [105 ILCS 5/10-17].

The new provisions, effective for FY 08, include the following requirements:

1. 'A school board must list on the district's Internet website, if any, all contracts over \$25,000 and any contract that the school board enters into with an exclusive bargaining representative.'

Compliance with this requirement can be achieved if, all contracts exceeding \$25,000, including personal service contracts and agreements with an exclusive bargaining representative, are posted in a list on the district website. Subsequent to the initial posting, as such contracts exceeding \$25,000 are awarded by the school board, they should be added to the list.

2. 'Each year, in conjunction with the submission of the Statement of Affairs to the State Board of Education prior to December 1, provided for in Section 10-17, each school district shall submit to the State Board of Education an annual report on all contracts over \$25,000 awarded by the school district during the previous fiscal year. The report shall include at least the following:

- (1) the total number of all contracts awarded by the school district;
- (2) the total value of all contracts awarded;
- (3) the number of contracts awarded to minority owned businesses, female owned businesses, and businesses owned by persons with disabilities, as defined in the Business Enterprise for Minorities, Females and Persons with Disabilities Act, and locally owned businesses; and
- (4) the total value of contracts awarded to minority owned businesses, female owned businesses, and businesses owned by persons with disabilities, as defined in the Business Enterprise for Minorities, Females and Persons with Disabilities Act, and locally owned businesses.

The report shall be made available to the public, including publication on the school district's Internet website, if any.' [105 ILCS 5/10-20.40c]

The following guidance is provided to help in compliance with this requirement.

Contracts to be counted for the report include those contracts awarded during the relevant fiscal year (FY 08 for the report due on December 1, 2008) in an amount exceeding \$25,000 over the life of the contract... Multiple year contracts should be included in a report only in the year in which they are awarded.

Contracts to be excluded from the report submitted to ISBE would include: (1) collective bargaining agreements with district employee groups; and (2) personal services contracts with individual district employees.

The monetary value of all contracts included in the reported count submitted to ISBE consists of the amount to be paid throughout the life of the contract. For example, for the report due December 1, 2008:

A contract entered into during FY 08 to purchase a number of copy machines for a sum of \$125,000 would be included.

A 3 year contract entered into during FY 08 for professional services at the rate of \$85,000 per year would be counted and the value reported at \$255,000.

A 3 year contract entered into during FY 08 for food services for \$150,000 for the first year with an amount to be negotiated each year thereafter, the value reported would be \$150,000.

A 3 year contract entered into during FY 06 for pupil transportation at a value of \$200,000 each year DOES NOT have to be reported since the contract was awarded in a year prior to FY 08.

In order to classify which of the above contracts were awarded to minority, female, disabled or local contractors it is suggested that upon award of the contract the awardees be asked whether they are certified as a minority, female, or disabled person owned business by a certifying agency (Chicago Transit Authority - Cook County - Illinois Department of Transportation - Metropolitan Transit Authority Metropolitan Water Reclamation District - U.S. Small Business Administration -State of Illinois.); they are locally owned, or they would be eligible for certification if application were made. If the response is positive, then that contract would be included in the count of minority, female, disabled or local contractors, and the value of the contract would be included in the value of all contracts awarded to minority, female, disabled or local contractors.

DEFINITIONS:

"Minority owned business, female owned business, and business owned by a person with a disability" means a business concern which is at least 51% owned by one or more minority persons, females, or persons with a disability; or in the case of a corporation, at least 51% of the stock in which is owned by one or more minority persons, females, or persons with a disability; and the management and daily business operations of which are controlled by one or more of the minority females, or persons with a disability who own it. (30 ILCS 575/2)

"Minority person" shall mean a person who is a citizen or lawful permanent resident of the United States and who is: (a) African American - a person having origins in any of the black racial groups in Africa; or (b) Hispanic - a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race; or(c) Asian American - a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent or the Pacific Islands); or (d) Native American or Alaskan Native - a person having origins in any of the original peoples of North America. (30 ILCS 575/2)

"Female" shall mean a person who is a citizen or lawful permanent resident of the United States and who is of the female gender. (30 ILCS 575/2)

"Person with a disability" means a person who is a citizen or lawful resident of the United States and is a person qualifying as being disabled, where "Disabled"

means a severe physical or mental disability that: (a) results from: amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, musculoskeletal disorders, neurological disorders, including stroke and epilepsy, paraplegia, quadriplegia and other spinal cord conditions, sickle cell anemia, specific learning disabilities, or end stage renal failure disease; and (b) substantially limits one or more of the person's major life activities. Another disability or combination of disabilities may also be considered as a severe disability for the purposes of item (a) if it is determined by an evaluation of rehabilitation potential to cause a comparable degree of substantial functional limitation similar to the specific list of disabilities listed in this definition. (30 ILCS 575/2)