



OFFICE OF THE ILLINOIS STATE TREASURER  
**MICHAEL W. FRERICHS**

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**Request for Proposals**  
**Student Investment Account**  
**Strategic & Investment Advisory Services**  
**370-500-20-026**  
June 9, 2020

Proposals due by 2:00 p.m. CT on July 17, 2020

Ms. Maria Oldani  
Chief Procurement Officer  
400 West Monroe Street, Suite 401  
Springfield, IL 62704

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**Office of the Illinois State Treasurer  
Request for Proposals  
Student Investment Account Strategic Investment Advisor**

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## **I. OVERVIEW**

The Office of the Illinois State Treasurer (“Treasurer”) is issuing this Request for Proposals (“RFP”) for a strategic investment advisor (“Respondent”) for the Illinois Student Investment Account, an impact investment fund. The Respondent will provide advisory services, as described further below. No legal services are to be provided under this contract. Respondents shall submit their Proposals by 2:00pm CT on July 17, 2020. The Treasurer intends to select the Respondent with the most effective, yet cost-efficient process including, but not limited to, capital market advisory services, specifically in the student financing arena; due diligence and fiduciary oversight; portfolio modeling; securitized products experience; underwriting experience; and diversity and inclusion, amongst other factors. The winning Respondent shall enter into a contract with the Treasurer (“Agreement”) for an initial term of four (4) years. Upon expiration of this term, the Treasurer may elect to extend the Agreement for a period of time agreed upon by the parties, not to exceed a total of ten (10) years, including the initial four (4) years.

**Important Note:** The selected Respondent will not be considered for future procurement opportunities related to the Program during the term of the contract and shall not be permitted to bid on future work for the Treasurer to the extent prohibited by Section 50-10.5(e) of the Illinois Procurement Code, 30 ILCS 500, or Section 3005(b) of the Office of the Treasurer Procurement Rules, 44 Ill. Admin. Code 1400.

## **II. BACKGROUND**

In 2019, the Illinois General Assembly passed and the Governor signed into law the Student Investment Account Act (110 ILCS 991 et seq.) (the “Act”), which allows the Treasurer to invest up to 5% of the state investment portfolio, approximately \$750 million, in affordable and responsible education loan products such as income-share agreements and low-interest student loans for Illinois residents with higher education expenses. The law seeks to create an impact investment framework that helps Illinois students and borrowers finance their education while generating acceptable returns for the State of Illinois. All investments, existing and new, committed under the Act, shall be aggregated for purposes of this RFP under the Student Investment Account to optimize portfolio construction, streamline governance, and enhance investment oversight and due diligence.

### **A. Objective**

The Student Investment Account maintains the core mission of supporting Illinois students and borrowers in financing their education while also generating acceptable returns for the State. The Treasurer may allocate up to 5% of the investment portfolio, approximately \$750 million, on a continuing and recurring basis.

The successful Respondent will advise in development, design, and implementation of a diversified portfolio that aligns with the State’s investment and impact objectives. The successful Respondent will also advise on prospective

commitments in student loan financing products within the Student Investment Account. The Respondent will exhibit a depth of experience and knowledge in capital market advisory services, underwriting policies and guidelines, capital market execution services, including structuring, and expertise in the execution of student loan asset-backed security (“ABS”) offerings.

## **B. Definitions**

"Borrower" means an Illinois resident student who has received an education loan or an Illinois resident parent who has received or agreed to pay an education loan, subject to approval by the Treasurer.

"Education loan" means a student loan made to a Borrower in accordance with the Act to finance an Illinois resident’s attendance at an institution of higher education.

"Institution of higher education" means a post-secondary educational institution located in Illinois and approved by the Treasurer.

"Student Investment Account" or “Program” means that portion of the Treasurer's State Investment Portfolio described in Section 15 of the Act.

Please see the Act for definitions of other terms applicable to the Program, which is accessible here: <http://ilga.gov/legislation/publicacts/101/PDF/101-0586.pdf>.

## **III. SCOPE OF WORK**

The Respondent will provide the Treasurer the following services in accordance with applicable State and federal laws, rules, and regulations (collectively, the “Services”):

1. Provide financial advisory services on the design, development, and implementation, of the Student Investment Account;
2. Conduct financial and economic analysis, including financial modeling, to assist in the creation of the Program framework;
3. Assist in the development of the Student Investment Account investment guidelines and principles;
4. Provide capital market advisory services for potential new and alternative student loan financing solutions including, but not limited to, designing underwriting policies and guidelines;
5. Create robust financial models, return assumptions, feasibility studies, and cash flow analyses to assess the opportunity set for potential new and alternative education loans for Borrowers;

6. Create an annual landscape report that provides a regional assessment of the Illinois, federal, and private student loan market including, but not limited to, Borrower total loan volume, Borrower composition, Borrower loan type, loan performance, and competitive student loan landscape;
7. Conduct due diligence of potential service providers including, but not limited to, student loan servicers and student loan investment solution providers for the investment of all applicable assets under the Student Investment Account. Due diligence shall include but is not limited to, research, reference checking, financial analysis, and vetting the financial and litigation background of applicable entities;
8. Evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of the Student Investment Account;
9. Prudently integrate sustainability factors in furtherance of the Treasurer's investment goals to fulfill its fiduciary duty, in investment decision-making, investment analysis, portfolio construction, risk management, and due diligence;
10. Ensure the Treasurer's staff is incorporated throughout the due diligence screening process, which may include, but is not limited to, on-site due diligence meetings with prospective investments prior to recommendations being presented to the Treasurer in accordance with the Treasurer's internal policies;
11. Be available to discuss any investment issues with the Treasurer's staff and/or with portfolio managers on an as needed basis;
12. Provide quarterly onsite update presentations to the Treasurer and/or its contractors, advisors, and consultants;
13. Conduct an annual review of the Student Investment Account's investment policy statements, investment guidelines, investment processes, and provide best practice recommendations;
14. Provide the Treasurer with a quarterly report that presents key events that could potentially affect the investment options, including, but not limited to, significant market events, mergers and acquisitions, credit events, public offerings, and applicable new and proposed federal and state laws and regulations;
15. Provide the Treasurer with a quarterly report on the Student Investment Account's economic and social impact and relevant investment performance including but not limited to borrower demographics, geographic dispersion, economic and financial benefits provided, investment returns, capital allocations, program costs, loan defaults, and other related information;
16. Serve as a general resource to the Treasurer's staff and its advisors and consultants for information, advice, and training regarding student loans and the student loan finance landscape;

17. Attend meetings at the discretion of the Treasurer, as needed, to present research, reports, analyses, and to respond to questions; and
18. Prepare presentations to Treasurer’s staff on various general student loan financing products informational topics, as needed.

**IV. RFP PROCESS AND SCHEDULE**

This section outlines the process and schedule associated with this RFP and the resulting Agreement.

**A. Schedule**

The following tentative time schedule applies to this RFP:

Date	Event
June 9, 2020	RFP published on the Treasurer’s website
June 17, 2020	Notice of intent to participate in the Bidder’s Teleconference due by 1:00 p.m. CT
June 22, 2020	Optional Bidder’s Teleconference at 11:00 a.m. CT
June 26, 2020	All Respondent questions due by 2:00 p.m. CT.
July 6, 2020	Responses to all questions posted on the Treasurer’s website by 4:00 p.m. CT.
July 17, 2020	Proposals due at 2:00 p.m. CT.
Week of August 3, 2020	Interviews, if any, with final candidates.
Week of August 10, 2020	If applicable, best and final offer due by 2:00 p.m. CT.
Week of August 17, 2020	Notification of award and begin negotiation of Agreement.

These dates are subject to change at the Treasurer’s discretion.

**B. Contact Information**

The Treasurer’s Chief Procurement Officer (“CPO”) is the sole point of contact concerning this RFP. Respondents should submit questions about the intent or content of this RFP and request clarification of any and all procedures used for this procurement prior to the submission of a Proposal. Respondents must submit their questions in writing by e-mail to the CPO, Maria Oldani, at moldani@illinoistreasurer.gov by 2:00 p.m. CT on June 26, 2020.

**C. Optional Bidder’s Teleconference**

If a Respondent intends to participate in the Optional Bidder’s Teleconference, Respondent must e-mail the CPO notice of intent to participate by 1:00 p.m. CT on June 17, 2020. Attendance at the Bidder’s Teleconference is optional. The Bidder’s Teleconference shall be on June 22, 2020 at 11:00 a.m. CT.

**D. Proposal Submittal**

All Proposals must be submitted by mail or messenger to the following address, no later than 2:00 p.m. CT on July 17, 2020:

Ms. Maria Oldani  
Chief Procurement Officer  
400 West Monroe Street, Suite 401  
Springfield, IL 62704  
Phone: 217.782.9598

**E. RFP Process**

1. Internet/E-mail Communications

The Treasurer may also communicate with Respondents via e-mail. Each Respondent should provide an e-mail address with its response for ease of communication throughout this RFP process.

2. Oral Communications

Any oral communication from the Treasurer’s employees or its contractors concerning this RFP is not binding on the Treasurer, and shall in no way alter a specification, term, or condition of this RFP.

3. Amendments

If it is necessary to amend this RFP, the Treasurer will post amendments on the Treasurer’s website at [www.illinoistreasurer.gov](http://www.illinoistreasurer.gov).

4. Respondent’s Costs

The cost of developing a Proposal is each Respondent’s responsibility and may not be charged to the Treasurer.

5. Withdrawal of Proposal

Respondent may withdraw its Proposal at any time prior to the deadline for receipt of Proposals. The Respondent must submit a written withdrawal request, addressed to the CPO, and signed by the Respondent’s duly authorized representative.

6. Modification of Proposal

A Respondent may submit an amended Proposal before the deadline for receipt of Proposals. Such amended Proposal must be a complete replacement for the

previously submitted Proposal and must be clearly identified as such in the transmittal letter to the CPO.

7. Proposal is a Firm Offer

A Proposal submitted in response to this RFP is a firm and binding offer valid for 180 days after the due date for Proposals or the due date for the receipt of a best and final offer, whichever falls later.

8. Response to RFP is State Property

On the Proposal due date, all Proposals and related material submitted in response to this RFP become the property of the State of Illinois.

All responses received by the Treasurer will be open to the public, though a Respondent may request that the Treasurer treat certain information as confidential in accordance with 44 Ill. Admin. Code §1400.2505. If Respondent requests confidential treatment of any information it considers to be exempt from public disclosure under the Illinois Freedom of Information Act (“FOIA”) (5 ILCS 140) or other applicable laws and rules, Respondent should submit a redacted copy, which copy shall be clearly identified as “Redacted Copy.” In a separate attachment to the Redacted Copy, Respondent shall supply a listing of the provisions of the response, identified by section number, for which it seeks confidential treatment, identify the basis of each claimed exemption, and show how that basis applies to the request for exemption in accordance with 44 Ill. Admin. Code §1400.2505(l).

A request for confidential treatment will not supersede the Treasurer’s legal obligations under FOIA. In responding to a request made under FOIA, the Treasurer reserves the right to rely on Respondent’s decision whether to submit a Redacted Copy with its response, and the Treasurer is under no obligation to notify the vendor prior to providing a complete and unredacted proposal, with any unredacted attachments, if Respondent does not elect to provide a Redacted Copy with its response as described in this Section.

9. CPO May Cancel the RFP

If the CPO determines it is in the Treasurer’s best interest, she reserves the right to do any of the following: a) cancel this RFP; b) modify this RFP in writing as needed; or c) reject any or all Proposals received in response to this RFP.

10. Proposal is Part of a Public Procurement File

All Proposals received by the Treasurer will be open to the public, though a Respondent may request that the Treasurer treat certain information as confidential in accordance with 44 Ill. Admin. Code §1400.2505. If Respondent requests confidential treatment of any information it considers to be exempt from public disclosure under FOIA or other applicable laws and rules, Respondent should submit a redacted copy, which copy shall be clearly identified as “Redacted Copy.” In a separate attachment to the Redacted Copy, Respondent shall supply a listing of the provisions of the Proposal, identified by section number, for which it seeks



confidential treatment, identify the basis of each claimed exemption, and show how that basis applies to the request for exemption in accordance with 44 Ill. Admin. Code §1400.2505(1). The Redacted Copy must retain as much of the Proposal as possible.

A request for confidential treatment will not supersede the Treasurer's legal obligations under FOIA. The Treasurer will not honor requests to keep entire Proposals confidential and will in any event disclose the successful Respondent's name, the substance of the Response, and the price. In responding to a request made under FOIA, the Treasurer reserves the right to rely on Respondent's decision whether to submit a Redacted Copy with its Proposal, and the Treasurer is under no obligation to notify the vendor prior to providing a complete and unredacted proposal, with any attachments, if Respondent does not elect to provide a Redacted Copy with its Proposal as described in this Section.

11. Additional Information

The Treasurer reserves the right to request additional information, meet with representatives of Respondent to discuss their Proposals, and reject any or all responses received for this RFP.

**V. PROPOSAL**

This Section provides the required elements for Respondent's Proposal.

**A. Proposal Format**

All Proposals must be submitted within the prescribed format to facilitate objective review. Any Proposal that materially deviates from this format will be rejected without further consideration of its content. Proposals that contain false or misleading statements or that provide references that do not support an attribute or condition claimed by the Respondent may also be rejected.

Narratives should provide a concise description of capabilities to satisfy the requirements of this RFP. Emphasis should be on clarity, brevity and completeness of response.

1. Cover Letter – The Proposal must be accompanied by a transmittal letter that designates the name, address, and telephone number of the person or persons

available for contact concerning the response and who are authorized to make representations on behalf of the Respondent's organization.

2. Table of Contents – Include a listing of the main chapters and paragraph headings contained in the response, including page numbers.
3. Introduction – Include any introductory remarks, not to exceed three (3) pages, deemed appropriate. Briefly discuss such topics as the Respondent's background, management, facilities, staffing, related experience, and financial stability.
4. Scope of Work – Provide a narrative, not to exceed five (5) pages, describing the general conceptual approach to the delivery of specific services and any other information Respondent believes is relevant.
5. Answers to Questions – Respondent must respond to all questions. Respondent's answers must include the headings (e.g. "Background and Experience") and be numbered in the order provided in Section V.B of this Proposal.
6. Service Team – Provide an organization chart and resumes for the proposed service team, including analytical investment and research staff and support staff. Please identify the primary contact person and describe the role of each key person as well as geographic location.
7. Unique Capabilities – Provide a summary, not to exceed five (5) pages, of any unique expertise, products or services that distinguish your institution.
8. State Certifications and Disclosures – Respondent and any subcontractor(s) must submit the following three (3) fully executed documents: Illinois State Treasurer Certifications (Appendix A), Disclosures Financial Interest and Potential Conflicts of Interest (Disclosure Form A), and the Disclosures Other Contract and Procurement Related Information (Disclosure Form B), attached hereto as Appendix A, respectively.
9. Proposal – Proposals must be submitted in a sealed envelope or package bearing the title "Office of the Illinois State Treasurer Request for Proposals Strategic Investment Advisor" and the Respondent's name and address. The package must include one (1) original and four (4) copies of the Proposal. A separate envelope must contain one (1) original and four (4) copies of the Cost Proposal. In addition, please provide three (3) electronic copies of the Proposal and three (3) separate electronic copies of the Cost Proposal. Each electronic Proposal copy and each electronic Cost Proposal copy shall be on a separate electronic storage device, such as a CD or thumb drive.

## **B. Questions to be Addressed in the Proposal**

### Background and Experience

1. Please provide the year your firm was established and give a brief history.

2. Please provide the organization's name, website, and the name, title, address, phone number, fax number, and email address of the individual who will be our primary contact.
3. Please identify the members of your firm's team that will be exclusively dedicated to the Illinois Student Investment Account.
4. Provide an organizational chart showing your proposed team, including analytical, investment, research, and support staff. Describe the role of each key person.
5. Please provide brief biographies and educational backgrounds of the proposed professionals who would be working on the Student Investment Account.
6. What is the current ownership and management structure of the firm? Please include employees at all levels.
7. Please describe any significant changes in the organizational structure, ownership or management of your firm over the past 3 years.
8. Please identify all of your firm's lines of business, products, and services.
9. Please comment on the financial solvency of your firm.
10. Please provide a brief description of your firm's plans for growth, such as asset growth, personnel growth, and succession planning, over the next 3-5 years.
11. Please give succession plans for key employees if retirements are planned within 5 years.
12. Please describe the firm's professional turnover for the last 5 years.
13. Are any new hires for the team expected in the near term?
14. Please identify any anticipated subcontractors that will be engaged in the advisory services of the Student Investment Account, their roles, and their geographic location(s).
15. Please provide 3 client references, current or past, and state the organization's name, their website (if any), a point of contact, physical address, telephone number, e-mail address, and the scope of work you provided.

#### General Advisory Services

16. Please summarize the assets under your firm's advisement, as well as those for governmental entities in which you currently advise over the past 5 years. Include detailed information on each account managed or advised on, its purpose, projected and actual returns, and any economic impact statistics available.

17. Please describe the experience your firm has managing or advising regarding underwriting services, credit guidelines, securitized products, portfolio allocations, and capital markets over the past 5 years. Include detailed information on each account managed or advised on, the types of accounts and assets managed, supported or advised on, its purpose, projected and actual returns, and any economic impact statistics available.
18. Please describe the experience your firm has advising programs similar to the program outlined in the Act.
19. What is your firm's approach to advising on underwriting guidelines/criteria, product origination, servicing, execution, and administration for student loan financing solutions?
20. What existing or potential relationships could impact your firm's ability to provide the services outlined in this RFP? What such relationships could create ethics violations or conflict of interest situations?
21. Please describe what steps your firm will take to ensure proper vetting of personnel, contractors, etc. to avoid conflicts of interest and other ethics and human rights violation situations (Please be as detailed as possible).
22. Please provide a brief description of past or pending regulatory action, litigation, or other legal proceedings involving the firm or any employees and/or principals in their official capacity only as defendants in the last 5 years.
23. Certify whether since January 1, 2015, Respondent or its officer(s) or principal(s), acting within the scope of their employment, have been found liable or have been subject to a consent order as a result of any publicly disclosed enforcement action or other regulatory proceeding by any of the following entities, including any divisions thereof: the Securities and Exchange Commission ("SEC"), Department of Justice ("DOJ"), Consumer Financial Protection Bureau, U.S. Department of the Treasury, Federal Deposit Insurance Corporation, or the Federal Reserve System.
24. Since January 1, 2015, has Respondent or any of its officer(s) or principal(s), acting within the scope of their employment, been subject to any enforcement actions by any of the following entities, including any divisions thereof: Securities and Exchange Commission, United States Department of Justice, Consumer Financial Protection Bureau, U.S. Department of the Treasury, Federal Deposit Insurance Corporation, or the Federal Reserve System? If so, provide a detailed explanation.
25. Has Respondent currently or has Respondent been in the last 5 years out of compliance with the SEC, United States Department of Labor, or any other regulatory agency? If yes, please explain thoroughly.

26. Who is the firm's outside legal counsel, or, do you use an in-house legal team? Please provide brief biographies for your legal counsel, indicating how long they have been serving in this capacity.
27. Describe your firm's disaster recovery and business continuity plans, specifically addressing the most recent date and the number of times Respondent has practiced and tested its procedures in the past 5 years, and the result of those exercises. Provide a copy of Respondent's disaster recovery and business continuity procedures.

### Reporting Duties

28. Please describe how your firm will track student loan investment performance, benchmark comparisons, and economic impact for the Student Investment Account.
29. Please describe in what detail and to what extent your firm will report on program impacts regarding the following: geographical, demographic, socio-economic characteristics, etc. as they pertain to student loan financing products. Please be as detailed as possible. If Respondent cannot provide this function, please state its willingness to enter into a relationship (at the Respondent's cost) with an entity who will.
30. Will your firm be capable of providing timely Statements on Standards of Attestation Engagements (SSAE 16) Service Organization Control Reports (formerly referred to as SAS 70 Reports)?
31. Please describe how your firm will ensure timely financial reporting.

### Strategic Investment Advisory Duties

32. What is the firm's approach to impact investing?
33. Describe Respondent's experience and expertise with student financing programs and solutions that primarily enroll borrowers without high quality credit scores and related metrics. How would Respondent advise the Treasurer in the event of borrower bankruptcy or delinquency?
34. Describe potential drawbacks or considerations that Respondent believes the Treasurer should consider when designing the Student Investment Account for borrowers without high quality credit scores.
35. Please describe the philosophy and strategy upon which your firm would base its implementation decisions. Provide supporting documentation regarding Respondent's assumptions of the target market and the overall viability of the proposed strategy.

36. What metrics, ratios, or financial models are most critical to your firm in the design and implementation process?
37. Please describe the methodologies, measures, data sources, and software your firm will utilize to calculate, analyze and evaluate the determination of product delivery and the program's performance.
38. Please describe Respondent's process that would provide oversight on the program and conduct periodic analysis of the Student Investment Account.
39. Please provide an example cash flow analysis forecasting a recommended amount of capital that would be prudent for deployment on an annual basis.
40. Please provide a list with the details of the last three years' student loan asset-backed security underwritings/offerings that the Respondent has led or advised in their structuring, underwriting and execution. Please include the following information in the response:
  - a. The date of the student loan ABS underwriting;
  - b. The dollar amount of the student loan ABS underwriting;
  - c. The name of the issuer that the Respondent served for the underwriting,
  - d. The yield, spread, and reference rate of the underwriting;
  - e. The quality rating of the offering;
  - f. The maturity and duration of the offering;
  - g. A breakout of the use of proceeds that adds up to the dollar amount of the underwriting;
  - h. A breakout of the top 10 primary investors of the underwriting at the time of issuance; and
  - i. Notes and commentary on the purpose of the offering and any challenging or notable business, strategic, capital markets or macroeconomic items related to the offering.

#### Diversity & Inclusion

41. Is the Respondent or its affiliates female, minority, persons with disabilities, or veteran owned or managed? Please cite with supporting data.
42. If publicly owned, please provide the number and percentage of members of the Respondent's governance board who are female, minority, military veterans, or persons with disabilities. Please cite with supporting data.
43. If privately owned, is the Respondent or its affiliates female, minority, persons with disabilities, or veteran-owned or managed? For purposes of this RFP, "female, minority, persons with disabilities, or veteran owned or managed" shall mean being owned or managed by 51% or more of a combination of female, minority, persons with disabilities, or military veteran. Please provide the number

and percentage of Respondent's owners who are female, minority, military veterans, or persons with disabilities. Please cite with supporting data.

44. Please describe the Respondent's prior experience and future capability to participate in Recipient Funds, who are female, minority, persons with disabilities, or veteran owned or managed.
45. Please provide the number and percentage of Respondent's senior leaders (e.g. partner, president, COO, or managing director) who are female, minority, persons with disabilities, or military veterans. Please cite with supporting data.
46. Please provide the number and percentage of Respondent's professional investment staff who are female, minority, persons with disabilities, or military veterans. Please cite with supporting data.
47. What is the percentage of Respondent's intended use of subcontractors for this project, if any, that are female, minority, persons with disabilities, or veteran owned or managed? Please cite with supporting data.

#### Illinois Resident Vendor Presence

48. Is the Respondent incorporated in Illinois? Please provide the physical address and website of the Respondent's headquarters and all Illinois branch offices.
49. Please note how many full-time employees are located at the Respondent's headquarters and all Illinois branch offices.
50. Please describe what presence the Respondent has in the State of Illinois. Such "presence" can be demonstrated by noting (a) the number and (b) the percentage of the Respondent's full-time employees who spend more than half their time in Illinois and have physical offices or a principal place of business located in Illinois.
51. What percentage of the Respondent's subcontractors for this project, if any, have an Illinois presence?
52. Please note whether the Respondent has any plans to locate staff or hire additional staff in the State of Illinois. Please provide supporting data.

#### Corporate Sustainability – Environmental, Social and Governance Practices

53. Please note any policies, practices, or business strategies Respondent has in place to address long-term environmental risks and opportunities that may impact long-term sustainability.
54. Please highlight any policies, practices, or resources that Respondent has in place to retain and enhance the human capital at the firm.

55. Please explain how Respondent fosters a corporate governance structure that mitigates business risks and enhances business operations.
56. Please highlight any activities, projects, or services Respondent administers to alleviate societal issues and enhance its commitment to corporate social responsibility. Please cite with supporting data.
57. Based on Respondent's answers to the following questions, Treasurer may determine, in its sole discretion, that Respondent is disqualified, or that Respondent shall be awarded fewer points in the Corporate Responsibility category. In making this determination, Treasurer shall consider the overall impact of the disclosed information as well as its relationship to the Services:
- a. Certify whether since January 1, 2015, Respondent or any of its officers or principals, acting within the scope of their employment, have been subject to a consent order, penalty or any other finding of fault as a result of any publicly disclosed enforcement action or other regulatory proceeding by any government entity, regulatory agency, or self-regulatory organization including, but not limited to, the Securities and Exchange Commission, Financial Industry Regulatory Authority, Department of Justice (including any U.S. Attorneys' Office), Consumer Financial Protection Bureau, Department of Labor, U.S. Department of the Treasury, Federal Deposit Insurance Corporation, the Federal Reserve System, or any State Attorney General.
  - b. Since January 1, 2015, has Respondent or any of its officers or principals, acting within the scope of their employment, been subject to any enforcement actions by any government entities including but not limited to the following: Securities and Exchange Commission, Financial Industry Regulatory Authority, Department of Justice (including any U.S. Attorneys' Office), Consumer Financial Protection Bureau, Department of Labor, U.S. Department of the Treasury, Federal Deposit Insurance Corporation, the Federal Reserve System, or any State Attorney General? If so, provide a detailed explanation and describe any impact on business lines, products, and/or services.

**C. Cost Proposal**

Responses must include information regarding the proposed amount of compensation for services, either as an annual retainer fee, or an alternative fee structure. Any fee structure submitted other than an annual retainer fee will be subject to the review and approval of the Treasurer; Respondent will be required to provide the fee in a form acceptable to the Treasurer if the alternate fee structure is not approved. In setting forth the cost proposal, Respondents shall separate the current fiscal year fee from the fee for the next two fiscal years (a fiscal year defined



as July 1 through June 30). The figures provided should include all fees/costs. Pricing schedules are to cover a 4-year period. It is anticipated all of the Respondent's costs to the State will be included in the pricing as outlined above, and consistent with the requirements outlined throughout this RFP.

## **VI. EVALUATION PROCESS & CRITERIA**

### **A. Mandatory Requirements**

Failure to meet any of the following requirements shall lead to Respondent's automatic disqualification:

1. Respondent must answer all the questions in this RFP.
2. In Respondent's Proposal, provide all of the sections and the information required for each section as set forth in Section V.A of this RFP;
3. In Respondent's Proposal, answer all questions in Section V.B of this RFP;
4. Respondent must submit the name, address, email, and telephone number of an individual with authority to answer questions or clarify their responses;
5. Respondent must be authorized to transact business in Illinois for all of the Services;
6. Respondent must have demonstrated knowledge and experience advising or assisting in the advisement of similar program structures to the Student Investment Account; and
7. The Respondent must submit a fully executed State Certifications Form, executed Financial Interest and Potential Conflicts of Interest Disclosure Form A, and Other Contract and Procurement Related Information Disclosure Form B, attached hereto as Appendix A.

**B. Scoring**

<b>Evaluation Factor</b>	<b>Weight</b>
Background & Experience	15
General Advisory Services	20
Reporting Duties	10
Strategic Investment Advisory Services	25
Diversity & Inclusion	10
Corporate Responsibility – Environmental, Social and Governance Practices	5
Illinois Presence	5
Cost Proposal	15
Interview, if applicable	5
<b>TOTAL</b>	<b>110</b>

**C. Evaluation Factors**

1. Background and Experience

Scoring will be based on the thoroughness and clarity of the response, the breadth and depth of the similar engagements, the talent and experience of assigned personnel, and the perceived validity of the response and will incorporate the answers Respondent provides to the Background and Experience questions in Section V.B of this RFP. The evaluation also will include reference checks regarding the Respondent's work for other clients who received or are receiving services similar to those required by this RFP.

2. General Advisory Services

Scoring will be based on Respondent's experience with and demonstrated ability to provide quality advice and recommendations to the Treasurer and will incorporate the answers Respondent provides to the General Advisory Services questions in Sections V.B of this RFP.

3. Reporting Duties

The evaluation will assess the Respondent's ability to provide timely and accurate reports detailed in the RFP as well as the quality of these reports and will incorporate the answers Respondent provides to the Reporting Duties questions in Sections V.B of this RFP.

4. Strategic Investment Advisory Services

Respondent's cost assessment strategy and experience will be evaluated and scored and will incorporate the answers Respondent provides to the Strategic Investment Advisory Services questions in Section V.B of this RFP.

5. Diversity & Inclusion

Respondent's diversity and inclusion score will be based on the answers Respondent provides to the Diversity & Inclusion questions in Section V.B of this RFP. The Evaluation Team shall award a higher diversity score to Respondents that are female, minority, person with disabilities, or veteran owned or managed. Having a higher percentage of subcontractors that are female, minority, person with disabilities, or veteran owned or managed shall also result in higher scores.

6. Illinois Resident Vendor Presence

Respondent's Illinois resident vendor presence score shall be based on the answers Respondent provides to the Illinois Resident Vendor Presence questions in Section V.B of this RFP. Respondents with a principal place of business in Illinois and a higher percentage of employees in Illinois shall receive higher scores.

7. Corporate Sustainability – Environmental, Social and Governance Practices

Respondent's corporate sustainability score shall be based on the answers Respondent provides to the Corporate Sustainability questions in Section V.B of this RFP.

8. Cost Proposal

Respondent's Cost Proposal score will be based on an evaluation of its cost-effectiveness.

9. Interview

In the event the Treasurer does not conduct interviews, all Respondents will be awarded zero (0) points for this evaluation factor.

**D. Evaluation Process**

All Proposals will be reviewed for compliance with the RFP requirements and specifications. Responses deemed non-responsive will be eliminated from further consideration. The CPO may contact the Respondent for clarification of the Proposal, and the Evaluation Committee may use other sources of publicly available information to perform its evaluation. Finally, the Evaluation Committee will make a recommendation regarding the final Respondent.

## **VII. CONTRACTUAL TERMS**

By submitting a Proposal, the Respondent agrees to each contractual provision set forth below.

### **A. Contractual Responsibility**

If chosen to provide the services under this RFP, the Contractor will be contractually responsible for all services provided. Contractor shall at all times provide services in a commercially reasonable manner and in accordance with federal and state law, and all rules and regulations applicable to the Treasurer.

### **B. Governing Law**

The Agreement shall be governed in all respects by the laws of the State of Illinois, without regard to conflicts of law principles. Any action by Contractor against the Treasurer can only be brought in the Illinois Court of Claims.

### **C. Term of Agreement**

The term of the Agreement shall be four (4) years, unless terminated in accordance with the terms of the Agreement. The Treasurer may with the consent of the Contractor, elect to extend the Agreement for additional periods, not to exceed a total term of ten (10) years, including the initial four (4) years.

### **D. Standard of Care; Fiduciary Status**

Contractor agrees and acknowledges that it owes fiduciary and related duties to the Treasurer in regard to the services it provides under this Agreement and the investments and accounts related thereto, such duties including but not limited to the duties of care, prudence, loyalty, honesty, candor, impartiality, full disclosure, good faith, fair dealing, and diligence and the duty to account and inform. Accordingly, Contractor agrees to refrain from and avoid any action or activity that would constitute or be likely to create a conflict of interest with respect to its duties to the Treasurer. Contractor further covenants and agrees to comply with and abide by applicable law, rules, and regulations and all policies, procedures, guidelines and governing principles as may be adopted by the Treasurer from time to time; to serve the Treasurer faithfully and to the best of its ability; and to devote that amount of time, attention and effort to the Treasurer which is reasonably necessary in order to satisfy the requirements of the Treasurer.

Contractor further acknowledges that is subject to the requirement to use prudence and care in its dealing with the Treasurer and the Student Investment Account and the investments relating to the Student Investment Account, in accordance with applicable law, and all other fiduciary requirements to which it is subject. Contractor accepts its appointment as such fiduciary and specifically agrees that in performing its duties hereunder it will act with the care, skill, prudence, loyalty, honesty, candor, impartiality, full disclosure, good faith, fair dealing and diligence under the circumstances then prevailing, specifically including, but not by way of limitation, the general economic conditions and the anticipated needs of the investments relating to the Student Investment Account, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of

like character and with like aims to seek to attain the goals of the Student Investment Account in accordance with applicable law, rules and policies. Contractor agrees to discharge its duties with respect to the Student Investment Account solely in the interest of the State.

**E. Termination**

1. Termination without Cause

The Treasurer may elect to terminate the Agreement, or any portion of the Services, at any time upon thirty (30) days' notice. Upon termination, the Treasurer will pay for work satisfactorily completed prior to the date of termination as determined by the Treasurer in a reasonable manner.

2. Termination for Cause

The Agreement may be terminated by the Treasurer under any of the following circumstances:

- a. Contractor fails to furnish satisfactory performance within the time specified;
- b. Contractor fails to perform any of the provisions of the Agreement or so fails to make progress so as to endanger the performance of the Agreement in accordance with its terms;
- c. Any goods or services provided under the Agreement are rejected and are not promptly replaced or corrected by the Contractor or repeatedly rejected even though Contractor offers to replace or correct the goods or services promptly;
- d. There is sufficient evidence to show that fraud, collusion, conspiracy, or other unlawful means were used to obtain the Agreement;
- e. Contractor is guilty of misrepresentation in connection with another contract for services to the State;
- f. Contractor is adjudged bankrupt or enters into a general assignment for the benefit of its creditors or receivership due to insolvency;
- g. Change in federal or State law or rules, or the Contractor's, or Treasurer's policies that would frustrate the purpose of the Agreement;
- h. Contractor disregards or violates any applicable laws, rules, or the Treasurer's instructions, acts in violation of any provision of the Agreement, or the agreement conflicts with any statutory or constitutional provision of the State of Illinois or the United States;
- i. Any other breach of contract or other unlawful act by Contractor occurs; or
- j. Contractor provides notice pursuant to Section VII.U or fails to provide such

notice.

Prior to terminating the Agreement for cause, the Treasurer shall issue a written warning that outlines the remedial action necessary to bring the Contractor into conformance with the Agreement. If such remedial action is not completed to the satisfaction of the Treasurer within thirty (30) business days, a second written warning may be issued. If satisfactory action is not taken by Contractor within five (5) business days of the date of the second written warning, the Agreement may be cancelled, and the Treasurer may recover any and all damages, including but not limited to damages involved with the transition to a new vendor including incidental and consequential damages. Failure by the Treasurer to issue a warning or cancel this Agreement does not waive any of the Treasurer's rights to issue subsequent warnings or seek damages.

In addition, the Treasurer reserves the right to reduce the amount paid to Contractor as compensation for services under the Agreement during any period Contractor fails to perform with reasonable care any of its obligations under the Agreement.

#### **F. Work Product**

1. Ownership of work product.

Except as otherwise agreed to in writing, all work product including, but not limited to, documents, reports, data, information, and ideas specially produced, developed, or designed by the Contractor pursuant to the Agreement, including any copyright or service marks developed on behalf of the Treasurer, whether preliminary or final, (collectively, the "Work Product") will become and remain the property of the Treasurer. The Treasurer shall have the right to use all such Work Product without restriction or limitation and without further compensation to the Contractor.

2. Return of Work Product

Within thirty (30) days after expiration or termination of the Agreement, the Contractor shall deliver to Treasurer, or to a third party, if so instructed by the Treasurer, all Work Product in Contractor's possession in the performance of the Agreement. If requested by the Treasurer, the Contractor shall certify in writing that all such Work Product has been delivered to the Treasurer.

#### **G. State Furnished Property**

Contractor shall be responsible for the security, protection, and return of all property furnished by the State of Illinois, if any, including but not limited to, items, research materials, photographs, and drawings.

#### **H. Internal Controls**

If applicable and upon request, the Contractor shall provide the Treasurer, at no cost, with a copy of the most recent Annual Report or Form 10-K of itself or its holding company, its most recent audited internal control documents, including but not limited to SOC, SSAE 16, and SSAE 18 reports, all of which shall include the attestation of the company's

independent registered accounting firm regarding the company's internal control over financial reporting.

**I. Back-up Facilities**

Upon request, the Contractor and its subcontractor(s), if applicable shall provide the Treasurer a copy of their disaster recovery plan, back-up plan, and results of the annual audit of the disaster recovery plan.

**J. Liability**

The Treasurer assumes no liability for the acts or omissions of the Contractor. This liability rests solely with the Contractor. The Contractor shall be liable to the Treasurer for actual and compensatory damages that are available to the Treasurer in law or remedies in equity.

**K. Indemnification**

Contractor shall indemnify and hold the Treasurer harmless from and against any and all losses, including but not limited to, any liabilities; demands; claims; lawsuits; damages; causes of action; settlements; judgments, including costs, attorneys' and witnesses' fees and expenses incident thereto; or fines, any of which arise out of or relate to violation of applicable law, breach of the Agreement, the negligent acts or omissions, or willful misconduct by Contractor, its employees, or agents. Contractor has a duty to select, with due diligence, all other entities that shall be necessary to implement the Agreement. Contractor shall establish and enforce reasonable procedures to assure the Treasurer of the performance by all other entities of the services necessary to implement this Agreement.

**L. Subcontractors**

The Contractor may not use subcontractors to perform the Services, unless the subcontractor is approved in advance by the Treasurer. Respondent must disclose the duties to be performed by the subcontractor. The Contractor will be required to obtain written approval from the Treasurer prior to adding or changing subcontractors. Subcontractors will be required to complete the attached State Certifications and Disclosure Forms, found at Appendix A.

**M. Record Retention and Audit**

Contractor and subcontractors, if any, shall maintain adequate books, records, and supporting documents related to the Agreement, including those necessary to support amounts charged to the State under the Agreement, for a minimum of seven (7) years from the last action on the Agreement or after termination of the Agreement, whichever is longer. The Contractor and subcontractors agree to cooperate fully with any audit conducted by the Auditor General or the Treasurer and to provide full access to all materials requested. If any litigation or claim involving the Agreement has been filed or any audit commenced before the expiration of the seven (7) year period, the Contractor shall maintain the records required by this Section 1) in the case of any litigation or claim, until completion of the action and resolution of all issues that arise from it or until the end of the seven (7) year period, whichever is later and 2) in the case of any audit, until completion of the audit or until the end of the seven (7) year period, whichever is later. Failure to maintain the books, records and supporting documents required by this Section shall

establish a presumption in favor of the Treasurer for the recovery of any funds paid by the Treasurer under the Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

**N. Confidentiality**

This Section shall survive the termination of the Agreement.

1. Confidential Information

Contractor shall be prohibited from using or disclosing information received in the course of fulfilling its obligations pursuant to the Agreement (“Confidential Information”), except in the performance of its internal responsibilities and normal functions and as directed by the Treasurer. Confidential Information includes all information but the following:

- a. Information already known or independently developed by the recipient;
- b. Information required to be released by law;
- c. Information in the public domain through no wrongful act of the recipient; and
- d. Information received from a third party who was free to disclose it.

2. Use of Confidential Information by Employees and Agents of Contractor

The requirement of confidentiality under this Agreement also applies to the employees and agents of the Contractor. The Contractor shall use its best efforts to ensure that its employees and agents adhere to the confidentiality requirements set forth herein. The Contractor’s use by and disclosure to employees and agents of Confidential Information to the extent necessary to carry out the terms and purposes of this Agreement is acceptable.

3. Protection of Confidential Information

Contractor represents, warrants, and covenants that it has implemented and will maintain an information security program reasonably designed to protect the Confidential Information, which program includes administrative, technical, and physical safeguards to ensure the security and confidentiality of all Confidential Information, to protect against anticipated threats or hazards to the security or integrity of such customer information, and to protect against unauthorized access to or use of the Confidential Information.

4. Privacy Policy and Cyber-Security

Contractor will comply with any applicable federal or state laws or regulations, as well as any privacy policy developed by the Treasurer. Contractor further agrees to establish, maintain, and comply with a privacy policy and cyber-security policy with respect to the Agreement that meets the requirements of applicable law.

**O. Successor and Assignment**



Each term and provision of the Agreement is binding and enforceable against and inures to the benefit of any successors of the Treasurer and any successors of Contractor, but neither the Agreement nor any of the rights or obligations under the Agreement may be transferred or assigned without the Treasurer's prior written consent of the Treasurer shall render the Agreement voidable by the Treasurer. The Treasurer may unilaterally bind any successor of the Contractor to the terms and conditions of the Agreement.

**P. Certifications**

The Contractor shall certify the following:

1. That the Contractor has the full legal right, power, and authority to execute and deliver the Agreement and to perform its obligations pursuant to the Agreement with no other corporate action on the part of the Contractor or its stockholders being necessary, and that the Agreement has been duly and validly executed and delivered by the Contractor, thereby constituting a legal, valid, and binding obligation of the Contractor, enforceable against the Contractor in accordance with its terms;
2. That the execution and delivery by the Contractor of the Agreement, the performance by Contractor of its duties and obligations thereunder, and the consummation of the transactions contemplated do not result in any of the following:
  - a. Conflict with or result in a violation or breach of any of the terms, conditions, or provisions of the charter or by-laws of Contractor;
  - b. Conflict with or result in a violation or breach of any term or provision of (a) any law, rule, regulation, judgment, decree, order, or injunction applicable to the Contractor or any of its assets and properties or (b) any agreement binding on or affecting the Contractor or any of its properties; or
  - c. Conflict with or result in a violation or breach of, or constitute (with or without notice or lapse of time or both) a default under any material agreement to which the Contractor is a party, or any material obligation or responsibility which the Contractor has to any third party.
3. That there is no action, suit, investigation, or proceeding pending or, to the best knowledge of the Contractor, threatened against the Contractor before any court, arbitrator, or administrative or governmental body that might result in any material adverse change in the operations of the Contractor or which might materially and adversely affect the ability of the Contractor to perform the Services or otherwise comply with its obligations under the Agreement.

**Q. Review**

The Treasurer may conduct periodic performance reviews of the Contractor, during which its compliance with all aspects of the Agreement will be reviewed and assessed.

**R. Severability**

If any provision, or portion thereof, of the Agreement is, or becomes, invalid under any applicable statute or rule of law, it is to be deemed stricken and the rest of the Agreement shall remain in full force and effect.

**S. Access to Information**

Upon request, the Contractor shall provide the Treasurer access to all files, records, documents, and data that are in its possession and control pursuant to the Agreement, regardless of how that information is stored. The information shall be provided in a form acceptable to the Treasurer.

**T. Continuation of Services**

The Contractor shall guarantee performance of the Services and agree to perform all Services in an efficient and professional manner. Notwithstanding anything to the contrary in the Agreement, the Contractor's obligations and responsibilities pursuant to the Agreement shall not be affected in the event of personnel problems, strike by employees, work stoppages, and other employee-related events. The Contractor is responsible for and shall provide commercially reasonable backup systems and shall review the adequacy of those systems with the Treasurer upon request. The prevention of such business interruption shall be the sole responsibility of the Contractor, and the Contractor shall immediately notify the Treasurer in the event such business interruption takes place. The Contractor shall be liable for any losses or damages sustained by the Treasurer due, in whole or in part, to the Contractor's failure to provide reasonable backup systems.

**U. Notice**

The Contractor hereby agrees to give the Treasurer notice if at any point during the term of the Agreement, Contractor or its officer(s) or principal(s), acting within the scope of their employment, are found liable or become subject to a consent order as a result of any publicly disclosed enforcement action or other regulatory proceeding by any governmental entities, including, but not limited to, the following: the Securities and Exchange Commission, Financial Industry Regulatory Authority, Department of Justice (including any U.S. Attorneys' Office), Consumer Financial Protection Bureau, Department of Labor, U.S. Department of the Treasury, Federal Deposit Insurance Corporation, any State Attorney General, or the Federal Reserve System. The Contractor shall provide the Treasurer such notice within five (5) business days of when Contractor knows or reasonably should have known of the consent order, penalty, or finding of fault. Contractor's delivery of notice pursuant to this Section or failure to provide the required notice shall give the Treasurer reason to terminate the Agreement for cause.

**V. Change of Law or Policy**

The Contractor shall notify the Treasurer in writing within ten (10) business days of any change or addition applicable to the Contractor in federal or state regulations or laws that would adversely affect either the terms of or the rights granted the Treasurer by the Agreement, and within five (5) business days of any legally required change in or addition to Contractor's internal operational policy that might affect the Contractor's performance

of the Services, including but not limited to any policy that relates to management, maintenance, record keeping, safekeeping, custody, or subcontracting.

**W. State Certifications/Disclosures**

The Agreement shall incorporate Contractor's fully executed State Certifications and Disclosure Forms, a copy of which is attached hereto as Appendix A.

**X. No Recourse**

For any obligation or liability arising pursuant to the Agreement, no recourse may be had for such obligation or liability of the Treasurer of the State of Illinois or any employee or official of the Treasurer or the State in his or her personal or individual capacity. Contractor hereby waives all such obligations and liabilities of the Treasurer of the State of Illinois and any such employee or official.

**Y. Sovereign Immunity**

Contractor acknowledges that the Treasurer and the State of Illinois reserve all immunities, defenses, rights, or actions arising out of their status as a sovereign state or entity, including those under the Eleventh Amendment to the United States Constitution, and that no waiver of any such immunities, defenses, rights, or actions will be implied or otherwise deemed to exist as a result of the Agreement.

**Z. Future Work**

Contractor will not be considered for future procurement opportunities related to the Program during the term of the contract and shall not be permitted to bid on future work for the Treasurer to the extent prohibited by Section 50-10.5(e) of the Illinois Procurement Code, 30 ILCS 500, or Section 3005(b) of the Office of the Treasurer Procurement Rules, 44 Ill. Admin. Code 1400.

## Appendix A

### ILLINOIS STATE TREASURER CERTIFICATIONS

\_\_\_\_\_ (“CONTRACTOR”) makes the following certifications:

#### **1.0 ANTI-BRIBERY.**

CONTRACTOR certifies that it is not barred from being awarded a contract or subcontract under Section 50-5 of the Illinois Procurement Code (30 ILCS 500/50-5). Section 50-5 prohibits a contractor from entering into a contract with a State agency if the contractor has been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, or if the contractor has made an admission of guilt of such conduct with is a matter of record. The contractor further acknowledges that the chief procurement officer may declare the related contract void if this certification is false.

#### **2.0 BID-RIGGING/BID-ROTATING.**

CONTRACTOR certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Section 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3, 33E-4).

#### **3.0 DRUG FREE WORKPLACE.**

This certification is required by Section 3 of the Drug Free Workplace Act (30 ILCS 580/3). The Drug Free Workplace Act, effective January 1, 1992, requires that CONTRACTOR shall not be considered for the purposes of being awarded a contract for the procurement of any services from the State unless CONTRACTOR has certified to the State that CONTRACTOR will provide a drug free workplace. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of contract payments, termination of the contract and debarment of contracting opportunities with the State for at least one (1) year but not more than five (5) years.

CONTRACTOR certifies and agrees that it will provide a drug free workplace by:

- a. Publishing a statement:
  - i. Notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance, including cannabis, is prohibited in the grantee’s or contractor’s workplace.
  - ii. Specifying the actions that will be taken against employees for violation of such prohibition.
  - iii. Notifying the employee that, as a condition of employment on such contract or grant, the employee will:
    - a. abide by the terms of the statement; and
    - b. notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.

- b. Establishing a drug free awareness program to inform employees about:
  - i. the dangers of drug abuse in the workplace;
  - ii. CONTRACTOR's policy of maintaining a drug free workplace;
  - iii. any available drug counseling, rehabilitation, and employee assistance programs; and
  - iv. the penalties that may be imposed upon an employee for drug violations.
- c. Providing a copy of the statement required by Section (a) to each employee engaging in the performance of the contract or grant and to post the statement in a prominent place in the workplace.
- d. Notifying the Treasurer's within ten (10) days after receiving notice under part (b) of paragraph (iii) of Section (a) above from an employee or otherwise receiving actual notice of such conviction.
- e. Imposing a sanction on, or requiring the satisfactory participation in drug abuse assistance or rehabilitation program by, an employee who is so convicted, as required by Section 5 of the Drug Free Workplace Act.
- f. Assisting employees in selecting a course of action in the event of drug counseling, treatment, and rehabilitation is required and indicating that a trained referral team is in place.
- g. Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

#### **4.0 U.S. EXPORT ACT.**

CONTRACTOR certifies that neither CONTRACTOR nor any substantial-owned affiliated company is participating or shall participate in an international boycott in violation of any state or federal law.

#### **5.0 NON-DISCRIMINATION.**

CONTRACTOR certifies that it is in compliance with the State and Federal Constitutions, the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, and all applicable rules that prohibit unlawful discrimination in performance of this Agreement and all other activities, including employment and other contracts. As a condition of receiving the Agreement, CONTRACTOR represents or certifies that services, programs and activities provided under the Agreement are and will continue to be in compliance with State and Federal Constitutions, the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, and all applicable laws that prohibit unlawful discrimination.

#### **6.0 AMERICANS WITH DISABILITIES ACT.**

CONTRACTOR certifies that it is in compliance with the Americans with Disabilities Act ("ADA") (42 U.S.C. 12101 et seq.) and the regulations thereunder (28 CFR 35.130) prohibit discrimination against persons with disabilities by the Treasurer, whether directly or through contractual arrangements, in the provision of any aid, benefit or service. As a condition of receiving the Agreement, CONTRACTOR represents or certifies that services, programs and activities provided under the Agreement are and will continue to be in compliance with the ADA.

## **7.0 ILLINOIS HUMAN RIGHTS ACT.**

CONTRACTOR certifies that it is presently in compliance with all of the terms, conditions and provisions of Section 5/2-105 of the Illinois Human Rights Act (775 ILCS 5/2-105), together with all rules and regulations promulgated and adopted pursuant thereto.

## **8.0 FELONY.**

CONTRACTOR certifies that it has not been barred from being awarded a contract under Section 50-10 of the Illinois Procurement Code (30 ILCS 500/50-10). Section 50-10 prohibits a contractor from entering into a contract with a State agency if the contractor has been convicted of a felony and 5 years have not passed from the completion of the sentence for that felony. The contractor further acknowledges that the chief procurement officer may declare the related contract void if this certification is false.

## **9.0 FORMER EMPLOYMENT.**

CONTRACTOR has informed the Treasurer's in writing if CONTRACTOR was formerly employed by the Treasurer's and has received an early retirement incentive under Section 14-108.3 or 16-133.3 of the Illinois Pension Code (30 ILCS 105/15a).

## **10.0 INDUCEMENT.**

CONTRACTOR has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has CONTRACTOR accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).

## **11.0 REVOLVING DOOR PROHIBITION.**

CONTRACTOR certifies that neither it nor its employees and agents are in violation of section 50-30 of the Illinois Procurement Code (30 ILCS 500/50-30). Section 50-30 prohibits for a period of (2) years after terminating an affected position, certain State employees and their designees from engaging in any procurement activity relating to the State agency most recently employing them for a specified period of time.

## **12.0 REPORTING ANTICOMPETITIVE PRACTICES.**

CONTRACTOR shall report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anticompetitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, /50-45, /50-50).

## **13.0 DISCRIMINATORY CLUB.**

CONTRACTOR agrees not to pay any dues or fees on behalf of its employees or agents or subsidize or otherwise reimburse them for payments of any dues or fees to a discriminating club as prohibited by Section 2 of the Discriminatory Club Act (775 ILCS 25/2).

**14.0 TAXPAYER IDENTIFICATION NUMBER AND LEGAL STATUS OF CONTRACTOR.**

CONTRACTOR shall be in compliance with applicable tax requirements and shall be current payment of such taxes. Under penalty of perjury, CONTRACTOR certifies that #\_\_\_\_\_ is its correct Taxpayer Identification Number and that it is doing business as a (please check one):

- |  |  |
|--|--|
| _____ Individual                           | _____ Government Entity                  |
| _____ Sole Proprietor                      | _____ Nonresident alien                  |
| _____ Partnership/Legal Corporation        | _____ Estate or trust                    |
| _____ Tax Exempt                           | _____ Pharmacy (Non-Corp.)               |
| _____ Corporation providing or billing     | _____ Pharmacy/Funeral                   |
| Home/Cemetery                              |  |
| _____ medical and/or health care services  | _____ (Corp.)                            |
| _____ Corporation NOT providing or billing | _____ Limited Liability                  |
| Company (select                            |  |
| _____ medical and/or health care services  | _____ applicable tax                     |
| classification.)                           |  |
| _____ Other: _____                         | <input type="checkbox"/> C = corporation |
|  | <input type="checkbox"/> P = partnership |

**15.0 LICENSE; AUTHORIZED BIDDER OR OFFEROR**

CONTRACTOR, directly or through its employees, shall have and maintain any license required by this Agreement. CONTRACTOR further certifies that it is a legal entity authorized to do business in Illinois prior to the submission of the bid, offer, or proposal pursuant to section 20-43 of the Illinois Procurement Code (30 ILCS 500/20-43).

**16.0 APPROPRIATION.**

This Agreement is subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation for payments under the terms of the contract.

**17.0 RECORDS RETENTION; RIGHT TO AUDIT.**

CONTRACTOR agrees to maintain books and records related to the performance of the contract and necessary to support amounts charged to the State under the contract for a minimum of three years from the last action on the contract or after termination of the Agreement, whichever is longer. Contractor further agrees to cooperate fully with any audit and to make the books and records available for review and audit by the Auditor General, chief procurement officers, internal auditor and the Treasurer; CONTRACTOR agrees to cooperate fully with any audit conducted by the Auditor General or the Treasurer and to provide full access to all relevant materials. The three-(3)-year period shall be

extended for the duration of any audit in progress during the term. Failure to maintain the books, records and supporting documents required by this Section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

#### **18.0 CONFLICTS OF INTEREST.**

CONTRACTOR has disclosed and agrees that it is under a continuing obligation to disclose, to the Treasurer financial or other interests (public or private, direct or indirect) that may be a potential conflict of interest that would prohibit CONTRACTOR from entering into or performing the Agreement. Conflicts of interest include, but are not limited to, conflicts under Section 1400.5020 of the Treasurer's Procurement Rules (44 Ill. Adm. Code 1400.5020) and Sections 50-13, 50-20, and 50-35 of the Illinois Procurement Code (30 ILCS 500/50).

#### **19.0 LATE PAYMENTS.**

Late payment charges, if any, shall not exceed the formula established in the Illinois Prompt Payment Act (30 ILCS 540/1) and the Illinois Administrative Code (74 Ill. Adm. Code 900).

#### **20.0 LIABILITY.**

The State's liability for damages is expressly limited by and subject to the provisions of the Illinois Court of Claims Act (705 ILCS 505/1) and to the availability of suitable appropriations.

#### **21.0 DEBT DELINQUENCY.**

CONTRACTOR certifies that it, or any affiliate, is not barred from being awarded a contract or subcontract under section 50-11 of the Illinois Procurement Code (30 ILCS 500/50-11). Section 50-11 prohibits a contractor from entering into a contract with the Treasurer's if it knows or should know that it, or any affiliate, is delinquent in the payment of any debt to the State as defined by the Debt Collection Board. CONTRACTOR further acknowledges that the Treasurer's may declare the Agreement void if this certification is false or if CONTRACTOR or any affiliate is determined to be delinquent in payment of any debt during the term of the Agreement.

#### **22.0 EDUCATIONAL LOAN DEFAULT.**

CONTRACTOR certifies that it is not barred from being awarded a contract under the Educational Loan Default Act (5 ILCS 385). Section 3 of the Educational Loan Default Act prohibits an individual from entering into a contract with the Treasurer's if that individual is in default of an educational loan. CONTRACTOR further acknowledges that the Treasurer's may declare the Agreement void if this certification is false or if CONTRACTOR is determined to be in default of an educational loan during the term of the Agreement.



### **23.0 FORCE MAJEURE.**

Failure by either party to perform its duties and obligations shall be excused by unforeseeable circumstances beyond its reasonable control, including acts of nature, acts of the public enemy, riots, labor or material shortages, labor disputes, fire, flood, explosion, legislation, and governmental regulation.

### **24.0 ANTITRUST ASSIGNMENT.**

CONTRACTOR hereby assigns, sells and transfers to the State of Illinois all right, title and interest in and to any claims and causes of action arising under antitrust laws of Illinois or the United States relating to the subject matter of the Agreement.

### **25.0 PROHIBITION OF GOODS FROM FORCED LABOR.**

CONTRACTOR certifies that it is not barred from being awarded a contract under the State Prohibition of Goods from Forced Labor Act (30 ILCS 583). Section 10 of the State Prohibition of Goods from Forced Labor Act prohibits a contractor from entering into a contract with the Treasurer's if that contractor knew that the foreign-made equipment, materials, or supplies furnished to the State were produced in whole or part by forced labor, convict labor, or indentured labor under penal sanction. CONTRACTOR further acknowledges that the Treasurer's may declare the Agreement void if this certification is false or if CONTRACTOR is determined to have known that the foreign-made equipment, materials, or supplies furnished to the State during the term of the Agreement were produced in whole or part by forced labor, convict labor, or indentured labor under penal sanction.

### **26.0 PROHIBITION OF GOODS FROM CHILD LABOR.**

CONTRACTOR certifies in accordance with Public Act 94-0264 that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been produced in whole or in part by the labor of any child under the age of 12.

### **27.0 SARBANES-OXLEY ACT AND ILLINOIS SECURITIES LAW.**

CONTRACTOR certifies that it is not barred from being awarded a contract or subcontract under section 50-10.5 of the Illinois Procurement Code (30 ILCS 500). Section 50-10.5, amongst other things, prohibits a contractor from bidding or entering into a contract or subcontract with the Treasurer's if the contractor or any officer, director, partner, or other managerial agent of the contractor has been convicted in the last 5 years of a felony under the Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 or if the contractor is in violation of Subsection (e). CONTRACTOR further acknowledges that the Treasurer's may declare the agreement void if this certification is false or if CONTRACTOR is determined to have been convicted of a felony under the Illinois Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 during the term of the agreement.

## **28.0 DISPUTES.**

Any claim against the State arising out of this Agreement must be filed exclusively with the Illinois Court of Claims (705 ILCS 505/1). The State shall not enter into binding arbitration to resolve any agreement dispute. The State of Illinois does not waive sovereign immunity by entering into this Agreement. Any provision containing a citation to an Illinois statute (cited "ILCS") may not contain the complete statutory language. The official text, which is incorporated by reference, may be found in the appropriate chapter and section of the Illinois Compiled Statutes. An unofficial version may be viewed at [www.ilga.gov](http://www.ilga.gov).

## **29.0 THIRD-PARTY PAYMENTS.**

CONTRACTOR certifies that no fee was paid to a third-party in expectation of being awarded a contract by the Treasurer.

## **30.0 MOST FAVORABLE TERMS.**

If more favorable terms are granted by the CONTRACTOR to any similar governmental agency in any state in a contemporaneous agreement let under the same or similar financial terms and circumstances for comparable supplies or services, the more favorable terms will be applicable under the Agreement between the Treasurer's and the CONTRACTOR.

## **31.0 BOARD OF ELECTIONS REGISTRATION.**

\_\_\_\_\_ The CONTRACTOR certifies that they are **not required to register** as a business entity with the State Board of Elections pursuant to the Illinois Procurement Code (30 ILCS 500/20-160). Further, the CONTRACTOR acknowledges that all contracts or subcontracts between State agencies and a business entity that do not comply with this Section shall be voidable under Section 50-60 of the Illinois Procurement Code (30 ILCS 500/50-60).

*(or)*

\_\_\_\_\_ The CONTRACTOR certifies that they **have registered** as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration pursuant to the Illinois Procurement Code (30 ILCS 500/20-160). Further, the CONTRACTOR acknowledges that all contracts or subcontracts between State agencies and a business entity that do not comply with this Section shall be voidable under Section 50-60 of the Illinois Procurement Code (30 ILCS 500/50-60).

## **32.0 COLLECTION AND REMITTANCE OF ILLINOIS USE TAX.**

The CONTRACTOR certifies that it is not barred from being awarded a contract under section 50-12 of the Illinois Procurement Code (30 ILCS 500/50-12). Section 50-12 prohibits a contractor from entering into a contract or subcontract with a State agency if the CONTRACTOR or affiliate has failed to collect and remit Illinois Use Tax on all sales

of tangible personal property into the State of Illinois in accordance with the provisions of the Illinois Use Tax Act. The CONTRACTOR further acknowledges that the contract or subcontract may be voided if this certification is false.

### **33.0 ENVIRONMENTAL PROTECTION ACT VIOLATIONS.**

The CONTRACTOR certifies that it is not barred from being awarded a contract or subcontract under section 50-14 of the Illinois Procurement Code (30 ILCS 500/50-14). Section 50-14 prohibits a CONTRACTOR from entering into a contract or subcontract with a State agency if the CONTRACTOR has been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last (5) years. The CONTRACTOR further acknowledges that the contracting State agency may declare the related contract or subcontract void if this certification is false.

### **34.0 LEAD POISONING PREVENTION ACT VIOLATIONS.**

The CONTRACTOR certifies that it is not barred from entering into a contract or subcontract under section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5). Section 50-14.5 prohibits a CONTRACTOR from entering into a contract or subcontract with the State of Illinois or a State agency if the CONTRACTOR, while the owner of a residential building, committed a willful or knowing violation of the Lead Poisoning Prevention Act. The CONTRACTOR further acknowledges that the Treasurer may declare the related contract or subcontract void if this certification is false.

### **35.0 BOND ISSUANCES.**

The CONTRACTOR certifies that it is not barred from being awarded a contract or subcontract under section 50-21 of the Illinois Procurement Code (30 ILCS 500/50-21). Section 50-21 prohibits State agencies from entering into contracts or subcontracts with respect to the issuances of bonds or other securities by the State or a State agency with any entity that uses an "independent consultant" as defined in section 50-21.

### **36.0 POLITICAL CONTRIBUTIONS.**

The CONTRACTOR certifies that it is not barred from being awarded a contract or subcontract under section 50-37 of the Illinois Procurement Code (30 ILCS 500/50-37(b)-(c)). Section 50-37 prohibits business entities whose contracts with State agencies, in the aggregate, annually total more than \$50,000, or whose aggregate pending bids and offers on State contracts total more than \$50,000, or whose aggregate pending bids and offers on State contracts combined with the business entity's aggregate annual total value of State contracts exceed \$50,000, and any affiliated entities or affiliated persons of such business entity, from making any contributions to any political committee established to promote the candidacy of the office holder responsible for awarding the contract on which the business entity has submitted a bid or proposal during the period beginning on the date the invitation for bids or request for proposals are issued and ending on the day after the date the contract is awarded.

**37.0 LOBBYING RESTRICTIONS.**

The CONTRACTOR certifies that it is not barred from being awarded a contract or subcontract under section 50-38 of the Illinois Procurement Code (30 ILCS 500/50-38). Section 50-38 prohibits a CONTRACTOR from billing the State for any lobbying costs, fees, compensation, reimbursements, or other remuneration provided to any lobbyist who assisted the CONTRACTOR in obtaining the contract or subcontract.

**38.0 DISCLOSURE OF BUSINESS OPERATIONS WITH IRAN (30 ILCS 500/50-36).**

Each bid, offer, or proposal submitted for a State contract, other than a small purchase defined in Section 20-20 [of the Illinois Procurement Code], shall include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

(1) more than 10% of the company’s revenues produced in or assets located in Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company’s revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral – extraction products or services to the Government of Iran or a project or consortium created exclusively by that Government; and the company has failed to take substantial action; or

(2) the company has, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12- month period that directly or significantly contributes to the enhancement of Iran’s ability to develop petroleum resources of Iran.

You must check one of the following items and if item 2 is checked you must also make the necessary disclosure:

\_\_\_ There are no business operations that must be disclosed to comply with the above cited law.

\_\_\_ The following business operations are disclosed to comply with the above cited law:

\_\_\_\_\_

- CONTRACTOR

By: \_\_\_\_\_

Signature

\_\_\_\_\_

Name

\_\_\_\_\_

Title

\_\_\_\_\_

Date

DISCLOSURES  
FINANCIAL INTEREST AND POTENTIAL CONFLICTS OF INTEREST  
(Disclosure Form A)

The Treasurer's Procurement Regulations (44 Ill. Adm. Code 1400.5035) require that contractors/offers desiring to enter into certain contracts with the State of Illinois must disclose the financial and potential conflicts of interest information as specified below.

Contractor/offeror shall disclose the financial interest and potential conflicts of interest information identified in Sections 1 and 2 below as a condition of receiving an award or contract. Submit this information along with your bid, proposal or offer.

This requirement applies to contracts with an annual value exceeding \$10,000.

A publicly traded entity may submit its 10K disclosure in satisfaction of the disclosure requirements set forth in both Sections 1 and 2 below.

Sec. 1. Disclosure of Financial Interest in the Contractor/Offeror

- a. If any individuals have one of the following financial interests in the contractor/offeror (or its parent), please check all that apply and show their name and address:

Ownership exceeding 5%	(____)
Ownership value exceeding \$106,447.20	(____)
Distributive Income Share exceeding 5%	(____)
Distributive Income Share exceeding \$106,447.20	(____)

Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

- b. For each individual named above, show the type of ownership/distributable income share: sole proprietorship \_\_\_\_\_ stock \_\_\_\_\_ partnership \_\_\_\_\_ other (explain)

\_\_\_\_\_.

- c. For each individual named above, show the dollar value or proportionate share of the ownership interest in the contractor/offeror (or its parent) as follows:

If the proportionate share of the named individual(s) in the ownership of the contractor/offeror (or its parent) is 5% or less, and if the value of the ownership interest of the named individual(s) is \$106,447.20 or less, check here (\_\_\_\_)

If the proportionate share of ownership exceeds 5% or the value of the ownership interest exceeds \$106,447.20, show either.

The percent of ownership \_\_\_\_\_%  
or  
The value of the ownership interest \$\_\_\_\_\_

Sec. 2. Disclosure of Potential Conflicts of Interest. For each of the individuals having the level of financial interest identified in Section 1 above, check “Yes” or “No” to indicate which, if any, of the following potential conflicts of interest relationships apply. If “Yes,” please describe (use space under applicable section to explain your answers – attach additional pages as necessary).

- |    |  |              |             |
|----|--|--------------|-------------|
| a. | State employment, currently or in the previous 3 years, including contractual employment of services   | Yes<br>_____ | No<br>_____ |
| b. | State employment for spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years.  | Yes<br>_____ | No<br>_____ |
| c. | Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois, or the statutes of the State of Illinois currently or in the previous 3 years.  | Yes<br>_____ | No<br>_____ |
| d. | Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter.   | Yes<br>_____ | No<br>_____ |
| e. | Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years. | Yes<br>_____ | No<br>_____ |
| f. | Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter.   | Yes<br>_____ | No<br>_____ |
| g. | Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government.  | Yes<br>_____ | No<br>_____ |
| h. | Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter.  | Yes<br>_____ | No<br>_____ |
| i. | Compensated employment, currently or in the  | Yes          | No          |

previous 3 years, by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee with either the Secretary of State or the Federal Board of Elections.

\_\_\_\_\_

\_\_\_\_\_

j. Relationship to anyone; spouse, father, mother, son, or daughter, who is or was a compensated employee in the last 2 years of any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections.

Yes

No

\_\_\_\_\_

\_\_\_\_\_

This disclosure is submitted on behalf of

\_\_\_\_\_  
(Name of Contractor/Offeror)

Official authorized to sign on behalf of contractor/offeror:

Name (printed) \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

DISCLOSURES  
OTHER CONTRACT AND PROCUREMENT RELATED INFORMATION  
(Disclosure Form B)

The Treasurer's Procurement Regulations (44 Ill. Adm. Code 1400.5035) require that contractors/offers desiring to enter into certain contracts with the State of Illinois must disclose the information as specified below.

Contractor/offeror shall disclose the information identified below as a condition of receiving an award or contract.

This requirement is applicable to only those contracts with an annual value exceeding \$10,000.

You must submit this information along with your bid, proposal or offer.

- a. Contractor/offeror shall identify whether it has current contracts (including leases) with other units of State of Illinois government by checking "Yes" \_\_\_\_\_ or "No" \_\_\_\_\_.

If "Yes" is checked, identify each contract by showing agency name and other descriptive information such as purchase order or contract reference number (attach additional pages as necessary).

- b. Contractor/offeror shall identify whether it has pending contracts (including leases), bids, proposals, or other ongoing procurement relationships with other units of State of Illinois government by checking "Yes" \_\_\_\_\_ or "No" \_\_\_\_\_.

If "Yes" is checked, identify each such relationship by showing agency name and other descriptive information such as bid or project number (attach additional pages as necessary).

This disclosure is submitted on behalf of \_\_\_\_\_  
(Name of Contractor/Offeror)

Official authorized to sign on behalf of contractor/offeror:

Name (printed) \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_