

REQUEST FOR PROPOSALS
TO PROVIDE

FINANCIAL ADVISORY SERVICES
INTEREST RATE EXCHANGE AGREEMENT ADVISORY SERVICES

And

ADVISORY SERVICES FOR SPECIAL PROJECTS

Relating to

State of Illinois Bond Programs
And
Assets, Programs and Agencies of the State

Issued by

The State of Illinois

Executive Office of the Governor
Governor's Office of Management and Budget

September 8, 2005

PROPOSAL DUE BY 5:00 PM (CDT), September 23, 2005

Proposal Responses should be addressed and directed to:

Mr. John B. Filan, Director
Governor's Office of Management and Budget
603 Stratton Building
Springfield, Illinois 62706

(Note also electronic delivery address herein)

REQUEST FOR PROPOSAL (RFP) TO PROVIDE FINANCIAL ADVISORY, INTEREST RATE EXCHANGE AGREEMENT ADVISORY, AND ADVISORY SERVICES FOR SPECIAL PROJECTS FOR THE STATE OF ILLINOIS

I. INTRODUCTION AND GENERAL INFORMATION

The State of Illinois through the Governor's Office of Management and Budget (The "State" and "GOMB" respectively) is requesting proposals for Financial Advisory and Interest Rate Exchange Agreement Advisory services in connection with the competitive and negotiated issuance of several series of State of Illinois General Obligation Bonds and Build Illinois (Sales Tax Revenue) Bonds, General Obligation Certificates, Interest Rate Exchange Agreements, and Related Services.

This RFP covers any such bonds proposed to be issued, interest rate exchange agreements to be entered into by the State and Special Projects, as described in Section III-3 below, as may be undertaken by the State through June 30, 2007. The State at its option may extend this RFP for up to two one-year extensions, subject to any early termination of services by the State of one or more firms or substitutions of firms selected under this RFP. This RFP may also be applied to other types of debt which the State may issue, and the State may issue additional RFP's for these and other services during this time period.

Respondents are encouraged to review the following statutes and policies governing the issuance of debt and interest rate management. Information regarding the State's bond authorization (the Bond Acts) may be located at www.ilga.gov. The State's Interest Rate Risk Management Policy (which describes the use of interest rate exchange agreements) may be located at www.state.il.us/budget.

- 30 ILCS 330 – General Obligation Bonds
- 30 ILCS 425 – Build Illinois Sales Tax Revenue Bonds

The State may issue various debt instruments including, without limitation, fixed rate bonds, variable rate bonds and auction rate bonds, and may enter into various interest rate exchange agreements in accordance with the purposes and methods set forth in statute and policy. The bonds will be issued for new capital spending and refunding of existing State debt. Pursuant to statute, at least 25% of the bonds in issued in each fiscal year will be sold via competitive sale, and such bonds are expected to be the first bonds issued within any fiscal year.

Public Act 93-0839 introduced various amendments which are now codified in the Bond Acts (generally, 30 ILCS 305, *et seq*). New money bonds must be structured by level principal for a maximum term of 25 years. Refunding bonds must also be structured with level principal and must mature in equal or greater amount of maturing refunding principal for each fiscal year of refunded principal, and with a minimum PV savings threshold of 3%. Other new requirements include (i) financing team participants must certify that no contingent success fees were paid to non-employees seeking engagements on the firm's behalf, (ii) all fees paid to any participants in a transaction must be publicly disclosed including MBE/WBE/DBE status of such firm, and (iii) that GOMB must comply with provisions of the Minority Business Enterprise act at 30 ILCS 575.

GOMB has and continues to encourage regional, minority-owned, and woman-owned firms, as well as firms owned by persons with disabilities to apply for all roles including senior roles in the State's bond financings, and will continually support and monitor performance and inclusivity in the furtherance of these objectives.

GOMB also seeks proposals from legal counsel, underwriting firms and interest rate exchange agreement counterparties. Underwriting firms (including those intending to respond to the underwriting RFP) are also invited to respond to this Financial Advisory, Interest Rate Exchange Agreement Advisory, and/or Special

Projects Advisory service RFP; however, firms will be selected to serve in bond related Financial Advisory or Interest Rate Exchange Agreement Advisory related capacities will not be selected to serve as underwriters of bonds or interest rate exchange agreement counterparties, respectively, during the term of all such RFP's, provided however, that nothing of the foregoing shall preclude (i) any underwriting firm from bidding on the State's bonds via competitive sale, or (ii) any firm seeking consideration for Special Projects Advisory Services from serving in another underwriting, counterparty or advisory capacity as long as such capacity is not related to the Special Project for which the firm has been selected.

GOMB will review the qualifications of proposing firms and select advisory service providers from the qualified respondents to this RFP, based on their specific expertise with State issues and qualifications of advisory staff proposed to be assigned to the State, to serve in one or more of three capacities:

1. As Financial Advisor for the issuance by competitive or negotiated sale of one or more series of bonds.
2. As Interest Rate Exchange Agreement Advisor in respect to the structuring and execution of one or more interest rate exchange agreements related to one or more series of prior, current or prospective series of bonds on an episodic basis, and/or to provide ongoing advice for the management, monitoring, and reporting requirements for new and existing agreements.
3. As Financial Advisor in a Related Services capacity, including without limitation, valuation of revenue enterprises, public-private partnership strategic planning, and research and development strategies to improve operating or financial efficiencies of various enterprises, authorities or agencies which may include capital markets related activities.

GOMB retains the right to select advisors for each issuance of bonds depending on the purpose, nature and complexity of the financing plan, and/or research and development projects based on the specific facts, circumstances and expertise required.

GOMB retains the right to combine financial advisory and interest rate exchange agreement advisory services to a single primary engagement, and/or to appoint co-advisory roles to one or more components of a financing plan or project.

GOMB also retains the right to assign one or more advisory firms to serve singularly, in rotation or simultaneously, as needs for continuity and other circumstances in the best interest of the State may determine, for all or a portion of the RFP coverage period.

GOMB will retain all materials submitted in response to this request. Failure to furnish all or certain information may result in the disqualification of the proposal.

Responses submitted to State RFP's may be subject to public disclosure through the Freedom of Information Act. Content in your firm's response that is of a confidential or proprietary nature must be indicated as such in each instance. Unreasonable or blanket statements of confidential or proprietary content cannot be honored.

Please indicate at the earliest convenience by e-mail to BondRFP@omb.state.il.us of the firm's intent to respond, including a contact name(s), phone number(s) and e-mail address(s), and identify the services for which a proposal will be submitted. Such responses will assist GOMB in maintaining an accurate database and communicating with all respondents.

Questions related to any aspect of or type of service contemplated within this RFP should be submitted by e-mail to BondRFP@omb.state.il.us not later than **September 15, 2005**. Please indicate "FA RFP Question – FirmName" in the subject line. Answers to questions (in a cumulative format) along with the RFP itself will be posted on the State's website at www.state.il.us/budget. GOMB will make every effort to alert by e-mail those

firms indicating their intent to respond to this RFP, when and as questions or announcements are posted on the website. This RFP is also announced and available on the Illinois Procurement Bulletin web site at www.purchase.state.il.us.

All firms applying for consideration for any role contemplated by this RFP must deliver all certifications and disclosures required under the Illinois Procurement Code (see Attachments B1 – B3 attached hereto and incorporated herein). The failure to complete and sign each of the forms included as Attachment B1 – B3 may disqualify the firm.

II. DELIVERY OF PROPOSALS

Proposals must be received by electronic by e-mail transmission at BondRFP@omb.state.il.us by not later than **5:00 p.m. (CDT) on Thursday September 23, 2005** to be considered. GOMB strongly encourages the use of electronic submission. Please ensure that the electronic submission contains the following attachments, and uses the naming conventions for files submitted as attachments (in Adobe PDF format) described below (with the exception of the fee schedule which must be received in hard-copy form only).

NOTE: If the firm cannot or prefers not to respond via electronic medium, at least two bound and one un-bound copy of all documents submitted in response to this RFP must be received at the address set forth on the cover page hereof, as of the same times, using 217-782-3500 as a telephone number if such is required by the service for physical delivery.

A. **IL05FA-FirmName-Response.pdf**. Cover letter and body of proposal response. The cover letter should clearly state the category or categories of service for which the firm seeks consideration (as described more completely in the introduction section):

1. To serve as Financial Advisor for the issuance of bonds.
2. To serve as Interest Rate Exchange Agreement Advisor for structuring prospective agreements and to advise in the monitoring, reporting and management of existing agreements.
3. To serve as Financial Advisor for Related Services in conjunction with special projects.

Please indicate in the cover letter if the firm is a minority owned, woman owned or persons with disabilities owned firm. GOMB reserves the right to publicly rely upon the firm's indication of such status.

Please limit the combined cover letter and the response to a total of 12 pages (not counting attachments and appendices which may be required pursuant to Section IV-6 relating to legal and compliance matters).

B. **IL05FA-FirmName-AttachmentB.pdf**. Certifications required pursuant to the Illinois Procurement Code at 30 ILCS 500 *et seq.*

- "FirmName" as referred to above should be an abbreviated rather than a full firm name.
- Indicate "FA RFP Response – FirmName" in the subject line for Attachments **A & B**.
- Multiple e-mails may be used if the Attachments collectively are too large. GOMB will send an e-mail acknowledgement of the receipt of any proposal received by electronic means.

C. **Fee Schedule (hard-copy only)**. Pursuant to the Illinois Procurement Code, the proposed fee schedules, in the form incorporated herein as Attachment A must be received in sealed envelopes with respondent's name clearly marked on the outside, and will be held unopened pending completion of the review process. Please use the physical delivery address noted on the cover of this RFP.

III. SCOPE OF SERVICES

1. Financial Advisory Services for the Issuance of Bonds

The selected Financial Advisor(s) shall work with GOMB in the competitive and negotiated sale of bonds for new capital and refunding purposes, in the following capacities including without limitation:

- a. Make recommendations on all aspects of the plan of finance, including timing of the bond sales, call provisions, credit enhancement, syndicate arrangements, refunding opportunities and other structuring aspects including the use of interest rate exchange agreements.
- b. Provide input to State Debt Management and Interest Rate Risk Management Policies for best practices and to improve financing efficiency.
- c. Assist in preparations, presentations, and meetings with rating agencies, if requested.
- d. Assist in conjunction with market pricing advisors with negotiating rates for the State's bonds.
- e. Assist with investor relations, including new buyers and market sectors for Illinois debt.
- f. Participate in the drafting of the Official Statement and other bond documents, if required.
- g. Assist as needed in the review of orders and allotments following a negotiated bond sale.
- h. Assist with obtaining SLGS subscriptions as authorized by GOMB and/or conducting bids for the purchase of open market securities for refunding escrows.
- i. Assist with obtaining bids for credit enhancement, and negotiating business terms with liquidity providers pursuant to standby bond purchase agreements in conjunction with variable rate bonds.

2. Financial Advisory Services for Interest Rate Exchange Agreements

The selected Interest Rate Exchange Agreement Advisor(s) shall work with GOMB for structuring and ongoing management of Interest Rate Exchange Agreements, in the following capacities including without limitation:

- a. Advise on all aspects of the plan of finance, including whether an interest rate exchange agreement is appropriate for the plan or market conditions, and the best method to execute the agreement given the State's objectives and Interest Rate Risk Management Policy.
- b. Advise on contract options and features the State should consider and the best methods to incorporate such features.
- c. Advise on business points including collateral terms and other features of the ISDA documents, including legal and practical interactions with the other documents of the financing plan.
- d. Assist with the execution of an agreement using the method (competitive, negotiated, hybrid approach) determined to be in the best interests of the State. Provide if such method requires, a fairness opinion upon which counsel to the State and other participants may rely for purposes of federal tax and other statutory and policy requirements as applicable.
- e. Provide ongoing advice for the State's existing agreements when evolving market conditions offer opportunities to incorporate, modify or exit certain agreement features.
- f. Provide advice from time to time for obtaining market data, valuation and collateral monitoring methods, reporting and disclosure practices, and review of work product produced for GAAP and other disclosures required for regulatory or statutory purposes.

3. Financial Advisory Services for Related Services in conjunction with Special Projects

From time to time the State may consider engaging in Special Projects, which may include without limitation selling or securitizing assets, operations, revenue sources (or components thereof) or entering public private partnership arrangements as a means to create financial and operating efficiencies and/or re-align core missions to more effectively serve its constituents. The selected Financial Advisor(s) shall work with GOMB and other state agencies as necessary, as well as other financial and legal participants in the following capacities without limitation:

- a. Provide advice and research for emerging governmental trends to identify and develop for the benefit of the State or an agency thereof, to achieve improvements in financial and/or operational results.
- b. Advise and develop the valuation methods necessary to assess the costs and benefits.
- c. Assist with State procurement requirements including identifying and developing qualifying criteria.
- d. Assist and advise on all aspects of communication and information management, including research, assembly and dissemination of data appropriate for the due diligence to be undertaken by the State.
- e. Assist in conjunction with the State, its agencies and Counsel as necessary in negotiations with prospective bidders and other interested parties.
- f. Assist with the developing and reviewing of enabling legislation as may be required.

IV. RESPONSE TO REQUEST FOR PROPOSAL

In accordance with section II of this RFP, please provide responses to questions 1-3, as well as responses to questions 4, 5 and/or 6 depending on the Advisory Role for which the firm seeks consideration.

Please use the same letter and number sequence in the responses as shown in this Section IV.

1. Firm Overview

- a. Provide a brief description of history of the firm, its date of inception, ownership structure, including parents, affiliates and subsidiaries, if any.
- b. Identify the practice areas in which your firm specializes, the number of professionals employed in those areas, and whether they are located within the State of Illinois.
- c. Identify one or more primary contacts with an office location, phone number and e-mail address of the person(s) assigned to work with the State in any of the Advisory Services for which the firm is seeking consideration.

2. Legal, Compliance and Conflicts of Interest

The disclosures required hereby this Section IV shall continue throughout the period of this RFP. Any matter described herein pending or occurring during the period of this RFP must be reported to GOMB in writing by the vendor in a timely manner.

- a. Describe any regulatory or felony criminal investigation, indictment, prosecution or other proceeding brought within the last 10 years against the firm, its management, or any affiliate engaging in public finance, the underwriting of municipal bonds, or as counterparty in interest rate exchange agreements. Omit descriptions of routine periodic market conduct and financial examinations.
- b. Describe any civil complaint seeking damages in excess of \$25,000 alleging fraud, deceptive practices, malfeasance, or any similar charge of misconduct brought against the management of the firm, or any affiliate engaging in public finance, the underwriting of municipal bonds, or as counterparty in interest rate exchange agreements, whether currently pending or concluded within the past three years.
- c. Describe any order, judgment or decree of any federal or state authority barring, suspending or otherwise limiting the right of the firm, its management, or any affiliate engaging in public finance, the underwriting of municipal bonds, or as counterparty in interest rate exchange agreements, to engage in any business activity.
- d. Describe the firm's compliance policy and any procedures instituted to ensure compliance with MSRB rules concerning political contributions and other prohibitions on municipal securities business with regard to the State of Illinois.
- e. Describe the nature of any conflicts of interest as set forth in detail in Attachment B-2.

3. Anti-Discrimination and Affirmative Action/Equal Opportunity Policies

- a. Summarize the firm's female and minority employment practices.
- b. Identify the number of women and minority public finance professionals (excluding clerical positions) in the firm, and whether any such persons would be assigned to the State's bond transactions.

4. Firm capabilities and experience for Financial Advisors for the issuance of State Bonds

- a. Describe your firm's capabilities and resources to provide Financial Advisory services for the issuance of State bonds, including relevant experience of those individuals who would be assigned to the State.
- b. Describe any relevant experience including reference to specific transactions your firm may have with the State, its issuing authorities and agencies, and other issuers with similar characteristics, including unique challenges addressed and/or notable achievements with respect to your firm's participation in such transactions. Please provide at least two references.
- c. Discuss any measures the State should consider undertaking to improve borrowing cost efficiencies and/or expand the State's market reception, and how your firm might assist in achieving those objectives.

5. Firm Capabilities and experience for Interest Rate Exchange Agreements Advisors

- a. Describe your firm's capabilities to provide Financial Advisory services related to interest rate exchange agreements, including relevant experience of those individuals who would be assigned to the State.
- b. Describe what services and resources your firm provides for the initial structuring of interest rate exchange agreements, as well as ongoing monitoring and management of such agreements. Please indicate whether your firm would subcontract with other providers in delivering such services.
- c. Describe any relevant experience including reference to specific transactions your firm may have with the State, its issuing authorities and agencies, and other issuers with similar characteristics, including challenges addressed or notable achievements with respect to your firm's participation in such transactions. Please provide at least two references.
- d. Describe in general the market circumstances for which your firm would recommend the State enter exchange agreements using competitive versus negotiated methods, and what business points should be emphasized in the negotiation of an interest rate exchange agreement.

6. Firm Capabilities and experience for Financial Advisor for Special Projects

If your firm seeks consideration to serve in the capacity of Financial Advisor for Special Projects as generally described in Section III-3 of this RFP, please identify one or more Special Projects your firm believes the State should consider.

- a. Provide a general outline of a proposed Special Project, a rationale based on public sector trends and emerging market efficiencies, and a range of potential value. Incorporate if available, references to similar undertakings by other Governmental entities and the resulting benefits. Describe any specialized resources or expertise that would be required by the State to undertake such a Project. Two or more firms with complementary resources and experience may be jointly selected for such Project.
- b. Provide a general outline of a proposed execution strategy with key milestones and a synopsis of policy, legal and legislative issues to be resolved.
- c. Describe your firm's capabilities to structure, value and execute such Project, examples of other similar engagements by the firm, and the qualifications of those individuals who would be assigned to the project. Please provide at least two references.

V. PRICING GRID RESPONSE – Instructions and Background

Provide the fee-related information using the matrix format in Attachment A, as required by the Illinois Procurement Code, and in accordance with the instructions in Section II-C herein. Do not include any reference to actual fee amounts in the body of the response. Failure to comply with these provisions may result in the disqualification of the firm's proposal. As noted in Section I and Section II-A, all fees paid to financing team members must be publicly disclosed on the State's website, including indications for MBE, WBE or DBE firms.

Reimbursable Expenses

For all response categories, please note the State expects to reimburse out-of-pocket expenses as indicated below. Expenses incurred for outsourcing or subcontracting of services to the extent that such services are described in the Section III of this RFP (scope of services), must be included as part of the base fee quotation.

- Pre-approved travel expenses of an extraordinary nature such as off-site rating agency meetings
- Copy and other production expenses of an extraordinary nature occurring at the State's direction
- Other expenses that are incidental and state-directed that occur outside the ordinary course

Firms seeking consideration as Financial Advisor for the issuance of State Bonds

Attachment A provides a suggested response format for Financial Advisory Services fees for various types of State Bond Issuances. Differentiation between bond programs and types is provided. If fees are dependent on the amount of bonds issued, please use the break points shown in the matrix, with a base fee amount for bonds up to the lower end of the size range, plus and an incremental fee (in the form of \$/1000 of bonds issued) on the additional amount of bonds above the size range base amount.

Firms seeking consideration as Advisor for Interest Rate Exchange Agreements

It is recognized that fee quotes for Interest Rate Exchange Agreement Advisory Services may vary depending on the type of contract the State may consider, and that such quotes may be in the form of basis points settled at closing through one or more counterparties. Please use the notional amount breakpoints provided and indicate what fee quotations would apply under various circumstances (if necessary, and clearly identifying what they are) such as the following:

- Inclusion of custom features and options
- Average life or total length of contract
- Number of counterparties and method of execution
- Execution method requires a market fairness opinion

If your firm proposes to perform continuing monitoring and management assistance services, please indicate a separate fee schedule, and an annual base and per interest rate exchange agreement basis, including, if need be differentiated, the existence of any unique features that would require additional monitoring requirements or resources.

Firms seeking consideration to provide Advisory Services related to Special Projects

Please propose a methodology for calculation of fees and inclusion of additional expenses to be reimbursed that are appropriate to one or more Special Projects your firm has described in Section IV-6. Submit a simple description of fee and expense components and identify which could be contingent, non-contingent, hourly, and/or flat rate capped. Identify the document as a part of Attachment A, attach it to and submit it with the fee schedule as described above. If circumstances require, the State will conduct a final round of best and final price solicitations in respect to a specific Special Project with those firms deemed qualified for such purpose, and/or conduct best and final price negotiations therewith.

VI. EVALUATION AND SELECTION PROCESS

Responses to the RFP will be evaluated on the following criteria: Responsiveness to this RFP, the qualifications of the responding firms, with emphasis on knowledge of and presence and experience (including the level of experience and location of assigned staff) in the Illinois and national debt markets, commitment to the municipal market, understanding of credit issues, and prior performance (including performance on State of Illinois bonds). The State may request oral interviews with certain respondents. The State reserves the right to conduct best and final negotiations concerning all aspects of an engagement with one or more respondents.

GOMB reserves the right to reject any and all proposals with or without cause, and accept proposals that it considers most favorable to the State. Nothing in this RFP, the proposals, or the State's acceptance of proposals and designation of firms to serve in advisory capacities shall obligate the State to enter into or complete negotiations with such firms. Upon approval and execution of a fees-for-services contract, the terms of such contract shall prevail. The State is not liable for any cost incurred by respondents in replying to this RFP or in connection with any interview or negotiation relating to this RFP.

VII. ATTACHMENTS

The terms of the Attachments are incorporated into this RFP and will be made part of any agreement entered into by GOMB and the vendor firm which may result from this RFP.

Attachment A – Pricing Response and Grids required by the Illinois Procurement Code

Attachments B 1-3 – Certifications required by the Illinois Procurement Code

ATTACHMENT A

**Proposed Fee Schedule Response Grids
(Attach Material Regarding Special Project Services Pricing if Appropriate)**

Please review carefully the completion instructions in Section V and the transmittal instructions in Section II-C. Please direct any questions you may have in writing to the host question site as described toward the end of Section I. **Note that the proposed fee schedule must be submitted separately in hard copy and in a clearly identified sealed envelope as directed in Section II-C.**

As described in Section-V, the formats may be expanded vertically to accommodate unique circumstances or characteristics as may be required, to be either separately expressed or expressed as an incremental to a base quote. Where transaction size is a component in a fee quotation, it is highly encouraged to the best extent possible, to remain within the transaction size and/or notional breakpoints indicated in the following tables.

Recommended Response Format for Advisory Services for the Issuance of State Bonds

Issue Size:	In \$millions at least:	\$-	\$75	\$150	\$500	\$1,000
	But less than:	\$75	\$150	\$500	\$1,000	& greater
General Obligation	Fixed Rate Bonds					
Build IL Sales Tax Rev	Fixed Rate Bonds					
General Obligation	Variable Rate Bonds					
Build IL Sales Tax Rev	Variable Rate Bonds					
General Obligation	Auction Rate Notes					
Build IL Sales Tax Rev	Auction Rate Notes					
Issue Size:	In \$millions at least:	\$-	\$1,000	\$2,000	\$5,000	
	But less than:	\$1,000	\$2,500	\$5,000	& greater	
GO Pension	Fixed Rate Bonds					
GO Pension	Variable Rate Bonds					
GO Pension	Auction Rate Notes					

Recommended Response Format for Advisory Services for Interest Rate Exchange Agreements

Notional	In \$millions at least:	\$-	\$75	\$150	\$500	\$1,000
Amounts:	But less than:	\$75	\$150	\$500	\$1,000	& greater
Base Quote	Simple/Competitive, 0-5 years					
Base Quote	Simple/Competitive, 5-10 years					
Base Quote	Simple/Competitive, 10-25 years					
Incremental	Additional option features					
Incremental	Fairness Opinion Required					

If applicable, provide a schedule for annual fees on a per-agreement and/or a consolidated portfolio basis for monitoring and maintenance in respect to existing and prospective exchange agreements for which the State is party. Please direct any questions about the State's existing portfolio of agreements as provided toward the end of Section I in this RFP.

ATTACHMENT B

STATE FORMS REQUIRED OF THE VENDOR:

The Vendor is required to complete and submit all forms listed below. It is important to note that this section references State forms that the Vendor must complete as part of the procurement process and does not serve as an opportunity for Vendors to insert their own forms.

ATTACHMENT B – 1 - Minority, Female, Person with Disability Status & Subcontracting

ATTACHMENT B – 2- Conflicts of Interest Disclosures

ATTACHMENT B – 3 - Taxpayer Identification Number

ATTACHMENT B - 1

Minority, Female, Person with Disability Status & Subcontracting

The Business Enterprise Program Act for Minorities, Females and Persons with Disabilities (BEP) (30 ILCS 57511) establishes a goal for contracting with businesses that have been certified as owned and controlled by persons who are minority, female or who have disabilities. While you must complete this form, your response will not be considered in the evaluation. A listing of certified businesses may be obtained from the Department of Central Management Services' Business Enterprise Program for Minorities, Females and Persons with Disabilities by calling 312/814-4190 (Voice & TDD), 800/356-9206 (Toll Free), or 800/526-0844 (Illinois Relay Center for Hearing Impaired).

Name of Company (and D/B/A): _____

Is your company at least 51% owned and controlled by individuals in one or more of the following categories? Yes _____ No _____

If "Yes" check each that applies:

Category:

Minority _____
Female _____
Person with Disability _____
Disadvantaged _____

If "Yes," please identify, by checking the applicable blanks, which agency certified the business and in what category:

Certifying Agency:

Department of Central Management Services _____
Women's Business Development Center _____
Chicago Minority Business Development Council _____
Illinois Department of Transportation _____
Other (please identify): _____

Category:

Minority _____
Female _____
Person with Disability _____
Disadvantaged _____

If you are not a certified BEP business, do you have a written policy or goal regarding contracting or subcontracting with BEP certified vendors? Yes ____ (attach copy) No _____

If "No," will you make a commitment to contact BEP certified vendors and consider them for subcontracting opportunities on this contract? Yes _____ No _____

Do you plan on ordering supplies or services in furtherance of this contract from BEP certified vendors? Yes _____ No _____

If "Yes," please identify what you plan to order, the estimated value as a percentage of your total Offer, and the names of the BEP certified vendors you plan to use.

ATTACHMENT B – 2

Conflicts of Interest Disclosures

Instructions. The Illinois Procurement Code requires that Vendors desiring to enter into certain contracts with the State of Illinois must disclose the financial and potential conflict of interest information that is specified below (30 ILCS 500/50-13 and 50-35 (a)(b)(h)).

Vendor shall disclose the financial interest, potential conflict of interest and contract information identified in Sections 1, 2, 3, and 4 below as a condition of receiving an award or contract. Please submit this information along with your bid or offer.

Section 1 applies to all contracts regardless of dollar amount. In addition, you must complete Sections 2, 3, and 4 for contracts with an annual value exceeding \$10,000 that must be procured using one of the authorized competitive methods of source selection.

If the Vendor is a wholly owned subsidiary of a parent organization, separate disclosures (Sections 2, 3, and 4) 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.

When determining ownership or distributive income shares, use the most current information that you consider reliable, but in no event for a period before your last completed fiscal period.

A designee may submit this form on behalf of the Vendor (or its parent). However, that person must have verified the information with each affected individual.

Vendor Information

This disclosure information is submitted on behalf of (show official name of Vendor, and if applicable, D/B/A and parent):

Name of Vendor:
D/B/A (if used):
Name of any Parent Organization:
Address:
Contact Person: Name: Title: Address: Telephone/Fax:

Section 1: Section 50-13 Conflicts of Interest

(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 **[\$90,414.60]**, 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 **(\$150,691.00)**, 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 **[\$301,382.00]**, to have or acquire any such contract or direct pecuniary interest therein.

(d) Securities. Nothing in this Section invalidates the provisions of any bond or other security previously offered or to be offered for sale or sold by or for the State of Illinois.

(e) Prior interests. This Section does not affect the validity of any contract made between the State and an officer or employee of the State or member of the General Assembly, his or her spouse, minor child or any combination of those persons if that contract was in existence before his or her election or employment as an officer, member, or employee. The contract is voidable, however, if it cannot be completed within 365 days after the officer, member, or employee takes office or is employed.

(f) Exceptions.

(i) Public aid payments. This Section does not apply to payments made for a public aid recipient.

(ii) Teaching. This Section does not apply to a contract for personal services as a teacher or school administrator between a member of the General Assembly or his or her spouse, or a State officer or employee or his or her spouse, and any school district, public community college district, or State University.

(iii) Ministerial duties. This Section does not apply to a contract for personal services of a wholly ministerial character, including but not limited to services as a laborer, clerk, typist, stenographer, page, bookkeeper, receptionist, or telephone switchboard operator, made by a spouse or minor child of an elective or appointive State officer or employee or of a member of the General Assembly.

(iv) Child and family services. This Section does not apply to payments made to a member of the General Assembly, a State officer or employee, his or her spouse or minor child acting as a foster parent, homemaker, advocate, or volunteer for or in behalf of a child or family served by the Department of Children and Family Services.

(v) Licensed professionals. Contracts with licensed professionals provided they are competitively bid or part of a reimbursement program for specific, customary goods and

services through the departments of Children and Family Services, Human Services, Public Aid, Public Health, or Aging.

CHECK ONE:

_____ No Conflicts Of Interest

_____ Potential Conflict of Interest (*If checked, name each conflicted individual, the nature of the conflict, and the name of the State agency that is associated directly or indirectly with the conflicted individual.*)

Section 2: Disclosure of Financial Interest in the Vendor

All vendors, except for publicly traded corporations subject to SEC reporting requirements and privately held corporations with more than 400 shareholders, must complete subsection (a) below. Publicly traded corporations may complete subsection (b) and privately held corporations with more than 400 shareholders may complete subsection (c) in lieu of completing subsection (a).

(a) General disclosure. 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. Then, complete Sections 3 and 4. If no individual has any of the following financial interests in the vendor (or its parent), check this blank _____, skip Section 3, but complete Section 4.

Ownership exceeding 5% (_____)
Ownership value exceeding \$90,414.60 (_____)
Distributive Income Share exceeding 5% (_____)
Distributive Income Share exceeding \$90,414.60 (_____)

Name: _____

Address: _____

For each individual identified above, show the dollar value of the ownership interest: \$_____ or the proportionate share of the ownership interest: _____% and the type of ownership/distributable income share:

Sole Proprietorship _____
Stock _____
Partnership _____
Other (explain) _____

**For partnerships with more than 50 but fewer than 400 partners, the proportionate share of ownership interest of each individual identified above may be shown in the following ranges:*

1% _____
1 up to 2% _____
2 up to 3% _____
3 up to 4% _____
4 up to 5% _____
and in additional 1% increments as appropriate _____%

For partnerships with more than 400 partners, the proportionate share of ownership may be shown in the following ranges:

0.5% or less _____
>0.5 to 1.0% _____
>1.0 to 1.5% _____
and as appropriate in additional 0.5 increments _____%

(b) Publicly traded corporations subject to SEC reporting requirements. These Vendors may submit their 10k disclosure (*include proxy if referenced in 10k*) in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections **50-35 a** and **b** of the Procurement Code. An 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. Vendor may skip Section 3 of this form, but must complete Section 4.

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

(c) Privately held corporations with more than 400 shareholders. These Vendors 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% in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections **50-35 a** and **b** of the Procurement Code. Vendor may skip Section 3 of this form, but must complete Section 4.

Section 3: Disclosure of Potential Conflicts of Interest

For each individual having the level of financial interest identified in Section 2(a) above, indicate which, if any, of the following potential conflict of interest relationships apply. If "Yes," please describe each situation (label with appropriate letter) using the space at end of this Section 3 (attach additional pages as necessary).

(a) 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. Identify contracts with the VENDOR in Section 4. Yes ____ No ____

(b) State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years. Yes ____ No ____

(c) Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous 3 years. Yes ____ No ____

(d) Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes ____ No ____

(e) Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years. Yes ____ No ____

(f) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes ____ No ____

(g) Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government. Yes ____ No ____

(h) Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter. Yes ____ No ____

(i) Compensated employment, currently or in the previous 3 years, by any registered election or re-election committee registered with the Secretary of 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 ____

(j) Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or 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 ____

Explanation of potential conflicts of interest:

Section 4: Current and Pending Contracts and Offers (bids and proposals)

(a) VENDOR shall identify each contract it has with other units of State of Illinois government by showing agency name and other descriptive information such as purchase order or contract reference number (attach additional pages as necessary). Show "none" if appropriate.

(b) VENDOR shall identify whether it has pending contracts (including leases), bids, proposals, or other ongoing procurement relationships with other units of State of Illinois government by showing agency name and other descriptive information such as bid or project number (attach additional pages as necessary). Show "none" if appropriate.

ATTACHMENT B – 3

Taxpayer Identification Number

I certify that:

1. 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**
2. 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**
3. I am a U.S. person (including a U.S. resident alien).

Name (Printed): _____

Taxpayer Identification Number:

Social Security Number _____

or

Employer Identification Number _____

Legal Status (check one):

____ Individual

____ Governmental

____ Sole Proprietorship

____ Nonresident alien

____ Partnership/Legal Corporation

____ Estate or Trust

____ Tax-exempt

____ Pharmacy (non-corporate)

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

____ Pharmacy/Funeral Home/Cemetery (Corp.)

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

____ Other _____