Invitation for Bids
Custody and Safekeeping Services
370-500-17-007

December 22, 2016

Bids due by 2:00 p.m. CT on January 6, 2017

Mr. Jim Underwood
Chief Procurement Officer
400 West Monroe Street, Suite 401
Springfield, IL 62704
Office of the Illinois State Treasurer  
Invitation for Bid  
Custody and Safekeeping Services  
370-500-17-007

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Appendix A  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 Office of the Illinois State Treasurer (“Treasurer”) is issuing this Invitation for Bids for Custody and Safekeeping Services (“IFB”) in search of a financial institution that will hold approximately $75,000,000 in corporate and municipal securities, which will be traded by the Treasurer’s external investment managers. Financial institutions that submit Bids (“Respondents”) must submit their Bids by 2:00 p.m. CT on January 6, 2017. The Treasurer intends to select the lowest bid submitted by a responsible and responsive Respondent. The successful Respondent (“Contractor”) shall enter into a contract with the Treasurer (“Agreement”) for an initial term of two (2) 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 two (2) years.

II. BACKGROUND

Pursuant to the Public Funds Investment Act (“Act”), 30 ILCS 235/1 et seq., and the Deposit of State Moneys Act, 15 ILCS 520/1 et seq., the Treasurer has the authority to invest public funds in authorized investments, as provided in the Act. The Treasurer intends to enter into contracts with two separate external emerging investment managers: one shall trade the corporate securities (“Corporate Investment Manager”) and the other shall trade the municipal securities (“Municipal Investment Manager”) (collectively, the “Investment Managers”). The Investment Managers will trade approximately $75,000,000 in corporate and municipal securities, all of which must be held by the Contractor. The Deposit of State Moneys Act authorizes the Treasurer to contract with any financial institution to provide custody and safekeeping services, subject to the administrative rules promulgated by the Treasurer.

III. SCOPE OF SERVICES

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

A. Establish and maintain a custody and safekeeping account in the name of the Treasurer (“Account”);

B. Accept delivery of corporate and municipal securities (collectively, the “Securities”) from securities intermediaries, as directed by the Investment Managers;

C. Deliver the Securities to security intermediaries, as directed by the Investment Managers;
D. Hold the Securities in the Account, depending upon the type of security, in the name of the Treasurer, in the name of the Contractor for the benefit and on behalf of the Treasurer, in the name of the Contractor’s nominee for the benefit of the Treasurer, or in the name of the Contractor’s nominee for the benefit of the Contractor if the Contractor reflects on its books and records that such securities are held for the benefit and on behalf of the Treasurer. The Contractor shall hold the Securities within the State of Illinois. Notwithstanding the foregoing, the Contractor may hold any non-Federal Reserve eligible securities within the State of New York or in any other state, approved in writing by the Treasurer;

E. Accept trade instructions from the Treasurer for the Securities and accept trade instructions 1) from the Corporate Investment Manager for the corporate securities and 2) from the Municipal Investment Manager for the municipal securities. In the event of a conflict between the instructions provided by the Treasurer and an Investment Manager, the Contractor shall inform the Treasurer of the conflict and await further instruction from the Treasurer before taking action;

F. Accept outgoing and incoming wire transfers and Automated Clearing House (“ACH”) debits and credits initiated by the Treasurer;

G. Credit the Account with the proceeds from all interest payments, sales, maturities, redemptions, and other payment types with regard to the Securities held in the Account;

H. Notify the Treasurer within ten (10) business days of any and all changes to the delivery instructions for all Securities executed on behalf of the Treasurer by the Investment Managers;

I. Provide the Treasurer a net settlement of the end-of-day cash position and wire transfer any credit balance to a demand deposit account identified by the Treasurer;

J. Provide the Treasurer investment activity and investment asset reports for the Account on a daily and monthly basis;

K. Provide, on a daily and monthly basis, the Corporate Investment Manager investment activity and investment asset reports on the corporate securities and provide the Municipal Investment Manager such reports on the municipal securities;

L. Provide the Investment Managers with a downloadable file of the assets each is holding under management on behalf of the Treasurer (i.e., send a downloadable file of the corporate security assets to the Corporate Investment Manager);
M. Provide the Treasurer and Investment Managers dedicated customer service staff; and

N. Perform any additional related custody and safekeeping duties, requested by the Treasurer.

IV. CONTENTS OF BID

A. Bid Format

Bids must be submitted in a sealed envelope or package bearing the title “Custody and Safekeeping Services Bid 370-500-17-007 for the Office of the Illinois State Treasurer.” The package must include one (1) original and four (4) copies of the Bid. The package must also include five (5) separate electronic copies of the Bid. Each electronic copy shall be on a separate thumb drive.

Respondent’s Bid shall contain the following:

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 Bid. Such person(s) must be authorized to make representations on behalf of the Respondent.

2. **Section I** – In Section I, Respondent shall identify any Services it is unwilling or unable to provide and explain why.

3. **Section II** – In Section II, Respondent shall provide the annual asset based cost for the Services at a base of approximately $75,000,000. Please also provide incremental asset based costs for services in excess of the base of $75,000,000.

4. **Section III** – In Section III, Respondent shall provide a statement indicating that, with the Bid submission, Respondent a) understands that it making an offer to the Treasurer that is binding from the due date for bids through 180 days thereafter and b) acknowledges agreement to the contract provisions set forth in Section VII of this IFB.

5. **Section IV** - 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).
V. IFB PROCESS AND SCHEDULE

This Section outlines the process and schedule associated with this IFB.

A. Schedule
The following is the schedule for this IFB:

<table>
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<tr>
<th>Date</th>
<th>Event</th>
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<tr>
<td>December 22, 2016</td>
<td>IFB published on the Treasurer’s website.</td>
</tr>
<tr>
<td>December 28, 2016</td>
<td>Questions due by 2:00 pm CT.</td>
</tr>
<tr>
<td>January 6, 2017</td>
<td>Bids due by 2:00 pm CT.</td>
</tr>
<tr>
<td>January 13, 2017</td>
<td>Notification of award and begin negotiation of Agreement.</td>
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</tbody>
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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 IFB.

Respondents should submit questions about the intent or content of this IFB and request clarification of any and all procedures used for this procurement prior to the submission of a Bid. Respondents must submit their questions in writing by e-mail to the CPO by 2:00 p.m. CT on December 28, 2016.

Jim Underwood  
Chief Procurement Officer  
Office of the Illinois State Treasurer  
400 W. Monroe St., Suite 401  
Springfield, IL 62704  
Phone: 217.782.1708  
Fax: 217.524.3822  
junderwood@illinoistreasurer.gov

C. Bid Submittal
All Bids must be submitted by mail or messenger to the following address, no later than 2:00 p.m. CT on January 6, 2017.

Mr. Jim Underwood  
Chief Procurement Officer
D. IFB Process

1. Questions about this IFB
Respondents should submit questions about the intent or content of this IFB and request clarification of any and all procedures used for this procurement prior to the submission of a response. Respondents must prepare their questions in writing and send them by e-mail to the CPO.

2. 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 IFB process.

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

4. Amendment
If it is necessary to amend this IFB, the Treasurer will post amendments on the Treasurer’s website.

5. Respondent’s Costs
The cost of developing a response to this IFB is each Respondent’s responsibility and may not be charged to the Treasurer.

6. Withdrawal/Modification of Bid
Respondent may withdraw or modify its Bid at any time prior to the deadline for receipt of Bids. For withdrawals, the Respondent must submit a written withdrawal request, addressed to the CPO and signed by the Respondent’s duly authorized representative. In order to modify a bid, the amended Bid must be a complete replacement for the previously submitted Bid and must be clearly identified as such in the transmittal letter to the CPO.

7. Bid is an Offer
A Bid submitted response to this IFB is a binding offer valid for 180 days after the due date for Bids.

8. Response to IFB is State Property
On the response due date all responses and related material submitted in response to this IFB become the property of the State of Illinois.
9. **CPO May Cancel the IFB**
If the CPO determines it is in the Treasurer’s best interest, he reserves the right to do any of the following:

a. Cancel this IFB;

b. Modify this IFB in writing as needed; or

c. Reject any or all bids received for this IFB.

10. **Additional Information**
The Treasurer reserves the right to request additional information and to meet with Respondents to discuss their Bids.

**VI. EVALUATION PROCESS AND CRITERIA**
This Section explains how the Evaluation Team will evaluate the Bids.

**A. Mandatory Requirements**
Respondent must meet the following mandatory requirements:

1. Be a member of the Federal Reserve System and Depository Trust Clearing Corporation (“DTCC”);

2. Be authorized to conduct business in Illinois as an Illinois bank or a national bank with a presence in Illinois;

3. Qualify as a depository for public funds;

4. Not be subject to any current investigations and/or formal sanctions by any federal regulatory agency, including, but not limited to, the Securities and Exchange Commission, Department of Justice, Department of Labor, and the Federal Reserve, in which Respondent, its officers, or principals have been involved in from January 1, 2014 to present;

5. Be an established financial institution with all required licenses, bonding facilities, equipment and trainer personnel necessary to perform the Services at the time the Bid is submitted, or prior to such time, if required by law. The Treasurer reserves the right to require proof within ten (10) calendar days of receipt of the Bid that this requirement has been met; and

6. Have a minimum of five (5) years of experience performing services that are considered identical or similar in nature to the Services.
B. Evaluation

The Evaluation Team will evaluate the Bids to determine which responsive and responsible Respondent offers the lowest cost to the Treasurer. The lowest cost shall be determined by analyzing the pricing Respondent offers for providing Services at a base of $75,000,000.

VII. CONTRACT TERMS AND CONDITIONS

By submitting a Bid, the Respondent agrees to each of the contractual provisions set forth below.

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

B. Governing Law
The Agreement shall be governed by and construed according to 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. Record Retention and 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 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 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.

D. Term of Agreement
The Agreement shall have a two (2) year term, 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 two (2) years.
E. Termination

1. **Termination without Cause**
   The Treasurer may elect to terminate the Agreement 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 in a reasonable manner.

2. **Termination for Cause**
   Notwithstanding any language to the contrary, the Agreement may be terminated by the Treasurer under any of the following circumstances:
   
   a. Contractor fails to furnish a satisfactory performance within the time specified;
   
   b. Contractor fails to perform any of the provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms;
   
   c. Any services provided under the Agreement are rejected and are not promptly corrected by 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 obtained 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 their creditors or receivership due to insolvency;
   
   g. Contractor disregards laws and ordinances, rules, or instructions of a contracting officer or acts in violation of any provision of the Agreement or this part, or the Agreement conflicts with any statutory or constitutional provision of the State of Illinois or of the United States; and
   
   h. Any other breach of contract or other unlawful act by Contractor occurs.

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 fee 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, 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.

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 with a copy of the most recent Annual Report or Form 10-K of its parent bank holding company, 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 summary of their disaster recovery plan, back-up plan, and testing schedule.

J. 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.

K. Liability of Contractor
Contractor shall be liable to the Treasurer for actual and compensatory damages that are available to the Treasurer in law or remedies in equity.
L. **Indemnification**
The Contractor shall indemnify, defend and hold Treasurer, its officers, agent 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, due to the Contractor’s breach of the Agreement, negligent acts or omissions, or willful misconduct of Contractor, its employees or its agents in connection with this IFB and subsequent Agreement.

M. **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 State Certifications and Disclosure Forms, attached hereto as Appendix A.

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.

N. **Review**
Treasurer’s staff may conduct periodic performance reviews of the Contractor, during which its compliance with all aspects of the Agreement with the Treasurer will be reviewed and assessed.

O. **Services**
Contractor shall not modify any Service or the manner of providing such Service under the Agreement without the prior written authorization of the Treasurer. Modification means any change to a Service or the addition of a new service.

P. **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, interests, or obligations is assignable without the prior written consent of the other party. Any attempt by Contractor to transfer or assign any rights or obligations related to the provision of services under this 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 provider to the terms and conditions of any Agreement between the parties.

Q. **Compensation**
The Contractor shall provide the Services pursuant to the Agreement on a fee-for-service basis to the Treasurer and may be compensated by State warrant on a review of the invoice. 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.

**R. 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.

**S. Enforceability**
The Contractor shall certify that the execution and delivery by the Contractor of the Agreement and the performance by the Contractor of its obligations pursuant to the Agreement have been duly and validly authorized, with no other corporate action on the part of the Contractor or its stockholders being necessary. The Contractor shall certify that it has the full legal right, power, and authority to execute and deliver the Agreement and to perform its obligations pursuant to the Agreement, 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.

**T. No Conflicts**
The Contractor shall certify 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:

1. 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;

2. 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

3. 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.
U. **No Pending or Threatened Litigation**
The Contractor shall certify 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.

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 will incorporate Contractor’s fully executed State Certifications and Disclosure Forms, copies of which are attached hereto as Appendix A.
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;

Revised on 4/12/2012
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.

Revised on 4/12/2012
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):
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).

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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

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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, consortia 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.

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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

Revised on 4/12/2012
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/offerors 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.
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>a.</td>
<td>State employment, currently or in the previous 3 years, including contractual employment of services</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>b.</td>
<td>State employment for spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>c.</td>
<td>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.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>d.</td>
<td>Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>e.</td>
<td>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.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>f.</td>
<td>Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>g.</td>
<td>Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>h.</td>
<td>Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter.</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>i.</td>
<td>Compensated employment, currently or in the previous 3 years, by any registered election or reelection committee registered with the Secretary of</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
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.

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/offerors 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 ______________________________