

MICHAEL W. FRERICHS
ILLINOIS STATE TREASURER

REQUEST FOR PROPOSALS

Bright Directions College Savings Program Manager

February 13, 2015

Responses due by 12:00 p.m. CT on April 7, 2015

The Honorable Michael W. Frerichs
Treasurer of the State of Illinois
Attn: Ms. Tracy Rutter, CPPB
Chief Procurement Officer
400 West Monroe Street, Suite 401
Springfield, IL 62704

REQUEST FOR PROPOSALS
Bright Directions College Savings Program Manager

TREASURER OF THE STATE OF ILLINOIS

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I. INTRODUCTION

The Office of the Illinois State Treasurer (“Treasurer”) requests proposals from investment management or other financial services firms with specific experience or similar investment businesses interested in acting as a Program Manager for the Bright Directions qualified tuition plan (“Bright Directions” or the “Program”) established and maintained by the Treasurer pursuant to Section 529 of the Internal Revenue Code of 1986, as amended (“Section 529” and the “Code”, respectively), and the Illinois State Treasurer’s Act (15 ILCS 505/16.5) (the “Act”). The Program is one component of the Illinois College Savings Pool (the “Pool”) for which the Treasurer serves as Administrator and Trustee. The Pool includes the Program as well as the Bright Start Direct College Savings Program and the Bright Start Advisor College Savings Program (collectively, the “Bright Start Programs”) described more fully under Background Information below.

The Treasurer seeks a Program Manager that will offer Bright Directions, with the overall goal to continue offering a program that is uniformly recognized as one of the best in the country based upon the quality of the underlying funds and the breadth of investment options offered. The Treasurer envisions selecting a Program Manager with the ability to offer a wide variety of investment options to new and existing plan participants capable of matching returns consistent with each participant’s risk tolerance and objectives.

The Treasurer intends to execute a program management agreement (the “Agreement”) for an initial term that is expected to commence on November 15, 2015 and run through July 19, 2017. The expiration of the initial term of the expected Agreement will coincide with the expiration of the current management contract for the Bright Start Programs (the “Bright Start Agreement”). The Treasurer expects to issue a request for proposals for the Bright Start Programs in late 2016. At that time, the Treasurer will have the option to renew the expected Agreement for a term of five (5) additional subsequent years, to be coterminous with a new management agreement for the Bright Start Programs.

A. Background Information

The Treasurer is the Trustee and Administrator for the Pool. As of December 31, 2014, the Pool administered by the Treasurer includes the following programs:

Program	Unique Beneficiaries	Assets	Investment Portfolios
Bright Directions	95,902	\$1.756 billion	57
Bright Start Direct	145,062	\$3.501 billion	10
Bright Start Advisor	80,769	\$1.910 billion	6

The programs are savings vehicles intended to provide for the qualified higher education expenses of beneficiaries under Section 529 of the Code. The Pool receives no appropriations from the State of Illinois.

Bright Directions has been offered to the public since November 15, 2005, pursuant to a program management agreement between the Treasurer and Union Bank and Trust (“Union Bank” or “Current Program Manager”) that expires on November 14, 2015. Program assets are invested in the portfolios recommended by Union Bank and approved by the Treasurer (“Portfolios”). The Portfolios are managed by Union Bank with the advice of Wilshire Consulting and in accordance with the Treasurer’s Investment Policy Statement (“IPS”). Union Bank also provides administrative services, customer service and recordkeeping, marketing, and distribution.

B. Summary of Scope of Services

The Treasurer desires the Respondent to perform program administration, customer service and recordkeeping, investment management, and marketing and distribution functions as detailed in the Scope of Services, Section VII below.

C. Minimum Experience and Financial Requirements

In addition to the various requirements set forth in this Request for Proposals (“RFP”), in light of the comprehensive nature of 529 program management, including overall program administration, customer service and recordkeeping, investment management, marketing, and distribution, the Treasurer requires that a firm have a minimum of five (5) years’ experience with Section 529 plans or with investment businesses that require the same or similar services to those described in the Scope of Services set forth in Section VII of this RFP.

Additionally, a firm responding to this RFP must have a minimum \$5 billion dollars in assets under management as well as sufficient capital to assume responsibility for and provide ongoing services for Bright Directions. Ideally, a firm responding to this RFP will be rated by two (2) or more nationally recognized rating services with the three (3) highest rating categories for financial condition and overall performance. If a firm is privately held and/or has not been rated by a nationally recognized rating service, then it will be expected to describe any alternative financial condition and operational performance measures that it believes will be helpful in considering or satisfying the minimum qualifications of the Respondent.

II. RFP PROCESS AND SCHEDULE

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

A. RFP Schedule and Submission

The following tentative time schedule applies to this RFP (all dates 2015):

Date	Event
Friday, February 13	RFP published on the Treasurer's website (www.treasurer.il.gov)
Monday, February 23	Notice of intent to participate in the Bidder's Conference due by 2 p.m. CT
Thursday, February 26	Mandatory Bidder's Conference – 2 p.m. CT
Monday, March 2	All Respondent questions due by 2 p.m. CT
Tuesday, March 10	Responses to all questions posted on the Treasurer's website by 4 p.m. CT
Tuesday, April 7	Responses to RFP due by 2 p.m. CT
Week of April 20	Selection of final candidates
Week of May 4	Interviews, if any, with final candidates
Monday, May 11	If applicable, best and final proposals due by 2 p.m. CT
Week of May 18	Notification of award, begin negotiation of Agreement
Wednesday, July 1	Agreement finalized and executed; transition begins
Sunday, November 15	Transition completed; Agreement term begins

All responses must be submitted to the address below no later than 2 p.m. CT April 7, 2015:

The Honorable Michael W. Frerichs, Treasurer of the State of Illinois
 Attn: Ms. Tracy Rutter, CPPB
 Chief Procurement Officer
 400 West Monroe Street, Suite 401
 Springfield, IL 62704

B. Mandatory Requirements

1. Respondent must answer all the questions in this RFP.
2. Responses should set forth the specific manner in which the Respondent will satisfy each requirement. In addition, the Respondent may include a supplementary narrative describing the general conceptual approach to the delivery of specific services and any other information they believe is relevant.
3. The Respondent must submit the name, email address, and telephone number of an individual with authority to answer questions or clarify their responses.

4. Responses must be submitted in a sealed envelope or package bearing the title “State Treasurer Request for Proposals for Bright Directions College Savings Program Manager” and the Respondent’s name and address. The package must include one (1) original and four (4) copies of the Response. A separate envelope must contain one (1) original and four (4) copies of the Cost Proposal set forth in Appendix D. In addition, please provide three (3) electronic copies of the Response and three (3) separate electronic copies of the Cost Proposal, with your responses to Questions A, B and C set out as Excel spreadsheets (CDs or thumb drives are acceptable).

5. The Respondent and any subcontractor(s) must each submit a fully executed (a) State Certifications Form, Appendix A; (b) Financial Interest and Potential Conflicts of Interest Disclosure Form, Appendix B; and Other Contract and Procurement Related Information Disclosure Form, Appendix C.

C. Communications

1. Intent to Participate in Bidder’s Conference

Each Respondent must email a notice of their intent to participate in the Bidder’s Conference to the attention of Kathleen Abbott at kabbott@treasurer.il.gov prior to 2 p.m. CT on February 23, 2015. Participation in conference is mandatory, but may be attended via teleconference (call-in information provided upon notice of intent to attend). Conference to be held at:

Illinois State Treasurer’s Office
100 West Randolph Street, Room 9-034
Chicago, IL 60601

2. RFP Contact

The Treasurer’s Chief Procurement Officer 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. Respondents must prepare their questions in writing and send them by e-mail by 2 p.m. CT on Monday, March 2, 2015 to:

Ms. Tracy Rutter, CPPB
Chief Procurement Officer
Office of the State Treasurer
400 West Monroe Street, Suite 401
Springfield, IL 62704
Telephone: (217) 782-1708
Fax: (217) 524-3822
E-Mail: trutter@treasurer.state.il.us

3. 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.

4. Verbal Communications

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

D. RFP Process

1. RFP Amendments

If it is necessary to amend this RFP, the Treasurer will post amendments on the Treasurer's website and will email each amendment to each person who notifies the Treasurer of their intent to participate in the Bidder's Conference.

2. Chief Procurement Officer May Cancel RFP

If the Chief Procurement Officer determines it is in the Treasurer's best interest, she reserves the right to: (a) cancel this RFP; (b) modify this RFP in writing as needed; or (c) reject any or all responses received for this RFP.

3. Amended Response

A Respondent may submit an amended response before the deadline for receipt of proposals. Such amended response must be a complete replacement for a previously submitted response and must be clearly identified as such in the transmittal letter. Treasurer staff will not merge, collate, or assemble proposal materials.

4. Respondent's Rights to Withdraw Response

Respondent will be allowed to withdraw its response at any time prior to the deadline for receipt of responses. The Respondent must submit a written withdrawal request addressed to the Chief Procurement Officer and signed by the Respondent's duly authorized representative.

5. Response to RFP is a Firm Offer

A submitted response to this RFP is a firm and binding offer valid for one hundred sixty (160) days after the due date for receipt of proposals or ninety (90) days after the due date for the receipt of a best and final offer, if the Respondent is invited or required to submit one.

6. Response to RFP is State Property

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

E. Evaluation Process

1. Evaluation of Responses to RFP

An evaluation committee (“Evaluation Committee”) will review and evaluate responses based on criteria and following the procedures set forth in Section IV herein.

2. Waiver Rights

The Evaluation Committee reserves the right to waive minor technical irregularities. The Evaluation Committee also reserves the right to waive mandatory requirements provided that all of the otherwise responsive offers failed to meet the same mandatory requirements and the failure to do so does not otherwise materially affect the procurement. This right is at the sole discretion of the Evaluation Committee.

F. Agreement

1. Finalize Agreement

The Agreement resulting from this RFP will be finalized with the selected Respondent based on the schedule set out in Subsection A of this Section II. In the event mutually agreeable terms cannot be reached with the final Respondent in a reasonable time period, the Treasurer reserves the right to finalize a contract with the next most advantageous Respondent without undertaking a new procurement process.

2. Contract Award

The Treasurer will award and execute the Agreement with the selected Respondent (“Contractor”) upon successful finalization of the contract negotiations.

3. Agreement Terms and Conditions

The Agreement between the Treasurer and the selected Contractor will contain the terms and conditions set forth in Section VIII of this RFP. However, the Treasurer reserves the right to negotiate with any Respondent provisions in addition to or differing from those contained in Section VIII. The contents of this RFP, as revised and/or supplemented, and the successful Respondent’s Response will be incorporated into and become part of any resultant contract.

G. 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.

III. RESPONSE FORMAT

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

A. Cover Letter

The response must be accompanied by a transmittal letter that designates the name, physical address, email address and telephone number of the person or persons available for contact concerning the response and who are authorized to make representations on behalf of the Respondent's organization.

B. Table of Contents

Include a listing of the main chapters and paragraph headings with page numbers contained in the response. Also include a list of the Appendices submitted with the Response.

C. General Approach

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

IV. EVALUATION PROCESS AND CRITERIA

A. Evaluation Factor Weighting Table

This following table shows the weighted evaluation factors to be used in reviewing the Respondent proposals. Each factor shown below is covered by the answers provided pursuant to Section V, Section VI, and Appendix D of this RFP.

Evaluation Factor	Weight
Organization Matters	10
Diversity	2.5
Illinois Presence	2.5
Program Administration	20
Customer Service and Recordkeeping	10
Investment Management	25
Distribution	15
Costs to Participants	15
TOTAL	100

B. Evaluation Factors

1. Organization Matters

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 Bright Directions.

2. Diversity and Illinois Presence

The evaluation will assess and score the Respondent's, and subcontractors' if applicable, demonstrated commitment to diversity and presence in Illinois.

3. Program Administration

Scoring will be based upon the Respondent's understanding of and plan to comply with applicable laws and industry standards. The evaluation will also consider the Respondent's commitment to provide Program information to the Treasurer on a timely basis.

4. Customer Service and Recordkeeping

Scoring will be based upon the Respondent's established processes for account transactions, including the variety of methods to contribute to or withdraw funds from an account.

5. Investment Management

The evaluation will consider and scoring will be based on the design of investments options, including asset allocation, strength of the underlying funds, diversification of fund managers, and the breadth and appropriateness of the 529 investment portfolios. The evaluation will also focus on the Respondent's processes for due diligence and risk management.

6. Distribution

The evaluation will consider Respondent's approach to marketing and distributing Bright Directions within Illinois and, if applicable, nationwide, with a particular focus on the breadth of the proposed distribution channels.

7. Cost to Participants

Scoring will be based upon the range of fees to be paid by participants.

C. 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 Chief Procurement Officer may contact the Respondent for clarification of the Response, and the Evaluation Committee may use other sources of

publically available information to perform its evaluation. Finally, the Evaluation Committee will make a recommendation regarding the final Respondent.

V. ORGANIZATION MATTERS

A. Background and Experience

1. Please identify the affiliates and subcontractors that will provide services in connection with the Agreement, including, among others (i) the party that will execute the Agreement with the Treasurer, (ii) the custodian, (ii) the transfer agent, (iii) the record keeper (or, in the case of licensed recordkeeping software, the licensor of that software), (iv) the distributor, and (v) the investment advisor.

2. If the contracting party identified in the immediately preceding Question 1 is not a parent entity, please indicate whether you will provide a guarantee, a letter of credit or some other form of performance assurance for the services required under the Agreement. If you believe a guarantee or letter of credit is not necessary, please explain why not.

3. Describe how your firm satisfies the Minimum Experience and Financial Requirements specified in Section I.C of this RFP.

4. Provide a description of experience with Section 529 plans or with investment businesses that require services similar to those sought by this RFP. The narrative must include the extent of your experience, expertise, and knowledge as a provider of Section 529 plan services or similar services to state agencies and or other investment businesses. If subcontractors are included in the response to this RFP, each subcontractor's relevant Section 529 plan or similar investment business experience should be included. Your response should also indicate the number of professional staff at your firm dedicated to the Section 529 business and the location(s) of the offices from which services will be provided to the Treasurer.

5. Please list any new institutional defined contribution relationships (including Section 529 plans) won or acquired by your firm (or by the investment managers included in your RFP) since January 1, 2011. As of December 31, 2014 please specify the annual assets under management for each relationship, the investment funds utilized, and the term of the engagement. If applicable, identify if the Section 529 plan is a direct- or advisor-sold plan. Please also list institutional defined contribution relationships (including Section 529 plans) terminated or closed since January 1, 2011 and explain why.

6. Has your firm completed any Section 529 plan conversions as a Program Manager? If so, please provide in table form the following information:

- a) Name of the plan
- b) Date of conversion
- c) Time between your selection as Program Manager and the conversion
- d) Assets and accounts eligible for conversion
- e) Assets and accounts actually converted

- f) Assets and accounts raised since the conversion through March 31, 2014

B. Assigned Personnel

1. Please provide an organizational chart identifying the professionals who will be assigned to Bright Directions, including the principal professional responsible for the overall delivery of services as well as each of the professionals responsible for the various services described under Scope of Services in Section VII.
2. For each individual in the organizational chart included in the immediately preceding Question 1, please provide a resume specifically including the individual's Section 529 or similar experience. The resume should also include, where applicable, the licenses held by these professionals to demonstrate industry qualifications for the services to be provided.
3. If subcontractors are included in your proposal, please identify the assigned personnel from each subcontractor and describe their 529 or similar experience.

C. Legal Matters

For purposes of the following questions, the term "related entity" means any partnership, corporation, limited partnership, limited liability company, joint venture, association or other entity owned by the Respondent, which owns the Respondent, in which the Respondent owns a financial interest of five (5) percent or more, or which owns a financial interest of five (5) percent or more in the Respondent.

1. State whether there are any past or pending regulatory restrictions, debarments, suspensions, consent orders, stipulations, or litigation to which the Respondent, any subcontractor, any related entity of the Respondent or any subcontractor, or any of their principals, owners, directors, or officers, has ever been a party that would affect its ability to provide the required services, or which alleges any unfair, illegal or unethical business practice, or which involve a claim of five (5) million dollars or more. If so, provide a detailed description of each.
2. State whether any officers, principals, owners, directors and all proposed contract employees or any subcontractor that will provide any of the required services have ever been convicted of a felony, had adjudication of guilt withheld as to any felony, or plead no contest to any felony. If so, a detailed description of each incident must be included.
3. State whether any penalties, fines, or liquidated damages have ever been imposed against the Respondent, any subcontractors, or any related entity of the Respondent or any subcontractor, including, without limitation thereto, those associated with any contract for services entered into by the Respondent, any subcontractor, or any related entity of the Respondent or any subcontractor, since January 1, 2010. If so, provide a detailed description of each such incident, including the amount of the penalty, fine or liquidated damages imposed.
4. State whether the Respondent or any subcontractor or any related entity of the Respondent or any subcontractor has ever been involved in any pending, settled, or

adjudicated litigation with any Section 529 qualified tuition plan. If so, a detailed description of each action must be provided.

5. State whether the Respondent or any subcontractor or any related entity of the Respondent or any subcontractor has ever been or is currently aware of or has reason to believe it is or will be the subject of an audit or inquiry by the Internal Revenue Service (“IRS”), the Securities Exchange Commission (“SEC”) (including Financial Industry Regulatory Authority (“FINRA”) and Municipal Securities Rulemaking Board (“MSRB”)), by an Illinois regulatory or investigative agency, or by any other federal or state regulatory or investigative agency in connection with its mutual fund business or a Section 529 qualified tuition plan. If so, provide a detailed description of each.

6. Has the investment advisor or any investment manager, or any related entity, or any owner, officer, director, principal, or management level employee of the investment advisor, or manager been involved in an enforcement action by or had an audit inquiry from the SEC or any other governmental (local, state, or federal) regulatory agency, or been named a defendant in litigation where there was an allegation of violation of fiduciary responsibility? If yes to either question, explain in detail.

7. Have there been any other investigations, litigation, or regulatory action in relation to the investment advisory and fund businesses of the Respondent, any investment manager, parent company, subsidiary, related entity, or subcontractor, or any of their principals, owners, directors, or officers within the three years ending January 31, 2015?

8. State whether the Respondent or any subcontractor or any related entity of the Respondent or any subcontractor has been in breach in the privacy of confidential information about participants or beneficiaries.

D. Organization References

Please include the names of at least three (3) clients for which similar services have been performed during the last three (3) years. The minimum information that must be provided about each reference is:

1. Name of the reference organization
2. Address of the reference organization
3. Name of the contact name and their title
4. Telephone number of the contact person
5. Email address of the contact person
6. Type and dates of services provided

E. Supporting Material

Please include a separate notebook with: (i) three (3) years of audited financial statements and all SEC-filings during the most recent fiscal year for the Respondent or its parent entity if it is not the parent company, (ii) Form ADV for the investment advisor, and (iii) the most current SSAE 16 for the applicable entities.

F. Diversity

Please list the percentage of Respondent's staff that makes investment decisions who are female, minority, persons with disabilities, or military veterans. In addition, please note if the Respondent or any of its subcontractors or affiliates are 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.

G. Illinois Presence

Please describe what presence, if any, the Respondent has in the State of Illinois. Such "presence" can be demonstrated by the number of full-time employees, or employees who spend more than half their time in Illinois, and physical offices located in the State.

VI. INFORMATION ON SPECIFIC SERVICES

A. Program Administration

1. Describe your firm's procedures for compliance with:
 - a) Section 529, applicable IRS and SEC regulations, and MSRB Rules
 - b) Illinois laws and regulations, including the Illinois DREAM Act (Public Act 097-0233)
 - c) CSPN Disclosure Principles
 - d) Industry best practices
2. List all reports and information you will provide to the Treasurer, including the types of data and frequency necessary to keep the Treasurer apprised of the progress of the Program. Which information will be available online?
3. Provide a timeline for conversion by November 14, 2015.
4. Are there any transition issues that could delay an orderly transition from the Current Program Manager to you as a new Program Manager?

B. Customer Service and Recordkeeping

1. Recordkeeping
 - a) Describe your firm's application and database software, communications equipment, and system security.
 - b) Describe your firm's disaster recovery plan, including backup procedures, alternate operating facilities, hardware and software replacement, and testing.
 - c) Describe how you will ensure privacy and confidentiality of participants, beneficiaries and prospects including any laws that you adhere to. This answer must include a detailed description as to how you secure your workplace.

d) Describe the procedures to respond to verbal, written and/or online inquiries or complaints about Bright Directions including forms, timetables, tracking methods, and escalation procedures.

2. Call Center

a) The toll free number for Bright Directions is (866) 722-7283. Please confirm your ability to continue to use this same number. Any costs associated with moving to these numbers will be absorbed by the Respondent.

b) Describe the process used to handle incoming customer telephone calls. Include, at a minimum, the routing and tracking of calls, the option to speak to live representatives, and the ability to leave messages for return calls.

c) Describe how you will handle peak volume periods.

3. Customer Service

a) Describe whether dedicated customer service staff will be assigned to Bright Directions. If different from the call center staff, where is the customer service staff located?

b) Describe the funding options and minimum amounts for initial and subsequent contributions.

c) Describe the systems and processes used to route and track all customer inquiries, customer requests, and items awaiting resolution.

d) Do you offer account enrollment through the workplace? If so, please describe how contributions are processed (i.e., through payroll deduction or clearinghouse transactions), any applicable size thresholds, and expense sharing (if applicable for payroll deduction). Your Response should include the number of programs using workplace enrollment, the total number of participants, the total number of accounts by process, and the monthly average contribution.

e) Please indicate how communications including account statements, confirmations, email, and distribution checks will be customized for Bright Directions.

4. Self-Servicing Website

a) Provide a list of the services you will make available on the self-servicing section of the Bright Directions website. Provide examples if you currently manage a 529 program or similar investment business.

b) Describe how secure web technology is used to make account information available to participants. How do you protect personal identifying data and participant financial information obtained via on-line account inquiries?

c) Describe the tools available to participants to monitor the investment performance of their portfolios.

C. Investment Management

1. Detail the team/personnel involved in the creation of your proposed investment options. Is this a dedicated Section 529 college savings team or is it part of a larger defined contribution department?
2. Please identify the investment options you propose to offer and provide allocation percentages by asset class for each option.
3. Are the underlying investments for the options identified in Question 2 above all from the same family of funds? Are you willing to include funds and/or other underlying investments from other fund families? Is there a maximum number or percentage limit you accept for funds from non-affiliated investment managers?
4. Please describe how you designed the asset allocation for any age-based or risk-based investment options you have proposed.
5. Please describe how and when you will rebalance assets in age-based or risk-based portfolios.
6. Please describe the process by which you evaluate new asset classes for inclusion in age-based or risk-based portfolios.
7. Describe your due diligence processes for investment managers, both on a portfolio management and operational risk basis.
8. Describe your firm's risk management governance and the integration of risk management across your organization. Detail the reporting chain for the risk team when issues are identified. Describe the role of senior management in risk management and the establishment of formal risk limits for the portfolios being offered. Explain your oversight of leverage and derivatives in the portfolios being offered.
9. Please explain how your investment strategy meets the needs of conservative investors. With respect to a federally-insured option, please indicate your willingness to work with a financial institution located in Illinois.
10. If your selection will result in a conversion of assets from the Current Program Manager, please list the investment options to which existing investments will be mapped.
11. If your selection will result in a conversion, please describe the procedures you will follow to ensure that current assets are continuously invested to ensure a smooth transfer of assets without any losses to the State or its participants.

D. Distribution

1. Provide your marketing and distribution strategy for Bright Directions.

2. Describe the professional resources you will commit to marketing to employers, community groups, and technical audiences (e.g., CPAs, certified financial planners, and attorneys).
3. Specify your firm's annual marketing commitment to Bright Directions for the initial term of the Agreement. How would that commitment change if the Agreement were extended for five years after the initial term? Please note that your financial commitment should not include any overhead costs associated with marketing or distributing Bright Direction.
4. If your firm manages a Section 529 plan for another state (advisor or direct), how will you differentiate Bright Directions from the other(s) that you manage?
5. Would you consider offering Bright Directions as your national 529 program?
6. Does your firm have a retail distribution presence in Illinois? If so, please provide the specific locations. If not, please describe how you currently distribute financial products in the State and how you would distribute Bright Directions going forward.
7. Please provide the number and location of wholesalers in your firm who cover the State of Illinois. How many Illinois-based broker-dealers or other distribution agents do they normally reach in Illinois and nationwide?
8. How will you promote gifting by non-participants? Do you have a proprietary gifting platform in place?
9. How would you communicate transition issues and news with advisors and existing participants? What is the appropriate timetable for such communications?
10. At the end of the initial term of the Agreement, how would you recommend coordinating Bright Start Advisor and Bright Directions as competing advisor plans?

VII. SCOPE OF SERVICES

The Program Manager is expected to provide a turn-key operation including the following Services for Bright Directions:

A. Program Administration

The Program Manager will manage Bright Directions in compliance with Section 529, the MSRB, the SEC, and all other applicable statutes, rules and regulations (including all federal and state consumer privacy rules and regulations). The Program Manager will monitor changes in legal and regulatory environment that may materially affect the Program and advise the Treasurer regarding these changes.

The Program Manager will also manage Bright Directions in accordance with guidelines established by the Treasurer and prepared with the assistance of the Program Manager. Additionally, the Program Manager will prepare a program manual outlining its

administrative responsibilities, including a schedule of reporting materials that will be submitted to the Treasurer on all aspects of the Program at such times as will be specified in the Agreement. This will include quarterly reports on the Program (as set forth in the Agreement), which will be delivered on a timely basis in advance of quarterly review meetings that the Program Manager and key personnel will attend.

The Program Manager will submit CSPN Program data required for maintenance of Program information on the CSPN website (www.collegesavings.org) and submit all required reporting to CSPN regarding Bright Directions. The Program Manager will also make recommendations for amendments or supplements to offering materials as applicable, and will submit those materials to the MSRB or other regulatory entities as required by federal securities laws.

B. Customer Service and Recordkeeping

The Program Manager shall provide customer service and recordkeeping services in accordance with all federal, state and Bright Directions rules, regulations and procedures, as established jointly between the Treasurer and the Program Manager. To that end, the Program Manager will report all account activity as may be required by the IRS, SEC, MSRB or any other federal, state or local agency of competent jurisdiction (including 1099Qs and annual performance information).

The Program Manager will provide customer service support for Bright Directions distributors, including all selling agents and financial professionals. The Program Manager will also provide support for participants and beneficiaries, including sending quarterly and annual account statements, and making available current account information when requested. If applicable, any conversion will result in a seamless transition of account information for participants.

Importantly, the Program Manager must also coordinate the recordkeeping of contributions made on behalf of a designated beneficiary who is also a beneficiary under the Bright Start Programs, College Illinois! or any other 529 plan that may be offered in the future by the State (“Illinois 529 Plans”). To that end, the Program Manager will provide the applicable parties with all the information required by the Act, and coordination shall include but not be limited to, the following:

1. continuous monitoring of Illinois 529 Plans account activity to ensure no excess contributions are made to the Pool;
2. monthly data feeds between Program Manager, Bright Start Programs, and CollegeIllinois! to monitor aggregate account contributions;
3. systematic “excess” contribution letters from Program Manager, Bright Start Programs, or CollegeIllinois! when aggregate contributions exceed the allowable maximums; and
4. quarterly data feeds between Program Manager, Bright Start Programs, and CollegeIllinois! to monitor aggregate withdrawals.

C. Call Center

The Program Manager shall be responsible for a customer call center to be located in the United States and which will be staffed with licensed or registered customer service representatives (“CSRs”) from 7:30 a.m. to 6 p.m. CT, Monday through Friday. These CSRs will work with participants and advisors to service their accounts including, at a minimum, to assist with contributions to, withdrawals and disbursements from, and general maintenance for their accounts.

The Program Manager will have a customer service record that will identify and then track and report on all call interactions with participants or advisors. This record would include resolution of each inquiry or transaction. The customer service record will also allow for and track all prospect referrals.

D. Customer Service

The Program Manager will be responsible for overall customer service, which will include the responsibility to conduct business whenever the New York Stock Exchange is open for business. To this end, the Program Manager will have a physical address for overnight deliveries and a post office box for regular mail. Moreover, the Program Manager will be able to process all account activity (e.g., account openings, and contribution and withdrawal processing) on a daily basis, and provide accurate, easy to understand transaction confirmation, quarterly and yearly account statements and other customer communications with the Program brand.

Implicitly, the Program Manager will maintain robust quality control procedures to minimize error rates, and it will take all action necessary to ensure the confidentiality and privacy of all prospects, participants, contributors and beneficiaries, as applicable.

E. Website

The Program Manager will develop and maintain a website that provides state-of-the-art security and password protocols. The website should enable a participant to view information on all accounts owned from a single log-on and organized by beneficiary. Although Bright Directions is an advisor-sold program, participants should be able to perform a wide variety of transactions online such as: (i) contributing to accounts systematically or on one occasion from a variety of sources, (ii) changing banking, contribution, or other account information, (iii) processing withdrawals or distributions, and (iv) viewing all account information on a timely basis.

F. Investment Management

The Program Manager will manage investments as a fiduciary for the Treasurer and for participants and beneficiaries in accordance the Treasurer’s IPS and the Agreement. To that end, it will act as custodian of Program assets (providing all custodial, fund administration, and fund accounting services), and it will develop and recommend for Treasurer approval investment portfolios, underlying funds, and fee structures to appeal to a wide range of investors with various risk tolerance levels and contribution levels.

On an ongoing basis, the Program Manager will monitor the performance of each Bright Directions portfolio and underlying fund and make recommendations to the Treasurer in accordance with the Treasurer's IPS. As needed, the Program Manager will also facilitate meetings between the Treasurer and portfolio/underlying fund managers to review, at a minimum, market conditions, strategy, and investment performance.

The Program Manager will also be expected to provide for continuous investment of assets during any transition of services.

G. Distribution

The Program Manager will develop and implement a marketing and distribution strategy that will provide the broadest visibility across financial professionals within the State and, if appropriate, nationwide. To that end, the Program Manager will expend sufficient dollars and dedicate appropriate professional resources to fund marketing efforts aimed at increasing in-state participation in Bright Directions, as well as a superior national distribution system.

The Program Manager will also be expected to provide timely communications to existing participants during any transition period.

VIII. CONTRACT TERMS AND CONDITIONS

The Contractor must specifically agree to each contractual provision set forth below.

A. Contractual Responsibility

If chosen to provide the services under this RFP, Contractor will be contractually responsible for all services provided.

B. Governing Law; Venue. The Agreement shall be governed in all respects by the laws of the State of Illinois. Venue shall be proper only in the Illinois Court of Claims in accordance with the Illinois Court of Claims Act (705 ILCS 505/1 et seq.). By execution of the Agreement, Contractor acknowledges and agrees to the exclusive jurisdiction of the Illinois Court of Claims over any and all lawsuits arising under or out of any term of this Agreement.

C. Standard of Care; Fiduciary Status

The Contractor agrees and acknowledges that it owes fiduciary duties to the Treasurer, the Program, and to the participants and beneficiaries thereof and in regard to the services it will provide under the Agreement in respect to the Program and the investment portfolios and the accounts therein. The Contractor further acknowledges that it shall hold and manage the accounts and amounts deposited therein in trust for the participants and beneficiaries thereof and that it is subject to the requirement to use prudence and care in its dealing with the Program and the investment portfolios and the accounts therein relating to the Program, 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 and diligence under the circumstances then prevailing, specifically including, but not by way of limitation, the general economic conditions, the anticipated needs of the investment portfolios and the accounts therein relating to the Program, and the participants and beneficiaries, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims to seek to attain the goals of the Program as determined from the Act and the IPS. The Contractor agrees to discharge its duties with respect to the Program solely in the interest of the Treasurer, the participants and the beneficiaries of the Program.

D. Internal Controls

The selected Contractor shall annually provide the Treasurer with a copy of the Annual Report or Form 10-K of its parent holding company and its most recent SSAE 16 report which will include the attestation of the company's independent registered accounting firm regarding the company's internal control over financial reporting.

E. Disaster Recovery and Backup Facilities

Contractor shall prepare and test a plan for recovery of financial transactions and related information in the event of a disaster or system failure. Contractor shall furnish a copy of the plan, test results, and the results of the annual audit of the disaster recovery plan to the Treasurer.

F. Term of Agreement

1. Initial Term. The term of the Agreement shall commence on November 15, 2015 and shall expire on July 19, 2017 ("Initial Term"), unless terminated prior to such date in accordance with the terms of the Agreement.

2. Term Extension. The Treasurer reserves the right to extend the Agreement for an additional five (5) years ("Extension Term"), provided that the Treasurer notifies the Contractor in writing of its intention to do so at least ninety (90) days prior to the expiration date of the Initial Term. An Extension Term of this Agreement, and any amendments to this Agreement in connection with such Extension Term, shall be effected through a written instrument executed by the Contractor and the Treasurer and in accordance with applicable law.

G. Termination for Cause/Reduction of Fee

Notwithstanding any foregoing language to the contrary, the Agreement may be terminated by the Treasurer under any of the following circumstances:

1. Contractor fails to furnish a satisfactory performance within the time specified.
2. Contractor fails to perform any of the provisions of this Agreement, or so fails to make progress as to endanger performance of this Agreement in accordance with its terms.

3. Any services provided under the Agreement are rejected and are not promptly corrected by Contractor, or repeatedly rejected even though Contractor offers to correct services promptly.
4. There is sufficient evidence to show that fraud, collusion, conspiracy, or other unlawful means obtained the Agreement.
5. Contractor is guilty of misrepresentation in connection with another contract for services to the State.
6. Contractor is adjudged bankrupt or enters into a general assignment for the benefit of their creditors or receivership due to insolvency.
7. Contractor disregards laws and ordinances, rules, or instructions of a contracting officer or acts in violation of any provision of the Agreement or this part, or the Agreement conflicts with any statutory or constitutional provision of the State of Illinois or of the United States.
8. Any other breach of contract or other unlawful act by Contractor occurs.

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

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

H. Review

Treasurer's staff will conduct periodic performance reviews of the successful Contractor, during which its compliance with all aspects of the Agreement with Treasurer will be reviewed and assessed.

I. Liability and Indemnification

Contractor shall indemnify and hold the Treasurer harmless from and against any and all losses, including but not limited to, losses due to the negligent acts or omissions or willful misconduct of 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.

J. Confidentiality and Security Requirements

1. Confidential Information

All Confidential Information, as defined below, shall be held in strict confidence by the Contractor and not be disclosed to any third party (except for disclosures to participants or beneficiaries of confidential information relating to them or their accounts). Confidential Information includes all information but the following: (i) with respect to an account, information disclosed pursuant to the consent of the related participant, or (ii) information included in any program report filed by the Treasurer pursuant to applicable law ("Confidential Information"). Confidential Information also shall not include information, including customer information, that: (i) is already known or independently developed by the recipient, (ii) is required to be released by law, (iii) is in the public domain through no wrongful act of the recipient, and (iv) is received by the recipient from a third party who was free to disclose it. Any disclosure required to be made by applicable law shall not be made sooner (unless otherwise compelled or required by law or judicial process) than five (5) business days immediately following receipt by the Treasurer from the Contractor of written notice of such order, and such notice will include a copy of any relevant court or other order. In the event the Contractor is ordered to disclose Confidential Information, the Contractor shall afford the Treasurer a reasonable opportunity to participate and object to any such disclosure.

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

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

3. Protection of Confidential Information

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

4. Privacy Policy

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

5. Program Lists

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

K. Subcontractors

The Contractor may not use subcontractors to perform the duties as outlined in the RFP unless the subcontractor is approved, in advance, by the Treasurer. If the response requires a subcontractor, the Contractor must disclose the duties performed by the subcontractor. Subcontractors will be required to submit separate State Certifications and Disclosure Forms, a copy of which is found in Appendixes A, B, and C.

L. Assignment

Each term and provision of the Agreement is binding and enforceable against and inures to the benefit of any successors of the Treasurer and any successors of Contractor, but neither this Agreement nor any of the rights, interests, or obligations is assignable without the prior written consent of the other party. Any attempt by Contractor to transfer or assign any rights or obligations related to the provision of services under this Agreement, without the prior written consent of the Treasurer, shall render this Agreement voidable by the Treasurer. The Treasurer may unilaterally bind any successor of the provider to the terms and conditions of any Agreement between the parties.

M. Services

Contractor shall not modify any service or the manner of providing such service under this Agreement without the prior written authorization of the Treasurer. Modification means any change to an existing service or the addition of a new service.

N. Access to Information

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

O. Covenants

1. Compliance with Requirements of Applicable Law

The Contractor shall offer and sell interests in Bright Directions and shall otherwise provide the services and perform its obligations under the Agreement in compliance with the requirements of all applicable law, including but not limited to the following:

a) The Contractor shall not take any action that would jeopardize (i) the compliance of Bright Directions with the requirements of the Act; (ii) the treatment of Bright Directions as a “qualified tuition program” under Section 529 of the Code; and (iii) the

exemption from registration under and compliance with the federal securities law of the Participation Agreements or Bright Directions. The Contractor shall use its reasonable efforts not to take any action in support of federal or state legislative or regulatory proposals that would directly or indirectly undermine or jeopardize the Program.

b) The Contractor's offer and sale of interests in the Pool and performance of the services under the Agreement shall be performed in compliance with all requirements of FINRA, the MSRB, and any other Governmental Authority to the extent such requirements may be or become applicable to the Contractor.

c) The Contractor shall promptly provide to the Treasurer copies of all regulatory filings and reports made by the Contractor in connection with the Program during the Term or while it is holding any Pool assets, other than confidential filings or reports that will not become part of the Pool. The Contractor shall make available for review by the Treasurer the results of any periodic examination of the Contractor by any state or federal banking, insurance, or securities or regulatory commission relating to the Programs, except to the extent that such report or reports may not be disclosed under applicable law or the rules of such commission.

d) The Contractor shall use the Program Disclosure Statements in connection with the offer and sale of interests in Bright Directions only so long as the Certificate delivered by the Contractor to the Treasurer remains true and correct at the time of such offer and sale.

e) Treasurer may direct Contractor to seek such legal comfort concerning the status of Bright Directions as is necessary, which, in addition to obtaining legal opinions, may include: (i) preparing and filing on behalf of Bright Directions a request for an IRS Letter Ruling to the effect that Bright Directions satisfies the qualification requirements of Section 529 of the Internal Revenue Code, is exempt from taxation, and addressing other agreed upon issues; and (ii) preparing and filing a request for an SEC No-Action Letter, which shall be to the effect that Bright Directions and the operation of Bright Directions will be exempt from registration requirements of the Securities Act of 1933, as amended, and the rules and regulations thereunder, and exempt from broker-dealer registration requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, and addressing other agreed upon issues. The Treasurer shall render assistance to the Contractor in the preparation of a request for an IRS Letter Ruling and/or SEC No-Action Letter.

f) Changes in Applicable Law. Contractor shall monitor all applicable law, and shall assume responsibility for addressing the legal issues affecting Bright Directions. Contractor shall promptly notify the Treasurer of any changes in the law. In fulfilling its responsibilities hereunder, Contractor may obtain opinions of or the advice of counsel, including, but not limited to, having counsel conduct an annual review of Bright Directions. In the event that Bright Directions or objectives of Bright Directions are adversely affected due to changes in or new interpretations of existing federal tax law (including, without limitation, if the IRS Letter Ruling negatively impacts the Program or the IRS refuses to issue the IRS Letter Ruling), state tax law, federal or state securities laws or other applicable laws, the Treasurer and Contractor shall cooperate to restructure Bright Directions, based on terms developed and presented by Contractor, as advised by counsel, to the Treasurer for its approval, to address such adverse consequences, and each

of the parties hereto shall pay its own expenses in connection with such efforts through the date of such restructuring.

2. Further Cooperation

The Contractor shall cooperate with the Treasurer in a commercially reasonable manner in order that the duties and obligations of the parties hereunder may be effectively, efficiently and promptly discharged. Contractor shall, at its expense, execute and deliver to the Treasurer such further instruments and documents, and shall take such further action, as the Treasurer may from time to time reasonably request in order to carry out the intent and purpose of this Agreement, including development of procedures for communications regarding the Pool as it relates to Bright Directions. To that end, the Contractor shall, at all reasonable times during normal business hours and as reasonably necessary, make properly authorized personnel available for discussion with the Treasurer.

3. Compliance with Terms of Bright Directions

The Contractor shall offer and sell interests in Bright Directions only in accordance with the terms developed and agreed to by the Treasurer and the Contractor pursuant to this Agreement, as such terms may be changed from time to time during the Term of this Agreement only: (i) upon mutual agreement of the Contractor and the Treasurer, or (ii) by the Treasurer to the extent deemed necessary to maintain compliance of Bright Directions with applicable law.

4. Compliance with Applicable Securities Law

The Contractor currently complies, and during the Term of this Agreement, the Contractor shall comply with all securities laws applicable to distribution or investment Services or to the administration of any investment options to which Pool assets are invested.

5. Covenant to Notify

The Contractor will use its best efforts to notify the Treasurer in writing as soon as practicable, but in any event within fifteen (15) business days, of the earlier of the receipt by, or actual knowledge of any subpoena, summons, complaint, order instituting proceedings, notice of investigation, indictment, or criminal information, involving as a party any Governmental Authority with jurisdiction with respect to the enforcement of federal securities laws or the securities laws of any state, with respect to any alleged violation by the Contractor, or any of its affiliates, of any securities laws applicable to the services or to the administration of any investment option in which Pool assets are invested, including without limitation any settlement agreement or admission of a securities law violation in any administrative determination or judicial adjudication resulting from the foregoing.

6. Tax Reports

The Contractor shall be required to handle all tax reporting in accordance with Section 529 and the Act, including but not limited to the following:

- a) report if there is any distribution from Bright Directions to any individual or for the benefit of any individual during a calendar year, to the Internal Revenue Service and the Participant, the Designated Beneficiary, and such other Person to the extent required by federal law or regulation; and
- b) prepare and provide to the Treasurer for filing statements and information relating to Bright Directions and the Accounts to the extent required by federal and state tax law.

7. Financial and Other Audits.

a) The Contractor shall prepare separate annual financial statements for Bright Directions and to cause such statements to be audited at its expense by an independent certified public accountant or firm of such accountants duly licensed to practice and practicing as such under the laws of the State. The Treasurer and the Illinois Auditor General shall be entitled to conduct other audits with respect to Bright Directions from time to time or as required by Illinois law. Contractor shall give to the Persons performing the audit its full cooperation and access to all Program Records.

b) The Contractor shall provide Treasurer with copies of any compliance audit conducted by the Contractor relating to the performance of services by the Contractor's subcontractors and delegates. The Contractor shall prepare a SSAE 16 annually in compliance with applicable law and shall provide a copy of such SSAE 16 to the Treasurer promptly after the filing thereof. By example and not as an exclusion to other breaches or failures, the Contractor's failure to comply with this section shall constitute a material breach of this Agreement.

8. Continuing Disclosure Undertaking

The Treasurer shall execute and deliver a continuing disclosure undertaking to make appropriate filings with respect to compliance with Rule 15c2-12. At any time that the Contractor is providing Services to the Treasurer with respect to the Program pursuant to this Agreement, the Contractor shall deliver to the Treasurer at the times and in the manner set forth by the Treasurer such information concerning the Program and the Pool, including but not limited to information about the portfolios and the investments in which the Investment Portfolios may be invested, as is reasonably requested by the Treasurer and is necessary in the Treasurer's determination to enable the Treasurer to comply with Rule 15c2-12.

9. Program Disclosure Statement

Contractor shall prepare and amend or supplement the Program Disclosure Statement to take into account material developments relating to the Contractor, the Program or the Pool, including the portfolios and investments in which the Investment Portfolios may be invested. The Treasurer and Contractor shall cooperate in the determination of whether a particular development warrants an amendment or supplement to the Program Disclosure Statement. On each date that the Program Disclosure Statement is amended or supplemented, the Treasurer and Contractor shall confirm in writing that the representations and statements contained in the certificate delivered by Contractor and the Treasurer pursuant to this Agreement remain true and correct as of such date.

10. Keeping of Records and Books of Account

The Contractor shall keep adequate records and books of account, in which complete entries shall be made in accordance with accounting principles, reflecting all transactions of the Contractor in connection with Bright Directions.

11. Other Section 529 Plans

During the Term of this Agreement, the Contractor and its affiliates will not provide, or offer to provide, services of any nature to any other Section 529 college savings plan other than Bright Directions except for such services provided as of the effective date of the Agreement and disclosed in writing to the Treasurer.

12. Protection of Trademark

The Contractor shall take all reasonable steps to protect the name, slogan and logo for, and any other trademarks or service marks associated with, Bright Directions from infringement by third parties.

13. Continuing Representations, Warranties and Covenants

Each of the representations, warranties, and covenants made by the Contractor in this Agreement is true and correct as of the date hereof and shall be true and correct on and as of the effective date and at all times thereafter through the termination or expiration of this Agreement.

P. State Certifications/Disclosures

The Agreement will incorporate Contractor's fully executed State Certifications and Disclosure Forms, a copy of which is attached hereto as Appendixes A, B, and C

Q. Right to Audit Books and Records

The Contractor and any subcontractor shall maintain, for a minimum of six (6) years after the termination of the Agreement, adequate books, records, and supporting documents related to the Agreement. These documents shall be available for review and audit by the Treasurer and the Illinois State Auditor General. The selected 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. 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 underlying agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

IX. PRICING

A. Terms

Pricing schedules are to cover an anticipated contract term from November 15, 2015 through July 19, 2017.

B. Other Costs

It is anticipated all of the Respondent's costs to the Treasurer will be included in the pricing as outlined above, and consistent with the requirements outlined throughout this RFP.

APPENDICES

- A. State Certifications Forms
- B. Financial Interest and Potential Conflicts of Interest Disclosure Form
- C. Other Contract and Procurement Related Information Disclosure Form
- D. Cost Proposal

APPENDIX A:

STATE CERTIFICATIONS FORMS

ILLINOIS STATE TREASURER CERTIFICATIONS

_____ (“CONTRACTOR”) makes the following certifications:

1.0 ANTI-BRIBERY.

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

2.0 BID-RIGGING/BID-ROTATING.

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

3.0 DRUG FREE WORKPLACE.

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

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

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

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

4.0 U.S. EXPORT ACT.

CONTRACTOR certifies that neither CONTRACTOR nor any substantial-owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Act of 1979 (50 U.S.C.A. App. § 2401 et seq.) or the regulations of the U.S. Department of Commerce promulgated under that Act.

5.0 NON-DISCRIMINATION.

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

6.0 AMERICANS WITH DISABILITIES ACT.

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

7.0 ILLINOIS HUMAN RIGHTS ACT.

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

8.0 FELONY.

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

9.0 FORMER EMPLOYMENT.

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

10.0 INDUCEMENT.

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

11.0 REVOLVING DOOR PROHIBITION.

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

12.0 REPORTING ANTICOMPETITIVE PRACTICES.

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

13.0 DISCRIMINATORY CLUB.

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

14.0 TAXPAYER IDENTIFICATION NUMBER AND LEGAL STATUS OF CONTRACTOR.

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

Individual
 Sole Proprietor
 Partnership/Legal Corporation
 Tax Exempt
 Corporation providing or billing
 medical and/or health care services
 Corporation NOT providing or billing
 medical and/or health care services
 Other: _____

Government Entity
 Nonresident alien
 Estate or trust
 Pharmacy (Non-Corp.)
 Pharmacy/Funeral Home/Cemetery
 (Corp.)
 Limited Liability Company (select
 applicable tax classification.)
 C = corporation
 P = partnership

15.0 LICENSE; AUTHORIZED BIDDER OR OFFEROR

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

16.0 APPROPRIATION.

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

17.0 RECORDS RETENTION; RIGHT TO AUDIT.

CONTRACTOR agrees to maintain books and records related to the performance of the contract and necessary to support amounts charged to the State under the contract for a minimum of three years from the last action on the contract or after termination of the Agreement, whichever is longer. Contractor further agrees to cooperate fully with any audit and to make the books and records available for review and audit by the Auditor General, chief procurement officers, internal auditor and the Treasurer; CONTRACTOR agrees to cooperate fully with any audit conducted by the Auditor General or the Treasurer and to provide full access to all relevant materials. The three-(3)-year period shall be extended for the duration of any audit in progress during the term. Failure to maintain the books, records and supporting documents required by this Section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

18.0 CONFLICTS OF INTEREST.

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

19.0 LATE PAYMENTS.

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

20.0 LIABILITY.

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

21.0 DEBT DELINQUENCY.

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

22.0 EDUCATIONAL LOAN DEFAULT.

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

23.0 FORCE MAJEURE.

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

24.0 ANTITRUST ASSIGNMENT.

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

25.0 PROHIBITION OF GOODS FROM FORCED LABOR.

CONTRACTOR certifies that it is not barred from being awarded a contract under the State Prohibition of Goods from Forced Labor Act (30 ILCS 583). Section 10 of the State Prohibition of Goods from Forced Labor Act prohibits a contractor from entering into a contract with the Treasurer's

Office if that contractor knew that the foreign-made equipment, materials, or supplies furnished to the State were produced in whole or part by forced labor, convict labor, or indentured labor under penal sanction. CONTRACTOR further acknowledges that the Treasurer's Office may declare the Agreement void if this certification is false or if CONTRACTOR is determined to have known that the foreign-made equipment, materials, or supplies furnished to the State during the term of the Agreement were produced in whole or part by forced labor, convict labor, or indentured labor under penal sanction.

26.0 PROHIBITION OF GOODS FROM CHILD LABOR.

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

27.0 SARBANES-OXLEY ACT AND ILLINOIS SECURITIES LAW

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

28.0 DISPUTES.

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

29.0 THIRD-PARTY PAYMENTS.

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

30.0 MOST FAVORABLE TERMS.

If more favorable terms are granted by the CONTRACTOR to any similar governmental agency in any state in a contemporaneous agreement let under the same or similar financial terms and

circumstances for comparable supplies or services, the more favorable terms will be applicable under the Agreement between the Treasurer's Office and the CONTRACTOR.

31.0 BOARD OF ELECTIONS REGISTRATION

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

(or)

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

32.0 COLLECTION AND REMITTANCE OF ILLINOIS USE TAX

The CONTRACTOR certifies that it is not barred from being awarded a contract under section 50-12 of the Illinois Procurement Code (30 ILCS 500/50-12). Section 50-12 prohibits a contractor from entering into a contract or subcontract with a State agency if the CONTRACTOR or affiliate has failed to collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provisions of the Illinois Use Tax Act. The CONTRACTOR further acknowledges that the contract or subcontract may be voided if this certification is false.

33.0 ENVIRONMENTAL PROTECTION ACT VIOLATIONS

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

34.0 LEAD POISONING PREVENTION ACT VIOLATIONS

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

35.0 BOND ISSUANCES

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

36.0 POLITICAL CONTRIBUTIONS

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

37.0 LOBBYING RESTRICTIONS

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

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

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

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

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

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

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

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

CONTRACTOR

By:

Signature

Name

Title

Date

APPENDIX B:

**FINANCIAL INTEREST AND POTENTIAL CONFLICTS OF INTEREST
DISCLOSURE FORM**

DISCLOSURES

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

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

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

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

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

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

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

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

Name: _____

Address: _____

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

_____.

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

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

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

The percent of ownership _____%

or

The value of the ownership interest \$ _____

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

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

State or any county clerk in the State of Illinois, or any political action committee with either the Secretary of State or the Federal Board of Elections.

- | | | | |
|----|--|--------------|-------------|
| j. | Relationship to anyone; spouse, father, mother, son, or daughter, who is or was a compensated employee in the last 2 years of any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. | Yes
_____ | No
_____ |
|----|--|--------------|-------------|

This disclosure is submitted on behalf of

(Name of Contractor/Offeror)

Official authorized to sign on behalf of contractor/offeror:

Name (printed) _____ Title _____

Signature _____ Date _____

APPENDIX C:

**OTHER CONTRACT AND PROCUREMENT RELATED INFORMATION
DISCLOSURE FORM**

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 _____

APPENDIX D: COST PROPOSAL

Using this Appendix D, Respondent must provide all proposed fees for Bright Directions as set forth below. Amounts not included in this Appendix D will not be considered and may result in disqualification of the proposal submitted. The Chief Procurement Officer and the Evaluation Committee will use the responses to this Appendix D as the basis for comparing and evaluating proposed costs.

A. Complete the following chart to include all applicable fees and Share Classes to be charged. Indicate whether fees differ according to the investment option and also adjust the Share Class structure to reflect what your firm proposes. Indicate if you are offering a Share Class specifically for registered investment or fee-based advisors, or for workplace plans. Include the fees listed in the table, and add additional fees if proposed. Provide a written description and explanation of each fee if it is not self-explanatory. Please also note that the Treasurer’s current Administrative Fee is 0.05% (5 basis points) on all investment options except ETFs and money market, and 0.03% (3 basis points) on ETFs. No Administrative Fee is assessed on the money market portfolio. Administrative Fee levels are expected to remain the same in the new Agreement.

Fees	Share Class A	Share Class C	Other Shares	Other Shares
Program Management Fee				
Annual Service Fees				
Initial Sales Charge				
Deferred Sales Charge				
Annual Account Fee (specify)				

B. Please complete the following table for each proposed Investment Portfolio included in your response to Question C. 2 in Section VI of the RFP. Your response should not include any fees listed in the immediately preceding Question A above:

Portfolio Name	Weighted Average Expense Ratio of Underlying Funds

C. If you intend to include registered funds (mutual funds or ETFs) as the underlying investments in the Portfolios included in your response to the immediately preceding Question B above, please complete the following table for each registered fund included:

Fund Name	Ticker	Share Class	Total Expense Ratio

D. Please indicate whether the Program Management Fees you have specified in Question A above will be reduced as the Bright Directions asset base increases and provide the exact break-points for those Fees. Also indicate if any other fees will decrease as assets increase, including the Initial Sales Charges typically associated with A Shares.

F. Please provide a table showing the selling commission and Annual Service Fees that will be paid to the financial advisors who sell interests in Bright Directions.

G. If you are proposing Annual Account Fees, please specify any exceptions to the Fees.

H. Identify any additional expenses or costs associated with your proposal. Any expense or cost not identified in this Appendix D will not be considered. Note: If you are uncertain whether to provide cost proposals in terms of annual basis points for total assets under management or dollars per account, both formats should be provided.