



**FOR IMMEDIATE RELEASE**

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**Gov. Blagojevich signs law allowing state to consider the effects of outsourcing in awarding state contracts**

SPRINGFIELD – In an effort to curb the practice of outsourcing domestic jobs overseas, Gov. Rod Blagojevich today signed Senate Bill 2375, requiring companies bidding for state business to certify whether the terms of the contract will be performed in the U.S.

“Outsourcing is a concern across the nation, and by passing this law, the State of Illinois is taking an important step in ensuring that hard working American companies are given the chance to win state contracts,” said Gov. Blagojevich.

Senate Bill 2375, sponsored by Sen. Carol Ronen (D-Chicago) and Rep. Harry Osterman (D-Chicago), amends the current Illinois Procurement Code by requiring prospective vendors to file a disclosure statement identifying where services will be performed.

"For too many years, there has been an ever-broadening range of jobs moved overseas," said Sen. Ronen. "This law is important because it will require companies who wish to do business with the State to document the extent to which they are sending these jobs overseas. The State may then use that information to decide if it wishes to contract with them."

Before awarding the contract, this law allows the state's Chief Procurement Officer (CPO) to review the disclosure statement and estimate the economic impact to the state and its residents, something previously not allowed under Illinois law. If vendors break their pledge to perform work in the U.S., and subsequently outsource the work, they will be deemed in breach of the contract. Exceptions are made if the CPO determines that circumstances required the shift, or that canceling the contract is not in the state's best interest.

The legislation also requires that Central Management Services file a report with the General Assembly by Sept.1, 2007 on the status of outsourcing on the state's procurement contracts.

SB 2375 takes effect June 1<sup>st</sup>, 2005

AN ACT concerning procurement.

**Be it enacted by the People of the State of Illinois,  
represented in the General Assembly:**

Section 5. The Illinois Procurement Code is amended by adding Section 25-65 as follows:

(30 ILCS 500/25-65 new)

Sec. 25-65. Contracts performed outside the United States. Prior to contracting or as a requirement of solicitation of any State contracts for services as defined in Section 1-15.90, whichever is appropriate, prospective vendors shall disclose in a statement of work where services will be performed under that contract, including any subcontracts, and whether any services under that contract, including any subcontracts, are anticipated to be performed outside the United States.

In awarding the contract or evaluating the bid or offer, the chief procurement officer may consider such disclosure and the economic impact to the State of Illinois and its residents.

If the chief procurement officer awards a contract to a vendor based upon disclosure that work will be performed in the United States and during the term of the contract the contractor or a subcontractor proceeds to shift work outside of the United States, the contractor shall be deemed in breach of contract, unless the chief procurement officer shall have first determined in writing that circumstances require the shift of work or that termination of the contract would not be in the State's best interest.

Nothing in this Section is intended to contravene any existing treaty, law, agreement, or regulation of the United States.

The Department of Central Management Services shall prepare and deliver to the General Assembly, no later than September 1, 2007, a report on the impact of outsourcing

services on the State's cost of procurement that identifies those contracts where it was disclosed that services were provided outside of the United States and a description and value of those services.