



OFFICE OF THE ILLINOIS STATE TREASURER
MICHAEL W. FRERICHS

Request for Proposals
Custodial Accounting, Brokerage and
Trading Services
370-400-18-002

December 11, 2017

Proposals due by 2:00 p.m. CT on January 24, 2018

Mr. Jim Underwood
Chief Procurement Officer
400 West Monroe Street, Suite 401
Springfield, IL 62704

Office of the Illinois State Treasurer
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Table of Contents

I. OVERVIEW	3
II. BACKGROUND	3
III. SCOPE OF WORK.....	4
IV. PROPOSAL.....	7
V. RFP SCHEDULE AND PROCESS	11
VI. EVALUATION PROCESS AND CRITERIA	14
VII. CONTRACTUAL TERMS	17

Exhibit A Proposed Cost Structure

Exhibit B Illinois State Treasurer Certifications, Disclosures Financial Interest and Potential Conflicts of Interest (Disclosure Form A), and Disclosures Other Contract and Procurement Related Information (Disclosure Form B)

I. OVERVIEW

The Illinois Revised Uniform Unclaimed Property Act (765 ILCS 1026; the “Act”) requires the remittance of presumptively abandoned securities to the Illinois State Treasurer’s Office (the “Treasurer”). In order to process and maintain accounts for this type of property, the Treasurer issues this Request for Proposal (the “RFP”) for a custodial and brokerage firm (the “Contractor”) to assist in this task. The responsibilities of the Contractor shall include, but are not limited to, safekeeping, receipt, research, delivery, liquidation, tracking all payments of income and corporate actions, and selling presumptively abandoned securities remitted to the Treasurer. Proceeds from securities liquidated by the Contractor will be held for the reported owner of the security by the Treasurer.

The Contractor shall enter into a contract with the Treasurer (the “Agreement”) for an initial term of four (4) years, with an estimated start date of no later than April 1, 2018. 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.

II. BACKGROUND

Pursuant to Section 15-603 of the Act, the Treasurer “shall establish procedures for the registration, issuance, method of delivery, transfer, and maintenance of securities delivered to the [Treasurer] by a holder.” 765 ILCS 1026/15-603(f). The property is recorded by the Treasurer’s Unclaimed Property system (“KAPS”) a hosted software as a service (SaaS). Securities detail records are also maintained by the Treasurer using KAPS. KAPS allows securities to be adjusted to reflect different corporate actions, confirmation of transfers, and receipt of securities in order to maintain position balance between KAPS and the custodial account(s).

From time to time the Treasurer will conduct “mass sales.” These sales will include all individual eligible properties within each security class. In order to maintain a fair and unbiased sale process, securities will be liquidated in alphabetical order. Of the last three (3) mass sales, on average, 989 different security issues were liquidated. Contractor must have the ability to process sale requests, liquidating approximately one thousand different issues in a given month, in order to comply with the Treasurer’s mass sales. Under the Act the length of time that the securities are held by the Treasurer before sale will generally be three (3) years. (765 ILCS 1026/15-702). Because this is a change from Illinois’ previous unclaimed property act, mass sales will be suspended at least until the required length of time has passed.

A listing of eligible securities, which are generally securities that meet the following criteria, will be provided by the Treasurer in advance of a mass sale. These criteria are:

1. The security may not be sold until 3 years after the Treasurer receives the security,
2. The Treasurer may not sell a security prior to providing notice required by Section 15-702 of the Revised Act (765 ILCS 1026/15-702(a)),

3. The security cannot be in a transition period; i.e. undergoing a corporate action or series of corporate actions,
4. The security share balance in KAPS and the custody holding account must be in balance, and
5. The security must not be the subject of an active claim.

Securities may also be sold in order to divide a property between multiple owners or heirs or at an owner's request. The Treasurer reserves the right, in certain circumstances as determined by the Treasurer, to sell securities that would otherwise be ineligible under these criteria if it is determined to be in the best interest of the owner.

III. SCOPE OF WORK

The Contractor shall provide the services set forth in this Section III (collectively, the "Services"):

A. Mandatory Duties/Responsibilities

The Contractor must furnish all labor, materials and resources necessary to provide the Treasurer with custodial accounting, brokerage and trading services, including but not limited to the following:

1. Maintain properly segregated account(s) for securities remitted to the Treasurer's Unclaimed Property division ("UPD") subject to UPD's direction, either within a master account or within, where appropriate, existing accounts;
2. Coordinate the receipt of securities based on instructions provided by the Treasurer via e-mail or through a secure website provided by Contractor as described in Section III.A.9 of this RFP. The Treasurer will designate the Contractor as the custodian to which securities should be delivered in the Treasurer's Instructions for Filing the Annual Report and Annual Remittance Detail of Unclaimed Property Instructions located on the Treasurer's website (currently <https://icash.illinoistreasurer.gov/app/forms>). Contractor will receive and deposit into the appropriate account(s) all securities transferred or delivered to Contractor and must be able to receive stock via Depository Trust Company ("DTC"), Direct Registration System ("DRS"), and Deposit/Withdrawal at Custodian ("DWAC"). Certificates delivered to Contractor should be converted to electronic form, if possible, and held in the appropriate account;
3. Collect and allocate all coupons, dividends and any other payments of income or capital relating to any and all securities deposited with the Contractor;
4. Execute sales of securities including liquidating mutual fund accounts based on instructions provided by the Treasurer via email or through a secure website provided by Contractor as described in Section III.A.9 of this RFP. The Contractor will be responsible for complying with the Act's provisions

- related to securities as well as related Illinois Administrative Code provisions;
5. Submit any and all called or maturing securities for payment as they are called in for redemption;
 6. Process all mandatory corporate actions made by issuers of securities held in Contractor's custody, including but not limited to offerings, exchanges, tenders, and consolidations;
 7. Notify UPD of all voluntary corporate actions such as exchanges, tender offers, etc. and process as directed by UPD, with any such direction provided via e-mail or Contractor's secure website described in Section III.A.9 of this RFP;
 8. Deliver or transfer securities in accordance with a transfer request letter provided by the Treasurer. The letter will include the claim ID, claimant name, address, social security number, CUSIP, security name, and number of shares to transfer. Letters will be uploaded to the Contractor's secure website on a weekly basis;
 9. Provide daily access to Asynchronous (electronic) Transmission services regarding activities in the Treasurer's account(s). This file should be provided as a download from a secured web site (or FTP site) and may be delivered via email within 24 hours after any transaction. Contractor shall provide the Treasurer with the ability to connect to an integrated website which will allow the Treasurer access to a variety of reports and transactions. The Treasurer shall have the ability to view all activity affecting the issues in the Treasurer's portfolio, including, but not limited to, transactions involving dividends, purchases, splits, tenders, etc. The records describing each transaction should include, at minimum: transaction type (i.e. dividend, split, etc.), shares affected, cash affected, Committee on Uniform Securities Identification Procedures ("CUSIP") number, transaction date, effective date, record date, and issue name. For transactions that affect more than one issue, such as mergers or spin-offs, the Treasurer shall require the record to contain both CUSIPs affected or two records to represent the action. Files should be created in a comma-delimited ("CSV") format as well as PDF format. Contractor is required to provide training to utilize this website as needed by the Treasurer;
 10. Provide monthly electronic statements in PDF and CSV format for all of the Treasurer's accounts in a manner and form acceptable to the Treasurer, identifying all transactions and activities settling in the period covered by the statement, such as purchases, sales, coupons, dividends, funds received and issued, portfolio positions, trades executed but not yet settled and any corporate actions. The reports shall be delivered via email to the Treasurer no later than the 10th day of the next month. The Treasurer may request specific customized reports that the Contractor will develop for the Treasurer;
 11. Provide minimum Securities Investor Protection Corporation ("SIPC") protection and an excess securities policy in writing to and subject to the approval of the Treasurer as well as in an amount agreed to by the Treasurer;

12. Maintain a segregated account of all net cash balances, which shall not be available for general use of the Contractor, but rather exclusively for the Treasurer's benefit and under the Treasurer's name. Contractor shall act upon the Treasurer's instructions to transfer funds or issue checks out of the Treasurer's account. Contractor will be notified by a letter of instruction signed by not less than two representatives of the Treasurer, delivered via email or through the Contractor's secure website, and which will include a specific time frame and date the transaction will occur. All cash, income and other payments received with respect to property held for the Treasurer shall be deposited into the Treasurer's designated account. Contractor will provide the Treasurer with email confirmation upon completion of each transaction;
13. Provide electronic delivery and receipt of securities via DTC, DRS, and DWAC;
14. Provide electronic delivery to Treasurer of all information regarding securities including, but not limited to, cash dividends, share/stock dividends, sale transactions, transfers, and monthly statements, as required in Section III.A.9 and 10 of this RFP;
15. Provide daily security valuation report in CSV format for Treasurer to upload in KAPS to reflect the holdings security values within the last 24 hours; and
16. Upon termination of the Agreement, transfer all securities to the successor contractor of the Treasurer's choosing. The Contractor must provide the successor contractor with all information, reports and data related to services performed, electronically in a usable format approved by the Treasurer.

B. Type of Property

The following are types of property that will be subject to the Services:

1. **Securities:** any and all forms of securities including without limitation, common and preferred stocks, rights, warrants listed and over-the-counter ("OTC") options (and standby contracts) on individual securities or groups/indexes of securities (and any other financial instruments), scrips, bonds, debentures, notes, commercial paper, mutual funds, certificate of deposit, trust certificates and evidences of all interest participation of indebtedness;
2. **Repurchase and Reverse Repurchase Securities Lending:** repurchase and reverse repurchase transactions and borrowing and lending transactions involving cash or any type of security (domestic or international), mortgage interest or other financial instrument;
3. **Foreign Exchange:** Spot and forward foreign exchange transactions; listed and OTC options on foreign currencies; and any other foreign currency-denominated financial instruments;
4. **Commodities:** commodity futures contracts (traded on both domestic and foreign exchanges), cash markets and listed and OTC options on commodities and commodity futures; and

5. **Miscellaneous:** partnership interests, illiquid securities, private placements, bankrupt securities, unpublished or unknown items.

C. Fiscal Year (“FY”) 2017 Transactions

Average Monthly holdings (number of issues):	3,638
Number of issues transferred to Treasurer:	4,585
Number of shares transferred to Treasurer:	36,373,958
Number of sales:	2,257
Number of shares sold by Treasurer	7,677,689
Number of transfers to claimants:	2,899

IV. PROPOSAL

A. Proposal Format

1. Cover Page – The cover page shall provide the name, physical address, e-mail address, and telephone number of the person(s) available for contact regarding the Proposal. Such person(s) must be authorized to make representations on behalf of the Respondent.
2. Table of Contents – Please list the sections in Respondent’s Proposal and their corresponding 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 – Respondent shall provide a brief five (5) page narrative, describing the general conceptual approach Respondent would take to provide the Services and any other information Respondent believes is relevant. Emphasis should be on clarity, brevity and completeness of the response.
5. Answers to Questions – Respondent must respond to all of the questions presented in Section IV.B of this RFP. Respondent’s answers must include the headings (e.g. “Background”) and be numbered in the order provided in Section IV.B.
6. Service Team – Provide an organizational chart, biographies, and resumes for the proposed Service team, including research staff and support staff. Please identify the primary contact person and describe the role of each key person.
7. Subcontractors – Provide a list of the subcontractor(s) Respondent will use for the Services, if any and the general type of work to be performed by each subcontractor.
8. State Certifications and Disclosures – Respondent and any subcontractor(s) must submit the following three (3) fully executed documents: Illinois State Treasurer Certifications,

Disclosures Financial Interest and Potential Conflicts of Interest (Disclosure Form A), and the Disclosures Other Contract and Procurement Related Information (Disclosure Form B).

9. Cost Proposal – Respondent’s price (“Cost Proposal”) shall be provided in a separately sealed envelope. The required elements of the Cost Proposal are provided in Section IV.C of this RFP.
10. Redacted Copy – If the Proposal contains any information that Respondent 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 in a separately sealed envelope an additional copy of the Proposal with proposed confidential information redacted, as detailed in Section V.E.9 of this RFP (“Redacted Copy”).

Proposals must be submitted in a sealed envelope or package bearing the title “Custodial Accounting, Brokerage and Trading Services Proposal 370-400-18-002 for the Office of the Illinois State Treasurer” and the Respondent’s name and address. The package must include one (1) original and five (6) copies of the Proposal. A separate envelope must contain one (1) original and five (6) copies of the Cost Proposal. If confidentiality of any information is asserted, one (1) Redacted Copy should be provided in an additional separate envelope. In addition, please provide one (1) electronic copy of the Proposal and one (1) separate electronic copy of the Cost Proposal, and, if confidentiality of any information is asserted, one (1) electronic Redacted Copy. Each electronic Proposal copy, each electronic Cost Proposal copy and, if submitted, the Redacted Copy shall be on a separate thumb drive or CD-ROM.

B. Questions to be Addressed in the Proposal

Respondents shall provide answers to the following questions:

Background and Experience

1. Provide a brief overview of the Respondent. Describe your corporate structure, including holding companies, parents, and corporate affiliates.
2. 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, Department of Justice, Consumer Financial Protection Bureau, U.S. Department of the Treasury, Federal Deposit Insurance Corporation, or the Federal Reserve System.
3. 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 of the following entities, including any divisions thereof: Securities and Exchange Commission, 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.

4. Has Respondent been a party to lawsuits relating to services similar to those sought in this RFP or that may jeopardize Respondent's ability to perform the Services, from January 1, 2015 to present? If so, please provide a detailed explanation.
5. Has Respondent experienced any data breach or loss of personal, financial or other data considered private or confidential since January 1, 2015? If so, provide details and what steps were taken to address the issue both in the short term related to the specific breach/loss and also in the longer term to prevent such a breach/loss from happening again.
6. Discuss Respondent's corporate governance compliance practices.
7. Describe Respondent's risk management practices and internal controls to ensure adherence to applicable federal and state laws, regulatory agency guidance, and industry best practices.
8. Provide Respondent's current IDC Financial Publishing, Inc. ("IDC") and Community Reinvestment Act ("CRA") rating.
9. Describe any changes in Respondent's ownership or management structure since January 1, 2015. Will these changes have any impact on Respondent's ability to provide the Services during the expected term of the Agreement?
10. Provide contact information for three (3) client references. References must be entities to which Respondent provided services most similar to the Services.
11. Does Respondent currently have or has Respondent had in the past ten (10) years any contracts that contain services similar to the Services with respect to size, scope, and complexity? For each contract, provide the following information:
 - a. The entity for which Respondent is providing or has provided services and a brief description of such entity;
 - b. The contract term; and
 - c. A description of the services Respondent is providing or has provided under the contract.

Services

12. Please confirm and identify how Contractor will perform each of the Services by listing each Service and Contractor's approach to providing the Service, and list any Service listed in Section III of this RFP that Respondent is unwilling or unable to perform and explain why.

13. Provide a proposed schedule for the implementation of the Services. The implementation schedule should include, but not be limited to, any specific implementation phases (e.g. testing, training, etc.), materials available, and/or any on-site training provided by the Respondent.

Qualifications

14. Please confirm your capability of liquidating approximately 1,000 different issues in a given month, as required in the Treasurer's mass sales.
15. Please confirm you are registered with the Securities and Exchange Commission to provide the Services.
16. Please demonstrate your experience in both domestic and international brokerage dealer services and a member of all principal exchanges. Must be subject to the net capital requirements of the Securities Exchange Act of 1934, the New York Stock Exchange, Inc., and the Commodities Futures Trading Commission.
17. Please demonstrate your ability to warrant to the Treasurer's satisfaction that Contractor has adequate backup and recovery of data facilities to provide uninterrupted continuous operations should catastrophic events render Contractor's primary facility inoperable.

Diversity

18. 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.
19. 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.
20. Please provide the number and percentage of Respondent's senior executive leaders (i.e. partner, president, COO, managing director, or other senior executives) who are female, minority, military veterans, or persons with disabilities. Please cite with supporting data.
21. Please provide the number and percentage of Respondent's staff (i.e. all full-time and part-time employees) who are female, minority, military veterans, or persons with disabilities. Please cite with supporting data.
22. 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.

Corporate Responsibility – Environmental, Social and Governance Practices

23. Please note any policies, practices and/or business strategies the Respondent has in place to address long-term environmental risks and opportunities that may impact long-term sustainability.
24. Please highlight any policies, practices or resources that the Respondent has in place to retain and enhance the human capital at the firm.
25. Please explain how the Respondent fosters a corporate governance structure that mitigates business risks and enhances business operations.
26. Please highlight any activities, projects, or services the Respondent administers to alleviate societal issues and enhance its commitment to corporate social responsibility. Please cite with supporting data.

Illinois Presence

27. Is the Respondent incorporated or domiciled in Illinois? Please provide the physical address and website of the Respondent’s headquarters and all Illinois branch offices.
28. Please note how many full-time employees are located at the Respondent’s headquarters and all Illinois branch offices.
29. 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.
30. Using the definition provided above, what percentage of the Respondent’s subcontractors for this project, if any, have an Illinois presence?
31. Please note whether the Respondent has any plans to locate staff or hire additional staff in the State of Illinois. Please provide supporting data.

C. Cost Proposal

For the Cost Proposal, Respondent shall complete and submit the Proposed Cost Structure, attached hereto as Exhibit A.

V. RFP SCHEDULE AND PROCESS

This Section provides the schedule and process for this RFP.

A. RFP Schedule

The following is the schedule for this RFP:

Date	Event
December 11, 2017	RFP published on the Treasurer's website.
January 9, 2018	Notice of intent to attend Bidder's Conference due by 1:00 p.m. CT.
January 10, 2018	Mandatory Bidder's Conference at 10:00 a.m. CT.
January 12, 2018	All Respondent questions due by 2:00 p.m. CT.
January 17, 2018	Responses to all questions posted on the Treasurer's website by 2:00 p.m. CT.
January 24, 2018	Proposals due at 2:00 p.m. CT.
January 29, 2018 through February 9, 2018	Interviews and site visits, if any, with final candidates.
February 13, 2018	If applicable, best and final offer due by 1:00 p.m. CT.
February 15, 2018	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, Jim Underwood, at junderwood@illinoistreasurer.gov by 2:00 p.m. CT on January 12, 2018.

C. Mandatory Bidder's Conference

If a Respondent intends to participate in the Mandatory Bidder's Conference, Respondent must e-mail the CPO notice of intent to participate by 1:00 p.m. CT on January 9, 2018. Participation by telephone is acceptable. The Bidder's Conference shall be on January 10, 2018 at 10:00 a.m. CT at the following address:

400 West Monroe Street, Suite 401
Springfield, IL 62704

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 January 24, 2018:

Mr. Jim Underwood
Chief Procurement Officer
400 West Monroe Street, Suite 401
Springfield, IL 62704
Telephone: 217.782.1708

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. Verbal Communications

Any verbal 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 any amendments on its website at www.illinoistreasurer.gov.

4. Respondent's Costs

The cost of developing a Proposal is each Respondent's responsibility and shall 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. Proposal 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.

9. 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 the “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.

10. CPO May Cancel RFP

If the CPO determines that it is in the Treasurer’s best interest, he 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.

11. Additional Information

The Treasurer reserves the right to request additional information and to meet with representatives of Respondent to discuss their Proposals.

VI. EVALUATION PROCESS AND CRITERIA

This Section explains how the Treasurer will evaluate the Proposals.

A. Mandatory Requirements

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

1. Submit Proposal and accompanying Cost Proposal by 2:00 p.m. CT on January 24, 2018;
2. In Respondent’s Proposal, provide all of the sections and the information required for each section as set forth in Section IV.A of this RFP;
3. Provide the Cost Proposal in a separately sealed envelope and on a separate electronic storage device;

4. Be authorized to do business in Illinois;
5. Be, or subcontract with an entity that is, a member of the Federal Reserve System (“Fed”) and an Illinois bank or a national bank with a presence in Illinois, and have access to all services as a as Fed-member bank. Qualify as a depository for public funds;
6. Be authorized to establish a correspondent relationship with the Federal Reserve and DTC, if Respondent cannot establish the relationship at the Federal Reserve and/or DTC in order to separate the securities, Respondent must establish such a correspondent relationship in the name of the Treasurer.
7. Be an established company or financial institution with all required licenses, bonding, facilities, equipment, and trained personnel necessary to perform the work as specified in this RFP at the time of this RFP, or prior to that time, if required by law. The Treasurer reserves the right to require proof of said requirements within ten (10) calendar days from the date of receipt of the Respondent’s Proposal;
8. Have a minimum of ten (10) years of experience performing services that are considered identical or similar in nature to the Services; and
9. Since January 1, 2015, Respondent or its officer(s) or principal(s), acting within the scope of their employment, have not been found liable or have not 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, Department of Justice, Consumer Financial Protection Bureau, U.S. Department of the Treasury, Federal Deposit Insurance Corporation, or the Federal Reserve System.

B. Scoring

Evaluation Factor	Maximum Number of Points Possible
Background and Experience	40
Services	40
Qualifications	40
Diversity	10
Corporate Responsibility – Environmental, Social and Governance Practices	5
Illinois Presence	10
Cost Proposal	15

Interview, if applicable	5
TOTAL	165

C. Determining Scores

1. Background and Experience

Scoring will be based on Respondent’s demonstrated talent and experience of assigned personnel and will incorporate the answers Respondent provides to the Background and Experience Questions in Section IV of this RFP. The breadth and depth of similar engagements will be considered. The evaluation will also 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. Services

Respondent will be evaluated based on the answers Respondent provides to the Services questions in Section IV.

3. Qualifications

Respondent will be evaluated based on the answers Respondent provides to the Qualifications questions in Section IV.

4. Diversity

Respondent’s diversity score will be scored based on the answers the Respondent provides to the Diversity questions in Section IV. The Evaluation Team shall award a higher diversity score to Respondents (including subcontractors) 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.

5. Corporate Responsibility – Environmental, Social and Governance Practices

Respondent’s corporate responsibility shall be scored based on the answers Respondent provides to the Corporate Responsibility questions in Section IV.

6. Illinois Presence

Respondent’s Illinois presence shall be scored based on the answers Respondent provides to the Illinois Presence questions in Section IV. Respondents with a principal place in Illinois and a higher percentage of employees in Illinois shall receive higher scores.

7. Cost Proposal

The Evaluation Team shall evaluate the cost-effectiveness of Respondent’s Cost Proposal in order to determine the Cost Proposal score.

8. 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. Proposals deemed non-responsive will be eliminated from further consideration. The Chief Procurement Officer may contact the Respondent for clarification of the Proposal, and the Evaluation Team may use other sources of publically available information to perform its evaluation. Finally, the Evaluation Team will make a recommendation regarding the final Respondent.

VII. CONTRACTUAL TERMS

The Contractor shall agree to each contractual provision set forth in this Section.

A. Contractual Responsibility

Contractor will be contractually responsible for all services provided. By responding to the RFP, Contractor expressly agrees to the contractual requirements herein. Contractor shall at all times provide services in a commercially reasonable manner.

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 initial term of the Agreement will 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. Termination

1. Termination without Cause

The Treasurer may elect to terminate the Agreement at any time upon thirty (30) calendar days' notice. Upon termination, the Treasurer will pay for work satisfactorily completed prior to the date of termination.

2. Termination for Cause

Notwithstanding any language to the contrary, the Agreement may be terminated by the Treasurer or CPO 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 services provided under the Agreement are rejected and are not promptly corrected by the Contractor or repeatedly rejected even though Contractor offers to correct 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 laws and ordinances, rules, or instructions of the Treasurer or his agents, acts in violation of any provision of the Agreement, or acts in conflict of any statutory or constitutional provision of the State of Illinois or the United States; or
- i. Contractor commits any other breach of the Agreement or commits other unlawful acts.
- j. Contractor provides notice pursuant to Section VII.S 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 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.

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.

E. 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, designs, code, and ideas specially produced, developed, or designed by the Contractor under the Agreement, whether preliminary or final, (collectively, "Work Product") will become and remain the property of the Treasurer, including any copyright or service marks developed by the Contractor on behalf 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.

F. 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.

G. Internal Controls

If applicable, and upon request, the Contractor shall provide the Treasurer with a copy of the most recent Annual Report or Form 10-K of itself or its holding company, which shall include the attestation of the company's independent registered accounting firm regarding the company's internal control over financial reporting.

H. Back-up Facilities

Upon execution of the Agreement, the Contractor and its subcontractor(s), if applicable, shall provide the Treasurer a summary of their disaster recovery plan, back-up plan, and testing schedule.

I. 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.

J. Indemnification

The Contractor will indemnify, defend, and hold Treasurer, their officers, agents, and employees, harmless from and against any and all liabilities, demands, claims, lawsuits, losses, damages, causes of action, fines, or judgments, including costs, attorneys' and witnesses' fees and expenses incident thereto, for all injuries, including, but not limited to, injuries to person and for loss of, damage to, or destruction of property due to the Contractor's negligent acts or omissions or willful misconduct of Contractor, its employees, or its agents in connection with this RFP and subsequent Agreement.

K. Subcontractors

The Contractor may not use subcontractors to perform the Services, unless the subcontractor is approved in advance by the Treasurer. Contractor 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 as Appendix I.

L. Record Retention and Audit

Contractor and subcontractors, if any, agree to maintain books and records related to the performance of the Agreement and necessary to support amounts charged to the State under the Agreement for a minimum of three (3) years from the last action on the Agreement or after termination of the Agreement, whichever is longer. Contractor and subcontractors further agree 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.

M. Confidentiality and Security Requirements

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. 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. 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

The Contractor represents, warrants, and covenants that it has implemented and will maintain an information security program reasonably designed to protect Confidential Information, including customer information, which program includes administrative, technical, and physical safeguards to ensure the security and confidentiality of all customer 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 such customer information.

4. Privacy Policy

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 with respect to the Project that meets the requirements of applicable law.

5. Program Lists

The Contractor specifically agrees that it shall not, and shall cause its subcontractors and affiliates not to, sell, provide, or otherwise disclose information from, any program list to any third party, unless otherwise directed to or approved by the Treasurer or required by applicable law.

N. 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 this Agreement nor any of the rights or obligations under the Agreement may be transferred or assigned by a financial institution without the Treasurer's prior written consent. Any attempt by Contractor or subcontractor, if applicable, to transfer or assign any rights or obligations related to the Agreement without the prior written consent of the Treasurer shall render this Agreement voidable by the Treasurer. The Treasurer may unilaterally bind any successor of the Contractor to the terms and conditions of the Agreement.

O. Reporting and Testing

Following execution of the Agreement, the Contractor must provide a complete sample of all reports generated by your internet system. The reports must contain data specific to the type of transactions the account will be expecting on a daily basis. The selected respondent must also provide access to the system for the purpose of testing the exporting of information into the following formats: PDF and CSV.. The export must also contain data specific to the type of transactions the account will be anticipating on a daily basis. The Treasurer must receive all reports and test data as soon as possible after selection but prior to implementation of the contract in order to perform all necessary testing in advance of execution date.

P. Compensation

The Contractor shall provide the Services pursuant to the Agreement on a fee-for- service basis to the Treasurer, as noted in the Proposed Cost Structure, and may be compensated by State warrant on a review of the account analysis statement. During the term of the Agreement, the Contractor will submit a detailed monthly invoice to the Treasurer. Payment via EFT may be an

option, as authorized by the General Assembly. As an alternative, services may be paid through compensating balances, or other investment vehicles as deemed necessary.

Q. Continuation of Services

The Contractor shall guarantee performance of the Services and agree to perform all Services in an efficient and professional manner. 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.

R. 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.

S. Notice

The Contractor hereby agrees to give the Treasurer notice if at any point during the term of this 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 of the following entities, including any divisions thereof: the Securities and Exchange Commission, Department of Justice, Consumer Financial Protection Bureau, U.S. Department of the Treasury, Federal Deposit Insurance Corporation, or the Federal Reserve System. The Contractor shall provide the Treasurer such notice within ten (10) business days of when Contractor knows or reasonably should have known of the liability or consent order. 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.

T. Most Favorable Terms

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

U. 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.

V. Modification of the Agreement

The Services to be provided under the Agreement shall be subject to modification and supplementation only upon the written agreement of the duly authorized representatives of the contracting parties. No modification of the terms of the Agreement shall be made that would materially change the delivery of service, unless such changes are mutually agreed by and between the Treasurer and the Contractor and shall be incorporated in written amendments to the Agreement, processed through and approved by the Treasurer.

W. State Certifications/Disclosures

The Agreement will incorporate Contractor's fully executed State Certifications and Disclosure Forms.

Exhibit A

<u>Proposed Cost Structure</u>	<u>\$ Price Per Item</u>	<u>FY 17 Transactions</u>	<u>Yearly Total</u>
Monthly Holdings (per issue)			
DTC		x 3450 (issues) x 12	
Physical		x 188 (issues) x 12	
Receipt of Securities (# of issues)		x 4585 (issues)	
DTC Transfer		x 2889 (transfers)	
Physical Transfer		x 10 (transfers)	
Liquidations (cost per)		x 2257 (issues)	
Mutual Fund Liquidations (cost per)		x 15 (issues)	
Broker Commission		x 7,677,689 (shares sold)	
Wire / ACH Transfer		x 4 (transfers)	
Secure Website Access			
Additional Fees not specified above (Please specify each fee below)			

Total Yearly Cost

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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 Office 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 the provisions of the U.S. Export Administration Act of 1979 (50 U.S.C.A. App. § 2401 et seq.) or the regulations of the U.S. Department of Commerce promulgated under that Act.

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 Office in writing if CONTRACTOR was formerly employed by the Treasurer's Office 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
 Sole Proprietor
 Partnership/Legal Corporation
 Tax Exempt
 Corporation providing or billing
 medical and/or health care services
 Corporation NOT providing or billing
 medical and/or health care services
 Other: _____

Government Entity
 Nonresident alien
 Estate or trust
 Pharmacy (Non-Corp.)
 Pharmacy/Funeral Home/Cemetery
 (Corp.)
 Limited Liability Company (select
 applicable tax classification.)
 C = corporation
 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 Office 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 Office 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 Office if that individual is in default of an educational loan. CONTRACTOR further acknowledges that the Treasurer's Office 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

Office 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 Office 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 Office 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 Office 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.

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 Office 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). 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 proposals on State contracts total more than \$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/offers 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/Offers

- a. If any individuals have one of the following financial interests in the contractor/offers (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/offers (or its parent) as follows:

If the proportionate share of the named individual(s) in the ownership of the contractor/offers (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
_____ | No
_____ |
| b. | State employment for spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years. | Yes
_____ | No
_____ |
| 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
_____ | No
_____ |
| d. | Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter. | Yes
_____ | No
_____ |
| 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
_____ | No
_____ |
| f. | Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter. | Yes
_____ | No
_____ |
| g. | Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government. | Yes
_____ | No
_____ |
| h. | Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter. | Yes
_____ | No
_____ |
| i. | Compensated employment, currently or in the previous 3 years, by any registered election or re-election committee registered with the Secretary of | Yes
_____ | No
_____ |

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 _____