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OFFICE OF THE AUDITOR GENERAL  
FRANK J. MAUTINO

(10/21)

**State of Illinois**  
**PROCUREMENT OPPORTUNITY**

TO: Proposal Manager

FROM: Jane Clark, Financial and Compliance Audit Director

DATE: November 29, 2022

SUBJECT: Request for Proposals (Professional and Artistic Services)  
Audit and or Attestation Services RFP No.  
23-1 - State Employees Retirement System (SERS), General Assembly Retirement System (GARS), Judges' Retirement System (JRS) and Illinois State Board of Investment (ISBI)

The Office of the Auditor General (OAG) is requesting offers from responsible vendors to fill the State's needs as described in this solicitation. The solicitation itself consists of the following sections:

- 1) "Instructions for Submitting Offers." This part, beginning with this page, tells what you need to know and do when preparing and submitting the offer to us. It also tells how we will evaluate your offer.
- 2) "Solicitation Response Forms." This part shows the specifications, how the offer must be priced, contract terms and other requirements. In addition, you must provide information about your firm, including certain financial and conflict of interest disclosures.

The "Solicitation Response Forms," completed, signed and returned by you, will constitute your offer. You need not submit the Instruction pages with your offer. You should keep the Instructions and a copy of your offer (Solicitation Response Forms) for future reference.

For your convenience we have included a summary description of what we need in section 1.2 of the attached "Instructions for Submitting Offers." More detail is provided throughout this solicitation.

Please read the entire solicitation package and submit your offer in accordance with the Instructions. If you are interested and able to meet the requirements set forth in this solicitation, we would appreciate and welcome an offer.

**INSTRUCTIONS FOR SUBMITTING OFFERS**

**1.1 PROJECT TITLE / REFERENCE #:** This Request for Proposals (Professional and Artistic Services) may be referred to as: SERS, GARS, JRS, ISBI Engagement, RFP No. 23-1

**1.2 SUMMARY DESCRIPTION OF SUPPLIES AND SERVICES:**

Please see Exhibit A, if applicable.

**1.3 OFFER DUE DATE, TIME AND SUBMISSION LOCATION:**      **Due Date:** 12/13/22      **Time:** 2:30 p.m.

**DELIVER OFFERS VIA ELECTRONIC SUBMISSION:**

See instructions at: <https://www.auditor.illinois.gov/Procurement-Bulletin/RFP-Portal-Instructions.pdf>

**DELIVER OFFERS TO:**

**Office of the Auditor General**  
**Attn.: Chief Procurement Officer**  
**740 E. Ash St.**  
**Springfield, IL 62703**

**LABEL OUTSIDE OF ENVELOPE/CONTAINER:**

**Office of the Auditor General**  
**Attn.: Chief Procurement Officer**  
**Project Title & Ref. #:**  
**Due Date & Time:**

We will open offers at the due date, time and delivery location. (Note: Offers will not be opened publicly.) Prior to the due date, you may mail or hand-deliver offers, modifications, and withdrawals. We must physically receive submissions as specified; it is not sufficient to show you mailed or commenced delivery before the due date and time. We will not consider offers, modifications or withdrawals received after the due date and time. All times are State of Illinois local times.

**1.4 Process for mailing or hand-delivery of submittal: NUMBER OF COPIES:** Submit a signed original and 3 copies of your offer in **a sealed container**. Label the container with the Project Title/Reference # as instructed in Section 1.3 above. **Submit price in a separate sealed envelope in the Offer Container.**

**Process for electronic submittal:** The OAG has developed an RFP portal for uploading electronic versions of RFP and Cost proposals. Please visit <https://www.auditor.illinois.gov/Procurement-Bulletin/RFP-Portal-Instructions.pdf> for directions on how to submit proposals electronically.

**1.5 OFFER Firm Time:**

Your offer must remain firm for 90 days from opening.

**1.6 SECURITY:**

Offer Bond            \$ N/A  
Performance Bond   \$ N/A

**1.7 VENDOR CONFERENCE:**     Yes     No

**Mandatory Attendance:**       Yes     No

**Date and Time (CST):** SERS, GARS, JRS (12/6/22 at 11:00 a.m.); ISBI (12/7/22 at 11:00 a.m)

**Location:** Zoom - see links for vendor conferences at end of information for step 12 (page 12)

We will provide written responses to questions and only those written responses shall be binding. If attendance is mandatory, you will be disqualified if you do not attend, are not on time, or leave the conference early.

**STATE EMPLOYEES' RETIREMENT SYSTEM (SERS)  
GENERAL ASSEMBLY RETIREMENT SYSTEM (GARS)  
JUDGES' RETIREMENT SYSTEM (JRS)  
ILLINOIS STATE BOARD OF INVESTMENT (ISBI)**

**PLANNED ENGAGEMENT PERIODS AND SCOPES**  
(First two engagements of a six engagement cycle)^

8 Technical Proposals

8 Cost Proposals

**Scope of Engagement # 1 – Period ended June 30, 2023, the engagement will consist of:**

- A financial statement audit for the year ending June 30, 2023. This audit will be relied upon in expressing an opinion on the State of Illinois financial statements. (SERS, GARS, JRS, ISBI)
- A State Compliance Attestation Examination for the two years ending June 30, 2023. (SERS, GARS, JRS, ISBI)
- A financial audit on the Schedule of Employer Allocations and the related Notes to the Schedules for the year ending June 30, 2023. (SERS)
- A financial audit on the total for all entities of the columns titled Ending Net Pension Liability, Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Pension Expense (specified column totals) and the related notes included in a Schedule of Pension Amounts by Employer for the year ending June 30, 2023. (SERS)
- An AT-C Section 205 Attestation Examination for the year ending June 30, 2023 regarding certain employer entities'\* compliance with employer census responsibilities outlined in the OAG Audit Guide. (SERS, GARS, JRS)
- An expanded scope information system review of the State Employees Retirement System for the two years ending June 30, 2023.

**Scope of Engagement # 2 – Period ended June 30, 2024, the engagement will consist of:**

- A financial statement audit for the year ending June 30, 2024. This audit will be relied upon in expressing an opinion on the State of Illinois financial statements. (SERS, GARS, JRS, ISBI)
- A financial audit on the Schedule of Employer Allocations and the related Notes to the Schedules for the year ending June 30, 2024. (SERS)
- A financial audit on the total for all entities of the columns titled Ending Net Pension Liability, Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Pension Expense (specified column totals) and the related notes included in a Schedule of Pension Amounts by Employer for the year ending June 30, 2024. (SERS)

- An AT-C Section 205 Attestation Examination for the year ending June 30, 2024 regarding certain employer entities'\* compliance with employer census responsibilities outlined in the OAG Audit Guide. (SERS, GARS, JRS)

\*Certain employer entities defined as follows:

**Entities for SERS:** Office of the Secretary of State, Department of Central Management Services, Department of Children and Family Services, Department of Corrections, Department of Human Services, Department of the Lottery, Department of Healthcare and Family Services, Department of Revenue, Department of Transportation, Department of Innovation and Technology, Capital Development Board, Water Revolving Fund (Environmental Protection Agency), Illinois State Board of Education, Illinois Student Assistance Commission, Self-Insurers Security Fund (Illinois Workers' Compensation Commission), and Toll Highway Authority (including ISP District 15).

**Entities for GARS:** General Assembly House of Representatives and General Assembly Senate

**Entity for JRS:** Administrative Office of the Illinois Courts

**Note:**

A total of eight technical proposals should be submitted for the:

- A. June 30, 2023 engagements (SERS, GARS, JRS, ISBI)
- B. June 30, 2024 engagements (SERS, GARS, JRS, ISBI)

A total of eight cost proposals should be submitted, one for each of the following:

- A. June 30, 2023 engagements (SERS, GARS, JRS, ISBI)
- B. June 30, 2024 engagements (SERS, GARS, JRS, ISBI)

^The initial contract resulting from this procurement will cover the audit period ended June 30, 2023. The Auditor General's Office generally maintains a six year rotation policy. However, the Auditor General reserves the right, in its sole discretion, to lengthen, shorten or otherwise modify the rotation cycle. Submission of a proposal for the period ended June 30, 2024 does not obligate the OAG to enter into a contract with the winning vendor for that audit period. Renewal of the contract for successive terms is at the OAG's discretion and subject to performance review, the satisfactory negotiation of terms (including price) and the annual availability of an appropriation. In no event will the total term of the contract, including the initial term, and renewal terms and any extensions, exceed 10 years.

**1.8 PROJECT CONTACT:**

Office of the Auditor General  
Jane Clark  
740 E. Ash St.  
Springfield, IL 62703  
(217) 782-6046  
(888) 261-2887 (TTY)  
E-mail: OAGRFPFC@auditor.illinois.gov

If you have a question or suspect an error, you must immediately notify the Project Contact identified in this section. A record of all communications must be maintained. Contact with OAG personnel other than those listed above regarding this solicitation may be grounds for elimination from the selection process. Only written answers to questions shall be binding on the State.

**1.9 PROTEST REVIEW OFFICE:**

Office of the Auditor General  
Chief Procurement Officer  
740 E. Ash St.  
Springfield, IL 62703  
(217) 782-6046  
(888) 261-2887 (TTY)  
(217) 785-8222 (fax)

You may submit a written protest of our actions to the PROTEST REVIEW OFFICE in accordance with the requirements of the Auditor General's procurement rule (44 Ill. Adm. Code 500.1330). We must physically receive the protest by close of business no later than 14 calendar days after you knew or should have known of the facts giving rise to the protest. You shall be deemed to have notice as of the date of publication in the Auditor General Procurement Bulletin, or earlier if you had earlier actual notice.

**1.10 SMALL BUSINESS ENTERPRISE (SBE) PROGRAM GOAL.** The OAG encourages certified small business enterprises to submit proposals. The OAG also encourages Vendors to consider subcontracting portions of engagements to SBE certified firms. For complete requirements and to certify your business with the Department of Central Management Services in the Small Business Set-Aside Program, visit <https://www2.illinois.gov/cms/business/sell2/pages/default.aspx>. If an SBE goal has been set for this solicitation, it is noted in the Description of Services.

**1.11 BUSINESS ENTERPRISE PROGRAM (BEP) GOAL.** The OAG encourages certified businesses owned and controlled by minorities (MBE), women minorities (WMBE), women (WBE), or persons with disabilities (PBE) to submit proposals. The OAG also encourages Vendors to consider subcontracting portions of engagements to audit firms certified as MBE, WMBE, WBE or PBE. For complete requirements and to certify your business with the Department of Central Management Services in the Business Enterprise Program, visit <http://www.illinois.gov/cms/business/sell2/bep/pages/default.aspx>. If a BEP goal has been set for this solicitation, it is noted in the Description of Services.

**1.12 VETERANS BUSINESS PROGRAM (VBP) GOAL.** The OAG encourages businesses certified as Veteran-Owned Small Businesses (VOSB) or Service Disabled Veteran-Owned Small Businesses (SDVOSB) to submit proposals. The OAG also encourages Vendors to consider subcontracting portions of engagements to VBP certified firms. For complete requirements and to certify your business with the Department of Central Management Services in the Veteran Business Program, visit <http://www.illinois.gov/cms/business/sell2/bep/pages/default.aspx>. If a VBP goal has been set for this solicitation, it is noted in the Description of Services.

**1.13 STATUTORY CITATIONS.** You will find a number of statutory references in the solicitation that are designated "ILCS." The official text can be found in the appropriate chapter and section of the Illinois Compiled Statutes. An unofficial version of the statutes can be viewed at <http://www.ilga.gov/legislation/ilcs/ilcs.asp>. The Auditor General's Procurement Rules (44 Ill. Adm. Code 500) are also applicable to this procurement and may be viewed at [www.ilga.gov/commission/jcar/admincode/titles/html](http://www.ilga.gov/commission/jcar/admincode/titles/html).

- 1.14 PROCUREMENT BULLETIN.** We publish procurement information (including notices of procurement opportunities, notices of award, and updates) in the Auditor General Procurement Bulletin. Vendors may view this information at the Auditor General's web site ([www.auditor.illinois.gov](http://www.auditor.illinois.gov)). Procurement information may not be available in any other form or location. You are responsible for monitoring the Auditor General Procurement Bulletin; we cannot be held responsible if you fail to read notices posted on the Auditor General Procurement Bulletin or to receive e-mail notices.
- 1.15 AWARD.** We will post a notice to the Auditor General Procurement Bulletin identifying the apparent awardee. The notice extends the Offer Firm Time until we sign a contract or determine not to sign a contract. We may accept or reject your Offer as submitted, or may require contract negotiations. If negotiations do not result in an acceptable agreement, we may reject your Offer and begin negotiations with another Vendor. Protested awards are not final and are subject to resolution of the protest.
- 1.16 PUBLIC INFORMATION.** Offers become the property of the State and will not be returned. Your Offer will be open to the public under the Illinois Freedom of Information Act (FOIA) (5 ILCS 140) and other applicable laws and rules, unless you request in your Offer that we treat certain information as exempt. A request for confidential treatment will not supersede the State's legal obligations under FOIA. We will not honor requests to exempt entire Offers. You must show the specific grounds in FOIA or other law or rule that support exempt treatment. Regardless, we will disclose the name of every Offeror, the substance of the Offer, and the price. If you request exempt treatment, you must submit an additional copy of the Offer with exempt information deleted. This copy must tell the general nature of the material removed and shall retain as much of the Offer as possible. You will be responsible for any costs or damages associated with our defending your request for exempt treatment. You agree the State may copy the Offer to facilitate evaluation, or to respond to requests for public records. You warrant that such copying will not violate the rights of any third party.
- 1.17 RESERVATIONS.** You must read and understand the solicitation and tailor your Offer and activities to ensure compliance. We reserve the right to amend the solicitation; to reject any or all offers in whole or in part; to reject individual offers for failure to meet any requirement; to award by item, part or portion of an item, group of items, or total; to cancel this request for supplies and/or services at any time; to issue a new solicitation and accept new offers; and to waive minor defects. We may request a clarification, inspect your premises, interview staff, request a presentation, or otherwise verify the contents of the Offer, including information about subcontractors and suppliers. We may request Best and Final Offers when appropriate. We will make all decisions on compliance, evaluation, and terms and conditions, and shall make decisions solely in the best interest of the State. This competitive process requires that you provide additional information and otherwise cooperate with us. If you do not comply with requests for information or cooperate, we may reject your Offer. You have no right to an award by submitting an Offer, nor do you have the right to a contract based on our posting your name in a Bulletin notice. We are not responsible for and will not pay any costs associated with the preparation and submission of your Offer. If you are the awardee, you shall not commence, and will not be paid for, any billable work prior to the date all parties execute the contract. **THIS SOLICITATION IS SUBJECT TO ERRORS, OMISSIONS, MODIFICATIONS, WITHDRAWAL OR CANCELLATION WITHOUT NOTICE.**
- 1.18 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 unlawfully discriminate in employment, contracts, or any other activity. If you need any special accommodation under the Americans with Disabilities Act (ADA) you must promptly notify the PROJECT CONTACT.
- 1.19 PUBLIC CONTRACTS NUMBER.** Vendors with 15 or more employees must have a Public Contracts Number issued by (or completed application submitted to) the Illinois Department of Human Rights prior to the opening date. Please visit <https://www2.illinois.gov/DHR/publiccontracts/pages/default.aspx> for forms and details.
- 1.20 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 for information about tax credits. (30 ILCS 500/45-67 and 45-70; 35 ILCS 5/216, 5/217).
- 1.21 RELEASE OF CLAIMS.** By submitting an Offer, the Vendor agrees that it will not bring any claim or cause of action against the OAG based on any misunderstanding concerning the information provided herein or concerning the OAG's failure, negligent or otherwise, to provide the Vendor with pertinent information as intended by this RFP.

**1.22 GOVERNING LAW AND FORUM.** Illinois law and rule govern this solicitation and any resulting contract. You must bring any action relating to this solicitation or any resulting contract in the appropriate court in Illinois. We do not allow binding arbitration. This document contains statutory references designed with "ILCS." You may view the full text at <https://www.ilga.gov/legislation/ilcs/ilcs.asp>. The Auditor General's procurement rules (44 Ill.Adm.Code 500) are applicable to this solicitation and may be viewed at [www.ilga.gov/commission/jcar/admincode/titles.html](http://www.ilga.gov/commission/jcar/admincode/titles.html).

**1.23 COMPLETION OF SOLICITATION RESPONSE FORMS.** You must respond to all sections of each form including attachments, clearly show any "exceptions," and complete, sign and return each of the forms as indicated. The solicitation forms show what we require in terms of specifications, contract terms and other requirements. It consists of the Vendor Transmittal letter and the attachments described below.

- a) Vendor's Transmittal Letter to OAG. The Vendor's Transmittal Letter to OAG identifies the Vendor's responsible party and, together with attachments, constitutes the Vendor's binding offer. By signing on the line provided you are making an offer to perform in accordance with the terms and conditions found in each section of the solicitation as modified by any exceptions properly noted. The State may accept your offer as submitted or may propose a counter-offer. It may be necessary to make modifications to the forms after award, or as a condition to award, to accurately reflect the final understanding of the Parties. You will need to complete the Vendor signature area. You must have an authorized person sign the form and complete the remaining blanks.
- b) Description of Services (General Requirements and Technical Requirements). In this attachment we tell what we want you to provide. We identify our needs, goals, any general project information and the specifications. Your offer must tell us how you will meet the stated requirements.
- c) Formal Cost Proposal. In this attachment we provide the format for how we want you to price the supplies or services. Do not show price information in other sections of the offer. **If submission is mailed or hand-delivered, place this attachment in a separate sealed envelope but submit it with the remainder of the offer in the offer container.**
- d) Standard Contract Provisions. This attachment contains terms and conditions of general applicability to this solicitation and any resulting contract.
- e) Standard Certifications. By signing the signature page, you are making the certifications described in this attachment.
- f) Vendor Provided Additional Material and Exceptions. This is where you provide any additional material that you want us to consider in the evaluation process and any exceptions to the terms and conditions of the solicitation. If you are taking any exceptions, this is where you must provide the detail of the exceptions.
- g) Department of Human Rights Public Contract Number. This is information requested by the Illinois Department of Human Rights. You may be disqualified if this information is not timely submitted.
- h) Disclosures and Conflicts of Interest form. This form must be signed by you, under penalty of perjury, and represents a continuing obligation on your part to inform us of any changes or instances of non-compliance throughout the contract term.
- i) Taxpayer Identification Number. We must have this to make payment to you.

**1.24 CRITERIA FOR EVALUATION AND AWARD.** We evaluate four categories of information: administrative compliance, vendor responsibility, responsiveness, and price. All offers must meet the following administrative and responsibility criteria:

- a) Administrative Compliance. We will determine whether the offer complied with the Instructions for Submitting Offers. We must reject your offer if you submit it late. Failure to meet other requirements could result in rejection. To preserve the stability of the audit program, the OAG has established limitations on the number of hours and number of engagements that may be awarded to any given Vendor. Those limitations are set forth in Paragraph 5 of the Description of Services (General Requirements). Proposals from Vendors exceeding those limitations will be rejected unless waiver is determined to be in the OAG's best interest.

- b) Vendor Responsibility. We will determine whether the VENDOR submitting the offer is one with whom we can or should do business (a "responsible" Vendor).
- 1) A "responsible" vendor must exist as a legal entity and must be authorized to transact or conduct business in Illinois at the time a bid, proposal, or offer is submitted for a State contract. If your firm is a corporation, LP/LLP or LLC, it must be registered and in good standing with the Illinois Secretary of State at the time a proposal is submitted and, if awarded a contract, must maintain registration and be in good standing throughout the contract term.
  - 2) The Auditor General's procurement rules provide that a "prohibited bidder" includes a person assisting (except as part of a public request for information process) a State employee who, by the nature of his or her duties has the authority to participate personally and substantially in the decision to award a contract, by reviewing, drafting, directing, or preparing solicitation or similar documents for the State. 44 Ill. Adm. Code 500.600 (i). Vendor is required to certify its compliance with this prohibition through the Certifications section of the Contract.
  - 3) Other factors that we may evaluate to determine responsibility include, but are not limited to: certifications, conflicts of interest, financial disclosures, taxpayer identification number, Public Contracts Number from the Department of Human Rights, any other professional license or certification required for the type of service to be performed, past performance, financial stability, references (including those found outside the offer), compliance with applicable laws, the perceived ability to perform completely as specified, external peer review (Government Auditing Standards require firms providing audit or attestation services to undergo an external system peer review every three years), and other relevant factors. Vendors owing an unsatisfied delinquent debt to the State as shown in the Comptroller's Offset System may be found to be non-responsible. (This step does not relieve any vendor from satisfying any debt owed to the State.) Vendors that have been debarred, suspended or sanctioned by any State or federal entity may be determined not responsible. A VENDOR must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the contract and must provide proof upon request. We will determine whether any failure to supply information, or the quality of the information, will result in rejection.
- c) The evaluation and award criteria are shown in the following subsections.
- 1) Responsiveness. We will evaluate for "responsiveness" offers that meet the "administrative" and "responsibility" requirements. We will determine how well offers meet our requirements in terms of "responsiveness" to the specifications. Minor differences or deviations that have negligible impact on the price or suitability of the supply or service to meet the State's needs may be accepted or corrections allowed. If no administratively compliant and responsible Vendor meets a particular requirement, we may waive that requirement. We will rank offers, without consideration of price, from best to least qualified using a point system (unless otherwise specified) as an aid in conducting the evaluation. References and past performance may be considered again in this portion of the evaluation. Point and other such evaluation methods are tools we use to aid us in the evaluation process but are not always definitive. We reserve the right to use our discretion to eliminate offers that we deem unacceptable.
  - 2) The total number of points for "responsiveness" is 80. Vendors who do not receive 33 of the total "responsiveness" points available need not be considered for price evaluation and award. For each element, proposals will receive a number of points proportionate to how that proposal compared to other proposals. The OAG reserves the right to reject any proposal that is, in the OAG's opinion, materially deficient in any one of the evaluation criteria, regardless of total overall score.
    - i. Appropriateness, comprehensiveness, and responsiveness of proposer's approach to the engagement, including the number of professional hours to be devoted to the engagement and its component tasks, the manner in which the requirements of the RFP and any special specifications or objectives are addressed, and the value of any special testing proposed;
    - ii. Extent and quality of proposer's experience and the quality of similar services provided to the OAG and others, especially the proposer's experience in completing similar engagements;



- iii. The quality, depth and relevance of the experience and qualifications of the team leader and key staff, including any intended subcontractors, who will be performing the engagement, as well as the availability of staff to provide the services; and
  - iv. The mix or ratio of higher level (partner, manager, supervisor) hours to lower level (senior, staff and interns) hours for the staff assigned to the engagement.
- 3) **Price.** We will rank proposals from least costly to most costly using a point method based on total maximum cost for the engagement (i.e., the number of professional hours and the rate per hour, or overall fixed cost, whichever is applicable). Please note: Vendors will not be compensated for expenses related to this contract, including travel, lodging, per diem, and meals.

The total number of points for "price" is 20. The least costly proposal will receive maximum points. All other proposals will receive a proportionate share of the points in accordance with the following formula:

$$\text{Maximum price points} \times \frac{\text{Lowest Price}}{\text{Offeror's Price}} = \text{Total Price Points}$$

- 4) The maximum number of points is 100 (Responsiveness 80 plus Price 20).
- 5) **Award.** The "responsible" offeror whose offer meets "administrative" requirements and whose offer is the most advantageous shall be eligible for award. In a point evaluation, the "most advantageous" proposal is the one with the highest cumulative points ("responsiveness" plus "price"). However, if we do not consider the price to be fair and reasonable and that price cannot be negotiated to an acceptable level, we reserve the right to award to the next highest ranked vendor. We will determine whether price is fair and reasonable by considering the offer, including the vendor's qualifications, the vendor's reputation, all prices submitted, other known prices, the project budget and other relevant factors. Only the OAG can determine if a price is fair and reasonable.
- d) **Alternative Evaluation.** If three or fewer offers are received, the offers may be evaluated without use of a point system, using simple comparative analysis.
- e) **Best and Final Offers.** The OAG reserves the right to enter into discussions with those Vendors who are eligible for further evaluation in accordance with the evaluation criteria. The purposes of such discussions include, but are not limited to, promoting understanding of the OAG's requirements and the Vendor's proposal and facilitating arriving at a contract that will be most advantageous to the OAG. The number of proposers allowed to participate in discussions or to submit best and final offers, and the scope of those discussions and best and final offers, shall be determined solely by the OAG.

**END OF INSTRUCTIONS**

**DESCRIPTION OF SERVICES**

**(General Requirements)**

RFP # 23-1

AGENCY to be audited SERS, GARS, JRS, ISBI

**1. Engagement Standards.** The engagement must be performed in accordance with the following (check all that apply):

- Illinois State Auditing Act (30 ILCS 5/1-1 *et seq.*)
- Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (OAG Audit Guide)
- Generally Accepted Auditing Standards (GAAS)
- Government Auditing Standards (GAS)
- Single Audit Act Amendments of 1996
- 2 CFR Part 200, Subpart F (Uniform Guidance for Federal Awards - Audit Requirements)
- Statements on Standards for Attestation Engagements (SSAEs)
- Other: \_\_\_\_\_

**2. Engagement Scope.** The scope of the engagement will include (mark those which apply):

- (a) a compliance attestation examination with regard to the determinations specified in Chapter 3, Section 1, and Chapter 33-A, Section 12 of the Audit Guide.
- (b) an internal control procedures engagement as specified in Chapter 3, Section 3 of the Audit Guide.
- (c) a financial statement audit of locally held and certain other funds as specified in Chapter 3 of the Audit Guide and as specified in Schedule 3 of the contract. This audit will be relied upon in expressing an opinion on the State of Illinois Financial Statements.
- (d) a financial statement audit of the agency leading to an opinion on financial position and results of operations of all funds administered. If this audit is for an entity that is part of the primary government or a component unit of the State of Illinois, it will be relied upon in expressing an opinion on the State of Illinois Financial Statements.
- (e) an agreed upon procedures attestation engagement with regard to the data submitted to the Comptroller to be used in the preparation of the Statewide Schedule of Expenditures of Federal Awards, as specified in Chapter 27 and Chapter 33-A, Section 13 of the Audit Guide.
- (f) a single audit of the agency covering both State and federal audit requirements as specified in Chapter 23 of the Audit Guide.
- (g) any special audit objectives as listed under Special Provisions in Schedule 3.

**3. Required/Preferred Experience.** Experience in auditing the following types of entities is required or preferred for this engagement (check all that apply):

<u>Required</u>	<u>Preferred</u>	<u>Description of Experience</u>
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Entities requiring at least <u>2,500</u> professional engagement hours
<input type="checkbox"/>	<input type="checkbox"/>	Entities which issue bonds and have outstanding bonded debt of \$ _____ or more
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Public pension systems with assets of \$ <u>5 billion</u> or more
<input type="checkbox"/>	<input type="checkbox"/>	Entities investing funds of \$ _____ or more
<input type="checkbox"/>	<input type="checkbox"/>	Public universities and university related organizations
<input type="checkbox"/>	<input type="checkbox"/>	Hospitals, managed care entities, and similar organizations
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Entities with large and/or complex information system environments
<input type="checkbox"/>	<input type="checkbox"/>	Not-for-profits
<input type="checkbox"/>	<input type="checkbox"/>	Federal programs
<input type="checkbox"/>	<input type="checkbox"/>	Single Audits
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Other: Information Systems Reviews
<input type="checkbox"/>	<input type="checkbox"/>	Other: _____

4. **Prequalification level.** The OAG-assigned level for this engagement is (check one):

One                      Two                      Three                      ✓ Four

Only proposals from Vendors that are now or are currently eligible to be prequalified at or above the assigned level will be considered for this engagement. Proposers who are not currently prequalified with the OAG, or whose prequalification has lapsed (see below), are required to submit completed prequalification forms and such forms must be received at the OAG's Springfield location no later than the due date and time for submission of proposals. Prequalification forms must be sent separately from the proposal package. The OAG will make a decision regarding prequalification within ten (10) working days of receipt of fully-completed prequalification forms. Failure to meet the standards necessary for prequalification will be a basis of rejection of a proposal without the need for review, scoring or any further action on that proposal by the OAG. Prequalification forms and instructions for completing and submitting those forms may be obtained by contacting the OAG as provided in Section 1.8 of the Instructions for Submitting Offers.

Any subcontractor (excluding specialists that are not accounting firms) engaged by a Vendor in the performance of an OAG engagement must have an active (unexpired) prequalification with the OAG, but need not be prequalified at the job level assigned to the engagement on which the subcontractor will be working. "Specialists" as defined in Government Auditing Standards need not be prequalified unless they are accounting firms.

**NOTE: If your firm has not been prequalified in accordance with the Prequalification Information outlined on our website at <https://www.auditor.illinois.gov/Procurement-Bulletin/Prequalification-info.asp>, you must submit the new forms in order to be considered for this engagement.**

5. **Audit/Engagement Limitations and/or Considerations.** Part of the strength of the post audit program is the fact that OAG is not over-reliant on any one firm, one individual, or the hiring of additional staff in the future to perform engagement work. To limit the business risk associated with any one firm, the OAG limits the number of hours and engagements performed by one firm.

Unless a waiver by the Auditor General is obtained, Vendors will not be eligible for this engagement if, including this engagement, their total contracted and/or subcontracted audit/engagement hours or estimated audit/engagement hours with the OAG will exceed 35,000 (45,000 if the University of Illinois or the Statewide Single Audit is included in the total) for the year.

Generally, contractors with fewer than 10 full time professional staff at the time of proposal submission are generally not eligible for a contract or subcontract award if that award would make their total number of engagements for the Office of the Auditor General exceed seven during the annual audit cycle. Contractors with 10-15 full time professional staff at the time of proposal submission are generally not eligible for a contract or subcontract award if that award would make their total number of engagements for the OAG exceed ten for the annual audit cycle. Contractors with more than 15 full time professional staff at the time of proposal submission are generally not eligible for a contract or subcontract award if that award would make their total number of contracts exceed twenty for the annual audit cycle. For individual procurements, the maximum number of engagements may, at the Office's discretion, be waived if the waiver is in the Office's best interest. Decisions of this nature will be made on a case by case basis depending upon such factors as the number, quality and cost of other proposals received in response to the solicitation.

Part of the technical proposal review and scoring process focuses upon the mix of professional staff and the credentials of those being proposed. For example, firms proposing a higher mix of professional staff (i.e. partner, manager, and supervisor with a CPA certification credential) as compared to firms proposing a lower mix of professional staff (i.e. assistants without a CPA certification credential) generally receive a higher score on this criterion. Conversely, firms proposing the use of assistants without a CPA certification or the use of interns in lieu of full time professional staff generally receive a lower technical score on this criterion. Engagement evaluations conducted by the OAG include a comparison of staff contracted against those who performed the work.

**6. Engagement Schedule--Key Dates.** The following dates are approximate:

Compliance	Financial	
^ _____	^ _____	Request for proposals issued
^ _____	^ _____	Preproposal conference
^ _____	^ _____	Proposals due in Springfield office by 3:30 p.m. (CST)
^ _____	^ _____	Expected award date
^ _____	^ _____	Contractor starts Phase I* fieldwork (see note below)
^ _____	^ _____	Contractor ends Phase I fieldwork
^ _____	^ _____	Contractor begins Phase II fieldwork
^ _____	^ _____	Contractor completes fieldwork
^ _____	^ _____	Contractor submits draft findings
^ _____	^ _____	Contractor submits complete draft of report and other required deliverables
^ _____	^ _____	Contractor submits all required copies of final report and letter of immaterial findings to OAG

^ See Exhibit B on pages 11-B.

Throughout the engagement, Contractor will be expected to provide the OAG contract manager with monthly progress reports.

\*NOTE: Due to fiscal year limitations, this award will be the subject of two contracts – one for work performed prior to July 1 and the other for work performed after June 30. For budgeting purposes, the OAG will expect the Contractor to perform approximately 20 % of the work during Phase I of the engagement for the year ended June 30, 2023.

**7. Technical Requirements.** All proposers must complete and return the attached Technical Requirements document. No cost information is to be included within the Technical Requirements. Cost information is to be submitted as provided in Section 1.4 of the Instructions for Submitting Offers.

**8. Cooperation.** Contractor must cooperate with staff from the OAG and other contractors in their conduct of additional or extended work assigned by the Auditor General as a part of, or supplement to, the contractor's work.

**9. Renewal.** This contract may be renewed for successive terms, subject to the OAG's discretion, with the mutual written consent of both parties and subject to performance review, the satisfactory negotiation of terms (including price) and the annual availability of an appropriation. In no event will the total term of the contract, including the initial term, and renewal terms and any extensions, exceed 10 years.

**10. Information Available at the Auditor Generals Office.** The following additional information may be received review by visiting the OAG RFP portal. Instructions for obtaining information from the portal can be found at <https://www.auditor.illinois.gov/Procurement-Bulletin/RFP-Portal-Instructions.pdf>. Reports for prior periods can be downloaded from the Auditor General's website at <https://auditor.illinois.gov/Audit-Reports/ABC-List.asp>:

- Information on Historical Engagement Hours
- Internal control documents including system narratives and risk assessments
- Prior audit and/or attestation programs and checklists
- Prior contracts, billings and supporting documentation (if the prior engagement was performed by contractors)
- FY21 audit reports; FY21 Schedule of Adjustments Letters; Preliminary Survey Questionnaires;
- Engagement Scope letters; Master Mandate Report; Mandate Turnaround Document;
- ACES Controls and Sample IS Fieldwork
- \_\_\_\_\_

If you have any questions regarding this information, please contact Jane Clark at (217) 782-6046.

**11. Billing Procedures and Progress Billings.** The contract will set forth the total financial obligation of the OAG and contractor must agree to fully complete the statement of work and all contractual obligations within that stated total consideration. Amendments will be permitted only at the OAG's discretion. Billings must be prepared in accordance with the Auditor General's procedures regarding the submission of vouchers or other documentation. The voucher must list a total of the actual professional hours utilized for the work performed (extended at the agreed contract average hourly rate if the contract is an hourly rate contract). If total billings are less than the total consideration allowable under the contract, only the lesser cost shall be paid by the OAG. If progress payments are permitted, the contract will so specify.

**STATE EMPLOYEES RETIREMENT SYSTEM**

	Report on Allocation			AT-C Section 205 Report (Pension - Toll Highway and ISP Dist. 15)	AT-C Section 205 Report (Pension - All except Toll Highway and ISP Dist. 15)	AT-C Section 205 Report (OPEB)
	Financial	Compliance	Report on Allocation	AT-C Section 205 Report (Pension - Toll Highway and ISP Dist. 15)	AT-C Section 205 Report (Pension - All except Toll Highway and ISP Dist. 15)	AT-C Section 205 Report (OPEB)
Request for proposals issued	11/29/2022	11/29/2022	11/29/2022	11/29/2022	11/29/2022	11/29/2022
Proposal Conference	12/6/2022	12/6/2022	12/6/2022	12/6/2022	12/6/2022	12/6/2022
Proposals due in Springfield Office by 2:30 p.m. (CST)	12/13/2022	12/13/2022	12/13/2022	12/13/2022	12/13/2022	12/13/2022
Expected award date	1/10/2023	1/10/2023	1/10/2023	1/10/2023	1/10/2023	1/10/2023
Contractor starts Phase I fieldwork	4/17/2023	4/17/2023	4/17/2023	4/17/2023	4/17/2023	4/17/2023
Contractor ends Phase I fieldwork	6/30/2023	6/30/2023	6/30/2023	6/30/2023	6/30/2023	6/30/2023
Contractor begins Phase II fieldwork	7/1/2023	7/1/2023	7/1/2023	7/1/2023	7/1/2023	7/1/2023
Contractor completes fieldwork	11/15/2023	12/15/2023	12/15/2023	4/19/2024	6/30/2024	6/30/2024
Contractor submits draft findings	11/15/2023	12/15/2023	12/15/2023	4/19/2024	Phase III	Phase III
Contractor submits complete draft of report and other required deliverables	12/1/2023	12/15/2023	12/15/2023	4/19/2024	Phase III	Phase III
Contractor submits all required copies of final report and letter of immaterial findings to OAG	12/27/2023	1/29/2024	1/29/2024	5/31/2024	Phase III	Phase III
Contractor begins Phase III fieldwork	n/a	n/a	n/a	n/a	7/1/2024	7/1/2024
Contractor completes fieldwork	n/a	n/a	n/a	n/a	7/31/2024	10/7/2024
Contractor submits complete draft of report and other required deliverables	n/a	n/a	n/a	n/a	7/31/2024	10/7/2024
Contractor submits all required copies of final report and letter of immaterial findings to OAG	n/a	n/a	n/a	n/a	8/30/2024	10/31/2024

**GENERAL ASSEMBLY RETIREMENT SYSTEM AND JUDGES' RETIREMENT SYSTEM**

	AT-C Section 205 Report (Pension)			AT-C Section 205 Report (OPEB)
	Financial	Compliance	AT-C Section 205 Report (Pension)	AT-C Section 205 Report (OPEB)
Request for proposals issued	11/29/2022	11/29/2022	11/29/2022	11/29/2022
Proposal Conference	12/6/2022	12/6/2022	12/6/2022	12/6/2022
Proposals due in Springfield Office by 2:30 p.m. (CST)	12/13/2022	12/13/2022	12/13/2022	12/13/2022
Expected award date	1/10/2023	1/10/2023	1/10/2023	1/10/2023
Contractor starts Phase I fieldwork	4/17/2023	4/17/2023	4/17/2023	4/17/2023
Contractor ends Phase I fieldwork	6/30/2023	6/30/2023	6/30/2023	6/30/2023
Contractor begins Phase II fieldwork	7/1/2023	7/1/2023	7/1/2023	7/1/2023
Contractor completes fieldwork	11/15/2023	12/15/2023	Phase III	Phase III
Contractor submits draft findings	11/15/2023	12/15/2023	Phase III	Phase III
Contractor submits complete draft of report and other required deliverables	12/1/2023	12/15/2023	Phase III	Phase III
Contractor submits all required copies of final report and letter of immaterial findings to OAG	12/27/2023	1/29/2024	Phase III	Phase III
Contractor begins Phase III fieldwork	n/a	n/a	7/1/2024	7/1/2024
Contractor completes fieldwork	n/a	n/a	7/31/2024	10/7/2024
Contractor submits complete draft of report and other required deliverables	n/a	n/a	7/31/2024	10/7/2024
Contractor submits all required copies of final report and letter of immaterial findings to OAG	n/a	n/a	8/30/2024	10/31/2024

**ILLINOIS STATE BOARD OF INVESTMENTS**

	Financial	Compliance
Request for proposals issued	11/29/2022	11/29/2022
Proposal Conference	12/7/2022	12/7/2022
Proposals due in Springfield Office by 2:30 p.m. (CST)	12/13/2022	12/13/2022
Expected award date	1/10/2023	1/10/2023
Contractor starts Phase I fieldwork	4/17/2023	4/17/2023
Contractor ends Phase I fieldwork	6/30/2023	6/30/2023
Contractor begins Phase II fieldwork	7/1/2023	7/1/2023
Contractor completes fieldwork	11/30/2023	11/30/2023
Contractor submits draft findings	11/15/2023	12/15/2023
Contractor submits complete draft of report and other required deliverables	11/15/2023	12/15/2023
Contractor submits all required copies of final report and letter of immaterial findings to OAG	12/15/2023	1/29/2024

## 12. Special Provisions (if any).

- a) The successful proposer, and any proposed subcontractors, will be required to comply with all independence rules and interpretations published by the AICPA and Government Accountability Office (GAO) with regard to any entity within the State of Illinois' primary government, including related organizations, joint ventures, and jointly-governed organizations. Proposals in response to this RFP (23-1) should specifically describe the approach to be used for ensuring compliance with the Independence Standards established by the GAO within the Government Auditing Standards. (SERS, GARS, JRS, ISBI)
- b) For any proposals involving more than one firm (i.e., the Group Audit/Primary contractor and subcontractor(s)), the Group Audit/Primary contractor must perform at least 51% of the total professional engagement hours. (SERS, GARS, JRS, ISBI)
- c) As set forth in the AICPA State and Local Government Expert Panel (SLGEP) Pension White Paper Series, February 2014, Single-Employer and Cost-Sharing Multiple-Employer Plans: Issues Associated with Testing Census Data in an Audit of Financial Statements, the Contractor will coordinate the testing of census data used in the June 30, 2023 actuarial valuation of the State Employees' Retirement System (System), the General Assembly Retirement System, and the Judges' Retirement System. The Contractor will perform the testing of census data for active participant data. (SERS, GARS, JRS)
- d) As set forth in the AICPA State and Local Government Expert Panel (SLGEP) Pension White Paper Series, February 2014, Governmental Employer Participation in Cost-Sharing Multiple-Employer Plans: Issues Related to Information for Employer Reporting, the Contractor will obtain reasonable assurance and report on the Schedule of Employer Allocations and related notes to the schedule as prepared by the System. The Contractor will form an opinion and report on the schedule in accordance with AU-C Section 805, Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement. (SERS)
- e) As set forth in the AICPA State and Local Government Expert Panel (SLGEP) Pension White Paper Series, February 2014, Governmental Employer Participation in Cost-Sharing Multiple-Employer Plans: Issues Related to Information for Employer Reporting, the Contractor will obtain reasonable assurance and report on the total for all entities of the columns titled Ending Net Pension Liability, Total Deferred Outflows of Resources, Total Deferred Inflows of Resources, and Total Pension Expense (specified column totals) and the related notes included in a Schedule of Pension Amounts by Employer prepared by the System. The Contractor will form an opinion on each element described in the schedule and report in accordance with AU-C Section 805, Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts, or Items of a Financial Statement. (SERS)
- f) The scope of the engagement will also include attestation examinations of certain employer entities'\* compliance with employer census responsibilities outlined in the specified requirements, as more fully described in the Audit Guide for Financial Audits and Compliance Attestation Engagements of Illinois State Agencies (Audit Guide) as adopted by the Auditor General. The Contractor will form opinions and report on each entity's compliance with the specified requirements in accordance with AT-C Section 205, Assertion-Based Examination Engagements. The Contractor must clearly indicate in the proposal whether it is independent of each of the certain employer entities. The Contractor's proposal should be designed to exclude any work performed on certain employer entities' of which the Contractor is not independent. (SERS, GARS, JRS)

\*Certain employer entities defined as follows:

### **State Employees Retirement System**

- Office of the Secretary of State
- Department of Central Management Services
- Department of Children and Family Services *(Continued)*

## 12. Special Provisions *(Continued from page 12).*

- Department of Corrections
- Department of Human Services
- Department of Innovation and Technology
- Department of the Lottery
- Department of Healthcare and Family Services
- Department of Revenue
- Department of Transportation
- Capital Development Board
- Illinois State Board of Education
- Illinois Student Assistance Commission
- Water Revolving Fund (Environmental Protection Agency)
- Self-Insurers Security Fund (Illinois Workers' Compensation Commission)
- Toll Highway Authority (including ISP District 15)

### **General Assembly Retirement System**

- House of Representatives
- Senate

### **Judges' Retirement System**

- Administrative Office of the Illinois Courts

Employer census testing for both the pension and OPEB plans will be performed by the pension plan auditors in conjunction with their plan census testing. The employer auditors will receive two AT-C Section 205 reports which communicate the results of this testing, as the pension and OPEB plans use census data from different fiscal years.

- g) Expanded Scope Information Systems Review (Note: This is in addition to requirements set forth in the Auditing Standards.) The Office of the Auditor General (OAG) requires all proposers to include in their technical proposal a block of hours to be devoted to an expanded scope Information Systems review of the State Employees Retirement System. The number of hours to be included in your proposal and reserved for this purpose is 250 hours for the Expanded Scope Information Systems Review for the period ended June 30, 2023. Proposers are required to provide information about staff who would be qualified and available to perform the Expanded Scope Information Systems review (See Sections B and C of Part III and Sections A and B of Part IV) in the Technical Requirements portion of this RFP).

In performing the Expanded Scope Information Systems (IS) review aspect of this audit and attestation engagement, firms will be required to interact with and take general direction from IS Audit Manager. The IS Audit Manager will develop the specific scope of the IS review based on background information developed and submitted by the firm in accordance with OAG directions. The IS Audit Manager will provide the firm with a list of the selected IS controls and the hours to be allocated to each control, along with any associated requirements. The firm will be required to prepare a separate fieldwork summary for the expanded scope IS review and to maintain separate workpapers for this portion of the overall engagement. Any findings resulting from the expanded scope IS review will be included within the financial audit report and/or compliance examination report, or immaterial letter. (SERS)

- h) The OAG IS staff will perform a review of the Illinois State Board of Investments cybersecurity policies and procedures for the two years ended June 30, 2023. The successful proposer will be required to read, obtain an understanding of any issues noted and incorporate any findings regarding cybersecurity deficiencies in the Illinois State Board of Investment compliance report. *(Continued)*

## 12. Special Provisions *(continued from page 12-B)*.

As noted in the Notice of Intent dated November 1, 2022, Audit Firms interested in RFP 23-1 must attend an informational meeting, via Zoom, on Wednesday, November 30, 2022 at 1 p.m. for additional information regarding the Office of the Auditor General's plan to address any independence threats for employer census testing performed by plan auditors. The link for the Zoom meeting is as follows:

<https://us06web.zoom.us/j/82583271986?pwd=WThaL2Z3K0ZmdEILeXkyRXNqL3d6Zz09>

Telephone: 888-330-1716 Conference Code 500610

As will be described in more detail during the meeting on November 1<sup>st</sup>, Technical proposals received in response to this RFP should include a listing of any entities (defined in section 12 as requiring an attestation engagement on compliance with certain employer census responsibilities) the proposer is not independent of and therefore unable to perform. Cost proposals received in response to this RFP should be reflective of only the work the proposer is able to perform.

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Zoom Links for vendor conferences noted on page 2 of this RFP.

SERS, GARS, JRS – 11/6/22 at 11:00 a.m.

<https://us06web.zoom.us/j/85421091741?pwd=M3dGdEhMNG5tMyt0QXVaOXpVS0FNQT09>

ISBI - 11/7/22 at 11:00 a.m.

<https://us06web.zoom.us/j/84464263185?pwd=dG9iV1F3cjJPazVjbE9jSGJxQXpxdz09>



**SOLICITATION RESPONSE FORMS**

**VENDOR'S TRANSMITTAL LETTER TO OAG  
(Vendor Letterhead)**

*(Vendors - please follow instructions shown in shaded italics.)*

Address

*(use the address as shown on the Instructions for Submitting Proposals - Cover Page)*

Re:

*(insert Project Title / Reference #)*

Dear \_\_\_\_\_ :

*(insert name of OAG Project Contact)*

Please consider this letter with the following attachments:

Description of Services (General Requirements and Technical Requirements)

- RFP OAG Workload Capacity & Engagement Hours Excel spreadsheet
- Firm Experience and Resources spreadsheet

Formal Cost Proposal (submitted separately)

Standard Contract Provisions

Standard Certifications

Vendor Provided Additional Material and Exceptions

Department of Human Rights Public Contract Number

Disclosures and Conflicts of Interest Form

Taxpayer Identification Number Certification

to be our offer to perform in full compliance with the subject RFP.

The contact person for purposes of responding to any inquiries you may have is listed below.

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.

Sincerely,

\_\_\_\_\_  
Vendor Name and DBA

\_\_\_\_\_  
Signature of party Authorized to bind the Vendor

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone and E-mail

**DESCRIPTION OF SERVICES**  
**(Technical Requirements)**

**PART I - ENGAGEMENT AGENCY INFORMATION**

1. Engagement Name \_\_\_\_\_
2. The Scope of our work will be as specified in RFP No. \_\_\_\_\_
3. OAG Assigned Level for this engagement  
(Check the proper answer):
- a.  OAG Level One
  - b.  OAG Level Two
  - c.  OAG Level Three
  - d.  OAG Level Four

**PART II- CONTRACTOR FIRM INFORMATION**

1. FIRM NAME \_\_\_\_\_
2. Address \_\_\_\_\_  
\_\_\_\_\_
3. Firm FEIN # \_\_\_\_\_
4. TEAM NAME \_\_\_\_\_  
(Team Name should include names of the Leader, fieldwork supervisor and KEY partner or manager.)
5. Has your firm or any Team Member or subcontractor done consulting or auditing work for the auditee agency (not OAG work) or had any professional or personal relationship involving the auditee agency or agency management within the past four years? \_\_\_\_\_  
(If "Yes", attach details and explanation of why this does not constitute a conflict of interest.)
6. Size of the firm's permanent full time equivalent professional audit staff.
- |                             |       |
|-----------------------------|-------|
| Partners/Principals         | _____ |
| Managers/Supervisors        | _____ |
| In Charge/Seniors           | _____ |
| Assistants                  | _____ |
| TOTAL PROFESSIONAL AUDITORS | _____ |
7. Location of the Firm's OTHER offices in Illinois or nearby states
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
8. Contact Person for the Proposal \_\_\_\_\_  
Telephone No. \_\_\_\_\_  
E-mail \_\_\_\_\_
9. Has our Office rated your firm "prequalified"? \_\_\_\_\_  
If No, your firm must submit prequalification forms under separate cover (See Page 15, item (b) Note). Be sure FIRM, TEAM LEADER, AND KEY TEAM MEMBERS satisfy minimum OAG experience requirements for this job level.
10. a) Firm's Public Accountant License No., which permits the practice of Public Accounting in the State of Illinois \_\_\_\_\_  
b) Expiration date \_\_\_\_\_
11. a) Engagement Team Leader's Public Accountant License No. which permits this individual to practice Public Accounting in the State of Illinois. \_\_\_\_\_  
b) Expiration date \_\_\_\_\_
12. Location(s) of office from which the work on this engagement will be performed.
- \_\_\_\_\_
13. Explain how your firm meets the required/preferred experience set forth in this RFP pertaining to Description of Services. (Attach details and explanation.)

**REQUIRED CERTIFICATIONS:**

By signing below, I (we) certify and attest to my (our) compliance with the following requirements:

- a. I am (We are) an independent certified public accountant or public accounting firm licensed to practice in the State of Illinois.
- b. I am (We are) currently prequalified with the OAG or have submitted completed prequalification forms and certify that the information contained in those forms is current and accurate and I am (we are) aware of no event which has occurred or will occur that would render our Prequalification Documents materially inaccurate or misleading.
- c. Neither the firm nor any owner of the firm is now or at any time during the past 10 years been on the Debarred and Suspended List maintained by the Governor’s Office of Management and Budget, the federal Excluded Parties List, or the Sanctioned Party List maintained by the Illinois Department of Healthcare and Family Services.
- d. If currently prequalified, I am (we are) prequalified to perform the level of work required for this engagement and the proposed Team Leader and Key Team Members possess the experience required for this level of job. The experience and quality level of the staff proposed will be maintained throughout the engagement. Persons leaving the assignment will be replaced with persons of equal experience and ability.
- e. The information contained within this Proposal is correct and I am (we are) aware of no event which has occurred or will occur that would render this Proposal materially inaccurate or misleading.
- f. All staff to be assigned to this engagement meet the continuing professional education requirements set forth in Government Auditing Standards and our firm meets the requirements for an external system peer review every three years pursuant to Government Auditing Standards. **ATTACH** a copy of your firm’s most recent outside peer review report and peer review acceptance letter. If deficiencies are noted in the review, you must **ATTACH** an implementation plan for addressing the recommendations.
- g. The firm and all proposed staff are independent in fact and in appearance as defined by Government Auditing Standards and have no conflict of interest for this specific assignment.
- h. The workload capacity of the proposed engagement team is sufficient to perform an engagement this size. I (We) understand that we must **ATTACH** a detailed explanation of our OAG staffing plans if any team member is concurrently assigned to other OAG engagements.
- i. I (We) understand that all non-confidential information derived during the performance of this engagement, including the contractor’s report and supporting working papers, and all other documents and information prepared by the contractor, will be made publicly available, in accordance with the law, following the release of the report.
- j. I (We) understand that my (our) failure to certify compliance with these requirements may constitute cause to reject my (our) proposal without any further review on the OAG’s part. I (We) further understand that false certification, or failure to maintain certification, with these requirements will be a basis for retracting an award, if made, or canceling a contract, if executed, in addition to which the OAG may exercise any other remedy it may have for my (our) failure to comply with the foregoing provisions.
- k. If my (our) proposal contemplates the use of a subcontractor, I (we) certify that I (we) have determined through appropriate research and investigation that subcontractor(s) is (are) also in compliance with any of the above provisions which are applicable to it.
- l. The undersigned has appropriate authority to act on behalf of Proposer.

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Printed Name and Title of Authorized Representative

\_\_\_\_\_  
Date

Signature of Authorized Representative

## PART III – ENGAGEMENT INFORMATION

### Section A. OAG Workload Capacity

Please complete the attached [RFP OAG Workload Capacity & Engagement Hours Excel spreadsheet](#). “OAG Workload” tab.

### Section B. Engagement Team Leader

The Team Leader will directly manage/supervise the OAG engagement and act as Firm’s liaison with the OAG. In most cases, Team Leader will be a partner or manager. The Team Leader must contribute at least 100 hours or 5% of the Firm’s total audit hours (whichever is less) to the engagement.

To be considered an Engagement Team Leader for OAG jobs, the auditor should meet certain minimum experience requirements based on work performed during the past six years. Highest technical points are awarded for OAG experience. Points for non-OAG experience in the public sector or related industry jobs may be awarded if the work and the Team Leader’s role are fully described and the job is found by the OAG to provide relevant, equivalent experience.

- For level 4 jobs, the Team Leader must have managed or supervised at least one OAG job of Level 4 difficulty or two Level 3 jobs, or demonstrate equivalent public sector or related industry experience;
- For level 3 jobs, the Team Leader must have managed or supervised at least one OAG job of Level 3 difficulty or two Level 2 jobs, or demonstrate equivalent public sector or related industry experience;
- For Level 2 jobs, the Team Leader must have managed or supervised at least one OAG job of Level 2 difficulty or two Level 1 jobs, or demonstrate equivalent public sector or related industry experience;
- For Level 1 jobs, the Team Leader does not need to demonstrate OAG or equivalent public sector or related industry experience but must meet Government Auditing Standards.

Please complete the “Team Leader” tab of the [Firm Experience and Resources spreadsheet](#) for the Team Leader and **ATTACH** the person’s resume.

### Section C. Summary Schedule of Key Team Members (EXCLUDING THE ENGAGEMENT TEAM LEADER)

A Key Team Member is defined as someone you expect will contribute to this job at least 100 hours or 5% of the firm’s total job hours, whichever is less.

To be considered a Key Audit Team Member for an OAG job, the auditor must meet certain minimum experience requirements based on work performed during the past six years. Highest technical points are awarded for OAG experience. Points for non-OAG experience in the public sector or related industry jobs may be awarded if the work and the Key Audit Team Member’s role are fully described and the job is found by the OAG to provide relevant, equivalent experience.

- For level 3 and 4 jobs, approximately half of the proposed Key Audit Team Members must have worked 100 hours each on OAG jobs, or demonstrate equivalent public sector or related industry experience;
- For level 2 jobs, at least 2 of the proposed Key Audit Team Members must have worked 100 hours each on OAG jobs, or demonstrate equivalent public sector or related industry experience;
- For level 1 jobs, the Key Audit Team Members do not need to demonstrate OAG or equivalent public sector or related industry experience but must meet Government Auditing Standards.

Please complete the “Team Member” tab of the [Firm Experience and Resources spreadsheet](#) to include each proposed Key Audit Team Member. **ATTACH** each person’s resume.

If Vendor proposes using a subcontractor, provide the same information as is required above for Key Audit Team Members for each subcontractor employee anticipated to work on this engagement. Please **ATTACH** a resume for each identified subcontractor employee.

How many additional staff (excluding the Engagement Team Leader and the Key Audit Team Members) do you propose for this engagement (identify by total number only): \_\_\_\_\_

Does your proposal anticipate the use of interns?

- Yes (If yes, **ATTACH** details on the number of hours and engagement tasks interns are anticipated to fulfill.)  
 No

## **PART IV – STATEMENTS REGARDING PROPOSED ENGAGEMENT WORK**

### **Section A. Proposed Hours and Section B. Engagement Hours by Area**

Please complete the attached [RFP OAG Workload Capacity & Engagement Hours Excel spreadsheet](#). “Proposed Hours” tab.

### **Section C. Engagement Plan**

1. Each proposal must include a specific statement that the engagement will be conducted in such a manner that the requirements as set forth in the RFP will be met including any special areas required to be covered, including any key delivery dates, and devoting adequate hours to each required area. The manner in which the requirements of the RFP and any special specifications will be met and a description of any special services proposed must also be included.
2. Each proposal must include a specific statement (as appropriate for the engagement) that the engagement will be conducted in accordance with generally accepted auditing standards; the Illinois State Auditing Act; the Auditor General’s Audit Guide for Performing Financial Audits and Compliance Attestation Engagements of Illinois State Agencies; Government Auditing Standards; Statements on Standards for Attestation Engagements; and, if applicable, Uniform Grant Guidance (Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)).
3. Each Proposal must include a specific statement that an engagement plan will be prepared early on during the process and submitted to the Auditor General’s Contract Manager for approval. The engagement plan submitted will include, but not necessarily be limited to the following:
  - The approach to be used to search and review RELEVANT STATE and FEDERAL LAWS and RULES.
  - The planned evaluation approach for reviewing and testing of the Engagement Agency’s SYSTEM OF INTERNAL CONTROLS including Risk Assessment.
  - The planned approach for the selection of SAMPLES (including confidence levels and precision for statistical samples).
  - The type and extent of analytical procedures to be used in the engagement.
  - The extent of use of audit documentation in an electronic form in the engagement.
  - The plan for the development or modification of the ENGAGEMENT PROGRAM and the plan for conducting of DETAIL TESTING procedures for compliance purposes, internal control purposes, and financial statement purposes as appropriate for the engagement.
  - Your understanding of the types of FINANCIAL STATEMENTS/ SCHEDULES/and statistical and program data that should be presented in the report.
  - The planned approach for the development and presentation of well-written, adequately supported FINDINGS.
  - Your understanding of types of reports that must be included in the engagement.
  - Your understanding of which AICPA Industry Audit Guides have relevance to the engagement and, if applicable, which parts of the federal Uniform Guidance for Federal Awards have relevance to the engagement.
  - Your understanding of the types of confidential information that you may have access to in the course of this engagement, laws applicable to that information, and your firm’s protocols and procedures for protecting confidential information, both in hard copy and in electronic form.

## PART V - GENERAL REQUIREMENTS

The purpose of the Technical Proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to undertake an independent review of the auditee in conformity with the requirements of this RFP. **(NOTE: For assignments with a financial audit one year and a compliance report the next, you should submit a separate Proposal document for EACH year.)** As such, the substance of proposals will carry more weight than their form or manner of presentation. The Technical Proposal should demonstrate the qualifications of the firm and of the particular staff to be assigned to this engagement. It should also specify an engagement approach that will meet the request for proposal requirements. **There should be no dollar units or total costs included in the technical proposal document.** The Technical Proposal should address all the points outlined in the RFP (excluding any cost information which should only be included in the formal cost proposal). The Proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP.

## PART VI - SUBCONTRACTOR DISCLOSURE

Will you be using any subcontractors on this engagement?  Yes  No

If yes, you must provide the following information for each subcontractor with whom you will be entering into a contractual agreement: the name and address of each subcontractor; a description of the work to be performed by the subcontractor; and the anticipated amount of money each subcontractor is expected to receive.

For each subcontractual agreement with a total value of \$50,000 or more, you must also provide a copy of the subcontract to the contract manager within 15 days after a request is made. 44 Ill. Adm. Code 500.300 (q).

If at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor will be required to promptly notify the OAG and provide the above information for any new or changed subcontractors so that a Contract amendment can be executed.

Any subcontracts entered into prior to award of the Contract are done at the Vendor's and subcontractor's risk.

Subcontractor Name \_\_\_\_\_ Amount to be paid \_\_\_\_\_

Address \_\_\_\_\_

Description of work \_\_\_\_\_

Subcontractor Name \_\_\_\_\_ Amount to be paid \_\_\_\_\_

Address \_\_\_\_\_

Description of work \_\_\_\_\_

**All subcontracts must include the same certifications and disclosures that Vendor must make as a condition of any contract that is awarded. Vendor shall include in each subcontract the Standard Certifications and the Disclosures and Conflicts of Interest forms, completed and signed by the subcontractor.**

**FORMAL COST PROPOSAL**  
**FIXED FEE CONTRACTS**

Proposal No. \_\_\_\_\_ Agency \_\_\_\_\_

**INSTRUCTIONS:**

*Submit one (1) copy of the formal cost proposal in a sealed envelope marked with the firm's name, the engagement agency's name and the RFP number. If using electronic submission, please submit the formal cost proposal through the portal used to submit the proposal.*

***On firm letterhead, submit a statement in substantially the following format, signed by a member authorized to bind the firm:***

Date \_\_\_\_\_

Auditor General  
State of Illinois  
Iles Park Plaza  
740 E. Ash St.  
Springfield, IL 62703

Dear Auditor General:

We hereby propose to perform the [financial, financial and compliance, single] \_\_\_\_\_ [audit and/or attestation engagement] of [agency] \_\_\_\_\_ for the [period] \_\_\_\_\_ ended [\_\_\_\_\_]. The fixed amount for professional fees, inclusive of all expenses, will be \$\_\_\_\_\_.

Sincerely,

\_\_\_\_\_  
Vendor Name

\_\_\_\_\_  
Signature of party authorized to bind the Vendor

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

\_\_\_\_\_  
Title

\_\_\_\_\_  
Address

\_\_\_\_\_  
Phone and E-mail

## **VENDOR PROVIDED ADDITIONAL MATERIAL AND EXCEPTIONS**

Any additional material and any exceptions must be noted on this page and provided as part of this attachment. We do not encourage taking exceptions. We have extremely limited ability to grant exceptions particularly in regard to statutory requirements (those cited with **ILCS**, meaning Illinois Compiled Statutes). We are not required to grant exceptions and depending on the exception, we may have to reject your offer.

### **Additional Material (mark one)**

No other material included

Other material included (describe -- attach additional pages if needed)

### **Exceptions (mark one):**

No exceptions

Exceptions taken (describe -- attach additional pages if needed)



**Instructions:** Contractors, and as described below their parent entities, must complete and submit this form as a condition to receiving an award or a contract. As appropriate, the term "Vendor" used herein shall refer to a contractor, a subcontractor, or a parent entity of either. Contractors must include this form in any subcontract with an annual value of more than \$50,000 entered into in relation to this contract.

- These disclosures are a material term of the contract to which they relate. Failure to fully disclose shall render the contract, bid, proposal, subcontract, or relationship voidable if we determine that action is in the best interest of the State of Illinois. Failure to fully disclose may also be cause for barring from future contracts, bids, proposals, subcontracts, or relationships with the State.
- The requested disclosures are a continuing obligation and must be promptly supplemented for accuracy throughout the contracting process and throughout the term of any resulting contract or subcontract. For multi-year contracts, Vendors must submit these disclosures on an annual basis by January 1 of each year.
- 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:

Name of Vendor: \_\_\_\_\_

D/B/A (if used): \_\_\_\_\_

Name of any Parent Organization: \_\_\_\_\_

**Section 1: Section 50-35 Disclosure of Financial Interest in the Vendor** (*Vendors with contracts of more than \$50,000 must complete this section.*)

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

- a. Check the applicable box and submit the identified information as appropriate to Vendor's operation.

Vendor is a publicly traded corporation subject to SEC reporting requirements

Vendor shall submit their 10-K disclosure (include proxy if referenced in 10-K) in satisfaction of the disclosure requirements. The SEC 20-F or 40-F, 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 10-K.

Check here if submitting a 10-K , 20-F , or 40-F .

Vendor is a privately held entity that is exempt from SEC reporting requirements and has more than 100 shareholders, partners or members

Vendor 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%.

Vendor is an individual, sole proprietorship, partnership or any other entity not covered above

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.

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

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

b. In relation to any individuals identified in any of the documents submitted pursuant to subsection (a), indicate whether any of the following potential conflict of interest relationships apply. If "Yes," please describe each situation (label with appropriate letter) using the space at the end of this Section (attach additional pages as necessary). If no individual has been identified above, mark not applicable here .

- 1) 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
- 2) State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years. Yes  No
- 3) 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
- 4) Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes  No

- 5) 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
- 6) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes  No
- 7) Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government. Yes  No
- 8) Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter. Yes  No
- 9) 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
- 10) Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes  No

**Section 2: Representative Lobbyist/Other Agent** (*Vendors with contracts of more than \$50,000 must complete this section.*)

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

If yes:

- a) Identify each agent/lobbyist:

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

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

- b) Detail all costs, fees, compensation, reimbursements, and other remunerations paid or to be paid to the agent/lobbyist related to the contract (i.e., purpose of payment, date of payment, amount):

\_\_\_\_\_  
 \_\_\_\_\_

- c) You must file this information, along with supporting documents, with the Auditor General (for publication in the Auditor General Bulletin) and with the Secretary of State.

By signing this form, each Vendor certifies it has not and will not bill or otherwise cause the State of Illinois to pay for any lobbyist's or agent's costs, fees, compensation reimbursements, or other remuneration.

**Section 3: Debarment/Legal Proceeding Disclosure** (*Vendors with contracts of more than \$50,000 must complete this section.*)

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

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

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

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**Section 4: Current and Pending Contracts or Subcontracts** *(All Vendors must complete this section.)*

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

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

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Additional disclosures only for bids, offers or contracts for an audit of a Regional Office of Education or Intermediate Service Center:

- Does your firm provide audit or consulting services to any units of local government, including counties and school districts, within the area served by the Regional Office of Education (ROE) that is the subject of this bid, proposal or contract or have any type of financial dealings with that ROE? Yes  No
- If you answered “yes” to Question 1, provide specific details, including: the unit of government; the type of services provided; the value of the services; whether such services are on-going or completed; and any other pertinent details.

**Section 5: Section 50-13 Conflicts of Interest** *(All Vendors must complete this section.)*

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

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

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

Check One:  No Conflict Of Interest

Potential Conflict of Interest (If checked, name each conflicted individual and the nature of the conflict.)

**Section 6: Disclosure of Business Operations with Iran** *(All Vendors must complete this section.)*

Each bid, offer, or proposal submitted for a State contract must disclose whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

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

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

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

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

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

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**This Disclosure is signed and made under penalty of perjury.**

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

Name of Authorized Representative: \_\_\_\_\_

Title of Authorized Representative: \_\_\_\_\_

Signature of Authorized Representative and Date:

## STANDARD CERTIFICATIONS

Vendor acknowledges and agrees that compliance with this section and each subsection for the term of the contract and any renewals is a material requirement and condition of this contract. By executing this contract Vendor certifies compliance with this section and each subsection and is under a continuing obligation to remain in compliance and report any non-compliance. If this contract extends over multiple fiscal years, including the initial term and all renewals, Vendor shall confirm compliance with the Standard Certifications by January 1 of each year that this contract remains in effect. Vendors shall include these Standard Certifications in any subcontract entered into in relation to this contract. As appropriate, the term "Vendor" used herein shall refer to a subcontractor.

1. As part of each certification, Vendor acknowledges and agrees that should Vendor or its subcontractors provide false information, or fail to be or remain in compliance with the Standard Certification requirements, one or more of the following sanctions will apply:
  - the contract may be void by operation of law,
  - the State may void the contract, and
  - the Vendor and its subcontractors may be subject to one or more of the following: suspension, debarment, denial of payment, civil fine, or criminal penalty.Identifying a sanction or failing to identify a sanction in relation to any of the specific certifications does not waive imposition of other sanctions or preclude application of sanctions not specifically identified.
2. Vendor certifies it and its employees will comply with applicable provisions of the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act (42 U.S.C. § 12101 et seq.) and applicable rules in performance under this contract.
3. Vendor certifies it is not in default on an educational loan (5 ILCS 385/3). This applies to individuals, sole proprietorships, partnerships and individuals as members of LLCs.
4. Vendor (if an individual, sole proprietor, partner or an individual as member of a LLC) certifies it has not received an (i) an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133.3, or (ii) an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code, 40 ILCS 5/14-108.3 and 40 ILCS 5/16-133 (30 ILCS 105/15a).
5. Vendor certifies it is a properly formed and existing legal entity (30 ILCS 500/1-15.80, 20-43) and, as applicable, has obtained an assumed name certificate from the appropriate authority, or has registered to transact business or conduct affairs in Illinois and is in good standing with the Illinois Secretary of State.
6. To the extent there was an incumbent Vendor providing the services covered by this contract and the employees of that Vendor that provide those services are covered by a collective bargaining agreement, Vendor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit performing substantially similar work that will be performed under this contract (30 ILCS 500/25-80). This does not apply to heating, air conditioning, plumbing and electrical service contracts.
7. Vendor certifies it has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor has Vendor made an admission of guilt of such conduct that is a matter of record. (30 ILCS 500/50-5)
8. If Vendor has been convicted of a felony, Vendor certifies at least five years have passed from the completion of the sentence for that felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business. (30 ILCS 500/50-10)

9. If Vendor, or any officer, director, partner, or other managerial agent of Vendor, 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, Vendor certifies at least five years have passed since the date of the conviction. Vendor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the contract void if this certification is false. (30 ILCS 500/50-10.5)
10. Vendor certifies it is not barred from having a contract with the State based on violating the prohibition against assisting (except as part of a public request for information process) an employee who, by the nature of his or her duties, has the authority to participate personally and substantially in the decision to award a contract by reviewing, drafting, directing or preparing solicitation or similar documents for the State. (30 ILCS 500/50-10.5(e)).
11. Vendor certifies that it and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Vendor and its affiliates acknowledge the State may declare the contract void if this certification is false (30 ILCS 500/50-11) or if Vendor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt (30 ILCS 500/50-60).
12. Vendor certifies that it and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act (30 ILCS 500/50-12) and acknowledges that failure to comply can result in the contract being declared void.
13. Vendor certifies that it has not been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last five years, and is therefore not barred from being awarded a contract (30 ILCS 500/50-14).
14. Vendor certifies it has not paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor has Vendor 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).
15. Vendor certifies it is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).
16. Vendor certifies that it has not retained a person or entity to attempt to influence the outcome of a procurement decision for compensation contingent in whole or in part upon the decision or procurement (30 ILCS 500/50-38).
17. Vendor certifies it will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers or employees of the State (30 ILCS 500/50-40, 50-45, 50-50).
18. In accordance with the Steel Products Procurement Act, Vendor certifies steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring agency grants an exception (30 ILCS 565).
19. If Vendor employs 25 or more employees and this contract is worth \$5,000 or more, Vendor certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act. If Vendor is an individual and this contract is worth \$5,000 or more, Vendor shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance during the performance of the contract (30 ILCS 580).
20. Vendor certifies that neither Vendor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the U.S. Department of Commerce (30 ILCS 582).

21. Vendor certifies it has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States (720 ILCS 5/33 E-3, E-4).
22. Vendor certifies it complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, including equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies (775 ILCS 5/2-105).
23. Vendor certifies it does not pay dues to or reimburse or subsidize payments by its employees for any dues or fees to any “discriminatory club” (775 ILCS 25/2).
24. Vendor certifies it complies with the State Prohibition of Goods from Forced Labor Act, and that no foreign-made equipment, materials, or supplies furnished to the State have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction (30 ILCS 583).
25. Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).
26. Vendor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5 stating that owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act (410 ILCS 45) are prohibited from doing business with the State of Illinois or any State agency, or subcontracting with the State of Illinois or any State agency until the violation is mitigated.
27. Vendor certifies that information technology, including electronic information, software, systems and equipment, developed or provided under this contract will comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at [www.dhs.state.il.us/iitaa](http://www.dhs.state.il.us/iitaa) (30 ILCS 587).
28. Vendor certifies that all services shall be performed in the United States unless otherwise specified in this contract. If the Vendor creates or manufactures the supplies or performs any work in another country in violation of the contract, such action may be deemed a breach (30 ILCS 500/25-65).
29. Upon request, Vendor shall report the number of qualified veterans and certain ex-offenders hired during Vendor’s last completed fiscal year. Vendor may be entitled to employment tax credit for hiring individuals in those groups (30 ILCS 500/45-67, 500/45-70).

VENDOR (Company name and DBA)

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Authorized Representative \_\_\_\_\_

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

Title \_\_\_\_\_ Date \_\_\_\_\_

Address \_\_\_\_\_

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## DEPARTMENT OF HUMAN RIGHTS PUBLIC CONTRACT NUMBER

**(775 ILCS 5/2-105)** If you employed fifteen or more full-time employees at any time during the 365-day period immediately preceding the publication of this solicitation in the Auditor General Volume of the Illinois Procurement Bulletin (or issuance date if not published), you must have a current Public Contract Number or have proof of having submitted a completed application for one prior to the offer opening date. If we cannot confirm compliance, we will not be able to consider your bid or offer. Please complete the appropriate sections below.

Name of Company (and DBA):

\_\_\_\_\_.

\_\_\_\_\_ (check if applicable) The number is not required as the company has employed 14 or less full-time employees during the 365-day period immediately preceding the publication of this solicitation in the Auditor General Volume of the Illinois Procurement Bulletin (or issuance date if not published).

DHR Public Contracts Number \_\_\_\_\_ or, if number has not yet been issued, date completed application for the number was submitted to DHR \_\_\_\_\_.

Date of expiration \_\_\_\_\_.

### NOTICE

**Upon expiration and until their Contractor Identification Number is renewed, companies will not be eligible to be awarded contracts by the State of Illinois or other jurisdictions that require a current DHR number as a condition of contract eligibility (44 IL Adm. Code 750.210(a)).**

**Department of Human numbers issued after July 1, 1998 (90000-00-0 or higher) are valid for five years from the date of eligibility.**

**If your organization holds an expired number, you must re-register with DHR.**

You can obtain an application form (DHR PC-1) by:

1. **Telephone:** Call the DHR Public Contracts Unit at (312) 814-2431 between Monday and Friday, 8:30 AM - 5:00 PM, CST. [TTY 866-740-3953].
2. **Internet:** Download the form from the Internet at [www.illinois.gov/dhr/publiccontracts/pages/default.aspx](http://www.illinois.gov/dhr/publiccontracts/pages/default.aspx).
3. **Mail:** Write to the Department of Human Rights, Public Contracts Unit, 555 West Monroe Street, 7<sup>th</sup> Floor, Chicago, IL 60661.

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## **Taxpayer Identification Number**

I certify that 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**

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

I am a U.S. citizen or other U.S. person.

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

Taxpayer Identification Number:

Social security number \_\_\_\_\_

or

Employer identification number \_\_\_\_\_

(If you are an individual, enter your name and SSN as it appears on your Social Security Card. If completing this certification for a sole proprietorship, enter the owner's name followed by the name of the business and the owner's SSN or EIN. If completing this certification for a limited liability company (LLC) that is a disregarded entity, enter the name of the single member (owner) followed by the name of the LLC and a TIN (SSN or EIN) that is assigned to the owner, not the LLC. Check the legal status that corresponds to the owner. For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.)

Legal Status (check one):

Individual

Government

Sole Proprietor / Sole Member LLC

Nonresident Alien

Partnership/Legal Corporation

Estate or Trust

Tax-exempt

Pharmacy (Non-Corp.)

Corporation providing or billing  
medical and/or health care services

Pharmacy/Funeral Home/Cemetery  
(Corp.)

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

Limited Liability Company (select  
applicable tax classification)

Other: \_\_\_\_\_

C = corporation

P = partnership

Signature and Date:

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## STANDARD CONTRACT PROVISIONS

**The following terms and conditions will govern this contractual relationship and the VENDOR is bound by them and is responsible for reading and understanding them.**

1. **BILLING:** VENDOR shall submit invoices on the schedule and with the detail required by the OAG.
  - (a) Invoices shall be signed by VENDOR. Record-keeping shall be in accordance with generally accepted accounting practices. If total billings are less than the total consideration allowable under this contract, only the lesser cost shall be paid by the OAG. All billings must be submitted to the OAG at the cover page address directed to the attention of the Contract Manager. By submitting an invoice, VENDOR certifies that the equipment, supplies and/or services provided meet all requirements of the contract and the amount billed is as allowed in this contract.
  - (b) VENDOR shall not bill for any taxes unless accompanied by proof the State is subject to the tax. If necessary, VENDOR may request the OAG's Illinois tax exemption number and federal tax exemption information.
  - (c) All invoices for supplies purchased or services performed and expenses (if billable) incurred through June 30 of any year must be submitted to the OAG no later than July 31 of that year; otherwise, VENDOR may have to seek payment through the Illinois Court of Claims (30 ILCS 105/25).
  
2. **PAYMENT:**
  - (a) The OAG shall not be liable to pay for any equipment and/or supplies provided and/or services rendered prior to the execution of this contract by the Parties, even if the effective date of the contract is prior to execution. VENDOR shall not commence billable work in furtherance of the contract prior to final execution of the contract.
  - (b) The approved invoice amount will be paid less any retainage and previous partial payments. Final payment shall be made upon determination by the OAG that all requirements under this contract have been completed, which determination shall not be unreasonably withheld.
  - (c) Payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act (30 ILCS 540) and rules (74 Ill. Adm. Code 900) when applicable. This shall be VENDOR's sole remedy for late payments by the State. Payment terms contained on VENDOR's invoices shall have no force and effect.
  - (d) The OAG's total financial obligation under this contract shall not exceed the total consideration set forth in the contract and VENDOR agrees to fully complete the statement of work specified in the appropriate contract schedule and all obligations within that stated total consideration. If and when this contract is renegotiated to allow increased costs due to unforeseen contingencies not apparent at the time of execution, an amendment shall be agreed to only at the OAG's sole option.
  - (e) As a condition of receiving payment, VENDOR must (i) be in compliance with the contract; (ii) pay its employees prevailing wages when required by law (e.g., public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services). VENDOR is responsible for contacting the Illinois Department

of Labor (217/782-6206; <http://www.illinois.gov/idol/Pages/default.aspx>) to ensure understanding of prevailing wage requirements; (iii) pay its suppliers and subcontractors according to the terms of their respective contracts; and (iv) provide lien waivers to the State upon request.

- (f) If the OAG in good faith determines that the VENDOR has failed to perform or deliver any service or product as required by this contract, the VENDOR shall not be entitled to any compensation under this contract until such service or product is performed or delivered. In this event, the OAG may withhold that portion of the VENDOR's compensation which represents payment for service or product that was not performed or delivered.
- (g) The State may set off any sum owed to the VENDOR on account of any debt owed to the State, unless otherwise required by law, in accordance with the State Comptroller Act (15 ILCS 405). The VENDOR agrees that this provision constitutes proper and timely notice under the law of setoff.

3. **PROGRESS PAYMENTS FOR AUDIT SERVICES:** If this contract is for audit or attestation services, unless otherwise specified in writing now within this contract or hereafter incorporated by reference, VENDOR may submit progress billings in the manner set forth below as follows:

- (a) At any time after the work has begun, VENDOR may submit a bill for actual hours worked, at the agreed contract average hourly rate. If the total amount of such bill is for an amount equal to or in excess of 50% of the total amount due under this contract, VENDOR shall be entitled to receive an amount equal to 50% of the total amount due under this contract. If the total amount of such bill is for an amount less than 50% of the total amount due under this contract, the VENDOR shall be entitled to receive the amount billed.
- (b) Upon delivery of all written draft deliverables and completion of assigned fieldwork, analysis and contractor drafting tasks as specified in this contract in a form acceptable to the OAG, VENDOR may submit a further bill for actual hours worked at the agreed average contract hourly rate. If the total amount of such bill is for an amount in excess of 75% of the total amount due under this contract, VENDOR shall be entitled to receive an amount equal to 75% of the total amount due under this contract, less any amount paid pursuant to the first progress billing. If the total amount of such bill is for an amount less than 75% of the total amount due under this contract, VENDOR shall be entitled to receive the amount billed, less any amount paid pursuant to the first progress billing.
- (c) Upon delivery of the final report or equivalent to the OAG and acceptance thereof, VENDOR may submit a final bill for the balance due for actual hours worked at the agreed average contract hourly rate pursuant to the terms of this contract. If the total cost exceeds the agreed total maximum contract payment, then the amount in excess of the contract maximum shall be deducted from the total cost of the work done so as to arrive at the net amount due in accordance with the total maximum contract payment specified in Section 2, above.

Throughout this contract, when the term "audit" is used it includes attestation services and agreed-upon procedures if such services are the subject of the engagement.

4. **COMPLIANCE WITH THE LAW AND PROFESSIONAL STANDARDS:**

- (a) The VENDOR, its employees, agents and subcontractors shall comply with all applicable federal, state and local laws, rules, ordinances, regulations, orders,

federal circulars and all license and permit requirements in the performance of this contract.

- (b) VENDOR shall be in compliance with applicable tax requirements and shall be current in payment of such taxes.
- (c) VENDOR warrants that VENDOR, its employees, agents and subcontractors who would perform services requiring a license have and maintain any required license. If this contract is for audit or attestation services, VENDOR, its employees, agents and any subcontractor engaged by it must meet all requirements necessary to comply with applicable professional standards, including peer review, continuing education and independence.

5. **AUDIT/RETENTION OF RECORDS:** VENDOR and its subcontractors shall maintain books and records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State under the contract or subcontract. Books and records, including information stored in databases or other computer systems, shall be maintained by the VENDOR for a period of 3 years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of 3 years from the later of the date of final payment under the subcontract or completion of the subcontract. The 3 year period shall be extended for the duration of any audit in progress during the term. Book and records required to be maintained under this Section shall be available for review or audit by the OAG, its representatives, and any other governmental entity with monitoring authority upon reasonable notice and during normal working hours. VENDOR and its subcontractors shall cooperate fully with any such audit or review. The VENDOR shall not impose a charge for audit or examination of the VENDOR's books and records. If any audit indicates overpayment to VENDOR, or subcontractor, the OAG shall adjust future or final payments otherwise due. If no payments are due and owing to VENDOR, or if the overpayment exceeds the amount otherwise due, VENDOR shall immediately refund all amounts that may be due to the OAG. Failure to maintain the books and records required by this Section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under the contract for which adequate books and records are not available to support the disbursement. The VENDOR shall take reasonable steps to ensure that any subcontractor is in compliance with the requirements of this section.

6. **RETENTION OF WORKING PAPERS:** If this contract is for audit or attestation services, VENDOR shall maintain all working papers and reports, at VENDOR's expense, for a minimum of five years from the report release date, unless the firm is notified in writing by the OAG of the need to extend the retention period. VENDOR agrees to make the working papers available, upon the OAG's request and without limitation and at no charge, to: the OAG; the agency reviewed; successor auditors; any federal cognizant agency; parties designated by the federal or state government or others as part of a quality review process; auditors of entities of which the audited agency is a sub-recipient of grant funds; auditors of entities of which the audited entity is a component unit; members of the legislature and the public in compliance with the Illinois State Auditing Act, the Illinois Freedom of Information Act and regulations adopted under those Acts.

7. **SCHEDULE OF WORK AND REPORTING REQUIREMENTS:** Any work performed on State premises shall be done during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel. VENDOR shall immediately notify the OAG of any event that may have a material impact on VENDOR's ability to perform the contract.
8. **INDEPENDENT CONTRACTOR:** VENDOR shall, in the performance of this contract, be an independent contractor and not an agent or employee of, or joint venturer with, the State. All payments by the State shall be made on that basis.
9. **ASSIGNMENT AND SUBCONTRACTING:**
- (a) This contract may not be assigned, transferred or subcontracted in whole or in part by the VENDOR without the prior written consent of the OAG. VENDOR shall describe within this contract the names and addresses of all authorized subcontractors utilized by VENDOR in the performance of this contract, together with the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. For purposes of this section, subcontractors are those specifically hired to perform all or part of the work or to provide the supplies covered by the contract.
  - (b) Any dispute between Vendor and any third party, including any subcontractor, shall be solely between such third party and Vendor, and the Agency shall be held harmless by Vendor. Vendor agrees to assume all risk of loss and to indemnify and hold the Agency and its officers, agents, and employees harmless from and against any and all liabilities, demands, claims, suits, losses, damages, causes of action, fines or judgments, including costs, attorneys' and witnesses' fees, and expenses incident thereto, for Vendor's failure to pay any subcontractor, either timely or at all, regardless of the reason.
10. **CONFIDENTIALITY:**
- (a) Any documents or information obtained by VENDOR in connection with this contract shall not be provided to any third party unless disclosure is approved in writing by OAG. If, during the course of providing the services required by this Contract, VENDOR may access, use or disclose protected health information (PHI), as that term is defined in the Health Insurance Portability and Accountability Act (HIPAA), then VENDOR agrees to execute a Business Associate Agreement with the OAG and to abide by federal law and regulations pertaining to the privacy and security of PHI.
  - (b) VENDOR is required to encrypt or redact any confidential information on all networks, servers, computers and other electronic media or storage devices. VENDOR may not transmit confidential information by any electronic means without encrypting the information or otherwise securing it in a manner that is accepted in the industry. Confidential information includes, but is not limited to, personal information as defined in the Personal Information Protection Act (815 ILCS 530/1 et seq.), and shall include any Social Security Number or Federal Employer Identification Number whether or not in conjunction with an individual's name.
  - (c) The Vendor shall immediately report to the OAG any unauthorized disclosure of confidential information.

- (d) VENDOR agrees to assume without restriction any and all associated costs that arise from the State providing notification to any and all individuals affected or potentially affected by any event or incident considered an actual or potential breach of security and includes personally identifiable information from or associated with the VENDOR'S network, computer equipment or any technology device containing such personally identifiable information or any written material that VENDOR is managing on behalf of the State and is, was or should have been under the control of the VENDOR. Any personally identifiable information that is protected under any Illinois or federal law will trigger this obligation to the extent that the information is breached while in the control of the VENDOR during the performance of this contract or while still in VENDOR'S possession or control following the termination of this contract. VENDOR must immediately notify the State of such a breach and agrees not to initiate any independent notification of those actually or potentially affected until a determination is made by the State as to the most appropriate method, timeline and content of such notice. The State reserves the right to make the final determination as to the timing and substance of any such notification.
- (e) VENDOR'S obligations regarding confidentiality under this contract shall survive termination of this contract.

## 11. **USE OF WORK PRODUCT**

- (a) All work performed or supplies created by VENDOR under this contract, whether written documents or data, goods or deliverables of any kind, shall be deemed work-for-hire under copyright law and all intellectual property and other laws, and the State of Illinois is granted sole and exclusive ownership to all such work, unless otherwise agreed to herein. VENDOR hereby assigns to the State all right, title, and interest in and to such work including any related intellectual property rights, and/or permanently waives any and all claims that VENDOR may have to such work including any so-called "moral rights" in connection with the work. VENDOR acknowledges the State may use the work product for any purpose. Confidential data or information contained in such work shall be subject to confidentiality provisions of this contract. VENDOR shall exclusively own any intellectual property rights (i) owned by VENDOR prior to the commencement of services or (ii) developed or acquired by VENDOR independent of the services provided under this contract; however, if incorporated into any work product provided under this contract, VENDOR'S intellectual property rights will not extend to (i) any portion of the State's material incorporated into any work product or (ii) to any information specific to any products or the State's business operations. The State will retain ownership of all intellectual property rights (such as copyrights and trade secrets) in or to any information and/or materials that the State supplies to VENDOR, or that the State develops in connection with this agreement.
- (b) To the extent VENDOR is providing the State with software under this contract, or a service that incorporates or includes software requiring a license for its proper use, and in consideration for a one time payment of any applicable license fee for such software, or any identified service fee that covers the use of the software, VENDOR hereby grants to the State and the State hereby accepts a non-transferable (except within State of Illinois government), nonexclusive, perpetual, irrevocable license to use the software. Continuous use of the license

is subject only to the specific terms contained within any specific license terms attached to this contract.

- (c) Where the State is purchasing maintenance for software, previously purchased by the State from VENDOR, that is perpetual in nature, all rights granted in the original license agreement are unaffected by this contract.
- (d) Where the State purchases annual maintenance, following the initial term of the agreement for term licenses, all licenses granted in this contract shall continue in force during the annual maintenance period(s).
- (e) Upon completion or at the termination of this contract, all such documents and information shall, at the option of the OAG, be appropriately arranged, indexed and delivered to the OAG by VENDOR.
- (f) VENDOR's obligations regarding work product under this contract shall survive termination of this contract.

12. **SOLICITATION AND EMPLOYMENT:** VENDOR shall not employ any person employed by the State during the term of this contract to perform any work under this contract. VENDOR shall give notice immediately to the Auditor General if VENDOR solicits or intends to solicit State employees to perform any work under this contract.

13. **BACKGROUND CHECK:** VENDOR is responsible for ensuring that all contractor and subcontractor staff who will (1) be assigned to an OAG audit team or (2) have access to confidential information obtained from an OAG engagement (which may include reviewing partners, support staff, IT personnel, etc.) undergo a fingerprint-based criminal history background check before being assigned to an OAG engagement or related administrative functions. Costs related to criminal history background checks on contractor/subcontractor staff will be paid by VENDOR and are not reimbursable by the OAG. For purposes of this paragraph, the term "staff" includes all employees, interns, consultants, agents, or any other individuals - whether temporary or permanent, paid or unpaid, full- or part-time - who, by virtue of their affiliation with the VENDOR or the VENDOR's subcontractor: (i) will have access to State facilities; (ii) are specifically assigned to an OAG engagement; or (iii) will have access to confidential information obtained from an OAG engagement(s). VENDOR will be responsible for conducting the criminal history background checks in accordance with applicable laws, rules and procedures. VENDOR will be responsible for reporting the results of the criminal history background checks to the OAG and agrees to immediately remove from the audit team or related administrative functions any staff member that is deemed, in the OAG's discretion, to not be suitable to work on the OAG engagement and to replace that individual with another qualified staff member.

14. **RENEWAL:** This contract shall not be automatically renewable but shall terminate on June 30 of the fiscal year in which it was effective, or on the termination date actually specified in the contract. This contract may be renewed for successive terms, subject to the OAG's discretion, with the mutual written consent of both parties and subject to performance review, the satisfactory negotiation of terms (including price) and the annual availability of an appropriation. In no event will the total term of the contract, including the initial term, and renewal terms and any extensions, exceed 10 years.

15. **AVAILABILITY OF APPROPRIATIONS:** This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or



suspend this contract, in whole or in part, without penalty or further payment being required, if: (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason; (2) the OAG's funding is reduced through reserves, or (3) the OAG determines, in its sole discretion, that a reduction is necessary or advisable based upon actual or projected budgetary considerations. VENDOR will be notified in writing of the failure of appropriation or of a reduction or decrease. VENDOR's obligation to perform shall cease upon receipt of the notice.

**16. INDEMNIFICATION AND LIABILITY:**

- (a) The VENDOR agrees to indemnify and hold harmless the State of Illinois, its agencies, officers, employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, arising out of (a) any breach or violation by VENDOR of any of its certifications, representations, warranties, covenants or agreements, (b) any actual or alleged death or injury to any person, damage to any property or any other damage or loss, claimed to result in whole or in part from VENDOR's negligent performance, (c) any act, activity or omission of VENDOR or any of its employees, representatives, subcontractors or agents.
- (b) VENDOR, at its own expense, shall indemnify, defend and hold harmless the State, its officers, employees and agents against any claims based on any allegation that the use by the State of any software furnished by VENDOR, separately or as part of a service containing the software at issue, to the State under this contract infringes any third party patent, copyright or other proprietary right. If an action is brought against the State claiming that the authorized use of the software infringes such third party patent, copyright or other proprietary right, VENDOR will defend the State at VENDOR'S expense and pay the actual damages, attorney's fees, and costs finally awarded against the State in any proceedings arising from an infringement action. The State must promptly notify VENDOR in writing of any allegations of infringement made and permit the VENDOR, at VENDOR'S request and expense, to defend and conclude the action. If any claim arises or is reasonably likely to arise, VENDOR shall either procure, at VENDOR'S sole cost, the right for the State to continue to use the software or modify the software (without causing diminution in functionality) so that it does not infringe the third party's rights or if VENDOR is not able to accomplish either of the above, provide written notice to the State to that effect and refund to the State (within thirty days) all licensing fees and any prepaid maintenance fees paid by the State to the VENDOR and terminate the license for the software involved. This indemnity does not apply to the extent that infringement results from alterations or additions to the software made by the State that caused the infringement or use of the software in combination with any other software, where the infringement would not have occurred without the other software.
- (c) Any indemnification obligation of the parties shall survive termination of this contract.
- (d) VENDOR shall assume risk of loss until delivery to the OAG's facility. VENDOR shall do nothing to prejudice the State's right to recover against third parties for any loss, destruction or damage to State property and shall, at the

State's request and expense, furnish to the State reasonable assistance and cooperation, including assistance in the prosecution of suit and the execution of instruments of assignment in favor of the State in obtaining recovery.

- (e) The OAG assumes no liability for actions of VENDOR and is unable to indemnify or hold VENDOR or any third party harmless for claims based on this contract or use of VENDOR provided supplies or services. Unless provided by law, VENDOR is not eligible for indemnity under the State Employee Indemnification Act (5 ILCS 350/1 et seq.). The OAG shall not be liable for any incidental, special, consequential or punitive damages.

**17. WARRANTIES:**

- (a) VENDOR warrants that the supplies and equipment furnished under this contract (i) will conform to the standards, specifications, drawings, samples or descriptions furnished by the State or furnished by the VENDOR and agreed to by the State, including but not limited to all specifications attached as exhibits hereto, (ii) will be merchantable, of good quality and workmanship, free from defects for a period of twelve months or longer if so specified in writing, and fit and sufficient for the intended use, (iii) will comply with all federal and state laws, regulations and ordinances pertaining to the manufacturing, packing, labeling, sale and delivery of the supplies, (iv) will be of good title and be free and clear of all liens and encumbrances, (v) will be new, unused, of most current manufacture and not discontinued, and (vi) will not infringe any patent, copyright or other intellectual property rights of any third party. VENDOR shall insure that all manufacturers' warranties are transferred to the State and shall provide a copy of the warranty. VENDOR agrees to reimburse the State for any losses, costs, damages or expenses, including without limitation, reasonable attorney's fees and expenses, arising from failure of the supplies to meet such warranties. These warranties shall be in addition to all other warranties, express, implied or statutory, and shall survive the State's payment, acceptance, inspection or failure to inspect the supplies.
- (b) VENDOR warrants that all services will be performed in a good and professional manner to industry standards by trained and competent personnel. VENDOR shall monitor the performance of each individual and shall reassign immediately any individual who is not performing to professional standards, who is not efficient or effective in performing the work of the contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State policies. Vendor specifically acknowledges its responsibility to comply with provisions of the Illinois Human Rights Act (775 ILCS 5) and to prevent discrimination and sexual harassment by its employees, consultants, contractors and subcontractors against the State's employees and non-employees encountered in the workplace during the course of performing this contract. As required by Sections 2-105 (A) (4) and 2-109 (C) of the Act, VENDOR further agrees to have written sexual harassment policies applicable to its employees and to conduct sexual harassment prevention training on at least an annual basis.
- (c) If VENDOR is providing the State with software under this contract, VENDOR warrants that the software will perform in all material respects in accordance with specifications relied upon by the State in entering into this contract for the period of time necessary to accomplish the intended purpose of the State in purchasing the software from VENDOR. VENDOR will replace any software which fails to

meet this warranty. If VENDOR is unable to deliver a replacement, the State may terminate the license for the non-conforming software by providing written notice to VENDOR and returning the software to VENDOR for a full refund of the license fees and any associated maintenance fees paid for the software. VENDOR will not be responsible for replacing software that does not function properly to the extent that State employees or agents caused the software not to function properly through no fault of the VENDOR.

- (d) The VENDOR warrants that no person has been employed or retained to solicit and secure this contract upon an agreement or understanding for commission, percentage, brokerage or contingency except bona fide employees or selling agents maintained for the purpose of securing business.

**18. INSURANCE:** VENDOR shall, at all times during the term and any renewals, maintain and provide, upon request, a Certificate of Insurance naming the State as additional insured for all required bonds and insurance. Certificates may not be modified or canceled until at least 30 days notice has been provided to the State. VENDOR shall provide: (a) General Commercial Liability-occurrence form in the amount of \$1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto, (Combined Single Limit Bodily Injury and Property Damage) in amount of \$1,000,000 per occurrence; and (c) Worker's Compensation Insurance in amounts required by law. Insurance shall not limit VENDOR'S obligation to indemnify, defend, or settle any claims.

**19. TERMINATION OF CONTRACT:**

- (a) Termination for Cause without Advance Notice: The OAG may terminate this contract, in whole or in part, for any of the following reasons effective immediately and without advance notice:
  - (i) In the event the VENDOR is required to be certified or licensed as a condition precedent to providing services, the revocation or loss of such license or certification will result in immediate termination of the contract effective as of the date on which the license or certification is no longer in effect;
  - (ii) The OAG determines that the actions, or failure to act, of VENDOR, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, property or safety;
  - (iii) The VENDOR fails to comply with federal, state and local laws, rules, ordinances, regulations and orders , including laws protecting confidential information;
  - (iv) The VENDOR furnished any statement, representation or certification in connection with this contract or the RFP that is materially false, deceptive, incorrect or incomplete or the contract was obtained by fraud, collusion, conspiracy or other unlawful means;
  - (v) The VENDOR is guilty of misrepresentation in connection with another contract for the sale of supplies or services to the State such that the VENDOR cannot reasonably be depended upon to fulfill obligations as a responsible VENDOR under other contracts with the State;
  - (vi) The VENDOR is adjudged bankrupt; enters into receivership or makes a general assignment for the benefit of creditors due to insolvency;

- (vii) The contract conflicts with any statutory or constitutional provision of the State of Illinois or of the United States; or
- (viii) The VENDOR has notified the OAG that it is unable or unwilling to perform the contract.

In the event of termination for cause without advance notice, the State may seek any available legal or equitable remedies, including but not limited to monetary damages and reasonable attorney fees and costs.

- (b) Termination for Cause with Notice: The occurrence of any one or more of the following events shall constitute cause for the OAG to declare the VENDOR in default of its obligations under this contract:
  - (i) The VENDOR fails to perform, to the OAG's satisfaction, any material requirement of this contract or is in violation of a material provision of this contract;
  - (ii) The OAG determines that satisfactory performance of this contract is substantially endangered or that a default is likely to occur; or
  - (iii) The VENDOR fails to make substantial and timely progress toward performance of the contract.

The OAG shall provide written notice to the VENDOR requesting that the breach or noncompliance be remedied within the period of time specified in the OAG's written notice. If the breach or noncompliance is not remedied by that date, the OAG may either: (A) immediately terminate the contract without additional written notice; or (B) enforce the terms and conditions of the contract, and in either event seek any available legal or equitable remedies and damages.

- (c) Withholding Money to Compensate OAG for Damages: If a contract is terminated or rescinded for cause, the OAG may deduct from whatever is owed the VENDOR on that or any other contract an amount sufficient to compensate the OAG for any damage resulting from termination or rescission.
- (d) Termination for Convenience upon Notice: Following ten (10) days written notice, the OAG may terminate this contract in whole or in part, without the payment of any penalty or incurring any further obligation to the VENDOR.
- (e) Termination due to Lack of Funds or Change in Law: The OAG shall have the right to immediate termination of this contract without penalty by giving written notice to the VENDOR as a result of any of the following:
  - (i) Adequate funds are not appropriated or granted to allow the OAG to fulfill its obligations under this contract;
  - (ii) Funds are de-appropriated, reduced through reserves or not allocated;
  - (iii) Funds needed by the OAG, at the OAG's sole discretion, are insufficient for any reason or the OAG determines, in its sole discretion, that a reduction is necessary or advisable based upon actual or projected budgetary considerations;
  - (iv) There is a material alteration in the programs administered by the OAG; or
  - (v) The OAG's duties are substantially modified.

- (f) VENDOR's Remedies in Event of Termination by OAG: In the event of termination of this contract for any reason by the OAG, the OAG shall pay only those amounts, if any, due and owing to the VENDOR for usable work completed to the satisfaction of the OAG up to and including the date of termination and for which the OAG is obligated to pay pursuant to this contract. Payment will be made only upon submission of invoices and proper proof of the VENDOR's

claim. This provision in no way limits the remedies available to the OAG under this Contract in the event of termination.

- (g) **VENDOR's Termination Duties:** The VENDOR, upon receipt of notice of termination or upon request of the OAG, shall:
- (i) Cease work under this contract and take all necessary or appropriate steps to limit disbursements and minimize costs, and furnish a report within thirty (30) days of the date of notice of termination or on the date specified in the termination notice, whichever is earlier. The report should describe the status of all work under the contract including, without limitation, results accomplished, conclusions resulting therefrom and other matters the OAG may require;
  - (ii) Immediately cease using and return to the OAG any personal property or materials, whether tangible or intangible, provided by the OAG to the VENDOR;
  - (iii) Comply with the OAG's instructions for the timely transfer of any active files and work product produced by the VENDOR under this contract;
  - (iv) Cooperate in good faith with the OAG, its employees, agents and contractors during the transition period between the notification of termination and the substitution of any replacement contractor; and
  - (v) Immediately return to the OAG any payments made by the OAG for services that were not rendered by the VENDOR.

**20. TIME IS OF THE ESSENCE AND WAIVER:** Time is of the essence with respect to VENDOR'S performance of this contract. Except as specifically waived in writing, failure by either Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future.

**21. CUMULATIVE RIGHTS:** The various rights, powers, options, elections and remedies of any party provided in this contract shall be construed as cumulative and not one of them is exclusive of the others or exclusive of any rights, remedies or priorities allowed either party by law, and shall in no way affect or impair the right of any party to pursue any other equitable or legal remedy to which any party may be entitled as long as any default remains in any way unremedied, unsatisfied or undischarged.

**22. CONFLICTS OF INTEREST:** VENDOR has disclosed, and agrees it is under a continuing obligation to disclose to the OAG, financial or other interests (public or private, direct or indirect) that may be a potential conflict of interest or which would prohibit VENDOR from having or continuing the contract. This includes, but is not limited to, conflicts under the "Infrastructure Task Force Fee Prohibition" section of the State Finance Act (30 ILCS 105/8.40), Article 50 of the Illinois Procurement Code (30 ILCS 500/50) or the Auditor General's implementing rules (44 Ill.Adm.Code 500), or which may conflict in any manner with the VENDOR's obligations under this contract. VENDOR shall not employ any person with a conflict to perform under this contract. If any elected or appointed State officer or employee, or the spouse or minor child of same, has any ownership or financial interest in the VENDOR or the contract, VENDOR certifies it has disclosed that information to the OAG and any waiver of the conflict has been issued in accordance with applicable law and rule.

23. **NOTICES:** Notices shall be in writing and may be delivered by any reasonable means. Notices by fax must show the date/time of successful receipt. Notices to VENDOR shall be sent to the person shown on the signature page. Notices to the OAG shall be sent to the Auditor General at the OAG's Springfield location. Notice of any name, street address, e-mail address or fax number change shall be given to the other in writing. Each such notice shall be deemed to have been provided at the time it is actually received.
24. **ENTIRE CONTRACT:** This contract, including any attachments or amendments, constitutes the entire agreement between the Parties concerning the subject matter of the contract. Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared void, unenforceable, or against public policy shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination of this contract.
25. **NON-DISCRIMINATION:** 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 and other applicable laws and rules, the State does not unlawfully discriminate in employment, contracts, or any other activity.
26. **APPLICABLE LAW:** This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois. The Department of Human Rights Equal Opportunity requirements are incorporated by reference (44 Ill.Admin.Code 750). Any claim against the State arising out of this contract 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 contract dispute. The State of Illinois does not waive sovereign immunity by entering into this contract. The official text of cited statutes is incorporated by reference. (An unofficial version can be viewed at <http://www.ilga.gov/legislation/ilcs/ilcs.asp>.) The only attorney who may represent the State is the Attorney General of the State of Illinois. Any appointment provision to the contrary is void.
27. **FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence, including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring party may cancel the contract without penalty if performance does not resume within 30 days of the declaration.
28. **ANTITRUST ASSIGNMENT:** If VENDOR does not pursue any claim and cause of action it has arising under federal or state antitrust laws relating to the subject matter of the contract, then upon request of the Illinois Attorney General, VENDOR shall assign to the State all rights, title and interest in and to the claim or cause of action.
29. **AUTHORITY:** The Auditor General and his employees, when acting pursuant to this contract, are acting as State officers in their official capacity and not personally.

30. **CONFLICT OF PROVISIONS:** If any provision of this Exhibit is in conflict with any provisions in the contract or agreement to which it is attached, then the provisions of this Exhibit shall take precedence. In the event of a conflict between the State's and the VENDOR'S terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.

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