



**NOTICE 2026.01
HIGHER EDUCATION**

To: University Procurement Staff
State Purchasing Officers

From: Bridget McHatton 
Chief Procurement Officer – Higher Education

Date: September 18, 2025

Subject: Legislative Changes, 104th General Assembly

CC: Commission on Equity and Inclusion
Procurement Policy Board

As a result of Public Acts 104-0085; 104-0159; 104-0160; 104-0168; and 104-0234; changes were made to the following sections of the Capital Development Board Act (20 ILCS 3105/), Illinois Procurement Code (30 ILCS 500/), Prevailing Wage Act (820 ILCS 130/), and Public Construction Bond Act (30 ILCS 550).

The Illinois Compiled Statutes and the Administrative Code are the official sources of information. Changes made to the Illinois Procurement Code because of these Public Acts may require updates to the Higher Education Standard Procurement Rules (44 Illinois Administrative Code 4). In such instances where the Procurement Code and Rules conflict, the Procurement Code shall prevail.

Public Act 104-0085

Capital Development Board Act (20 ILCS 3105/)

- Section 21 (New) – Capital Development Board Report
 - *On or before July 1, 2026, and every year thereafter, the Capital Development Board shall submit a report to the General Assembly and the Governor concerning all planned and ongoing projects constructed by or under the supervision of the Board.*

Public Act 104 – 0159

Illinois Procurement Code (30 ILCS 500/)

- Section 25-210 (New) – Procurement or Laundering of Apparel
 - *Each contractor who contracts with a State agency for the procurement or laundering of apparel shall certify that no work was provided through the use of forced labor or exploitation.* - Effective January 1, 2026.

Public Act 104 – 0160

Prevailing Wage Act (820 ILCS 130/)

- Section 2 – Public Works
 - *Also includes all federal construction projects administered or controlled by a public body if the prevailing rate of wages is equal to or greater than the prevailing wage determination by the United States Secretary of Labor for the same locality for the same type of construction used to classify the federal construction project.* - Effective July 1, 2025.
- Section 11 – Public Works
 - Adds “*except as described in Section 2.*” - Effective July 1, 2025.

Public Act 104 – 0168

Public Construction Bond Act (30 ILCS 550/)

- Section 1 – Retainage
 - Adds “*the State.*”
 - *Subject to the limitations in this Section, a State agency may withhold as retainage a portion of the moneys from the payment of a contract that is entered into...only if the State agency determines that satisfactory progress has not been achieved by a contractor or subcontractor during any period for which a payment is to be made. Satisfactory progress shall be clearly provided for in the contract between the State agency and the contractor or subcontractor. Retainage may not be used as a substitute for good contract management, and the State agency may not withhold funds without cause. Determinations to retain and the specific amount to be withheld must be made by the State agency on a case-by-case basis based on the performance of milestones under the current contract as provided for in the contract between the State agency and the contractor. A contractor may not*

withhold retainage from a subcontractor except to the extent a state agency has withheld retainage from the contractor which is attributable to that subcontractor's subcontract. - Effective June 1, 2027.

- "Retainage" means a portion of money withheld from a payment, including, but not limited to, a payment as defined in the... State Prompt Payment Act, made to a contractor or subcontractor intended to ensure that the contractor or subcontractor completes the requirements of the contract or subcontract. "Retainage" does not include (i) moneys withheld due to violations of local, State, or federal laws or (ii) moneys withheld from grants to entities for capital improvements to non-State property.- Effective June 1, 2027.

- Nothing... may be construed to modify any provision of the State Prompt Payment Act or Local Government Prompt Payment Act. - Effective June 1, 2027.

Public Act 104-0234

Illinois Procurement Code (ILCS 500/)

- Section 45-57
 - Changes "*Veteran's*" to "*Veterans.*" - Effective August 15, 2025.
- Section 45-67
 - Changes "*Veteran's*" to "*Veterans.*" - Effective August 15, 2025.