

# STATE OF ILLINOIS

## SOLICITATION DOCUMENT

(Railsplitter Tobacco Settlement Authority – Bond Counsel / # 22019946)

The Governor's Office of Management and Budget ("GOMB") is requesting Offers (bids / proposals) from responsible Vendors to meet the needs of the Railsplitter Tobacco Settlement Authority, an agency of the State of Illinois ("Railsplitter"). Below is a brief description of our needs with detailed requirements in subsequent sections of this solicitation. If you are interested and able to meet these requirements, please submit an Offer.

We are issuing this solicitation in the following form and you must take that into account when reading and responding:

- Invitation for Bids
- Request for Proposals
- Request for Proposals (Professional and Artistic Services)

### Brief Description:

Railsplitter is seeking bids for bond counsel services related to the securitization of cash flows received by Railsplitter under its purchase agreement with the State of Illinois of the State's settlement payments under the Master Settlement Agreement:

Under the authority granted to it through Public Act 96-958, Railsplitter will be acquiring 100% of the Tobacco Settlement Revenues (as defined in the Act) by purchase from the State of Illinois. Railsplitter will pay for this purchase by securitizing a portion of the cash flows and paying a lump sum up front to the State as well as annual payments of any and all cash not needed to its debt service and expenses. The State will use the funds so received for its general revenue expenditures. It is anticipated that the bonds issued under Public Act 96-958 will be exempt from Federal Income Tax but not exempt from State of Illinois income tax.

Terms and conditions of this sale and its financing are contained within Public Act 96-958. **BIDDERS ARE STRONGLY ENCOURAGED TO REVIEW THE ACT IN DETAIL. BIDS FOR SERVICES BEING SOUGHT LISTED ABOVE THAT DO NOT STRICTLY CONFORM TO THE PUBLIC ACT WILL BE REJECTED.**

The solicitation package consists of two parts:

**Part A INSTRUCTIONS FOR SUBMITTING AND EVALUATING BIDS AND PROPOSALS:** Part A consists of the following sections:

- SECTION 1 INSTRUCTIONS, DATES, RESERVATIONS AND OTHER GENERAL INFORMATION
- SECTION 2 HOW WE WILL EVALUATE OFFERS
- SECTION 3 SPECIFICATIONS / QUALIFICATIONS / STATEMENT OF WORK

These sections provide information necessary for submitting an Offer (a bid or proposal), set forth the basic legal and policy requirements associated with this solicitation and tell how we will evaluate Offers.

**Part B OFFER RESPONSE FORMS:** Part B consists of the following sections:

- SECTION 4 OFFER TO STATE OF ILLINOIS
- SECTION 5 RESPONSIBILITY FORMS
- SECTION 6 RESPONSIVENESS
- SECTION 7 PRICE
- SECTION 8 CONTRACT

Your response to Part B will constitute your Offer to the State and will provide us with information about you, what you will provide, your ability to perform and your price. We will evaluate this information as well as compliance with the Instructions.

In this document the State of Illinois will be referred to as "State", "Agency", "we" or "us". The person submitting an Offer will be referred to as "Vendor", "Contractor" or "You". "We" is used appropriate to the context.

Please read the entire solicitation package and submit your Offer for evaluation in accordance with all instructions.

Public Act 95-971 contains registration requirements regarding bids and proposals submitted by vendors. You must read and comply with the requirements. See [www.purchase.state.il.us](http://www.purchase.state.il.us) for additional information.

**NON-DISCRIMINATION POLICY** *In compliance with the State and Federal Constitutions, the Illinois Human Rights Act, the U.S. Civil Rights Act, and Section 504 of the Federal Rehabilitation Act, the State of Illinois does not discriminate in employment, contracts, or any other activity.*

## SECTION 1 - INSTRUCTIONS, DATES, RESERVATIONS AND OTHER GENERAL INFORMATION

**1.1 PROJECT CONTACT:** If you have a question or suspect an error, you must immediately notify the Project Contact identified in this section. Do not discuss the solicitation or your Offer, directly or indirectly, with any State officer or employee other than the State Project Contact. Only written answers to questions shall be binding on the State.

Mr. Kevin S. Hovis  
General Counsel  
Governor's Office of Management and Budget  
James R. Thompson Center  
100 West Randolph Street, Suite 15-100  
Chicago, IL 60601  
[OMB.railsplitter-rfp@illinois.gov](mailto:OMB.railsplitter-rfp@illinois.gov)

Phone: (312) 814-0023  
Fax: (217) 524-4876

**1.2 VENDOR CONFERENCE / SITE VISIT:**  Yes  No

Mandatory Attendance:  Yes  No

Questions related to any aspect of or type of service contemplated within this RFP should be submitted by e-mail to [OMB.railsplitter-rfp@illinois.gov](mailto:OMB.railsplitter-rfp@illinois.gov) not later than 4:00 p.m. CDT on August 16, 2010. Please indicate "Railsplitter Bond Counsel RFP Question – Firm Name" in the subject line. GOMB will make every effort to post answers to questions (in a cumulative format) no later than August 18, 2010, on the Procurement Bulletin as well as the GOMB website at [www.state.il.us/budget](http://www.state.il.us/budget).

**1.3 OFFER DUE DATE, TIME AND SUBMISSION LOCATION:** Due Date: August 27, 2010 Time: 12:00 p.m. CDT

**DELIVER OFFERS TO:**

Mr. Kevin S. Hovis  
Governor's Office of Management and Budget  
603 Stratton Building  
401 S. Spring St.  
Springfield, IL 62706  
[OMB.railsplitter-rfp@illinois.gov](mailto:OMB.railsplitter-rfp@illinois.gov)

**LABEL OUTSIDE OF ENVELOPE / CONTAINER:**

Railsplitter Tobacco Settlement Authority – Bond Counsel # 22019946  
Due August 27, 2010, 12:00 p.m. CDT  
[Vendor Name & Address]

We will open Offers at the Due Date, Time and Delivery Location. Prior to the due date, you may mail or hand-deliver Offers, modifications, and withdrawals. We do not allow e-mail, fax, or other electronic submissions. We must physically receive submissions as specified; it is not sufficient to show you mailed or commenced delivery before the due date and time. We will not consider Offers, modifications or withdrawals submitted after the due date and time. All times are State of Illinois local times.

**1.4 NUMBER OF COPIES:** You must submit a signed original and 6 copies of the Offer in a sealed container. In addition, you must submit 2 copies on CD in .pdf or Microsoft Word format. You must submit separate CDs for technical and price with the price CD sealed in the pricing envelope; your price proposal may be submitted in Microsoft Excel if preferred. In addition, with the exception of the price proposal, you must submit one electronic version (in Adobe PDF format) via e-mail transmission to [OMB.railsplitter-rfp@illinois.gov](mailto:OMB.railsplitter-rfp@illinois.gov). If you are requesting confidential treatment, you must make that request in the form and manner specified elsewhere in this solicitation. A request for confidential treatment will not supersede GOMB's legal obligations under Illinois Freedom of Information Act (FOIA) (5 ILCS 140).

**In accordance with Public Act 95-971, if you are required to submit the State Board of Elections Registration Certificate and fail to do so, your bid / proposal will be disqualified.**

**1.5 BLANK**

**1.6 BLANK**

**1.7 PROTEST REVIEW OFFICE:**

Jerome S. Cephas  
Department of Central Management Services  
100 W. Randolph, Suite 4-500  
Chicago, IL 60601

Ph: (312) 814-8213  
Fax: (312) 814-0911

You may submit a written protest of our actions to the PROTEST REVIEW OFFICE following the requirements of the Standard Procurement Rules (44 Ill. Adm. Code 1.5550). We must physically receive the protest by noon of the seventh calendar day after you knew or should have known of the facts giving rise to the protest.

**1.8 SMALL BUSINESS SET-ASIDE:**  Yes  No. If "Yes" is marked, you must be certified by the Small Business Set-Aside Program at the time Offers are due in order for us to evaluate your Offer. For complete requirements and to certify your business in the Small Business Set-Aside Program, visit [http://www.sell2.illinois.gov/bep/Set\\_Aside.htm](http://www.sell2.illinois.gov/bep/Set_Aside.htm).

**1.9 MINORITY, FEMALE AND PERSONS WITH DISABILITY SUBCONTRACTING:**  Yes  No.

**1.10 PUBLIC CONTRACTS NUMBER:** (775 ILCS 5/2-105) If you do not have a Department of Human Rights' (DHR) Public Contracts Number or have not submitted a completed application to DHR for one before opening we may not be able to consider your Offer. Please contact DHR at 312-814-2431 or visit <http://www.state.il.us/dhr/index.htm> for forms and details.

**1.11 ILLINOIS PROCUREMENT BULLETIN (Bulletin), GOMB WEBSITE:** We publish procurement information (including updates) in the electronic Bulletin (<http://www.purchase.state.il.us>) and on the GOMB website ([www.state.il.us/budget](http://www.state.il.us/budget)). Procurement information may not be available in any other form or location. You are responsible for monitoring the Bulletin and the GOMB website; we cannot be held responsible if you fail to receive the optional e-mail notices.

**1.12 AWARD:** We will post a notice to the Bulletin identifying the apparent awardee(s). We may accept or reject your Offer as submitted, or may require contract negotiations. If negotiations do not result in an acceptable agreement, we may reject your Offer and begin negotiations with another Vendor. Protested awards are not final and are subject to resolution of the protest.

**1.13 PUBLIC RECORDS AND REQUESTS FOR CONFIDENTIAL TREATMENT:** Offers become the property of the State and these and late submissions will not be returned. Your Offer will be open to the public under the Illinois Freedom of Information Act (FOIA) (5 ILCS 140) and other applicable laws and rules, unless you request in your Offer that we treat certain information as exempt. A request for confidential treatment will not supersede the State's legal obligations under Illinois Freedom of Information Act (FOIA) (5 ILCS 140). We will not honor requests to exempt entire Offers. You must show the specific grounds in FOIA or other law or rule that support exempt treatment. Regardless, we will disclose the successful Vendor's name, the substance of the Offer, and the price. If you request exempt treatment, you must submit an additional copy of the Offer with exempt information deleted. This copy must tell the general nature of the material removed and shall retain as much of the Offer as possible. You will be responsible for any costs or damages associated with our defending your request for exempt treatment. You agree the State may copy the Offer to facilitate evaluation, or to respond to requests for public records. You warrant that such copying will not violate the rights of any third party.

**1.14 RESERVATIONS:** You must read and understand the solicitation and tailor your Offer and activities to ensure compliance. We reserve the right to amend the solicitation; reject any or all Offers; to award by item, group of items, or grand total; and to waive minor defects. We may request a clarification; inspect your premises; interview staff; request a presentation; or otherwise verify the contents of the Offer, including information about subcontractors and suppliers. We may request Best & Final Offers when appropriate. We will make all decisions on compliance, evaluation, terms and conditions, and shall make decisions solely in the best interests of the State. This competitive process requires that you provide additional information and otherwise cooperate with us. If you do not comply with requests for information and cooperate, we may reject your Offer. You have no right to an award by submitting an Offer, nor do you have the right to a contract based on our posting your name in a Bulletin notice. We are not responsible for and will not pay any costs associated with the preparation and submission of your Offer. If you are the awardee, you shall not commence, and will not be paid for any billable work prior to the date all parties execute the contract, unless approved in writing in advance by the State Purchasing Officer or the Chief Procurement Officer (or the CPO's designee).

**1.15 GOVERNING LAW AND FORUM:** Illinois law and rule govern this solicitation and any resulting contract. You must bring any action relating to this solicitation or any resulting contract in the appropriate court in Illinois. We do not allow binding arbitration. This document contains statutory references designated with "ILCS". You may view the full text at <http://www.ilga.gov/legislation/ilcs/ilcs.asp>. The Illinois Procurement Code (30 ILCS 500) and the Standard Procurement Rules (44 Ill. Adm. Code 1) are applicable to this solicitation and may be viewed by users registered for the Illinois Procurement Bulletin at <http://www.purchase.state.il.us>.

**1.16 EMPLOYMENT TAX CREDIT:** Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. Please contact the Illinois Dept. of Revenue (312-814-3215) for information about tax credits. If you receive this tax credit you must report to the Dept. of Central Management Services the number of individuals hired for whom you received tax credits. You must submit this information by August 31 of each year covering the previous 12 months (July–June) (PA 94-1067; 30 ILCS 500/45-67 and 45-70).

## SECTION 2 - HOW WE WILL EVALUATE OFFERS

**2.1 OFFER RESPONSE FORMS:** We will evaluate the information you provide in the Offer Response Forms. You will find these forms in later sections of this solicitation.

**2.2 EVALUATION CATEGORIES:** We evaluate three categories of information: Administrative Compliance, Responsibility, and Responsiveness. We will consider the information you supply or don't supply, and the quality of that information when evaluating your Offer. If we find a failure or deficiency, we may have to reject the Offer or reflect that in the evaluation.

**2.2.1 ADMINISTRATIVE COMPLIANCE:** We will determine whether your Offer complied with the Instructions for submitting Offers. Except for late submissions, we may require that a Vendor correct deficiencies as a condition of further evaluation.

**2.2.2 RESPONSIBILITY:** We will determine whether you are a "Responsible" Vendor; a Vendor with whom we can or should do business.

- i. A "Responsible" vendor must exist as a legal entity and must be authorized to do business in Illinois at the time a bid or proposal is submitted for a State contract. Evidence of good standing can include Certificate of Good Standing, copy of assumed name certificate from home county, etc.
- ii. Public Law 96-0795 provides that a "prohibited bidder" includes a person assisting the State of Illinois or a State agency in determining whether there is a need for contract unless such information was part of a response to a publicly issued request for information (RFI). Additionally, one assisting the State by reviewing, drafting or preparing a request for proposals or request for information or provided similar assistance is deemed a prohibited bidder. See certifications section of the Contract for the required certifications prior to entering into a contract with the State of Illinois.
- iii. Other factors that we may evaluate to determine Responsibility include, but are not limited to: certifications, conflict of interest, financial disclosures, taxpayer identification number, past performance, references (including those found outside the Offer,) compliance with applicable laws, financial stability and the perceived ability to perform completely as specified. Every bid submitted to and contract executed by the State and every subcontract subject to Section 20-120 of the Procurement Code shall contain a certification by the bidder, contractor, or subcontractor, respectively, that the bidder, contractor, or subcontractor is not barred from being awarded a contract or subcontract under this Section and acknowledges that the chief procurement officer shall declare the related contract void if any of the certifications are false.

You must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the contract and must provide proof upon request. The State may terminate the Contract, consistent with the termination for cause provision of this Contract, if the Vendor lacks the financial resources to perform under the Contract. We may require that a Vendor correct any deficiencies as a condition of further evaluation.

**2.2.3 RESPONSIVENESS:** We will determine whether the Offer meets the stated requirements. Minor differences or deviations that have negligible impact on the price or suitability of the supply or service to meet the State's needs may be accepted or corrections allowed. If no administratively compliant and responsible Vendor meets a particular requirement, we may waive that requirement.

**2.3 AWARD:** Subject to Section 2.3.1 below, we will award to the Responsible Vendor(s) whose Offers pass Administrative review, are Responsive and are considered the best of those submitted (without consideration of price) and with whom we are able to negotiate a fair and reasonable price. Pursuant to Section 2.3.1 below, GOMB reserves the right to award to one or more Vendors.

We will determine how well Offers meet the Responsiveness requirements. We will rank Offers, without consideration of Price, from best to least qualified using a point ranking system (unless otherwise specified) as an aid in conducting the evaluation. Vendors who receive fewer than the minimum required points will not be considered for award.

We will attempt to negotiate a fair and reasonable Price with the Vendor with the best Offer. If we can not negotiate a fair and reasonable price, we reserve the right to award and negotiate with the next highest ranked Vendor. We will determine whether the price is fair and reasonable by considering the Offer, including the Vendor's qualifications, the Vendor's reputation, all prices submitted, other known prices, the project budget and other relevant factors.

The point evaluation system is described below:

2.3.1 The elements of Responsiveness that we will evaluate, their relative weights in point format and the standards that will ultimately determine the Vendors awarded each role are listed below.

**Bond Counsel:** Please provide the following information:

- (50 points) List all members of your firm that will support this financing with brief biographical background indicating experience in tobacco securitizations and securitizations in general. Please indicate the role the team member played in these transactions and will play in the proposed transaction.
- (50 points) Please describe your firm's experience in tobacco securitizations and securitizations in general. Please provide a list of each type of financing that your firm has participated in and the role it played in each financing.
- (75 points) It is the intent of Railsplitter to issue these bonds as exempt from federal taxation. The State of Illinois intends on using the funds received in the lump sum payment for general revenue expenditures. Please discuss, in detail, your understanding of the rules and regulations issued by the IRS that govern the financing as described herein. Please describe how your firm will work with the State over the life of the transaction to ensure its continuing tax-exempt status.

IF A FAIR AND REASONABLE PRICE CAN BE NEGOTIATED, THE FIRM WITH THE HIGHEST SCORE WILL BE AWARDED THE ROLE OF BOND COUNSEL AND THE MBE/WBE FIRM WITH THE HIGHEST SCORE WILL BE AWARDED THE ROLE OF CO-BOND COUNSEL. (NOTE: SHOULD AN MBE/WBE FIRM RECEIVE THE HIGHEST SCORE, IT WILL BE AWARDED THE ROLE OF BOND COUNSEL AND THE FIRM WITH THE SECOND-HIGHEST SCORE WILL BE AWARDED THE ROLE OF CO-BOND COUNSEL).

## SECTION 3 - SPECIFICATIONS / QUALIFICATIONS / STATEMENT OF WORK

### 3.1 AGENCY'S NEED FOR SUPPLIES / SERVICES

GOMB is seeking bids for services related to the securitization of cash flows received by Railsplitter under its purchase agreement with the State of Illinois of the State's settlement payments under the Master Settlement Agreement.

### 3.2 SUPPLIES AND/OR SERVICES REQUIRED

GOMB, on behalf of Railsplitter, is seeking bids for bond counsel services related to the securitization of cash flows received by Railsplitter under its purchase agreement with the State of Illinois of the State's settlement payments under the Master Settlement Agreement:

### 3.3 BLANK

### 3.4 REPORTING, STATUS AND MONITORING

3.4.1 At the State's option the Parties will work together to monitor performance during the contract and any warranty term. This may include use of a performance scorecard with conditions, milestones, requirements, or timetables that must be met before additional steps may be taken, or payment is due. The scorecard may also record matters related to price, service, quality and other factors deemed important.

3.4.2 Vendor shall cooperate with the State in this monitoring activity, which may require that Vendor report progress and problems (with proposed resolutions), provide records of its performance, allow random inspections of its facilities, participate in scheduled meetings and provide management reports as requested by the State.

### 3.5 VENDOR AND STAFF REQUIREMENTS

3.5.1 BLANK

3.5.2 Subcontractor Disclosure. Will you be using any subcontractors?  Yes  No

If yes, you must identify in Section 7.7 the names and addresses of all subcontractors you will be using in the performance of this Contract, together with the anticipated amount of money that each subcontractor is expected to receive pursuant to this Contract. Subcontractors" are those specifically hired to provide to the Vendor or another subcontractor some or all of the goods, services, property, remuneration, or other forms of consideration that are the subject of this Contract, including sub-lessees from a lessee of a State agency. We may request updated information at any time.

### 3.6 WHERE SERVICES ARE TO BE PERFORMED

Services will be performed at the direction and at locations to be determined by GOMB.

### 3.7 OTHER SPECIFICATIONS

3.7.1 BLANK

3.7.2 As required by Illinois Public Act 95-307, all information technology, including electronic information, software, systems, and equipment, developed or provided under this contract must comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as posted at <http://www.dhs.state.il.us/iitaa>.

### 3.8 TERM OF CONTRACT

GOMB anticipates that all services will be completed by June 30, 2011.

### 3.9 RENEWAL

The State reserves the right to renew this contract through any combination of full or partial-year renewals; however, the contract may not be extended for more than a total of two years following the end of the initial contract term. The renewal shall be subject to the same terms and conditions as the original Contract unless otherwise stated below. However, the Contract may not renew automatically, nor may the Contract renew solely at the Vendor's option.

End of Instructions

## SECTION 4 - OFFER TO STATE OF ILLINOIS

Railsplitter Tobacco Settlement Authority – Bond Counsel / # 22019946

The undersigned authorized representative of the identified Vendor does hereby submit this Offer to perform in full compliance with the subject solicitation. By completing and signing this Form, we are making an Offer to the State of Illinois that the State may accept. We are also certifying to compliance with the various requirements of the solicitation and the documents contained in the solicitation.

Offeror hereby certifies that no person or entity representing their offer has retained a person or entity to attempt to influence the outcome of a procurement decision made under the Illinois Procurement Code for compensation contingent in whole or in part upon the decision or procurement. Any person who violates this subsection is guilty a business offense and shall be fined.

We have marked each blank below as appropriate and have used N/A when a section is not applicable to this solicitation. We understand that failure to meet all requirements is cause for disqualification.

### We have:

Reviewed the Offer Form, including all referenced documents as well as the solicitation Instructions, filled in all relevant blanks, provided any requested information, and

Signed on the space(s) provided.

### Acknowledgment of Amendments

We acknowledge receipt of any and all amendments to the solicitation and have taken those into account in making this Offer.

**Offer Response Forms:** Accompanying and as part of this Offer you will find:

### For all Offers

Bid Security, if required

Designated number of copies

Electronic copies, if required. For RFP's include separate disks for technical and pricing, with pricing disk sealed in pricing envelope.

Completed Responsibility Forms packet

Business and Directory Information

Disclosures and Conflicts of Interest

Completed and Signed Taxpayer Identification Number form

Completed Minority, Female and Person with Disability Status and Subcontracting form, if required

References, if required

Political Contributions

**We have made the certification required by Public Act 95-971 and attached the State Board of Elections certificate of registration, if required.**

### For RFPs

Response to Statement of Work/Specifications/Qualifications and Price sections completed and submitted in separate sealed envelopes in the Offer package.

**Exceptions:** In preparing the Offer we have taken (check one)

No Exceptions

Exceptions to the State's language or requirements in the following sections of the Offer:

Contract

Responsibility forms

Details of the exceptions are shown (check one)

in the text of each section of the Offer

on a separate labeled attachment

**Domestic Products (check one)**

- We are not making a claim for preference under the Procurement of Domestic Products Act (30 ILCS 517).
- We are making a claim for preference under the Procurement of Domestic Products Act (30 ILCS 517). After reading the Act we certify we are eligible and that the following product or products bid or proposed in response to this solicitation meet the requirements of the Act. Check and complete as applicable:
  - All products
  - The following individual products (show line item if applicable)

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**Request for Confidential Treatment (check one)**

- We are not requesting confidential treatment for this Offer.
- We are seeking confidential treatment for portions of this Offer. We have supplied, as an attachment to this Offer, a listing of the provisions identified by section number for which we seek confidential treatment along with the statutory basis under Illinois law for exempting that information from public disclosure. We are including a detailed justification to support the statutory basis under Illinois law for exempting that information from public disclosure. **We have supplied an additional copy of the Offer with confidential information deleted.** In the event the designation of confidentiality of this information is challenged, the undersigned hereby agrees to provide legal counsel or other necessary assistance to defend the designation of confidentiality and agrees to hold the State harmless for any costs or damages arising out of the State agreeing to withhold the materials based on Vendor's request.

**Protests and Negotiations**

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

**Vendor Contact Person:** The contact person for purposes of responding to any questions the State may have is:

Printed Name \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

\_\_\_\_\_  
(Vendor name and DBA)

\_\_\_\_\_  
(Signature of party authorized to bind the named Vendor)

Printed Name \_\_\_\_\_ Title \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_

E-mail \_\_\_\_\_

## SECTION 5 - RESPONSIBILITY FORMS

We have identified various information we need in order to determine if you are eligible to contract with the State and can be considered a "Responsible" Vendor.

You will need to:

Review each of the Responsibility forms, fill in all relevant blanks and provide any requested information.

Business and Directory Information

Disclosures and Conflicts of Interest

Minority, Female, Person with Disability Status and Subcontracting

Political Contributions

Complete and sign the:

Taxpayer Identification Form

Attach references, if required

You must include all of this as part of your Offer or risk disqualification.

## Business and Directory Information

- (a) Name of Business (Official Name and D/B/A)
- (b) Business Headquarters (include Address, Telephone and Facsimile)
- (c) If a Division or Subsidiary of another organization provide the name and address of the parent
- (d) Billing Address
- (e) Name of Chief Executive Officer
- (f) Customer Contact (include Name, Title, Address, Telephone, Toll-Free Number, Facsimile and E-mail)
- (g) Company Web Site
- (h) Type of Organization (i.e., Sole Proprietor, Corporation, Partnership, etc. -- should be the same as on the Taxpayer ID form below)
- (i) Length of Time in Business
- (j) Annual Sales (for most recently completed Fiscal Year)
- (k) Number of Full-Time Employees (average from most recent Fiscal Year)
- (l) Type of and description of business
- (m) State of incorporation, state of formation or state of organization
- (n) Identify and specify the location(s) and telephone numbers of the major offices and other facilities that relate to the Vendor's performance under the terms of this solicitation.
- (o) Department of Human Rights (DHR) Public Contract Number  
If Vendor has employed fifteen (15) or more full-time employees at any time during the 365-day period immediately preceding the publication of this solicitation in the Illinois Procurement Bulletin (or issuance date if not published), then Vendor must have a current Public Contract Number or have proof of having submitted a completed application for one prior to the Solicitation opening date. (44 Ill. Adm. Code 750.210(a)) For application information call the DHR Public Contracts unit at (312) 814-2431.

Show # \_\_\_\_\_ or attach proof of application.

## DISCLOSURES AND CONFLICTS OF INTEREST

**Instructions:** Vendor shall disclose financial interests, potential conflicts of interest and contract information identified in Sections 1, 2 and 3 below as a condition of receiving an award or contract (30 ILCS 500/50-13 and 50-35). Failure to fully disclose shall render the contract, bid, proposal, subcontract, or relationship voidable by the chief procurement officer if s/he deems it in the best interest of the State of Illinois and may be cause for barring from future contracts, bids, proposals, subcontracts, or relationships with the State.

- There are five sections to this form and each must be completed to meet full disclosure requirements.
- Note: The requested disclosures are a continuing obligation and must be promptly supplemented for accuracy throughout the process and throughout the term of the resultant contract if the bid/offer is awarded. As required by 30 ILCS 500/50-2, for multi-year contracts Vendors must submit these disclosures on an annual basis.

A publicly traded entity may submit its 10K disclosure in satisfaction of the disclosure requirements set forth in Section 1 below. HOWEVER, if a Vendor submits a 10K, they must still must complete Sections 2, 3, 4 and 5 and submit the disclosure form.

If the Vendor is a wholly owned subsidiary of a parent organization, separate disclosures must be made by the Vendor and the parent. For purposes of this form, a parent organization is any entity that owns 100% of the Vendor.

This disclosure information is submitted on behalf of (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: \_\_\_\_\_

### Section 1: Section 50-35 Disclosure of Financial Interest in the Vendor. *(All Vendors must complete this section)*

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

- a. If Vendor is a Publicly traded corporation subject to SEC reporting requirements
- i. Vendor shall 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. The SEC 20f or 40f, supplemented with the names of those owning in excess of 5% and up to the ownership percentages disclosed in those submissions, may be accepted as being substantially equivalent to 10K.

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

OR

- b. If Vendor is a privately held corporation with more than 400 shareholders
- i. 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 Illinois Procurement Code.

OR

- c. If Vendor is an individual, sole proprietorship, partnership or any other not qualified to use subsections (A) or (B), complete (i) and (ii) below as appropriate.
- i. 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. Use a separate form for each individual.

1. Do you have an ownership share of greater than 5% of the offering entity or parent entity?

Yes  No

2. Do you have an ownership share of less than 5%, but which has a value greater than \$106,447.20?

Yes  No

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

6. If you responded yes to any of the questions 1-4 above, please check the appropriate type of ownership/distributable income share:

Sole Proprietorship  Stock  Partnership  Other (explain) \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

ii. In relation to individuals identified above, indicate whether any of the following potential conflict of interest relationships apply. If "Yes," please describe each situation (label with appropriate letter) using the space at the end of this Section (attach additional pages as necessary). If no individual has been identified above, mark not applicable (N/A) here \_\_\_\_\_.

- (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. 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 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
- (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

**Section 2: Section 50-13 Conflicts of Interest** *(All Vendors must complete this section)*

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

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

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

Check One:            No 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 3: Debarment/Legal Proceeding Disclosure** *(All Vendors must complete this section)*

Each of the persons identified in Sections 1, 2 and 3 must each identify any of the following that occurred within the previous 10 years:

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

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

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**Section 4: Disclosure of Business Operations with Iran** *(All Vendors must complete this section)*

In accordance with 30 ILCS 500/50-36, each bid, offer, or proposal submitted for a State contract, other than a small purchase defined in Section 20-20 [of the Illinois Procurement Code], shall include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

- i. more than 10% of the company's revenues produced in or assets located in Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral – extraction products or services to the Government of Iran or a project or consortium created exclusively by that Government; and the company has failed to take substantial action;  
or
- ii. the company has, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12- month period that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

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

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

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

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

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**Section 5: Current and Pending Contracts** *(All Vendors must complete this section).*

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

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

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**Section 6: Representative Lobbyist/Other Agent** *(All Vendors must complete this section).*

Is the Vendor represented by or employing a lobbyist required to register under the Lobbyist Registration Act or other agent who is not identified under Sections 1 and 2 and who has communicated, is communicating, or may communicate with any State officer or employee concerning the bid, offer or contract? Yes  No

If yes, please identify each agent / lobbyist, including name and address.

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Costs/Fees/Compensation/Reimbursements related to assistance to obtain contract (describe):

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Vendor certifies that none of these costs will be billed to the State in the event of contract award. Vendor must file this information with the Secretary of State.

**This Disclosure is signed and made under penalty of perjury pursuant to Sections 500/50-13 and 500/50-35(a) of the Illinois Procurement Code.**

This Disclosure information is submitted on behalf of: \_\_\_\_\_  
(Vendor/Subcontractor Name)

Name of Authorized Representative: \_\_\_\_\_  
Title of Authorized Representative: \_\_\_\_\_  
Signature of Authorized Representative: \_\_\_\_\_  
Date: \_\_\_\_\_

**Minority, Female, Person with Disability Status and Subcontracting**

The Business Enterprise Program Act for Minorities, Females and Persons with Disabilities (BEP) (30 ILCS 575) 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

**A business owned and controlled by females shall select and designate only one category above if the females are also minorities.**

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.

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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).
  - *If you are an individual, enter your name and SSN as it appears on your Social Security Card.*
  - *If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.*
  - *If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the d/b/a on the business name line and enter the owner's SSN or EIN.*
  - *If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).*
  - *For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.*

Name: \_\_\_\_\_

Business Name: \_\_\_\_\_

Taxpayer Identification Number:

Social Security Number \_\_\_\_\_

or

Employer Identification Number \_\_\_\_\_

Legal Status (check one):

- |  |   |
|--|---|
| <input type="checkbox"/> Individual  | <input type="checkbox"/> Governmental   |
| <input type="checkbox"/> Sole Proprietor   | <input type="checkbox"/> Nonresident alien  |
| <input type="checkbox"/> Partnership   | <input type="checkbox"/> Estate or trust  |
| <input type="checkbox"/> Legal Services Corporation  | <input type="checkbox"/> Pharmacy (Non-Corp.)   |
| <input type="checkbox"/> Tax-exempt  | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery (Corp.)                           |
| <input type="checkbox"/> Corporation providing or billing<br>medical and/or health care services     | <input type="checkbox"/> Limited Liability Company (select applicable tax classification) |
| <input type="checkbox"/> Corporation NOT providing or billing<br>medical and/or health care services | <input type="checkbox"/> D = disregarded entity   |
|  | <input type="checkbox"/> C = corporation  |
|  | <input type="checkbox"/> P = partnership  |

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## SECTION 6 - RESPONSIVENESS

For this solicitation, you will need to respond to each of the points identified in Section 3 of the Solicitation. You must follow any format shown or referenced below. If none, you may respond freeform provided you address all the points, numbering each point as found in Section 3 and addressing them in the order they appear.

**Bond Counsel:** Please provide the following information:

- (50 points) List all members of your firm that will support this financing with brief biographical background indicating experience in tobacco securitizations and securitizations in general. Please indicate the role the team member played in these transactions and will play in the proposed transaction.
- (50 points) Please describe your firm's experience in tobacco securitizations and securitizations in general. Please provide a list of each type of financing that your firm has participated in and the role it played in each financing.
- (75 points) It is the intent of Railsplitter to issue these bonds as exempt from federal taxation. The State of Illinois intends on using the funds received in the lump sum payment for general revenue expenditures. Please discuss, in detail, your understanding of the rules and regulations issued by the IRS that govern the financing as described herein. Please describe how your firm will work with the State over the life of the transaction to ensure its continuing tax-exempt status.

**SECTION 7 - PRICE**

**7.0 PRICE SUBMISSION:** The Price Proposal must be submitted in a separate, sealed envelope or container in the Offer container. The Vendor will provide its Price Proposal in accordance with the specifications provided below for the services specified in this document. Required pricing details are shown below:

**7.1 METHOD AND RATE OF COMPENSATION:** Please provide estimates of all of the fees you anticipate charging for the services included in this RFP, including all expenses, in accordance with the format below.

Hourly Rate: \$ \_\_\_\_\_ per hour (blended hourly rate)  
Total Maximum Cost: \$ \_\_\_\_\_

**7.7 SUBCONTRACTORS:** Will you be using any subcontractors?  Yes  No

If yes, you must identify below the names and addresses of all subcontractors you will be entering into a contractual agreement with a total value of \$25,000 or more in the performance of this Contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money to the extent the information is known that each subcontractor is expected to receive pursuant to the Contract. For purposes of this section, subcontractors are those specifically hired to provide to the Vendor some or all of the goods, services, property, remuneration, or other forms of consideration that are the subject of this Contract, including sub-lessees from a lessee of a State agency. A copy of each subcontract issued pursuant to the Contract shall be provided to the State Purchasing Officer or Chief Procurement Officer within 20 days after the execution of the Contract or after execution of the subcontract, whichever is later. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor will be required to promptly notify, by written amendment to the Contract, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract. Any subcontracts entered into prior to award of the Contract are done at the Vendor's and subcontractor's risk.

Subcontractor Name \_\_\_\_\_ Amount to be paid \_\_\_\_\_  
Address \_\_\_\_\_ Description of work \_\_\_\_\_

Subcontractor Name \_\_\_\_\_ Amount to be paid \_\_\_\_\_  
Address \_\_\_\_\_ Description of work \_\_\_\_\_

All subcontracts must include the **Subcontractor Standard Certifications** and the **Disclosures and Conflicts of Interest**, completed and signed by the subcontractor.

**SECTION 8 - CONTRACT**

We expect to contract based on the terms and conditions as set forth in the attached State of Illinois Contract. If you are unable to accept one or more parts of the Contract, identify any exception that you want us to consider. You may show these changes on the Contract form itself by striking over language you find problematic, and underlining alternate language or by listing the sections and showing the alternate language on a separate page. You must provide these exception requests and alternate language with your Offer. Please note that most contract provisions are required by law or important policy and we have very limited ability to consider and accept changes you might propose. Any proposed changes may be considered in the evaluation.

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STATE OF ILLINOIS  
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CONTRACTUAL AGREEMENT

**THIS AGREEMENT**, entered into by and between [VENDOR], [ADDRESS], [CITY], [STATE] [ZIP CODE] (the "Contractor"), and the Governor's Office of Management and Budget ("GOMB").

**WHEREAS**, in August 2010, GOMB conducted a competitive Request for Proposal process, in accordance with the Illinois Procurement Code, for services related to the securitization of cash flows received by Railsplitter under its purchase agreement with the State of Illinois of the State's settlement payments under the Master Settlement Agreement;

**WHEREAS**, the Contractor was selected among several firms to provide legal services on the basis of its overall ability to perform such services and taking into consideration total cost to the State;

**WITNESSETH**, that GOMB does hereby agree to retain the Contractor and the Contractor hereby accepts such retention upon the terms and conditions hereinafter provided.

**ARTICLE 1, TERM:** Subject to the provisions for termination as hereinafter provided, this Agreement shall become effective on \_\_\_\_\_ and shall terminate on June 30, 2011.

**ARTICLE 2, DUTIES:** The Contractor shall provide legal services related to the Railsplitter Tobacco Settlement Authority's acquisition of 100% of the Tobacco Settlement Revenues (as defined in Public Act 96-958), as defined in that certain Request for Proposals issued by GOMB for such services in August 2010, at the direction of GOMB.

**ARTICLE 3, COMPENSATION:** The Contractor shall be compensated for Services as set forth in Appendix A, the terms of which are incorporated herein this Agreement, based on the total principal amount of each Series of Bonds or Certificates issued during the term hereof this Agreement. Notwithstanding any provision to the contrary, the Contractor's total compensation for Services shall not exceed \$ \_\_\_\_\_.

**ARTICLE 4, TERMINATION/EXTENSION:** Either party may terminate this Agreement at any time upon five (5) calendar day's written notice to the other party. Upon termination, the Contractor shall be paid for work satisfactorily completed prior to the date of termination. The term of this Agreement may be extended for a similar or lesser term if agreed to upon in writing and signed by both parties. Any such extension shall be attached to this Agreement and made a part hereof as though it were incorporated and included herein.

**ARTICLE 5, BILLING:** Contractor shall submit invoices for services performed with the form, detail and frequency determined by GOMB.

- a. Each invoice shall be itemized, listing the services performed.
- b. The amount shown for costs on all invoices shall be in accordance with the rates described in the "Compensation" provisions hereof.
- c. All such invoices shall also contain a statement which reads substantially as follows: The Contractor hereby certifies that the services supplied and expenses incurred as stated in the attached invoice have met all of the required standards set forth in the Agreement for Services.
- d. All such invoices shall be signed by the Contractor's authorized representative and shall include the Contractor's tax identification number as set forth in Article 20 hereof this Agreement.
- e. All invoices for services performed and expenses incurred by the Contractor prior to July 1<sup>st</sup> of each contract year must be presented to GOMB no later than the following August 1<sup>st</sup> in order to ensure prompt payment under this Agreement.
- f. Notwithstanding any other provision of this Agreement, GOMB shall not be obligated to make payment to the Contractor on invoices presented after August 1<sup>st</sup> following the end of a contract year. Contractor's failure to present such invoices prior to the above date may compel Contractor to seek payment of such invoices through the Illinois Court of Claims and the Illinois General Assembly (30 ILCS 105/25).

**ARTICLE 6, PAYMENT:** GOMB will use its best efforts to secure payment for Services within sixty (60) days after its receipt of an invoice as set forth above. Any prior partial payment shall be netted from the sum of the payment described herein.

- a. Final payment shall be made upon GOMB's determination that all requirements hereunder have been met, which determination shall not be unreasonably withheld. Such final payment will be made subject to adjustment after completion of an audit of Contractor's records as provided for in this Agreement. GOMB may waive audit at its option.

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- b. All recordkeeping shall be in accordance with sound accounting standards.

**ARTICLE 7, PROGRESS REPORTS:** The Contractor shall keep GOMB fully informed as to the progress of all matters covered by this Agreement. The Contractor shall promptly furnish GOMB with copies of all documents prepared in connection with the services rendered under this Agreement.

**ARTICLE 8, SUBCONTRACTING:** Subcontracting, assignment, or transfer of any part of the interest of Contractor in the Services is prohibited without prior consent of GOMB.

- a. In the event GOMB gives such consent, the terms and conditions of this Agreement shall apply to and bind the party or parties to whom such work is subcontracted, assigned, or transferred as fully and completely as the Contractor is hereby bound and obligated.
- b. The names and addresses of all subcontractors utilized by the Contractor with GOMB consent shall be listed in an amendment to this Agreement together with the anticipated amount of compensation which the subcontractor is expected to receive pursuant to this Agreement (30 ILCS 500/35-40).
- c. The Contractor shall not employ any person or persons employed by GOMB at any time during the term of this Agreement for any work required by the terms of this Agreement.

**ARTICLE 9, WORK PRODUCT:** All documents, data and records produced by the Contractor in carrying out its obligations and providing Services hereunder, without limitation and whether preliminary or final, shall become and remain the property of GOMB.

- a. GOMB shall have the right to use all such documents, data and records without restriction, limitation or compensation to the Contractor and the Contractor shall have no right or interest therein.
- b. Upon completion of the Services or upon termination hereof, all such documents, data and records shall, at GOMB's option be appropriately arranged, indexed and delivered to it by the Contractor.
- c. Any documents, data and records given to or prepared by the Contractor under this Agreement shall not be made available to any outside person or entity by the Contractor without GOMB's prior written approval. Any confidential and proprietary, non-public information secured from GOMB by the Contractor in connection with providing the Services shall be kept confidential unless disclosure of such information is previously approved in writing by GOMB or is otherwise required by law.

**ARTICLE 10, INABILITY TO PERFORM:** The Contractor agrees that if, because of death or any other occurrence beyond Contractor's control, it becomes impossible for any principal of the Contractor to render the Services, neither Contractor nor any surviving principals shall be relieved of the obligation to complete performance thereunder. However, in such an occurrence, GOMB, at its own option, may immediately terminate the Agreement upon written notice to the Contractor.

**ARTICLE 11, EMPLOYMENT STATUS:**

- a. Services rendered pursuant to this Agreement are not rendered as an employee of the State and amounts paid pursuant hereto do not constitute compensation paid to an employee.
- b. GOMB assumes no liability for actions of the Contractor under this Agreement and this Agreement is not subject to the State Indemnification Act (5 ILCS 350/1, *et seq.*).

**ARTICLE 12, AVAILABILITY OF APPROPRIATIONS (30 ILCS 500/20-60):** GOMB's obligations hereunder shall cease immediately, without further payment being required, in any year for which the General Assembly of the State or other legally applicable funding source fails to make an appropriation sufficient to pay such obligation. GOMB shall give the Contractor notice of such termination for funding as soon as practicable after GOMB becomes aware of the failure of funding.

**ARTICLE 13, LIABILITY:** GOMB does not assume any liability for acts or omissions of the Contractor and such liability rests solely with the Contractor in accordance with applicable law.

**ARTICLE 14, BREACH:** GOMB may terminate this Agreement without penalty and shall have recourse to all relief available under applicable law in the event of any material breach hereof by Contractor. Failure to declare a breach on one occasion does not act as a waiver to declare a breach on another occasion.

**ARTICLE 15, RIGHT TO AUDIT:** The Contractor agrees that GOMB and its representatives shall have the right to examine any Contractor records which directly relate to this Agreement (30 ILCS 500/20-65).

**ARTICLE 16, CONFLICT OF INTEREST:** The Contractor agrees to comply with the provisions of the Illinois Procurement Code prohibiting conflicts of interest (30 ILCS 500/50-13 and 50-35) and the terms, conditions and provisions of such Sections shall apply hereto

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and are made a part hereof this Agreement as though they were incorporated and included herein. If any State officer or employee has a prohibited interest, this Agreement may be cancelled without charge or penalty to GOMB or the State.

**ARTICLE 17, LEGAL ABILITY TO CONTRACT:** The Contractor certifies that it is under no legal prohibition on contracting with GOMB or the State, has no known conflicts of interest and further specifically certifies that:

- a) The Contractor will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. 12101, *et seq.*) and applicable rules in performance under this Agreement.
- b) Neither the Contractor nor any of its principals is in default on an educational loan (5 ILCS 385/3).
- c) The Contractor has informed the GOMB Director in writing if any of its employees was formerly employed by GOMB and received an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the "contractual services" or other appropriation line items. No principal of Contractor received an early retirement incentive in or after 2002 under Section 14-108.3 or 16-133.3 of the Pension Code, and Contractor acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the "contractual services" or other appropriation line items (30 ILCS 105/15a).
- d) The Contractor has not been convicted of bribing or attempting to bribe an officer or employee of the State or any other governmental unit, nor has the Contractor or any of its principals made an admission on the record of having so bribed or attempted to bribe (30 ILCS 500/50-5).
- e) If the Contractor has been convicted of a felony, at least 5 years have passed since completion of the sentence therefor, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business (30 ILCS 500/50-10).
- f) The Contractor is not barred from being awarded a contract because the Contractor is delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and the Contractor acknowledges that GOMB may declare the Agreement void if this certification is false (30 ILCS 500/50-11) or if the Contractor later becomes delinquent and has not entered into a deferred payment plan to pay off the debt. (30 ILCS 500/50-60).
- g) The Contractor shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State in accordance with provisions of the Illinois Use Tax Act and acknowledges that failure to comply can result in the contract being declared void (30 ILCS 500/50-12).
- h) The Contractor has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has the Contractor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract (30 ILCS 500/50-25).
- i) The Contractor is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).
- j) The Contractor will report to the Illinois Attorney General and GOMB's Chief Procurement Officer any suspected collusion or other anticompetitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, /50-45, /50-50).
- k) The Contractor will, pursuant to the Drug Free Workplace Act, provide a drug free workplace, and shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the performance of the Agreement. This certification applies to: all contracts of \$5,000 or more with individuals; and, to entities with 25 or more employees (30 ILCS 580).
- l) The Contractor is not participating and shall not participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce. This certification applies to all contracts exceeding \$10,000 (30 ILCS 582).
- m) The Contractor has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33E-3, 5/33E-4).
- n) The Contractor complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
- o) The Contractor does not pay dues to, or reimburse or subsidize payments by its employees for, any dues or fees to any "discriminatory club" (775 ILCS 25/2).
- p) The Contractor complies with the State of Illinois Prohibition of Goods from Forced Labor Act and acknowledges that no foreign-made equipment, materials, or supplies furnished under the Agreement may be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (PA 93-0307).

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- q) The Contractor certifies that none of its officers, directors, partners or other managerial agents has been convicted of a felony under the Sarbanes-Oxley Act of 2003 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 for a period of 5 years prior to the date of its bid or this Agreement. The Contractor acknowledges that GOMB shall declare the Agreement void if this certification is false (30 ILCS 500/50-10.5).
- r) The Contractor certifies that it has not committed a willful or knowing violation of the Environmental Protection Act (relating to Civil Penalties under the Environmental Protection Act) within the last five (5) years, and is therefore not barred from being awarded a contract by the State. If GOMB later determines that this certification was falsely made by the Contractor, the Contractor acknowledges that GOMB may declare the contract void. (30 ILCS 500/50-14).
- s) The Contractor certifies that no foreign-made equipment, materials, or supplies furnished to the State hereunder was produced in whole or part by the labor of any child under the age of 12 (PA 94-0264).
- t) The Contractor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code, which states: "Owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act are prohibited from doing business with the State of Illinois or any State agency until the violation is mitigated" (410 ILCS 45).
- u) The Contractor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits contractors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.
- v) The Contractor certifies that it has read, understands, and is in compliance with Public Act 95-971 and will not make or solicit a contribution that will violate the Act. In general, Public Act 95-971 contains new registration and reporting requirements for certain vendors, as well as limitations on political contributions by certain vendors and their affiliates. These requirements shall be effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

The Contractor further certifies, in accordance with Public Act 95-971, that either (check the following that applies):

The Contractor is not required to register as a business entity with the State Board of Elections.

or

The Contractor has registered as a business entity with the State Board of Elections and acknowledges a continuing duty to update the registration as required by the Act. A copy of the certificate of registration is attached.

The Contractor acknowledges that the State may declare this Contract void without any additional compensation due to the Contractor if this certification is false or if the Act is violated.

**ARTICLE 18, RECORDS AND DOCUMENTATION:** The Contractor shall maintain, for a minimum of three (3) years after the completion of the contract, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract; the contract and all books, records, and supporting documents related to the contract shall be available for review and audit by the Auditor General; and the Contractor agrees to cooperate fully with any audit conducted by the Auditor General and to provide full access to all relevant materials. Failure to maintain the books, records, and supporting documents required by this Section shall establish a presumption in favor of the State for the recovery of any funds it has paid under the Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement (30 ILCS 500/20-65).

**ARTICLE 19, SOLICITATION FOR EMPLOYMENT:** The Contractor agrees to give notice to GOMB's Ethics Officer if the Contractor or any person associated with the Contractor solicits or intends to solicit for employment any of GOMB's employees during any part of the procurement process or during the term of the contract.

**ARTICLE 20, FEDERAL TAXPAYER IDENTIFICATION NUMBER AND LEGAL STATUS DISCLOSURE:** Under penalties of perjury, I certify that the name, taxpayer identification number, and legal status listed below are correct.

Name: \_\_\_\_\_

EIN: \_\_\_\_\_

Legal Status

**STATE OF ILLINOIS**  
**GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET**  
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- |   |   |
|---|---|
| <input type="checkbox"/> Individual   | <input type="checkbox"/> Governmental entity                                |
| <input type="checkbox"/> Owner of sole proprietorship   | <input type="checkbox"/> Nonresident alien individual                       |
| <input type="checkbox"/> Partnership  | <input type="checkbox"/> Estate or legal trust                              |
| <input type="checkbox"/> Tax-exempt hospital or extended care facility                            | <input type="checkbox"/> Foreign corporation, partnership, estate, or trust |
| <input type="checkbox"/> Corporation NOT providing or billing medical and/or health care services | <input type="checkbox"/> Other _____  |

**ARTICLE 21, NOTICES:** All notices required under the terms of this Agreement shall be delivered in person or by certified or registered mail with return receipt to the last known address of the parties hereto.

**ARTICLE 22, LAWS OF ILLINOIS:** This Agreement shall be governed in all respects by the laws of the State of Illinois. Any claim against the GOMB or the State of Illinois arising out of this Agreement must be filed exclusively with the Illinois Court of Claims.

**ARTICLE 23, ENTIRE AGREEMENT:** This instrument contains the entire agreement of the parties. The Agreement may not be changed orally, but only by agreement in writing signed by the party whom enforcement of any waiver, modification, extension, or discharge is sought.

IN WITNESS WHEREOF, the parties hereunto set their hands and seals, on the day and in the year written below.

<SIGNATURE PAGE FOLLOWS>

STATE OF ILLINOIS  
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET  
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IN WITNESS WHEREOF, the parties hereto duly authorize this Agreement by affixing their signatures below.

STATE OF ILLINOIS

GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

[CONTRACTOR]

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF ILLINOIS  
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET  
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APPENDIX A