

REQUEST FOR PROPOSALS  
TO PROVIDE

**BOND UNDERWRITING  
INTEREST RATE EXCHANGE AGREEMENT COUNTERPARTY  
and  
RELATED SERVICES**

Relating to  
State of Illinois Bond Programs

Issued by  
The State of Illinois  
Executive Office of the Governor  
Governor's Office of Management and Budget

October 3, 2005

PROPOSAL DUE BY 5:00 PM (CDT), October 19, 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  
BOND UNDERWRITING, INTEREST RATE EXCHANGE AGREEMENT COUNTERPARTY  
AND RELATED SERVICES  
TO 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 underwriting services in connection with the negotiated issuance of several series of State of Illinois General Obligation Bonds and Build Illinois (Sales Tax Revenue) Bonds, Interest Rate Exchange Agreement Counterparty Services, 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 related services as may be required 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](http://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](http://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. General Obligation Bonds and Build Illinois Sales Tax Revenue Bonds are not exempt from Illinois State income tax. 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. All firms are invited to bid competitively for State bonds, irrespective of whether they respond to or are selected for this or other RFP's issued by the State.

Public Act 93-0839 introduced various amendments which are now codified in the Bond Acts. 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) underwriters must certify that no contingent success fees were paid to non-employees of underwriting firms, (ii) all fees paid to any participants in a transaction must be publicly disclosed including MBE/WBE/DBE status of such firm, and (iii) 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 financial advisors for the issuance of bonds, negotiation of interest rate exchange agreements and special projects. GOMB is also considering proposals from legal counsel regarding the bond and interest rate exchange agreements and related services contemplated by this RFP. Firms responding to this RFP may also respond to the bond financial advisory and interest rate exchange agreement advisory RFP's, but during the period of this RFP shall be subject to the following provisions and limitations:

- Firms selected to serve as underwriter (whether senior or co-manager) for the issuance of bonds and/or as counterparty to interest rate exchange agreements will not be selected to serve as the State's financial advisor for the issuance of bonds.
- Firms selected to serve as underwriter (whether senior or co-manager) but not as an interest rate exchange agreement counterparty may be selected to serve as the State's advisor for interest rate exchange agreements.
- Firms applying for consideration as special projects advisor are not precluded from serving in any capacity contemplated by this RPF or the advisory services RFP, except in such instances that such role would directly relate to the special project.
- The foregoing provisions and exclusions do not preclude any underwriting firm from bidding on the State's bonds via competitive sale.

GOMB will review the qualifications of proposing firms and select service providers from the qualified respondents to this RFP, to serve in one or more of three capacities selected on an issue-by-issue basis:

1. To serve as senior managing underwriter for the issuance of one or more series of bonds,
2. To serve as one of a group of co-senior and co-managing underwriters for the issuance of one or more series of bonds,
3. To serve as a sole counterparty or member of a group of counterparties to bid on or negotiate with the State to enter into an Interest Rate Exchange Agreement for one or more prior or current bond series, or to hedge the prospective issuance of one or more series of bonds.

GOMB retains the right to select underwriters and counterparties for each issue based on the experience and expertise of the service providers, the nature and purpose of the issue, and the type of bond and financing structure under consideration. GOMB encourages all underwriting firms to apply for consideration under this RFP. Capability and willingness to perform as counterparty to the State through an interest rate exchange agreement shall not be required for consideration to serve as an underwriter for the issuance of bonds. GOMB will retain all materials submitted in response to this request. Failure to furnish any of the requested information may result in the disqualification of the proposal.

Please indicate at the earliest convenience by e-mail to [BondRFP@omb.state.il.us](mailto: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](mailto:BondRFP@omb.state.il.us) not later than **October 12, 2005**. Please indicate "UW RFP Question – FirmName" in the subject line. This RFP document and answers to questions (in a cumulative format) submitted in written form by respondents will be posted on the State's website at [www.state.il.us/budget](http://www.state.il.us/budget). While 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, we urge to monitor the website regularly. This RFP is also announced and available on the Illinois Procurement Bulletin web site at [www.purchase.state.il.us](http://www.purchase.state.il.us).

All firms applying for the position of underwriter (in any capacity including senior, co-senior and co-manager) and/or interest rate exchange agreement counterparty 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 Attachments 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](mailto:BondRFP@omb.state.il.us) by no later than **5:00 p.m. (CDT) on Wednesday October 19, 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 pricing grid 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. IL05UW-FirmName-Response.pdf (all respondents). 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 a Senior Managing Underwriter for the issuance of bonds.
2. To serve as Co-Senior/Co-managing underwriter for the issuance of bonds.
3. To serve as Counterparty to the State in an interest rate exchange agreement.

If responding to 1 or 2 above, also indicate which bond types (Fixed Rate, Variable Rate and/or Auction Rate) in which the firm would offer its services.

Unless explicitly indicated otherwise, it will be presumed that the firm's interest in 1 or 2 above, if selected, applies to all bond programs to which this RFP may apply during its term, including without limitation, both General Obligation bonds and Build Illinois bonds.

Additionally, in the cover letter, please indicate 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. IL05UW-FirmName-AttachmentB.pdf (all respondents). Certifications required pursuant to the Illinois Procurement Code at 30 ILCS 500, *et seq.*

C. IL05UW-FirmName-Financial.pdf (senior managing underwriters and interest rate exchange agreement counterparties only). Financial information such as a 10K or the firm's annual report.

D. Pricing Grid (hard-copy only) (senior managing underwriters only). Respondents seeking senior managing underwriter roles are encouraged to read Section V of this RFP carefully. Please note that a pricing grid (incorporated into this RFP as Attachment A) response is required if the firm seeks consideration as a senior managing underwriter. Pursuant to the Illinois Procurement Code, the RFP and pricing grid must be received as separate documents. If the firm provides a hard copy response, the pricing grid must be received in a sealed envelope with respondent's name clearly marked on the outside. Please use the physical delivery address noted on the cover of this RFP. Pricing grid documents will be opened only after completion of the proposal review and qualification process.

- "FirmName" as referred to above should be an abbreviated rather than a full firm name.
- Indicate "UW RFP Response – FirmName" in the subject line for Attachments A, B & C (if applicable).
- 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.

### III. SCOPE OF SERVICES

The selected underwriter(s) shall work with the GOMB Director and staff in the negotiated sale of bonds for new capital and refunding purposes. The services described below will be required only of firms acting in the capacity of senior managing underwriter. Co-senior managers and co-managers contracting with the senior managing underwriter shall provide information and assistance as requested and shall act as members of the underwriting syndicate. Services required of the senior managing underwriter shall include the following:

- Make recommendations on all aspects of the assigned financing including, but not limited to, the timing of the bond sale, call provisions, marketing, credit enhancement and evaluation of refunding opportunities and other structuring aspects including interest rate exchange agreements.
- Purchase of the bonds upon terms and conditions mutually acceptable to the State and the underwriter(s) pursuant to a Bond Purchase Agreement.
- Assist in preparations, discussions and meetings with rating agencies, if requested.
- Assist with investor relations, including accessing new buyers and market sectors for Illinois debt.
- Participate in the drafting of the Official Statement and other bond documents, as required.
- Obtain bids for credit enhancement, and other services as necessary.
- Provide specific information as GOMB may request regarding orders and allotments of bonds, and take direction from GOMB in respect to allotment requests.
- Obtain SLGS subscriptions as authorized by GOMB and/or conduct bids for the purchase of open market securities for refunding escrows.
- Serve in the capacity of remarketing agent for one or more series of variable rate bonds.
- Serve in the capacity of auction broker for one or more series of auction rate bonds.
- Serve in the capacity of interest rate exchange agreement counterparty and/or assist GOMB in developing the structure, design and business terms of such interest rate exchange agreements with one or more other counterparties pursuant to a current plan of finance, modifying the interest rate features of bonds already issued, or hedging interest rates in anticipation of future issuance.
- Obtain bids and assist in negotiating credit and business terms with liquidity providers pursuant to a standby bond purchase agreement in conjunction with the issuance of variable rate bonds.
- Provide such other services as GOMB may reasonably request.

#### IV. RESPONSE TO REQUEST FOR PROPOSAL

Respondents are asked to clearly indicate in the cover letter preceding the response, (i) the role of senior manager and/or co-senior/co-manager, (ii) the bond types (fixed rate, variable rate, auction rate) for which they wish to be considered, and (iii) whether the firm would serve in the role of an interest rate exchange agreement counterparty.

All respondents must complete sub-sections 1-6 below. Completion of sub-section 7 is required of firms seeking consideration for the role of Senior Managing Underwriter. Completion of sub-sections 8-9 is required of firms seeking consideration for the role of Interest Rate Exchange Agreement Counterparty.

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

##### 1. Firm Capital and Ownership Structure.

- a. Overview of ownership and capital structure.
- b. Most recently published financial position including:
  - i. Total capital
  - ii. Equity capital
  - iii. Excess net capital, and
  - iv. Daily average uncommitted capital.

Please do not include access to capital in the form of lines of credit or other borrowing capabilities in describing the financial position of the firm. Note that a statement regarding firm capital dedicated to counterparty subsidiaries that principally hold capital related to interest rate exchange agreements is requested separately in sub-section 8 (General Counterparty Information) below.

##### 2. Illinois and National Public Finance Presence.

- a. Number of public finance professionals and public finance originating offices in Illinois and nationally.
- b. Total number and total size of issues underwritten in each of the five preceding calendar years, distinguished by firm role (sole, senior or co-managed), type of bond (fixed rate, variable rate or auction rate), type of credit (GO or revenue), and by method of sale (competitive or negotiated). Note that an itemized schedule of individual transactions is not required and if submitted, will be included in the 12-page maximum. A subset of notable transactions relevant and comparable to State financings contemplated under this RFP may be considered in the alternative.

##### 3. Distribution Capability.

- a. Local Illinois retail capability including number of registered representatives and offices in Illinois.
- b. National institutional distribution capability and size of municipal bond sales force.
- c. Secondary market trading volume with respect to state bonds.
- d. Number of issues and outstanding size of variable rate and auction rate books, if any.
- e. Number of issues and total size of issues won by competitive sale (or for which the firm has had at least a 10% liability within such syndicate).

##### 4. Banking and Underwriting Team assigned to the State.

- a. Primary contact person(s) with location(s), phone number(s) and e-mail address(es).
- b. Brief backgrounds of the professionals to be assigned to work on State issues.
- c. Location(s) from which the State's bonds would be priced and underwritten.

5. 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.
6. Legal and Compliance (attachments, if needed, are excluded from page count limit).

The disclosures required hereby this sub - section 6 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, any subsidiary engaging as a counterparty in interest rate exchange agreements, or any principal in the firm's municipal bond or public finance operations. 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, any subsidiary engaging as a counterparty to interest rate exchange agreement, or any principal in the firm's municipal bond or public finance operations, 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, any subsidiary engaging as a counterparty in interest rate exchange agreements, or any principal in the firm's municipal bond or public finance operations 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.

**Firms applying for consideration to serve in the capacity of Senior Managing Underwriter:**

7. Bond Structuring and Marketing Strategies. Select and discuss three of following four items.
  - a. Discuss any methods by which premium callable bonds can be structured or marketed to be more efficient for the State on a yield to maturity basis. Your discussion may also focus on efficient ways to accommodate federal change of use rules without the use of (or reduced reliance upon) callable fixed rate bonds.
  - b. Discuss under-accessed markets, if any, that you believe the State should target for broader or more efficient distribution of bonds, including, for example, emerging technologies for the distribution of bonds and/or emerging buyer sectors for both taxable and tax exempt bonds.
  - c. Discuss any ideas and experience you may have in respect to optimal syndicate arrangements which may more effectively deploy and/or improve participation for the collective sales forces of the syndicate.
  - d. Open forum to introduce and discuss any topics of which your firm believes should be of interest or assistance to the State. Some suggested topics include:
    - i. Advantages of retail order periods including reasons to use or not use such marketing approaches for the State.
    - ii. Trends in the variable rate and auction rate markets.
    - iii. Efficient dedicated non-General Obligation credits.
    - iv. Ideas to reduce or eliminate the one-half maximum annual DSRF requirement for the Build Illinois Sales Tax Revenue Bond program.

- v. Other financing techniques or unique firm capabilities which the respondent believes the State should consider.

**Firms applying for consideration to serve in the capacity of a Counterparty to the State in an interest rate exchange agreement:**

- 8. General Counterparty Information. Note: if the firm has an arrangement with one or more outside counterparties to serve as the underlying principal to the exchange agreement and the firm wishes to serve as the front counterparty, the respondent must provide the information requested below with respect to any such principal counterparty that would enter into an interest rate exchange agreement with the State.
  - a. Number and total size of BMA and LIBOR/LIBOR hybrid - based interest rate exchange agreements with municipal clients.
  - b. Name of the counterparty subsidiary and its relationship to the parent firm.
  - c. Current ratings and ratings history for the preceding 5 years of the counterparty subsidiary.
  - d. Amount of capital allocated to the municipal interest rate exchange agreement book.
  - e. Willingness to accept one-way collateral to the State without conditions.
  - f. Name and contact information of person designated to be liaison to the State.
  - g. Two references from government issuers with whom the firm has worked closely in the design and execution of a financing that included an interest rate exchange agreement.
- 9. Structuring aspects of Interest Rate Exchange Agreements.
  - a. Discuss the conditions or circumstances under which an interest rate exchange agreement, or options and features related thereto should be competitively bid rather than negotiated with a fair market value opinion.
  - b. Discuss aspects of market liquidity and consistency of on-going contract valuation for various types of interest rate exchange agreements the State might consider. Specifically, for what applications should the State place emphasis on market liquidity of such agreements in contrast to entering less liquid, customized or proprietary structures?
  - c. Discuss key business points in the exchange agreement documents which your firm would suggest the State should consider in respect to risk reduction, pricing efficiency or best practices in the capital markets.

## V. PRICING GRID RESPONSE FOR BOND UNDERWRITING (Senior Managing Underwriters Only)

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-D above. 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.

Indicate the firm's proposed average takedown for each bond type (fixed rate, variable rate, ARN), purpose type (refunding, new money), program (GO, Build Illinois), and federal income tax status (taxable, tax exempt) in terms of dollars per \$1,000; including annual remarketing and auction broker fees as applicable. The matrix in Attachment A provides the issuance size ranges and a response format that accommodates all fee categories for the bond types and modes described.

In structuring your proposed takedown levels, please take the following into account:

1. Takedown levels should facilitate attention to distribution of the State's bonds during the order period and should accommodate any risk premium associated with underwriting unsold balances at the time of the verbal award.
2. The State has not used nor does it expect to use a management fee structure in syndicate compensation. Should the circumstances of a particular issuance warrant an extraordinary level of structuring or other origination expertise and resources, the State may allocate an equitable portion of the takedown to serve as a structuring fee to the senior managing underwriter.
3. Except in the case of an unusually small issuance amount or other unique market circumstance, the senior managing underwriter should not anticipate a syndicate liability of greater than 40%.
4. The State reserves the right to use designation policies including a set-aside amount of the takedown (known as holdback) computed on priority orders, for the purpose of balancing unintended inequities and to encourage exceptional sales performance among the members of the underwriting syndicate.
5. Takedown levels must accommodate underwriting expenses such as travel, conference calls and any other incidental expenses of the underwriter, EXCEPT the following, which will be separately enumerated in the total underwriting spread and added to the takedown: Fees related to CUSIP, TBMA, DTC, Day Loan, and wire service expenses such as Dalcomp and I-Deal which may be used in the course of syndicate management during the order period.

Costs of issuance including without limitation, printing and mailing official statements, ratings, registrar and paying agent fees, bond counsel fees, underwriters' counsel fees, financial advisory fees and bond insurance will be paid from bond proceeds. The State may request that the senior managing underwriter pay these expenses (in addition to the customary method of paying for bond insurance) directly to the respective vendors upon presentation of approved invoices. Funds for the payment of these expenses will be provided from an additional amount withheld from the total purchase price, that is, a settlement amount which is less than the total purchase price in an amount equal to the sum of expenses to be paid on behalf of the State.

Fees for related services in the course of undertaking other capital markets objectives, if needed, and to the extent not explicitly described in this RFP, will be negotiated at prevailing market rates at the time such services are required.

GOMB reserves the right to negotiate best and final takedown levels either on a by-issue basis or within the scope of the RFP coverage period.

## **VI. EVALUATION AND SELECTION PROCESS**

Responses to the RFP will be evaluated on the following criteria: Responsiveness to RFP requirements, firm qualifications, (with emphasis on knowledge of and presence, level of experience and and location of assigned staff in the Illinois and national debt markets, commitment to the municipal market, capability to market taxable and tax-exempt paper, understanding of credit issues and prior underwriting performance, including performance in State bond offerings. The State may request oral interviews with certain respondents. The State reserves the right to conduct best and final negotiations concerning all aspects of any engagement resulting from this RFP with any one or more respondents.

GOMB reserves the right to reject any and all proposals whether 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 underwriters shall obligate the State to enter into or complete negotiations with the respondents or any of them. Upon approval and execution of a purchase contract between the State and an underwriter for the sale of bonds, the terms of the purchase contract will prevail. Upon approval and execution of an interest rate exchange agreement, the terms of the ISDA and related documents will prevail. The State is not liable for payment of any cost incurred by any respondent in replying to this RFP or in connection with any interview or negotiation relating hereto.

## **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 Grid in two-page format

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

**ATTACHMENT A**

**(Pricing Grid – Page 1 of 2)**

Please review carefully the discussion in Section V herein regarding the typical liability not-greater-than percentage of the senior manager, use of designation policies, set-asides and other aspects of syndicate management, including structuring fees under rare circumstances (allocated from takedown) and no expectation of management fees, all of which may have an impact on takedown specifications.

For all bond types, please specify takedowns in terms of dollars per \$1,000 for the entire issue amount within the size range, as opposed to a bracketed formula approach (such as, for example, \$X / \$1,000 for the first \$75 million plus \$Y / \$1,000 for the amount of issuance above \$75 million), or other methodology.

For variable rate bonds and auction rate notes, the remarketing fees and auction broker fees should be specified in terms of basis points per year based on the principal amount outstanding. The State may direct the creation of individual sub-series of such bond types to be managed by more than one member of an underwriting syndicate.

Only those underwriting expenses enumerated in Section V herein will be reimbursed as an additional spread component and need not be incorporated in the takedown quotations. Underwriting expenses not described in Section V must be incorporated in the takedown quotations.

The State may consider the graduation of take-down by ascending maturity year, or other method of intra-year allocation to the extent that it assists with effective placement of the bonds, provided however, that the total amount of takedown for all maturities within such series remains within the specified aggregate of takedown for the total issue size.

- Key:
- New = New Money Bonds
  - Ref = Refunding Bonds
  - GO = General Obligation Bonds
  - BI = Build Illinois Sales Tax Revenue Bonds

<b>Fixed Rate Bonds</b>					
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Issue Size:	In \$millions at least:	\$-	\$75	\$150	\$500	\$1,000
	But less than:	\$75	\$150	\$500	\$1,000	& greater

GO:	New - Tax Exempt					
	New – Taxable					
	Ref - Tax Exempt					
	Ref – Taxable					

BI:	New - Tax Exempt					
	New – Taxable					
	Ref - Tax Exempt					
	Ref – Taxable					

**ATTACHMENT A**

(Pricing Grid – Page 2 of 2)

**Variable Rate Bonds**

Issue Size:	In \$millions at least:	\$-	\$75	\$150	\$500	\$1,000
	But less than:	\$75	\$150	\$500	\$1,000	& greater

GO:	New - Tax Exempt					
	New – Taxable					
	Ref - Tax Exempt					
	Ref – Taxable					

Remarking - Taxable					
Remarking - Tax Exempt					

BI:	New - Tax Exempt				
	New – Taxable				
	Ref - Tax Exempt				
	Ref – Taxable				

Remarking - Taxable					
Remarking - Tax Exempt					

**Auction Rate Notes**

Issue Size:	In \$millions at least:	\$-	\$75	\$150	\$500	\$1,000
	But less than:	\$75	\$150	\$500	\$1,000	& greater

GO:	New - Tax Exempt				
	New – Taxable				
	Ref - Tax Exempt				
	Ref – Taxable				

Broker Fees - Taxable					
Broker Fees - Tax Exempt					

BI:	New - Tax Exempt				
	New – Taxable				
	Ref - Tax Exempt				
	Ref – Taxable				

Broker Fees - Taxable					
Broker Fees - Tax Exempt					

## 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:

<u>Certifying Agency:</u>		<u>Category:</u>	
Department of Central Management Services	_____	Minority	_____
Women's Business Development Center	_____	Female	_____
Chicago Minority Business Development Council	_____	Person with Disability	_____
Illinois Department of Transportation	_____	Disadvantaged	_____
Other (please identify):	_____		

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 to order 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 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 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 the correct taxpayer identification number for the person\* submitting this proposal (or such person is awaiting the issuance of such number), **and**
2. The person submitting this proposal is not subject to backup withholding because: (a) such person is exempt from backup withholding, or (b) such person has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of a failure to report interest or dividend income, or (c) the IRS has notified such person that it is 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 \_\_\_\_\_

\* The term "person" as used herein includes all natural and legal bodies, entities and organizations, including those set forth below.

Legal Status (check one):

- |   |   |
|---|---|
| <input type="checkbox"/> Individual   | <input type="checkbox"/> Governmental                           |
| <input type="checkbox"/> Sole Proprietorship  | <input type="checkbox"/> Nonresident alien                      |
| <input type="checkbox"/> Partnership/Legal Corporation  | <input type="checkbox"/> Estate or Trust                        |
| <input type="checkbox"/> Tax-exempt   | <input type="checkbox"/> Pharmacy (non-corporate)               |
| <input type="checkbox"/> Corporation providing or billing medical and /or health care services      | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery (Corp.) |
| <input type="checkbox"/> Corporation NOT providing or billing medical and / or health care services | <input type="checkbox"/> Other _____                            |