

STATE OF ILLINOIS
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET
REQUEST FOR PROPOSALS #09-22017480

REQUEST FOR PROPOSALS

**BOND UNDERWRITING
SERVICES**

Relating to

State of Illinois Bond Programs
General Obligation and Build Illinois

Issued by

THE STATE OF ILLINOIS

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

June 18, 2009

PROPOSAL DUE BY 10:00 AM (CDT) July 2, 2009

Proposal Responses should be addressed and directed to:

Kevin S. Hovis
General Counsel
Governor's Office of Management and Budget
603 Stratton Building
Springfield, Illinois 62706

(Note also electronic delivery address herein)

STATE OF ILLINOIS
GOVERNOR'S OFFICE OF MANAGEMENT AND BUDGET
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GOMB is issuing this Request for Proposal ("RFP") 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)

INTRODUCTION AND GENERAL INFORMATION

The State of Illinois through the Governor's Office of Management and Budget (The "State" and "GOMB") is requesting proposals for underwriting services in connection with the issuance of several series of State of Illinois General Obligation ("GO") Bonds and Certificates as well as Build Illinois Sales Tax Revenue ("BI") Bonds (collectively, the "Bonds") to be issued through June 30, 2011. This RFP may be extended at GOMB's option for up to three additional one-year periods.

Summary of Services

The selected underwriter(s) shall work with and at the direction of the State of Illinois' GOMB Director, Debt Management Director, General Counsel, and staff in the delivery of all services contemplated by this RFP. The State shall only contract directly with the 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.

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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 GOMB WILL EVALUATE OFFERS
- SECTION 3 SERVICES REQUIRED

These sections provide information necessary for submitting an Offer, set forth the basic legal and policy requirements associated with this solicitation and tell how GOMB 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 PRICE

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. GOMB will evaluate this information as well as compliance with the Instructions.

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

Respondents are encouraged to review the following statutes and policies governing the issuance of State debt.

- 30 ILCS 330 - General Obligation Bond Act
- 30 ILCS 425 - Build Illinois Bond Act
- 30 ILCS 340 - Short Term Borrowing Act (General Obligation Certificates)

Information regarding the State's bond authorization may be found at www.ilga.gov.

In addition, Public Act 95-971 addresses political contributions by Vendors, including affiliated persons and entities. Accordingly, this solicitation contains new provisions that implement the Act. These provisions may be applicable to any agreement resulting from this solicitation.

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.

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

1.0 PROJECT CONTACT: If you have a question or suspect an error, you must immediately notify the Project Contact identified in this section via email at OMB.BondUWRFP@illinois.gov. Do not discuss the solicitation or your Offer, directly or indirectly, with any State officer or employee other than the State Project Contact until GOMB completes its evaluation of responses and publishes a notice to the Bulletin, as described in Section 1.9, identifying the qualified pool of respondents.

The State Of Illinois
Governor's Office of Management and Budget
Attn: General Counsel
603 Stratton Building
Springfield, Illinois 62706
(217) 782-5886
Fax (217) 524-4876
OMB.BondUWRFP@illinois.gov

Please indicate at the earliest convenience by e-mail to OMB.BondUWRFP@illinois.gov of your firm's intent to respond, including a contact name(s), phone number(s) and e-mail address(s). Such responses will assist GOMB in maintaining an accurate database and communicating with all respondents.

1.1 QUESTIONS: Questions related to any aspect of or type of service contemplated within this RFP should be submitted by e-mail to OMB.BondUWRFP@illinois.gov not later than 5:00 p.m. (CDT), June 25, 2009. Please indicate "Underwriting RFP Question - FirmName" in the subject line. Answers to questions (in a cumulative format) along with the RFP itself will be posted on the GOMB website at www.state.il.us/budget. GOMB will make an effort to alert by e-mail those firms indicating their intent to respond to this RFP, when and as questions or announcements are posted on the website. This RFP is also announced and available on the Illinois Procurement Bulletin web site at www.purchase.state.il.us.

1.2 OFFER DUE DATE, TIME AND SUBMISSION LOCATION: Due Date: July 2, 2009 Time: 10:00 AM.

DELIVER OFFERS TO:

Kevin S. Hovis
General Counsel
Governor's Office of Management and Budget
603 Stratton Building
Springfield, Illinois 62706
OMB.BondUWRFP@illinois.gov

LABEL OUTSIDE OF ENVELOPE / CONTAINER:

Underwriting Request for Proposals #09-22017480
Attn: Kevin S. Hovis
General Counsel
Governor's Office of Management and Budget
603 Stratton Building
Springfield, Illinois 62706
June 30, 2009, 10:00 AM Central
Vendor Name & Address

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GOMB will open Offers on July 2, 2009 10:00 AM (CDT), 603 Stratton bldg, Springfield IL, 62706. Prior to the due date, you may mail or hand-deliver Offers, modifications, and withdrawals. GOMB must physically receive submissions as specified; it is not sufficient to show you mailed or commenced delivery before the due date and time. GOMB **will not** consider Offers, modifications or withdrawals submitted after the due date and time. All times are Central (CDT) local times.

1.3 NUMBER OF COPIES: You must submit a signed original and four (4) copies, one unbound, of the Offer (excluding the price proposal) in a sealed container. In addition, with the exception of the price proposal, you must submit one copy on CD, and one electronic version (in Adobe PDF format) via e-mail transmission to OMB.BondUWRFP@illinois.gov. A hard copy of the price proposal, in the form included in Section 6, **must be received by GOMB in a separate, sealed envelope with respondent's name clearly marked on the outside**. Please submit a separate CD for price, sealed in the pricing envelope. If you are requesting confidential treatment, you must make that request in the form and manner specified elsewhere in this solicitation. All forms of submission must be received by GOMB no later than **10:00 AM (CDT), Wednesday, July 2, 2009** to be considered.

1.4 PAGE LIMIT & FORMAT: Please limit the combined transmittal letter, executive summary, and response to Section 4 to a total of 12 pages (not counting attachments which may be required pursuant to Section 5 relating to legal and compliance matters). Your response shall be formatted as follows: (1) non-compressed 12 pt Arial font, (2) single spaced paragraphs, (3) pages shall have one inch margins.

1.5 MINORITY, FEMALE AND PERSONS WITH DISABILITY PARTICIPATION: GOMB has and continues to encourage regional, minority-owned, and woman-owned firms, as well as firms owned by persons with disabilities to submit Offers to provide the services outlined herein, and will continually support and monitor performance and inclusivity in all matters to which the terms of this RFP apply in furtherance of these objectives. **Accordingly, this RFP includes a specific Business Enterprise Program (BEP) utilization goal of 19% based on the availability of certified vendors to perform the services outlined herein.**

1.6 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 GOMB 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.

1.7 OUT OF STATE COMPANIES: Non-Illinois Vendors must contact the Illinois Secretary of State (217-782-1834) regarding a Certificate of Authority to Transact Business in Illinois (805 ILCS 5/13). Application Form BCA 13.15 may be downloaded from http://www.cyberdriveillinois.com/departments/business_services/publications_and_forms/bca.html.

1.8 ILLINOIS PROCUREMENT BULLETIN (Bulletin): GOMB publishes procurement information (including updates) in the electronic Bulletin (<http://www.purchase.state.il.us>) and the GOMB website (<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; GOMB cannot be held responsible if you fail to receive the optional e-mail notices.

1.9 AWARD: GOMB will post a notice to the Bulletin identifying the qualified pool from which GOMB will periodically select vendors on an as needed basis. When a vendor is selected from the qualified pool to provide services under agreement with GOMB, GOMB will provide notice of such award.

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1.10 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 GOMB treat certain information as exempt. GOMB 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, GOMB will disclose the successful Vendor's name, the substance of the Offer, and the price. If you request exempt treatment of any information included in your response, 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 GOMB's 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.

1.11 RESERVATIONS: You must read and understand the Request of Proposal and tailor your Offer and activities to ensure compliance. GOMB reserves 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. GOMB may request a clarification; interview staff; request a presentation; or otherwise verify the contents of the Offer, including information about subcontractors and suppliers. GOMB may request Best & Final Offers when appropriate. GOMB 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 GOMB. If you do not comply with requests for information and cooperate, GOMB 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. GOMB is 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).

1.12 GOVERNING LAW AND FORUM: Illinois law and rule govern this solicitation and any resulting agreement. You must bring any action relating to this solicitation or any resulting agreement in the appropriate court in Illinois. GOMB does 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>.

1.13 EMPLOYMENT TAX CREDIT: Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. Please contact the Illinois Department of Revenue (312-814-3215) for information about tax credits. If you receive this tax credit, you must report to GOMB 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).

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SECTION 2 - HOW GOMB WILL EVALUATE OFFERS

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

2.1 EVALUATION CATEGORIES: GOMB will consider the information you supply or don't supply, and the quality of that information when evaluating your Offer. If GOMB finds a failure or deficiency, GOMB may have to reject the Offer or reflect that in the evaluation.

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

2.1.2 RESPONSIVENESS: GOMB 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, GOMB may waive that requirement.

2.1.2.1 The total number of points for "responsiveness" is 100.

2.1.2.2 Vendors who do not receive 70 of the total "responsiveness" points for any element may not be considered for any role.

2.1.2.3 The elements of responsiveness that will be evaluated and their relative weights are:

Elements	Section	Weight
Personnel	4.2.1	20
Financial Capacity	4.2.2	25
Technical Experience	4.2.3	25
Technical Approach	4.2.4	30

Points will be rounded up.

2.2 AWARD: GOMB will select three underwriting pools of qualified respondents, as denoted in Section 3 of this RFP.

2.2.1 *Senior Underwriter* – those respondent's Offers that pass Administrative review and score a total of at least 90 points based on the evaluation grid outlined in Section 2.1.2.

2.2.2 *Co-Senior Underwriter* – those respondent's Offers that pass Administrative review and score a total of at least 80 points based on the evaluation grid outlined in Section 2.1.2.

2.2.3 *Co-Manager* – those respondent's Offers that pass Administrative review and score a total of at least 70 points based on the evaluation grid outlined in Section 2.1.2.

Firms qualifying under Section 2.2.1 shall also be qualified under Section 2.2.2 and Section 2.2.3.

Firms qualifying under Section 2.2.2 shall also be qualified under Section 2.2.3.

After identifying a qualified pool of respondents, GOMB will select from that pool a service provider for each bond issuance for which underwriting services are needed, in accordance with GOMB policy.

SECTION 3 - SERVICES REQUIRED

3.1 UNDERWRITING

The senior managing underwriter, co-senior manager and co-managers chosen to provide Bond Underwriting Services will assist the GOMB Director, Debt Management Director, General Counsel, GOMB staff and its financial advisor(s), if any, to develop the proposed plan(s) of finance. Along these lines, the duties of the participants chosen will be assigned by the GOMB during the development of, and the implementation of the plan of finance. Firms responding to this request for Underwriting should be prepared to provide, but not be limited to, the services described below:

Senior Manager: book runner; leader of the underwriting syndicate; pricing coordinator; responsible for the marketing of the issue; structuring the financing (in consultation with the State's financial advisor); determining and obtaining bids on credit enhancement alternatives; compliance with disclosure standards; investor liaison; assist with rating materials and presentations, and all other conventional roles for senior manager.

Co-Senior Manager: co-leader of the underwriting syndicate; assist the lead Senior Manager(s) with the marketing of the issue and all other conventional roles for co-senior manager. The co-senior manager is expected to be integral to the transaction and participating in all aspects of the financing as determined to be necessary by the State.

Co-Manager: assisting in marketing the issue and providing discrete "niches" in the marketing of the bonds.

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SECTION 4 - OFFER TO STATE OF ILLINOIS

4.1 ADMINISTRATIVE COMPLIANCE CHECKLIST

Project Title / Reference #: **BOND UNDERWRITING SERVICES / #09-**

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.

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.

Adhered to Section 1.3 of this RFP

Adhered to Section 1.4 of this RFP

Include transmittal letter which should clearly state the category or categories of service for which the firm seeks consideration

Include all response information required in this RFP

Responded to all elements of Section 4.2

Submitted all required forms of Section 5

Business and Directory Information

Conflict of Interest Disclosures

Minority, Female, Person with Disability Status

Political Contributions

Information Regarding Terminations, Litigation and Debarment

Completed and signed Taxpayer Identification Form

Adhered to Pricing Guidelines set forth in Section 6

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 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.

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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 4.2 RESPONSIVENESS

4.2.1 Personnel

1. Overview and Organizational Structure

- a) Identify the location of the firm headquarters and principal place of business (if different from headquarters)
- b) Provide a brief overview of your firm including its business operations, organizational structure, and total number of employees.
- c) Indicate if your firm is a minority business enterprise (MBE) or female owned business.
- d) Provide a listing of your other state clients, noting whether you provide senior managing underwriter or co-managing underwriter services.
- e) Provide three state level references that may be contacted during this RFP process.

2. Staffing Plan

- a) Identify the firm representative who would be directly responsible for overseeing this engagement.
- b) Provide a staffing plan listing the individuals who will be assigned to the State. In summary form, list their name, title, engagement role, office location, time with the firm, and summarize their qualifications and experience. *Note, resumes may be attached, but will count toward the page limit identified in Section 1.4.*

4.2.2 Financials

1. Provide your firm's capital position as of the date of your most recently published statement of financial position based upon SEC uniform reporting requirements and the following in tabular form:

- a) Total capital;
- b) Net capital;
- c) Equity capital & excess net capital position as of the end of your most recent quarter;
- d) The maximum amount of bonds your firm may underwrite based on this excess net capital amount;
- e) Identify the specific amount of capital that is allocated to the public finance (underwriting, sales and trading) activities in calendar years 2007, 2008 and 2009 (as of May 1, 2009); and
- f) If your firm has been a recipient of TARP funds, indicate the amount received and whether it is anticipated that additional funds will be needed.

2. Describe your firm's secondary market activity, including: (i) average daily inventory of municipal fixed-income securities, and (ii) average daily inventory of municipal variable-rate securities.

3. Under separate cover (excluded from page limit), please provide one copy of your firm's most recent audited annual statement of financial condition, and the financial statement from your most recent quarterly reporting period.

4.2.3 Technical Experience

1. Please describe your firm's underwriting experience for tax-exempt or taxable obligations of issues of \$300 million or more for issuers outside of Illinois from January 1, 2006 to present in tabular form. Include, at a minimum, the name of the issue, the name of the issuer, the sale date, the size of the issue, whether the interest rate was fixed or variable, and the role of your firm. Please include the orders placed by your firm, the amount of bonds allotted to your firm and the amount of bonds allotted to your firm that were not represented by going-away orders. An attachment to the appendix of no more than two pages will meet this RFP requirement.

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2. Describe two recent examples of municipal financings that demonstrate your firm's willingness to commit capital to underwrite unsold balances and affirm the value of an issuer's obligations. Identify and include contact information for the issuer(s) involved in these financings.
3. Please provide examples of the competitive strengths that you would ascribe to your bond sales area. Please provide the number of traders working in municipal securities that are dedicated to institutional sales and the number dedicated to retail sales.

4.2.4 Technical Approach

1. Identify and discuss recommendations or strategies your firm would propose, in light of the post liquidity crisis within the municipal market, which would best position Illinois to achieve the lowest cost of borrowing with respect to its future financings. If necessary, provide recommendations specific to the credits (e.g. Build Illinois and General Obligations) issued by the State? Describe any challenges you foresee with respect to your recommendations.
2. Discuss your firm's understanding of the State's economic, political and legal situation, including ideas on how best to conduct a negotiated sale given current market conditions and discuss the issues which should be addressed in developing the securities' structuring, credit rating strategies, and investor marketing strategies. Your discussion should include, but not necessarily be limited to, how you would deploy your retail and institutional sales distribution capability and a description of the investor base you feel should be targeted and strategies on how to reach those investors.
4. Passage of the American Recovery and Reinvestment Act ("ARRA") by the U.S. Congress includes several provisions relating to the issuance of municipal bonds. If your firm believes the State should consider issuing bonds under this authorization, provide your recommendation specific to no more of the ARRA provisions that could be issued under the State's current bonding programs and include an analysis quantifying the benefits and any possible disadvantages. Discussion should take into consideration the State's current bond authorization categories and statutory structuring requirements (e.g. level principal, 25 year duration limit and cost of issuance restrictions).

4.2.5 Legal/Compliance

1. Summarize the firm's female and minority employment practices. 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.
2. Detail any criminal investigation, regulatory investigation, indictment, prosecution or other proceeding that has ever been brought against the firm, or any member of the firm's municipal bond or public finance departments within the last 10 years.
3. Describe any civil litigation pending or concluded within the past three years against the firm or any member of its municipal bond or public finance departments.
4. Describe the firm's compliance and process to ensure compliance with MSRB rule G-37 concerning political contributions and other prohibitions on municipal securities business with regard to the State of Illinois
5. Describe the nature of any conflicts of interest that may exist or arise during the term of this RFP.

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SECTION 5 - RESPONSIBILITY FORMS

You will need to:

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

- Business and Directory Information
- Conflict of Interest Disclosures
- Minority, Female, Person with Disability Status
- Political Contributions
- Information Regarding Terminations, Litigation and Debarment

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.

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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

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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.

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(p) Information Regarding Debarment, Litigation and Terminations

1. During the last five (5) years has any order, judgment or decree of any Federal or State authority been issued barring, suspending or otherwise limiting your right to contract with any governmental entity, including school districts, or to engage in any business practice or activity?

Yes____ No____

2. Is there any current, pending or threatened litigation, administrative or regulatory proceedings, or similar matters that could affect your ability to perform the required services.

Yes____ No____

3. During the last five (5) years has any customer terminated a contract for cause or accepted damages in lieu of for cause termination?

Yes____ No____

(q) Disclosure of Business Operations with Iran (30 ILCS 500/50-36)

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

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

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

A bid, offer, or proposal that does not include this disclosure shall not be considered responsive. GOMB 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:

CONFLICT OF INTEREST DISCLOSURES

Instructions: Vendor shall disclose with the Offer 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).

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 50-13 Conflicts of Interest

All Vendors must complete this section regardless of the dollar value of the contract or method of procurement. Even if you mark "No Conflict of Interests" you may still need to complete Section 2 and 3.

(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 2: Disclosure of Financial Interest in the Vendor.

This applies to all contracts with an annual value exceeding \$10,000 that must be procured using one of the authorized competitive methods of source selection. Complete the appropriate subsections.

Vendors must complete subsection (a), (b) or (c) below as applicable if the annual value exceeds \$10,000. Use (c) if you do not meet the requirements for (a) or (b). In addition, all Vendors must complete Section 3.

(a) Publicly traded corporations subject to SEC reporting requirements

(a-1) 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 _____.

(a-2) Vendor shall identify each contract, pending contracts, bids, proposals and other ongoing procurement relationships 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 (Attach additional pages as necessary. Show "none" if appropriate).

(b) Privately held corporations with more than 400 shareholders

(b-1) 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.

(b-2) Vendor shall identify each contract, pending contracts, bids, proposals and other ongoing procurement relationships 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 (Attach additional pages as necessary. Show "none" if appropriate).

(c) General disclosure. Individuals, sole proprietorships, partnerships and any others not qualified to use subsection (a) or (b) above must complete (c-1), (c-2), and (c-3) as appropriate.

(c-1) 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 separate forms for each individual.

Does Ownership exceed 5%? _____ %.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	If Yes show percentage*
Does Ownership value exceed \$106,447.20?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	If Yes show \$ amount \$ _____
Does Distributive Income Share exceed 5%? _____ %.	Yes <input type="checkbox"/>	No <input type="checkbox"/>	If Yes show percentage*
Does Distributive Income Share exceed \$106,447.20?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	If Yes show \$ amount \$ _____

How is this interest held?

Type of ownership/distributable income share:

Sole Proprietorship Stock Partnership Other (explain) _____

Name: _____

Address: _____

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*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 _____ %

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(c-2) In relation to individuals identified in c-1 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 end of this Section (attach additional pages as necessary). If no individual has been identified in c-1 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 re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes No
- (j) Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes No

Section 3: Current and Pending Contracts

Vendor shall identify each contract, pending contracts, bids, proposals and other ongoing procurement relationships 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. (Attach additional pages as necessary. Show "none" if appropriate.)

Political Contributions

Public Act 95-971 addresses political contributions by Vendors, including affiliated persons and entities. Accordingly, this solicitation contains new provisions that implement the Act. These provisions may be applicable to the contract resulting from this solicitation.

By submission of an Offer, you acknowledge and certify that you have read, understand and will comply with Public Act 95-971, including but not limited to, all provisions relating to reporting, soliciting and making contributions to state officeholders, declared candidates for state offices and covered political organizations that promote the candidacy of an officeholder or declared candidate for office. Vendor acknowledges that the State may declare any resultant contract void if this certification is false or if the Act is violated.

In compliance with Public Act 95-971, check the following certification that applies to you:

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

or

Vendor 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. **Note: a copy of the certificate of registration must accompany the Offer.**

INFORMATION REGARDING TERMINATIONS, LITIGATION AND DEBARMENT

GOMB requests that the Vendor provide the following information:

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

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*):

Individual

Governmental

Sole Proprietor

Nonresident alien

Partnership

Estate or trust

Legal Services Corporation

Pharmacy (Non-Corp.)

Tax-exempt

Pharmacy/Funeral Home/Cemetery (Corp.)

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

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

- Limited Liability Company (select applicable tax classification)
 - D = disregarded entity
 - C = corporation
 - P = partnership

Signature: _____

Date: _____

SECTION 6 – PRICE

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. GOMB reserves the right to use the lowest Price Proposal submitted by any member of the qualified pool of respondents to this RFP. Required pricing details are shown below:

6.1 UNDERWRITING: Firms wishing to be considered for senior manager should provide a detailed summary of your firm's estimated gross spread for a fixed-rate and variable-rate issuance of the States General Obligation Bonds and the Build Illinois Sales Tax Revenue Bonds totally \$100 million. Please specify takedown, expenses and other charges per \$1,000 of original principal amount. Exclude counsel, rating, and printing from your calculation of expenses. **The State will not pay a management fee.**

Firm Name: _____

Proposed Spread For				
\$100 million State of Illinois GO Bonds				
(Fixed)		(VRDB)		
	<u>\$/\$ 1,000</u>	<u>Total</u>	<u>\$/\$ 1,000</u>	<u>Total</u>
Takedown				
Management Fee	N/A	N/A	N/A	N/A
Expenses				
Total				

Breakdown of Expenses

<i>Day Loan</i>				
<i>Dalcomp</i>				
<i>Dalnet</i>				
<i>DTC</i>				
<i>CUSIP</i>				
<i>DMA</i>				
<i>Other:</i>				
<i>Other:</i>				
<i>Other:</i>				
<i>Total Expenses</i>				

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Firm Name: _____

Proposed Spread For				
\$100 million of Build Illinois Bonds				
(Fixed)		(VRDB)		
	\$/\$ 1,000	Total	\$/\$ 1,000	Total
Takedown				
Management Fee	N/A	N/A	N/A	N/A
Expenses				
Total				

Breakdown of Expenses

<i>Day Loan</i>				
<i>Dalcomp</i>				
<i>Dalnet</i>				
<i>DTC</i>				
<i>CUSIP</i>				
<i>DMA</i>				
<i>Other:</i>				
<i>Other:</i>				
<i>Other:</i>				
<i>Total Expenses</i>				