

STATE OF ILLINOIS

SOLICITATION DOCUMENT

(Temporary High Risk Pool (THRP) / DOI 10-131)

The Illinois Department of Insurance and the Illinois Department of Public Health (the "Departments") are requesting Offers (bids / proposals) from responsible Vendors to meet the State's needs. Below is a brief description of our needs with detailed requirements in subsequent sections of this solicitation. If you are interested and able to meet these requirements, please submit an Offer.

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

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

Brief Description:

This document is a Request for Proposals ("RFP") soliciting proposals for the performance of various administrative and support services to be provided as the Plan Administrator (the "Administrator") for the Department of Insurance and the Department of Public Health.

The Departments will establish a new pool which will be identified with independent, unique member/parent group I.D. numbers and separate group/section numbers in order to monitor closely and manage revenues and expenditures. Funding, expenditures, management, and administration of the Temporary High Risk Pool (THRP), will be entirely separate and distinct from any other similar health insurance pool. The Departments will not receive or expend funds for the purpose of claims payment. All payments and expenses directly attributable to the THRP, including but not limited to claim expenses, third party administrator fees, premium refunds, NSF's bank fees and agent referral fees, will be paid by The Department of Health and Human Services (HHS) directly to successful bidders.

The Departments will monitor and manage the THRP in a fiscally prudent manner-that will maximize participation within the constraints of available funding.

The Departments will not deny enrollment, or impose coverage limitations, in the THRP based on a pre-existing condition. The Illinois THRP will enroll only those individuals with a presumptive pre-existing condition to the extent that federal funding would allow that individual continuous enrollment to January 1, 2014.

Bidders can provide a proposal on all of the services contained in this RFP or can limit their proposals to include only specified services, including but not limited to:

- traditional administrative services only;
- Prescription Benefit Management services only; or
- both traditional administrative services and Prescription Benefit Management services.

Bidders must fully describe the extent of the administrative and support services included in their proposal. Proposals for traditional administrative services are expected to include all administrative and support services for enrollment and general maintenance of membership, ongoing eligibility verification, premium and other financial administration, reserve and other actuarial calculations, customer service, inquiry and complaint response, subrogation, management of subpoena and legal request/actions, report production, and all aspects of claims administration (including, but not limited to, claims processing, utilization review, pre-certification, prior approval, and large case management).

The solicitation package consists of two parts:

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

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

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

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

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

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

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

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

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

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

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

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

Carolyn March, Acting State Purchasing Officer
Department of Insurance
320 W. Washington Street
Springfield, Illinois 62767

Phone: 217/557-5661
Fax: 217/524-6500
TDD: 217-524-4872
E-mail: Carolyn.march@illinois.gov

Please note that any written or oral communications received by the Project Contract that imparts or requests material information or makes a material argument regarding potential action concerning this procurement shall be reported to the Procurement Policy Board as required by Public Act 96-0795. When an oral communication is made by a person required to register under the Lobbyist Registration Act (25 ILCS 170) and received by a State employee, all individuals who initiate or participate in the communication shall submit a written report to that State employee memorializing the communication and for reporting to the Procurement Policy Board.

1.2 VENDOR CONFERENCE / SITE VISIT: To be Determined Mandatory Attendance: Yes No
See Section 2.2.5 "Selection of Finalists"

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 (incumbents included) do not attend, are not on time, leave early or fail to sign the attendance sheet. You must allow adequate time to accommodate security screenings at the site.

1.3 OFFER DUE DATE, TIME AND SUBMISSION LOCATION: Due Date: July 14, 2010 Time: 2:00 pm

DELIVER OFFERS TO:

Illinois Department of Insurance
Attn: Carolyn March, Acting SPO
320 W. Washington Street / 4th Floor
Springfield, Illinois 62767

LABEL OUTSIDE OF ENVELOPE / CONTAINER:

Temporary High Risk Pool (THRP) / DOI 10-131
July 14, 2010 @ 2:00 pm
[Vendor Name & Address]

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

1.4 NUMBER OF COPIES: You must submit a signed original and 15 copies of the Offer in a sealed container. In addition, you must submit 15 copies on CD in the following format: Microsoft Word and/or Excel. If this is an RFP of either type you **must** submit separate CDs for technical and price with the price CD sealed in the pricing envelope. If you are requesting confidential treatment, you must make that request in the form and manner specified elsewhere in this solicitation. A request for confidential treatment will not supersede The Departments' legal obligations under Illinois Freedom of Information Act (FOIA) (5 ILCS 140). If Minority, Female, and Person with Disability Subcontracting is marked "YES", you must also submit one (1) original and one (1) copy of your Utilization Plan in a separate sealed envelope within your Offer container.

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

1.5 OFFER FIRM TIME: All proposals are valid for one hundred eighty (180) calendar days from the proposal due date, and shall remain firm and unaltered for that entire period or until a contract is fully executed with another bidder, whichever is earlier.

1.6 SECURITY: SEE SECTION 3.7 "Bonding Requirements (applies to all bidders)" of the RFP

1.7 PROTEST REVIEW OFFICE:

ILLINOIS DEPARTMENT OF INSURANCE
Attn—Carolyn March
320 W. Washington
Springfield, Illinois 62767

Ph: 217-785-5516
Fax: 217-524-6500
TDD: 217-524-4872

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

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

1.9 MINORITY, FEMALE AND PERSONS WITH DISABILITY SUBCONTRACTING: Yes No. If "Yes" is marked, this solicitation contains a goal to include businesses owned and controlled by minorities, females and persons with disabilities in the State's procurement and contracting processes. In addition to the number of copies requested above, **you must submit an original and 1 copy of the Utilization Plan and Letter of Intent, sealed separately within the offer container.** Failure to submit a Utilization Plan as instructed later in this solicitation will render the offer non-responsive. All questions regarding the subcontracting goal must be directed to Susan Hartman at Susan.Hartman@illinois.gov or (312) 814-2200, prior to submission of bids or proposals. Vendors who submit bids or proposals for State contracts shall not be given a period after the bid or proposal is submitted to cure deficiencies in the Utilization Plan and the Letter of Intent, unless mandated by federal law or regulation (30 ILCS 575(4)(c)). Firms included on Utilization Plans as meeting BEP requirements as prime or sub-contractors must be certified by CMS as BEP vendors prior to contract award. Go to http://www.sell2.illinois.gov/bep/Business_Enterprise.htm for complete requirements for BEP certification.

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

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

1.12 AWARD: We will post a notice to the Bulletin identifying the apparent awardee. 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.

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

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

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

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

Management Services the number of individuals hired for whom you received tax credits. You must submit this information by August 31 of each year covering the previous 12 months (July–June) (PA 94-1067; 30 ILCS 500/45-67 and 45-70).

SECTION 2 - HOW WE WILL EVALUATE OFFERS

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

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

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

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

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

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

2.2.3 RESPONSIVENESS: We will determine whether the Offer meets the stated requirements. Minor differences or deviations that have negligible impact on the price or suitability of the supply or service to meet the State's needs may be accepted or corrections allowed. If no administratively compliant and responsible Vendor meets a particular requirement, we may waive that requirement. When the specification calls for "Brand Name or Equal," the brand name product is acceptable. Other products will be considered with proof the other product meets stated specifications and is equivalent to the brand product in terms of quality, performance and desired characteristics.

2.2.5 General Information

The criteria for selection of the successful bidder are both objective and subjective. Cost, technical competence, experience, service capabilities, personnel, financial resources and reputation, among other items, will be considered, but none of these will provide the sole basis for any contract award. Illinois shall award contract(s) to the responsible bidder whose proposal, conforming to the specifications in this RFP, is considered most advantageous to Illinois.

Disqualifying Conditions

All proposals received by the issuing office will be reviewed for adherence to the RFP specifications. The following conditions will automatically disqualify a proposal:

- a. inability to meet the minimum qualifications for bidders;
- b. proposals received after the closing date
- c. failure to prepare the proposal in accordance with the format presented herein; or
- d. inability to administer the current or proposed Program of benefits, except for variations judged by Illinois not to have a material impact on Program design or costs.

Evaluation Procedures

Proposals meeting the above minimum requirements will be further evaluated with regard to provider-related or claim discounts, service capabilities, technical competence, experience, reputation, and financial condition by an Evaluation Committee. Each proposal will be evaluated and ranked using the following guidelines and weighting:

a) Provider, Discounts and Accessibility	300
b) Service Capabilities	300
c) Experience/Reputation/Financial Condition and Stability	200

Selection of Finalists

Based on the rankings developed during the evaluation of each of the qualifying proposals in accordance with this Section Illinois will select one or more finalist(s) for further evaluation. This evaluation may be made through on-site visit(s) to each finalist, presentations made by each finalist, and, if appropriate, through evaluation of responses to additional questions or inquiries.

Contract Award

If an insufficient number of competitive proposals are received in response to the RFP, a bidder may be required to submit appropriate cost and pricing analysis documentation as specified by The Departments as a prerequisite to award the contract. Illinois reserves the right to reject any and all proposals. All decisions of Illinois are final.

2.3 AWARD: We will award to the Responsible Vendor whose Offer passes Administrative review, is Responsive and is considered the best of those submitted (without consideration of price) and with whom we are able to negotiate a fair and reasonable price.

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

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

2.3.1 The chart above shows the elements of Responsiveness that we will evaluate, their relative weights in point format and any minimum point requirements. The total number of points for Responsiveness is: 800.

SECTION 3 - SPECIFICATIONS / QUALIFICATIONS / STATEMENT OF WORK

3.1 AGENCY'S NEED FOR SUPPLIES / SERVICES

Definitions

Definitions for Terms that Occur in this RFP

Coordination of Benefits (COB) – Coordination of benefits occurs when there are two plans that provide coverage for the same allowable expense incurred by a claimant. An allowable expense will be covered in part by at least one of the plans, which is *coordinating benefits*. The benefits Program uses a carve-out COB approach. Benefits otherwise payable are reduced by amounts payable by any other source. Illinois does not use the standard COB birthday rule to establish which plan is primary. Instead, this Program is always payor of last resort.

Disease Management (DM) – Disease Management is a system of coordinated health care intervention and communications for persons with specified conditions in which patient self-care efforts are significant. A defined set of disease states are typically managed. Individuals with more than one of the defined set of illnesses to be managed often are enrolled in multiple subsections of the program. For example, diabetes and asthma are typically targeted as disease classifications to be managed. Individuals with both diseases are targeted by both subsections of the program. As used within this RFP, Disease Management can refer to both the traditional description noted above as well as the emerging approach where an integrated care management model is used that proactively manages complex and co-morbid health conditions of a patient. The emerging DM model is not limited to only the defined, specified diseases, but rather focuses on the patient as a whole.

Department – As used in this RFP, Department refers to the Illinois Department of Insurance or its designee.

Explanation of Benefits (EOB) - A statement sent to a covered person by a health insurance company or Plan Administrator listing services provided, amounts billed, eligible expenses and payment made by the health insurance company or Plan.

HHS Contract – This term refers to a certain contract between the federal Department of Health and Human Services and the Department of Insurance establishing those parties' legal and operational responsibilities for the Program.

Health Maintenance Organization (HMO) - A prepaid medical insurance plan that provides a comprehensive predetermined medical care benefit package and usually involves selection of a Primary Care Physician (PCP).

Incurred But Not Reported (IBNR) – This term describes claims incurred during a contract period, which may not be submitted for payment until after the period has ended. Also referred to as "run out" claims, or "run off" claims.

National Association of Insurance Commissioners (NAIC) – Nationwide association of state insurance regulators, headquartered in Kansas City, Missouri.

Prescription Benefit Management (PBM) - A type of managed care specialty service organization that seeks to contain the costs of prescription drugs or pharmaceuticals while promoting more efficient and safer drug use. As used in this RFP, this service may be offered in conjunction with traditional administrative services or as a stand-alone program.

Preferred Provider and Preferred Provider Option (PPO) – A Preferred Provider is a hospital or physician that contracts on a fee-for-service or other basis to provide medical services. Providers exchange discounted fees for services for increased volume and prompt payment. Participants' out-of-pocket costs are usually lower than under a fee-for-service plan. Plans using preferred providers are called PPOs.

Primary Care Physician (PCP) - The physician in a managed care plan responsible for coordinating all of the care, including hospital and specialist services, received by a covered participant. A PCP is sometimes referred to as a **Gatekeeper**.

Program – The benefits plan for the THRP and all related administrative services required to implement the plan of benefits.

Temporary High Risk Pool (THRP) – The program established by the Secretary of The Department of Health and Human Services pursuant to the Patient Protection and Affordable Care Act (Public Law 111-148) to provide health insurance coverage to currently uninsured individuals with pre-existing conditions.

Usual & Customary (U & C) – An amount customarily charged for or covered for similar services and supplies which are medically necessary, recommended by a doctor, or required for treatment.

General

This document is a Request for Proposals (“RFP”) soliciting proposals for the performance of various administrative and support services to be provided as the Program Administrator (the “Administrator”) for the THRP.

Bidders must fully describe the extent of the administrative and support services included in their proposal. Proposals for traditional administrative services are expected to include all administrative and support services for enrollment and general maintenance of membership, ongoing eligibility verification, premium and other financial administration, reserve and other actuarial calculations, customer service, inquiry and complaint response, subrogation, management of subpoena and legal request/actions, report production, and all aspects of claims administration (including, but not limited to, claims processing, utilization review, pre-certification, prior approval, and large case management).

The Administrator will be responsible for providing certain administrative services including, but not limited to: premium billing, issuance of benefit plan booklets, continued eligibility verification, claim adjudication, accounting, maintaining print supplies of enrollment and other materials, customer service, and the maintenance and reporting of Program data. If the Administrator is also providing PBM administration, the Administrator will also be responsible for providing prescription management program services.

These specifications and this RFP provide general information about the program and the Administrator's responsibilities. By submitting a proposal, a bidder covenants and agrees that it fully understands and will abide by the terms and conditions of this RFP, and that it will not make any claims for, or have any rights to, cancellation or relief without penalty because of any misunderstanding or lack of information. Bidders also agree to perform all obligations set forth in this RFP in a manner consistent with the HHS contract.

Contract Period

The term of the contract with the Administrator shall commence no later than August 1, 2010 and shall continue through July 31, 2011 with the possibility of 3 annual renewals.

3.2 SUPPLIES AND/OR SERVICES REQUIRED

General

Timing and Implementation of Operations (applies to all bidders)

The Administrator must demonstrate that it will be able to completely perform all of the duties specified and described in this RFP by no later than August 1, 2010, and that it must assume responsibility for all activities by that date. The Administrator must agree to establish and provide to The Departments, by no later than forty-five (45) days after the execution of a contract with The Departments, written procedures, consistent with these requirements and the contract, for the full and timely performance of the Administrator's duties under the contract. The Administrator must agree to process all “run out” claims at the end of this contract with The Departments. The administrative fee proposal must include but state separately the cost of managing and administering the run out (including the cost of periodic data transfer with the replacement Administrator if applicable).

Training and Location of Administrator's Operations (applies to all bidders)

Bidders shall describe how they will properly train all staff assigned to the contract. The Administrator must provide appropriate staff to effectively carry out the duties and responsibilities contained in the executed contract. Proposed management staff must have experience in the health insurance field and currently be in a management capacity. The Administrator shall appoint an officer in its organization to serve as the direct point of contact with The Departments. Such individual shall have the day-to-day responsibility for contract operations. The Administrator shall provide for an alternate direct point of contact in the event of the non-availability of this individual during normal working hours.

Privacy and Confidentiality of Records and Data (applies to all bidders)

Bidders will describe how they will keep the Program records confidential in accordance with HIPAA privacy and security requirements and how they will refrain from using or permitting the use or disclosure of the identity of Program participants or lists of such participants for any purpose which is not related to the administration of The Departments' business.

No Program data may be published by the Administrator except as directed by The Departments.

To qualify for the temporary high risk pool (THRP), Illinois will require that all applicants to the THRP meet all applicable eligibility requirements:

1. Applicants must be residents of Illinois.
2. Applicants must be United States citizens, nationals, or lawfully present in the United States.
3. Applicants must have one of the listed pre-existing medical conditions.
4. Applicants must have been uninsured for the six (6) months prior to application.

To determine eligibility, Illinois will use the list of presumptive medical conditions currently used in the determination of eligibility for its medically uninsurable high risk pool, or as such list is amended for THRP purposes. A person who is a U.S. citizen, national, or lawfully present in the U.S., and has been without creditable coverage for six months, will be eligible for the THRP if he or she has one of the conditions listed. Enrollment will be limited based on federal funding and premiums collected. The Illinois THRP will enroll only those individuals with a preexisting condition to the extent that federal funding would allow that individual continuous enrollment to January 1, 2014.

Benefits

Illinois intends to offer one coverage option to THRP participants initially. Depending on claims experience, Illinois will determine whether to make another option available. Illinois will monitor and manage the THRP in a fiscally prudent manner to ensure that all enrollees will be able to receive coverage until January 1, 2014.

Based on the experience of existing high risk pools and actuarial assessments, Illinois proposes a Preferred Provider Option (PPO) Program design that will include a deductible of \$2,000 per calendar year, with an 80/20 coinsurance and a major medical out-of-pocket limit of \$2,350 per year. If a non-PPO provider is used, the member would pay 20% higher coinsurance. Prescription drug benefits would be provided with a 20% copayment, up to an out-of-pocket maximum of \$1,600. The benefits will be structured such that coinsurance and out-of-pocket will not exceed a combined total of \$5,950 per year, consistent with limits set by Section 223(c)(2) of the Internal Revenue Code of 1986 for the relevant year.

Current Illinois high risk pools have a lifetime maximum set at \$2.0 million. Illinois statute requires the lifetime maximum to reduce to \$1.5 million on August 29, 2010. The Illinois General Assembly has passed and the Governor recently signed into law a bill that increases this lifetime maximum to \$5.0 million. For ease of administration, and to facilitate implementation of the THRP, Illinois will, at least for the implementation phase, apply these statutory limits to the THRP.

Pre-Existing Conditions

Illinois will not deny enrollment, or impose coverage limitations, in the THRP based on a pre-existing condition. The Illinois THRP will enroll only those individuals with a presumptive pre-existing condition to the extent that federal funding would allow that individual continuous enrollment to January 1, 2014.

Termination of Coverage

Illinois will supervise the THRP in a fiscally prudent manner to ensure that all enrolled members are able to remain enrolled until January 1, 2014. Enrollment will be limited and managed based on actual claims experience and projected availability of funds.

Upon discovery that a member does not reside in Illinois, the member's participation in the THRP will be terminated. Participation will be terminated upon discovery that a member is eligible for Medicare or Medicaid.

Multiple methods are used to discover ineligibility.

- Bidders shall describe how their claims system will identify potential cases of overlapping coverage, and
- How they will conduct periodic continued eligibility investigations.

Illinois will use a monthly data match with the Illinois Medicaid Agency to check for overlapping coverage.

Coverage will terminate on the earliest of:

1. The date a member is no longer a United States citizen or lawfully present in the United States.
2. The date the participant is no longer a resident of Illinois.

3. The date the participant became ineligible for the THRP coverage under state or federal law.
4. The date the participant's THRP coverage otherwise ends due to nonpayment of the required renewal premium.
5. The date the participant requests THRP coverage to end, provided the written request is received prior to such date.
6. The date THRP coverage of all covered persons within the same class, form or benefit Program as the participant is terminated.
7. The date of the participant's death.

3.3 MILESTONES AND DELIVERABLES

Bidders shall describe what their minimum performance standards are for each of the following areas of performance.

- a) **Claim turnaround time:** The Administrator shall process:
 - 1) A percentage of all clean claims within a threshold number of calendar days of receipt. The threshold number should be the lowest number of calendar days for which clean claim processing is first measured by the bidder. Then, the Administrator shall process the remaining percentage of all clean claims within a set number of calendar days. If the bidder's performance standard is not 100% of clean claims processed within a set number of calendar days, the bidder should state what the claim turnaround time is for the highest percentage of clean claim processing to which the bidder's performance standard is measured.
 - 2) A percentage of all investigated claims within a threshold number of calendar days of receipt by the Administrator of additional information from an outside source. The threshold number should be the lowest number of calendar days for which investigated claims processing is first measured by the bidder. Then, the Administrator shall process the remaining percentage of all investigated claims within a set number of calendar days. If the bidder's performance standard is not 100% of investigated claims processed within a set number of calendar days, the bidder should state what the claim turnaround time is for the highest percentage of investigated claims processing to which the bidder's performance standard is measured.
 - 3) For purposes of this standard, "clean claims" shall mean claims which do not require additional information from a source outside the Administrator, and "investigated claims" shall mean claims which require additional information from a source outside the Administrator. A claim shall be considered "processed" for purposes of the standard whenever it is paid (including application towards the deductible), denied, or the Administrator has requested additional information from an outside source that is adequate to resolve the claim.

- b) **Financial accuracy of claim payments:** The Administrator shall maintain, at a minimum, an average accuracy ratio as a stated percentage. The accuracy ratio is calculated as follows:

$$\frac{(\text{total charges handled in sample} - \text{charges handled in error})}{\text{total charges handled in sample}}$$

Sample size must, at a minimum, be sufficient to provide a 95% confidence level with no more than a 5% error level of all claims processed per processor per day pulled for quality review.

"Charges handled in error" are to be based on the absolute value of all errors (i.e., overpayment errors are not to be offset or netted against underpayment errors).

- c) **Procedural accuracy of claim payments:** The Administrator shall maintain at a minimum an average procedural accuracy ratio as a stated percentage. The procedural accuracy ratio is calculated as follows:

$$\frac{(\text{number of claims reviewed} - \text{number of procedural errors})}{\text{number of claims reviewed in sample}}$$

Sample size must, at a minimum, be sufficient to provide a 95% confidence level and no more than a 5% error level of all claims processed per processor per day pulled for quality review.

- d) **Telephone (including TTY) inquiry accessibility and response:** The Administrator shall answer a set percentage of all toll-free telephone calls to dedicated lines for the Program's Customer Service number(s) maintained by the Administrator within a set number of seconds. This standard shall be applied during the Administrator's normal business hours. For purposes of this standard, "answered" shall mean picked up by a human Customer-Service Representative except for requests for forms or information kits, which may be handled by an automated attendant.
- e) **Complaint response turnaround:** The Administrator shall:
 - 1) Issue a response to a percentage of all complaints within a set number of calendar days of receipt.

2) All complaints that are considered to be part of the grievance procedures shall be responded to within the following time periods: 1) Step 1 level grievances shall be responded to within 30 days of receipt by the Administrator; b) Step 2 level grievances shall be responded to within 60 days of receipt by the Administrator; and 3) all Step 3 level grievances shall be referred to The Departments within 5 days of receipt by the Administrator.

3) All complaints or other correspondence that the Administrator receives from attorneys on behalf of any current or former participant must be referred to The Departments within 3 days of receipt and shall be responded to within the specified timeline based upon the classification of the complaint received.

For purposes of this standard, "complaint" shall mean any written communication from a participant or legal representative thereof that primarily expresses dissatisfaction. "Response" shall mean a written response from the Administrator expressing all actions, taken or not taken, and which were the basis for the complaint.

NOTE: The goal of this standard is to measure the Administrator's response to a written expression of dissatisfaction. Illinois is interested in receiving the bidder's definition of a "complaint" and the related performance standards that the bidder deems appropriate for measuring this standard.

- f) **Issuance of enrollment materials:** The Administrator shall issue a percentage of all required enrollment or fulfillment materials (benefit plan booklet, schedule page, and ID card) within a set number of working days of the date The Departments notify the Administrator that an application for coverage of a new participant has been finally approved and to enroll that individual(s), or within a set number of working days of an applicant's effective date of coverage, whichever is later. For purposes of facilitating the implementation, the Administrator may, for a reasonable period of time, rely upon enrollment materials that comply with the THRP plan but are not labeled or branded specific to the THRP.
- g) **Report production and transmittal:** The Administrator shall provide The Departments with all of the reports required by this RFP and the contract within fifteen (15) calendar days after the end of the reporting period, except those required on a weekly basis which shall be provided within seven (7) calendar days of the end of the reporting period, and annual reports which shall be provided within forty-five (45) calendar days of final, reconciled data becoming available.

Reporting of Performance Standards for Program Administrator

Adherence to the performance standards specified above shall be measured and reported to The Departments each month based upon a monthly audit by the Administrator of its performance under each standard. The audit methodology of performance standards shall be developed by the Administrator and approved by The Departments. The Administrator must agree to report and submit supporting documentation satisfactory to The Departments to substantiate the results of each prior month's performance results audit to The Departments together with its monthly fee statement. The Administrator must also agree that The Departments may conduct an independent audit of the items audited by the Administrator using the same standards referenced herein. In addition, The Departments may conduct an independent audit of any of the items subject to performance standards. If there is any discrepancy between the performance measured by The Departments' audit and the Administrator's audit, the Administrator must agree that the discrepancy shall be resolved by The Departments.

Performance Standards for PBM Services

The Prescription Benefit Manager (PBM) must agree to adhere to the following minimum performance standards or such other standards as are established and approved by The Departments. If your PBM is subcontracted, your responses will pertain to your subcontractor. This section allows a yes/no response with a comment section. If there are any qualifiers to your response, then an "N" should be indicated and the qualifier outlined in the comment section.

PBM Claim Administrator Questions	Y or N	Comments
a) Will your claim system have an up-time of 99.95% or better?		
b) Will your claim system process claims with 100% accuracy?		
c) Will your mail service provide 95% of all "clean" claims within 48 hours of receipt?		
d) Will eligibility be validated and loaded within 24 hours of receipt?		
e) Will the PBM provide "pass-through" or transparent pricing, receiving no revenue, including rebates, administrative fees, and participant fees, from the Program beyond the PMPM administrative fee?		
f) Does the PBM have a minimum 1 million eligible		

participant in fully-funded programs as of 1/1/2010?		
g) Will the PBM comply with all aspects of HIPAA?		
h) Will the NDC of the actual package size dispensed at the mail service be utilized for pricing of the claims?		
i) Will the PBM guarantee 99.95% accuracy of the prescription filling process at the mail service?		
j) Will you provide prior authorization, step therapy logic, edits, overrides, and appeals at the offered PMPM price?		
k) Do you agree to accommodate electronic interfaces with other Vendors and the cost of interfaces be included in the PMPM?		

PBM Specific Reporting Questions

This section allows a yes or no response with a comment section. If there are any qualifiers to your response, then an "N" should be indicated and the qualifier outlined in the comment section.

PBM Specific Reporting Questions	Y or N	Comments
d) Will you provide management reports within 30 days of the close of the quarter?		
e) Will you provide a retrospective review each quarter on the top 25 members with recommendations on better drug management?		
f) Will you provide electronic data to the Program in our format monthly?		

Financial Penalties (does not apply to the PBM or DM bidder)

The contract will specify that a financial penalty of a 5% reduction in the Administrator's monthly fee shall be assessed for each performance standard to which the Administrator fails to adhere, for each month that standard was not adhered to.

Account Service

Account Team (applies to all bidders)

The Administrator will assemble a team of individuals that will coordinate services for The Departments on an ongoing basis. The Administrator shall no later than twenty-one (21) days after the execution of a contract submit to The Departments a complete written list of its principal personnel who will be working on this contract and be part of this account team, with a description of the duties and business telephone number, including any extension, of each such person. Throughout the term of the contract the Administrator shall inform The Departments in writing whenever any changes are anticipated or occur in the account team that is assigned by it to work on this contract.

Separation of Program Business (applies to all bidders)

Bidders must describe how they will comply with federal HIPAA privacy requirements.

Continued Eligibility Verification and Billing (does not apply to the PBM or DM)

General

The Bidders shall describe how they will perform the following functions:.

- a. continued eligibility verification. This includes securing updated proof of Illinois residency documentation, including changes of residential address, investigation of other insurance and third party liability sources, obtaining employment information, as well as verifying all information necessary to establish continued eligibility under the Program and any other information as may be further required by The Departments;

- b. issuance of the appropriate benefit plan booklets, amendments, riders, schedules, claim forms, identification cards, and other related material as approved by The Departments;
- c. paying agents' referral fees and premium refunds if appropriate; and
- d. establishing, maintaining and updating on a current basis individual records in the form of a hard-copy file which contains, at a minimum, the following eligibility and underwriting information:
 1. Name/application/original effective date;
 2. Benefit plan type/coverage;
 3. Premium due date;
 4. Referral fee payment; and
 5. Other information deemed appropriate by The Departments.

Eligibility Database

Bidders shall describe how they will maintain an on-line computerized database containing information (captured from the application and other sources) about any individual who is currently or has ever been enrolled in the Program. Below are items that should, at a minimum, be included in this database:

- ◆ Name
- ◆ ID Number
- ◆ Social Security Number
- ◆ Zip Code of Residence (9 digits where available) (not applicable for the PBM or DM)
- ◆ County
- ◆ Telephone Number (not applicable for the PBM or DM)
- ◆ Date of Birth
- ◆ Sex
- ◆ Primary Medical Condition (not applicable for the PBM or DM)
- ◆ Benefit Program Type/Program
- ◆ Deductible (not applicable for the PBM or DM)
- ◆ Participant's Benefit Program Effective Date
- ◆ Billing Data Including Refunds and History (not applicable for the PBM or DM)
- ◆ Termination Date and Reason for Termination
- ◆ Premium Payment Mode/Rate (not applicable for the PBM or DM)
- ◆ Referral Fee Payment Information (not applicable for the PBM or DM)
- ◆ Other information deemed appropriate by The Departments.

The Administrator must provide The Departments with such specific data as The Departments may request using a method, media, and frequency acceptable to The Departments.

Effective dates and termination dates of coverage may occur on any date of the month, and may not be limited to the first of the month.

Premium Administration (does not apply to the PBM or DM)

The Bidders shall describe their procedures for the maintenance and reconciliation of an automated premium billing system, including the issuance of premium notices, past-due notices, follow-up on non-sufficient fund payments and partial payments, issuance of premium refunds, notification of termination, collection and quarterly reconciliation of earned premiums, and the collection of premium payments through the Program's lockbox. Premiums may be billed monthly, quarterly, or semi-annually,

or such other basis as established by The Departments, as elected by the participant, beginning with the effective date of coverage. All premium billings will be based on rates determined by The Departments.

Rating Structure (does not apply to the PBM or DM)

Bidders shall describe their process for maintaining a rating structure which is based on the age, tobacco use and geographical location of the participant. The Administrator must be able to bill the appropriate Program premium at various percentages of the applicable rate in accordance with rates, rating plans, rating structure, and schedules established and provided by The Departments.

Waiting List and Approving the Applicant for Coverage (does not apply to the PBM or DM)

The Departments shall be responsible for managing a list of otherwise eligible persons waiting for coverage ("waiting list") if applicable.

Eligibility Verification (does not apply to the PBM or DM)

Bidders shall describe their processes for performing continuing eligibility verification services throughout the contract period. Once a person is enrolled, a participant must continue to meet all of the statutory eligibility requirements. Failure to do so will result in any participant's termination from the program as of the date required by the policy or state or federal law. The Administrator will be responsible for identifying and determining if any participant has experienced a change in circumstance that would result in loss of eligibility for coverage for that participant as part of a continuous eligibility verification process.

Claims Administration/Cost Containment

Claims Processing (does not apply to the PBM or DM)

Bidders shall describe their processes for performance of all administrative claim processing and payment functions on behalf of The Departments from receipt through final payment or denial on a fully automated, on-line, real-time claim adjudication system in a timely and accurate manner and all other necessary functions to assure timely adjudication of claims and payment of benefits to eligible persons under a Program. The Administrator shall ensure that the claims processing function is operated and maintained in an efficient and effective manner in all respects complying with Illinois law. The system shall have at a minimum the following capabilities:

- a) automated eligibility verification that coverage has not terminated on the date of loss;
- b) benefit Program information stored on the system;
- c) automatic calculation of deductibles, co-insurance out-of-pocket limits, and lifetime maximum accumulations, including any outsourced benefits or outside vendor benefits such as prescription drugs;
- d) individual and family claim history stored on the system and automatically updated;
- e) ability to distinguish individuals by pre-existing condition category;
- f) automated calculation of cost containment provisions;
- g) identification and collection of claim overpayments;
- h) procedures for review of "medically necessary" determinations;
- i) automated production of explanation of benefits;
- j) automated tracking of internal limits; and
- k) coordination of benefits for all plans as directed by The Departments

During or after the claim adjudication process, if a claim overpayment occurs or is discovered by the Administrator, The Departments, a provider, the participant or any other party, the Administrator must agree to immediately correct such error and make the Program whole. The Administrator may thereafter seek to recover its own funds for such overpayments from the provider(s) or participant to whom such benefit payments were previously made in error.

The Administrator shall also be responsible for making available information relating to the proper manner of submitting a claim for benefits to the Program and distributing forms upon which claim submissions shall be made, or making provision for the acceptance and processing of electronically-filed claims.

Claims Database (does not apply to the PBM or DM)

Bidders shall describe their procedures for ensuring that adequate information is captured during the claim payment process to allow The Departments to undertake a detailed evaluation of health care utilization patterns. The Administrator will also be required to maintain and regularly update all claims files and establish claims histories. This file shall be easily accessible to The Departments and serve as the source of documentation for the claims adjudication processes. The claims file shall contain information as directed by The Departments.

The Administrator shall ensure that the claims processing function is operated and maintained in an efficient and effective manner in all respects complying with Illinois law.

The Administrator shall also ensure that its automated claims processing system, pre-utilization and prior approval system, billing system and other automated systems have the necessary safeguards to limit access to such information to authorized users and that system operations effectively protect the privacy and confidentiality of data.

All data must be provided to The Departments using a method, media, and frequency acceptable to The Departments.

Cost Containment

Bidders shall describe their cost containment programs including:

- Utilization Review;
- PPO Programs;
- Case Management; and
- Prior Approval

Prescription Drug Networks (applies only to the PBM)

The Program has a prescription drug card and/or prescription drug management program. The PBM is responsible for establishing, administering, maintaining and identifying an appropriate prescription drug network acceptable to The Departments, process and adjudicate claims, handle customer service inquiries from participants and pharmacists, maintain a drug utilization review component that builds participant drug usage profiles, histories and provides safety edits, etc., maintain a provider payment file and coordinate all accounting records to ensure correct and timely payment of network pharmacies and participants, and produce communication and informational materials as required. In addition, other innovative programs designed to reduce the Program's prescription drug costs such as formulary programs and retrospective case management and disease management should be available for the Program to implement. All eligibility, claims adjudication, including payments and adjustments, including lifetime maximum accumulations, must be coordinated with the Administrator. The Administrator must be willing and able either to provide and administer its own Prescription Benefit Manager (PBM), or coordinate with an independent PBM, on an automated basis.

Claim Administration

This section allows a yes or no response with a comments section. If there are any qualifiers to your response, then a "N" should be indicated and the qualifier outlined in the comment section.

	Y or N	Deviation
1) Will you accept financial responsibility for any claims not processed correctly?		
2) Will errors within the file be corrected and loaded within 1 business day of receiving the correction from the Program Administrator? (If correction is received at 8AM on Friday, processing is guaranteed by 5PM on Monday)		
3) Will you charge the lesser of calculated copay, U&C or submitted?		
4) Does the PBM have a minimum 1 million eligible participants in fully-funded programs as of 1/1/2010?		

5) Do you agree to accommodate electronic interfaces with other vendors which The Departments may contract with (including one or more Program administrators, disease management vendors, etc.) and the cost of interfaces is included in the PMPM including eligibility, acceptance and transmission of benefit maximums and reporting to The Departments?		
6) Will you provide a monthly accumulator file to the TPA for maximum lifetime benefit administration?		
7) Will The Department's staff and administrator or consultants have access to the claims processing system via the internet for claim viewing and overrides?		

- 8) Explain the pricing logic for compound drugs, zero balance claims, and full copay claims.
- 9) Describe your experience with High Deductible Health Plans. Indicate if you will accept the TPA's real-time exchange format to complete synchronization of deductibles. Describe your ability to perform a periodic reconciliation of claims to ensure that the real-time exchange of deductible and out-of-pocket information is passing correctly.
- 10) Prior to completion of the electronic synchronization of deductible files for a High Deductible Health Plan, have you used a manual method of update? If so, provide a brief description. How successful has this process been? How long have you continued the update in lieu of an electronic interface?
- 11) Provide a definition of Single Source Generics and the pricing logic you propose (i.e. priced as Multi-Source Brands, etc). Attach a copy including NDC, Label Name and discount in Attachment I.
- 12) Provide your definition of "pass-through" or transparent pricing and provide an example.
- 13) Describe your ability to recover claims from retrospective eligibility changes or coverage identifying the Program as secondary coverage.

Mail Service

14) Will your mail service provide 95% of all "problem" claims within 5 business days of receipt?		
15) Does the receipt of a prescription begin when it arrives at the facility?		
16) Will the MAC list offered apply to both retail and mail service pricing?		
17) Do you agree that damaged, returned or unusable prescriptions will not be billed to The Departments?		

- 18) Identify your mail service provider. How long have you placed business with this vendor? Do you or your parent organization own all or any portion of the mail service provider? What volume of prescriptions do you adjudicate with this vendor?
- 19) Describe the mail service transition process from the current vendor especially the impact on the member. Will you call on behalf of the member for a new prescription?
- 20) Are there any legal restrictions placed on your mail service facility which may impact the member? For example, does a prn allow for one year's refill or just 6 months as in some states? Do CII prescriptions require a triplicate? Can controlled substances be filled for just 30 days?

Reporting

	Y or N	Deviation
21) Will you collect data and provide management reports within 10 days of the		

month end?		
22) Will you provide data in our format up to two years after the termination of the contract?		

Account Service

	Y or N	Deviation
23) Will you cooperate with The Departments in establishing a project Program encompassing all aspects of Program management and to update the information on an as-needed basis for reporting to The Departments?		
24) Will The Departments have the ability to change account managers upon request?		
25) Will The Departments receive notice of account manager change due to reassignment within the organization and a 30 days transition period?		
26) Will the account manager and account coordinator have a minimum of 1 years experience with the PBM?		
27) Will the clinical services representative have the ability to develop specific programs on behalf of the Program included in the PMPM charge?		
28) Will you participate in monthly Program management calls to improve the efficiency and administration of the Program?		
29) Will your PBM customer service desk be integrated with the mail service and specialty customer service desk through one telephone number?		
30) Will all customer service desks be available 24/7?		
31) Will you provide one central toll-free telephone contact point for all prescription drug customer service inquires?		
32) Will you provide a toll-free number that has access to telecommunication equipment for speech/hearing impaired at any time during regular business hours (8-5 central)?		
33) Will there be the capability for The Departments and Members to perform queries to the PBM, mail service, and specialty pharmacy via internet access?		
34) Will you agree to service the account with personnel solely located in the United States (no off-shore call centers)?		
35) Will you provide a quarterly update with recommendations specific to the Program including the following: PMPM costs, financial information, comparison to guarantees, operational issues, ways to		

enhance the program, clinical initiatives, top utilizers, including a member management plan, and an updated project plan?		
36) Will this account receive an Executive Sponsor? (An ES is a member of upper management The Departments can go to for additional attention.)		

37) Describe the account management services available to ensure personalized service to Program management. What is the location of the administrative office? Who will be The Departments' single point of contact for all administrative issues? Will a pharmacist be assigned to the account to provide clinical support to the Program? Include a brief description of the assigned staff and their experience.

Auditing/Fraud and Abuse Management

	Y or N	Deviation
38) Will the PBM agree to an audit of all aspects of the Program, by an auditor of The Departments' choice, including pass-through pricing, financial and administrative management, from implementation and up to two years after termination at the Program's expense?		
39) Will the PBM agree to an audit of all aspects of the rebate administration by an auditor of The Departments' choice for up to two years after termination at the Programs expense?		
40) Will rebates continue to be paid to the Program even after termination of the contract?		
41) Will the PBM provide fraud and abuse management concerning members, pharmacies and physicians?		
42) Will the contacting of member, pharmacies, and physicians for fraud and abuse management be included in the PMPM price?		

AWP Conversion

43) Have you considered what next steps you will take in response to the complete elimination of AWP as a pricing component?

Communications

	Y or N	Deviation
44) Will you communicate drug withdrawals, shortages, black box warnings, formulary changes and urgent communications to the members, Department and Consultants?		
45) Will you provide a toll-free telephone number for the members to contact PBM, mail service and specialty pharmacy?		

46) Will you print and distribute all documents and forms, including, but not limited to, formulary drug program information, prior authorization program materials, marketing materials, claim forms, maintenance list, ID cards, etc., at the offered PMPM fee?		
---	--	--

47) Do you offer Internet pharmacy services? If so, what is your web site address? Do you have the capability for on-line refills? If yes, how many prescriptions are you currently processing over the Internet?

Clinical Services

	Y or N	Deviation
48) Will you review and report on the top physicians and quarterly include contacting the physicians if deemed appropriate?		
49) Will you provide specific programs for the disease states typically identified in the Program at no additional charge and as requested by The Departments?		
50) Will you participate in conference calls, clinical review, and recommendations for case management for cases being reviewed for mandatory case management?		
51) Will you provide prior authorization, step therapy logic, edits, overrides, and appeals at the offered PMPM price?		
52) Will The Departments be notified if a prior authorization is denied?		

- 53) Provide a list of clinical services you have available including step-therapy, prior authorization and clinical intervention programs. For example: Proton Pump Inhibitor Step Therapy or Growth Hormone for Short Stature Eligibility Review. No further description is needed.
- 54) Provide a list of drug categories which have strength limitations, quantity limitations or quantity versus time, available to be selected. For example: Retin-A over 40 years of age. No further description is needed.
- 55) The following are high level therapeutic classes that the Program utilizes. Can you detail clinical management programs that you have available for each drug class? If none, indicate none.
- a. Antineoplastics
 - b. Antiretrovirals
 - c. Antidepressants
 - d. Antipsychotics
 - e. Anticonvulsants
 - f. Antilipemics
 - g. Opiate Agonists
 - h. Insulin
 - i. Vasodilating Agents

j. Proton Pump Inhibitors

- 56) Do you provide a narcotic/opiate management program, reaching out to high utilizers, physicians and pharmacies when appropriate?
- 57) Are there any special programs offered by your pharmacy network such as "brown bag" program or Certified Diabetic Educator?
- 58) Provide the specific disease states your specialty pharmacy program covers.
- 59) How often do you add products to the formulary, and how often are products moved from formulary to non-formulary (quarterly, annually)? Do you notify a member when their product is changed from formulary to non-formulary?
- 60) The Departments asks the successful bidder provide first and second level appeals. The second level appeal would be sent to The Departments or their agent for review prior to release. Would the bidder be agreeable to this process and communicate with the member, pharmacy and physician during the process?
- 61) Provide your logic for NTI or narrow therapeutic index drugs and attach or type the list in Exhibit I. How many drugs are on the list? When were they last reviewed? What is the basis for selection of drugs on this list?

Network Services

	Y or N	Deviation
62) Will you agree to an annual pricing survey and improve network fees annually, depending on results?		
63) Will you add a pharmacy to the network as requested by The Departments based upon network coverage?		
64) Do you profile network providers and identify outliers?		
65) The Departments expect only one contract and all sub-contractors will be the responsibility of the PBM. Will you agree?		
66) Will you provide and maintain a network of pharmacies equivalent to servicing 95% of the population within 10 miles rural, 5 miles suburban and 2 mile urban?		
67) Will you provide a specialty pharmacy service which is owned and operated by your organization?		
68) If your organization is owned or affiliated with a drug store chain, will the retail pricing be the same as other large chains?		

- 69) Have you administered a 340B program? If so, how did you accept pricing from the 340B pharmacy? Is there a separate reporting function which you can provide to support the 340B contracting?

Pricing/Performance Guarantees

	Y or N	Deviation
70) Will you agree to the payment of claim invoices within 15 days of receipt and Administrative invoices within 30 days of receipt?		
71) Pricing is considered a minimum guarantee. All improved pricing will be to the benefit of the Program.		

Do you agree to not include compound claims, zero balance claims, U&C claims or paper claims in your guarantees?		
72) Is the PBM willing to provide documentation, upon request, of the selection of formulary products as the lowest cost alternative available including rebates?		
73) Will the PBM guarantee the most aggressive rates for a group of this size in this region in their book of business?		
74) Are you offering a MAC on Mail Service claims?		
75) Will the Mail Service MAC be same as the Retail MAC?		
76) Will the MAC be reviewed and updated at least quarterly?		
77) Do you agree to attach the RFP, presentations and offers as an addendum to the contract?		
78) Do you agree to keep this RFP and the contents confidential within your organization?		
79) Is it required that the Program use all recommended P/A's and Step-therapy programs to receive the rebate guarantees?		
80) Is the NDC of the package size billed the same as the package sized used in dispensing for retail, retail maintenance, mail service, and specialty		
81) Will you report on performance standards quarterly?		
82) Will you agree to financially-based performance standards penalties if performance is below targeted levels?		
83) Will you charge the Program the exact amount on each claim as you pay the pharmacies?		
84) Will you report the measurement of the above standards to The Departments on a quarterly basis?		
85) Do you receive any income from the claims others than the administrative fee you quoted The Departments?		

- 86) If the package size used for dispensing at mail service is not the actual, what is the value of this package change to the Program as stated as a percentage off of AWP?
- 87) How do you make sure new generics are added to the MAC list?
- 88) Do all generics in a category receive a MAC or are there some categories where there are some MAC'd and others not MAC'd?

89) Describe how full copay claims (aka zero balance claims or excess co-pay claims) be calculated?

90) Describe how the bidders manage and credit manufacturer's rebate?

Professional/Ethical/Legal

	Y or N	Deviation
91) Do you agree that no incentives or commissions will be paid to any of The Departments, Consultants, Administrators or other associates?		
92) Do you agree that your organization is not involved in a civil, state or federal litigation?		
93) Are you involved in any civil, State or Federal litigation? If so, indicate the public references to the litigation.		
94) Do you agree that the officers or directors of your company have not been convicted of fraudulent behavior?		
95) The Program is not governed by ERISA, but will you act in the best interest of the Program similar to a fiduciary?		

Specialty Pharmacy

	Y or N	Deviation
96) Do you own a Specialty Pharmacy?		
97) Do you integrate retail sites into your Specialty program?		

98) Indicate how the specialty pharmacy program functions to the advantage of the member's health and the Program's costs.

99) What disease states are covered by your Specialty Pharmacy program? Provide all of the disease states which you provide trained personnel to assist the members. Trained personnel are pharmacists or nurses who actively assist in the member's management of their disease state.

100) If you offer a Retail Specialty Pharmacy component, how do you integrate this delivery method with the services you described in the previous question?

101) How do you interact with the Program administrator to move injectable and specialty products from the medical claim side? Have you migrated products from medical to prescription benefit successfully?

Contracting

	Y or N	Deviation
102) Will you agree to an intensive 90 day implementation process?		
103) Will you place a performance guarantee on completing the contract prior to the		

implementation date?		
104) Will you agree to apply the proposal as an attachment to the contract?		
105) Will you agree to having an administrative contract signed and in place no later than 8-1-2010?		
106) Will you agree to begin operations no later than 9-1-2010?		

Health Savings Account (HSA) High Deductible Health Plan (HDHP) (does not apply to the PBM or DM)

The Departments are considering adding a High Deductible Health Plan (HDHP) that will qualify for use with a Health Savings Account (HSA). The Administrator must be willing and able to administer the HDHP or must be able to cooperate and coordinate with an independent HDHP program of The Departments' choice on automated basis, which would include a deductible for all major medical expenses including prescription drugs.

Disease Management (applies to all bidders)

The bidders shall describe how they will administer a DM program or must be able to cooperate and coordinate with an independent DM vendor of The Departments' choice on an automated basis. Any PBM must be willing and able to coordinate and/or cooperate with any DM vendor or Administrator.

Financial Requirements/Banking/Auditing

General (does not apply to the DM)

The bidders shall describe their financial accounting system and/or methods to establish and leave a clear audit trail of all financial transactions and records executed and maintained by the Administrator on behalf of the Program. The bidders shall maintain all financial records consistent with sound business practices and based upon generally accepted accounting principles, and shall clearly identify all business revenue and disbursements by type of transaction. The bidders shall describe their procedures for performing federally-mandated financial reporting requirements including:

- a. Summarized annual income and expense statement;
- b. Unassigned surplus roll forward;
- c. Journal entries;
- d. Interest paid on claims;
- e. Balance sheet showing the balances at the end of the previous year, the transactions for the year, and the balances at the end of the year;
- f. Detailed backup for each of the assets and liabilities;
- g. Entire bank statement for the year; and
- h. A statement as to how bad debt expense was calculated.

The Administrator of the traditional administrative services shall at a minimum be responsible for determining net written and earned premiums, the expense of administration, the paid and incurred losses and any other business conducted on behalf of the Program and requested by The Departments, for each quarter and fiscal year. Such information shall be reported to The Departments in a form and manner prescribed by The Departments. The PBM shall be responsible for determining the expense of PBM administration and the paid and incurred PBM losses.

General Ledger/Financial Statements (does not apply to the DM)

The Administrator will maintain a general ledger and supporting accounting records and systems for the Program that is adequate to meet the needs of an insurance carrier of comparable size. This will include, but is not limited to:

- a. preparation and reconciliation of monthly financial statements on a cash basis in a format prescribed by The Departments;
- b. preparation of accrual based quarterly and annual financial statements prepared in accordance with statutory and/or generally accepted accounting principles prescribed by The Departments; and
- c. preparation of the annual statement on the NAIC Life and Accident and Health blank if requested by The Departments.

Claim Development/Reserve Calculation (does not apply to the PBM or DM)

The Administrator will provide monthly claim development statistics and perform reserve calculations for The Departments on a monthly basis for the Program. The raw data used for reserve calculations will also be provided to The Departments' actuaries.

Cash Flow/Banking

Risk Borne by federal law (applies to all bidders)

The Administrator will bear no financial risk with respect to payment of eligible benefits due under the Program or agent referral fees payable by the Program. To the extent that participant premiums are insufficient to cover paid claims and administrative expenses, such deficit shall be the responsibility of The Department of Health and Human Services.

Structure

Bidders agree that the Program shall be operated in a manner consistent with the HHS contract. In addition, the Program structure shall include the following:

Prior Approval Required (does not apply to the DM)

The Departments must review and approve all drafts/checks or electronic funds transfers which are drawn on the Program account before they are released.

Auditing Procedures

Bidders agree to auditing procedures that are consistent with the HHS contract.

Internal Audits and Quality Controls (applies to all bidders)

The Departments shall have the right to review, during regular business hours, all financial records and data maintained by the Administrator for The Departments. The Administrator shall implement and maintain a separate accounting function for services performed pursuant to the contract. The Administrator shall maintain comprehensive auditing and internal quality control procedures. At a minimum, the Administrator shall randomly audit sufficient claim production of each claim processor to maintain a 95% confidence level with no more than a 5% error level of its claim production for the Program each month and will report the results of these audits monthly to The Departments. Internal audits also shall be conducted of continued eligibility verification, premium billing, claims and customer service areas with The Departments receiving copies of all internal audit reports related to the Program upon audit completion.

External Audits (applies to all bidders)

The Departments will conduct periodic audits of the Administrator to ensure compliance with this RFP and with the HHS contract. Such audits will include the following:

- a. Annual financial/compliance audit by an external auditing firm designated by The Departments;
- b. Audit, on a random sample or a focused basis, of the Administrator's claims and underwriting information;
- c. Performance standard audit to confirm the validity of the performance results reported by the Administrator.

The Administrator shall provide the necessary facilities and access to all systems and records involving the Program to facilitate these audits, and otherwise shall fully cooperate with The Departments' auditors. The results will be reported and discussed with the Administrator and The Departments and appropriate steps taken to implement the auditing findings.

Fraud and Abuse Detection and Control (applies to all bidders)

The Bidders shall describe their fraud and abuse detection and control system in place and will develop internal procedures to detect and control participant and provider fraud and abuse, including institutional providers, medical and other health care providers, suppliers of medical services and other entities and/or individuals as required by the Program and/or requested by The Departments. The Administrator shall also have a fraud and abuse detection and control system in place which will detect and control internal fraud and abuse.

Communications, Correspondence, Promotional Material, and Reports (applies to all bidders)

The Bidders shall describe their procedures for maintaining communications with The Departments, its members, participants, and providers as may be necessary. The Administrator must be able to respond to all types of correspondence received in writing from the public, participants, providers, The Departments, and others.

Communications

Toll-Free Telephone Service (applies to all bidders)

In maintaining open communications, the Administrator shall provide and maintain adequate dedicated toll-free telephone (including TTY) service for participants and the public to assist in: 1) answering general questions relative to the program and policies of the Program; 2) claims adjudication; 3) eligibility/premium administration inquiries; 4) responding to specific provider and participant's questions; 5) ensuring program efficiency and effectiveness by providing direct contact with those sources affected by the program and its operation. The line(s) must be attended by qualified staff at all times during the Administrator's regular business hours (8:00 am to 5:00 pm Central time) and kept as well as answered in the name of the Program.

E-Mail and Electronic Communication Services (applies to all bidders)

The Administrator shall ensure that any electronic communication that contains private or confidential information about any Program applicant or participant shall be in encryption form, using currently-acceptable standards for encryption and which complies with HIPAA privacy and security requirements.

Correspondence (applies to all bidders)

The Administrator must respond promptly to all types of correspondence regarding the Program received in writing from the public, as well as Program participants, providers, and others directly associated with the Program, including but not be limited to, mass distribution of certain material (such as brochures) as directed by The Departments.

The Administrator will provide equipment and physical space required to effectively perform the various work tasks and activities cited above. Office and telephone service must be available each working day from 8 a.m. to 5 p.m. central time.

Complaints and Grievance Process (applies to all bidders)

The Administrator will be responsible for implementing and administering a grievance and appeals process to address participant complaints and inquiries, including appeals and requests for reconsideration of disputed claim payment amounts and/or claim denials, coverage terminations and other similar actions which may occur throughout the contract period. Written complaints and related documentation must be retained by the Administrator as directed by The Departments. Oral complaints shall be reduced to written form and also retained. The Administrator shall maintain a complaint log as directed by The Departments.

The Administrator shall immediately notify The Departments of any appeal or grievance which reaches either step 1 (one) or 2 (two) of the Grievance Process, or of any legal request, subpoena, or threatened litigation.

Informational Material (does not apply to the DM)

The Administrator will be responsible for revisions, printing, and mailing of necessary forms as required and approved by The Departments. The Administrator shall also be responsible for Department approved general mailings and distribution of certain materials which explain program operations, procedures, rates, filing instructions and the like. The Administrator will also be responsible for the brochure explaining Program benefits and general ID cards. The PBM will be responsible for ID cards specific to the PBM and brochures for mail order, specialty pharmacy, installation packets, etc., as directed by The Departments.

The Departments may require additional mass media mailings or document distribution to participants, providers, and/or the general public, but it is anticipated that these mailings will not exceed four (4) per year. The Administrator must be able to complete such large mailing projects in a timely and efficient manner.

Summary of Coverage Brochure (does not apply to the PBM or DM)

The Program's brochure shall be developed and revised from time to time by the Administrator and approved by The Departments for mass distribution.

The Administrator shall also ensure that applications are easily accessible to the general public, insurance companies, agents and The Departments.

Rate Tables (does not apply to the PBM or DM)

Program rate tables shall be revised and printed from time to time by the Administrator at its own expense and approved by The Departments for mass distribution.

Benefit Booklets, Forms and Notices

The Administrator will provide all necessary application forms, benefit plan booklets and any amendments thereto, schedule pages, claim forms, envelopes, ID cards, EOBs and notice of termination of coverage forms.

The PBM may be responsible for providing ID cards specific to the PBM portion of Program benefits.

Required Reports. The Administrator will provide selected information to The Departments in a manner consistent with the HHS contract on weekly, monthly, quarterly, annual and other periodic bases in a manner, and at a time to be determined by The Departments. Separate data items are to be provided as directed by The Departments.

Payment Reports (does not apply to the PBM or DM)

The Administrator shall be responsible for the timely and accurate reporting of payments made by the Program and the filings which are required to be reported to the Internal Revenue Service on Form 1099 for those payments processed by the Administrator. Annually, within seven (7) days of the completion of the filing of these documents, the Administrator shall provide to The Departments a statement attesting to the timely and correct filing of these documents.

Access, Ownership and Distribution of Reports (applies to all bidders)

All reports and documentation shall be easily accessible and remain the property of the Program. Distribution of all reports and documentation shall be subject to Department direction and consistent with any applicable state or federal laws regulating privacy and confidentiality.

3.4 REPORTING, STATUS AND MONITORING

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

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

3.5 VENDOR AND STAFF REQUIREMENTS

3.5.1 General Information (applies to all bidders)

The provisions contained herein are not subject to negotiation. The Departments will not accept late or incomplete proposals. All proposals are to be complete when they are submitted. The Departments reserve the right to reject any or all proposals.

Minimum Qualifications (applies to all bidders)

In order for an organization to qualify to submit a proposal in response to this RFP, it must be able to fulfill the responsibilities of the Administrator as outlined in this RFP. **Bidders must certify their ability to meet all of these minimum qualifications in their letter of intent to bid.** The minimum qualifications for bidding are as follows:

Corporate Authority (applies to all bidders)

Name, title, corporate address and telephone number of the official responsible for the bid and for other personnel similarly authorized to conduct contract negotiations. The officer, by submitting a proposal, certifies that the bidder has full corporate authority to enter into the contract with The Departments and perform its obligations thereunder, that such performance would not give rise to any violations of any other contract of the bidder, and that the officer signing such proposal has full power and authority to do so.

Licensure/Certification

Bidders must be registered with or licensed by The Department of Insurance.

Experience

Bidders must have five years satisfactory experience in administering comprehensive medical plans, and must have a minimum of three years experience administering at least one account with at least 5,000 covered participants per plan (excluding dependents) or have an annual premium equivalent to at least *\$100 million*.

The PBM bidder should have a minimum of 1 million fully funded covered lives and should be in existence for no less than three years.

PBM

The PBM should have the ability to:

- a) accept eligibility in our format;
- b) process and load the eligibility within 48 hours (two business days);
- c) process 99% of the claims electronically; and
- d) administer the Program design as described in this RFP.

Offices

Bidders must describe the location and type of service offices that will be used to service this account. Indicate if any service offices are off-shore and, if so, where and what type of service will be provided off-shore.

Financial Condition (applies to all bidders)

Bidders must have a demonstrated history of sound financial condition and good business practices. Audited financial statements (insurers should use statutory financial statements) for the past three years must be provided.

Timing and Implementation of Operation (applies to all bidders)

Bidders must demonstrate they will be able to adequately perform all of the tasks related to the administration of the Program no later than September 1, 2010. The proposal should include a complete description of the transition work plan. PBM bidders should provide an exhibit of the timing and implementation tasks to be accomplished. Bidders must agree to finalize contract language by no later than August 1, 2010.

Preparation of Proposals (applies to all bidders)

Bidders must be prepared to perform in conformity with all instructions, conditions and requirements included in this RFP. Prospective bidders are expected to examine all documentation, schedules and requirements, and complete all exhibits. Failure by a bidder to respond to a specific requirement may be the basis for the proposal being declared non-responsive and being eliminated from any further consideration. Failure to observe all terms and conditions will be at the bidder's risk.

Most Favorable Terms (applies to all bidders)

The Departments reserve the right to make a contract award without any further discussion with the bidders regarding the proposals received. Therefore, proposals should be submitted initially in complete form and pursuant to all terms and conditions as required in the RFP. The Departments reserve the right to contact individual bidders to clarify any point associated with the proposal or to correct minor discrepancies. The Departments are not obligated to accept any unsolicited proposal modifications or revisions after the deadline for receipt of proposals.

Written Questions and Inquiries (applies to all bidders)

Any written explanation desired by a bidder regarding the meaning or interpretation of the RFP provisions must be submitted in writing, to:

Carolyn March
Acting State Purchasing Officer
Illinois Department of Insurance
320 W. Washington Street, Fourth Floor
Springfield, IL 62767
Carolyn.March@illinois.gov

The final date on which The Departments will accept requests for written explanations is July 7, 2010. Oral explanations or instructions given before the award of the contract will not be binding upon The Departments. Any written information given to a prospective bidder concerning the RFP will be furnished to all prospective bidders who have submitted a letter of intent to bid as an amendment to the RFP solicitation if, in the judgment of The Departments, such information is deemed necessary to bidders for use in the preparation of their proposals, or if the lack of such information would be prejudicial to uninformed bidders.

Signed Proposal

Only proposals signed in ink by an authorized representative of the bidder will be accepted. The Departments will consider the person who signed the proposal to be the bidder's contact person for all matters pertaining to the proposal unless the bidder designates some other person in writing. No one except the official who signed the original proposal is allowed to make a written request to change a proposal before closing time for receipt of proposals. No oral modifications will be allowed. Proposals must be sealed and signed before presentation to The Departments. No telegrams, mailgrams, facsimiles, or e-mails will be accepted. Completion of the Bidder's Affidavit form will satisfy the requirement for signed proposals.

Incurred Expenses (applies to all bidders)

The State of Illinois, and The Departments will not be responsible for and will not pay any costs or expenses incurred by a bidder in preparing and submitting a proposal, regardless of whether The Departments make an award to that bidder. All proposals should be prepared simply and economically, providing a straightforward, concise delineation of the bidder's capabilities to satisfy the requirements of this RFP. No material, labor or facilities will be furnished by The Departments unless otherwise provided for in this RFP.

Oral Presentation(s) (applies to all bidders)

The Departments reserve the right to require a bidder to provide a formal oral presentation of its proposal at a date and time to be determined by The Departments for the purpose of explaining or clarifying the proposals. Subsequent to the receipt of the proposals, The Departments may establish a time for oral presentation(s) to be held. No bidder will be entitled to be present during, or otherwise receive any information regarding, any presentation of any other bidder.

Department Use of Proposal Ideas (applies to all bidders)

The Departments shall have the right to use any or all ideas presented in any proposal received in response to this RFP unless the bidder presents a positive statement of objection in the proposal. In no event shall such objections be considered as valid with respect to the use of such ideas which are not the proprietary information of the bidder and have been so designated in the proposal, or which were known to The Departments before submission of such proposal, or properly became known to The Departments thereafter through other sources or through acceptance of the bidder's proposal.

Proposal Acceptance (applies to all bidders)

The Departments reserve the right to accept proposals in whole or in part, and to negotiate with any successful bidder in any manner necessary to serve the best interests of The Departments. Bidders are bound by the terms of their proposal as maximums, but such terms are subject to negotiation and possible reduction depending upon aspects of the proposal which may be determined by The Departments to be unnecessary, or which aspects The Departments decide to assume the operation thereof. Failure to meet these obligations may result in cancellation of any award. The proposal submitted by any successful bidder will become a part of the contract awarded as a result of this RFP and such bidder will sign a contract with The Departments, which contract may include additional terms and conditions.

Financial Soundness (applies to all bidders)

Evidence of adequate financial stability of a bidder is a prerequisite to contracting regardless of any other considerations. The purpose of this section is to provide The Departments with adequate information to permit an evaluation of a bidder's capabilities to undertake and satisfactorily complete any contract awarded by The Departments pursuant to this RFP. To be considered for an award, a bidder must assure performance and provide such financial documentation as The Departments require to establish the bidder's financial capability and stability for performance of a contract of this magnitude and duration.

Bidders must, at a minimum, submit audited financial statements for the last three fiscal years for which they have such audited statements. Bidders who are authorized insurance companies should submit copies of their last three annual statements (NAIC convention blank) filed with state regulatory authorities. The Departments will not accept financial statements prepared by an accountant who has a direct or indirect financial interest in, or is a director, officer or employee, of the bidder submitting the statements. Members of the bidder's firm with interests in other similar or related firms shall explain the extent of their investment and relationship with such firm in a letter to be submitted with the financial statements. If the bidder is a subsidiary of another corporation, the above information shall also be supplied for the parent corporation. The Departments reserve the right to require any additional information necessary to determine the financial integrity and responsibility of any bidder.

If during the period prior to award of a contract pursuant to this RFP and through the end of the contract, the bidder experiences a material change in its financial condition, The Departments shall be notified of the change in writing at the time the change occurs. Failure to notify The Departments of such material change in financial condition will be sufficient grounds for rejecting the bidder's proposal(s) or terminating the contract.

If any bidder makes a material misrepresentation in submitting information under this section, such misrepresentation will be sufficient grounds for rejecting the bidder's proposal(s) or terminating the contract.

Financial information will be kept confidential unless otherwise required by law. Failure to submit the information required by this section will be cause for The Departments to reject the proposal as not meeting the requirements of this RFP.

News Release (applies to all bidders)

Bidders shall not issue any news releases or make any statements to the news media pertaining to this RFP or any proposals and/or contracts resulting therefrom without the approval of The Departments.

Discrepancies In and/or Omissions from Specifications (applies to all bidders)

Bidders shall not be allowed to take advantage of any errors or omissions in the RFP. Should a bidder find or suspect any errors, omissions or discrepancies in these specifications, the bidder must immediately notify in writing or via e-mail, the issuing office.

If The Departments deem it necessary, it will send written information addressing the discrepancy or omission to all bidders.

Responsibility to Read and Understand (applies to all bidders)

By responding to this RFP, bidder will be held to have read and thoroughly examined these specifications. Failure to read and thoroughly examine the entire RFP will not excuse any failure to comply with the requirements of these specifications or any resulting contract, nor shall such failure be a basis for claiming any or additional compensation.

Subcontracting/Assignment (applies to all bidders)

If a bidder intends to subcontract or assign any of the responsibilities or job functions defined in this RFP, the proposal must clearly delineate the responsibilities of the subcontractor or subsidiary, and details of the bidder's contractual relationship with the subcontractor or subsidiary, including, but not limited to:

- a. legal name and address of subcontractor or subsidiary (or description of the type of subcontractor being utilized);
- b. duties and functions to be subcontracted;
- c. qualifications of the subcontractor to perform the subcontracted duties and functions including references of current customers of the subcontractor;
- d. costs or fee arrangement with subcontractor;
- e. evidence that the subcontractor has proper insurance coverage for subcontracted functions, including, but not limited to, applicable malpractice, errors and omissions, liability and fidelity coverages for criminal activities and fraud.

Further, such proposal must state the advantages of this working relationship, and identify the key personnel of such subcontractor or subsidiary who will be engaged in performing the duties of such subcontract.

Governing Law (applies to all bidders)

The bidder must agree that the contract shall be governed by the laws of the State of Illinois and any applicable federal law. Any ensuing contract will contain appropriate clauses which may be required by the State of Illinois, and any disputes arising thereunder shall be interpreted according to Illinois law.

Company Experience (does not apply to the PBM or DM)

In describing company experience, the bidder must describe the following:

Each proposal response must contain a statement identifying the formal name, title, type of business, business address, location of the bidder's principal offices, and an identification of any other location or site which is proposed to provide any services or resources in the execution of duties of this RFP.

The bidder must provide a brief history of its business entity and also describe the general background, experience, and qualifications of the organization over the past five (5) years. Special attention should be made to experience in managing:

- ◆ Group Accident/Health Insurance/(state annual claim volume in number of claims processed and amount processed)
- ◆ Government Assisted Health Care Programs/(state annual claim volume in number of claims processed and amount processed)
- ◆ Individual Accident/Health Insurance/(state annual claim volume in number of claims processed and amount processed)
- ◆ Managed Health Care on a statewide basis through networks
- ◆ Pharmaceutical Benefit Management Plans
- ◆ Preferred Provider Organization Networks

Qualifications and Experience of Proposed Management and Technical Staff (does not apply to the PBM)

Each proposal must contain the resumes of the key management personnel assigned to contract negotiations and the personnel who will be assigned to implement and administer all of the duties required by the contract. At a minimum, each resume must reflect the individual's current title, position and job responsibility, summary of work experience and education and the responsibilities assigned under this contract.

Proposed Organization and Structure (does not apply to the PBM or DM)

Each proposal must contain two organizational charts which clearly display the following information:

- ◆ The corporate division or department which will be assigned the responsibility for management of this contract and its relationship to other corporate functions or accounts maintained by the organization.
- ◆ An organizational chart which identifies the proposed operating structure by name, title, and total number of staff assigned to this contract. The chart should depict reporting responsibility, communication patterns and chain of command.

In addition to these two organizational charts, each proposal must describe how the bidder's point of contact with The Departments will interface with The Departments and be available for communications as necessary.

Minimum Experience Qualifications for the Support Staff (applies to all bidders)

At the time a proposal is submitted, bidders must certify that the staff proposed to perform the services required by this RFP has the appropriate job knowledge, skill, and experience to perform effectively as qualified employees of the Administrator.

Inspection of Facilities (applies to all bidders)

The Departments reserves the right to make an on-site visit(s) to inspect and investigate a bidder's facilities, equipment and personnel and those of any identified subcontractors at a date and time to be determined by The Departments.

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

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

3.5.3 References: You must provide references from established private firms or government agencies, (four preferred; two of each type preferred) other than the procuring agency, that can attest to your experience and ability to perform the contract subject of this solicitation. You must provide the name, contact information and a description of the supplies or services provided. You must attach your references with the responsibility forms.

3.6 WHERE SERVICES ARE TO BE PERFORMED

3.6.1 Services are to be performed within the State of Illinois.

3.6.2 Work Location Disclosure: Vendor shall disclose in Section 7.8 the location where the services required shall be performed. If at multiple locations, the known or anticipated value of the services performed at each location shall be identified. This information and economic impact on Illinois and its residents may be considered in the evaluation. If any work identified for performance in the United States is moved to another country, such action may be deemed a breach of the contract.

3.7 OTHER SPECIFICATIONS

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

Authority to Execute Contract (applies to all bidders)

The bidder warrants and represents that the person named on the Bidder's Affidavit form has the full right, power and authority to execute this contract on behalf of the bidder.

Contract Period (applies to all bidders)

The "term" of this contract shall commence on August 1, 2010 and shall be annually renewable, contingent upon availability of funds, administrative performance and other contractual limitations.

Termination and Cancellation (applies to all bidders)

The contract between The Departments and the successful bidder may be terminated or canceled in whole or in part, without penalty to The Departments or further payment required for obligations incurred after that date, as of the end of any month during the term thereof by The Departments upon thirty (30) days prior written notice to the Administrator in the event of the occurrence of any one or more of the following:

- a) The Administrator's authority to transact business in the State of Illinois is revoked or suspended, or it becomes subject to a Cease and Desist Order substantially related to the Administrator's ability to do business in Illinois issued by the Director of The Departments.

- b) Any statement, representation, warranty, or certificate is made or furnished by the Administrator to The Departments in connection with this contract which is materially false, incorrect, or incomplete.
- c) It shall appear to The Departments that the Administrator has failed to perform satisfactorily any material requirement of this contract; or that the Administrator is in violation of a specific provision of this contract; or that full and satisfactory performance of the terms of this contract is substantially endangered; or that the Administrator has failed to comply with lawful direction or standards established by The Departments from time to time, and after a reasonable period of time (not to exceed thirty (30) calendar days after notice of the violation) the Administrator fails to rectify the problem, including but not limited to failure of the Administrator to maintain covenants, representations, warranties, certificates, bonds and insurance.
- d) Failure of the Administrator to comply with current or future laws of this State, or any regulations promulgated thereunder.
- e) Commencement of a proceeding by or against the Administrator under the United State Bankruptcy Code or similar law; or any action by the Administrator to dissolve, merge or liquidate.

Responsibility for Agents and Employees (applies to all bidders)

The Administrator shall remain fully responsible for the negligent acts and omissions of its agents, employees and subcontractors in their performance of the Administrator's duties under this contract. The Administrator represents that it shall utilize the services of individuals skilled in the profession for which they will be used in performing services hereunder. In the event that The Departments determine that any individual performing services for the Administrator hereunder is not providing such skilled services, it shall promptly so notify the Administrator and the Administrator shall replace that individual.

Successors and Assigns (applies to all bidders)

Subject to the limitations on assignment contained herein, this RFP shall inure to the benefit of, and be binding upon, the successors and assigns of the respective parties hereto. The terms "successors" and "assigns" shall include, without limitation, any entities which merge with or purchase (whether by stock purchase, asset purchase or otherwise) the Administrator.

Performance Criteria and Reduction in Payments (applies to all bidders)

The contract shall provide specific standards and performance criteria which must be met by the Administrator during the ensuing contract period. These standards and criteria shall state a frequency of occurrence, method of measurement, penalty amount and method of collection or recovery to be imposed by The Departments for the Administrator's non-performance. These standards will ensure that a minimum level of performance is maintained by the Administrator and that efficient and effective program operations are maintained throughout the contract period. These standards and criteria may be modified as necessary by The Departments during the contract term to accommodate new program directions and changes which may arise.

Performance Reviews (applies to all bidders)

The Departments shall have the right to conduct periodic post-performance reviews of the Administrator's performance under the contract. The Administrator shall cooperate with The Departments in these reviews, which may require that the Administrator provide records of its performance and billing. The Administrator shall provide any required information within 30 days of The Departments' request.

Force Majeure (applies to all bidders)

Neither the Administrator nor The Departments will be liable for public utility performance (e.g., postal service, telephone or water company), nor for the consequence of their non-performance. Events or conditions beyond the reasonable control of the Administrator or The Departments such as acts of God, fires, floods, strikes, weather, transportation disasters, utility failures or acts of violence will not be construed as non-performance, nor will reductions be applied as a result of such events, provided that The Departments shall have the right to obtain the necessary services elsewhere in the event of such non-performance by the Administrator, and charge the cost back to the Administrator in the form of a fee reduction. The Administrator shall cooperate with The Departments in such event.

Patent Indemnity (applies to all bidders)

The Administrator must agree to indemnify The Departments, its officers, Department members, agents, and employees, and hold it and them harmless from and against any and all demands and liabilities arising out of claims or infringement or misuse of any patent or copyright in connection with any of the Administrator's systems. The Departments agree to notify the Administrator immediately of any of the foregoing, and the Administrator agrees to defend The Departments and hold it harmless against any suit or claim and reimburse The Departments on account of any expense, cost, or loss in connection therewith.

Inspection of Work Being Performed (applies to all bidders)

The Departments or its designee shall have the right to inspect fully any and all work performed or being performed under the contract either directly by the Administrator, any subcontractors, or through Department-approved arrangements with other parties.

Access to and Use of Data, Operating Methods and Procedures (applies to all bidders)

The Departments shall have the right to obtain via electronic, telephonic or other means, and use freely, and the Administrator shall make available or provide, any and all data acquired or utilized by the Administrator in the development and processing of claims or carrying out any of its functions under the contract, and the Administrator shall provide The Departments with any and all such acquired or utilized data as well as provide it with on-line access to a secure network at any time.

The Departments shall have the right to obtain and use all data and the contents of all files maintained for The Departments without limitation as to the media in which it is furnished (i.e., whether printed, machine readable, magnetic tape, cartridge, microfilm, computer files, etc.).

The Departments shall have the right to review without limitation all systems documentation, program logic, operating or procedure manuals, and all other operating methods and procedures involved in the performance of functions and duties under the contract.

Accident, Injuries, and Property Damage (applies to all bidders)

The Departments do not assume any liability for acts or omissions of the Administrator and such liability rests solely with the Administrator. The Departments is unable to indemnify or hold harmless the Administrator for claims based on The Departments' use of Administrator provided goods or services, including software. The Administrator must agree to indemnify and hold harmless The Departments from any loss, damage, cost or expense which The Departments may sustain or incur by reason of, or arising from, any accident or injury to personnel or employees of the Administrator, as well as any loss, damage or destruction of the property owned, leased or used by the Administrator in the course of the Administrator's work in the performance of the contract. The Administrator must also agree to maintain public liability, casualty and auto insurance coverage to The Departments' satisfaction against the risk each assumes in keeping with sound business practices and to cover and protect The Departments from liability for acts of the Administrator. The Administrator must also agree to carry Worker's Compensation Insurance in the amount and in the manner required by law.

Time for Performance (applies to all bidders)

The Administrator must agree that time shall be of the essence for performance of its obligations under the contract.

Confidentiality and HIPAA Privacy Requirements (applies to all bidders)

Performance of the contract may require the Administrator to have access to and use of data and information which may be confidential or considered proprietary to The Departments or to another Department contractor, or which may otherwise be of such a nature that its dissemination or use, other than in performance of the contract, would be adverse to the interest of The Departments or others, or in violation of the confidentiality requirements. The Administrator shall maintain the confidentiality and privacy of all medical records, claim and enrollment forms and other similar personal or individual data pursuant to the requirements the Health Insurance Portability and Accountability Act of 1996, and any other applicable state and federal laws, including any regulations promulgated thereunder, as amended.

The Administrator must agree that it will hold in strict confidence, and will not use without the prior written approval of The Departments, all information, data, programs, practices and procedures, which relate to The Departments or the Program. The Administrator must also agree to ensure that its automated claims processing system, pre-certification and prior approval system, billing system and other automated systems have the necessary safeguards to limit access to such information to authorized users and that system operations effectively protect confidentiality and privacy of all such data.

The Administrator must also agree that its personnel will not divulge or release any data or information developed or obtained in connection with the performance of the contract, except to authorized Department personnel or upon written approval of The Departments' Director. The Administrator must also agree to refrain from using or permitting the list of applicants or Program participants from being used for any purpose which is not related to the Administration of the Program's business.

The Administrator shall agree to hold The Departments, its officers, Department members and employees harmless for any misuse or breach of data confidentiality and privacy caused solely by the Administrator in the performance of its functions and duties under this agreement.

Retention of Records (applies to all bidders)

The Administrator must agree to maintain for a minimum of six (6) years after the completion of the most recent contract for which such Administrator provided administrative services for The Departments, adequate books, records, and supporting documents and papers regardless of the media, directly related to this contract and those of any parent, affiliate or subsidiary organization performing under formal or informal agreement, any service or furnishing any supplies or equipment to the Administrator which are related to this contract. The Administrator must be able to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract

for this same period of time. The period of access and examination of records which relate to litigation or settlement or claims arising out of the performance of this Agreement, or cost and expenses of this Agreement, as to which exception has been taken by The Departments or any of its duly authorized representatives, shall continue until such appeals, litigation or all exceptions have been disposed of. The substance of this provision shall be inserted in any subcontract.

The Administrator must also agree that the contract and all books, records, and supporting documents and papers, regardless of media, related to the contract shall be available for review and audit by The Departments or its duly authorized representative, and maintained in accordance with state and federal law governing the maintenance of such records.

The Administrator must agree to cooperate fully with any audit conducted by The Departments and to provide full access to all relevant materials. Failure to maintain the books, records, and supporting documents and papers, regardless of media, as required by this Section shall establish a presumption in favor of The Departments for the recovery of any funds paid by The Departments under the contract for which adequate books, records, and supporting documentation and papers, regardless of media, are not available to support the purported disbursement of such funds.

Ownership of Data and Transfer of Records (applies to all bidders)

The Administrator must agree to maintain its books, records and any other data pertaining to its performance under the contract consistent with sound business practices and in accordance with statutory and/or generally accepted principles of accounting, and such other procedures as may be specified by The Departments. These records shall be available to The Departments, its internal or external auditors, and other designees of The Departments at all times during the contract period and any extensions thereof for six (6) full years from the expiration date and final payment on the contract. The Administrator must agree that all books, records, files, documentation, ledgers, media, software, and other data and information generated and maintained by the Administrator in the execution of the duties under the contract are and shall remain the property of The Departments. All records and documentation as described above must be transferred to The Departments upon termination of the contract by either party and the Administrator must agree to comply with the direction and instructions given by The Departments concerning the transfer of all materials and files at such time as may be required by The Departments. The Administrator must agree that all files, data, records, books, and information accumulated by the Administrator in the performance of its duties under the contract must at the sole discretion of The Departments either be transferred to The Departments by no later than 120 days after the expiration or termination of the contract or be kept for at least six (6) full years from the expiration or termination date of the contract. The costs of any such transfer are to be borne by the Administrator.

Responsibility for State Property (applies to all bidders)

The Administrator must agree to assume full responsibility for and shall indemnify The Departments for any and all loss or damage of whatsoever kind and nature to any and all Department property resulting from the negligent acts or omissions of the Administrator or any employee, agent, or representative of the Administrator or its subcontractor. The Administrator shall do nothing to prejudice The Departments' right to recover against third parties for any loss, destruction of, or damage to Department property, and shall upon request and not at The Departments' expense, furnish to The Departments all reasonable assistance and cooperation, including assistance in the prosecution of suit and the execution of instruments of assignment in favor of The Departments obtaining recovery.

Warranty (applies to all bidders)

The Administrator must agree to warrant that all services will be performed in a good and professional manner.

The Administrator must also agree to warrant that it has title to, or the right to allow The Departments to use, the supplies, equipment, software, services and information being provided and that The Departments shall have quiet enjoyment and use of those items without suit, trouble or hindrance from the Administrator or third parties so long as The Departments is performing its obligations. The Administrator shall indemnify and hold The Departments harmless should any item provided by the Administrator infringe upon the patent, copyright or trade secret of another.

Tax Compliance (applies to all bidders)

The Administrator shall be in compliance with applicable tax requirements and shall be current in payment of such taxes.

Bonding Requirements (applies to all bidders)

The Administrator must obtain and maintain throughout the contract period a fidelity bond insuring against criminal conduct and fraud by the Administrator and any of its employees. The amount of the bond shall be at least \$5 million. The Administrator shall submit evidence or other positive proof in its proposal response that the bond will be posted prior to the execution of the contract, and upon each renewal thereof, so that the bond will remain effective throughout the contract term.

3.8 TERM OF CONTRACT

The term of the contract with the Administrator shall commence no later than August 1, 2010, and shall continue through July 31, 2011, with the possibility of 3 annual renewals.

3.9 RENEWAL

The renewal shall be subject to the same terms and conditions as the original Contract unless otherwise stated. However, the Contract may not renew automatically, nor may the Contract renew solely at the Vendor's option.

End of Instructions

SECTION 4 - OFFER TO STATE OF ILLINOIS

Project Title / Reference # _____
(Insert Project Title / Reference # as shown on page 1)

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

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

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

We have:

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

___ Signed on the space(s) provided.

Acknowledgment of Amendments

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

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

For all Offers

- ___ Bid Security, if required
- ___ Designated number of copies
- ___ Electronic copies, if required. For RFP's include separate disks for technical and pricing, with pricing disk sealed in pricing envelope.
- ___ Completed Responsibility Forms packet
 - Business and Directory Information
 - Disclosures and Conflicts of Interest
 - Completed and Signed Taxpayer Identification Number form
- ___ Completed Minority, Female and Person with Disability Status and Subcontracting form, if required
- ___ References, if required
- ___ Political Contributions

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

For IFBs

___ Completed and signed Contract

For RFPs

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

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

- ___ No Exceptions
- ___ Exceptions to the State's language or requirements in the following sections of the Offer:
 - ___ Contract
 - ___ Responsibility formsDetails of the exceptions are shown (check one)
 - ___ in the text of each section of the Offer
 - ___ on a separate labeled attachment

Domestic Products (check one)

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

Request for Confidential Treatment (check one)

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

Protests and Negotiations

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

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

Printed Name _____ Title _____

Address _____

Phone _____ Fax _____

Email _____

(Vendor name and DBA)

(Signature of party authorized to bind the named Vendor)

Printed Name _____ Title _____

Address _____

Phone _____ Fax _____

E-mail _____

SECTION 5 - RESPONSIBILITY FORMS

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

You will need to:

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

Business and Directory Information

Disclosures and Conflicts of Interest

Minority, Female, Person with Disability Status and Subcontracting

Political Contributions

Complete and sign the:

Taxpayer Identification Form

Attach references, if required

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

Business and Directory Information

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

Show # _____ or attach proof of application.

DISCLOSURES AND CONFLICTS OF INTEREST

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

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

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

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

This disclosure information is submitted on behalf of (show official name of Vendor, and if applicable, D/B/A and parent):

Name of Vendor: _____

D/B/A (if used): _____

Name of any Parent Organization: _____

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

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

- a. If Vendor is a Publicly traded corporation subject to SEC reporting requirements
- i. Vendor shall submit their 10K disclosure (include proxy if referenced in 10k) in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 (a) and (b) of the Procurement Code. The SEC 20f or 40f, supplemented with the names of those owning in excess of 5% and up to the ownership percentages disclosed in those submissions, may be accepted as being substantially equivalent to 10K.

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

OR

- b. If Vendor is a privately held corporation with more than 400 shareholders
- i. These Vendors may submit the information identified in 17 CFR 229.401 and list the names of any person or entity holding any ownership share in excess of 5% in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 a and b of the Illinois Procurement Code.

OR

- c. If Vendor is an individual, sole proprietorship, partnership or any other not qualified to use subsections (A) or (B), complete (i) and (ii) below as appropriate.
- i. For **each individual** having any of the following financial interests in the Vendor (or its parent), please mark each that apply and show the applicable name and address. Use a separate form for each individual.

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

Yes No

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

Yes No

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

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

- (a) State employment, currently or in the previous 3 years, including contractual employment of services directly with the individuals identified in Section 1 in their individual capacity unrelated to the Vendor's contract. Yes No
- (b) State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years. Yes No
- (c) Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous 3 years. Yes No
- (d) Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes No
- (e) Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years. Yes No
- (f) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes No
- (g) Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government. Yes No
- (h) Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter. Yes No
- (i) Compensated employment, currently or in the previous 3 years, by any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes No
- (j) Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes No

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

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

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

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

Check One: No Conflicts Of Interest
 Potential Conflict of Interest (If checked, name each conflicted individual, the nature of the conflict, and the name of the State agency that is associated directly or indirectly with the conflicted individual.)

Section 3: Debarment/Legal Proceeding Disclosure *(All Vendors must complete this section)*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Name of Authorized Representative: _____
Title of Authorized Representative: _____
Signature of Authorized Representative: _____
Date: _____

Minority, Female, Person with Disability Status and Subcontracting

The Business Enterprise Program Act for Minorities, Females and Persons with Disabilities (BEP) (30 ILCS 575) establishes a goal for contracting with businesses that have been certified as owned and controlled by persons who are minority, female or who have disabilities. While you must complete this form, your response will not be considered in the evaluation. A listing of certified businesses may be obtained from The Departments of Central Management Services' Business Enterprise Program for Minorities, Females and Persons with Disabilities by calling 312/814-4190 (Voice & TDD), 800/356-9206 (Toll Free), or 800/526-0844 (Illinois Relay Center for Hearing Impaired).

Name of Company (and D/B/A): _____

Is your company at least 51% owned and controlled by individuals in one or more of the following categories? Yes No

If "Yes" check each that applies:

- Category:
Minority
Female
Person with Disability
Disadvantaged

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

If "Yes," please identify, by checking the applicable blanks, which agency certified the business and in what category:

Certifying Agency:

- Department of Central Management Services
Women's Business Development Center
Chicago Minority Business Development Council
Illinois Department of Transportation
Other (please identify): _____

Category:

- Minority
Female
Person with Disability
Disadvantaged

If you are not a certified BEP business, do you have a written policy or goal regarding contracting or subcontracting with BEP certified Vendors? Yes (attach copy) No

If "No," will you make a commitment to contact BEP certified Vendors and consider them for subcontracting opportunities on this contract? Yes No

Do you plan on ordering supplies or services in furtherance of this contract from BEP certified Vendors? Yes No

If "Yes," please identify what you plan to order, the estimated value as a percentage of your total Offer, and the names of the BEP certified Vendors you plan to use.

Political Contributions

Public Act 95-971 addresses political contributions by Vendors, including affiliated persons and entities. The Act contains registration requirements and provides that all bids submitted to the State after January 1, 2009 contain a certificate of registration from the Illinois State Board of Elections or a certification that the bidding entity is not required to register. Further information about the registration requirements can be found on the Board of Elections website, www.elections.il.gov. Failure to submit this information will result in disqualification.

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

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

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

or

Vendor has registered **and has attached a copy** of the official certificate of registration as issued by the State Board of Elections. As a registered business entity, Vendor acknowledges a continuing duty to update the registration as required by the Act.

TAXPAYER IDENTIFICATION NUMBER

I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. person (including a U.S. resident alien).
 - *If you are an individual, enter your name and SSN as it appears on your Social Security Card.*
 - *If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.*
 - *If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the d/b/a on the business name line and enter the owner's SSN or EIN.*
 - *If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).*
 - *For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.*

Name: _____

Business Name: _____

Taxpayer Identification Number:

Social Security Number _____

or

Employer Identification Number _____

Legal Status (check one):

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

Signature: _____

Date: _____

SECTION 6 - RESPONSIVENESS

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

SECTION 7 - PRICE

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

7.1 METHOD AND RATE OF COMPENSATION: Identify the method of charging (hourly, daily, project, item, or other method) and provide the rate or price for each type of supply or service. Pricing shall be in accordance with the unit of measure specified and only one unit price shall be quoted per item unless specifically provided below. All extensions and totals requested shall be shown. Prices quoted must be net after deducting all trade or quantity discounts and any other available allowances. Prices must be F.O.B. DESTINATION with all transportation and handling included and paid by the Vendor.

- Hourly _____
- Monthly _____
- Annually _____
- Project _____
- Item (show unit of measure and rate) _____

Method of Payment

Administration fees will be paid monthly by The Departments within thirty (30) days of its receipt of a detailed invoice and performance standards audit report. The Administrator will calculate and bill the amount due (including appropriate billing and performance standard supporting documentation) for review by The Departments, but will not be permitted to deduct any such fees from any monies it collects or receives on behalf of the Program. Such calculation will include a reduction in Administration fees as a result of not meeting one or more performance standards, whether self-reported or discovered as a result of audit.

Formula for Administration Fees

All fee proposals must stipulate the type of administrator services to be provided for each quotation. Bidders may provide separate fee quotations for different combinations or types of services such as with and without prescription and other services. Fees are to be quoted on a per participant per month basis. The quoted fees shall remain in effect for the term of the contract. The formula for computation of rates must be explained as part of the fee quotation. Administration fees shall in no way be contingent on premiums, percent of claims paid, or charge per claim transaction. The total administration fees are subject to the applicable performance penalties.

The administrative fee shall include a separate cost for managing and administering run out claims at the end of the Administrator's contract with The Departments.

Proposals shall disclose the full measure of each component of the Administrative fee, including any other charge or cost which may not be paid directly by the Program, but may result in a modification of any discounts, rebates, user fees, etc.

MEDICAL ADMINISTRATION FEES

For medical claim administration fee quotations, disclose the full measure of each component of the administrative. Specifically:

Give a brief outline of the services included in these fees. Also identify any key items which are excluded from your fee formula that would be charged to The Departments, and the approximate annual cost for such services. Fees are expected to be quoted on a Per Member Per Month basis.

Provide a description of hospital and provider discounts, including an example of each and how discounts are calculated. Identify the average percentage discounts expected for services provided. Identify the method for determining payment for facility, physician and other services, both in-network and out-of-network. Identify any incentives, discounts or formulas which are used or received and identify any amounts or percentages which the Plan would receive or benefit from. Identify financial penalties for benefit plan noncompliance.

For the PBM portion of the quotations, respond specifically to the following table:

Administrative Fees	Network #1	Network #2	Network #3	Comments
Number Network Pharmacies				Number Nationwide
Network Match				Percentage with the parameters in the RFP
PMPM Administrative Fee				
Prescription Claim Pricing				

Retail Brand Single Source Discount				
Retail Brand Single Source Dispensing Fee				
Retail Brand Multi Source Discount				
Retail Brand Multi Source Dispensing Fee				
Retail Generic Non-MAC Discount				
Retail Generic Non-MAC'd Dispensing Fee				
Retail Generic MAC Discount off of AWP Guarantee				
Retail Generic MAC Drug Dispensing Fee				
Mail				
Mail Brand Single Source Discount				
Mail Brand Single Source Dispensing Fee				
Mail Brand Multi Source Discount				
Mail Brand Multi Source Dispensing Fee				
Mail Generic Non-MAC'd Discount				
Mail Generic Non-MAC'd Dispensing Fee				
Mail Generic MAC Discount off of AWP Guarantee				
Mail Generic MAC Dispensing Fee				
Specialty				
Specialty Brand Single Source Discount				
Specialty Brand Single Source Dispensing Fee				
Specialty Brand Multi Source Discount				
Specialty Brand Multi Source Dispensing Fee				
Specialty Generic Non-MAC'd Discount				
Specialty Generic Non-MAC'd Dispensing Fee				
Specialty Generic Discount MAC Discount off of AWP Guaranteed				
Specialty Generic Discount MAC Dispensing Fee				
Pricing Logic				
Lesser of U&C, Submitted or Calculated for Retail				
Lesser of U&C, Submitted or Calculated for Mail				

Lesser of U&C, Submitted or Calculated for Specialty Pharmacy				
Rebates				
Retail Minimum Rebate Guaranteed \$				
Retail Rebate % Sharing				
Mail Minimum Rebate Guaranteed \$				
Mail Rebate % Sharing				
Specialty Minimum Rebate Guaranteed \$				
Specialty Rebate % Sharing				
Copays				
Retail-Do you charge the member the lesser of U&C, Submitted, Calculated or Copay.				
Mail-Do you charge the member the lesser of U&C, Submitted, Calculated or Copay.				
Specialty-Do you charge the member the lesser of U&C, Submitted, Calculated or Copay.				

Allocation of Administrative Fees

Proposals for the medical and pharmaceutical cost(s) of administration should be clearly defined and must adequately explain the basis for calculation of cost(s). At a minimum, a brief outline of services included in these costs should be given. Bidders should estimate in percentage terms what portion of their fee, if any, is attributable to the following functions:

	Medical	Pharmaceutical
Administrative overhead		
Premium administration (if applicable)		
Initial Eligibility and Enrollment		
Continuing Eligibility verification		
Claim Administration		
Utilization review		
Case management		
PPO costs/savings (if applicable)		
Prescription Benefit Management (if applicable)		
Disease Management (if applicable)		
Other (specify)		

Identify any items which are excluded from your cost(s) proposal that would be charged to The Departments, and the approximate annual cost for such services.

Alternative proposals regarding pricing of different elements of administration may, at the sole discretion of The Departments, be considered.

If alternative proposals are submitted, each alternative must have a description of the basis to calculate the costs and a justification for why it would be advantageous to the Program in order for proper consideration to be made of each proposal.

A bidder may distinguish between start-up expenses and on-going expenses. The start-up expenses do not have to be converted to an expense per participant but may be shown as a maximum fixed expense (with appropriate supporting documentation).

7.2 MAXIMUM COMPENSATION FOR SUPPLIES AND SERVICES: Show price in checked category only:

- Firm Price _____
- Estimated Price _____

7.3 EXPENSES: Unless otherwise specified, this contract does not allow for reimbursement of any expense incurred by Vendor, including but not limited to telephone or other communications device, postage, copying, travel, transportation, lodging, food and per diem.

7.4 PAYMENT TERMS AND CONDITIONS (including when paid, frequency and retainage): Payment will be made after completion of the Contract unless otherwise specified below.

7.5 DISCOUNTS: ____% discount for payment within ____ days of delivery. This discount will not be a factor in making the award.

7.6 TAX EXEMPTIONS: State and Federal tax exemption information is available upon request.

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

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

Subcontractor Name _____ Amount to be paid _____
Address _____ Description of work _____

Subcontractor Name _____ Amount to be paid _____
Address _____ Description of work _____

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

7.8 WORK LOCATION DISCLOSURE: Vendor shall disclose the location where the services required shall be performed. If at multiple locations, the known or anticipated value of the services performed at each location shall be identified. This information and economic impact on Illinois and its residents may be considered in the evaluation. If the selected Vendor receives additional consideration in the evaluation based on work being performed in the United States, the resulting contract shall contain a provision that any shift in such work outside the United States may be considered a breach of contract.

Location where services will be performed _____

Value of services performed at this location _____

Location where services will be performed _____

Value of services performed at this location _____

SECTION 8 - CONTRACT

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

CONTRACT

The Parties to this contract are the State of Illinois acting through the undersigned Agency (collectively the State) and the Vendor. This contract, consisting of the signature page and numbered sections listed below and any attachments referenced in this contract constitutes the entire contract between the Parties concerning the subject matter of the contract and supersedes all prior proposals, contracts and understandings between the Parties concerning the subject matter of the contract. This contract can be signed in multiple counterparts and signature may be electronic or digital upon agreement of the Parties.

1. TERM AND TERMINATION
2. DESCRIPTION OF SUPPLIES AND SERVICES
3. PRICING
4. STANDARD BUSINESS TERMS AND CONDITIONS
5. STANDARD CERTIFICATIONS
6. DISCLOSURES AND CONFLICTS OF INTEREST
7. SUPPLEMENTAL PROVISIONS

In consideration of the mutual covenants and agreements contained in this contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this contract to be executed by their duly authorized representatives on the dates shown below.

VENDOR
(Vendor Name) _____

Signature _____

Printed Name _____

Title _____ Date _____

Address _____

Phone _____ Fax _____

E-mail _____

STATE OF ILLINOIS
(Procuring Agency Name) _____

Official Signature _____

Printed Name _____

Title _____ Date _____

Designee Signature _____

Printed Name _____

Title _____

Address _____

Phone _____ Fax _____

E-mail _____

CHIEF PROCUREMENT OFFICER

Official Signature _____

Printed Name _____

Title _____ Date _____

Address _____

Designee Signature _____

Printed Name _____

Title _____ Date _____

<i>STATE USE ONLY</i>		<i>NOT PART OF CONTRACTUAL PROVISIONS</i>	
<i>PBC#</i>		<i>Project Title</i>	
<i>Contract #</i>		<i>Procurement Method (IFB, RFP, Small, etc):</i>	
<i>IPB Ref. #</i>		<i>IPB Publication Date:</i>	<i>Award Code:</i>
<i>Subcontractor Utilization?</i> <input type="checkbox"/> Yes <input type="checkbox"/> No		<i>Subcontractor Disclosure?</i> <input type="checkbox"/> Yes <input type="checkbox"/> No	
<i>Funding Source</i>		<i>Obligation #</i>	
<i>CPO 33 – General Counsel Approval:</i>			
<i>Signature</i>		<i>Printed Name</i>	<i>Date</i>

1. TERM AND TERMINATION

1.1 TERM OF THIS CONTRACT: This contract has an initial term of *(show beginning and end date or length in months or other measure of time)*. If a start date is not identified, the term shall commence upon the last dated signature of the Parties.

In no event will the total term of the contract, including the initial term, any renewal terms and any extensions, exceed 10 years.

Vendor shall not commence billable work in furtherance of the contract prior to final execution of the contract.

1.2 RENEWAL: Subject to the maximum total term as identified above, the State has the option to renew for the following term(s): *(If the solicitation did not provide for renewal options, the contract may not include any renewal options.)*

Pricing for the renewal term(s), or the formula for determining price is shown in the pricing section of this contract.

Any renewal is subject to the same terms and conditions as the original contract except as stated below in this subsection. The State may renew this contract for any or all of the option periods specified and may exercise any of the renewal options early and may exercise more than one option at a time based on continuing need and favorable market conditions, when in the best interest of the State. The contract may not renew automatically nor may the contract renew solely at the Vendor's option.

1.3 TERMINATION FOR CAUSE: The State may terminate this contract, in whole or in part, immediately upon notice to the Vendor if: (a) the State determines that the actions or inactions of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified the State that it is unable or unwilling to perform the contract.

If Vendor fails to perform to the State's satisfaction any material requirement of this contract, is in violation of a material provision of this contract, or the State determines that the Vendor lacks the financial resources to perform the contract, the State shall provide written notice to the Vendor to cure the problem identified within the period of time specified in the State's written notice. If not cured by that date the State may either: (a) immediately terminate the contract without additional written notice or (b) enforce the terms and conditions of the contract.

For termination due to any of the causes contained in this Section, the State retains its rights to seek any available legal or equitable remedies and damages.

1.4 TERMINATION FOR CONVENIENCE: The State may, for its convenience and with 30 days prior written notice to Vendor, terminate this contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor. The Vendor shall be entitled to compensation upon submission of invoices and proof of claim for supplies and services provided in compliance with this contract up to and including the date of termination.

2. DESCRIPTION OF SUPPLIES AND SERVICES

2.1 GOAL: To utilize the knowledge and expertise of the Vendor, that is lacking in the Procuring Agency's staff, to obtain supplies and services necessary to help meet the statutory responsibilities of the Procuring Agency.

2.2 SUPPLIES AND/OR SERVICES REQUIRED:

2.3 MILESTONES AND DELIVERABLES: Vendor shall not perform services, provide supplies or incur expenses in amount exceeding the amount shown in this Section, unless the State has authorized a higher amount in writing prior to the Vendor performing the services, providing the supplies, or incurring the expenses.

Not-to-exceed \$ _____

2.4 VENDOR / STAFF SPECIFICATIONS:

2.5 ASSIGNMENT AND SUBCONTRACTING:

2.5.1 This contract may not be assigned, transferred in whole or in part by the Vendor without the prior written consent of the State.

2.5.2 For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract.

Will subcontractors be utilized? Yes No

2.5.3 Vendor shall describe below the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. Vendor shall provide a copy of any subcontracts within 20 days of execution of this contract.

Subcontractor Name _____ Amount to be paid _____
Address _____ Description of work _____

Subcontractor Name _____ Amount to be paid _____
Address _____ Description of work _____

2.5.4 The Vendor shall notify the State of any additional or substitute subcontractors hired during the term of this contract. Vendor shall provide to the State a copy of all such subcontracts within 20 days of execution of the subcontract.

2.5.5 All subcontracts must include the same certifications that Vendor must make as a condition of this contract. Vendor shall include in each subcontract the subcontractor certifications as shown on the Standard Subcontractor Certification form available from the State.

2.6 TRANSPORTATION AND DELIVERY:

2.7 WHERE SERVICES ARE TO BE PERFORMED: Unless otherwise specified in this section all services shall be performed in the United States. If the Vendor manufactures the supplies or performs the services purchased hereunder in another country in violation of this provision, such action may be deemed by the State as a breach of the contract by Vendor. Vendor shall disclose the locations where the services required shall be performed and the known or anticipated value of the services to be performed at each location. If the Vendor received additional consideration in the evaluation based on work being performed in the United States, it shall be a breach of contract if the Vendor shifts any such work outside the United States.

Location where services will be performed _____
Value of services performed at this location _____

Location where services will be performed _____
Value of services performed at this location _____

2.8 SCHEDULE OF WORK: 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.

2.9 WARRANTIES FOR SUPPLIES AND SERVICES:

2.9.1 Vendor warrants that the supplies furnished under this contract will: (a) conform to the standards, specifications, drawing, 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; (b) be merchantable, of good quality and workmanship, and free from defects for a period of twelve months or longer if so specified in writing, and fit and sufficient for the intended use; (c) comply with all federal and state laws, regulations and ordinances pertaining to the manufacturing, packing, labeling, sale and delivery of the supplies; (d) be of good title and be free and clear of all liens and encumbrances and; (e)

not infringe any patent, copyright or other intellectual property rights of any third party. Vendor agrees to reimburse the State for any losses, costs, damages or expenses, including without limitations, reasonable attorney's fees and expenses, arising from failure of the supplies to meet such warranties.

2.9.2 Vendor shall insure that all manufacturers' warranties are transferred to the State and shall provide a copy of the warranty. 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.

2.9.3 Vendor warrants that all services will be performed to meet the requirements of the contract in an efficient and effective manner by trained and competent personnel. Vendor shall monitor performances of each individual and shall reassign immediately any individual who is not performing in accordance with the contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State policies.

2.10 REPORTING, STATUS AND MONITORING SPECIFICATIONS:

2.10.1 Vendor shall immediately notify the State of any event that may have a material impact on Vendor's ability to perform the contract.

2.10.2 By August 31 of each year, 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 (35 ILCS 5/216, 5/217).

3. **PRICING**

3.1 **METHOD AND RATE OF COMPENSATION:** The State will compensate Vendor for the initial term as follows:

- Hourly _____
- Monthly _____
- Annually _____
- Project _____
- Item (show unit of measure and rate) _____

3.2 **TYPE OF PRICING:** Pricing under this contract is

- Firm _____
- Estimated _____

3.3 **RENEWAL COMPENSATION:** If this contract is renewed, the price shall be at the same rate as for the initial term unless a different compensation or formula for determining the renewal compensation is stated in this section.

3.4 **EXPENSES:** Any expenses that Vendor may charge are shown in this section. The State will not compensate Vendor for expenses related to travel, lodging or meal.

3.5 **DISCOUNT:** _____ % discount for payment within _____ days of receipt of invoice

3.6 **TAX:** Vendor shall not bill for any taxes unless accompanied by proof the State is subject to the tax. If necessary, Vendor may request the applicable agency's Illinois tax exemption number and federal tax exemption information.

3.7 **INVOICING:** Vendor shall invoice at the completion of the contract unless invoicing is tied in this contract to milestones, deliverables, or other invoicing requirements agreed to in this contract.

Send invoices to _____.

3.8 **PAYMENT TERMS AND CONDITIONS:**

3.8.1 By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of the contract, and the amount billed and expenses incurred are as allowed in the contract. Invoices for supplies purchased, services performed and expenses incurred through June 30 of any year must be submitted to the State 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). All invoices are subject to statutory offset (30 ILCS 210).

3.8.2 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.

3.8.3 The State will not pay for supplies provided or services rendered, including related expenses, incurred prior to the execution of this contract by the Parties even if the effective date of the contract is prior to execution.

3.8.4 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 (Examples of prevailing wage categories include 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 Dept. of Labor 217-782-6206; <http://www.state.il.us/agency/idol/index.htm> 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.

4. STANDARD BUSINESS TERMS AND CONDITIONS

4.1 AVAILABILITY OF APPROPRIATION (30 ILCS 500/20-60): 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 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.

4.2 AUDIT/RETENTION OF RECORDS (30 ILCS 500/20-65): 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 three 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 three years from the later of final payment under the term or completion of the subcontract. If federal funds are used to pay contract costs, the Vendor and its subcontractors must retain its records for five years. Books and records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Agency, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain 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 purported disbursement. The Vendor or subcontractors shall not impose a charge for audit or examination of the Vendor's books and records.

4.3 TIME IS OF THE ESSENCE: Time is of the essence with respect to Vendor's performance of this contract. Vendor shall continue to perform its obligations while any dispute concerning the contract is being resolved unless otherwise directed by the State.

4.4 NO WAIVER OF RIGHTS: Except as specifically waived in writing, failure by a 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.

4.5 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.

4.6 CONFIDENTIAL INFORMATION: Each Party, including its agents and subcontractors, to this contract may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this contract. Vendor shall presume all information received from the State or to which it gains access pursuant to this contract is confidential. Vendor information, unless clearly marked as confidential and exempt from disclosure under the Illinois Freedom of Information Act, shall be considered public. No confidential data collected, maintained, or used in the course of performance of the contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of the contract or thereafter. The receiving Party must return any and all data collected, maintained, created or used in the course of the performance of the contract, in whatever form it is maintained, promptly at the end of the contract, or earlier at the request of the disclosing Party, or notify the disclosing Party in writing of its destruction. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party; received in good faith from a third-party not subject to any confidentiality obligation to the disclosing Party; now is or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; or is independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information.

4.7 USE AND OWNERSHIP: 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 in writing. Vendor hereby assigns to the State all right, title, and interest in and to such work including any related intellectual property rights, and/or 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.

4.8 INDEMNIFICATION AND LIABILITY: The Vendor shall 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; or (c) any act, activity or omission of Vendor or any of its employees, representatives, subcontractors or agents. Neither Party shall be liable for incidental, special, consequential or punitive damages.

4.9 INSURANCE: Vendor shall, at all times during the term and any renewals, maintain and provide 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 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 amount required by law. Insurance shall not limit Vendor's obligation to indemnify, defend, or settle any claims.

4.10 INDEPENDENT CONTRACTOR: Vendor shall act as 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.

4.11 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 Agency's director if Vendor solicits or intends to solicit State employees to perform any work under this contract.

4.12 COMPLIANCE WITH THE LAW: 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. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this contract.

4.13 BACKGROUND CHECK: Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendor's and subcontractors officers, employees or agents. Vendor or subcontractor shall reassign immediately any such individual who, in the opinion of the State, does not pass the background checks.

4.14 APPLICABLE LAW: This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois. The Departments of Human Rights' Equal Opportunity requirements (44 Ill. Adm. Code 750) are incorporated by reference. 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>). In compliance with the Illinois 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.

4.15 ANTI-TRUST ASSIGNMENT: If Vendor does not pursue any claim or 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 rights, title and interest in and to the claim or cause of action.

4.16 CONTRACTUAL AUTHORITY: The Agency that signs for the State of Illinois shall be the only State entity responsible for performance and payment under the contract. When the Chief Procurement Officer or authorized designee signs in addition to an Agency, they do so as approving officer and shall have no liability to Vendor. When the Chief Procurement officer or authorized designee signs a master contract on behalf of State agencies, only the Agency that places an order with the Vendor shall have any liability to Vendor for that order.

4.17 NOTICES: Notices and other communications provided for herein shall be given in writing by registered or certified mail, return receipt requested, by receipted hand delivery, by courier (UPS, Federal Express or other similar and reliable carrier), by e-mail, or by fax showing the date and time of successful receipt. Notices shall be sent to the individuals who signed the contract using the contact information following the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change the contact information.

4.18 MODIFICATIONS AND SURVIVAL: 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. 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.

4.19 PERFORMANCE RECORD / SUSPENSION: Upon request of the State, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of the contract. The State may consider Vendor's performance under this contract and compliance with law and rule to determine whether to continue the contract, suspend Vendor from doing future business with the State for a specified period of time, or to determine whether Vendor can be considered responsible on specific future contract opportunities.

4.20 FREEDOM OF INFORMATION ACT: This contract and all related public records maintained by, provided to or required to be provided to the State are subject to the Illinois Freedom of Information Act notwithstanding any provision to the contrary that may be found in this contract.

5. 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.

This section, and each subsection, applies to subcontractors used on this contract. Vendor shall include these Standard Certifications in any subcontract used in the performance of the contract using the Standard Subcontractor Certification form provided by the State.

If this contract extends over multiple fiscal years including the initial term and all renewals, Vendor and its subcontractors shall confirm compliance with this section in the manner and format determined by the State by the date specified by the State and in no event later than July 1 of each year that this contract remains in effect.

If the Parties determine that any certification in this section is not applicable to this contract it may be stricken without affecting the remaining subsections.

5.1 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.

5.2 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.

5.3 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.

5.4 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).

5.5 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 conduct business in Illinois and is in good standing with the Illinois Secretary of State.

5.6 To the extent there was a 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.

5.7 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).

5.8 If Vendor has been convicted of a felony, Vendor certifies at least five years have passed after the date of completion of the sentence for such 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).

5.9 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).

5.10 Vendor certifies it is not barred from having a contract with the State based on violating the prohibition on providing assistance to the state in identifying a need for a contract (except as part of a public request for information process) or by reviewing, drafting or preparing solicitation or similar documents for the State (30 ILCS 500/50-10.5e).

- 5.11 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).
- 5.12 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.
- 5.13 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).
- 5.14 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).
- 5.15 Vendor certifies it is not in violation of the "Revolving Door" section of the Illinois Procurement Code (30 ILCS 500/50-30).
- 5.16 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).
- 5.17 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).
- 5.18 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).
- 5.19 a) If Vendor employs 25 or more employees and this contract is worth more than \$5000, Vendor certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act.
b) If Vendor is an individual and this contract is worth more than \$5000, 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).
- 5.20 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. This applies to contracts that exceed \$10,000 (30 ILCS 582).
- 5.21 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).
- 5.22 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).
- 5.23 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).
- 5.24 Vendor certifies it complies with the State Prohibition of Goods from Forced Labor Act, and certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been or will be produced in whole or in part by forced labor, or indentured labor under penal sanction (30 ILCS 583).
- 5.25 Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been produced in whole or in part by the labor or any child under the age of 12 (30 ILCS 584).
- 5.26 Vendor certifies that it is not in violation of Section 50-14.5 of the Illinois Procurement Code (30 ILCS 500/50-14.5) that states: "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 until the violation is mitigated".
- 5.27 Vendor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Vendors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.

5.28 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. (30 ILCS 587)

5.29 Vendor certifies that it has read, understands, and is in compliance with the registration requirements of the Elections Code (10 ILCS 5/9-35) and the restrictions on making political contributions and related requirements of the Illinois Procurement Code (30 ILCS 500/20-160 and 50-37). Vendor will not make a political contribution that will violate these requirements. These requirements are effective for the duration of the term of office of the incumbent Governor or for a period of 2 years after the end of the contract term, whichever is longer.

In accordance with section 20-160 of the Illinois Procurement Code, Vendor certifies as applicable:

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

or

Vendor has registered **and has attached a copy** of the official certificate of registration as issued by the State Board of Elections. As a registered business entity, Vendor acknowledges a continuing duty to update the registration as required by the Act.

6.0 DISCLOSURES AND CONFLICTS OF INTEREST

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

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

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

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

This disclosure information is submitted on behalf of (show official name of Vendor, and if applicable, D/B/A and parent):

Name of Vendor: _____

D/B/A (if used): _____

Name of any Parent Organization: _____

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

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

- a. If Vendor is a Publicly traded corporation subject to SEC reporting requirements
- i. Vendor shall submit their 10K disclosure (include proxy if referenced in 10k) in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 (a) and (b) of the Procurement Code. The SEC 20f or 40f, supplemented with the names of those owning in excess of 5% and up to the ownership percentages disclosed in those submissions, may be accepted as being substantially equivalent to 10K.

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

OR

- b. If Vendor is a privately held corporation with more than 400 shareholders
- i. These Vendors may submit the information identified in 17 CFR 229.401 and list the names of any person or entity holding any ownership share in excess of 5% in satisfaction of the financial and conflict of interest disclosure requirements set forth in subsections 50-35 a and b of the Illinois Procurement Code.

OR

- c. If Vendor is an individual, sole proprietorship, partnership or any other not qualified to use subsections (A) or (B), complete (i) and (ii) below as appropriate.
- i. For **each individual** having any of the following financial interests in the Vendor (or its parent), please mark each that apply and show the applicable name and address. Use a separate form for each individual.

1. Do you have an ownership share of greater than 5% of the offering entity or parent entity?
 Yes No

2. Do you have an ownership share of less than 5%, but which has a value greater than \$106,447.20?
 Yes No

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

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

- (a) State employment, currently or in the previous 3 years, including contractual employment of services directly with the individuals identified in Section 1 in their individual capacity unrelated to the Vendor's contract. Yes No
- (b) State employment of spouse, father, mother, son, or daughter, including contractual employment for services in the previous 2 years. Yes No
- (c) Elective status; the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous 3 years. Yes No
- (d) Relationship to anyone holding elective office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes No
- (e) Appointive office; the holding of any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office currently or in the previous 3 years. Yes No
- (f) Relationship to anyone holding appointive office currently or in the previous 2 years; spouse, father, mother, son, or daughter. Yes No
- (g) Employment, currently or in the previous 3 years, as or by any registered lobbyist of the State government. Yes No
- (h) Relationship to anyone who is or was a registered lobbyist in the previous 2 years; spouse, father, mother, son, or daughter. Yes No
- (i) Compensated employment, currently or in the previous 3 years, by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes No
- (j) Relationship to anyone; spouse, father, mother, son, or daughter; who is or was a compensated employee in the last 2 years of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections. Yes No

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

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

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

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

Check One: No Conflicts Of Interest
 Potential Conflict of Interest (If checked, name each conflicted individual, the nature of the conflict, and the name of the State agency that is associated directly or indirectly with the conflicted individual.)

Section 3: Debarment/Legal Proceeding Disclosure *(All Vendors must complete this section).*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Name of Authorized Representative: _____
Title of Authorized Representative: _____
Signature of Authorized Representative: _____
Date: _____

7. **SUPPLEMENTAL PROVISIONS**

7.1 **State Supplemental Provisions**

- Definitions
- Required Federal Clauses, Certifications and Assurances
- ARRA Requirements (American Recovery and Reinvestment Act of 2009)
- Public Works Requirements (construction and maintenance of a public work) (820 ILCS 130/4)
- Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, and security services, if valued at more than \$200 per month or \$2000 per year (30 ILCS 500/25-60)
- Prevailing Wage (all printing contracts) (30 ILCS 500/25-60)
- BEP Subcontracting Requirements (Utilization Plan and Letter of Intent)
- Other (describe)

7.2 **Vendor Supplemental Provisions**

- _____