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OFFICE OF THE AUDITOR GENERAL
WILLIAM G. HOLLAND

(10/10)

**State of Illinois
PROCUREMENT OPPORTUNITY**

TO: Proposal Manager
FROM: Jim Schlouch, Performance Audit Director
DATE: August 26, 2011
SUBJECT: Request for Proposals (Professional and Artistic Services)—Asset Allocation Study (RFP #11-P-2)

The Office of the Auditor General (OAG) is requesting offers from responsible vendors to fill the State's needs as described in this solicitation. The solicitation itself consists of the following sections:

- 1) 'Instructions for Submitting Offers.' This part, beginning with this page, tells what you need to know and do when preparing and submitting the offer to us. It also tells how we will evaluate your offer.
- 2) 'Solicitation Response Forms.' This part shows the specifications, how the offer must be priced, contract terms and other requirements. In addition, you must provide information about your firm, including certain financial and conflict of interest disclosures.

The 'Solicitation Response Forms,' completed, signed and returned by you, will constitute your offer. You need not submit the Instruction pages with your offer. You should keep the Instructions and a copy of your offer (Solicitation Response Forms) for future reference.

For your convenience we have included a summary description of what we need in section 1.2 of the attached 'Instructions for Submitting Offers.' More detail is provided throughout this solicitation.

Please read the entire solicitation package and submit your offer in accordance with the Instructions. If you are interested and able to meet the requirements set forth in this solicitation, we would appreciate and welcome an offer.

INSTRUCTIONS FOR SUBMITTING OFFERS

1.1 PROJECT TITLE / REFERENCE #: This Request for Proposals (Professional and Artistic Services) may be referred to as: Asset Allocation Study of College Illinois! Prepaid Tuition Program Investments. RFP No. 11-P-2.

1.2 SUMMARY DESCRIPTION OF SUPPLIES AND SERVICES:
Asset Allocation Study of College Illinois! Prepaid Tuition Program Investments

1.3 OFFER DUE DATE, TIME AND SUBMISSION LOCATION: **Due Date: September 16, 2011 Time: 9:00 a.m.**

DELIVER OFFERS TO:

**Office of the Auditor General
Attn.: Roberta Pape
740 E. Ash St.
Springfield, IL 62703**

LABEL OUTSIDE OF ENVELOPE/CONTAINER:

**Office of the Auditor General
Attn.: Roberta Pape
Project Title & Ref. #: Asset Allocation Study of College Illinois! Prepaid Tuition Program Investments, RFP #11-P-2
Due Date & Time: September 16, 2011, 9:00 a.m.**

We will open offers at the due date, time and delivery location. (Note: Offers will not be opened publicly.) Prior to the due date, you may mail or hand-deliver offers, modifications, and withdrawals. We do not allow e-mail, fax, or other electronic submissions. We must physically receive submissions as specified; it is not sufficient to show you mailed or commenced delivery before the due date and time. We will not consider offers, modifications or withdrawals received after the due date and time. All times are State of Illinois local times.

1.4 NUMBER OF COPIES: Submit a signed original and 4 copies of your offer in **a sealed container**. Label the container with the Project Title/Reference # as instructed in Section 1.3 above. **Submit price in a separate sealed envelope in the Offer Container.**

1.5 OFFER Firm Time:
Your offer must remain firm for 90 days from opening.

1.6 SECURITY:
Offer Bond \$ N/A
Performance Bond \$ N/A

1.7 VENDOR CONFERENCE: Yes No
Mandatory Attendance: Yes No
Date and Time (CST):
Location:

We will provide written responses to questions and only those written responses shall be binding. If attendance is mandatory, you will be disqualified if you do not attend, are not on time, leave early or fail to sign the attendance sheet.

1.8 PROJECT CONTACT:
Office of the Auditor General
Jim Schlouch
740 E. Ash St.
Springfield, IL 62703
(217) 782-6046
(888) 261-2887 (TTY)
(217) 785-8222 (Facsimile)
E-mail: oag15@mail.state.il.us

If you have a question or suspect an error, you must immediately notify the Project Contact identified in this section. A record of all communications must be maintained. Contact with OAG personnel other than those listed above regarding this solicitation may be grounds for elimination from the selection process. Only written answers to questions shall be binding on the State.

1.9 PROTEST REVIEW OFFICE:
Office of the Auditor General

Roberta Pape
740 E. Ash St.
Springfield, IL 62703
(217) 782-6046
(888) 261-2887
(217) 785-8222 (fax)

You may submit a written protest of our actions to the PROTEST REVIEW OFFICE in accordance with the requirements of the Auditor General's procurement rule (44 Ill. Adm. Code 500.1330). We must physically receive the protest by noon on the seventh calendar day after you knew or should have known of the facts giving rise to the protest. You shall be deemed to have notice as of the date of publication in the Auditor General Bulletin, or earlier if you had earlier actual notice.

- 1.10 SMALL BUSINESS SET-ASIDE.** Yes ____ No X ____ . If "yes" is marked, you must be certified by the Small Business Set-Aside Program at the time Offers are due in order for us to evaluate your Offer. For complete requirements and to certify your business in the Small Business Set-Aside Program, visit http://www.sell2.illinois.gov/bep/Set_Aside.htm.
- 1.11 MINORITY, FEMALE AND PERSONS WITH DISABILITY GOALS.** Yes ____ No X ____ . The OAG encourages qualified businesses owned and controlled by minorities (MBE's), females (FBE's) or persons with disabilities (PBE's) to submit proposals. The OAG encourages Vendors to consider subcontracting portions of engagements to qualified small audit firms or audit firms owned and controlled by MBE's, FBE's or PBE's. For purposes of this section, the individuals claiming ownership and control must own at least 51% of the business. If the proposed contractor or subcontractor is a qualified MBE, FBE or PBE, the proposal should include a certification stating that the individuals meet this definition of ownership and control.
- 1.12 STATUTORY CITATIONS.** You will find a number of statutory references in the solicitation that are designated "ILCS." The official text can be found in the appropriate chapter and section of the Illinois Compiled Statutes. An unofficial version of the statutes can be viewed at <http://www.ilga.gov/legislation/ilcs/ilcs.asp>. The Auditor General's Procurement Rules (44 Ill. Adm. Code 500) are also applicable to this procurement and may be viewed at www.ilga.gov/commission/jcar/admincode/titles/html.
- 1.13 PROCUREMENT BULLETIN.** We publish procurement information (including notices of procurement opportunities, notices of award, and updates) in the Auditor General's Procurement Bulletin. Vendors may view this information at the Auditor General's web site (www.auditor.illinois.gov). Procurement information may not be available in any other form or location. You are responsible for monitoring the Auditor General's Procurement Bulletin; we cannot be held responsible if you fail to read notices posted on the Auditor General's Procurement Bulletin or to receive e-mail notices.
- 1.14 AWARD.** We will post a notice to the Auditor General Procurement Bulletin identifying the apparent awardee. The notice extends the Offer Firm Time until we sign a contract or determine not to sign a contract. We may accept or reject your Offer as submitted, or may require contract negotiations. If negotiations do not result in an acceptable agreement, we may reject your Offer and begin negotiations with another Vendor. Protested awards are not final and are subject to resolution of the protest.
- 1.15 PUBLIC INFORMATION.** Offers become the property of the State and will not be returned. Your Offer will be open to the public under the Illinois Freedom of Information Act (FOIA) (5 ILCS 140) and other applicable laws and rules, unless you request in your Offer that we treat certain information as exempt. A request for confidential treatment will not supersede the State's legal obligations under FOIA. We will not honor requests to exempt entire Offers. You must show the specific grounds in FOIA or other law or rule that support exempt treatment. Regardless, we will disclose the name of every Offeror, the substance of the Offer, and the price. If you request exempt treatment, you must submit an additional copy of the Offer with exempt information deleted. This copy must tell the general nature of the material removed and shall retain as much of the Offer as possible. You will be responsible for any costs or damages associated with our defending your request for exempt treatment. You agree the State may copy the Offer to facilitate evaluation, or to respond to requests for public records. You warrant that such copying will not violate the rights of any third party.
- 1.16 RESERVATIONS.** You must read and understand the solicitation and tailor your Offer and activities to ensure compliance. We reserve the right to amend the solicitation, to reject any or all offers in whole or in part, to reject

individual offers for failure to meet any requirement; to award by item, part or portion of an item, group of items, or total; to cancel this request for supplies and/or services at any time; to issue a new solicitation and accept new offers; and to waive minor defects. We may request a clarification, inspect your premises, interview staff, request a presentation, or otherwise verify the contents of the Offer, including information about subcontractors and suppliers. We may request Best and Final Offers when appropriate. We will make all decisions on compliance, evaluation, terms and conditions, and shall make decisions solely in the best interest of the State. This competitive process requires that you provide additional information and otherwise cooperate with us. If you do not comply with requests for information and cooperate, we may reject your Offer. You have no right to an award by submitting an Offer, nor do you have the right to a contract based on our posting your name in a Bulletin notice. We are not responsible for and will not pay any costs associated with the preparation and submission of your Offer. If you are the awardee, you shall not commence, and will not be paid for, any billable work prior to the date all parties execute the contract. **THIS SOLICITATION IS SUBJECT TO ERRORS, OMISSIONS, MODIFICATIONS, WITHDRAWAL OR CANCELLATION WITHOUT NOTICE.**

- 1.17 NON-DISCRIMINATION POLICY.** In compliance with the State and Federal Constitutions, the Illinois Human Rights Act, the U.S. Civil Rights Act, and Section 504 of the Federal Rehabilitation Act, the State of Illinois does not unlawfully discriminate in employment, contracts, or any other activity. If you need any special accommodation under the Americans with Disabilities Act (ADA) you must promptly notify the PROJECT CONTACT.
- 1.18 PUBLIC CONTRACTS NUMBER.** Vendors with 15 or more employees must have a Public Contracts Number issued by (or completed application submitted to) the Illinois Department of Human Rights prior to the opening date. Please contact DHR at 312/814-2431 or visit <http://www.state.il.us/dhr/index.htm> for forms and details.
- 1.19 EMPLOYMENT TAX CREDIT:** Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. Please contact the Illinois Department of Revenue (312/814-3215) for information about tax credits. If you receive this tax credit you must report to the OAG and the Department of Central Management Services the number of individuals hired for whom you received tax credits. You must submit this information by August 31 of each year covering the previous 12 months (July - June) (P.A. 94-1067; 30 ILCS 500/45-65 and 45-70; 35 ILCS 5/216, 5/217).
- 1.20 RELEASE OF CLAIMS.** By submitting an Offer, the Vendor agrees that it will not bring any claim or cause of action against the OAG based on any misunderstanding concerning the information provided herein or concerning the OAG's failure, negligent or otherwise, to provide the Vendor with pertinent information as intended by this RFP.
- 1.21 GOVERNING LAW AND FORUM.** Illinois law and rule govern this solicitation and any resulting contract. You must bring any action relating to this solicitation or any resulting contract in the appropriate court in Illinois. We do not allow binding arbitration. This document contains statutory references designed with "ILCS." You may view the full text at <http://www.ilga.gov/legislation/ilcs/ilcs.asp>. The Auditor General's procurement rules (44 Ill. Adm. Code 500) are applicable to this solicitation and may be viewed at www.ilga.gov/commission/jcar/admincode/titles/html.
- 1.22 COMPLETION OF SOLICITATION RESPONSE FORMS.** You must respond to all sections of each form including attachments, clearly show any "exceptions," complete, sign and return each of the forms as indicated. The solicitation forms show what we require in terms of specifications, contract terms and other requirements. It consists of the Vendor Transmittal letter and the attachments described below.
- a) Vendor's Transmittal Letter to OAG. The Vendor's Transmittal Letter to OAG identifies the Vendor's responsible party and, together with attachments, constitutes the Vendor's binding offer. By signing on the line provided you are making an offer to perform in accordance with the terms and conditions found in each section of the solicitation as modified by any exceptions properly noted. The State may accept your offer as submitted or may propose a counter-offer. It may be necessary to make modifications to the forms after award, or as a condition to award, to accurately reflect the final understanding of the Parties. You will need to complete the Vendor signature area. You must have an authorized person sign the form and complete the remaining blanks.
- b) Description of Required Services. In this attachment we tell what we want you to provide. We identify our needs, goals, any general project information and the specifications. Your offer must tell us how you will meet the stated requirements.

- c) Technical Proposal. The following must be included in your technical proposal, tabbed, and in the following order: (1) Qualification Form; (2) Business and Directory Information; (3) References; (4) Executive Summary and Assurances; (5) Technical Approach (Plan to Address the Services Required from the Vendor); (6) Technical Experience and Qualifications; (7) Personnel; (8) Subcontractor Information; (9) Other Consulting, Financial Analysis, and/or Auditing Work; and (10) Information Regarding Terminations, Litigation and Debarment.
- c) Formal Cost Proposal. In this attachment we provide the format for how we want you to price the supplies or services. Do not show price information in other sections of the offer. **Place this attachment in a separate sealed envelope but submit it with the remainder of the offer in the offer container.**
- d) Standard Contract Provisions. This attachment contains terms and conditions of general applicability to this solicitation and any resulting contract.
- e) Standard Certifications. By signing the signature page, you are making the certifications described in this attachment.
- f) Vendor Provided Additional Material and Exceptions. This is where you provide any additional material that you want us to consider in the evaluation process and any exceptions to the terms and conditions of the solicitation. If you are taking any exceptions, this is where you must provide the detail of the exceptions.
- g) Department of Human Rights Public Contract Number. This is information requested by the Illinois Department of Human Rights. You may be disqualified if this information is not timely submitted.
- h) Disclosures and Conflicts of Interest form. This form must be signed by you, under penalty of perjury, and represents a continuing obligation on your part to inform us of any changes or instances of non-compliance throughout the contract term.
- i) Taxpayer Identification Number. We must have this to make payment to you.

1.23 CRITERIA FOR EVALUATION AND AWARD. We evaluate four categories of information: administrative compliance, vendor responsibility, responsiveness and price. All offers must meet the following administrative and responsibility criteria:

- a) Administrative Compliance. We will determine whether the offer complied with the Instructions for Submitting Offers. We must reject your offer if you submit it late. Failure to meet other requirements could result in rejection.
- b) Vendor Responsibility. We will determine whether the VENDOR submitting the offer is one with whom we can or should do business (a "responsible" Vendor).
 - 1) A "responsible" vendor must exist as a legal entity and must be authorized to do business in Illinois at the time a bid, proposal or offer is submitted for a State contract. Evidence of good standing can include Certificate of Good Standing, copy of assumed name certificate from home county, etc.
 - 2) Public Act 96-0795 provides that a "prohibited bidder" includes a person assisting the State of Illinois or a State Agency in determining whether there is a need for contract unless such information was part of a response to a publicly issued request for information (RFI). Additionally, anyone assisting the State by reviewing, drafting or preparing an invitation for bids, request for proposals or request for information, or who provided similar assistance, is deemed a prohibited offeror. Vendor is required to certify its compliance with this prohibition through the Certifications section of the Contract.
 - 3) Other factors that we may evaluate to determine responsibility include, but are not limited to: certifications, conflicts of interest, financial disclosures, taxpayer identification number, Public Contracts Number from the Department of Human Rights, any other professional license or certification required for the type of service to be performed, past performance, financial stability, references (including those found outside the offer), compliance with applicable laws, the perceived ability to perform completely as specified, and other relevant factors. Vendors owing an unsatisfied delinquent debt to the State as shown in the Comptroller's Offset System may be found to be non-responsible.

(This step does not relieve any vendor from satisfying any debt owed to the State.) A VENDOR must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the contract and must provide proof upon request. We will determine whether any failure to supply information, or the quality of the information, will result in rejection.

To be considered "responsible," Vendors must meet independence standards set forth in Government Auditing Standards. Vendors which have been under contract with the Illinois Student Assistance Commission and/or College Illinois! during the period of calendar years 2008 through 2011, or which are currently in negotiations for a future contract, **will not be considered independent** for purposes of this procurement. If a Vendor submitted a proposal to an RFP issued by ISAC or College Illinois! but was not awarded the contract, the submission of such a proposal will not be viewed as an impairment for this solicitation.

There are other relationships which Vendors are required to report in a proposal submitted in response to this RFP. The Office of the Auditor General will then review and make a final determination as to whether such relationships impair the Vendor's independence. The following needs to be disclosed:

- Any contracts the Vendor had with ISAC or College Illinois! prior to 2008;
- Any other financial, business, or personal relationships with ISAC or College Illinois! officials or its contractors (including investment managers, investment consultants, custodians, etc.) over the past five calendar years. The College Illinois! website contain various reports identifying firms with which it does business, for example:

http://www.529prepaidtuition.org/documents/pdf/Financial_report_July_2011.pdf).

The Office of the Auditor General's website also contains reports identifying firms, for example: <http://www.auditor.illinois.gov/Audit-Reports/ISAC-ILLINOIS-PREPAID-TUITION-PROGRAM.asp>); and

- Any other relationships or activities that could be construed by others to limit or impair the Vendor's independence or objectivity.

If an employee of your firm who you are proposing to work on this engagement was previously employed by any of the above entities, details should be provided.

If your firm is proposing the use of a subcontractor(s) on this engagement, similar disclosures should be made for the subcontractor(s).

For any such work, Vendor is required to provide an explanation of how such work would not represent an independence problem in carrying out the services required by this solicitation. The OAG will review the extent and nature of the work performed by Vendor and Vendor's explanation of its independence. The OAG will then make a final determination whether such work impairs the Vendor's independence. If, in the Auditor General's opinion, the Vendor's independence is impaired, in fact or in appearance, the Vendor's proposal will be rejected without further scoring or evaluation.

c) The evaluation and award criteria are shown in the following subsections.

- 1) Responsiveness. We will evaluate for "responsiveness" offers that meet the "administrative" and "responsibility" requirements. We will determine how well offers meet our requirements in terms of "responsiveness" to the specifications. Minor differences or deviations that have negligible impact on the price or suitability of the supply or service to meet the State's needs may be accepted or corrections allowed. If no administratively compliant and responsible Vendor meets a particular requirement, we may waive that requirement. We will rank offers, without consideration of price, from best to least qualified using a point system (unless otherwise specified) as an aid in conducting the evaluation. References and past performance may be considered again in this portion of the evaluation. Point and other such evaluation methods are tools we use to aid us in the evaluation process but are not always definitive. We reserve the right to use our discretion to eliminate offers that we deem unacceptable.

If we do not consider the price submitted in response to the RFP to be fair and reasonable and that price cannot be negotiated to an acceptable level, we reserve the right to award to the next highest

ranked Vendor. We will determine whether the price is fair and reasonable by considering the Offer, including the Vendor's qualifications, the Vendor's reputation, all prices submitted, other known prices, the project budget and other relevant factors. Only the OAG can determine whether a price is fair and reasonable.

- 2) The total number of points for "responsiveness" is 100. Vendors who do not receive 49 of the total "responsiveness" points available need not be considered for award. For each element, proposals will receive a number of points proportionate to how that proposal compared to other proposals. The OAG reserves the right to reject any proposal that is, in the OAG's opinion, materially deficient in any one of the evaluation criteria, regardless of total overall score.
 - i. Appropriateness, comprehensiveness and responsiveness of proposer's approach to the engagement, including the number of professional hours to be devoted to the engagement and its component tasks, the manner in which the requirements of the RFP and any special specifications or objectives are addressed, and the value of any special testing proposed (40 points);
 - ii. Extent and quality of proposer's experience and the quality of similar services provided to the OAG and others, especially the proposer's experience in completing similar engagements (30 points);
 - iii. The quality, depth and relevance of the experience and qualifications of the team leader and key staff, including any intended subcontractors, who will be performing the engagement, as well as the availability of staff to provide the services (15 points); and
 - iv. The mix or ratio of higher level (partner, manager, supervisor) hours to lower level (senior, staff and interns) hours for the staff assigned to the engagement (15 points).
- d) Alternative Evaluation. If three or fewer offers are received, the offers may be evaluated without use of a point system, using simple comparative analysis.
- e) Best and Final Offers. The OAG reserves the right to enter into discussions with those Vendors who are eligible for further evaluation in accordance with the evaluation criteria. The purposes of such discussions include, but are not limited to, promoting understanding of the OAG's requirements and the Vendor's proposal and facilitating arriving at a contract that will be most advantageous to the OAG. The number of proposers allowed to participate in discussions or to submit best and final offers, and the scope of those discussions and best and final offers, shall be determined solely by the OAG.

END OF INSTRUCTIONS

SOLICITATION RESPONSE FORMS

**VENDOR'S TRANSMITTAL LETTER TO OAG
(Vendor Letterhead)**

(Vendors - please follow instructions shown in shaded italics.)

Address

(use the address as shown on the Instructions for Submitting Proposals - Cover Page)

Re:

(insert Project Title / Reference #)

Dear _____ :

(insert name of OAG Project Contact)

Please consider this letter with the following attachments:

- Description of Required Services
- Technical Proposal
- Formal Cost Proposal (submitted in a separate sealed envelope within the proposal container)
- Standard Contract Provisions
- Standard Certifications
- Vendor Provided Additional Material and Exceptions
- Department of Human Rights Public Contract Number
- Disclosures and Conflicts of Interest form
- Taxpayer Identification Number Certification

to be our offer to perform in full compliance with the subject RFP.

The contact person for purposes of responding to any inquiries you may have is:

(Give name, title, address, phone, fax and e-mail)

If we are selected for award, we understand that does not entitle us to a contract. We further understand the award is conditioned on favorable resolution of any protests and to successful negotiation of terms and conditions including, but not limited to, price and any exceptions requested.

Sincerely,

Vendor Name and DBA

Signature of party authorized to bind the Vendor

Printed Name

Title

Address

Phone, Fax, E-mail

DESCRIPTION OF REQUIRED SERVICES

Assistance in Conducting an Asset Allocation Study of the College Illinois! Prepaid Tuition Program Investments

1. **Engagement Scope and Standards.**

Given the specialized nature of the required analysis, the Office of the Auditor General needs to procure contractual assistance from a vendor with experience in conducting asset allocation studies of investment portfolios. It is intended that the Vendor will conduct an independent asset allocation study of College Illinois! Prepaid tuition program investments to determine the overall level of risk associated with the program's current alternative investment mix. The directing resolution states that it is intended this study shall be conducted in comparison with a standardized investment portfolio containing no alternative investments, as well as in comparison with actual investment portfolios of similar public prepaid tuition programs currently operating in the states of Michigan, Virginia, Washington, and Florida. The Office of the Auditor General will require the Vendor to prepare specified deliverables which the Office will then use in its preparation of the audit report required by House Resolution Number 174.

Vendors must disclose in their proposals whether they intend to use a subcontractor in performing this engagement. For each proposed subcontractor, Vendors must provide in their proposal a description of the subcontractor's relevant expertise and experience and the specific work Vendor plans for the subcontractor to perform on this engagement. Resumes of key staff for both Vendor and any proposed subcontractor must also be provided in the Vendor's proposal.

2. Experience. The Vendor must be registered with the Securities and Exchange Commission as an investment advisor under the Investment Advisors Act of 1940. Furthermore, the Vendor **will be required** to have demonstrated experience in conducting asset allocation studies of investment portfolios. Ideally, the Vendor would have prior experience is conducting asset allocation studies of: governmental entities; entities with investments greater than \$500,000,000; and/or investment portfolios of prepaid tuition programs.

3. Vendor/Subcontractor Qualification. The Vendor and its proposed team should demonstrate that it has all authorizations, permits, licenses and certifications required by federal and state laws and regulations to perform the services specified in this RFP at the time Respondent submits a response to the RFP. The requested work will be conducted by a Vendor that is independent, responsible, and responsive. Both Vendors and any proposed subcontractor must sign and submit relevant certification and disclosure forms to the OAG and must be independent and objective relative to the operations of the Illinois Student Assistance Commission and College Illinois!.

4. Business Enterprise Program (BEP). The OAG encourages qualified businesses owned and controlled by minorities (MBE's), females (FBE's) or persons with disabilities (PBE's) to submit proposals. The OAG encourages Vendors to consider subcontracting portions of engagements to qualified small firms or firms owned and controlled by MBE's, FBE's or PBE's. For purposes of this section, the individuals claiming ownership and control must own at least 51% of the business. If the proposed Contractor or subcontractor is a qualified MBE, FBE or PBE, the proposal should include a certification stating that the individuals meet this definition of ownership and control.

5. Engagement Schedule. Time is of the essence on this engagement. Deadlines established by this RFP and the Auditor General must be met by the Vendor. The following dates are approximate:

8/26/11	Request for proposals issued
9/16/11	Proposals due in Springfield office by 9:00 a.m.
10/4/11	Expected award date

10/13/11	Work Plan due to OAG
12/31/11	Contract Deliverables due to OAG
1/31/12	Review of and comments on draft Performance Audit report due to OAG

Throughout the engagement, the Vendor will be required to provide the OAG contract manager with bi-weekly progress reports. The progress reports will disclose the number of hours worked by each assigned staff and the areas in which the hours were incurred.

6. Technical Approach. All proposers must complete and return the attached Solicitation Response Forms. No cost information is to be shown other than in the Cost Proposal document, as provided in Section 1.4 of the instructions for Submitting Offers.

7. Cooperation. Contractor must cooperate with staff from the OAG in their conduct of additional work or extended work assigned by the Auditor General as part of, or supplemental to, the Contractor's work.

8. Information about the Illinois Student Assistance Commission's College Illinois! Program.

The following *Program Overview* information was taken from the College Illinois! Prepaid Tuition Program's FY10 Annual Report:

Program Overview

The College Illinois! Prepaid Tuition Program is administered by the Illinois Student Assistance Commission (ISAC). As a qualified tuition program under Section 529 of the Internal Revenue Code, College Illinois! provides individuals with an opportunity to lock in the cost of future tuition and mandatory fees, protecting against tuition inflation. The Program was enacted by the General Assembly and then signed into law by the Governor in November 1997.

The College Illinois! Prepaid Tuition Program offers plans for public university semesters, community college semesters and a combined plan that includes two years at a community college and two years at a public university. Plans can be purchased one semester at a time or up to a maximum of nine semesters for any one future student. Benefits may also be used at private colleges within Illinois and at public universities and private colleges and universities across the country as well.

The program has no age restrictions for future students. Beneficiaries of a plan do not have to choose a school until time of college enrollment. Plans can be purchased with a single lump-sum payment, or in monthly or annual installments for five, ten or fifteen years. College Illinois! Prepaid Tuition Program benefits cover undergraduate tuition and mandatory fees, but not other expenses such as room and board, books and transportation.

Benefits provided by the College Illinois! Prepaid Tuition Program are entirely exempt from both federal and state income tax. In addition, contributions up to a maximum of \$10,000 per individual or \$20,000 per couple are deductible from Illinois taxable income.

During FY2010, the College Illinois! Prepaid Tuition Program completed its 12th pricing period. As of June 30, 2010 there were 54,900 contracts in force. The value of all contracts purchased now exceeds \$1.4 billion.

Program Funding

Program funding is derived from payments received from contract purchasers and the investment income earned by the Prepaid Tuition Fund. ISAC has obtained actuarial assistance in order to establish, maintain, and certify assets sufficient to meet the Fund's obligations. The assets of the Fund are to be preserved, invested, and expended solely pursuant to and for the purposes of the Fund and may not be loaned or otherwise transferred or used by the State of Illinois for any other purpose.

In the event the Commission, with the concurrence of the State of Illinois, determines the Illinois Prepaid Tuition Program to be financially infeasible, the Commission may discontinue, prospectively, the operation of the Program. Any beneficiary who has been accepted by and is enrolled, or will within five years enroll, at an eligible institution shall be entitled to exercise the complete benefits of his/her contract. All other contract holders shall receive an appropriate refund of all contributions and accrued interest up to the time the Program is discontinued.

Investment Policy

When investing funds, the Commission utilizes a Statement of Investment Policy (<http://www.529prepaidthuition.org/documents/pdf/January2010v.3.pdf>) which includes the approved asset allocation. In June 2011, the target asset allocation and permissible percentage ranges were as follows:

Asset Class	Target	Minimum*	Maximum*
Fixed Income:			
Broad Fixed Income	15.0%	10.0%	20.0%
Int Govt/ Credit	5.0%	3.0%	8.0%
U.S. Treasury Inflation Protected Securities (TIPS)	5.0%	2.0%	10.0%
Mortgage/Other	5.0%	0.0%	10.0%
Total Fixed Income	<u>30.0%</u>		
Real Estate	10.0%	5.0%	15.0%
Real Estate (GSA)	10.0	0.0%	15.0%
Total Real Estate	<u>20.0%</u>		
Equity:			
Total Domestic Equity	15.0%	10.0%	25.0%
Total International Equity	8.0%	5.0%	12.0%
Total Equity	<u>23.0%</u>		
Alternative Investments			
Hedge Funds, Hedge Fund of Funds	15.0 %	5.0%	20.0%
Infrastructure	5.0%	0.0%	10.0%
Private Equity	7.0%	0.0%	12.0%
Total Alternatives	<u>27.0%</u>		
Total Cash	<u>0%</u>	<u>0.0%</u>	<u>5.0%</u>
TOTAL	<u>100.0%</u>		

Other Information

The College Illinois! total program performance as of May 31, 2011 was included on pages 3-7 and 3-8 of most recent Executive Director's report which was presented at the July 8, 2011 Commission meeting. (<http://www.collegeillinois.org/dotAsset/c9a1002c-fdda-4a1a-a7b5-27c492944432.pdf>)

The Commission prepares an Annual Report of the College Illinois! Program which contains the most recent financial audit and also an Actuary's Report on Soundness. (<http://www.collegeillinois.org/dotAsset/8b8e4524-0c9a-4f0d-9b91-2d7d364c5f39.pdf>)

Copies of financial audit reports completed by the Office of the Auditor General of the Illinois Prepaid Tuition Program (College Illinois!) are located on the Office of the Auditor General's web-site at: <http://www.auditor.illinois.gov/Audit-Reports/ISAC-ILLINOIS-PREPAID-TUITION-PROGRAM.asp>

The House Resolution requiring this audit is located on the OAG web-site at: <http://www.auditor.illinois.gov/Audit-Reports/Performance-Special-Multi/Performance-Resolutions/HR-0174.pdf>

Proposer is responsible for reviewing all available information to determine the appropriate number of hours to propose on this engagement.

10. Billing Procedures and Progress Billings. The contract will set forth the total financial obligation of the OAG and Contractor must agree to fully complete the statement of work and all contractual obligations within that stated total consideration. Amendments will be permitted only at the OAG's discretion. Billings must be prepared in accordance with the Auditor General's procedures regarding the submission of vouchers or other documentation. The voucher must list a total of the actual professional hours utilized for the work performed extended at the agreed contract average hourly rate. If total billings are less than the total consideration allowable under the contract, only the lesser cost shall be paid by the OAG. If progress payments are permitted, the contract will so specify.

11. Scope of Work.

(a) Need for Services

On April 14, 2011, the Illinois House of Representatives adopted House Resolution No. 174 which directed the Office of the Auditor General to conduct a management audit of the College Illinois! Prepaid Tuition Program's administrative operations. The resolution requires that the audit examine the growth in recent years of program costs, as well as the efficacy of the program's administration, and in particular, the Illinois Student Assistance Commission's oversight and administrative capacity to evaluate and direct College Illinois! prepaid tuition program investments. The Office of the Auditor General plans to address these determinations with in-house staff.

The Resolution also requires the audit to include an independent asset allocation study of College Illinois! Prepaid Tuition Program investments to determine the overall level of risk associated with the program's current alternative investment mix. The directing resolution states that it is intended this study shall be conducted in comparison with a standardized investment portfolio containing no alternative investments, as well as in comparison with actual investment portfolios of similar public prepaid tuition programs currently operating in the states of Michigan, Virginia, Washington, and Florida. Given the specialized nature of conducting an asset allocation study, the Auditor General is seeking assistance to conduct this portion of the audit.

(b) Goals and Objectives

The purpose of this Solicitation is to select a Vendor to assist the Office of the Auditor General in its audit of the College Illinois! Prepaid Tuition Program, specifically to conduct the asset allocation study as delineated above, and detailed further in the following Section (c) Overview of Services Required.

(c) Overview of Services Required

The Contractor will be required to conduct an asset allocation study of the investments held by the Illinois Student Assistance Commission's College Illinois! Prepaid Tuition Program as of June 30, 2011. The Study shall include the following:

1. A determination of the level of risk associated with the Program's investment mix as of June 30, 2011;
2. A comparison of College Illinois! asset allocation as of June 30, 2011, and the associated risk, with the allocation of assets and associated risk of a "standardized investment portfolio" containing no alternative investments. Proposers should provide details as to what they would use as a "standard investment portfolio" and the basis and/or justification for supporting that such portfolio would be considered the standard.
3. A comparison of College Illinois! investment portfolio with those of similar public prepaid tuition programs currently operating in the states of Michigan, Virginia, Washington, and Florida, as of June 30, 2011. This analysis should include, at a minimum, the following comparisons between College Illinois! and the other programs: the mix of investment type (e.g., fixed income, real estate, domestic equity, etc.); the level of risk associated with each Program's investment portfolio; and general performance statistics for a five year period (such as assets under management, unfunded liability (both % and total dollar), number of contracts sold over the past 5 years, number of outstanding contracts, number of contracts terminated over the past 5 years, etc.). If there are significant differences between College Illinois! and the other states' programs that impact program financial performance, the analysis should disclose and discuss those differences (such as level of risk, funding needs, legal requirements, operational differences, etc.).
4. If significant differences in asset allocations exist between College Illinois! and the other portfolios, discuss the pros and cons of the current College Illinois! asset mix.
5. The Contractor shall prepare deliverables which document the work Contractor performed to address **1) through 4)** above. The deliverables must describe in detail the work performed by the Contractor and conclusions reached.
6. In addition, the Contractor shall be available to provide guidance and assistance to Auditor General staff throughout the conduct of this audit.

In addition to the above, the Contractor will be required to review and comment upon the report prepared by the Office of the Auditor General, pursuant to House Resolution No. 174; prepare a work plan delineating the activities, staff and timeline to accomplish the contracted for assistance; attend meetings as requested by the Office of the Auditor General, including, but not limited to, with the Illinois Student Assistance Commission (including the exit conference) and the Legislative Audit Commission; and provide other related assistance as requested by the Office of the Auditor General. The Contractor will be available for consultation as needed and to attend meetings as requested by the Audit Manager upon reasonable notice.

Deliverables submitted to the OAG must be cross-indexed to the Contractor's supporting workpapers. Specifically, each fact, number, and statement in Contractor's deliverables must be cross-indexed back to the Contractor's workpaper that supports the fact, number, and statement.

Throughout the engagement, the Contractor is required to provide the OAG with progress reports as directed by the Audit Manager. The progress reports will disclose the number of hours worked by each assigned staff. Other reporting requirements, such as requiring Contractors to identify significant constraints or problems encountered, will also be established by the OAG Audit Manager and the Contractor will fully comply with those requirements.

Time is of the essence on this engagement. Any delays experienced by the Contractor, such as delays in obtaining requested information from the Illinois Student Assistance Commission, shall be brought to the immediate attention of the OAG Audit Manager.

In its response to this Solicitation, the Proposer should detail how it will carry out the responsibilities delineated above, as well as other activities or responsibilities the Proposer believes need to be undertaken to fulfill the requirements of this proposed legislation. **Please note, the Vendor is fully responsible for conducting all the work necessary to prepare the required deliverables, and must be able to demonstrate it has staff**

qualified in the needed areas. If the Proposer plans to subcontract a portion of the work, such as to obtain needed expertise, the proposal should clearly delineate this relationship.

The Office of the Auditor General will be responsible for:

- 1) providing feedback and guidance on the planning and conduct of the planned work;
- 2) reviewing the deliverables and the adequacy of support;
- 3) participating in meetings, as necessary, between Contractor and ISAC officials;
- 4) assisting in resolving any issues arising between the Contractor and the affected entities; and
- 5) drafting and distributing the final report.

Throughout the terms of the contract, the Vendor will be expected to communicate progress and status of its work on a regular basis to assigned OAG staff. Pursuant to the Illinois State Auditing Act, and regulations adopted thereunder, the reports and related working papers, including all information prepared by the contractor in the course of fulfilling the responsibilities under this scope of work, will be public information upon release of the reports.

Note: As part of the solicitation review process, the Proposer may be requested to meet with OAG staff either in Springfield or Chicago to discuss and answer questions on its proposal.

TECHNICAL PROPOSAL

(1) Qualification Form

The undersigned authorized representative of Vendor submits the following and hereafter attached Qualification Information to the OAG with the understanding that the OAG will use and rely upon the accuracy and currency of the information in the evaluation of Vendor's Offer.

VENDOR (Official Name and D/B/A)

Signature	Date
-----------	------

Printed Name	Title
--------------	-------

Address

City/State	Zip Code
------------	----------

Telephone	Facsimile
-----------	-----------

E-mail

TECHNICAL PROPOSAL

(2) Business and Directory Information

(a)	Name of Business (Official Name and D/B/A)
(b)	Business Headquarters (include Address, Telephone and Facsimile)
(c)	If a Division or Subsidiary of another organization provide the name and address of the parent
(d)	Billing Address
(e)	Name of Chief Executive Officer
(f)	Customer Contact (include Name, Title, Address, Telephone, Toll-Free Number, Facsimile and E-mail)
(g)	Company Web Site
(h)	Type of Organization (i.e., Sole Proprietor, Corporation, Partnership, etc. -- should be the same as on the Taxpayer ID form below)
(i)	Length of Time in Business
(j)	Annual Sales (for most recently completed Fiscal Year)
(k)	Number of Full-Time Employees (average from most recent Fiscal Year)
(l)	Type of and description of business
(m)	State of incorporation, state of formation or state of organization
(n)	Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the Vendor's performance under the terms of this RFP.
(o)	Identify the Vendor's accounting firm
(p)	Prior to submitting an offer, Vendor must be a legal entity authorized to do business in Illinois. Please provide the date of the Vendor's registration to do business in Illinois and the name of the Vendor's registered agent in the State.
(q)	If Vendor holds a professional license (e.g., Illinois Public Accountant License) or certification, provide information about the type of license/certification, the license/certification number, exact name on license/certification, State of issuance, and expiration date.

* If you are proposing to use a subcontractor on this engagement, these forms must also be filled out by the subcontractor and submitted with your proposal.

TECHNICAL PROPOSAL

(3) References

Provide references from established firms or government agencies, (four preferred; two of each type preferred) other than the procuring agency, that can attest to your experience and ability to perform the contract subject of this RFP.

(1) Firm/Government Agency (Name):	Contact Person Name: Address: Phone: E-mail Address:
Types of Supplies/Services Provided and Dates Provided/Contracted:	
(2) Firm/Government Agency (Name):	Contact Person Name: Address: Phone: E-mail Address:
Types of Supplies/Services Provided and Dates Provided/Contracted:	
(3) Firm/Government Agency (Name):	Contact Person Name: Address: Phone: E-mail Address:
Types of Supplies/Services Provided and Dates Provided/Contracted:	
(4) Firm/Government Agency (Name):	Contact Person Name: Address: Phone: E-mail Address:
Types of Supplies/Services Provided and Dates Provided/Contracted:	

* If you are proposing to use a subcontractor on this engagement, these forms must also be filled out by the subcontractor and submitted with your proposal.

TECHNICAL PROPOSAL

(4) Executive Summary and Assurances

Vendor should provide an Executive Summary giving an overview of the services to be provided. The Executive Summary should also contain the following assurances and acknowledgements by Vendor:

- A Statement that Vendor understands the services required by this solicitation;
- A Statement that Vendor understands the professional and technical standards governing the various services to be provided pursuant to this solicitation and that Vendor will comply with such standards;
- A Statement that staff assigned to the engagement maintain professional competence in their areas of specialization;
- A Statement that Vendor and all staff assigned to the engagement are independent, as defined by Government Auditing Standards, and have no conflict of interest pertaining to the work to be performed pursuant to this solicitation (see Section 9 of the Technical Proposal);
- A Statement that Vendor understands that all information derived during the performance of this engagement, including the report and Vendor's/subcontractor's supporting working papers, and all other documents and information prepared by the Vendor/subcontractor, will be made publicly available, in accordance with the law, following the release of the report; and
- A Statement that if Vendor's proposal contemplates the use of a subcontractor, Vendor certifies that it has determined through appropriate research and investigation that subcontractor(s) is also in compliance with any of the above provisions which are applicable to it.

TECHNICAL PROPOSAL

(5) Technical Approach

You must provide a detailed description of how you plan to approach each service requirement, with specific reference to applicable portions of the "Description of Required Services." **Your response must demonstrate your understanding of standards applicable to this engagement and must fully explain your technical approach to fulfilling the required services.** Your proposal must identify any deviations from the stated requirements or requirements that you cannot satisfy. Your proposal must also indicate whether and to what extent any of the required services will be fulfilled through the use of a subcontractor or subcontractors. **DO NOT SHOW PRICE INFORMATION IN THIS PORTION OF YOUR OFFER.**

In addition, your Technical Proposal should set forth the following information in the format provided:

STATEMENTS REGARDING PROPOSED ENGAGEMENT WORK

Section A. Proposed Hours

Please list your estimated hours by class of professional. If your firm uses other classifications for professionals, you may use those classifications, but provide an explanation as to what each classification entails (years of experience, accreditation, etc.) Indicate N/A if not applicable.

	<u>Estimated Hours</u>		
	Primary Contractor No. of Hours	Subcontractor(s) No. of Hours	Total Hours
			Percentage to TOTAL
Team Leader			
Partners/Principals			
Managers/Supervisors			
In-Charge/Seniors			
Semi-Seniors			
Assistants			
Interns			
TOTAL PROPOSED HOURS By Class	<u> </u> Hours	<u> </u> Hours	<u> </u> Hours
			100.0%

Section B. Engagement Hours by Major Engagement Area

Provide estimated hours by major engagement area. Indicate N/A if not applicable.

Major Area	Total Estimated Hours			Percent of Total
	Primary Contractor	Subcontractor	Total	
Background Work: Hours incurred to familiarize Vendor with College Illinois! investment portfolio, investment policies, and other information needed to conduct the asset allocation study and comparison of College Illinois! investment portfolio with that of the other named states.				%
A determination of the level of risk associated with the Program's investment mix as of June 30, 2011.				%
A comparison of College Illinois! asset allocation as of June 30, 2011, and the associated risk, with the allocation of assets and associated risk of a "standardized investment portfolio" containing no alternative investments. Proposers should provide details as to what they would use as a "standard investment portfolio" and the basis and/or justification for supporting that such portfolio would be considered the standard.				%

<p>A comparison of College Illinois! investment portfolio with those of similar public prepaid tuition programs currently operating in the states of Michigan, Virginia, Washington, and Florida, as of June 30, 2011. This analysis should include, at a minimum, the following comparisons between College Illinois! and the other programs: the mix of investment type (e.g., fixed income, real estate, domestic equity, etc.); the level of risk associated with each Program's investment portfolio; and general performance statistics for a five year period (such as assets under management, unfunded liability (both % and total dollar), number of contracts sold over the past 5 years, number of outstanding contracts, number of contracts terminated over the past 5 years, etc.). If there are significant differences between College Illinois! and the other states' programs that impact program financial performance, the analysis should disclose and discuss those differences (such as level of risk, funding needs, legal requirements, operational differences, etc.).</p>				
<p>After comparing the College Illinois!' asset allocation with those of both a "standardized investment portfolio" and the other states, if significant differences exist between College Illinois! and the other portfolios, discuss the pros and cons of the current College Illinois! asset mix.</p>				%
<p>Preparation of required deliverables</p>				%
<p>Other, such as review of OAG draft report, etc. (Provide details)</p>				%
<p>TOTAL ESTIMATED HOURS BY MAJOR AREA</p>				100.0%

TECHNICAL PROPOSAL

(6) Technical Experience and Qualifications

You must fully demonstrate how you and any subcontractor(s) meet the required qualifications stated in this solicitation. Vendors will be required to demonstrate that the work will be conducted by appropriate professional staff, including, staff with demonstrated experience in conducting asset allocation studies of investment portfolios of large public entities. You must provide information concerning any services or other relevant experience of Vendor and any proposed subcontractor(s) that is similar to the services specified in the "Description of Required Services," including number of years of experience, identification of key staff working on similar engagements, and the number of professional hours and level of technical experience/expertise required by those engagements. If available, provide examples of similar work products performed by staff who would be assigned to this engagement. **DO NOT SHOW PRICE INFORMATION IN THIS PORTION OF YOUR OFFER.**

TECHNICAL PROPOSAL

(7) Personnel

You must provide resumes for all key personnel who will be involved in providing the services required by this solicitation. Resumes must include the full name, educational background, and years of experience and employment history for each individual, particularly as it relates to the scope of services specified in this Solicitation. You should identify the proposed role for each individual, his or her title, and the level of effort you anticipate each to devote to this engagement. Similar information should be provided for any proposed subcontractor(s).

TECHNICAL PROPOSAL

(8) Subcontractor Information

Will you be using any subcontractors on this engagement? _____ Yes _____ No

If yes, you must provide the following information for each subcontractor with whom you will be entering into a contractual agreement: the name and address of each subcontractor; a description of the work to be performed by the subcontractor; and the anticipated amount of money each subcontractor is expected to receive.

For each subcontractual agreement with a total value of \$25,000 or more, you must also provide a copy of the subcontract to the contract manager within 20 days after the execution of the primary contract or within 20 days after the execution of the subcontract, whichever is later.

If at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor will be required to promptly notify the OAG and provide the above information for any new or changed subcontractors so that a Contract amendment can be executed.

Any subcontracts entered into prior to award of the Contract are done at the Vendor's and subcontractor's risk.

Subcontractor Name _____ Amount to be
paid _____
Address _____ Description of
work _____

Subcontractor Name _____ Amount to be
paid _____
Address _____ Description of
work _____

All subcontracts must include the same certifications and disclosures that Vendor must make as a condition of this contract. Vendor shall include in each subcontract the Standard Certifications and the Disclosures and Conflicts of Interest forms, completed and signed by the subcontractor.

TECHNICAL PROPOSAL

(9) Other Consulting, Financial Analysis, and/or Auditing Work

Vendors which have been under contract with the Illinois Student Assistance Commission and/or College Illinois! during the period of calendar years 2008 through 2011, or which are currently in negotiations for a future contract, **will not be considered independent** for purposes of this procurement. If a Vendor submitted a proposal to an RFP issued by ISAC or College Illinois! but was not awarded the contract, the submission of such a proposal will not be viewed as an impairment for this solicitation.

There are other relationships which Vendors are required to report in a proposal submitted in response to this RFP. The Office of the Auditor General will then review and make a final determination as to whether such relationships impair the Vendor's independence. The following needs to be disclosed:

- Any contracts the Vendor had with ISAC or College Illinois! prior to 2008;
- Any other financial, business, or personal relationships with ISAC or College Illinois! officials or its contractors (including investment managers, investment consultants, custodians, etc.) over the past five calendar years. The College Illinois! website contain various reports identifying firms with which it does business, for example:
http://www.529prepaidtuition.org/documents/pdf/Financial_report_July_2011.pdf). The Office of the Auditor General's website also contains reports identifying firms, for example: <http://www.auditor.illinois.gov/Audit-Reports/ISAC-ILLINOIS-PREPAID-TUITION-PROGRAM.asp>); and
- Any other relationships or activities that could be construed by others to limit or impair the Vendor's independence or objectivity.

If an employee of your firm who you are proposing to work on this engagement was previously employed by any of the above entities, details should also be provided in this Section.

If your firm is proposing the use of a subcontractor(s) on this engagement, similar disclosures should be made in this Section for the subcontractor(s).

Independence is a vital aspect of work performed by the Office of the Auditor General. Consequently, to be considered "responsible," Vendors must meet independence standards set forth in Government Auditing Standards. Specifically, regarding conflicts of interest, Government Auditing Standards (GAS) state the following:

In all matters relating to the audit work, the audit organization and the individual auditor, whether government or public, must be free from personal, external, and organizational impairments to independence, and must avoid the appearance of such impairments of independence. (Par. 3.02)

Auditors and audit organizations must maintain independence so that their opinions, findings, conclusions, judgments, and recommendations will be impartial and viewed as impartial by objective third parties with knowledge of the relevant information. Auditors should avoid situations that could lead objective third parties with knowledge of the relevant information to conclude that the auditors are not able to maintain independence and thus are not capable of exercising objective and impartial judgment on all issues associated with conducting the audit and reporting on the work. (Par. 3.03)

GAS also provides that *"When auditors use the work of a specialist, auditors should assess the specialist's ability to perform the work and report results impartially as it relates to their relationship with the program or entity under audit. If the specialist's independence is impaired, auditors should not use the work of that specialist."* The standards give examples of specialists which include, but are not limited to, actuaries, appraisers, attorneys, engineers, environmental consultants, medical professionals, statisticians, and geologists. (Par. 3.05)

To that end, Vendors should review the independence requirements contained in Chapter 3 of Government Auditing Standards. Further guidance is available in "Answers to Independence Standard Questions" also published by the Comptroller General of the United States. Both GAS and the Answers to Independence Standard Questions are available on the internet at www.gao.gov/govaud/yellowbook.

For any work or relationships disclosed in this Section, Vendor is required to provide an explanation of how such work would not represent an independence problem in carrying out the services required by this solicitation. The OAG will review the extent and nature of the work performed by Vendor and Vendor's explanation of its independence. The OAG will then make a final determination whether such work impairs the Vendor's independence. If, in the Auditor General's opinion, the Vendor's independence is impaired, in fact or in appearance, the Vendor's proposal will be rejected without further scoring or evaluation.

TECHNICAL PROPOSAL

(10) Information Regarding Terminations, Litigation and Debarment

The OAG requests that the Vendor provide the following information:

1. During the last five (5) years, has the Vendor had a contract for services terminated for any reason? If so, provide full details related to the termination.
2. During the last five (5) years, describe any damages or penalties or anything of value traded or given up by the Vendor under any of its existing or past contracts as it relates to services performed that are similar to the services contemplated by this RFP and the resulting Contract. If so, indicate the reason for the penalty or exchange of property or services and the estimated amount of the cost of that incident to the Vendor.
3. During the last five (5) years, describe any order, judgment or decree of any Federal or State authority barring, suspending or otherwise limiting the right of the Vendor to engage in any business, practice or activity.
4. During the last five (5) years, list and summarize pending or threatened litigation, administrative or regulatory proceedings, or similar matters that could affect the ability of the Vendor to perform the required services. The Vendor must also state whether it or any owners, officers, or primary partners have ever been convicted of a felony. Failure to disclose these matters may result in rejection of the bid Offer or in termination of any subsequent contract. This is a continuing disclosure requirement. Any such matter commencing after submission of a bid Offer, and with respect to the successful Vendor after the execution of a contract, must be disclosed in a timely manner in a written statement to the Agency.
5. During the last five (5) years, have any irregularities been discovered in any of the accounts maintained by the Vendor on behalf of others? If so, describe the circumstances of irregularities or variances and disposition of resolving the irregularities or variances.

Similar disclosures must be made for any subcontractor proposed by Vendor to provide services pursuant to this solicitation.

FORMAL COST PROPOSAL

Assistance in Conducting an Asset Allocation Study of College Illinois! Investments

INSTRUCTIONS: To propose on this engagement, on firm letterhead, submit a statement in substantially the following format, signed by a member authorized to bind the firm. Submit one (1) copy of the **formal cost proposal** in a sealed envelope marked with the firm's name, the project title and reference number.

Date _____

Honorable William G. Holland
Auditor General
Iles Park Plaza
740 E. Ash St.
Springfield, IL 62703

Dear Mr. Holland:

We hereby propose to perform the work required to provide assistance to the Office of the Auditor General in the conduct an asset allocation study of the Illinois Student Assistance Commission's College Illinois! Prepaid Tuition Program investments required by House Resolution No. 174 as delineated in the Description of Required Services and other requirements set forth in this Solicitation.

We propose a blended hourly rate (inclusive of all expenses) of \$_____ for a maximum of _____ professional hours to complete this engagement. Extending the blended hourly rate for the maximum hours, we propose that our total charge to complete this engagement will not exceed \$_____.

FIRM

BY

TITLE

STANDARD CONTRACT PROVISIONS

The following terms and conditions will govern this contractual relationship and the **VENDOR** is bound by them and is responsible for reading and understanding them.

1. **BILLING:** VENDOR shall submit invoices on the schedule and with the detail required by the OAG.
 - (a) Invoices shall be signed by VENDOR. Record-keeping shall be in accordance with generally accepted accounting practices. If total billings are less than the total consideration allowable under this contract, only the lesser cost shall be paid by the OAG. All billings must be submitted to the OAG at the cover page address directed to the attention of the Contract Manager. By submitting an invoice, VENDOR certifies that the equipment, supplies and/or services provided meet all requirements of the contract and the amount billed is as allowed in this contract.
 - (b) VENDOR shall not bill for any taxes unless accompanied by proof the State is subject to the tax. If necessary, VENDOR may request the OAG's Illinois tax exemption number and federal tax exemption information.
 - (c) All invoices for supplies purchased or services performed and expenses (if billable) incurred through June 30 of any year must be submitted to the OAG no later than July 31 of that year; otherwise, VENDOR may have to seek payment through the Illinois Court of Claims (30 ILCS 105/25).

2. **PAYMENT:**
 - (a) The OAG shall not be liable to pay for any equipment and/or supplies provided and/or services rendered prior to the execution of this contract by the Parties, even if the effective date of the contract is prior to execution. VENDOR shall not commence billable work in furtherance of the contract prior to final execution of the contract.
 - (b) The approved invoice amount will be paid less any retainage and previous partial payments. Final payment shall be made upon determination by the OAG that all requirements under this contract have been completed, which determination shall not be unreasonably withheld.
 - (c) Payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act (30 ILCS 540) and rules (74 Ill. Adm. Code 900) when applicable. This shall be VENDOR's sole remedy for late payments by the State. Payment terms contained on VENDOR's invoices shall have no force and effect.
 - (d) The OAG's total financial obligation under this contract shall not exceed the total consideration set forth in the contract and VENDOR agrees to fully complete the statement of work specified in the appropriate contract schedule and all obligations within that stated total consideration. If and when this contract is renegotiated to allow increased costs due to unforeseen contingencies not apparent at the time of execution, an amendment shall be agreed to only at the OAG's sole option.
 - (e) As a condition of receiving payment, VENDOR must (i) be in compliance with the contract, (ii) pay its employees prevailing wages when required by law (e.g., public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services). VENDOR is responsible for contacting the Illinois Department of Labor (217/782-6206; <http://www.state.il.us/agency/idol/index.htm>) to ensure understanding of prevailing wage requirements; (iii) pay its suppliers and subcontractors according to the terms of their respective contracts; and (iv) provide lien waivers to the State upon request.
 - (f) If the OAG in good faith determines that the VENDOR has failed to perform or deliver any service or product as required by this contract, the VENDOR shall not be entitled to any compensation under this contract until such service or product is performed or delivered. In this event, the OAG may withhold that portion of the VENDOR's compensation which represents payment for service or product that was not performed or delivered.
 - (g) The State may set off any sum owed to the VENDOR on account of any debt owed to the State, unless otherwise required by law, in accordance with the State Comptroller Act (15 ILCS 405).

The VENDOR agrees that this provision constitutes proper and timely notice under the law of setoff.

3. **PROGRESS PAYMENTS FOR AUDIT SERVICES:** If this contract is for audit or attestation services, unless otherwise specified in writing now within this contract or hereafter incorporated by reference, VENDOR may submit progress billings in the manner set forth below as follows:

- (a) At any time after the work has begun, VENDOR may submit a bill for actual hours worked, at the agreed contract average hourly rate. If the total amount of such bill is for an amount equal to or in excess of 50% of the total amount due under this contract, VENDOR shall be entitled to receive an amount equal to 50% of the total amount due under this contract. If the total amount of such bill is for an amount less than 50% of the total amount due under this contract, the VENDOR shall be entitled to receive the amount billed.
- (b) Upon delivery of all written draft deliverables and completion of assigned fieldwork, analysis and contractor drafting tasks as specified in this contract in a form acceptable to the OAG, VENDOR may submit a further bill for actual hours worked at the agreed average contract hourly rate. If the total amount of such bill is for an amount in excess of 75% of the total amount due under this contract, VENDOR shall be entitled to receive an amount equal to 75% of the total amount due under this contract, less any amount paid pursuant to the first progress billing. If the total amount of such bill is for an amount less than 75% of the total amount due under this contract, VENDOR shall be entitled to receive the amount billed, less any amount paid pursuant to the first progress billing.
- (c) Upon delivery of the final report or equivalent to the OAG and acceptance thereof, VENDOR may submit a final bill for the balance due for actual hours worked at the agreed average contract hourly rate pursuant to the terms of this contract. If the total cost exceeds the agreed total maximum contract payment, then the amount in excess of the contract maximum shall be deducted from the total cost of the work done so as to arrive at the net amount due in accordance with the total maximum contract payment specified in Section 2, above.

Throughout this contract, when the term "audit" is used it includes attestation services and agreed-upon procedures if such services are the subject of the engagement.

4. **COMPLIANCE WITH THE LAW AND PROFESSIONAL STANDARDS:**

- (a) The VENDOR, its employees, agents and subcontractors shall comply with all applicable federal, state and local laws, rules, ordinances, regulations, orders, federal circulars and all license and permit requirements in the performance of this contract.
- (b) VENDOR shall be in compliance with applicable tax requirements and shall be current in payment of such taxes.
- (c) VENDOR warrants that VENDOR, its employees, agents and subcontractors who would perform services requiring a license have and maintain any required license. If this contract is for audit or attestation services, VENDOR, its employees, agents and any subcontractor engaged by it must meet all requirements necessary to comply with applicable professional standards, including peer review, continuing education and independence.

5. **AUDIT/RETENTION OF RECORDS:** VENDOR and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State under the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the VENDOR for a period of 3 years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of 3 years from the later of the date of final payment under the subcontract or completion of the subcontract. The 3 year period shall be extended for the duration of any audit in progress during the term. Book and records required to be maintained under this Section shall be available for review or audit by the OAG, its representatives, and any other governmental entity with monitoring authority upon reasonable notice and during normal working hours. VENDOR and its subcontractors shall cooperate fully with any such audit or review. The VENDOR shall not impose a

charge for audit or examination of the VENDOR's books and records. If any audit indicates overpayment to VENDOR, or subcontractor, the OAG shall adjust future or final payments otherwise due. If no payments are due and owing to VENDOR, or if the overpayment exceeds the amount otherwise due, VENDOR shall immediately refund all amounts that may be due to the OAG. Failure to maintain the books and records required by this Section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the disbursement. The VENDOR shall take reasonable steps to ensure that any subcontractor is in compliance with the requirements of this section.

6. **RETENTION OF WORKING PAPERS:** If this contract is for audit or attestation services, VENDOR shall maintain all working papers and reports, at VENDOR's expense, for a minimum of five years from the report release date, unless the firm is notified in writing by the OAG of the need to extend the retention period. VENDOR agrees to make the working papers available, upon the OAG's request and without limitation and at no charge, to: the OAG; the agency reviewed; successor auditors; any federal cognizant agency; parties designated by the federal or state government or others as part of a quality review process; auditors of entities of which the audited agency is a sub-recipient of grant funds; auditors of entities of which the audited entity is a component unit; members of the legislature and the public in compliance with the Illinois State Auditing Act, the Illinois Freedom of Information Act and regulations adopted under those Acts.
7. **SCHEDULE OF WORK AND REPORTING REQUIREMENTS:** Any work performed on State premises shall be done during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel. VENDOR shall immediately notify the OAG of any event that may have a material impact on VENDOR's ability to perform the contract.
8. **INDEPENDENT CONTRACTOR:** VENDOR shall, in the performance of this contract, be an independent contractor and not an agent or employee of, or joint venturer with, the State. All payments by the State shall be made on that basis.
9. **ASSIGNMENT AND SUBCONTRACTING:**
 - (a) This contract may not be assigned, transferred or subcontracted in whole or in part by the VENDOR without the prior written consent of the OAG. VENDOR shall describe within this contract the names and addresses of all authorized subcontractors utilized by VENDOR in the performance of this contract, together with the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. For purposes of this section, subcontractors are those specifically hired to perform all or part of the work or to provide the supplies covered by the contract.
 - (b) Any dispute between Vendor and any third party, including any subcontractor, shall be solely between such third party and Vendor, and the Agency shall be held harmless by Vendor. Vendor agrees to assume all risk of loss and to indemnify and hold the Agency and its officers, agents, and employees harmless from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments, including costs, attorneys' and witnesses' fees, and expenses incident thereto, for Vendor's failure to pay any subcontractor, either timely or at all, regardless of the reason.
10. **CONFIDENTIALITY:**
 - (a) Any documents or information obtained by VENDOR in connection with this contract shall not be provided to any third party unless disclosure is approved in writing by OAG. If, during the course of providing the services required by this Contract, VENDOR may access, use or disclose protected health information (PHI), as that term is defined in the Health Insurance Portability and Accountability Act (HIPAA), then VENDOR agrees to execute a Business Associate Agreement with the OAG and to abide by federal law and regulations pertaining to the privacy and security of PHI.

- (b) VENDOR is required to encrypt or redact any confidential information on all networks, servers, computers and other electronic media or storage devices. VENDOR may not transmit confidential information by any electronic means without encrypting the information or otherwise securing it in a manner that is accepted in the industry. Confidential information includes, but is not limited to, personal information as defined in the Personal Information Protection Act (815 ILCS 530/1 et seq.), and shall include any Social Security Number or Federal Employer Identification Number whether or not in conjunction with an individual's name.
- (c) The Vendor shall immediately report to the OAG any unauthorized disclosure of confidential information.
- (d) VENDOR agrees to assume without restriction any and all associated costs that arise from the State providing notification to any and all individuals affected or potentially affected by any event or incident considered an actual or potential breach of security and includes personally identifiable information from or associated with the VENDOR'S network, computer equipment or any technology device containing such personally identifiable information or any written material that VENDOR is managing on behalf of the State and is, was or should have been under the control of the VENDOR. Any personally identifiable information that is protected under any Illinois or federal law will trigger this obligation to the extent that the information is breached while in the control of the VENDOR during the performance of this contract or while still in VENDOR'S possession or control following the termination of this contract. VENDOR must immediately notify the State of such a breach and agrees not to initiate any independent notification of those actually or potentially affected until a determination is made by the State as to the most appropriate method, timeline and content of such notice. The State reserves the right to make the final determination as to the timing and substance of any such notification.
- (e) VENDOR'S obligations regarding confidentiality under this contract shall survive termination of this contract.

11. USE OF WORK PRODUCT

- (a) All work performed or supplies created by VENDOR under this contract, whether written documents or data, goods or deliverables of any kind, shall be deemed work-for-hire under copyright law and all intellectual property and other laws, and the State of Illinois is granted sole and exclusive ownership to all such work, unless otherwise agreed to herein. VENDOR hereby assigns to the State all right, title, and interest in and to such work including any related intellectual property rights, and/or permanently waives any and all claims that VENDOR may have to such work including any so-called "moral rights" in connection with the work. VENDOR acknowledges the State may use the work product for any purpose. Confidential data or information contained in such work shall be subject to confidentiality provisions of this contract. VENDOR shall exclusively own any intellectual property rights (i) owned by VENDOR prior to the commencement of services or (ii) developed or acquired by VENDOR independent of the services provided under this contract; however, if incorporated into any work product provided under this contract, VENDOR'S intellectual property rights will not extend to (i) any portion of the State's material incorporated into any work product or (ii) to any information specific to any products or the State's business operations. The State will retain ownership of all intellectual property rights (such as copyrights and trade secrets) in or to any information and/or materials that the State supplies to VENDOR, or that the State develops in connection with this agreement.
- (b) To the extent VENDOR is providing the State with software under this contract, or a service that incorporates or includes software requiring a license for its proper use, and in consideration for a one time payment of any applicable license fee for such software, or any identified service fee that covers the use of the software, VENDOR hereby grants to the State and the State hereby accepts a non-transferable (except within State of Illinois government), nonexclusive, perpetual, irrevocable license to use the software. Continuous use of the license is subject only to the specific terms contained within any specific license terms attached to this contract.

- (c) Where the State is purchasing maintenance for software, previously purchased by the State from VENDOR, that is perpetual in nature, all rights granted in the original license agreement are unaffected by this contract.
- (d) Where the State purchases annual maintenance, following the initial term of the agreement for term licenses, all licenses granted in this contract shall continue in force during the annual maintenance period (s).
- (e) Upon completion or at the termination of this contract, all such documents and information shall, at the option of the OAG, be appropriately arranged, indexed and delivered to the OAG by VENDOR.
- (f) VENDOR's obligations regarding work product under this contract shall survive termination of this contract.

12. **SOLICITATION AND EMPLOYMENT:** VENDOR shall not employ any person employed by the State during the term of this contract to perform any work under this contract. VENDOR shall give notice immediately to the Auditor General if VENDOR solicits or intends to solicit State employees to perform any work under this contract .
13. **BACKGROUND CHECK:** Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of VENDOR's officers, employees, subcontractors or agents who would directly supervise or physically perform any of the Contract requirements. Any officer, employee, subcontractor or agent deemed unsuitable by the OAG must be replaced immediately.
14. **RENEWAL:** This contract shall not be automatically renewable but shall terminate on June 30 of the fiscal year in which it was effective, or on the termination date actually specified in the contract. This contract may be renewed for successive terms, subject to the OAG's discretion, with the mutual written consent of both parties and subject to performance review, the satisfactory negotiation of terms (including price) and the annual availability of an appropriation. In no event will the total term of the contract, including the initial term, and renewal terms and any extensions, exceed 10 years.
15. **AVAILABILITY OF APPROPRIATIONS:** This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if: (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason; (2) the OAG's funding is reduced through reserves, or (3) the OAG determines, in its sole discretion, that a reduction is necessary or advisable based upon actual or projected budgetary considerations. VENDOR will be notified in writing of the failure of appropriation or of a reduction or decrease. VENDOR's obligation to perform shall cease upon receipt of the notice.
16. **INDEMNIFICATION AND LIABILITY:**
- (a) The VENDOR agrees to indemnify and hold harmless the State of Illinois, its agencies, officers, employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, arising out of (a) any breach or violation by VENDOR of any of its certifications, representations, warranties, covenants or agreements, (b) any actual or alleged death or injury to any person, damage to any property or any other damage or loss, claimed to result in whole or in part from VENDOR's negligent performance, (c) any act, activity or omission of VENDOR or any of its employees, representatives, subcontractors or agents.
 - (b) VENDOR, at its own expense, shall indemnify, defend and hold harmless the State, its officers, employees and agents against any claims based on any allegation that the use by the State of any software furnished by VENDOR, separately or as part of a service containing the software at issue, to the State under this contract infringes any third party patent, copyright or other proprietary right. If an action is brought against the State claiming that the authorized use of the

software infringes such third party patent, copyright or other proprietary right, VENDOR will defend the State at VENDOR'S expense and pay the actual damages, attorney's fees, and costs finally awarded against the State in any proceedings arising from an infringement action. The State must promptly notify VENDOR in writing of any allegations of infringement made and permit the VENDOR, at VENDOR'S request and expense, to defend and conclude the action. If any claim arises or is reasonably likely to arise, VENDOR shall either procure, at VENDOR'S sole cost, the right for the State to continue to use the software or modify the software (without causing diminution in functionality) so that it does not infringe the third party's rights or if VENDOR is not able to accomplish either of the above, provide written notice to the State to that effect and refund to the State (within thirty days) all licensing fees and any prepaid maintenance fees paid by the State to the VENDOR and terminate the license for the software involved. This indemnity does not apply to the extent that infringement results from alterations or additions to the software made by the State that caused the infringement or use of the software in combination with any other software, where the infringement would not have occurred without the other software.

- (c) Any indemnification obligation of the parties shall survive termination of this contract.
- (d) VENDOR shall assume risk of loss until delivery to the OAG's facility. VENDOR shall do nothing to prejudice the State's right to recover against third parties for any loss, destruction or damage to State property and shall, at the State's request and expense, furnish to the State reasonable assistance and cooperation, including assistance in the prosecution of suit and the execution of instruments of assignment in favor of the State in obtaining recovery.
- (e) The OAG assumes no liability for actions of VENDOR and is unable to indemnify or hold VENDOR or any third party harmless for claims based on this contract or use of VENDOR provided supplies or services. Unless provided by law, VENDOR is not eligible for indemnity under the State Employee Indemnification Act (5 ILCS 350/1 et seq.). The OAG shall not be liable for any incidental, special, consequential or punitive damages.

17. WARRANTIES:

- (a) VENDOR warrants that the supplies and equipment furnished under this contract (i) will conform to the standards, specifications, drawings, samples or descriptions furnished by the State or furnished by the VENDOR and agreed to by the State, including but not limited to all specifications attached as exhibits hereto, (ii) will be merchantable, of good quality and workmanship, free from defects for a period of twelve months or longer if so specified in writing, and fit and sufficient for the intended use, (iii) will comply with all federal and state laws, regulations and ordinances pertaining to the manufacturing, packing, labeling, sale and delivery of the supplies, (iv) will be of good title and be free and clear of all liens and encumbrances, (v) will be new, unused, of most current manufacture and not discontinued, and (vi) will not infringe any patent, copyright or other intellectual property rights of any third party. VENDOR shall insure that all manufacturers' warranties are transferred to the State and shall provide a copy of the warranty. VENDOR agrees to reimburse the State for any losses, costs, damages or expenses, including without limitation, reasonable attorney's fees and expenses, arising from failure of the supplies to meet such warranties. These warranties shall be in addition to all other warranties, express, implied or statutory, and shall survive the State's payment, acceptance, inspection or failure to inspect the supplies.
- (b) VENDOR warrants that all services will be performed in a good and professional manner to industry standards by trained and competent personnel. VENDOR shall monitor the performance of each individual and shall reassign immediately any individual who is not performing to professional standards, who is not efficient or effective in performing the work of the contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State policies.
- (c) If VENDOR is providing the State with software under this contract, VENDOR warrants that the software will perform in all material respects in accordance with specifications relied upon by the State in entering into this contract for the period of time necessary to accomplish the intended purpose of the State in purchasing the software from VENDOR. VENDOR will replace any

software which fails to meet this warranty. If VENDOR is unable to deliver a replacement, the State may terminate the license for the non-conforming software by providing written notice to VENDOR and returning the software to VENDOR for a full refund of the license fees and any associated maintenance fees paid for the software. VENDOR will not be responsible for replacing software that does not function properly to the extent that State employees or agents caused the software not to function properly through no fault of the VENDOR.

- (d) The VENDOR warrants that no person has been employed or retained to solicit and secure this contract upon an agreement or understanding for commission, percentage, brokerage or contingency except bona fide employees or selling agents maintained for the purpose of securing business.

18. **INSURANCE:** VENDOR shall, at all times during the term and any renewals, maintain and provide, upon request, a Certificate of Insurance naming the State as additional insured for all required bonds and insurance. Certificates may not be modified or canceled until at least 30 days notice has been provided to the State. VENDOR shall provide: (a) General Commercial Liability-occurrence form in the amount of \$1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto, (Combined Single Limit Bodily Injury and Property Damage) in amount of \$1,000,000 per occurrence; and (c) Worker's Compensation Insurance in amounts required by law. Insurance shall not limit VENDOR'S obligation to indemnify, defend, or settle any claims.

19. **TERMINATION OF CONTRACT:**

- (a) Termination for Cause without Advance Notice: The OAG may terminate this contract, in whole or in part, for any of the following reasons effective immediately and without advance notice:
 - (i) In the event the VENDOR is required to be certified or licensed as a condition precedent to providing services, the revocation or loss of such license or certification will result in immediate termination of the contract effective as of the date on which the license or certification is no longer in effect;
 - (ii) The OAG determines that the actions, or failure to act, of VENDOR, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, property or safety;
 - (iii) The VENDOR fails to comply with federal, state and local laws, rules, ordinances, regulations and orders when performing within the scope of this Contract, including laws protecting confidential information;
 - (iv) The VENDOR furnished any statement, representation or certification in connection with this contract or the RFP that is materially false, deceptive, incorrect or incomplete; or
 - (v) The VENDOR has notified the OAG that it is unable or unwilling to perform the contract.In the event of termination for cause without advance notice, the State may seek any available legal or equitable remedies, including but not limited to monetary damages and reasonable attorney fees and costs.
- (b) Termination for Cause with Notice: The occurrence of any one or more of the following events shall constitute cause for the OAG to declare the VENDOR in default of its obligations under this contract:
 - (i) The VENDOR fails to perform, to the OAG's satisfaction, any material requirement of this contract or is in violation of a material provision of this contract;
 - (ii) The OAG determines that satisfactory performance of this contract is substantially endangered or that a default is likely to occur; or
 - (iii) The VENDOR fails to make substantial and timely progress toward performance of the contract.

The OAG shall provide written notice to the VENDOR requesting that the breach or noncompliance be remedied within the period of time specified in the OAG's written notice. If the breach or noncompliance is not remedied by that date, the OAG may either: (A) immediately

- terminate the contract without additional written notice; or (B) enforce the terms and conditions of the contract, and in either event seek any available legal or equitable remedies and damages.
- (c) Termination for Convenience upon Notice: Following ten (10) days written notice, the OAG may terminate this contract in whole or in part, without the payment of any penalty or incurring any further obligation to the VENDOR.
 - (d) Termination due to Lack of Funds or Change in Law: The OAG shall have the right to immediate termination of this contract without penalty by giving written notice to the VENDOR as a result of any of the following:
 - (i) Adequate funds are not appropriated or granted to allow the OAG to operate as required and to fulfill its obligations under this contract;
 - (ii) Funds are de-appropriated or not allocated or if funds needed by the OAG, at the OAG's sole discretion, are insufficient for any reason;
 - (iii) There is a material alteration in the programs administered by the OAG; or
 - (iv) The OAG's duties are substantially modified.
 - (e) VENDOR's Remedies in Event of Termination by OAG: In the event of termination of this contract for any reason by the OAG, the OAG shall pay only those amounts, if any, due and owing to the VENDOR for usable work completed to the satisfaction of the OAG up to and including the date of termination and for which the OAG is obligated to pay pursuant to this contract. Payment will be made only upon submission of invoices and proper proof of the VENDOR's claim. This provision in no way limits the remedies available to the OAG under this Contract in the event of termination.
 - (f) VENDOR's Termination Duties: The VENDOR, upon receipt of notice of termination or upon request of the OAG, shall:
 - (i) Cease work under this contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination or on the date specified in the termination notice, whichever is earlier. The report should describe the status of all work under the contract including, without limitation, results accomplished, conclusions resulting therefrom and other matters the OAG may require;
 - (ii) Immediately cease using and return to the OAG any personal property or materials, whether tangible or intangible, provided by the OAG to the VENDOR;
 - (iii) Comply with the OAG's instructions for the timely transfer of any active files and work product produced by the VENDOR under this contract;
 - (iv) Cooperate in good faith with the OAG, its employees, agents and contractors during the transition period between the notification of termination and the substitution of any replacement contractor; and
 - (v) Immediately return to the OAG any payments made by the OAG for services that were not rendered by the VENDOR.

20. TIME IS OF THE ESSENCE AND WAIVER: Time is of the essence with respect to VENDOR'S performance of this contract. Except as specifically waived in writing, failure by either Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future.

21. CUMULATIVE RIGHTS: The various rights, powers, options, elections and remedies of any party provided in this contract shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

22. CONFLICTS OF INTEREST: VENDOR has disclosed, and agrees it is under a continuing obligation to disclose to the OAG, financial or other interests (public or private, direct or indirect) that may be a potential conflict of interest or which would prohibit VENDOR from having or continuing the contract. This includes, but is not limited to, conflicts under the "Infrastructure Task Force Fee Prohibition" section of

the State Finance Act (30 ILCS 105/8.40), Article 50 of the Illinois Procurement Code (30 ILCS 500/50) or the Auditor General's implementing rules (44 Ill. Adm. Code 500), or which may conflict in any manner with the VENDOR's obligations under this contract. VENDOR shall not employ any person with a conflict to perform under this contract. If any elected or appointed State officer or employee, or the spouse or minor child of same, has any ownership or financial interest in the VENDOR or the contract, VENDOR certifies it has disclosed that information to the OAG on forms provided by the OAG and any waiver of the conflict has been issued in accordance with applicable law and rule.

23. **NOTICES:** Notices shall be in writing and may be delivered by any reasonable means. Notices by fax must show the date/time of successful receipt. Notices to VENDOR shall be sent to the person shown on the signature page. Notices to the OAG shall be sent to the Auditor General at the OAG's Springfield location. Notice of any name, street address, e-mail address or fax number change shall be given to the other in writing. Each such notice shall be deemed to have been provided at the time it is actually received.
24. **ENTIRE CONTRACT:** This contract, including any attachments or amendments, constitutes the entire agreement between the Parties concerning the subject matter of the contract. Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared void, unenforceable, or against public policy shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination of this contract.
25. **NON-DISCRIMINATION:** In compliance with the State and Federal Constitutions, the Illinois Human Rights Act, the U. S. Civil Rights Act, and Section 504 of the Federal Rehabilitation Act and other applicable laws and rules, the State does not unlawfully discriminate in employment, contracts, or any other activity.
26. **APPLICABLE LAW:** This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois. The Department of Human Rights Equal Opportunity requirements are incorporated by reference (44 Ill. Admin. Code 750). Any claim against the State arising out of this contract 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 contract dispute. The State of Illinois does not waive sovereign immunity by entering into this contract. The official text of cited statutes is incorporated by reference. (An unofficial version can be viewed at <http://www.ilga.gov/legislation/ilcs/ilcs.asp>.) The only attorney who may represent the State is the Attorney General of the State of Illinois. Any appointment provision to the contrary is void.
27. **FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence, including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring party may cancel the contract without penalty if performance does not resume within 30 days of the declaration.
28. **ANTITRUST ASSIGNMENT:** If VENDOR does not pursue any claim and cause of action it has arising under federal or state antitrust laws relating to the subject matter of the contract, then upon request of the Illinois Attorney General, VENDOR shall assign to the State all rights, title and interest in and to the claim or cause of action.
29. **AUTHORITY:** The Auditor General and his employees, when acting pursuant to this contract, are acting as State officers in their official capacity and not personally.

30. CONFLICT OF PROVISIONS: If any provision of this Exhibit is in conflict with any provisions in the contract or agreement to which it is attached, then the provisions of this Exhibit shall take precedence. In the event of a conflict between the State's and the VENDOR'S terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

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STANDARD CERTIFICATIONS

Vendor acknowledges and agrees that compliance with this section and each subsection for the term of the contract and any renewals is a material requirement and condition of this contract. By executing this contract Vendor certifies compliance with this section and each subsection and is under a continuing obligation to remain in compliance and report any non-compliance. If this contract extends over multiple fiscal years, including the initial term and all renewals, Vendor shall confirm compliance with the Standard Certifications by July 1 of each year that this contract remains in effect. Vendors shall include these Standard Certifications in any subcontract entered into in relation to this contract. As appropriate, the term "Vendor" used herein shall refer to a subcontractor.

1. As part of each certification, Vendor acknowledges and agrees that should Vendor or its subcontractors provide false information, or fail to be or remain in compliance with the Standard Certification requirements, one or more of the following sanctions will apply:
 - the contract may be void by operation of law,
 - the State may void the contract, and
 - the Vendor and its subcontractors may be subject to one or more of the following: suspension, debarment, denial of payment, civil fine, or criminal penalty.

Identifying a sanction or failing to identify a sanction in relation to any of the specific certifications does not waive imposition of other sanctions or preclude application of sanctions not specifically identified.

2. Vendor certifies it and its employees will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this contract.
3. Vendor certifies it is not in default on an educational loan (5 ILCS 385/3). This applies to individuals, sole proprietorships, partnerships and individuals as members of LLCs.
4. Vendor (if an individual, sole proprietor, partner or an individual as member of a LLC) certifies it has not received an (i) an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, or (ii) an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133, (30 ILCS 105/15a).
5. Vendor certifies it is a properly formed and existing legal entity (30 ILCS 500/1.15.80, 20-43) and, as applicable, has obtained an assumed name certificate from the appropriate authority, or has registered to conduct business in Illinois and is in good standing with the Illinois Secretary of State.
6. To the extent there was a incumbent Vendor providing the services covered by this contract and the employees of that Vendor that provide those services are covered by a collective bargaining agreement, Vendor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract (30 ILCS 500/25-80). This does not apply to heating, air conditioning, plumbing and electrical service contracts.

7. Vendor certifies has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has Vendor made an admission of guilt of such conduct that is a matter of record. (30 ILCS 500/50-5)
8. If Vendor has been convicted of a felony, Vendor certifies at least five years have passed from the completion of the sentence for that felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business. (30 ILCS 500/50-10)
9. If Vendor, or any officer, director, partner, or other managerial agent of Vendor, has been convicted 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, Vendor certifies at least five years have passed since the date of the conviction. Vendor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the contract void if this certification is false. (30 ILCS 500/50-10.5)
10. Vendor certifies it is not barred from having a contract with the State based on violating the prohibition on providing assistance to the state in identifying a need for a contract (except as part of a public request for information process) or by reviewing, drafting or preparing solicitation or similar documents for the State. (30 ILCS 500/50-10.5e).
11. Vendor certifies that it and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Vendor and its affiliates acknowledge the State may declare the contract void if this certification is false (30 ILCS 500/50-11) or if Vendor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt (30 ILCS 500/50-60).
12. Vendor certifies that it and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the contract being declared void.
13. Vendor certifies that it has not 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 five years, and is therefore not barred from being awarded a contract (30 ILCS 500/50-14).
14. Vendor certifies it has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has Vendor 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).
15. Vendor certifies it is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).
16. Vendor certifies that it has not retained a person or entity to attempt to influence the outcome of a procurement decision for compensation contingent in whole or in part upon the decision or procurement (30 ILCS 500/50-38).
17. Vendor certifies it will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, 50-45, 50-50).

18. In accordance with the Steel Products Procurement Act, Vendor certifies steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring agency grants an exception (30 ILCS 565).
19. a) If Vendor employs 25 or more employees and this contract is worth more than \$5000, Vendor certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. b) If Vendor is an individual and this contract is worth more than \$5000, Vendor shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance during the performance of the contract (30 ILCS 580).
20. Vendor certifies that neither Vendor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce (30 ILCS 582).
21. Vendor certifies it has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33 E-3, E-4).
22. Vendor certifies it complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
23. Vendor certifies it does not pay dues to or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club" (775 ILCS 25/2).
24. Vendor certifies it complies with the State Prohibition of Goods from Forced Labor Act, and that no foreign-made equipment, materials, or supplies furnished to the State have been or will be produced in whole or in part by forced labor, or indentured labor under penal sanction (30 ILCS 583).
25. Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).
26. Vendor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5) that states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State of Illinois or any State agency, or subcontracting with the State of Illinois or any State agency until the violation is mitigated."
27. Vendor certifies that information technology, including electronic information, software, systems and equipment, developed or provided under this contract will comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at www.dhs.state.il.us/iitaa (30 ILCS 587).
28. Vendor certifies that all services shall be performed in the United States unless otherwise specified in this contract. If the Vendor creates or manufactures the supplies or performs any work in another country in violation of the contract, such action may be deemed a breach (30 ILCS 500/25-65).

29. Upon request, Vendor shall report the number of qualified veterans and certain ex-offenders hired during Vendor's last completed fiscal year. Vendor may be entitled to employment tax credit for hiring individuals in those groups (30 ILCS 500/45-67, 500/45-70).

VENDOR (Company name and DBA)

Authorized Representative_____

Printed Name_____

Title_____ Date_____

Address_____

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VENDOR PROVIDED ADDITIONAL MATERIAL AND EXCEPTIONS

Any additional material and any exceptions must be noted on this page and provided as part of this attachment. We do not encourage taking exceptions. We have extremely limited ability to grant exceptions particularly in regard to statutory requirements (those cited with **ILCS**, meaning Illinois Compiled Statutes). We are not required to grant exceptions and depending on the exception, we may have to reject your offer.

Additional Material (mark one)

_____ No other material included

_____ Other material included (describe--attach additional pages if needed)

Exceptions (mark one):

_____ No exceptions

_____ Exceptions taken (describe--attach additional pages if needed)

Department of Human Rights (DHR) Public Contract Number

(775 ILCS 5/2-105) If you employed fifteen or more full-time employees at any time during the 365-day period immediately preceding the publication of this solicitation in the Auditor General Volume of the Illinois Procurement Bulletin (or issuance date if not published), you must have a current Public Contract Number or have proof of having submitted a completed application for one prior to the offer opening date. If we cannot confirm compliance, we will not be able to consider your bid or offer. Please complete the appropriate sections below.

Name of Company (and DBA): _____.

_____ (check if applicable) The number is not required as the company has employed 14 or less full-time employees during the 365-day period immediately preceding the publication of this solicitation in the Auditor General Volume of the Illinois Procurement Bulletin (or issuance date if not published).

DHR Public Contracts Number _____ or, if number has not yet been issued, date completed application for the number was submitted to DHR _____.

Date of expiration _____.

NOTICE

Upon expiration and until their Contractor Identification Number is renewed, companies will not be eligible to be awarded contracts by the State of Illinois or other jurisdictions that require a current DHR number as a condition of contract eligibility (44 IL Adm. Code 750.210(a)).

Numbers issued by the Department of Human Rights (or its predecessor agency, the Illinois Fair Employment Practices Commission) prior to July 1, 1998, are no longer valid. This affects numbers below 89999-00-0. If your DHR number is 90000-00-0 or higher, your number was issued on or after July 1, 1998, and is valid for five years from the date of eligibility.

IF YOUR ORGANIZATION HOLDS AN EXPIRED NUMBER, YOU MUST RE-REGISTER WITH DHR.

You can obtain an application form (DHR PC-1) by:

1. **Telephone:** Call the DHR Public Contracts Unit at (312) 814-2431 between Monday and Friday, 8:30 AM - 5:00 PM, CST. [TDD (312) 263-1579].
2. **Internet:** Download the form from the Internet at "www.state.il.us/cms". In the Purchasing area of the CMS home page, click the "DOWNLOAD VENDOR FORMS" line.
3. **Mail:** Write to the Department of Human Rights, Public Contracts Unit, 100 West Randolph Street, Suite 10-100, Chicago, IL 60601.

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Instructions: Contractors and subcontractors, and as described below their parent entities, must complete and submit this form as a condition to receiving an award, a contract or a subcontract. As appropriate, the term "Vendor" used herein shall refer to a contractor, a subcontractor, or a parent entity of either. All Contractors must include this form in any subcontract entered into in relation to this contract.

- These disclosures are a material term of the contract to which they relate. Failure to fully disclose shall render the contract, bid, proposal, subcontract, or relationship voidable if we determine that action is in the best interest of the State of Illinois. Failure to fully disclose may also be cause for barring from future contracts, bids, proposals, subcontracts, or relationships with the State.
- The requested disclosures are a continuing obligation and must be promptly supplemented for accuracy throughout the contracting process and throughout the term of any resulting contract or subcontract. For multi-year contracts, Vendors must submit these disclosures on an annual basis by July 1 of each year.
- If the Vendor is a wholly owned subsidiary of a parent organization, separate disclosures must be made by the Vendor and the parent. For purposes of this form, a parent organization is any entity that owns 100% of the Vendor.

This disclosure information is submitted on behalf of:

Name of Vendor: _____

D/B/A (if used): _____

Name of any Parent Organization: _____

Section 1: Section 50-35 Disclosure of Financial Interest in the Vendor (*Vendors with contracts or subcontracts of \$25,000 or more must complete this section.*)

Vendors must complete subsection (a), (b) or (c) below.. Please read the following subsections and complete the information requested.

a. Check the applicable box and submit the identified information as appropriate to Vendor's operation.

Vendor is a publicly traded corporation subject to SEC reporting requirements

Vendor shall submit their 10K disclosure (include proxy if referenced in 10k) in satisfaction of the disclosure requirements. The SEC 20f or 40f, supplemented with the names of those owning in excess of 5% and up to the ownership percentages disclosed in those submissions, may be accepted as being substantially equivalent to 10K.

Check here if submitting a 10k , 20f , or 40f .

Vendor is a privately held entity that is exempt from SEC reporting requirements and has more than 400 shareholders, partners or members

Vendor may submit the information identified in 17 CFR 229.401 and list the names of any person or entity holding any ownership share in excess of 5%.

Vendor is an individual, sole proprietorship, partnership or any other entity not covered above

For **each individual** having any of the following financial interests in the Vendor (or its parent), please mark each that apply and show the applicable name and address.

1. Do you have an ownership share of greater than 5% of the offering entity or parent entity?
 Yes No
2. Do you have an ownership share of less than 5%, but which has a value greater than \$106,447.20?
 Yes No
3. Do you receive more than \$106,447.20 of the offering entity's or parent entity's distributive income? (Note: Distributive income is, for these purposes, any type of distribution of profits. An annual salary is not distributive income.)
 Yes No
4. Do you receive greater than 5% of the offering entity's or parent entity's total distributive income, but which is less than \$106,447.20?
 Yes No
5. If you responded yes to any of questions 1 – 4 above, please provide either the percentage or dollar amount of your ownership or distributive share of income: _____. For partnerships with more than 50 partners, the percentage share of ownership of each individual identified above may be shown in the following ranges (dollar value fields must also be completed when applicable):
0.5% or less _____ >0.5 to 1.0% _____ >1.0 to 2.0% _____ >2.0 to 3.0 % _____ > 3.0 to 4.0% _____ % >4.0 to 5.0% _____ and in additional 1% increments as appropriate _____ %
6. If you responded "yes" to any of the questions 1-4 above, please check the appropriate type of ownership/distributable income share:
Sole Proprietorship Stock Partnership Other (explain) _____

Name: _____

Address: _____

- b. In relation to any individuals identified in any of the documents submitted pursuant to subsection (a), indicate whether any of the following potential conflict of interest relationships apply. If "Yes," please describe each situation (label with appropriate letter) using the space at the end of this Section (attach additional pages as necessary). If no individual has been identified above, mark not applicable here .

- 1) State employment, currently or in the previous 3 years, including contractual employment of services directly with the individuals identified in Section 1 in their individual capacity unrelated to the Vendor's contract. Yes No
- 2) State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years. Yes No
- 3) 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
- 4) Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes No
- 5) 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
- 6) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes No
- 7) Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government. Yes No
- 8) Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter. Yes No
- 9) Compensated employment, currently or in the previous 3 years, by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes No
- 10) 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 reelection 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

Section 2: Representative Lobbyist/Other Agent (*Vendors with contracts or subcontracts of \$25,000 or more must complete this section.*)

Is the Vendor represented by or employing a person or entity required to register under the Lobbyist Registration Act or other agent who is not identified under Section 1 and who has communicated, is communicating, or may communicate with any State officer or employee concerning the bid, offer or contract? Yes No

If yes:

- a) Identify each agent/lobbyist:

Name: _____

Address: _____

Name: _____

Address: _____

- b) Detail all costs, fees, compensation, reimbursements, and other remunerations paid or to be paid to the agent/lobbyist related to the contract (i.e., purpose of payment, date of payment, amount):

- c) You must file this information, along with supporting documents, with the Auditor General (for publication in the Auditor General Bulletin) and with the Secretary of State.

By signing this form, each Vendor certifies it has not and will not bill or otherwise cause the State of Illinois to pay for any lobbyist's or agent's costs, fees, compensation reimbursements, or other remuneration.

Section 3: Debarment/Legal Proceeding Disclosure (*Vendors with contracts or subcontracts of \$25,000 or more must complete this section.*)

Each of the persons and/or entities identified in Sections 1 and 2 must each identify any of the following that occurred within the previous 10 years:

Debarment from contracting with any governmental entity	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Professional licensure discipline	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Bankruptcies	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Adverse civil judgments and administrative findings	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Criminal felony convictions	Yes <input type="checkbox"/>	No <input type="checkbox"/>

If any of the above is checked yes, please identify with descriptive information the nature of the debarment and legal proceeding. The State reserves the right to request more information, should the information need further clarification.

Section 4: Current and Pending Contracts or Subcontracts (*All Vendors must complete this section.*)

Does the Vendor have any contracts, pending contracts, subcontracts, bids, proposals or other ongoing procurement relationships with units of State of Illinois government (other than the OAG)? Yes No

If yes, please identify each contract, pending contract, subcontract, bid, proposal and other ongoing procurement relationship it has with units of State of Illinois government (other than the OAG) by showing agency name and other descriptive information such as bid number, project title, purchase order number or contract reference number.

Additional disclosures only for bids, offers or contracts for an audit of a Regional Office of Education or Intermediate Service Center:

- Does your firm provide audit or consulting services to any units of local government, including counties and school districts, within the area served by the Regional Office of Education (ROE) that is the subject of this bid, proposal or contract or have any type of financial dealings with that ROE? Yes No
- If you answered “yes” to Question 1, provide specific details, including: the unit of government; the type of services provided; the value of the services; whether such services are on-going or completed; and any other pertinent details.

Section 5: Section 50-13 Conflicts of Interest *(All Vendors must complete this section.)*

(a) Prohibition. It is unlawful for any person holding an elective office in this State, holding a seat in the General Assembly, or appointed to or employed in any of the offices or agencies of State government and who receives compensation for such employment in excess of 60% of the salary of the Governor of the State of Illinois [\$106,447.20], or who is an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority, or who is the spouse or minor child of any such person to have or acquire any contract, or any direct pecuniary interest in any contract therein, whether for stationery, printing, paper, or any services, materials, or supplies, that will be wholly or partially satisfied by the payment of funds appropriated by the General Assembly of the State of Illinois or in any contract of the Capital Development Board or the Illinois Toll Highway Authority.

(b) Interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) is entitled to receive (i) more than 7 1/2% of the total distributable income or (ii) an amount in excess of the salary of the Governor [\$177,412.00], to have or acquire any such contract or direct pecuniary interest therein.

(c) Combined interests. It is unlawful for any firm, partnership, association, or corporation, in which any person listed in subsection (a) together with his or her spouse or minor children is entitled to receive (i) more than 15%, in the aggregate, of the total distributable income or (ii) an amount in excess of 2 times the salary of the Governor [\$354,824.00], to have or acquire any such contract or direct pecuniary interest therein.

Check One: No Conflict Of Interest

Potential Conflict of Interest (If checked, name each conflicted individual and the nature of the conflict.)

Section 6: Disclosure of Business Operations with Iran *(All Vendors must complete this section.)*

Each bid, offer, or proposal submitted for a State contract must disclose 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:

- (i) 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
- (ii) 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.

A bid, offer, or proposal that does not include this disclosure shall not be considered responsive. We may consider this disclosure when evaluating the bid, offer, or proposal or awarding the contract.

You must check one of the following items and if the second item 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:

This Disclosure is signed and made under penalty of perjury.

This Disclosure information is submitted on behalf of: _____
(Contractor/Subcontractor/Parent Name)

Name of Authorized Representative: _____

Title of Authorized Representative: _____

Signature of Authorized Representative: _____

Date: _____

Taxpayer Identification Number

I certify that the number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), **and**

I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, **and**

I am a U.S. citizen or other U.S. person.

Name: _____

Taxpayer Identification Number:

Social security number _____

or

Employer identification number _____

(If you are an individual, enter your name and SSN as it appears on your Social Security Card. If completing this certification for a sole proprietorship, enter the owner’s name followed by the name of the business and the owner’s SSN or EIN. If you own a limited liability company (LLC) that is a disregarded entity, enter the name of the single member (owner) followed by the name of the LLC and a TIN (SSN or EIN) that is assigned to the owner, not the LLC. For all other entities, enter the name of the entity as used to apply for the entity’s EIN and the EIN.)

Legal Status (check one):

____ Individual

____ Government

____ Sole Proprietor

____ Nonresident Alien

____ Partnership/Legal Corporation

____ Estate or Trust

____ Tax-exempt

____ Pharmacy (Non-Corp.)

____ Corporation providing or billing medical and/or health care services

____ Pharmacy/FuneralHome/Cemetery (Corp.)

____ Corporation NOT providing or billing medical and/or health care services

____ Limited Liability Company (select applicable tax classification)

___ D = disregarded entity

___ C = corporation

___ P = partnership

____ Other: _____

Signature: _____

Date: _____

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