



103RD GENERAL ASSEMBLY

State of Illinois

2023 and 2024

SB3992

Introduced 11/19/2024, by Sen. Willie Preston

SYNOPSIS AS INTRODUCED:

New Act

Creates the Best Customer Price Act. Provides that a public institution of higher education or a State agency may require best customer pricing for any goods it procures. Provides that, if goods are to be purchased by the State from a supplier or reseller, the supplier or reseller shall attest that the price is the best customer price. Provides that the supplier or reseller shall include a provision in the letter of supply from the manufacturer that the supplier or reseller can secure the supply and quantity of goods to be purchased, and that the manufacturer has extended the same best customer pricing from the manufacturer to each of the suppliers or resellers registered with the State for the goods to be purchased. Provides that, if a public institution of higher education or a State agency requires best customer pricing for the goods but does not believe the price is competitive, the public institution of higher education or the State agency may decline to award the bid. Effective immediately.

LRB103 42700 SPS 75936 b

1 AN ACT concerning State government.

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

4 Section 1. Short title. This Act may be cited as the Best
5 Customer Price Act.

6 Section 5. Findings. The General Assembly finds and
7 declares that:

8 (1) It has been the long-standing public policy of
9 this State to provide a level playing field in procurement
10 for small and mid-sized businesses. Despite this policy,
11 the portion of State funds spent on small and mid-sized
12 businesses, especially minority-owned, women-owned, and
13 veteran-owned businesses, is persistently far below where
14 the General Assembly believes it should be.

15 (2) This State has a choice in implementing pricing
16 policy for goods. Manufacturers sometimes give their best
17 price to the largest suppliers and largest resellers,
18 leaving small and mid-sized suppliers and small and
19 mid-sized resellers to pay a higher price. Allowing
20 manufacturers to force smaller suppliers for State
21 purchases to pay a higher price excludes small suppliers
22 from any low-bid State procurement.

23 (3) On average, minority-owned, women-owned, and

1 veteran-owned businesses are smaller than incumbent firms
2 and that policies that level the playing field in
3 procurement for firms that are smaller will
4 disproportionately benefit minority-owned, women-owned
5 and veteran-owned businesses, rectifying past decades of
6 discrimination in a race-neutral and gender-neutral way.

7 (4) It has long been public policy to empower State
8 purchasing officials with the ability to require the most
9 favorable terms to be granted to this State on any
10 purchase of supplies or services, and extending this
11 policy to ensure the best customer pricing is extended by
12 manufacturers to this State's suppliers and resellers is
13 consistent with both federal procurement law and State
14 procurement law.

15 (5) Requiring the best customer price for procured
16 goods will create a more inclusive choice for State
17 procurement and a level playing field for all suppliers,
18 both from the manufacturers to suppliers or resellers and
19 from suppliers or resellers to this State.

20 (6) It is in the best interest of the taxpayers of this
21 State to ensure that this State's purchases of goods
22 always get the best customer pricing from all participants
23 in the transaction, both from the manufacturer to the
24 supplier or reseller and from the supplier or reseller to
25 this State.

1 Section 10. Definitions. As used in this Act:

2 "Best customer pricing" means the best price offered to
3 any customer for the goods this State is seeking to buy,
4 including price, discounts, commissions, rebates and other
5 incentives that impact the consideration paid for the good.

6 "Letter of supply" means a document from the manufacturer
7 to a supplier or reseller that indicates the supplier or
8 reseller is able to secure the goods this State seeks to buy.

9 "Public institution of higher education" has the meaning
10 given to that term in Section 1-13 of the Illinois Procurement
11 Code.

12 "Reseller" means a registered vendor of this State that
13 supplies goods the company does not manufacture.

14 "State agency" has the meaning given to that term in
15 Section 1-15.100 of the Illinois Procurement Code.

16 "Supplier" means a registered vendor of this State that
17 supplies goods the company does not manufacture.

18 Section 15. Best consumer pricing.

19 (a) A public institution of higher education or a State
20 agency may require best customer pricing for any goods it
21 procures. If goods are to be purchased by this State from a
22 supplier or reseller, the supplier or reseller shall attest
23 that the price is the best customer price. The supplier or
24 reseller shall include a provision in the letter of supply
25 from the manufacturer that the supplier or reseller can secure

1 the supply and quantity of goods to be purchased, and that the
2 manufacturer has extended the same best customer pricing from
3 the manufacturer to each of the suppliers or resellers
4 registered with this State for the goods to be purchased.

5 (b) Nothing in this Section shall require the manufacturer
6 to extend best customer pricing to any supplier or reseller
7 for any goods that are not purchased by this State.

8 (c) Nothing in this Section shall regulate or impact any
9 commercial relationship between a manufacturer and a supplier
10 or reseller for any goods that are not the subject of a State
11 purchase.

12 Section 20. Declining bids. If a public institution of
13 higher education or a State agency requires best customer
14 pricing for the goods but does not believe the price is
15 competitive, the public institution of higher education or the
16 State agency may decline to award the bid.

17 Section 99. Effective date. This Act takes effect upon
18 becoming law.