Notice of Withdrawal

DuQuoin State Fair Payment Processing RFP

June 1, 2004

At this time, the Treasurer is withdrawing this RFP.
JUDY BAAR TOPINKA

ILLINOIS STATE TREASURER

REQUEST FOR PROPOSALS

Payment Processing Services

March 12, 2004

Responses due by 2:00 p.m., April 15, 2004

The Honorable Judy Baar Topinka
Treasurer of the State of Illinois
Attn: Mr. Edward Buckles, Chief Procurement Officer
300 West Jefferson Street
Springfield, IL  62702
REQUEST FOR PROPOSALS FOR PAYMENT PROCESSING SERVICES
TREASURER OF THE STATE OF ILLINOIS

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REQUEST FOR PROPOSALS FOR PAYMENT PROCESSING SERVICES
TREASURER OF THE STATE OF ILLINOIS

1.0 INTRODUCTION

The Treasurer is issuing this Request for Proposals (“RFP”) for payment processing services on behalf of the Illinois Department of Agriculture – DuQuoin State Fair. The Department of Agriculture located at the DuQuoin State Fairgrounds in DuQuoin, Illinois is responsible for promoting entertainment and events at the fair and collecting payment for such events. To facilitate collection of these items, the Treasurer plans to select a proposer to provide check clearing services and cash processing to manage these payments for a period of three years.

Services that will be provided under this RFP would be effective June 1, 2004 through May 31, 2007. Upon expiration of this relationship, the Treasurer, in her discretion, may elect to extend this relationship for a period and terms agreed upon consistent with the Treasurer’s Procurement Regulations.

The Treasurer, in her discretion, reserves the right to select an optimum number of service providers to process payments based on a variety of factors as outlined in this RFP. The Treasurer, has determined that it is in the State’s best interest from both a financial and administrative perspective to deposit all items collected by the Department of Agriculture – DuQuoin State Fair to a DuQuoin financial institution. The selected DuQuoin financial institution should then propose the most efficient cash letter presentation system to ensure the fastest availability of funds to the State. This may involve the selection of sub-contractor financial institutions by the local depository to provide the most efficient availability network for all deposited items. Any sub-contractor relationship(s) must have the prior written approval of the Treasurer. Proposers must indicate their willingness and capacity to support the implementation of payment processing services under the proposed pricing agreement.
Background

The Treasurer has general statutory authority to deposit state funds in financial institutions throughout the state. This includes deposits made as the result of check clearing, lockbox and EFT processing on the state’s behalf at those financial institutions.

The DuQuoin financial institution proposing the most efficient cash letter processing network will receive approximately the volumes reflected in the pricing matrix (Appendix C). The potential volume of remittances processed under this relationship is approximately 2,800/annual. Average monthly peaks during the months of July and August could reach between 925 to 1,000 items.

2. RFP OBJECTIVES

The Treasurer’s objectives in issuing this RFP are to:

- Establish a depository agreement with a selected service provider that will provide for acceptance of all payment processing services for DuQuoin State Fair, and that will eliminate the need for additional procurement processes by the Department of Agriculture.

- Solicit information and proposals specific to the implementation and support of payment processing services for DuQuoin State Fair.

- Provide solutions to the particular requirements of the Treasurer and the department regarding accounting practices and information requirements associated with payment processing.

- Establish a relationship or relationships with a service provider under the Depository Services Agreement that will enable the Treasurer to enhance the depository processing program and implement new technology and industry changes.

3.0 PAYMENT PROCESSING OBJECTIVES

The Treasurer has identified the following needs of her office and the needs of the DuQuoin State Fair as the primary objectives to be met by a Depository Services Agreement for payment processing services:

- Facilitate the banking operations of the DuQuoin State Fair
- Achieve operational efficiencies
- Expedite funds availability
- Accelerate deposit postings

In addition, specific needs for the Treasurer and state agencies are addressed in Section 8.0, Current and Proposed Treasurer/Agency Processes.
3.0 PROPOSAL PROCESS AND SCHEDULE

This section outlines the process and schedule associated with this RFP and the resulting Depository Services Agreement.

4.1 Proposal Due Date

All responses must be submitted no later than 2:00 p.m., April 15, 2004, to:

The Honorable Judy Baar Topinka, Treasurer of the State of Illinois
Attn: Mr. Edward Buckles, Chief Procurement Officer
300 West Jefferson Street
Springfield, IL 62702

4.2 Mandatory Requirements

Proposers must answer all the questions in this RFP relating to the specific services they are seeking to provide to the Treasurer.

Responses to this request should set forth the specific manner in which proposers will satisfy each requirement noted in this RFP. In addition, proposers may include a supplementary narrative describing the general conceptual approach to the delivery of specific services, and any other information they believe is relevant.

Proposers must submit the name, address and telephone number of an individual with authority to answer questions or provide clarification regarding their responses.

Proposers must provide a list of previous and current government clients or accounts for which they provide payment processing services, which are considered identical or similar in nature to the specifications and requirements described herein.

Proposers must, at the time of this proposal, or prior to that time if required by law, be an established business firm with all required licenses, bonding, facilities, equipment, and trained personnel necessary to perform the work as specified in this RFP. The Treasurer reserves the right to require proof of said requirements within ten calendar days from the date of request.

The proposer must have five years of experience performing like services as described in this RFP for like volumes of payment processing. The proposed acceptance and deposit process must provide for settlement of transactions at an Illinois financial institution meeting all statutes, policies, procedures and guidelines of the Treasurer.

All RFP responses must be on standard 8 ½ x 11-size paper, single-spaced, with one-inch margins and a 12-point font.

Responses must be submitted in a sealed envelope or package bearing the title “State Treasurer Request For Proposals for Payment Processing Services” and the proposers
name and address. The package must include five copies of the response, in the specified format, and other supporting documents.

4.3 Schedule

The following tentative time schedule applies to this RFP:

March 12, 2004  RFP to be published on the Treasurer’s website (www.state.il.us/treas).
March 22, 2004  Amendments (if any) to the RFP to be distributed Monday
April 15, 2004  Request for Proposals due at 2:00 p.m. Thursday
May 17, 2004  Negotiation and contract award Monday
June 1, 2004  Begin Processing Tuesday

4.4 Office of the State Treasurer Issues RFP

The Treasurer is the sole point of contact concerning this RFP. Questions or requests for clarification about this RFP should be in writing and directed to:

Mr. Edward Buckles
Chief Procurement Officer
Office of the State Treasurer
300 West Jefferson Street
Springfield, IL 62702
Telephone:  (217) 782-6540
Fax:  (217) 524-3822
E-Mail:  ebuckles@mail.state.il.us

4.5 Questions About this RFP

Proposers should submit questions about the intent or content of this RFP and request clarification of any and all procedures used for this procurement prior to the submission of proposals. Proposers must prepare their questions in writing and send them by mail, facsimile or e-mail to the above Contact Person. The deadline for receipt of all questions is Thursday, March 18, 2004 at 12:00 p.m.
4.6 Internet/E-mail Communications

The Treasurer may also communicate with proposers via e-mail. Each proposer should provide an e-mail address (if available) with its proposal for ease of communication throughout this RFP process.

4.7 Verbal Communications

Any verbal communication from the Treasurer’s employees or its contractors concerning this RFP is not binding on the State, and shall in no way alter a specification, term or condition of this RFP.

4.8 Amendments

If it is necessary to amend this RFP, the Treasurer will mail formal written amendments to all prospective proposers who are known to have received a copy of this RFP. Should amendments be issued, the Treasurer will make every attempt to have the final amendment mailed at least ten days prior to bid submission.

4.9 Proposers’ Costs

The cost of developing a proposal is each proposer’s responsibility and may not be charged to the State.

4.10 Withdrawal/Modification

A proposer may, by a letter to the Contact Person, withdraw or modify a submitted proposal prior to the Proposal Submission Date.

4.11 Proposal is an Offer

A proposal submitted in response to this RFP is a binding offer valid from the proposal opening date until 120 days thereafter.

4.12 Proposals Are State Property

On the proposal submission date all proposals and related material submitted in response to this RFP become the property of the State of Illinois.

4.13 Chief Procurement Officer May Cancel RFP

If the Chief Procurement Officer determines it is in the State’s best interest, he reserves the right to do any of the following:

- cancel this RFP,
- modify this RFP as needed
4.14 Evaluation of Proposals

To evaluate all proposals the Treasurer will organize an Evaluation Committee. After opening the proposals, the Committee will check each proposal in detail to determine its compliance with RFP requirements. Specifically, the Committee will check proposals for compliance with the mandatory requirements included in Section 4.2 and the format requirements outlined in Section 5.0, and for the presence of the experience, functional and pricing components submitted in response to the requirements of this RFP. Non-responsive proposals, defined as proposals not meeting this initial compliance test, will not be evaluated and will be eliminated from consideration.

The Evaluation Committee will then evaluate and score the proposers’ qualifications, technical proposals and price components in accordance with the criteria described below in Section 4.15.

4.15 Evaluation Criteria

The Committee will objectively score proposals. Evaluation of proposals will be scored on the basis of the following criteria:

- Ability to perform the required services, determined by general and specific experience in providing these services, a record of past performance of similar work, and the qualifications and training of proposed personnel;

- A plan for performing the services;

- Technical ability to provide the services during the term of the contract, including the availability of personnel, equipment and facilities;

- Financial stability;

- Pricing; and

- References.

The Evaluation Committee’s initial scoring will determine the proposer(s) selected to provide service demonstrations. The Committee’s final scoring will determine the proposer(s) that will be invited to enter into contract negotiations.

5.0 PROPOSAL FORMAT

All proposals must be submitted within the prescribed format to facilitate objective review. Any proposal that materially deviates from this format will be rejected without further consideration of its content. Proposals that contain false or misleading statements, or that provide references that do not support an attribute or condition claimed by the vendor, may also be rejected. All required cost figures must be clearly stated in the proposal.
5.1 *Cover Letter*

The proposal must be accompanied by a transmittal letter that designates the name, address and telephone number of the person or persons available for contact concerning the proposal, and who are authorized to make representations on behalf of the proposer’s organization. Each bidder must submit a cover letter that includes:

a. A summary of the proposer’s ability to perform the services described in this RFP, and

b. A statement that the proposer is willing to perform those services and enter into a contract with the Treasurer.

The cover letter must be signed by a person having the authority to commit the proposer to a contract.

5.2 *General Structure*

Proposals must include all information requested. Failure to submit all information may result in a lower ranking of the proposal. Proposals that are substantially incomplete or lack key information may be rejected.

a. Proposals must address each of the requirements noted in this document in the same order as listed to be considered responsive. Proposals should reference each identified requirement (including paragraph number), explaining how the proposer’s solution meets the specified requirement.

b. Narratives should provide a concise description of capabilities to satisfy the requirements of this RFP. Emphasis should be on clarity, brevity and completeness of response.

c. Where practical, each copy of the proposal should be bound or contained in a single volume. All documentation submitted with the proposal should be contained in that single volume.

5.3 *Table of Contents*

Include a listing of the main chapters and paragraph headings contained in the proposal, including page numbers.

5.4 *Introduction*

Include any introductory remarks deemed appropriate. Briefly discuss such topics as company background, management and facilities, staffing, related experience, and financial stability.
5.5 Vendor Profile

In this section please describe the proposer’s company ownership and structure, and provide a summary organization chart. Annotate the chart with the number of total staff assigned to each major business function. Please provide additional information on the proposing team as follows:

a. Please submit a copy of the proposer’s annual report and a report of its credit rating by at least two nationally recognized rating agencies for each of the past three years including the present year.

b. Briefly describe any other companies under the same ownership, and their products and services. Identify any of these companies that provide services directly to your organization, which are mission-critical to the delivery of the services referenced in this RFP. Identify and describe any of these companies which provide related services to the same markets that your organization serves.

c. Describe all proposed subcontracted functions, and identify the company that will deliver each service, such as settlement banks or capture processing. Note: The proposed acceptance and deposit process must provide for funds settlement at an Illinois financial institution meeting all statutes, policies, procedures and guidelines of the Treasurer.

d. Describe the structure and tenure of the proposer’s relationships with any sub-contractors outlined in this proposal.

e. Provide a list of five client organization references. References must be those governmental clients to whom the proposer has provided payment processing services within the last three years. Please include the two largest customers in terms of volume processed. Your organization must be the primary contractor on all projects for which references are provided.

Please provide the following information for each reference:

- Name of governmental agency and location
- Principal contact person and telephone number
- Specific processing services supported
- Length of time you have supported the customer
- Other factors that you believe are relevant to the relationship with these customers

a. Please submit a copy of the proposer’s Community Reinvestment Act (CRA) ratings for the past three years including the present year.
5.6 Implementation Team

Provide an organization chart and resumes for the proposed implementation team for the initial deployment of payment processing services.

5.7 Administrative and Contractual Requirements

Include a precise statement of compliance or exception to each of the contractual requirements as specified in Section 7.0 of this RFP. Sample copies of standard contract forms may also be included. Please state your acknowledgement that any contract must conform with the requirements of the Treasurer’s Procurement Rules.

5.8 Functional and Technical Presentation

Present all aspects and details of the proposed fulfillment of specific functional, technical performance and support requirements as delineated in Section 7.0 of this RFP. For ease of evaluation, please refer to the numbered paragraphs as presented in this RFP. Reference each identified requirement (including paragraph number), indicating that the specified requirement is currently supported, is planned to be supported, or will not be supported, with a brief explanation as appropriate.

5.9 Pricing Schedule

Include a price schedule as described in Appendix C. Unless otherwise indicated, it is assumed that the cost of all development necessary to meet the state requirements is included in the pricing. In addition, the service provider will not be compensated separately for its marketing costs. If specific services are not to be included in this pricing, such items and the associated cost must be indicated and clearly identified. The pricing schedule must depict fully bundled pricing for each level of service indicated.

5.10 Unique Capabilities

Provide a summary of any unique expertise, products or services that distinguish your organization.

5.11 State Certifications

A fully executed State Certification Form (Appendix B) must accompany all responses.

5.12 Financial and Potential Conflicts of Interest Disclosure

A fully executed Financial and Potential Conflicts of Interest Disclosure Form (Appendix D) must accompany all responses and be submitted under separate, sealed cover.

5.13 Contract Disclosure

A fully executed Contract Disclosure Form (Appendix E) must accompany all responses.
5.14 State of Illinois Holiday Schedule

Appendix F provides the state holiday schedule for the term of this depository agreement. It should be noted that if the Federal Reserve is open on a scheduled state holiday, the selected institution would be required to provide availability and movement of funds on the applicable days. In the past, the holidays affected are Lincoln’s Birthday, Illinois Gubernatorial Election Day, and the Friday following Thanksgiving.

6.0 CONTRACTUAL REQUIREMENTS

6.1 Contractual Responsibility

The Treasurer intends to select a service provider to supply payment processing services as specified in this RFP. Providers will be contractually responsible for all services provided.

6.2 Illinois Law

Any agreement made in connection with this RFP is governed in all respects by the laws of the State of Illinois.

6.3 Terms of Contract

Payment processing services shall be the responsibility of the service provider awarded the contract for a three year term. Performance monitoring will occur during the course of the contract and in a post-performance review. The contract will contain a provision which permits the Treasurer to extend the contract at her discretion at terms mutually agreed to in writing. The selected financial institution shall be required to cooperate fully in any transition process.

6.4 Pledge of Acceptable Securities

The Treasurer has general statutory authority to deposit state funds in financial institutions throughout the state, which includes deposits made as the result of payment processing on the State’s behalf at financial institutions. All deposits must be secured by the Pledge of Acceptable Securities, as provided for in Sections 11, 11.1 of the Deposit of State Moneys Act (15 ILCS 520/11, 11.1), the Treasurer’s Investment Policy, which is attached hereto and incorporated herein as Appendix A, and any amendments to the Treasurer’s Investment Policy. Any costs or expenses incurred as a result of the pledging of collateral to secure end of day demand deposit account balances shall be borne by the financial institution.

6.5 Investment of Collected Balances

The Treasurer may elect to authorize the selected institution to invest collected funds in money market mutual funds backed by direct United States Treasury obligations or a master repurchase agreement backed by United States Treasury obligations. If the
proposing institution offers money market funds for this purpose, please provide a current prospectus for the fund.

6.6 Deposit Processing Liability

The financial institution assumes full liability to credit the Treasurer’s account on a timely basis for deposits received. The financial institution agrees to compensate the Treasurer for any loss of revenue, including investment income potentially earned on delayed deposits. Such compensation will be determined on the basis of the daily Treasurer’s investment rate during the period which funds were unavailable.

The Treasurer agrees that the financial institution’s responsibility under the Agreement shall be limited to the exercise of reasonable care. Establishment of and substantial compliance with the procedures set forth or summarized in the contract by the financial institution shall be deemed to constitute the exercise of reasonable care.

6.7 Internal Controls

The financial institution shall annually provide the Treasurer with a copy of a mutually acceptable audit attesting to the adequacy of internal controls utilized in the delivery of services pursuant to the Depository Services Agreement.

6.8 Disaster Recovery and Backup Facilities

The selected financial institution (and sub-contractor, if applicable) shall prepare and test a plan for recovery of financial transactions and related information in the event of a disaster or system failure. The financial institution shall furnish a copy of plans, test results, and the results of the annual audit of the disaster recovery plan to the Treasurer.

The financial institution represents and warrants that it has adequate backup and recovery of data facilities to provide uninterrupted continuous deposit operation should catastrophic events render the provider’s primary facility inoperable.

6.9 Records Retention

The selected financial institution (and sub-contractor, if applicable) shall maintain, for a minimum of three years after the termination of this agreement, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with this agreement; this agreement and all books, records, and support documents related to this agreement shall be available for review and audit by the Auditor General and the Treasurer; the selected financial institution must agree to cooperate fully with any audit conducted by the Auditor General or the Treasurer 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 paid by the State under this Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.
6.10 Confidentiality and Security Requirements

The selected financial institution (and sub-contractor, if applicable) shall be prohibited from using or disclosing confidential information received while providing payment processing services. Confidential information includes all information but the following: (i) information already known or independently developed by the recipient; (ii) information required to be released by law; (iii) information in the public domain through no wrongful act of the recipient; and (iv) information received by the recipient from a third party who was free to disclose it.

6.11 Subcontracting

Any proposer which intends to enter into a subcontract for the provision of any of the required services shall disclose such intention in its response to this RFP. Responses to all sections must also be completed for subcontractors. Subcontractors must also execute a copy of the required State Certifications, Financial and Potential Conflict of Interest Form and the Contract Disclosure Form.

Section 1400.3520 of the Treasurer’s Procurement Rules requires identification of the subcontractor to be used, disclosure of what portion of the total fees associated with the contract are expected to be allocated to the subcontractor, and the name and address of the subcontractor. Subcontracting relationships must have prior written approval of the Treasurer. All requirements in this RFP apply to subcontractors.

6.12 Indemnification

Proposers will be required to indemnify, save and hold harmless, the Treasurer, her officers, agents and employees against any liability, including costs and expenses, for violation of general, proprietary right, copyrights or rights of privacy of third parties arising out of the publications, translation, reproduction, delivery, use or disposition of any data furnished in response to this request, or based upon any libelous or any unlawful matter contained therein.

The financial institution (and sub-contractor, if applicable) shall indemnify and hold the Treasurer harmless from and against any and all losses, including but not limited to losses due to the negligent acts or omissions, or willful acts of the financial institution its employees or agents. The financial institution has a duty to select, with due diligence, all other entities which shall be necessary to implement this Agreement. The financial institution shall establish and enforce reasonable procedures to assure the Treasurer of the performance by all other entities of the services necessary to implement this Agreement.

6.13 Assignment

No rights or obligations under any agreement for the provision of payment processing services may be transferred or assigned by a service provider without the Treasurer’s prior written consent. Any attempt by a financial institution (and sub-contractor, if applicable) to transfer or assign any rights or obligations related to the provision of
payment processing services without the consent of the Treasurer shall render the processing relationship voidable by the Treasurer.

The Treasurer may unilaterally bind any successor of the provider to the terms and conditions of any agreement between the parties.

6.14 Multi-Year Contracts Subject to Reappropriation

All contracts entered into by the State of Illinois are subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to make payments under the terms of the contract.

6.15 Disclaimer

The estimates of numeric data, including but not limited to, volume activity and return history contained in this RFP and its Appendices are based on historical information or projections and may change as a result of future technological advancements, related statutory or administrative changes, agency initiatives, consumer behavior, or other developments. Proposers shall be bound by pricing schedules submitted in response to this RFP regardless of future fluctuations in volume activity during the contract period.

6.16 Failure to Perform

The failure of the financial institution to perform the requirements of the Depository Services Agreement shall cause the issuance of a written warning that outlines the remedial action necessary to bring the financial institution into conformance with the agreement. If such remedial action is not completed within five (5) business days, to the satisfaction of the Treasurer, a second written warning may be issued. If satisfactory action is not taken by the financial institution within five (5) business days of the date of the second written warning, this Agreement may be cancelled and the Treasurer may recover any and all damages involved with the transition to a new institution including incidental and consequential damages. Failure by the Treasurer to issue a warning or cancel the agreement does not waive any of the Treasurer’s rights to issue subsequent warnings.

6.17 Compensation

The proposer chosen to provide these services may be compensated by State of Illinois warrant based on a review of account statement, providing the General Assembly has approved appropriations. Payment via electronic funds transfer (“EFT”) may be an option, as authorized by the General Assembly. As an alternative, services may be paid through compensating balances at the Illinois financial institution.

6.18 822 Account Analysis

The selected financial institution will be required to submit a monthly account analysis to the Treasurer detailing the volume of deposits processed by the institution and all associated charges within ten (10) business days following the last calendar day of the
month via hard copy and EDI transmission in an 822 format that is compatible with the Treasurer’s software.

6.19 Most Favorable Terms

If more favorable terms are granted by the selected service provider to any similar governmental agency in any state in a contemporaneous agreement let under the same or similar financial terms and circumstances for comparable services, the more favorable terms will be applicable under the Depository Services Agreement.

6.20 Services

The financial institution shall not modify any service or the manner of providing such service requirement under this agreement without the prior written authorization of the Treasurer. Modification means any change to an existing service or the addition of a new service.

6.21 Management Reports

The proposing institution shall provide management reports on workflow, availability assignment (endpoint analysis), etc. as requested by the Treasurer’s Office. Please provide details on the types of reports available.

6.22 Additional Information

The Treasurer, or her designee, reserves the right to request additional information and to meet with representatives from proposers to discuss their responses before and after submission.

7.0 ADMINISTRATIVE REQUIREMENTS

7.1 Research and Information Retrieval

The proposing institutions should provide information concerning the most efficient method of information retrieval and research, i.e. check and deposit ticket images. The proposing institutions should provide information on research ability, including, but not limited to, turnaround time.

7.2 End Point Analysis

The Treasurer, or her designee, reserves the right to request end point analysis on payment processing services.

7.3 Customer Service

This proposal requires that the selected institution provide appropriate staffing to meet
the customer service needs of the Illinois State Treasurer and the Department of Agriculture, included but not limited to adequate level of staffing, direct access to staff, emergency contact phone numbers, etc.

8.0 CURRENT AND PROPOSED TREASURER/AGENCY PROCESSES

This section contains instructions and descriptions for some specialized needs of the Illinois Department of Agriculture-DuQuoin State Fair and the Illinois Department of Revenue to accommodate payment-processing and banking services. The information you provide in response to these requirements will enable the Treasurer to understand and evaluate your capabilities in accordance with the State’s requirements.

Please provide a narrative response to each of the proposed payment processes by describing:

- The type of service to be provided;
- Settlement and clearing process for cash letters;
- Process for handling cash transactions;
- Hardware, software and training to be provided;
- Frequency and formats of accounting transaction data to be provided;
- Ad hoc look-up and reporting capabilities.

8.1 Illinois Department of Agriculture – DuQuoin State Fair

Description of Current Process

The Department of Agriculture maintains an office at the DuQuoin State Fairgrounds, DuQuoin, IL where deposits are generated on behalf of the fair. The DuQuoin State Fair is generally scheduled to begin the last weekend of August and runs through Labor Day Monday. Checks/money orders/cash are collected by Department of Agriculture staff beginning in June and running through the 10 days of the fair. The department staff ensures that a deposit ticket accompanies all checks. The original ticket and one copy are attached with the checks and are delivered to the bank daily beginning in late June or early July. Based on the availability of funds, the Treasurer’s staff originates an ACH debit or wire transfer to the Treasurer’s concentration account located at another financial institution. Upon written request by the Illinois Department of Agriculture, the Treasurer will originate ACH debits to accounts maintained by vendors doing business with the Department of Agriculture.

The Treasurer requires automatic re-deposit of return items without entry to the demand account.

The Illinois Department of Agriculture requires the following additional services during
the operating days of the fair:

- The financial institution should have the ability to accept checks from the Department of Agriculture which have had the dollar amount reduced. The ticket order form which accompanies the check for concert tickets includes a box that allows the purchaser to give permission to the department to reduce the check in the event that it has been written for more than the cost of the reserved ticket sale.

- The proposing financial institution is required to maintain a branch facility on the fairgrounds located adjacent to the Department of Agriculture’s fair office. During the DuQuoin State Fair, this branch will be required to offer operating hours from 10:00 a.m. to 6:00 p.m.

- The proposing financial institution is required to provide a cash counter during the operating days of the fair to be located at the department’s fair office.

- Deposit tickets should be in triplicate and personalized with the following information:

  Illinois State Treasurer                Illinois State Treasurer  
  For Ill. Department of Agriculture     For Ill. Department of Revenue  
  DuQuoin State Fair                    DuQuoin State Fair  
  State Fairgrounds                     State Fairgrounds  
  DuQuoin, IL                           DuQuoin, IL  

- The proposing financial institution is required to maintain three (3) automatic teller machines to be located in strategic locations on the fairgrounds. The current fee for a foreign card at the ATM is $1.50. The Illinois Department of Agriculture is requesting the following locations for the ATM’s:

  - Permanent ATM located in the Exhibition Hall
  - Permanent ATM located in the new Multi-Purpose Facility when construction is completed (est. July 2004)
  - Temporary ATM located in the Grandstand to be available during the 10 days of the fair and during other events to be determined by the Department of Agriculture.

During the 2003 DuQuoin State Fair, estimated attendance was 271,000. The Illinois Department of Agriculture hosts other events throughout the year at the Grandstand and Exposition Building. The estimated attendance at these “non-fair” events is 150,000 or an average of 3,000/week. Weekly attendance could reach 5,000-6,000 depending on the event. When the new multi-purpose facility is completed in 2004, the estimated attendance at “non-fair” events could add an additional 100,000 attendees.

**Remittance Volumes (Unencoded)**

During the period July 1, 2002 through June 30, 2003 there were approximately 2,800
items processed with deposits totaling $1,322,000. Please refer to Appendix G for additional remittance information.

8.2 Illinois Department of Revenue - DuQuoin State Fair

Description of Current Process

The Illinois Department of Revenue maintains an office at the DuQuoin State Fairgrounds, DuQuoin, IL where deposits are generated on behalf of taxes owed to the State from vendors doing business at the fair. Checks/money orders/cash are collected by Department of Revenue staff during the 10 days of the fair. The Department of Revenue staff makes deposits to the account two times during the 10 days for the fair and ensures that a deposit ticket accompanies all checks and cash. The original ticket and one copy are attached with the checks and are delivered to the bank branch at the beginning and the end of the fair. The copy of the deposit ticket is validated by a teller at the financial institution and returned to the fair office. Based on the availability of funds, the Treasurer’s staff originates an ACH debit or wire transfer to the Treasurer’s concentration account located at another financial institution.

The Treasurer requires automatic re-deposit of return items without entry to the demand account.

9.0 PRICING

It is intended that the pricing structure in your proposal will apply to the Illinois Department of Agriculture and the Department of Revenue. This approach will obviate the need for additional procurements by the individual agencies.

9.1 Terms

Pricing schedules are to cover the three-year period from June 1, 2004 through May 31, 2007.

9.2 Funds Availability Options

Indicate any pricing variations associated with funds availability schedules and the options available to the Treasurer. Proposers should provide the most advantageous availability schedule. Proposers should include the most recent funds availability schedule.

9.3 Other Costs

It is anticipated all of the proposer’s costs to the State will be included in the pricing as outlined above, and consistent with the requirements outlined throughout this RFP. If, however, there are pricing issues or options that require further or separate explanation, the proposer should clearly communicate the price to the State and where such fees are applicable.
9.4 *Financial Institution Pricing Schedule*

Please provide the most recent standard pricing schedule for the proposing institution. This schedule will be held in confidence.

**APPENDIX**

A. Illinois State Treasurer’s Investment Policy  
B. State Certifications Form  
C. Pricing Schedule Form  
D. Financial and Potential Conflicts of Interest Disclosure Form  
E. Contract Disclosure Form  
F. State of Illinois Holiday Schedule  
G. Payment Processing Volumes
ILLINOIS STATE TREASURER’S INVESTMENT POLICY

1.0 POLICY:

Under this instrument, the Illinois State Treasurer's Investment Policy ("Policy"), it is the policy of the Treasurer of the State of Illinois ("Treasurer") to invest all funds under her control in a manner that provides the highest investment return using authorized instruments while meeting the State’s daily cash flow demands in conformance with all state statutes governing the investment of public funds.

This Policy applies to all investments entered into on or after the adoption of this instrument. Until the expiration of investments made prior to the adoption of this Policy, such investments will continue to be governed by the policies in effect at the time such investments were made.

2.0 OBJECTIVE:

The primary objective in the investment of state funds is to ensure the safety of principal, while managing liquidity to pay the financial obligations of the State, and providing the highest investment return using authorized instruments.

2.1 Safety:

The safety of principal is the foremost objective of the investment program. State investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the portfolio. To attain this objective, diversification, as defined in Section 8.0 of this Policy, is required to ensure that the Treasurer prudently manages market, interest rate and credit risk.

2.2 Liquidity:

The investment portfolio shall remain sufficiently liquid to enable the State to meet all operating requirements that might be reasonably projected.

2.3 Return On Investment:

The investment portfolio shall be designed to obtain the highest available return, taking into account the Treasurer’s investment risk constraints and cash flow needs. The Portfolio Manager shall seek to obtain the highest available return using authorized investments during budgetary and economic cycles as mandated in Section 1.0 of this Policy. When the Treasurer deposits funds in support of community development efforts, the rate of return shall include benefits other than direct investment income as authorized by Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7).
The rate of return achieved on the Treasurer’s portfolio is measured at regular intervals against relevant industry benchmarks established by the Portfolio Manager, with the advice and consent of the Investment Policy Committee\(^1\), to determine the effectiveness of investment decisions in meeting investment goals.

3.0 ETHICS AND CONFLICTS OF INTEREST:

Authorized investment officers and employees in policy-making positions shall refrain from personal business activity that could conflict, or give the appearance of a conflict with proper execution of the investment program, or that could impair their ability to make impartial investment decisions. Such individuals shall disclose to the Treasurer any material financial interests in financial institutions that conduct business within the State, and they shall further disclose any personal financial investment positions that could be related to the performance of the investment portfolio. In addition, such individuals shall subordinate their personal investment transactions to those of the investment portfolio, particularly with regard to the time of purchases and sales.

4.0 AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS:

A list shall be maintained of approved financial institutions, which shall be utilized by authorized investment officers selecting institutions to provide investment services. No state funds may be deposited in any financial institution until investment officers have conducted a safety and soundness review of the financial institution by consulting IDC, Sheshunoff, and/or Veribanc bank rating services, unless the financial institution has not yet been rated by the bank rating services, in which case the institution may be eligible for a deposit that at maturity will not exceed $100,000. The amount and duration of deposits shall be based on the safety and soundness review in accordance with guidelines established by the Investment Policy Committee and the diversification limits set forth in Section 8.0. No public deposit may be made except in a qualified public depository as defined by the Deposit of State Moneys Act (15 ILCS 520).

In addition, a list shall be maintained of approved security broker/dealers selected according to their creditworthiness, and their financial significance in the state, which shall be measured in terms of the location of the broker/dealer's corporate office, the number of full-time employees, the size of its payroll, or the extent that the broker/dealer has an economic presence in the state. The list may include “primary” dealers or regional dealers who qualify under Securities and Exchange Commission Rule 240.15c3-1 (Net Capital Requirements for Brokers or Dealers).

All financial institutions and broker/dealers who want to qualify to bid for investment

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\(^1\) The Investment Policy Committee is chaired by the Treasurer and includes the following members of the Treasurer's office staff: Chief of Staff, Deputy Chief of Staff/Chief Fiscal Officer, Deputy Chief of Staff for Law & Policy, Deputy Chief of Staff for Programs, Inspector General, Chief Internal Auditor, Manager of Banking, Portfolio Manager, Manager of Accounting, Director of Illinois Funds, Director of Legislative Affairs, Director of Economic Development, Program Director for Agriculture and Experience Illinois, Manager of Bright Start, Director of Unclaimed Property, and the Press Secretary.
transactions shall initially, and on a periodic basis upon request, provide to the Treasurer's authorized investment officers the following, where applicable:

a) Audited financial statements or a published Statement of Condition;
b) Proof of minority/female/disabled broker status;
c) A trading resolution;
d) Proof of State of Illinois registration;
e) Proof of registration with the Securities and Exchange Commission;
f) Completed Broker/Dealer Questionnaire;
g) Certification of notice and knowledge of this Policy;
h) Published reports for brokers from rating agencies with investment grade ratings;
i) Proof of emerging broker status; and
j) Balance sheets from Consolidated Reports of Condition and Income (or the entire report when requested), Statements of Financial Condition, or Office of Thrift Supervision Financial Reports.

An annual review of the financial condition and registration of qualified bidders will be conducted by the Treasurer’s authorized investment officers. More frequent reviews may be conducted if warranted.

To the extent that the Investment Policy Committee deems it advisable to hire external investment advisors, it may do so in accordance with the procurement rules at 44 Ill. Adm. Code 1400.

5.0 AUTHORIZED AND SUITABLE INVESTMENTS:

The Treasurer has authorized the following types of investments subject to the provisions of the Deposit of State Moneys Act (15 ILCS 520) and the Public Funds Investment Act (30 ILCS 235):

a) Securities that are guaranteed by the full faith and credit of the United States as to principal and interest;
b) Obligations of agencies and instrumentalities of the United States as originally issued by the agencies and instrumentalities;
c) Interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits of a bank as defined by Section 2 of the Illinois Banking Act (205 ILCS 5/2);

d) Interest-bearing accounts or certificates of deposit of any savings and loan association incorporated under the laws of the State of Illinois, any other state, or the United States;

e) Dividend-bearing share accounts, share certificate accounts, or class of share accounts of a credit union chartered under the laws of the State of Illinois or the United States, which maintains its principal office in the State of Illinois;

f) Commercial paper of a corporation that is organized in the United States with assets exceeding $500,000,000 and is rated by two or more standard rating services at a level that is at least as high as the following: A-1 by Standard & Poor’s, P-1 by Moody’s, F-1 by Fitch, D-1 by Duff & Phelps Credit Rating Company, A1 by IBCA, and TBW-1 by Thompson Bank Watch;

g) Money market mutual funds registered under the Investment Company Act of 1940 (15 U.S.C.A. § 80a-1 et seq.) and rated at the highest classification of at least one standard rating service;

h) The Illinois Funds created under Section 17 of the State Treasurer Act (15 ILCS 505/17);

i) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 (1 U.S.C.A. § 78o-5); and

j) Obligations of National Mortgage Associations established by or under the National Housing Act (1201 U.S.C. 1701 et seq.).

Suitable securities in the Treasurer’s portfolio may be lent in accordance with Federal Financial Institution Examination Council guidelines.

6.0 INVESTMENT RESTRICTIONS:

a) The following investments are prohibited:

i. Investments in derivative products;

ii. Leveraging of assets through reverse repurchase agreements;

iii. Direct investments in tri-party repurchase agreements.

b) Repurchase agreements may only be executed with approved financial institutions or
broker/dealers meeting the Treasurer’s standards, which include mutual execution of a Master Repurchase Agreement adopted by the Treasurer.

c) Investments may not be made in any savings and loan association unless a commitment by the savings and loan association, executed by the president or chief executive officer of that association, is submitted in the form required by Section 22.5 of the Deposit of State Moneys Act (15 ILCS 520/22.5).

7.0 COLLATERALIZATION:

All State deposits, repurchase agreements and securities lending shall be secured as required by the Treasurer and provided for by the Deposit of State Moneys Act (15 ILCS 520) and the Treasurer’s Acceptable Collateral Listing, which may change from time to time.

The Treasurer may take possession and title to any securities held as collateral and hold such securities until it is prudent to dispose of them.

8.0 DIVERSIFICATION:

The investment portfolio shall be diversified to eliminate the risk of loss resulting from concentration of assets in a specific maturity, a specific issuer or a specific class of securities. In order to properly manage any risk attendant to the investment of state assets, the portfolio shall not deviate from the following diversification guidelines unless specifically authorized by the Treasurer in writing:

a) The Treasurer shall seek to achieve diversification in the portfolio by distributing investments among authorized investment categories among financial institutions, issuers and broker/dealers;

b) The investment portfolio shall not hold time deposits and/or term repurchase agreements that constitute more than 15% of any single financial institution’s total deposits. Any deposits and/or repurchase agreements that constitute more than 10% of an institution’s total deposits must qualify as community development deposits described in Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7).

c) No financial institution shall at any time hold more than $100,000,000 of time deposits and/or term repurchase agreements other than community development deposits described in Section 7 of the Deposit of State Moneys Act (15 ILCS 520/7). Provided, however, that:

i. Financial institutions holding deposits that exceed $100,000,000.00 on the date that this Policy is adopted, shall continue to be eligible to hold deposits that do not exceed the amount of deposits held on that date.

2 The Treasurer maintains a list of acceptable collateral.
ii. Financial institutions that, as a result of a merger or acquisition, hold deposits that exceed $100,000,000.00 may continue to be eligible to hold deposits that do not exceed the amount of deposits held on the date of the merger or acquisition.

d) The investment portfolio shall not contain investments that exceed the following diversification limits that apply to the total assets in the portfolio at the time of the origination or purchase, as monitored on a daily basis and as maturity of instruments occur, and as adjusted as appropriate:

i. With the exception of cash equivalents, treasury securities and time deposits, as defined in Section 5.0 of this Policy, no more than 35% of the portfolio shall be invested in other investment categories,

ii. No more than one-third of the investment portfolio shall be invested in commercial paper,

iii. As much as 40% of the portfolio may be invested in time deposits when required by the cash flow of the State.

e) The Treasurer shall invest the majority of state funds in authorized investments of less than one-year maturity. No investment shall exceed a three-year maturity. The portion of the portfolio allocated to investments with more than a two year maturity, other than community development deposits described in Section 7 of the Deposit of State Moneys Act, shall constitute no more than one percent of the entire state portfolio as reported on the daily accounting balance sheet total of the "Treasurer's Investments and Other Fund Investments".

9.0 CUSTODY AND SAFEKEEPING:

The custody and safekeeping of collateral will be handled by Illinois financial institutions selected pursuant to a competitive selection process in compliance with the Treasurer's office procurement rules at 44 Ill. Adm. Code 1400. Financial institutions selected by the Treasurer's office to perform custody and safekeeping services will be required to enter into a contractual agreement approved by the Chief Legal Counsel.

All security transactions entered into by the Treasurer shall be conducted on a delivery-versus-payment (DVP) or receipt-versus-payment (RVP) basis. Securities shall be held by a safekeeping agent designated by the Treasurer, and evidenced by safekeeping receipts.

10.0 INTERNAL CONTROLS:

The Treasurer, as the Chief Investment Officer and with the assistance of the Investment Policy Committee, shall establish a system of internal controls and written operational procedures that shall be documented and filed with Treasurer’s Inspector General for review.
The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by authorized investment officers.

a) **Asset Allocation:**

The allocation of assets within investment categories authorized under Section 5.0 of this Policy shall be approved by the Treasurer in writing.

b) **Competitive Bidding:**

Authorized investment officers shall obtain competitive bids from at least three (3) broker/dealers prior to executing the purchase or sale of any authorized investments.

Certificates of deposit shall be purchased by authorized investment officers on the basis of a qualified financial institution’s ability to pay a required rate of interest to the Treasurer, which is established on a daily basis. Such rate is generally determined on the basis of treasury or other appropriate market rates for a comparable term.

11.0 **LIMITATION OF LIABILITY:**

The standard of prudence to be used by authorized investment officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Authorized investment officers acting in accordance with written procedures and this Policy and exercising due diligence will be relieved of personal liability for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and necessary action is taken to control adverse developments.

12.0 **REPORTING:**

Quarterly reports are presented by the Chief Financial Officer to the Investment Policy Committee, chaired by the Treasurer, for its review. The quarterly report shall contain sufficient information to enable the Investment Policy Committee to review the investment portfolio, its effectiveness in meeting the needs of the Treasurer's office for safety, liquidity, rate of return, and diversification, and the general performance of the portfolio. The following information shall be included in the quarterly reports:

a) Performance as compared to established benchmarks;

b) Asset allocation;

c) Any circumstances resulting in a deviation from the standards established in Section 9.0 of this Policy;

d) Impact of any material change in investment policy adopted during the quarter;
e) The average days to maturity;

f) A listing of all investments in the portfolio by class or type marked to market value; and

g) The income earned from the investments as of the report date.

The Treasurer shall develop performance reports in compliance with established industry reporting standards within six (6) months following the adoption of this Investment Policy. Such reporting standards shall be in accordance with Generally Accepted Accounting Principles ("GAAP").

The Treasurer reserves the right to amend this Policy at any time upon the advice and consent of the Investment Policy Committee.
STATE CERTIFICATIONS

______________________________________________  (“CONTRACTOR”) makes the following certifications:

1.0 ANTI-BRIBERY.

CONTRACTOR certifies that it is not barred from being awarded a contract or subcontract under Section 1400.5010 of the Treasurer’s Procurement Rules (44 Ill. Adm. Code 1400.5010).

2.0 BID-RIGGING/BID-ROTATING.

CONTRACTOR certifies that it has not been barred from contracting with a unit of State or local government as a result of a violation of Section 33E-3 or 33E-4 of the Criminal Code of 1961 (720 ILCS 5/33E-3, 33E-4).

3.0 DRUG FREE WORKPLACE.

This certification is required by Section 3 of the Drug Free Workplace Act (30 ILCS 580/3). The Drug Free Workplace Act, effective January 1, 1992, requires that CONTRACTOR shall not be considered for the purposes of being awarded a contract for the procurement of any services from the State unless CONTRACTOR has certified to the State that CONTRACTOR will provide a drug free workplace. False certification or violation of the certification may result in sanctions including, but not limited to, suspension of contract payments, termination of the contract and debarment of contracting opportunities with the State for at least one (1) year but not more than five (5) years.

CONTRACTOR certifies and agrees that it will provide a drug free workplace by:

a. Publishing a statement:
   i. Notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance, including cannabis, is prohibited in the grantee’s or contractor’s workplace.
   ii. Specifying the actions that will be taken against employees for violation of such prohibition.
   iii. Notifying the employee that, as a condition of employment on such contract or grant, the employee will:
      a. abide by the terms of the statement; and
      b. notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.

b. Establishing a drug free awareness program to inform employees about:
   i. the dangers of drug abuse in the workplace;
   ii. CONTRACTOR’s policy of maintaining a drug free workplace;
   iii. any available drug counseling, rehabilitation, and employee assistance programs; and
   iv. the penalties that may be imposed upon an employee for drug violations.

c. Providing a copy of the statement required by Section (a) to each employee engaging in the performance of the contract or grant and to post the statement in a prominent place in the workplace.

d. Notifying the Treasurer’s Office within ten (10) days after receiving notice under part (b) of paragraph (iii) of Section (a) above from an employee or otherwise receiving actual notice of such conviction.

e. Imposing a sanction on, or requiring the satisfactory participation in drug abuse assistance or rehabilitation program by, an employee who is so convicted, as required by Section 5 of the Drug Free Workplace Act.

f. Assisting employees in selecting a course of action in the event of drug counseling, treatment, and rehabilitation is required and indicating that a trained referral team is in place.

g. Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

4.0 U.S. EXPORT ACT.

CONTRACTOR certifies that neither CONTRACTOR nor any substantial-owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Act of 1979 (50 U.S.C.A. App. § 2401 et seq.) or the regulations of the U.S. Department of Commerce.
promulgated under that Act.

5.0 **NON-DISCRIMINATION.**

CONTRACTOR certifies that it is in compliance with the State and Federal Constitutions, the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, and all applicable rules that prohibit unlawful discrimination in performance of this Agreement and all other activities, including employment and other contracts. As a condition of receiving the Agreement, CONTRACTOR represents or certifies that services, programs and activities provided under the Agreement are and will continue to be in compliance with State and Federal Constitutions, the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, and all applicable laws that prohibit unlawful discrimination.

6.0 **AMERICANS WITH DISABILITIES ACT.**

CONTRACTOR certifies that it is in compliance with the Americans with Disabilities Act (“ADA”) (42 U.S.C. 12101 et seq.) and the regulations thereunder (28 CFR 35.130) prohibit discrimination against persons with disabilities by the Treasurer, whether directly or through contractual arrangements, in the provision of any aid, benefit or service. As a condition of receiving the Agreement, CONTRACTOR represents or certifies that services, programs and activities provided under the Agreement are and will continue to be in compliance with the ADA.

7.0 **ILLINOIS HUMAN RIGHTS ACT.**

CONTRACTOR certifies that it is presently in compliance with all of the terms, conditions and provisions of Section 5/2-105 of the Illinois Human Rights Act (775 ILCS 5/2-105), together with all rules and regulations promulgated and adopted pursuant thereto.

8.0 **FELONY.**

CONTRACTOR certifies that it has not been barred from being awarded a contract under Section 1400.5015 of the Treasurer’s Procurement Rules (44 Ill. Adm. Code 1400.5015).

9.0 **FORMER EMPLOYMENT.**

CONTRACTOR has informed the Treasurer’s Office in writing if CONTRACTOR was formerly employed by the Treasurer’s Office and has received an early retirement incentive under Section 14-108.3 or 16-133.3 of the Illinois Pension Code (30 ILCS 105/15a).

10.0 **INDUCEMENT.**

CONTRACTOR has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has 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).

11.0 **REVOLVING DOOR PROHIBITION.**

CONTRACTOR certifies neither it or its employees and agents are in violation of the “Revolving Door” section of the Illinois Procurement Code (30 ILCS 500/50-30), which prohibits certain officers and their designees from engaging in procurement activities for a certain time period.

12.0 **REPORTING ANTICOMPETITIVE PRACTICES.**

CONTRACTOR shall report any to the Illinois Attorney General and the 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).
13.0 **DISCRIMINATORY CLUB.**

CONTRACTOR agrees not to pay any dues or fees on behalf of its employees or agents or subsidize or otherwise reimburse them for payments of any dues or fees to a discriminating club as prohibited by Section 2 of the Discriminatory Club Act (775 ILCS 25/2).

14.0 **TAXPAYER IDENTIFICATION NUMBER AND LEGAL STATUS OF CONTRACTOR.**

CONTRACTOR shall be in compliance with applicable tax requirements and shall be current payment of such taxes. Under penalty of perjury, CONTRACTOR certifies that __________________ is its correct Taxpayer Identification Number and that it is doing business as a (please check one):

- ___ Individual
- ___ Partnership
- ___ Corporation
- ___ Sole Proprietorship
- ___ Not-for-Profit Corporation
- ___ Real Estate Agent
- ___ Government Entity
- ___ Trust or Estate
- ___ Tax Exempt Organization (IRS 501 as (a) only)
- ___ Medical and Health Care Services Provider Corporation

15.0 **LICENSE.**

CONTRACTOR, directly or through its employees, shall have and maintain any license required by this Agreement.

16.0 **APPROPRIATION.**

This Agreement is subject to termination and cancellation in any year for which the General Assembly fails to make an appropriation to make payments under the terms of the contract.

17.0 **RECORDS RETENTION.**

CONTRACTOR shall maintain, for as a minimum of three (3) years after the termination of this Agreement, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with this Agreement; this Agreement and all books, records, and supporting documents related to this Agreement shall be available for review and audit by the Auditor General and the Treasurer; CONTRACTOR agrees to cooperate fully with any audit conducted by the Auditor General or the Treasurer and to provide full access to all relevant materials. The three-(3)-year period shall be extended for the duration of any audit in progress during the term. 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 paid by the State under this Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.

18.0 **CONFLICTS OF INTEREST.**

CONTRACTOR has disclosed, and agrees that it is under a continuing obligation to disclose to the Treasurer financial or other interests (public or private, direct or indirect) that may be a potential conflict of interest that would prohibit CONTRACTOR from having or continuing the Agreement. Conflicts of interest include, but are not limited to, conflicts under Section 1400.5020 of the Treasurer’s Procurement Rules (44 Ill. Adm. Code 1400.5020) and Section 50-30 of the Illinois Procurement Code (30 ILCS 500/50).

19.0 **LATE PAYMENTS.**

Late payment charges, if any, shall not exceed the formula established in the Illinois Prompt Payment Act (30 ILCS 540/1) and the Illinois Administrative Code (74 Ill. Adm. Code 900).
20.0 LIABILITY.

The State’s liability for damages is expressly limited by and subject to the provisions of the Illinois Court of Claims Act (705 ILCS 505/1) and to the availability of suitable appropriations.

21.0 DEBT DELINQUENCY.

CONTRACTOR certifies that it is not barred from being awarded a contract under the Illinois Procurement Code (30 ILCS 500). Section 50-11 of the Illinois Procurement Code prohibits a person from entering into a contract with the Treasurer’s Office if it knows or should know that it, or any affiliate, is delinquent in the payment of any debt to the State as defined by the Debt Collection Board. Section 50-12 of the Illinois Procurement Code prohibits a person from entering into a contract with a State agency if it, or any affiliate, has failed to collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provisions of the Illinois Use Tax Act. CONTRACTOR further acknowledges that the Treasurer’s Office may declare the Agreement void if this certification is false or if CONTRACTOR or any affiliate is determined to be delinquent in payment of any debt during the term of the Agreement.

22.0 EDUCATIONAL LOAN DEFAULT.

CONTRACTOR certifies that it is not barred from being awarded a contract under the Educational Loan Default Act (5 ILCS 385). Section 3 of the Educational Loan Default Act prohibits an individual from entering into a contract with the Treasurer’s Office if that individual is in default of an educational loan. CONTRACTOR further acknowledges that the Treasurer’s Office may declare the Agreement void if this certification is false or if CONTRACTOR is determined to be in default of an educational loan during the term of the Agreement.

23.0 FORCE MAJEURE.

Failure by either party to perform its duties and obligations shall be excused by unforeseeable circumstances beyond its reasonable control, including acts of nature, acts of the public enemy, riots, labor or material shortages, labor disputes, fire, flood, explosion, legislation, and governmental regulation.

24.0 ANTITRUST ASSIGNMENT.

CONTRACTOR hereby assigns, sells and transfers to the State of Illinois all right, title and interest in and to any claims and causes of action arising under antitrust laws of Illinois or the United States relating to the subject matter of the Agreement.

25.0 PROHIBITION OF GOODS FROM FORCED LABOR.

CONTRACTOR certifies that it is not barred from being awarded a contract under the State Prohibition of Goods from Forced Labor Act (30 ILCS 583). Section 10 of the State Prohibition of Goods from Forced Labor Act prohibits a contractor from entering into a contract with the Treasurer’s Office if that contractor knew that the foreign-made equipment, materials, or supplies furnished to the State were produced in whole or part by forced labor, convict labor, or indentured labor under penal sanction. CONTRACTOR further acknowledges that the Treasurer’s Office may declare the Agreement void if this certification is false or if CONTRACTOR is determined to have known that the foreign-made equipment, materials, or supplies furnished to the State during the term of the Agreement were produced in whole or part by forced labor, convict labor, or indentured labor under penal sanction.

26.0 SARBANES-OXLEY ACT AND ILLINOIS SECURITIES LAW.

CONTRACTOR certifies that it is not barred from being awarded a contract under the Illinois Procurement Code (30 ILCS 500). Section 50-10.5 of the Illinois Procurement Code prohibits a business from bidding or entering into
a contract with the Treasurer’s Office if the business or any officer, director, partner, or other managerial agent of the business has been convicted of a felony under the Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 for a period of five (5) years from the date of conviction. CONTRACTOR further acknowledges that the Treasurer’s Office may declare the Agreement void if this certification is false or if CONTRACTOR or any officer, director, partner, or other managerial agent of CONTRACTOR is determined to have been convicted of a felony under the Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953 during the term of the Agreement.

27.0 DISPUTES.

Any claim against the State arising out of this Agreement must be filed exclusively with the Illinois Court of Claims (705 ILCS 505/1). The State shall not enter into binding arbitration to resolve any Agreement dispute. The State of Illinois does not waive sovereign immunity by entering into this Agreement. Any provision containing a citation to an Illinois statute (cited “ILCS”) may not contain the complete statutory language. The official text, which is incorporated by reference, may be found in the appropriate chapter and section of the Illinois Compiled Statutes. An unofficial version may be viewed at www.legis.state.il.us.

28.0 MOST FAVORABLE TERMS.

If more favorable terms are granted by the CONTRACTOR to any similar governmental agency in any state in a contemporaneous agreement let under the same or similar financial terms and circumstances for comparable supplies or services, the more favorable terms will be applicable under the Agreement between the Treasurer’s Office and the CONTRACTOR.

___________________________________________
CONTRACTOR

By: ___________________________________
Signature

___________________________________
Name

___________________________________
Title

___________________________________
Date

___________________________________
Phone number

Subscribed and Sworn to before me this ___ day of ___________2004.

___________________________________
Notary Public
## APPENDIX C
### PRICING MATRIX
#### IL Department of Agriculture - DuQuoin State Fair

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<th>Services Performed</th>
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<td>822 Account Analysis</td>
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<tr>
<td>Miscellaneous Items</td>
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</table>

**TOTAL MONTHLY COSTS**
DISCLOSURES
FINANCIAL INTEREST AND POTENTIAL CONFLICTS OF INTEREST
(Disclosure Form A)

The Treasurer’s Procurement Regulations (44 Ill. Adm. Code 1400.5035) require that contractors/offerors desiring to enter into certain contracts with the State of Illinois must disclose the financial and potential conflicts of interest information as specified below.

Contractor/offeror shall disclose the financial interest and potential conflicts of interest information identified in Sections 1 and 2 below as a condition of receiving an award or contract. Submit this information along with your bid, proposal or offer.

This requirement applies to contracts with an annual value exceeding $10,000.

A publicly traded entity may submit its 10K disclosure in satisfaction of the disclosure requirements set forth in both Sections 1 and 2 below.

Sec. 1. Disclosure of Financial Interest in the Contractor/Offeror

a. If any individuals have one of the following financial interests in the contractor/offeror (or its parent), please check all that apply and show their name and address:

Ownership exceeding 5% (_____
Ownership value exceeding $73,813.20 (_____
Distributive Income Share exceeding 5% (_____
Distributive Income Share exceeding $73,813.20 (_____

Name: ____________________________________________________
Address: ____________________________________________________

b. For each individual named above, show the type of ownership/distributable income share: sole proprietorship _____ stock _____ partnership _____ other (explain) ____________________________________________________.

c. For each individual named above, show the dollar value or proportionate share of the ownership interest in the contractor/offeror (or its parent) as follows:

If the proportionate share of the named individual(s) in the ownership of the contractor/offeror (or its parent) is 5% or less, and if the value of the ownership interest of the named individual(s) is $73,813.20 or less, check here (_____) 

If the proportionate share of ownership exceeds 5% or the value of the ownership interest exceeds $73,813.20, show either:

The percent of ownership __________% 

or 

The value of the ownership interest $___________
Sec. 2. Disclosure of Potential Conflicts of Interest. For each of the individuals having the level of financial interest identified in Section 1 above, check “Yes” or “No” to indicate which, if any, of the following potential conflicts of interest relationships apply. If “Yes,” please describe (use space under applicable section to explain your answers – attach additional pages as necessary).

a. State employment, currently or in the previous 3 years, including contractual employment of services

   Yes  No

b. State employment for 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 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 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

This disclosure is submitted on behalf of _______________________________________________

(Name of Contractor/Offeror)

Official authorized to sign on behalf of contractor/offeror:

Name (printed) ________________________________ Title _____________________________

Signature ________________________________ Date _____________________________
DISCLOSURES
OTHER CONTRACT AND PROCUREMENT RELATED INFORMATION
(Disclosure Form B)

The Treasurer’s Procurement Regulations (44 Ill. Adm. Code 1400.5035) require that contractors/offerrors desiring to enter into certain contracts with the State of Illinois must disclose the information as specified below.

Contractor/offeror shall disclose the information identified below as a condition of receiving an award or contract.

This requirement is applicable to only those contracts with an annual value exceeding $10,000.

You must submit this information along with your bid, proposal or offer.

a. Contractor/offeror shall identify whether it has current contracts (including leases) with other units of State of Illinois government by checking “Yes” _____ or “No” _____.

   If “Yes” is checked, identify each contract by showing agency name and other descriptive information such as purchase order or contract reference number (attach additional pages as necessary).

b. Contractor/offeror shall identify whether it has pending contracts (including leases), bids, proposals, or other ongoing procurement relationships with other units of State of Illinois government by checking “Yes” _____ or “No” _____.

   If “Yes” is checked, identify each such relationship by showing agency name and other descriptive information such as bid or project number (attach additional pages as necessary).

This disclosure is submitted on behalf of ____________________________________________

(Name of Contractor/Offeror)

Official authorized to sign on behalf of contractor/offeror:

Name (printed) ___________________________ Title ___________________________

Signature ___________________________________ Date ___________________________
## State Holiday Calendar for 2004

<table>
<thead>
<tr>
<th>Holiday</th>
<th>2004</th>
<th>2005</th>
</tr>
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<tbody>
<tr>
<td>New Years Day</td>
<td>Thursday, January 1</td>
<td>Friday, December 31, 2004</td>
</tr>
<tr>
<td>Martin Luther King Day</td>
<td>Monday, January 19</td>
<td>Monday, January 17</td>
</tr>
<tr>
<td>Lincoln's Birthday</td>
<td>Thursday, February 12</td>
<td>Friday, February 11</td>
</tr>
<tr>
<td>Washington's Birthday</td>
<td>Monday, February 16</td>
<td>Monday, February 21</td>
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<tr>
<td>Memorial Day</td>
<td>Monday, May 31</td>
<td>Monday, May 30</td>
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<tr>
<td>Independence Day</td>
<td>Monday, July 5</td>
<td>Monday, July 4</td>
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<tr>
<td>Labor Day</td>
<td>Monday, September 6</td>
<td>Monday, September 5</td>
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<tr>
<td>Columbus Day</td>
<td>Monday, October 11</td>
<td>Monday, October 10</td>
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<tr>
<td>General Election Day</td>
<td>Tuesday, November 2</td>
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<tr>
<td>Veterans' Day</td>
<td>Thursday, November 11</td>
<td>Friday, November 11</td>
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<tr>
<td>Thanksgiving</td>
<td>Thursday and Friday,</td>
<td>Thursday and Friday November 25 &amp; 26</td>
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<td></td>
<td>November 25 &amp; 26</td>
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<tr>
<td>Christmas</td>
<td>Friday, December 24</td>
<td>Monday, December 26</td>
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Appendix G

Payment Processing Volume

Illinois Department of Agriculture
& Illinois Department of Revenue
Check Volume - FY 2003

<table>
<thead>
<tr>
<th>Date</th>
<th># of Checks</th>
<th>Total Deposits</th>
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<tr>
<td>Jul-02</td>
<td>932</td>
<td>$209,740.28</td>
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<td>Aug-02</td>
<td>1023</td>
<td>$483,324.70</td>
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<td>Sep-02</td>
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<td>Oct-02</td>
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<td>Dec-02</td>
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<td>$3,268.46</td>
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<td>Jan-03</td>
<td>27</td>
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<td>Feb-03</td>
<td>18</td>
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<td>Mar-03</td>
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<td>Apr-03</td>
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<td>May-03</td>
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<td>Jun-03</td>
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<td>$68,461.09</td>
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2800 $1,322,193.05