



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

**Request for Proposals**

**Illinois Growth and Innovation Fund**  
**Investment Advisor**  
370-800-19-007  
December 19, 2018

Proposals due by 2:00 p.m. CT on January 16, 2019

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

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## I. OVERVIEW

The Office of the Illinois State Treasurer (“Treasurer”) is issuing this Request for Proposals (“RFP”) for an Investment Advisor for the Treasurer’s Illinois Growth and Innovation Fund (“ILGIF”), an impact investment fund, pursuant to its authority under the Technology Development Act, 30 ILCS 265 (“Act”). Investment Advisors that submit proposals (“Respondent”) shall submit their Proposals by 2:00 p.m., CT on January 16, 2019. The Investment Advisor will provide investment and advisory services, as described further below. The Treasurer will retain discretion over all fund selection decisions.

The Treasurer intends to select the Respondent with the most effective, yet cost efficient process including, but not limited to deal sourcing; portfolio allocation; track record of investing and supporting technology businesses in Illinois; due diligence and fiduciary oversight; venture, private equity, and private debt experience and past performance; diversity and inclusion, and competitive fees, amongst other factors. The winning Respondent shall enter into a contract with the Treasurer (“Agreement”) for an initial term of four (4) years. Upon expiration of this term, the Treasurer may elect to extend the Agreement for a period of time agreed upon by the parties, not to exceed a total of ten (10) years, including the initial four (4) years.

## II. BACKGROUND

In August of 2002, the Illinois General Assembly passed the Act, allowing the Treasurer to segregate up to 1% of the State investment portfolio to invest in venture capital, growth equity, and private debt investment firms located in Illinois with a goal of investing in technology businesses seeking to locate, expand, or remain in Illinois. *See* Appendix A. The Act established the Technology Development Account I (“TDA I”) to support Illinois technology businesses and generate acceptable returns for the State.

In July 2011, the Act was amended to establish a second Technology Development Account, 30 ILCS 265/11 (“TDA II”). The 2011 legislation authorized the Treasurer to segregate an additional 2% of the State investment portfolio to help attract, assist, and retain quality technology businesses in Illinois.<sup>1</sup> An August 2018 amendment to the Act allows the Treasurer to segregate up to 5% of the State investment portfolio in ILGIF, on a continuing and recurring basis, to primarily invest with venture capital, growth equity and private debt investment firms located in Illinois with a goal of investing in technology businesses seeking to locate, expand or remain in Illinois. The Treasurer’s Illinois Growth and Investment Policy (“ILGIF Investment Policy”) is accessible online at [https://www.illinoistreasurer.gov/Financial\\_Institutions/Doing\\_Business\\_with\\_the\\_Treasurer/Investment\\_and\\_Financial\\_Policies](https://www.illinoistreasurer.gov/Financial_Institutions/Doing_Business_with_the_Treasurer/Investment_and_Financial_Policies).

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<sup>1</sup> TDA II also provides for a second fund, consisting of investments from private sector investors that must invest, at the direction of the Treasurer, in tandem with the TDA II Account in a pro-rata portion. The Treasurer has no current plans to create or operate this private tandem fund. The Contractor will not be responsible for any services related to this fund.

All investments, existing and new, committed to under the Act, shall be aggregated for purposes of this RFP under the Illinois Growth and Innovation Fund to optimize portfolio construction, streamline governance, and enhance investment oversight and due diligence.

## **A. Objective**

The August 2018 legislation increases the TDA I and TDA II 3% investment threshold, while maintaining the same core mission of supporting Illinois technology businesses and generating acceptable returns for the State. The Treasurer intends to invest 5% of the State investment portfolio, which shall be calculated as: (1) the balance at the inception of the State's fiscal year; or (2) the average balance in the immediately preceding 5 fiscal years, whichever number is greater. Currently, the estimated amount that may be invested based on the 2018-2019 fiscal year, is roughly \$700 million.

The selected Respondent ("Contractor") will assist in constructing a diversified portfolio of investments that aligns with the Treasurer's investment and impact objectives. The Contractor will evaluate, assess, and advise on prior and current commitments in venture capital, growth equity, and private debt investments within the existing portfolio. Furthermore, the Contractor will seek, recruit, evaluate, and recommend venture capital, growth equity, and private debt investment funds for new investment commitments.

The Contractor should endeavor to commit approximately \$75 to \$100 million per annum ("the Amount") over the course of the Agreement. Investments must be spread across multiple venture capital, growth equity, and private debt investment firms based in Illinois or with a track record of investing in Illinois companies.

Any fund created by an Illinois venture capital, growth equity, and private debt firm in which the Treasurer places money under the Illinois Growth and Innovation Fund ("Recipient Fund") shall invest a minimum of twice (2x) the aggregate amount of investable capital that is received from the Treasurer in Illinois companies during the life of the fund.

## **B. Definitions**

"Illinois venture capital firms" means an entity that (1) has a majority of its employees in Illinois (more than 50%) or that has at least one general partner or principal domiciled in Illinois, and (2) that provides equity financing for starting up or expanding a company, or related purposes, such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital. This includes, but is not limited to, investment funds or fund managers classified as venture capital, debt, mezzanine, buyout, or growth.

"Illinois venture capital firms" may also mean an entity that has a "track record" of identifying, evaluating, and investing in Illinois companies and that provides equity financing for starting up or expanding a company, or related purposes, such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital. As set forth in the Act, "track record"

means having made, on average, at least one (1) investment in an Illinois company in each of its funds if the Illinois venture capital firm has multiple funds, or at least two (2) investments in Illinois companies if the Illinois venture capital firm only has one fund. The Treasurer's Office is authorized to invest up to 15% of ILGIF assets in venture capital firms headquartered outside of Illinois, but with a "track record" of investing in Illinois companies. The Treasurer is authorized to invest up to 15% of ILGIF assets in venture capital firms "based" outside of Illinois, but with a "track record" of investing in Illinois companies.

"Technology businesses" means a company that has as its principal function the providing of services, including computer, information transfer, communication, distribution, processing, administrative, laboratory, experimental, developmental, technical, or testing services; manufacture of goods or materials; the processing of goods or materials by physical or chemical change; computer related activities; robotics, biological or pharmaceutical, industrial activities; or technology-oriented or emerging industrial activity. Technology-enabled businesses can be situated in industries such as, but not limited to: agriculture technology, biotechnology, consumer technology, financial services technology, green technology, health care technology, logistics technology, manufacturing technology, and services technology.

"Illinois companies" are firms that are headquartered or that otherwise have a significant presence in the State of Illinois at the time of initial or follow-on investment.

"Significant presence" means at least one (1) physical office and one (1) full-time employee within the geographic borders of Illinois. A "physical office" may include a professional workplace, a co-working location, or a home office.

Other terms used in this RFP not otherwise clarified above are defined in the Act, attached hereto as Appendix A.

### **III. SCOPE OF WORK**

The Respondent will provide the following services to the Treasurer ("Services"):

1. Provide fund manager investment recommendations;
2. Provide portfolio allocation recommendations;
3. Identify, recruit, and recommend to the Treasurer fund managers that are more than 50% owned by or under the control of qualified veterans of the armed forces of the United States, qualified service-disabled veterans, minority persons, women, or persons with a disability;
4. Ensure that funds are staffed at a level that assures the Treasurer receives timely responses to all questions and issues that arise related to reporting and all financial activity;

5. Evaluate risk factors that may have a material and relevant financial impact on the safety and/or performance of fund managers;
6. Assist in integrating sustainability factors into the Treasurer's investment decision-making, fund manager selection, investment analysis, portfolio construction, risk management, and due diligence;
7. Ensure that any Recipient Fund staff contact information changes are reported to the Treasurer in a timely manner;
8. Ensure that the Recipient Funds notify the Treasurer electronically of all capital calls and distributions at least five (5) days in advance of such transaction;
9. Conduct a thorough due diligence screening of relevant entities being considered for investment by the Treasurer (e.g., venture capital, growth equity, and private debt investments, and their associated investment funds; and qualified fund managers that participate in the U.S. Small Business Administration's Small Business Investment Companies ("SBIC") program). Such due diligence review shall include the performance of research, reference checking, financial analysis, and vetting the educational, financial, and litigation background of applicable funds, firms, executives, and managers;
10. Ensure that the Treasurer is incorporated throughout the due diligence screening process including, but not limited to, on-site due diligence meetings with prospective investment fund managers prior to recommendations being presented to the Treasurer;
11. As part of the due diligence screening process, inform any prospective fund of key terms for the Treasurer's side letter agreements, including but not limited to requirements of the Act and any applicable administrative rules and the Treasurer's desire to have a seat on any applicable limited partner advisory board;
12. Perform all Services in accordance with applicable law and the ILGIF Investment Policy;
13. Provide quarterly update presentations to the Treasurer and its advisors and consultants at the Treasurer's Chicago office location;
14. Facilitate the Treasurer's attendance at annual board meetings of Recipient Funds;
15. When approved, act as a representative of the Treasurer's investment interests for limited partner advisory committees of Recipient Funds;
16. Conduct a thorough due diligence screening of any co-investment opportunities presented by Recipient Funds, and timely present such opportunities to the Treasurer;

17. Reconcile reporting and accounting practices of portfolio companies, Recipient Funds, and the Treasurer;
18. Ensure all Recipient Funds prepare annual and quarterly financial statements in accordance with Financial Accounting Standards Board (“FASB”) Topic 820 and FASB Topic 946, which includes fair value measurement standards (and any subsequent accounting standard applicable to the industry);
19. Ensure timely financial reporting to the Treasurer by the Recipient Funds (quarterly reports within 45 to 90 calendar day after quarter-end; audited annual financial statements within 90 calendar days after fiscal year-end);
20. Ensure receipt of properly itemized partners’ capital statements for all funds in which the Treasurer is invested; such statements shall include, but a minimum, the following information: capital calls, distributions, revenues, expenditures, and realized and unrealized gains and losses;
21. Ensure standardization of reporting across Recipient Funds;
22. Ensure all quarterly financial statements and partners’ capital statements are accessible to the Treasurer electronically (either through email or Recipient Fund website);
23. Document quarterly Recipient Fund characteristics including, without limitation to:
  - a. Quarterly cash flows (e.g. commitments, calls, distributions);
  - b. Yearly cash flows (e.g. commitments, calls, distributions);
  - c. Asset class;
  - d. Vintage year;
  - e. Internal rate of return/net performance;
  - f. Multiple on invested capital performance;
  - g. Beginning and ending Net Asset Values (NAV);
  - h. Fees;
  - i. Contractual dates of fund investments;
  - j. Benchmark comparison (including public market equivalents);
  - k. Size of fund;
  - l. Percentage of capital called;
  - m. Percentage of ownership in fund;
  - n. Total companies in portfolio;
  - o. Total patents in portfolio;
  - p. Portfolio company names;

- q. Portfolio company sectors;
  - r. Portfolio company revenues; and
  - s. Pertinent portfolio company updates;
24. Document quarterly consolidated reports of individual Recipient Fund investments including, but not limited to:
- a. Beginning and ending values;
  - b. Quarterly cash flows (e.g. commitments, calls, distributions);
  - c. Internal rate of return/net performance;
  - d. Fees; and
  - e. Pertinent fund updates;
25. Document quarterly Recipient Fund recommendations and commitments;
26. Provide the Treasurer with quarterly reports on economic impact of Recipient Fund investments on Illinois economy, which shall include, but not be limited to the following: (1) the growth of the employee rolls at portfolio companies; (2) the growth of the fund's physical real estate presence in Illinois; and (3) other associated economic data;
27. Submit quarterly reports to the Treasurer that provide all information required under Section 11(d) of the Act, including the following:
- a. The names of portfolio companies;
  - b. The addresses of portfolio companies;
  - c. The date of the initial (and follow-on) investment;
  - d. The cost of the investment;
  - e. The current fair market value of the investment;
  - f. For Illinois companies, the number of Illinois employees on the investment date;
  - g. For Illinois companies, the current number of Illinois employees;
  - h. The annual revenue generated by Recipient Funds and portfolio companies;
  - i. The annual Illinois state taxes paid by Recipient Funds and portfolio companies; and
  - j. Any other information reasonably requested by the Treasurer.
28. Submit quarterly reports to the Treasurer on the diversification of the ILGIF portfolio and participating portfolio companies, which shall include the following:
- a. Development stage;

- b. Company industries/sectors;
  - c. Geographic location of Recipient Funds and portfolio companies;
  - d. The ownership and management status of Recipient Funds and portfolio companies with regard to minority, women, veteran and/or disabled status;
  - e. Socioeconomic characteristics; and
  - f. Any other information reasonably requested by the Treasurer;
29. Separately account and report to the Treasurer the investment commitment and subsequent earnings of ILGIF on a monthly basis;
  30. Prepare a public-facing annual report that includes the following: (1) a summary of Recipient Fund performance; (2) impact of ILGIF on Illinois companies and Illinois economy; (3) percentage and amounts of investment options and returns; and (4) other pertinent reporting information that illustrates the impact of ILGIF;
  31. Create and distribute ILGIF information to prospective Recipient Funds;
  32. Maintain a list of publicly-submitted start-up proposals and make them available to Recipient Funds;
  33. In collaboration with and at the direction of the Treasurer, plan, organize, publicize, and hold an annual ILGIF summit that highlights the work of ILGIF;
  34. Promptly respond to any and all requests of Treasurer's legal counsel and any outside legal counsel related to ILGIF; and
  35. Serve as a general resource to the Treasurer's staff and its advisors and consultants for information, advice and training regarding investment, reporting, fund vetting and management, portfolio company valuation and marketing strategies.

#### **IV. RFP PROCESS AND SCHEDULE**

This section outlines the process and schedule for this RFP.

##### **A. Schedule**

The following is the schedule for this RFP:

<b>Date</b>	<b>Event</b>
December 19, 2018	RFP published on the Treasurer's website
December 26, 2018	Notice of intent to participate in the Bidder's Teleconference due by 5:00 p.m. CT
December 27, 2018	Optional Bidder's Teleconference at 11:00 a.m. CT
January 4, 2019	All Respondent questions due by 2:00 p.m. CT.
January 11, 2019	Responses to all questions posted on the Treasurer's website by 4:00 p.m. CT.
January 16, 2019	Proposals due at 2:00 p.m. CT.
January 22-23, 2019	Interviews, if any, with final candidates.
January 28, 2019	If applicable, best and final offer due by 2:00 p.m. CT.
Week of January 28, 2019	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](mailto:junderwood@illinoistreasurer.gov), by 2:00 p.m. CT on January 4, 2019.

##### **C. Optional Bidder's Teleconference**

Each Respondent must e-mail notice of intent to attend the Bidder's Teleconference to Jim Underwood at [junderwood@illinoistreasurer.gov](mailto:junderwood@illinoistreasurer.gov) prior to 5:00 p.m. CT on December 26, 2018. Attendance at the Bidder's Teleconference is optional. Bidder's Teleconference shall be held on December 27, 2018 at 11:00 a.m. CT.

## **D. Proposal Submittal**

All Proposals must be submitted by mail or messenger to the following address, no later than 2:00 p.m. CT on January 16, 2019:

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

## **E. RFP Process**

1. RFP Contact  
The Treasurer's 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 response.
2. Internet/E-mail Communications  
The Treasurer may 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.
3. Oral Communications  
Any oral communication from the Treasurer's employees or its contractors concerning this RFP is not binding on the Treasurer, and shall in no way alter a specification, term or condition of this RFP.
4. Amendments  
If it is necessary to amend this RFP, the Treasurer will post amendments on its website at [www.illinoistreasurer.gov](http://www.illinoistreasurer.gov).
5. Respondent's Costs  
The cost of developing a response to this RFP is each Respondent's responsibility and may not be charged to the Treasurer.
6. 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.
7. 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.

8. 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.

9. 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.

10. Proposal is Part of a Public Procurement File

All Proposals received by the Treasurer will be open to the public, though a Respondent may request that the Treasurer treat certain information as confidential in accordance with 44 Ill. Admin. Code §1400.2505. If Respondent requests confidential treatment of any information it considers to be exempt from public disclosure under FOIA or other applicable laws and rules, Respondent should submit a Redacted Copy, which copy shall be clearly identified as 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 Contractor’s name, the substance of the Response, and the price. In responding to a request under FOIA, the Treasurer reserves the right to rely on Respondent’s decision whether to submit a Redacted Copy with its Proposal, and the Treasurer is under no obligation to notify vendor prior to providing a complete and unredacted Proposal, with any attachments, if Respondent does not elect to provide a Redacted Copy with its Proposal as described in this Section.

11. CPO May Cancel the RFP

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 RFP; b) modify this RFP in writing as needed; or c) reject any or all responses received for this RFP.

12. Additional Information

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

## V. **PROPOSAL**

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

### A. **Proposal Format**

1. **Cover Letter** – 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** – Include a listing of the main chapters and paragraph headings contained in the response, including page numbers.
3. **Introduction** – Include any introductory remarks, not to exceed three (3) pages, deemed appropriate. Briefly discuss such topics as the Respondent's background, management, facilities, staffing, related experience, and financial stability.
4. **Scope of Work** – 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. Respondent's answers must include the headings (e.g. "Background and Experience") and be numbered in the order provided in Section V.B of this RFP.
6. **Service Team** – Provide an organization chart and resumes for the proposed service team, including analytical investment and research staff and support staff. Please identify the primary contact person and describe the role of each key person as well as geographic location.
7. **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. **Unique Capabilities** – Provide a summary, not to exceed five (5) pages, of any unique expertise, products or services that distinguish your institution.
9. **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), attached hereto as Appendix B.
10. **Cost Proposal** – Respondent's price ("Cost Proposal") shall be provided in a separately sealed envelope.

11. 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.D.9 of this RFP (“Redacted Copy”).

Proposals must be submitted in a sealed envelope or package bearing the title “ILGIF Investment Advisor” and the Respondent’s name and address. The package must include one (1) original and five (5) copies of the Proposal. A separate envelope must contain one (1) original and five (5) 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 five (5) electronic copies of the Proposal, five (5) separate electronic copies 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.

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

### Background and Experience

1. Please provide the year Respondent was established and give a brief history of Respondent pertinent to the Services. Indicate which office will service the Treasurer. Please focus on public sector experience in the area of investments (preferably private equity/venture capital investments).
2. Please provide Respondent’s name, and the name, title, address, phone number, fax number, and email address of the individual who will be our primary contact.
3. Please provide the address and website of Respondent’s headquarters and all branch offices.
4. Please identify all of Respondent’s lines of business, products, and services.
5. Please provide a brief description of Respondent’s plans for growth, such as asset growth, personnel growth, and succession planning, over the next 3-5 years.
6. Please comment on the financial solvency of Respondent. Does Respondent have any debt? What is the minimum asset level required for Respondent to remain profitable?
7. Please give succession plans for key employees if retirements are planned within five (5) years.
8. What is the current ownership and management structure of Respondent? Please include employees at all levels.
9. Who are the principals and/or managing partners? How long has each been employed by Respondent?

10. What provisions are in place to promote the retention of principals and/or managing partners?
11. What, if any, are the carried interests and ownership interests in Respondent held by individuals or business entities not employed by the firm?
12. What is Respondent's compensation structure? What are the vesting provisions? Are there vesting provisions for future principals and/or managing partner additions?
13. Please describe Respondent's professional turnover for the last five (5) years.
14. Please identify the members of Respondent's team that will be exclusively dedicated to providing the Services.
15. Are any new hires expected in the near term? Please explain at what level these new hires are expected, geographic location and their anticipated compensation (salary, bonus, participation in carried interest).
16. Please identify any other anticipated subcontractors that will be engaged in the administration of ILGIF, their roles, and their geographic location(s).
17. What is the decision-making process internally among the principals for (i) internal matters, (ii) new partners, and (iii) partnership operations and management decisions?
18. Does Respondent have a succession plan in place? If so, please describe.
19. Please describe any significant changes in the organizational structure, ownership or management of Respondent over the past three (3) years.
20. Please provide a summary organizational chart showing Respondent's proposed team, including analytical investment and research staff and support staff. Describe the role of each key person.
21. Please provide brief biographies and educational background of the investment professionals in the firm. List percent of ownership by the investment professional, and which products they work, or have worked, on.
22. Please provide three (3) client references, current or past, and state the organization's name, their website (if any), a point of contact, physical address, telephone number, e-mail address, and the scope of work Respondent provided.

Advisory and Administration Services

23. Please summarize the assets under Respondent's management and/or advisement, as well as those for governmental entities, over the past five (5) years. Please include detailed information on each account managed or advised on, its purpose, projected and actual returns, and any economic development statistics available.

24. Please describe Respondent's experience managing or advising on venture capital, growth equity, and private debt investment\_funds and/or funds of funds over the past five (5) years. Please include detailed information on each account managed or advised on, its purpose, projected and actual returns, and any economic development statistics available.
25. Please describe the experience Respondent has managing programs similar to the one outlined in the Act.
26. Please describe the investment philosophy and strategy upon which Respondent would base its investment decisions. Provide supporting documentation regarding Respondent's assumptions of the target market and the overall viability of the proposed strategy.
27. Please identify the types of accounts and assets primarily managed or advised by Respondent.
28. What metrics, ratios or models are most critical to Respondent in the investment process?
29. What existing or potential relationships could impact Respondent's ability to provide the Services? What such relationships could create ethics violation or conflict of interest situations?
30. Has Respondent entered into any side letter agreements or other arrangements with any general or limited partners? Does Respondent anticipate doing so prior to or at the final closing? Are there any 'most favored nations' provisions? Are there 'special' limited partners or limited partners who also have investments in, or special rights from, the general partner or manager? If so, please explain.
31. Please describe what steps Respondent will take to ensure proper vetting of personnel, funds, etc. to avoid conflict of interest and other ethics and human right violation situations (Please be as detailed as possible).
32. Please identify all prior funds each principal of Respondent has been involved with in any capacity.
  - a. Is Respondent or any of its principals involved in, or a partner in, any other businesses outside of Respondent's activities? Please describe.
  - b. Has Respondent or any of its principals (including former principals) ever been involved in any litigation related to the Services? Please describe. Are any cases still open or pending?
33. Does Respondent have an ownership stake in a broker-dealer or is otherwise affiliated with a broker-dealer? Please name the broker-dealer and describe the structure of this relationship.

34. Is Respondent a registered investment advisor? Please attach a copy of Respondent's ADV Part II, if any.
35. Please provide a brief description of any past or pending regulatory action, litigation, or other legal proceedings involving Respondent or any employees and/or principals as defendants in the last five (5) years.
36. Is Respondent currently, or has Respondent been, in the last five (5) years out of compliance with the SEC, DOL, or any regulatory agencies? If yes, please explain thoroughly.
37. Has Respondent been audited by the SEC, DOL, or any regulatory agency in the past five (5) years? Please explain any key findings. Please attach a copy of the SEC Review findings and Respondent's responses.
38. Does Respondent have a dedicated compliance officer? Does this person serve other roles within Respondent? If so, please describe.
39. Who is Respondent's independent auditor? How long have they been serving in this capacity? Please provide copies of the last four (4) quarterly reports and the last three (3) years' audited financials.
40. Identify Respondent's outside legal counsel and in-house legal team. Please provide brief biographies for such legal counsel, indicating how long they have been serving in this capacity.
41. Please provide contact names with addresses and phone numbers for all legal counsel and the accounting firms Respondent has engaged over the past five (5) years. Please provide a brief description of the nature of the engagement.
42. Please describe Respondent's disaster recovery and business continuity plans, specifically addressing the most recent date and the numbers of times Respondent has practiced and tested its procedures in the past five (5) years, and the result of those exercises. Please provide a copy of Respondent's disaster recovery and business continuity procedures.
43. Please describe Respondent's ability to maintain a standardized submission process that allows Illinois-based, profit-driven entrepreneurial ventures to submit their endeavors for seed capital/funding to the Investment Advisor. The Investment Advisor will maintain a list of submissions and make them available to the specific Recipient Funds.
44. Please describe Respondent's ability to plan and execute an annual meeting/summit for the Illinois Growth and Innovation Fund to provide updates to the portfolio as well as educational information to the entrepreneurial ecosystem in Illinois. If Respondent cannot provide this function, please state its willingness to enter into a relationship (at the Respondent's cost) with an entity that can.

45. Please identify any items listed in Section III of this RFP that the Respondent is unwilling or unable to perform and explain why.

#### Reporting Requirements

46. Please describe how Respondent will track investments made in Recipient Funds for ILGIF.
47. Please describe how Respondent will assess investment performance and benchmark comparisons. Does Respondent have a capacity to perform benchmark comparisons against public market equivalents portfolios?
48. Please describe the process Respondent incorporates to verify investment performance and third-party valuations on portfolio companies for investment funds.
49. Please describe in what detail and to what extent Respondent will report on the portfolio diversification (e.g., company sectors/industries, geographical, demographic, socio-economic characteristics); jobs created and tax revenue paid; and portfolio company developmental stage (e.g., seed, venture capital, buyout). Please be as detailed as possible. If Respondent cannot provide this Service, please state your willingness to enter into a relationship (at the Respondent's cost) with an entity that can.
50. Please describe how Respondent will ensure properly itemized partners' capital statements that include, but are not limited to, capital calls, distributions, revenues, expenditures, realized gains and losses, and unrealized gains and losses. If Respondent cannot provide this Service, please state its willingness to enter into a relationship (at the Respondent's cost) with an entity that can.
51. Please describe how Respondent will provide timely consolidated reports quarterly and annually, reflecting all the information recorded by and required of the Recipient Funds and portfolio companies.
52. Please describe how Respondent will reconcile the reporting and accounting practices of portfolio companies, Recipient Funds and the State of Illinois. Also, please provide the means by which your reports to the Treasurer will achieve adherence to Government Accounting Standards Board rules.
53. Will Respondent be capable of providing timely Statements on Standards of Attestation Engagements (SSAE 16) and Service Organization Control Reports (formerly referred to as SAS 70 Reports)?
54. Please describe how Respondent will ensure all Recipient Funds prepare annual and quarterly financial statements in accordance with FASB Topic 820 and FASB Topic 946, which includes fair value measurement standards. If Respondent cannot provide this Service, please state its willingness to enter into a relationship (at the Respondent's cost) with an entity that can.

55. Please describe how Respondent will ensure timely financial reporting by the Recipient Funds (quarterly reports within 45-90 calendar days of quarter-end; audited annual financial statements within 90 calendar days of year-end). If Respondent cannot provide this Service, please state its willingness to enter into a relationship (at the Respondent's cost) with an entity that can.
56. Please describe how Respondent will ensure standardization of reporting across Recipient Funds.
57. Please describe how Respondent will prepare a public-facing annual report that includes (1) a summary of Recipient Fund performance, (2) impact on Illinois companies and Illinois economy, (3) percentage and amounts of investment options/returns, and (4) other pertinent information to ensure program impact. If Respondent cannot provide this function, please state its willingness to enter into a relationship (at the Respondent's cost) with an entity that can.

#### Investment Duties

58. What is Respondent's approach to impact investing?
59. Please describe how Respondent intends to seek, recruit, and source potential investment funds. What access does Respondent have to most highly-sought venture, private equity funds and first-time manager funds?
60. Please describe how the selection of venture capital, growth equity, and private debt investments will be screened and reviewed for funding.
61. Describe potential risk factors related to the stated investment strategy.
62. Please describe Respondent's proposed fund allocation recommendation to multi-stage funds such as venture, growth, buyout, and mezzanine.
63. Please provide a prospective cash flow analysis forecasting a recommended amount of capital that would be prudent for deployment on an annual basis.
64. What is the policy/assumption for portfolio allocations between equity, debt, and other forms of investment? Target dollar range for each investment? Estimated number of portfolio investments?
65. Are there geographical preferences for investments? Industry preferences?
66. What is the estimated number of portfolio investments? Target dollar range for each investment?
67. Who are Respondent's competitors? How do you differentiate yourself from competitors?

68. What are Respondent’s documentation procedures? Please attach a sample of each of the following documents: due diligence checklist, deal log, a typical investment term sheet that Respondent would use, and a summary investment memorandum.
69. What is Respondent’s valuation policy and methodology?
70. What is Respondent’s approach to investments that may generate unrelated business taxable income?
71. How does Respondent recognize and evaluate sustainability factors, including, but not limited to environmental, social capital, human capital, business model and innovation, and leadership and governance factors that may have a material and relevant financial impact on the safety and/or performance of investment managers?
72. How does Respondent integrate material sustainability factors, including, but not limited to environmental, social capital, human capital, business model and innovation, and leadership and governance factors, into portfolio construction?
73. Please describe how Respondent will present and review co-investment opportunities.
74. Please describe Respondent’s experience in allocating funds with and to the Small Business Administration’s (SBA) SBIC program.
75. Please complete a table following the format below for each venture or private equity fund the Respondent has participated or advised on for the previous five years.

Fund Name	Vintage Year	Type	% Called	% Distributed	Remaining Value	Multiple (Net of Fees)	IRR (Net of Fees)	As of Date

Diversity & Inclusion

76. If publicly owned, please provide the number and percentage of members of Respondent’s governance board who are female, minority, military veterans, or persons with disabilities. Please cite with supporting data.
77. If privately owned, is 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.

78. 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.
79. 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.
80. 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

81. 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.
82. Please highlight any policies, practices, or resources that the Respondent has in place to retain and enhance the human capital at the firm.
83. Please explain how the Respondent fosters a corporate governance structure that mitigates business risks and enhances business operations.
84. 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.
85. Based on Respondent's answers to the following questions, Treasurer may determine, in its sole discretion, that Respondent is disqualified, or that Respondent shall be awarded fewer points in the Corporate Responsibility category. In making this determination, Treasurer shall consider the overall impact of the disclosed information as well as its relationship to the Services:
  - a. Certify whether since January 1, 2015, Respondent or any of its officers or principals, acting within the scope of their employment, have been subject to a consent order, penalty or any other finding of fault as a result of any publicly disclosed enforcement action or other regulatory proceeding by any 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.

- b. Since January 1, 2015, has Respondent or any of its officers or principals, acting within the scope of their employment, been subject to any enforcement actions by any 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 and describe any impact on business lines, products, and/or services.

### Illinois Presence

86. Is the Respondent incorporated in Illinois? Please provide the physical address and website of the Respondent's headquarters and all Illinois branch offices.
87. Please note how many full-time employees are located at the Respondent's headquarters and all Illinois branch offices.
88. 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.
89. Using the definition provided above, what percentage of the Respondent's subcontractors for this project, if any, have an Illinois presence?
90. 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**

Responses must include information regarding the proposed amount of compensation for services, either as a lump sum, by hourly rate or by other criteria. In setting forth such information, separate the current fiscal year fee from the fee for the next three fiscal years. The figures provided should include all fees/costs.

Pricing schedules are to cover a four (4)-year period. It is anticipated all of the Respondent's costs to the State will be included in the pricing as outlined above, and consistent with the requirements outlined throughout this RFP.

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

### **A. Mandatory Requirements**

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

1. Submit Proposal and accompanying Cost Proposal by 2:00 p.m. CT on January 16, 2019;
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 transact business in Illinois for all of the Services and have a presence in Illinois;
5. Be established 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; and
6. Have substantial experience advising, or assisting in the advisement of, assets, funds, and funds of funds. The following criteria are required and exceptions will not be granted:
  - a. Respondent must have assets under management or advisement of at least \$1 billion;
  - b. Respondent must have at least three (3) years of experience in managing or advising assets for government entities;
  - c. The senior professionals in charge of providing the services under the proposed agreement must have at least five (5) years of relevant experience in venture capital, growth equity and/or private debt investing; and
  - d. The Respondent must agree to submit reports and other supporting materials, as requested, in a timely manner.

**B. Scoring**

This following table shows the weighted evaluation factors to be used in reviewing the Respondent proposals.

<b>Evaluation Factor</b>	<b>Weight</b>
Background & Experience	10
Advisory & Administrative Services	25
Reporting Abilities	15
Investment Duties	20
Cost Proposal	20
Diversity & Inclusion	10
Corporate Responsibility – Environmental, Social and Governance Practices	5
Illinois Presence	10
Interview, if applicable	5
<b>TOTAL</b>	<b>120</b>

**C. Evaluation Factors**

1. Background and Experience  
Scoring will be based on the thoroughness and clarity of the response, the breadth and depth of the similar engagements, the talent and experience of assigned personnel, and the perceived validity of the response. The evaluation also will include reference checks regarding the Respondent's work for previous clients receiving similar services to those proposed for TDA II.
2. Advisory and Administrative Services  
Scoring will be based on Respondent’s experience with and demonstrated ability to provide quality advice and recommendations to the Treasurer.
3. Reporting Abilities  
The evaluation will assess the Respondent’s ability to provide timely and accurate reports as required under the Act and detailed in the RFP as well as the quality of these reports.
4. Investment Duties  
Respondent’s investment strategy and experience will be evaluated and scored, as well as its abilities to manage investment strategies and asset allocation.
5. Cost Proposal  
  
Respondent’s Cost Proposal score will be scored based on an evaluation of its cost-effectiveness.
6. Diversity & Inclusion Score  
Respondent’s diversity and inclusion score will be scored based on the answers Respondent provides to the diversity questions in Section V.B of this RFP. The

Evaluation Team shall award a higher diversity score to Respondents that are female, minority, person with disabilities, or veteran owned or managed. Having a higher percentage of subcontractors that are female, minority, person with disabilities, or veteran owned or managed shall also result in higher scores.

7. Illinois Presence Score

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

**D. Evaluation Process**

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

**VII. CONTRACTUAL TERMS**

By submitting a Proposal, the Respondent agrees to each of the contractual provisions 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. Standard of Care; Fiduciary Status**

The Contractor agrees and acknowledges that it owes fiduciary and related duties to the Treasurer in regard to the services it provides under the Agreement and the investments and accounts therein, such duties including but not limited to the duties of care, prudence, loyalty, honesty, candor, impartiality, full disclosure, good faith, fair dealing, and diligence and the duty to account and inform. The Contractor further acknowledges that it is subject to the requirement to use prudence and care in its dealing with ILGIF and the investments relating ILGIF, in accordance with applicable law, and all other fiduciary requirements to which it is subject. The Contractor accepts its appointment as such fiduciary and specifically agrees that in performing its duties hereunder it will act with the care, skill, prudence, loyalty, honesty, candor, impartiality, full disclosure, good faith, fair dealing and diligence under the circumstances then prevailing, specifically including, but not by way

of limitation, the general economic conditions and the anticipated needs of the investments relating to ILGIF, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims to seek to attain the goals of ILGIF as determined from the Technology Development Act, 30 ILCS 265, and the Treasurer's Illinois Growth and Innovation Fund Investment Policy Statement, available at [www.illinoistreasurer.gov](http://www.illinoistreasurer.gov). The Contractor agrees to discharge its duties with respect to ILGIF solely in the interest of the Treasurer.

**D. 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).

**E. 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 as determined by the Treasurer in a reasonable manner.

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 goods or services provided under the Agreement are rejected and are not promptly replaced or corrected by the Contractor or repeatedly rejected even though Contractor offers to correct the goods or services promptly;
- d. There is sufficient evidence to show that fraud, collusion, conspiracy, or other unlawful means were used to obtain the Agreement;
- e. Contractor is guilty of misrepresentation in connection with another contract for services to the State;
- f. Contractor is adjudged bankrupt or enters into a general assignment for the benefit of its creditors or receivership due to insolvency;
- g. Change in federal or State law or rules, or the Contractor's, or Treasurer's policies that would frustrate the purpose of the Agreement;

- h. Contractor disregards or violates any applicable laws, rules, or the Treasurer's instructions, acts in violation of any provision of the Agreement, or the Agreement conflicts with any statutory or constitutional provision of the State of Illinois or the United States;
- i. Any other breach of contract or unlawful act by Contractor occurs; or
- j. Contractor provides notice pursuant to Section VII.T 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.

**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 pursuant to the Agreement, including any copyright or service marks developed on behalf of the Treasurer, whether preliminary or final, (collectively, "Work Product") will become and remain the property of the Treasurer. The Treasurer shall have the right to use all such Work Product without restriction or limitation and without further compensation to the Contractor.

2. Return of Work Product

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

**G. State Furnished Property**

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

**H. Internal Controls**

If applicable and upon request, the Contractor shall provide the Treasurer with a copy of the most recent Annual Report or Form 10-K of its parent 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 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 results of the annual audit of the disaster recovery plan.

**J. Liability**

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

**K. Indemnification**

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

**L. Subcontractors**

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

**M. Record Retention and Audit**

Contractor and subcontractors, if any, shall maintain adequate books, records, and supporting documents related to the Agreement, including those necessary to support amounts charged to the State under the Agreement, for a minimum of three (3) years from the last action on the Agreement or after termination of the Agreement, whichever is longer. The Contractor and subcontractors agree to cooperate fully with any audit

conducted by the Auditor General or the Treasurer and to provide full access to all relevant materials. If any litigation or claim involving the Agreement has been filed or any audit commenced before the expiration of the three (3) year period, the Contractor shall maintain the records required by this Section 1) in the case of any litigation or claim, until completion of the action and resolution of all issues that arise from it or until the end of the three (3) year period, whichever is later and 2) in the case of any audit, until completion of the audit or until the end of the three (3) year period, whichever is later. Failure to maintain the books, records and supporting documents required by this Section shall establish a presumption in favor of the Treasurer for the recovery of any funds paid by the Treasurer under the Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

## **N. Confidentiality**

This Section shall survive the termination of the Agreement.

### **1. Confidential Information**

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

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

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

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

### **3. Protection of Confidential Information**

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

integrity of such customer information, and to protect against unauthorized access to or use of the Confidential Information.

4. Privacy Policy

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 Performance of the Agreement that meets.

**O. Successor and Assignment**

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

**P. Certifications**

The Contractor shall certify the following:

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

3. That there is no action, suit, investigation, or proceeding pending or, to the best knowledge of the Contractor, threatened against the Contractor before any court, arbitrator, or administrative or governmental body that might result in any material adverse change in the operations of the Contractor or which might materially and adversely affect the ability of the Contractor to perform the Services or otherwise comply with its obligations under the Agreement.

**Q. Review**

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

**R. Severability**

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

**S. Access to Information**

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

**T. Notice**

The Contractor hereby agrees to give the Treasurer notice if at any point during the term of the Agreement, Contractor or its officer(s) or principal(s), acting within the scope of their employment, become subject to a consent order, penalty or receive any other finding of fault as a result of any publicly disclosed enforcement action or other regulatory proceeding 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. The Contractor shall provide the Treasurer such notice within five (5) business days of when Contractor knows or reasonably should have known of the consent order, penalty or finding of fault. Contractor's delivery of notice pursuant to this Section or failure to provide the required notice shall give the Treasurer reason to terminate the Agreement for cause.

**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. State Certifications/Disclosures**

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

**W. No Recourse**

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

## Appendix A

### **(30 ILCS 265/) Technology Development Act.**

(30 ILCS 265/1)

Sec. 1. Short title. This Act may be cited as the Technology Development Act.

(Source: P.A. 92-851, eff. 8-26-02.)

(30 ILCS 265/5)

Sec. 5. Policy. The Illinois General Assembly finds that it is important for the State to encourage technology development in the State. The purpose of this Act is to attract, assist, and retain quality technology businesses and promote the growth of jobs and entrepreneurial and venture capital environments in Illinois. The creation of the Technology Development Account will allow the State to bring together, and add to, Illinois' rich science, technology, agricultural, financial, and business communities.

(Source: P.A. 100-1081, eff. 8-24-18.)

(30 ILCS 265/10)

Sec. 10. Technology Development Account.

(a) The State Treasurer may segregate a portion of the Treasurer's investment portfolio, that at no time shall be greater than 1% of the portfolio, in the Technology Development Account, an account that shall be maintained separately and apart from other moneys invested by the Treasurer. The Treasurer may make investments from the Account that help attract, assist, and retain quality technology businesses in Illinois. The earnings on the Account shall be accounted for separately from other investments made by the Treasurer.

(b) Moneys in the Account may be invested by the State Treasurer to provide venture capital to technology businesses seeking to locate, expand, or remain in Illinois by placing money with Illinois venture capital firms for investment by the venture capital firms in technology businesses. "Venture capital", as used in this Act, means equity financing that is provided for starting up, expanding, or relocating a company, or related purposes such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital. "Technology business", as used in this Act, means a company that has as its principal function the providing of services including computer, information transfer, communication, distribution, processing, administrative, laboratory, experimental, developmental, technical, testing services, manufacture of goods or materials, the processing of goods or materials by physical or chemical change, computer related activities, robotics, biological or pharmaceutical industrial activity, or technology oriented or emerging industrial activity. "Illinois venture capital firms", as used in this Act, means an entity that has a majority of its employees in Illinois or that has at least one managing partner domiciled in Illinois that has made significant capital investments in

Illinois companies and that provides equity financing for starting up or expanding a company, or related purposes such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital.

(c) Any fund created by an Illinois venture capital firm in which the State Treasurer places money pursuant to this Act shall be required by the State Treasurer to seek investments in technology businesses seeking to locate, expand, or remain in Illinois.

(d) The investment of the State Treasurer in any fund created by an Illinois venture capital firm in which the State Treasurer places money pursuant to this Act shall not exceed 10% of the total investments in the fund.

(e) The State Treasurer shall not invest more than one-third of the Technology Development Account in any given calendar year.

(f) The Treasurer may deposit no more than 10% of the earnings of the investments in the Technology Development Account into the Technology Development Fund.

(Source: P.A. 94-395, eff. 8-1-05.)

(30 ILCS 265/11)

Sec. 11. Technology Development Account II.

(a) Including the amount provided in Section 10 of this Act, the State Treasurer shall segregate a portion of the Treasurer's State investment portfolio, that at no time shall be greater than 5% of the portfolio, in the Technology Development Account IIa ("TDA IIa"), an account that shall be maintained separately and apart from other moneys invested by the Treasurer. Distributions from the investments in TDA IIa may be reinvested into TDA IIa without being counted against the 5% cap. The aggregate investment in TDA IIa and the aggregate commitment of investment capital in a TDA II-Recipient Fund shall at no time be greater than 5% of the State's investment portfolio, which shall be calculated as: (1) the balance at the inception of the State's fiscal year; or (2) the average balance in the immediately preceding 5 fiscal years, whichever number is greater. Distributions from a TDA II-Recipient Fund, in an amount not to exceed the commitment amount, may be reinvested into TDA IIa without being counted against the 5% cap. The Treasurer may make investments from TDA IIa that help attract, assist, and retain quality technology businesses in Illinois. The earnings on TDA IIa shall be accounted for separately from other investments made by the Treasurer.

(b) The Treasurer may solicit proposals from entities to manage and be the General Partner of a separate fund ("Technology Development Account IIb" or "TDA IIb") consisting of investments from private sector investors that must invest, at the direction of the general partner, in tandem with TDA IIa in a pro-rata portion. The Treasurer may enter into an agreement with the entity managing TDA IIb to advise on the investment strategy of TDA IIa and TDA IIb (collectively "Technology Development Account II" or "TDA II") and fulfill other mutually agreeable terms. Funds in TDA IIb shall be kept

separate and apart from moneys in the State treasury.

(c) All or a portion of the moneys in TDA IIa shall be invested by the State Treasurer to provide venture capital to technology businesses, including co-investments, seeking to locate, expand, or remain in Illinois by placing money with Illinois venture capital firms for investment by the venture capital firms in technology businesses. "Venture capital", as used in this Section, means equity financing that is provided for starting up, expanding, or relocating a company, or related purposes such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital.

"Technology business", as used in this Section, means a company that has as its principal function the providing of services, including computer, information transfer, communication, distribution, processing, administrative, laboratory, experimental, developmental, technical, or testing services; manufacture of goods or materials; the processing of goods or materials by physical or chemical change; computer related activities; robotics, biological, or pharmaceutical industrial activities; or technology-oriented or emerging industrial activity. "Illinois venture capital firm", as used in this Section, means an entity that: (1) has a majority of its employees in Illinois (more than 50%) or that has at least one general partner or principal domiciled in Illinois, and that (2) provides equity financing for starting up or expanding a company, or related purposes such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital. "Illinois venture capital firm" may also mean an entity that has a track record of identifying, evaluating, and investing in Illinois companies and that provides equity financing for starting up or expanding a company, or related purposes such as financing for seed capital, research and development, introduction of a product or process into the marketplace, or similar needs requiring risk capital. For purposes of this Section, "track record" means having made, on average, at least one investment in an Illinois company in each of its funds if the Illinois venture capital firm has multiple funds or at least 2 investments in Illinois companies if the Illinois venture capital firm has only one fund. In no case shall more than 15% of the capital in the TDA IIa be invested in firms based outside of Illinois.

(d) Any fund created by an Illinois venture capital firm in which the State Treasurer places money pursuant to this Section shall be required by the State Treasurer to seek investments in technology businesses seeking to locate, expand, or remain in Illinois. Any fund created by an Illinois venture capital firm in which the State Treasurer places money under this Section ("TDA II-Recipient Fund") shall invest a minimum of twice (2x) the aggregate amount of investable capital that is received from the State Treasurer under this Section in Illinois companies during the life of the fund. "Illinois companies", as used in this Section, are companies that are headquartered or that otherwise have a significant presence in the State at the time of initial or follow-on investment. Investable capital is calculated as committed capital, as defined in the firm's applicable fund's governing

documents, less related estimated fees and expenses to be incurred during the life of the fund. For the purposes of this subsection (d), "significant presence" means at least one physical office and one full-time employee within the geographic borders of this State.

Any TDA II-Recipient Fund shall also invest additional capital in Illinois companies during the life of the fund if, as determined by the fund's manager, the investment:

- (1) is consistent with the firm's fiduciary responsibility to its limited partners;
- (2) is consistent with the fund manager's investment strategy; and
- (3) demonstrates the potential to create risk-adjusted financial returns consistent with the fund manager's investment goals.

In addition to any reporting requirements set forth in Section 10 of this Act, any TDA II-Recipient Fund shall report the following additional information to the Treasurer on a quarterly or annual basis, as determined by the Treasurer, for all investments:

- (1) the names of portfolio companies invested in during the applicable investment period;
- (2) the addresses of reported portfolio companies;
- (3) the date of the initial (and follow-on) investment;
- (4) the cost of the investment;
- (5) the current fair market value of the investment;
- (6) for Illinois companies, the number of Illinois employees on the investment date; and
- (7) for Illinois companies, the current number of Illinois employees.

If, as of the earlier to occur of (i) the fourth year of the investment period of any TDA II-Recipient Fund or (ii) when that TDA II-Recipient Fund has drawn more than 60% of the investable capital of all limited partners, that TDA II-Recipient Fund has failed to invest the minimum amount required under this subsection (d) in Illinois companies, then the Treasurer shall deliver written notice to the manager of that fund seeking compliance with the minimum amount requirement under this subsection (d). If, after 180 days of delivery of notice, the TDA II-Recipient Fund has still failed to invest the minimum amount required under this subsection (d) in Illinois companies, then the Treasurer may elect, in writing, to terminate any further commitment to make capital contributions to that fund which otherwise would have been made under this Section.

(e) Notwithstanding the limitation found in subsection (d) of Section 10 of this Act, the investment of the State Treasurer in any fund created by an Illinois venture capital firm in which the State Treasurer places money pursuant to this Section shall not exceed 15% of the total TDA IIa account balance.

(f) (Blank).

(g) The Treasurer may deposit no more than 10% of the earnings of the investments in the Technology Development Account IIa into the Technology Development Fund.

(Source: P.A. 100-1081, eff. 8-24-18.)

(30 ILCS 265/15)

Sec. 15. Rules. The State Treasurer may promulgate rules to implement this Act.

(Source: P.A. 92-851, eff. 8-26-02.)

(30 ILCS 265/20)

Sec. 20. Technology Development Fund. The Technology Development Fund is created as a special fund outside the State treasury with the State Treasurer as custodian. Moneys in the Fund may be used by the State Treasurer to pay expenses related to investments from the Technology Development Account. Moneys in the Fund in excess of those expenses may be provided as grants to Illinois schools to purchase computers and to upgrade technology.

(Source: P.A. 94-395, eff. 8-1-05.)

(30 ILCS 265/90)

Sec. 90. (Amendatory provisions; text omitted).

(Source: P.A. 92-851, eff. 8-26-02; text omitted.)

(30 ILCS 265/99)

Sec. 99. Effective date. This Act takes effect upon becoming law.

(Source: P.A. 92-851, eff. 8-26-02.)

Appendix B  
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):

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

**15.0 LICENSE; AUTHORIZED BIDDER OR OFFEROR**

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

**16.0 APPROPRIATION.**

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

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

CONTRACTOR agrees to maintain books and records related to the performance of the contract and necessary to support amounts charged to the State under the contract for a minimum of three years from the last action on the contract or after termination of the Agreement, whichever is longer. Contractor further agrees to cooperate fully with any audit and to make the books and records available for review and audit by the Auditor General, chief procurement officers, internal auditor and the Treasurer; CONTRACTOR

agrees to cooperate fully with any audit conducted by the Auditor General or the Treasurer and to provide full access to all relevant materials. The three-(3)-year period shall be extended for the duration of any audit in progress during the term. Failure to maintain the books, records and supporting documents required by this Section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

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

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

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

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

#### **20.0 LIABILITY.**

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

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

CONTRACTOR certifies that it, or any affiliate, is not barred from being awarded a contract or subcontract under section 50-11 of the Illinois Procurement Code (30 ILCS 500/50-11). Section 50-11 prohibits a contractor from entering into a contract with the Treasurer's 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](http://www.ilga.gov).

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

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

## **30.0 MOST FAVORABLE TERMS.**

If more favorable terms are granted by the CONTRACTOR to any similar governmental agency in any state in a contemporaneous agreement let under the same or similar financial terms and circumstances for comparable supplies or services, the more favorable terms will be applicable under the Agreement between the Treasurer's 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<br>_____ | No<br>_____ |
| b. | State employment for spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years.  | Yes<br>_____ | No<br>_____ |
| c. | Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois, or the statutes of the State of Illinois currently or in the previous 3 years.  | Yes<br>_____ | No<br>_____ |
| d. | Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter.   | Yes<br>_____ | No<br>_____ |
| e. | Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years. | Yes<br>_____ | No<br>_____ |
| f. | Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter.   | Yes<br>_____ | No<br>_____ |
| g. | Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government.  | Yes<br>_____ | No<br>_____ |
| h. | Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter.  | Yes<br>_____ | No<br>_____ |
| i. | Compensated employment, currently or in the previous 3 years, by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee with either the Secretary of State or the Federal Board of  | Yes<br>_____ | No<br>_____ |

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<br>_____ | No<br>_____ |
|----|--|--------------|-------------|

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 \_\_\_\_\_