

CHICAGO TRANSIT AUTHORITY
Advertisement for Professional Services

Proposals will be received for the following by Chicago Transit Authority at the Bid Office -2nd Floor, 567 W. Lake St., Chicago, Illinois 60661-1498, until 3:30 P.M. on Friday, March 20, 2009:

Req. B090P02079
Request For Letters of Interest & Qualifications
(LIQ) for Broker/Dealer Services on an As-Needed Basis
for a Period of 24 Months, Beginning May 16, 2009.

Written questions regarding this LIQ will be accepted no later than 4:30p.m., Wednesday, March 11, 2009. You may send written questions to James Kozicki via fax at 312-681-2497 or e-mail at jkozicki@transitchicago.com.

If you are interested in submitting your firm's qualifications, please make your request in writing. Your request should include a brief statement regarding your interest for obtaining the LIQ Package. Also, your request should include the requisition number and name of the project.

If you have any questions regarding the above, you may call James Kozicki at 312/681-2671.

The contractor will be required to furnish certified copies of any and all Insurance Policies required in relation to this contract prior to CTA's execution.

Chicago Transit Authority hereby gives notice that it will affirmatively ensure that in regard to any contract entered into pursuant to this advertisement, Disadvantaged Business Enterprise and Women's Business Enterprise will be afforded full opportunity to submit responses to this invitation and will not be discriminated against on the grounds of race, color or national origin in consideration for an award.

PLEASE NOTE: Where proposals are sent by mail, delivery service or delivered in-person to the CTA Bid Office, the bidders shall be responsible for their delivery only to the Bid Office before the advertised due date and hour for the proposals. The Bid Office hours are Monday through Friday from 8:00 a.m. to 4:30 p.m. Chicago time, except holidays.

(2)

The right is reserved to accept any proposal or to reject any and all proposals.

All inquiries should be directed to and copies of the documents obtained from the Bid Office - 2nd Floor, 567 W. Lake St., Chicago, Illinois 60661-1498.

CHICAGO TRANSIT AUTHORITY

By: Robert Conlin
General Manager, Purchasing

March 2, 2009



CHICAGO TRANSIT AUTHORITY

567 West Lake Street
Chicago, Illinois 60661-1498
TEL 312 664-7200
www.transitchicago.com

March 2, 2009

Subject: Requisition No. B09OP02079 – Letters of Interest and Qualification (LIQ) for Broker/Dealer Services on an As-Needed Basis for a Period of 24 Months, Beginning May 16, 2009.

Dear Proposer:

The Chicago Transit Authority is seeking proposals for the subject project. Proposal packages are to be delivered to:

Delivery Service or Drop Off

Chicago Transit Authority
Bid Office - 2nd Floor
567 W. Lake Street
Chicago, IL 60661-1498

or Mail to

Chicago Transit Authority
Bid Office
P.O. Box 7554
Chicago, IL 60680-7554

Due Date: Friday, March 20, 2009

LIQ responses must be received before 3:30 p.m. Chicago time

Where responses are sent by delivery service or delivered in-person to the CTA Bid Office, the bidders shall be responsible for their delivery to the Bid Office before the advertised date and hour for the opening of bids. If the delivery of the proposal is delayed beyond the date and hour set for the bid opening, proposals thus delayed will not be considered and will be returned unopened. The Bid Office hours are Monday through Friday from 8:00 am to 4:30 pm Chicago time, except holidays.

Ten (10) copies of the LIQ response,
Ten copies of the Price Proposal,
And Four (4) copies of the DBE Section are to be provided.

Written questions regarding this LIQ will be accepted no later than 4:30p.m., Wednesday, March 11, 2009. You may send written questions to James Kozicki via fax at 312-681-2497 or e-mail at jkozicki@transitchicago.com.

Your response should identify the requisition number, the name of the project, the name and address of your firm, a contact person and phone number on the cover page in each section.

Sincerely,

Robert Conlin
General Manager, Purchasing

cc: File B09OP02079



**Chicago Transit Authority
Requisition No. B09OP02079
Letter of Interest and Qualification (LIQ)**

For

**Broker/Dealer Services
to be used on an As-Needed Basis
for a Period of up to Twenty-Four Months
Beginning May 16, 2009**

Confidentiality and Non-Disclosure: Firms requiring additional assistance shall only contact James Kozicki, Procurement Administrator, at (312) 681 – 2671, Robert Conlin, General Manager, at (312) 681-2420, or Marina Popovic, Acting Vice President, Purchasing and Warehousing. Firms, including all team sub-consultants, who contact any CTA personnel, either verbally or in writing, concerning this solicitation package, are in violation of the procedures for this procurement and any submitted proposals may be disqualified. Prime consultants are required to sign and submit the "Non-Disclosure Statement Consultant" (Appendix J) with the proposal and to require all sub-consultants to submit signed copies of the "Non-Disclosure Statement Sub-Consultant" (Appendix J) with the proposal.

ISSUED BY
Purchasing Department, Chicago Transit Authority
P.O. Box 7560, Chicago, IL 60680-7560
Marina Popovic, Acting Vice President, Purchasing & Warehousing
Dorval R. Carter, Jr., Acting President
Carole L. Brown, Chairman

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
I. CTA Background Information	2
II. Introduction	2
III. Scope of Services	2
IV. Submission Requirements	3
V. Proposal Submittal Requirements	3
VI. Evaluation and Selection Process	4

Appendices

Appendix A	CTA Investment Policy (Ordinance No. 99-108)
Appendix B	Special Conditions - Disadvantageous Business Enterprises (DBE) Commitment
Appendix C	Bid Protest Procedures
Appendix D	CERTIFICATION – Debarment - Primary Participant
Appendix E	CERTIFICATION – Debarment - Lower-Tier Participant
Appendix F	CERTIFICATION – Drug-free Workplace
Appendix G	CERTIFICATION – Lobbying
Appendix H	Brief History of Your Company
Appendix I	Disclosure of Ownership (Prime Consultant & Sub-Consultant)
Appendix J	Non-Disclosure Statement (Prime Consultant & Sub-Consultant)
Appendix K	Broker/Dealer Information

I. CTA BACKGROUND INFORMATION

The Chicago Transit Authority (CTA or Authority) operates the nation's second largest public transportation system serving the City of Chicago and 40 surrounding suburbs. On an average weekday, nearly 1.6 million rides are taken on the CTA. CTA has approximately 2,200 buses that operate over 154 routes and 2,529 route miles. Buses provide about 1 million customer trips a day and serve approximately 12,000 posted bus stops. CTA's 1,190 rapid transit cars operate over eight routes and 242 miles of track. CTA trains provide about 600,000 customer trips each day and serve 144 stations.

Chicago is one of the few cities in the world that provides rapid transit service to two major airports. From the downtown area, the CTA's Blue Line takes customers to O'Hare International Airport, and the Orange Line takes customers to Midway Airport.

Additional information about the CTA and its services are available at www.transitchicago.com.

II. INTRODUCTION

The CTA requests proposal from qualified entities for broker/dealer services on an as-needed basis for a period of twenty-four months beginning May 16, 2009.

The CTA's short-term investment portfolio is managed by the CTA Treasurer and designated staff in compliance with the Public Funds Investment Act (30 ILCS 235), and the CTA Investment Policy, Ordinance No. 99-108 (Appendix A). The CTA invests in a variety of financial instruments: Commercial Paper, Repurchase Agreements, Government Agencies, Money Market Mutual Funds, and Certificate of Deposits through broker/dealer, asset managers and depository institutions approved by the Chicago Transit Board.

The Authority will consider responses from firms that have proven experience in providing broker/dealer services, and who have the staff, capabilities, and means sufficient to service an agency as the size of CTA.

Firms are invited to submit proposals to perform the work as described in Section III, Scope of Services, and Section IV, Contract and General Requirements. Issuance of this RFP does not commit the CTA to pay any costs incurred in the preparation of this proposal. All proposals are to be valid for a period of at least 120 days from the due date of the proposal. The CTA reserves the right to reject any or all proposals, to negotiate with any or all firms, and to award a contract to the Proposer whose initial proposal is most advantageous to the CTA, without further discussion or negotiations.

III. SCOPE OF SERVICES

The Chicago Transit Authority seeks proposals from qualified institutions that desire to be considered for broker/dealer services on an as-need basis for a term of two years commencing upon CTA Board approval. Broker/dealer services will be restricted to institutions approved by the Chicago Transit Board, without commitments to volume, frequency, or regularity of purchase. All investment transactions must comply with the CTA Investment Policy (Appendix A).

IV. SUBMISSION REQUIREMENTS

Firms interested in providing broker/dealer services to the CTA shall complete Appendix K, Broker/Dealer Information, and attach any associated certifications.

V. PROPOSAL SUBMITTAL REQUIREMENTS - A complete proposal must consist of the following:

Responses shall be submitted on standard 8 ½ x 11 letter-sized paper, bound on long side, with material on one side only. The use of expensive papers and binding is discouraged, as all proposals become the property of the CTA and no materials will be returned.

Issuance of this LIQ does not commit CTA to pay any cost incurred in the preparation of this response. Further, CTA reserves the right to reject any or all responses, or portions thereof, to extend the time for submission of responses, without further discussion or negotiation.

The proposal is to consist of three parts, to be bound and submitted in separate, clearly marked envelopes:

Part I	LIQ Response (10 copies)
Part II	Disadvantaged Business Involvement (4 copies)

Each response shall include a transmittal letter containing the name and signature of an official of the firm authorized to enter into business arrangements with the Authority. The letter shall contain a description of the Broker/Dealer Services the firm is able to provide the CTA, and a commitment to meet the DBE goals established by the CTA in accordance with **Appendix C**.

Responses may be mailed or delivered in person to the address shown on the cover letter. To be considered, all responses must be received by the date and time shown in the cover letter. Envelopes or packages must be clearly marked with the LIQ number, project description, and due date for responses.

All LIQ submittals shall be valid, in their entirety, for six months from the date of submittal.

Part I: LIQ Response

Submit a response which addresses all the requirements listed in Parts I, II, and III, of Appendix K, Broker/Dealer Information, as stated in Section IV, Submission Requirements, above. The LIQ response shall also include completed copies, as applicable, of Appendices D – J.

Part II: Disadvantaged Business Involvement

Describe your firm's policy and approach to utilize disadvantaged business firms in order to comply with the DBE Requirements (Appendix B). Complete Schedules B, C, and D provided in Appendix B, as appropriate.

Describe your firm's policy and approach to utilize disadvantaged business firms in order to comply with the DBE Requirements (Appendix B). Complete Schedules B, C, and D provided in Appendix B, as appropriate.

VI. EVALUATION AND SELECTION PROCESSES

The CTA intends to select qualified firms that best satisfy the needs of the CTA. All proposals shall be evaluated on the following criteria:

1. The experience and technical expertise of the firm and its assigned staff;
2. Client relationships; and
3. The firm's history.

To be selected as a qualified firm your proposal must score a minimum of 70% when evaluated against the above criteria.

The CTA reserves the right to reject any and all proposals with or without cause. Nothing in this LIQ, the proposals, or the CTA's acceptance of a proposal and designation of an entity shall obligate the CTA to enter into or complete negotiations with the entity. Upon approval and execution of a contract between the CTA and an entity, the terms of the contract will prevail. The CTA is not liable for any cost incurred by respondents in replying to this LIQ or negotiation relating to this LIQ.

Appendix A

CTA Investment Policy (Ordinance No. 99-108)

AN ORDINANCE ADOPTING A
CHICAGO TRANSIT AUTHORITY
INVESTMENT POLICY

WHEREAS, There is in effect an Illinois law known as the Public Funds Investment Act (30 ILCS 235); and

WHEREAS, The Public Funds Investment Act specifies investments in which public agencies, such as the CTA, may invest public funds; and

WHEREAS, The Public Funds Investment Act was amended by Public Act 90-688, effective July 31, 1998, to add a new Section 2.5 which requires the governing body of public agencies, including the Chicago Transit Authority, to adopt and implement a written investment policy governing the investment of public funds by the public agency by January 1, 2000; and

WHEREAS, Section 2.5 of the Public Funds Investment Act (30 ILCS 235/2.5) provides that the Investment Policy "shall address safety of principal, liquidity of funds and return on investment and shall require that the investment portfolio be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due"; and

WHEREAS, Section 2.5 of the Public Funds Investment Act further provides that the Investment Policy is to include or address the other matters listed in Section 2.5 of such Act; and

WHEREAS, Staff recommends that a CTA Investment Policy be adopted to satisfy all requirements of Section 2.5 of the Public Funds Investment Act; now, therefore:

BE IT ORDAINED BY THE CHICAGO TRANSIT BOARD
OF THE CHICAGO TRANSIT AUTHORITY:

SECTION 1. The Chicago Transit Board hereby adopts the CTA Investment Policy which is attached to this Ordinance as EXHIBIT A.

SECTION 2. The CTA Investment Policy shall govern the investment of public funds by the CTA. The CTA Investment Policy shall not apply to the Authority's Deferred Compensation Plan (§457 Plan), the Authority's 401 K Plan, or the Employee Retirement Fund. The provisions of this Ordinance shall take precedence over any inconsistent provisions of any previously passed CTA ordinances.

ORDINANCE NO. 99-108
(Continued) -2

SECTION 3. Ordinance 86-75 which designates Amalgamated Trust & Savings Bank as the Custodial Bank of the Authority shall remain in effect.

SECTION 4. Ordinance 90-67 which prohibits Authority investments with South Africa is hereby rescinded as investments with South Africa is no longer a prohibited activity.

SECTION 5. Ordinance 86-45 which initially established procedures for the investment of funds is hereby rescinded as the Investment Policy shall now control.

SECTION 6. All ordinances previously approved by this Transit Board which pertain to depository banks shall remain in effect.

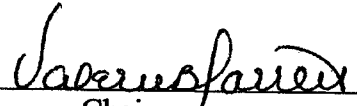
SECTION 7. Ordinance 86-2 which established a procedure for investment on a short term basis is hereby rescinded as the Investment Policy shall now control.

SECTION 8. Ordinance 86-114 which established a maximum maturity date which is now covered by the Investment Policy, is hereby rescinded.

SECTION 9. This ordinance shall be in full force and effect from and after its passage.

APPROVED:

PASSED:


Chairman


Assistant Secretary

July 21, 1999

July 21, 1999

CHICAGO TRANSIT AUTHORITY INVESTMENT POLICY

1. SCOPE

As required by the Public Funds Investment Act (the "Act"), this Chicago Transit Authority (hereinafter referred to as "CTA" or "Authority") Investment Policy governs the investment of all of the Authority's funds. This CTA Investment Policy does not apply to the Employee Retirement Fund, the CTA's Section 457 Deferred Compensation Plan or the CTA's Section 401K Plan.

Every investment shall be made with safety as the primary and overriding concern. Each investment transaction shall be made in a manner that ensures that loss of capital, whether from credit or market risk, is minimized. All participants in the investment process shall act responsibly as custodians of the public trust. Any transaction that might jeopardize the availability of funds for the Authority's operations shall be avoided.

The investment portfolio shall be structured to provide sufficient liquidity to pay the Authority's obligations as they come due. Investment maturity dates and marketability of the investments must be coordinated with the Treasurer's forecast of cash flow needs of the Authority.

Investments shall be made seeking the highest return on investments consistent with: 1) preservation of capital, 2) anticipated cash flow needs, 3) prudent investment principles, and 4) the restrictions contained in the Act and this CTA Investment Policy.

2. AUTHORIZED INVESTMENTS

Funds of the Authority may only be invested in the following investments ("Authorized Investments"), subject to all limitations and restrictions specified in the Public Funds Investment Act, 30 ILCS 235, (the "Act"):

1) bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest;

- 2) bonds, notes, debentures or other similar obligations of the United States of America or its agencies¹;
- 3) interest-bearing savings accounts, interest-bearing certificates of deposit, or interest-bearing time deposits or other investments constituting direct obligations of any bank, as defined by the Illinois Banking Act²; (provided that any such bank must be insured by the Federal Deposit Insurance Corporation "FDIC");
- 4) short term obligations ("commercial paper") of corporations organized in the United States with assets exceeding \$500,000,000, provided that: (i) such obligations are rated at the time of purchase at the highest classification established by at least two standard rating services and which mature not later than 180 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than one-third of the Authority's funds may be invested in short term obligations of corporations;
- 5) Mutual Funds which invest exclusively in U.S. government obligations and Agencies, as specified in the Act;
- 6) short term discount obligations of the Federal National Mortgage Association ("FANNIE MAE");
- 7) a Public Treasurers' Investment Pool created under Section 17 of the State Treasurer Act (15 ILCS 505/17);
- 8) repurchase agreements, for securities which are Authorized Investments, subject to all of the requirements of the Act and further provided that: i) the securities shall be held by a custodial bank authorized by the Chicago Transit Board pursuant to a written custodial agreement and ii) each repurchase transaction must be entered into under the terms of a master repurchase agreement in a form authorized by the Chicago Transit Board.
- 9) investment certificates issued by FDIC-insured savings banks or FDIC-insured savings and loan associations.

The Authorized Investments listed above are in addition to those investments authorized by Section 16 of the Metropolitan Transit Authority Act (70 ILCS 3605 et seq.)

3. STANDARD OF CARE

The Authority hereby adopts, as the standard of care to be maintained by its employees and officers responsible for the investment of the Authority's funds, the prudent person rule,

¹ "Agencies" include: (i) the federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1971 (12 U.S.C. 2001 et seq.) and Acts amendatory thereto; (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by an Act of Congress.

²205 ILCS 5/1 et seq.

which requires that investments shall be made using the judgement and care, under the circumstances then prevailing, that persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived. The prudent person rule shall be applied in the context of managing the overall portfolio.

The adoption of this standard of care by the Authority does not grant any authority to invest Authority funds in any investments which are not specifically listed as authorized by this CTA Investment Policy and the Public Funds Investment Act.

4. TREASURER AND INVESTMENT PROCEDURES AND GUIDELINES

The Authority's Treasurer, pursuant to Section 10 of the Authority's Bylaws, has "general charge of the financial affairs of the Authority." The Treasurer is appointed by the Chicago Transit Board. In addition to the Treasurer's other duties set forth in the Authority's Bylaws, this CTA Investment Policy, and such other duties as may be established by the Chicago Transit Board from time to time, the Treasurer, the Assistant Treasurer and/or the Treasurer's designees are authorized for and on behalf of the Authority to enter into transactions for Authorized Investments in accordance with the terms of this CTA Investment Policy and to:

- A. Purchase or sell for immediate or future delivery, Authorized Investments, as described in this CTA Investment Policy;
- B. Deliver and deposit with the Authority's duly authorized custodial financial institution for safekeeping and custody any and all securities; and
- C. To withdraw, receive and issue instructions for the handling, transfer, registration, sale, substitution, exchange and delivery of any securities being held for and on behalf of the Authority by the Authority's duly authorized custodial financial institution.

The Chairman, the Treasurer, or any duly appointed Assistant Treasurer, or such designees as they shall name in writing, are authorized to endorse for negotiation any and all negotiable instruments payable to the Authority.

The Chairman, Treasurer or Assistant Treasurer, or such designees as they shall name in writing, are authorized to issue written, telephonic, electronic or oral instructions to transfer for investment purposes funds of the Authority on deposit at its duly authorized depository

institutions by wire or otherwise, provided that such transfers are confirmed by the Treasurer or Assistant Treasurer or their designees on behalf of the Authority. The Chairman, Treasurer or Assistant Treasurer are authorized to enter into such agreements with said depository institutions with respect to any such transfers as are necessary and appropriate, and in accordance with all applicable laws and this CTA Investment Policy.

In order to maintain maximum efficiency in the ongoing management of the funds and securities of the Authority, which are from time to time deposited in banking and financial institutions, the Chairman, Treasurer and Vice Chairman of the Authority are authorized and directed to take any and all actions including the execution of any and all documents, and the Secretary of the Chicago Transit Board is hereby authorized and directed to attest to any and all documents, in order to comply with the rules and regulations, instructions and procedures of such financial institutions whenever required, and as required to comply with the Act and this CTA Investment Policy.

Before financial assets of the CTA are invested or reinvested, or portfolio investments are sold, interest rate quotations from qualified institutions shall be solicited orally or in writing by the Treasurer or the Treasurer's designees. If a specific maturity date is required for cash flow purposes, interest rate quotations shall be requested for instruments that meet the maturity requirement.

Interest rate quotations shall be requested by the Treasurer or the Treasurer's designees from at least two qualified institutions for a range of alternative combinations of maturities, terms and instruments. A quotation may be accepted if it provides the most competitive rate of return within the required maturity or term and if it is in compliance with the other requirements of this CTA Investment Policy, the Act, and any other applicable CTA ordinances, bylaws and written administrative procedures. Written records shall be kept by the CTA of the quotations given and the quotations accepted.

5. DIVERSIFICATION OF PORTFOLIO

A. Diversification by Type of Investment Instrument

In addition to the other restrictions regarding Authorized Investments contained in this CTA Investment Policy, the Act, and other CTA ordinances and bylaws, the portfolio of Authorized Investments shall be diversified among the different types of Authorized Investments

in order to avoid incurring unreasonable risks inherent in over-investing in any specific investments, in accordance with the maximums stated in the table set forth below.

MAXIMUM LEVELS

<u>Instrument Type</u>	<u>Overall Portfolio Mix</u>	<u>Term of Investment</u>
U.S. Treasuries	100%	3 Years
Repurchase Agreements	50%	330 Days
Certificates of Deposit	25%	365 Days
Commercial Paper	33%	180 Days
Government Money Market Funds	25%	n.a.
U.S. Government Agencies	33%	3 Years
Federal National Mortgage Assn.	15%	3 Years
Investment Pool-- Illinois Fund	10%	n.a.

B. Diversification by Issuer and Financial Institution

Except as set forth below, this policy does not restrict the percentage of the portfolio which may be invested in Authorized Investments of a single issuer or Financial Institution.

1. **Repurchase Agreements**-- no more than 50% of the maximum portfolio percentage amount allowed by 5A of this CTA Investment Policy for investment in Repurchase Agreements may be invested in Repurchase Agreements with a single Financial Institution.

2. **Certificates of Deposit**-- no more than 30% of the maximum portfolio percentage amount allowed by 5A of this CTA Investment Policy for investment in Certificates of Deposit may be invested in Certificates of Deposit of a single issuer of such Certificates.

3. **Commercial Paper**-- no more than 50% of the maximum portfolio percentage amount allowed by 5A of this CTA Investment Policy for investment in Commercial Paper may be invested in Commercial Paper of a single issuer of such Commercial Paper.

6. REGISTRATION, SAFEKEEPING, CUSTODIAL ACCOUNTS, AND COLLATERAL

A. Collateral Requirements

Whenever funds of the Authority are to be deposited in a financial institution in an amount which causes the total amount of the Authority's funds deposited with such institution to exceed the amount which is protected by the Federal Deposit Insurance Corporation (the "FDIC"), the Treasurer shall require that all of the Authority's deposits which exceed the amount insured by the

FDIC shall be collateralized, at the rate of 102% of such deposit, by: bonds, notes, certificates of indebtedness, treasury bills or other securities which are guaranteed by the full faith and credit of the United States of America as to principal and interest or, at the rate of 110% of such deposit, by: bonds, notes, debentures or other similar obligations of Agencies of the United States of America or FANNIE MAE (as defined in the Authorized Investments section of this CTA Investment Policy).

B. Custodial Safekeeping

Whenever the Authority purchases investment securities (including, without limiting the generality of the foregoing, bonds, notes, certificates, bills, and debentures), regardless of whether such investment securities are in paper or book-entry form, the investment securities shall be held by a custodial bank appointed by the Chicago Transit Board and pursuant to a written custodial agreement.

Whenever the Authority enters into repurchase agreements for investment securities, the investment securities (including, without limiting the generality of the foregoing, bonds, notes, certificates, bills, and debentures), regardless of whether such investment securities are in paper or book-entry form, shall be held by a custodial bank appointed by the Chicago Transit Board and pursuant to a written custodial agreement.

C. Registration

In accordance with Section 3 of the Act, whenever Authorized Investments purchased by the Authority are issuable to a designated payee or to the order of a designated payee, then the Authority shall be so designated, and further, if such Authorized Investments are purchased with money taken from a particular fund of the Authority, the name of the fund shall be added to that of the Authority. If any such Authorized Investments are registerable, either as to principal or interest, or both, then such Authorized Investments shall be so registered in the name of the Authority, and in the name of the fund to which they are to be credited.

7. INTERNAL CONTROLS AND OPERATIONAL PROCEDURES

There shall be established a system of internal controls and written operational procedures designed to prevent losses of funds that might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the Authority (the "Internal Controls"). The Internal Controls shall be reviewed annually by the Authority's independent auditor. The Authority's Treasurer shall be responsible for establishing and implementing the Internal Controls and written operational procedures of the Authority's investment program.

8. REVIEW OF INVESTMENT PORTFOLIO; REPORTS AND PERFORMANCE MEASURES

A. Daily Activity Reports and Monitoring

The CTA Treasurer shall require either the CTA Treasury Department staff or other CTA staff as designated by the Treasurer to generate daily activity reports for all CTA funds for management purposes. These daily activity reports shall indicate the balance of all funds, disbursements, deposits, investment transactions, investments held and such other information as the Treasurer deems necessary. The contents of the portfolio, available markets, and the relative value of competing instruments shall be monitored on a daily basis, and the portfolio mix shall be adjusted as necessary to conform to the requirements of this CTA Investment Policy.

B. Monthly Portfolio Review

Every month the CTA Treasurer shall require either the CTA Treasury Department staff or other CTA staff as designated by the Treasurer to prepare for the Treasurer's review an investment summary which addresses: 1) the investment portfolio, 2) the effectiveness of the portfolio in meeting the CTA's need for safety of its investments, 3) liquidity, 4) rate of return, 5) diversification, 6) general performance and 7) such other matters as the Treasurer may require.

C. Quarterly Reports and Performance Measures

The Treasurer shall submit quarterly reports of investment activities to the Chairman and members of the Chicago Transit Board. Such quarterly reports shall include data on overall portfolio performance and shall also include information on the investments in the portfolio by: 1) type; 2) issuer; 3) interest rate; 4) maturity; 5) book value; 6) income earned; and 7) current market value.

The investment portfolio shall be managed in a manner to attain a competitive market rate of return throughout budgetary and economic cycles while preserving and protecting capital in the overall portfolio. The Authority's investment portfolio shall be planned with the objective of regularly exceeding the average return on three-month U.S. Treasury bills. Each Quarterly Report shall compare the performance of the Authority's investment portfolio to the three-month U.S. Treasury bill benchmark and/or other appropriate benchmark(s).

D. Annual Report

The Treasurer shall prepare an inventory and account of all bonds and securities owned by the Authority, on an annual basis, as required by Section 10 of the Chicago Transit Authority's Bylaws, as amended from time to time.

**9. SELECTION OF INVESTMENT ADVISORS, MONEY MANAGERS,
AND FINANCIAL INSTITUTIONS, AND MINORITY AND WOMEN-OWNED
BUSINESSES**

A. General Requirements

1 Definitions

a. Financial Institution

For purposes of this CTA Investment Policy, a "Financial Institution" is: 1) a bank depository; 2) a bank which issues certificates of deposit; 3) any person or entity (whether a bank or a broker/dealer) which enters into a security repurchase transaction with the Authority; 4) a custodian of securities or funds; or 5) any person or entity which sells Authorized Investments to the Authority (whether a bank or a broker/dealer).

b. Investment Advisor

For purposes of this CTA Investment Policy an "Investment Advisor" is a person or entity with which the Authority enters into a contract to provide professional investment advice to the Authority.

c. Money Manager

For purposes of this CTA Investment Policy a "Money Manager" is a person or entity which the Authority enters into a contract with to select and manage Authorized Investments for the Authority.

2) Commencing January 1, 2000, all Financial Institutions, Investment Advisors and Money Managers utilized by the Authority must:

- a. Be licensed to do business in the State of Illinois;
- b. Provide written certification that the institution's supervising investment officer has reviewed and agrees to comply with the Act and the CTA Investment Policy. Certification must be in place prior to acceptance of funds or engaging in investment transactions with CTA.) In addition, the supervising officer shall agree to exercise due diligence in monitoring the activities of the officers and subordinate staff members engaged in transactions with the CTA;
- c. Have staff that is trained in the precautions appropriate to public-sector investments.

- d. Agree to disclose potential conflicts or risks to public funds that might arise out of business transactions between the firm/depository and the CTA; and
- e. Agree to undertake reasonable efforts to preclude imprudent transactions involving the CTA's funds.

B. Selection of Financial Institutions

Commencing January 1, 2000, and every two years thereafter, the Authority shall follow a Letters of Interest and Qualifications ("LIQ") process and issue Requests for Letters of Interest and Qualifications ("Request for LIQs") for institutions that may be interested in acting as Financial Institutions, other than a custodial bank, for the Authority. All Financial Institutions evaluated and qualified through the LIQ process shall be submitted to the Chicago Transit Board for its approval.

The Request for LIQs shall require the interested Financial Institutions to submit, with their LIQ responses, the following documents (where applicable):

- 1) Its most current audited financial statements which indicate that the Financial Institution is in compliance with generally accepted accounting principles, and that its financial statements present fairly, in all material respects, the financial position of the Financial Institution without qualification;
- 2) Its most recent Consolidated Report of Conditions ("call report");
- 3) Its current statements which have been furnished to the Commissioner of Banks and Trust Companies or to the Controller of the Currency. The Financial Institution must also agree to provide to the Authority all future statements which it must furnish to the Commissioner of Banks and Trust Companies or to the Controller of the Currency;
- 4) The appropriate regulatory agency's evaluation of the Financial Institution's record of meeting the credit needs of its entire community, including low and moderate-income neighborhoods pursuant to the Community Reinvestment Act of 1977.³ The overall results of the evaluation must indicate a satisfactory record of meeting community needs; and
- 5) Such other pertinent information as the Treasurer deems appropriate.

³ 12 U.S.C.A. § 2901 et. seq.

After the effective date of this CTA Investment Policy, selection of any custodial bank shall be pursuant to an RFP selection process. Any contract for custodial bank services shall be submitted to the Chicago Transit Board for its approval.

C. Selection of Investment Advisors and Money Managers

The selection of professional Investment Advisors and/or Money Managers, when needed, shall be pursuant to an LIQ or Request for Proposal ("RFP") procurement process, as appropriate, which procurement process shall be conducted in accordance with applicable Authority requirements regarding the procurement of professional services. The Treasurer shall establish the criteria used to evaluate the LIQ or RFP responses. All Investment Advisors and/or Money Managers evaluated and qualified through such LIQ or RFP procurement process shall be submitted to the Chicago Transit Board for its approval.

All contracts for Investment Advisors and Money Managers must include provisions which require compliance with the requirements of this CTA Investment Policy. Such contracts shall also provide that only Authorized Investments may be purchased, and all such Authorized Investments must be registered in the name of the Authority and be held by an Authority-approved custodial bank. Such contracts shall also set forth any applicable investment limitations and procedures which are in addition to the limitations stated in this CTA Investment Policy. Such contracts shall also include such information reporting requirements as the Treasurer may require.

D. Minority and Women-Owned Financial Institutions, Money Managers, and Financial Advisors

In addition to the requirements stated hereinabove under "A. General Requirements" and "B. Selection of Financial Institutions," Minority and Women-Owned Financial Institutions must be approved by the Authority's DBE/EEO/Contract Compliance Department as minority-owned or women-owned Financial Institutions.

The goals for minority and women-owned Financial Institutions, Money Managers and Financial Advisors shall be as established by the Chicago Transit Board from time to time.

In addition to the above, as required by 49 CFR Part 26, Section 26.27, the Authority shall thoroughly investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in its community and will make reasonable efforts to use these institutions. The Authority will also encourage its prime contractors to use such institutions.

10. ETHICS AND CONFLICTS OF INTEREST

The Authority's policies, rules, and requirements regarding ethics and conflicts of interest are stated in the CTA Ethics Ordinance. (CTA Ordinance 89-88, as amended, also known as the Chicago Transit Authority Code of Ethics.) Such Authority policies, rules, and requirements regarding ethics and conflicts of interest are in addition to the statutory prohibitions specified in the Act and any other Illinois laws.

11. AUTHORIZATION

This CTA Investment Policy has been authorized by Chicago Transit Board Ordinance No. 99-__ .

Appendix B

Special Conditions - Disadvantageous Business Enterprises (DBE) Commitment

**SPECIAL CONDITIONS
DISADVANTAGED BUSINESS ENTERPRISE COMMITMENT
REQUEST FOR PROPOSALS AND LETTERS OF
INTEREST AND QUALIFICATIONS**

I. POLICY AND TERMS

- A. It is the policy of the Chicago Transit Authority to create a level playing field on which Disadvantaged Business Enterprises (DBE) as defined in United States Department of Transportation (USDOT) Regulation 49 C.F.R. Part 26 can compete fairly for contracts financed in whole or in part with funds provided by the Illinois Department of Transportation (IDOT), Regional Transportation Authority (RTA) and the City of Chicago (City).

- B. The Authority has established the following DBE participation goal for this project:

Disadvantaged Business Enterprise Goal: 30%

- C. The submitted LIQ proposal is to include a written commitment that the proposer will comply with the DBE goal.
- D. The DBE participation goal shall be expressed as a percentage of the total contract price. The proposer may also meet the goal by showing good faith efforts to meet the goal as described in 49 C.F.R. Part 26 and as set forth in Section V below.
- E. The DBE participation goal shall apply to the total dollar value of this contract, inclusive of all amendments, modifications, options and change orders. The proposer agrees to make its best effort to include DBE participation in any contract modification work.
- F. The goal may be met, as further explained in Section IV hereof, by proposer's status as a DBE, by a joint venture with one or more DBEs, by subcontracting a portion of the work to one or more DBEs, by the purchase of materials used in the performance of the contract from one or more DBEs or by any combination of the above or through a showing of good faith efforts as defined in Section V hereof.
- G. All documentation of good faith efforts by a proposer must be included in the envelope or package containing the proposal.
- H. The Authority prohibits agreements between a proposer and a DBE in which the DBE promises not to provide subcontracting quotations to other proposers.

II. DEFINITIONS

- A. **"Area of Specialty"** means the description of the DBE's business, which has been determined by the IL UCP, to be most reflective of the DBE's claimed specialty or expertise. Credit toward the DBE participation goal for this contract shall be limited to the participation of firms performing within their Area of Specialty. The Authority reserves the right to investigate and determine active DBE participation and applicable DBE credit specifically identified for this contract prior to award.

NOTICE: The Authority does not make any representations concerning the ability of any DBE to perform work within its Area of Specialty. It is the responsibility of the proposer to determine the capability and capacity of the DBE firms to satisfactorily perform the work proposed.

- B. **"Disadvantaged Business Enterprise" or "DBE"** means a small business certified by the Illinois Universal Certification Program (IL UCP) as a business owned and controlled by socially and economically disadvantaged individuals in accordance with USDOT Regulation 49 CFR, Part 26.
- C. **"Directory"** means the Directory of Certified Disadvantaged Business Enterprises maintained and published by IL UCP and entitled the "IL UCP DBE Directory". The directory is available at the Authority's web site.. Proposers are responsible for verifying the current certification status of all proposed DBE's.
- D. **"Good Faith Efforts"** means efforts to achieve a DBE contract goal as specified in 49 CFR, Part 26 and Section V hereof.
- E. **"IL UCP"** means the Illinois Unified Certification Program.
- F. **"Joint Venture"** means an association of two or more businesses to carry out a single business enterprise for profit, and for which purpose they combine their expertise, property, capital, efforts, skill and knowledge. Proposers may develop joint venture agreements as an instrument to provide participation by DBEs in contract work. A joint venture seeking to be credited for DBE participation may be formed among DBE firms or between a DBE firm and non-DBE firm.

In order to qualify for credit as a DBE, the DBE must be responsible for a distinct, clearly defined portion of the work and the DBE must share in the capital contribution, control, management, risks and profits of the joint venture commensurate with its ownership interest.

- G. **"LIQ"** means a Letter of Interest and Qualifications.
- H. **"Proposal"** includes the following Authority purchasing requests: Request for Proposals (RFP).

- I. **"Proposer"** includes bidders, consultants and contractors as well as proposers. The terms "Proposer," "Consultant," "Bidder" and "Contractor" may be used interchangeably in these Special Conditions.
- J. **"Purchasing Agent"** means the Authority employee who holds the position of General Manager, Purchasing, or the successor position.
- K. **"Small Business Concern"** means a small business as defined pursuant to Section 3 of the Small Business Act and relevant regulations promulgated pursuant thereto except that a small business concern shall not include any concern or groups of concerns controlled by the same socially and economically disadvantaged individual or individuals which has annual average gross receipts in excess of \$19.570 million, or as revised from time to time, over the three (3) previous fiscal years.
- L. **"Socially and Economically Disadvantaged Individuals"** means any individual who is a citizen of the United States (or lawfully admitted permanent residents) and who is in the following groups, the members of which are rebuttably presumed to be socially and economically disadvantaged:
1. **"Black Americans"**, which includes persons having origins in any of the Black racial groups of Africa;
 2. **"Hispanic Americans"**, which includes persons of Mexican, Puerto Rican, Cuban, Dominican, Central or South American, or other Spanish or Portuguese culture or origin, regardless of race;
 3. **"Native Americans"**, which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;
 4. **"Asian-Pacific Americans"**, which includes persons whose origins are from Japan, China, Taiwan, Korea, Burma (Myanmar), Thailand, Malaysia, Indonesia, Vietnam, Laos, Cambodia (Kampuchea), the Philippines, Brunei, Samoa, Guam, the U.S. Trust Territories of the Pacific (Republic of Palau), and the Commonwealth of the Northern Marianas Islands, Macao, Fiji, Tonga, Kiribati, Jauvlu, Nauru, Federated States of Micronesia or Hong Kong; and
 5. **"Subcontinent Asian Americans"**, which includes persons whose origins are from India, Pakistan, Bangladesh, Bhutan, the Maldives Islands, Nepal or Sri Lanka.
 6. **Women.**
 7. Any additional groups whose members are designated as socially and

economically disadvantaged by the SBA, at such time as the SBA designation becomes effective.

The General Manager, DBE Program, may determine on a case-by-case basis that individuals who are not members of one of the above-listed groups are socially and economically disadvantaged.

III. JOINT VENTURES

Contractors may develop joint venture agreements. A joint venture seeking to be credited for DBE participation may be formed among DBE firms or between a DBE firm and a non-DBE firm. The General Manager, DBE Program, will evaluate the joint venture agreement submitted on behalf of the proposed joint venture and all related documents to determine whether the DBE requirements have been satisfied. In addition, the General Manager, DBE Program, will consider the record of the joint venturers as joint venturers on other CTA contracts, if any. The decision of the General Manager, DBE Program, regarding eligibility of the joint venture shall be final.

A joint venture is eligible to receive DBE credit if, and only if, all of the following requirements are satisfied:

1. the DBE joint venturer(s) share in the 1) ownership, 2) control, 3) management responsibilities, 4) risks and 5) profits of the joint venture in proportion with the DBE ownership percentage; and
2. the DBE joint venturer(s) are responsible for a clearly defined portion of the work to be performed in proportion with the DBE ownership percentage.

NOTE: DBE/non-DBE joint venturers are creditable at any tier. Whenever a joint venture is proposed as the prime contractor, the Authority requires that each joint venturer sign the proposal submitted to the Authority.

IV. COUNTING DBE PARTICIPATION TOWARD THE CONTRACT GOAL

The inclusion of any DBE by the proposer in its proposal documents shall not conclusively establish the proposer's eligibility for full DBE credit for the firm's participation in the contract. The amount of DBE participation credit shall be based upon an analysis by the General Manager, DBE Program, of the specific duties, which will be performed by the DBE.

The proposer may count toward its DBE goal only expenditures to firms which are currently certified with the IL UCP and which perform a commercially useful function. A firm is considered to perform a commercially useful function when it is responsible for the performance of a distinct element of

the work and carries out its responsibilities by actually performing, managing and supervising the work involved.

To determine whether a firm is performing a commercially useful function, the General Manager, DBE Program, will evaluate the amount of work subcontracted, industry practices and other relevant factors. The General Manager, DBE Program, reserves the right to deny or limit DBE credit to the proposer where any DBE is found to be engaged in substantial pass-through activities with others. DBE participation shall be counted toward the DBE goal in the contract as follows:

- A. Once a DBE is determined to be eligible in accordance with these rules, the total dollar value of the contract awarded to the DBE may be counted toward the DBE goal except as indicated below.
- B. A proposer may count toward its DBE goal that portion of the total dollar value of a contract with an eligible joint venture equal to the distinct, clearly defined portion of the work of the contract that the DBE performs with its own forces.
- C. Consistent with normal industry practices, a DBE may enter into subcontracts. If a DBE subcontracts more than thirty percent (30%) or a significantly greater portion of the work of the contract than would be expected on the basis of normal industry practices, the DBE shall be presumed not to be performing a commercially useful function. Evidence may be presented by the proposer involved to rebut this presumption.
- D. When a DBE subcontracts a part of the work under the contract to another firm, the value of the subcontracted work may only be counted towards the DBE goal if the DBE's subcontractor is itself a DBE. Work that a DBE subcontracts to a non-DBE firm does not count towards the DBE goal.
- E. The proposer may count one-hundred percent (100%) of its expenditures for materials and supplies required under the contract and which are obtained from a DBE manufacturer towards the DBE goal. The proposer may count sixty percent (60%) of its expenditures for material and supplies under the contract obtained from a DBE regular dealer towards its DBE goal. The terms "manufacturer" and "regular dealer" are defined in 49 C.F.R. Part 26.55(e) (1)(ii) and (2)(ii).
- F. The proposer may count towards its DBE goal expenditures to DBEs which are not manufacturers or regular dealers, such as fees or commissions charged for services and assistance in the procurement of essential personnel, facilities, equipment, materials or supplies and transportation charges as set forth in 49 C.F.R. Part 26. However, the General Manager, DBE Program, must determine the fee or charge to be reasonable and not excessive as compared with fees or charges customarily allowed for similar services.

- G. The proposer must use good business judgment when negotiating with subcontractors and take a DBE's price and capabilities into consideration. The fact that there may be some additional costs involved in finding and using DBE firms is not sufficient reason to fail to meet the DBE goal set forth in the contract, as long as such costs are reasonable.

V. GOOD FAITH EFFORTS

In order to be determined responsible, a proposer must make good faith efforts to meet the DBE participation goal set forth in the contract. The proposer must document the good faith efforts it made in that regard. Thus, the Proposal submitted to the Authority must be accompanied by written documentation prepared by the proposer evidencing all of its sufficient and reasonable good faith efforts toward fulfilling the goal. These efforts must be active steps, and ones, which could reasonably be expected to lead to sufficient DBE participation to meet the contract DBE participation goal. Mere *pro forma* efforts are not acceptable and will be rejected by the General Manager, DBE Program.

Good Faith Efforts require that the proposer consider all qualified DBEs, who express an interest in performing work under the contract. This means that the proposer cannot reject a DBE as unqualified unless the proposer has sound reasons based on a thorough investigation of the DBE's capabilities. Further, the DBE's standing within its industry, membership in specific groups, organizations or associations and political or social affiliation (for example, union vs. non-union employee status) are not legitimate causes for the rejection or non-solicitation of proposals in the Contractor's efforts to meet the contract DBE participation goal.

The following list, which is not exclusive or exhaustive, sets forth the types of actions, which indicate good faith efforts on the part of a proposer to meet the DBE goal. The extent and type of actions required will vary depending on such things as industry practice; the time available for submitting a proposal and the type of contract involved.

- A. Attendance at a pre-proposal meeting, if any, scheduled by the Authority to inform DBEs of subcontracting opportunities under a given solicitation.
- B. Advertisement in general circulation media, trade association publications, and minority-focus media for at least twenty (20) days before proposals are due. If 20 days are not available, publication for a shorter reasonable time is acceptable.
- C. Written notification to capable DBEs that their interest in the contract is solicited.
- D. Documentation of efforts to negotiate with DBEs for specific sub-contracts including at a minimum:
 - 1. The names, addresses, and telephone numbers of DBEs that were

contacted and the date(s) of contact.

2. A description of the information provided to DBEs regarding the plans and specifications for portions of the work to be performed.
 3. A statement explaining why additional agreements with DBEs were not reached.
- E. For each DBE the proposer contacted but rejected as unqualified, the reason for the proposer's conclusion.
- F. Documentation of efforts made to assist the DBEs contacted that needed assistance in obtaining bonding or insurance required by the proposer or the Authority.
- G. Documentation of efforts to utilize the services of small business organizations, community and contractor groups to locate qualified DBEs.
- H. Documentation that the proposer has broken out contract work items into economically feasible units in fields where there are available DBE firms to perform the work.
- I. Evidence that adequate information was provided to interested DBEs about the plans, specifications and requirements of the contract, and that such information was communicated in a timely manner.
- J. Documentation of any efforts made to assist interested DBEs in obtaining necessary equipment, supplies, materials or related assistance or services.
- K. Documentation of use of DBEs on other contracts with the Authority.

VI. PROCEDURE TO DETERMINE PROPOSAL COMPLIANCE

The proposer **MUST** complete and sign Schedules B and D to the Contract documents and must sign Schedule C. Schedule C **MUST** be completed and signed by the DBE subcontractor(s). The Schedules **MUST** be submitted at the same time as or prior to submittal of the sealed proposal or promptly upon request from the Authority, when applicable. In addition, any documentation evidencing the proposer's good faith efforts to meet the contract DBE goal must be submitted concurrently with submission of said Schedules. Any proposers submitting proposals without completed and executed Schedules B, C & D and/or evidence of good faith efforts, if applicable will be deemed non-responsible. Proposers who have not submitted Schedules B, C and D with their proposals and who do not submit such Schedules promptly upon request from the Authority will have their proposals rejected by the Authority.

A. Letters of Certification

1. A copy of each proposed DBE firm's current Letter of Certification or Re-certification from the IL UCP must be submitted with the proposal. **ALL CERTIFICATIONS BY THE IL UCP MUST BE PRE-CERTIFICATIONS.** This means that the DBE's certification must be issued by the IL UCP before the due date for proposals.
2. All Letters of Certification or Re-certification issued by the IL UCP include a statement of the DBE firm's area of specialization (see Section IV. COUNTING DBE PARTICIPATION TOWARD THE CONTRACT GOAL). The DBE firm's scope of work set forth on Schedule C must conform to its stated area of specialization. Where a DBE is proposed to perform work not covered by its area of specialization, the DBE firm must request an expansion of its area of specialization from its certifying agency in writing prior to the time set by the Authority for proposal opening. Further, the DBE's request must be agreed to by the General Manager, DBE Program, and the DBE firm must be certified prior to the **DUE DATE FOR PROPOSALS.**

B. Joint Ventures

1. Where the proposer proposes to include in its proposal a DBE, which is a joint venturer, the proposer must submit a fully executed copy of the joint venture agreement as well as a completed Schedule B with its proposal. The joint venture agreement must show that the DBE firm will be responsible for a clearly defined portion of the work to be performed, and that the DBE firm's capital contribution, control, management, risks and profits are commensurate with its ownership interest.
2. Further, the proposed joint venture agreement shall include specific details related to: 1) contributions of capital and equipment; 2) work items to be performed by the DBE's own forces; 3) work items to be performed under the supervision of the DBE; 4) the DBE management, supervisory and operating personnel to be dedicated to the performance of the project; and 5) the authority of each joint venturer to contractually obligate the joint venture and to expend funds. Failure to submit a copy of the joint venture agreement will cause the firm to be considered by the Authority to be non-responsible.

VII. REPORTING REQUIREMENTS DURING THE TERM OF THE CONTRACT

- A. The proposer shall, within five (5) calendar days of contract award, or prior to any work being performed by the DBE subcontractor, execute written subcontracts or purchase orders with the DBE subcontractors included in the proposal. In the event the proposer cannot complete the agreement with one or more DBE

subcontractors within this five day period, the proposer must provide a written explanation for the delay and an estimated date by which the written agreement will be completed to the General Manager, DBE Program. These written agreements shall be made available to the General Manager, DBE Program, upon request. All contracts between the proposer and its subcontractors must contain a prompt payment clause as required by the Local Government Prompt Payment Act , 50 ILCS 505/9. (See section X.C. hereof.)

- B. During the term of annual contracts, the proposer shall submit regular "Status Reports of DBE Subcontract Payments" in a form acceptable to the Authority. The frequency with which these reports are to be submitted will be determined by the General Manager, DBE Program, but in no event will reports be required less frequently than quarterly. **In the absence of written notice from the General Manager, DBE Program, the proposer's first "Status Report of DBE Subcontract Payments" will be due ninety (90) days after the date of contract award, with additional reports due quarterly thereafter.**
- C. In the case of a one-time procurement with either a single or multiple deliveries, a "Status Report of DBE Subcontract Payments," in a form acceptable to the Authority, indicating final DBE payments shall be submitted directly to the General Manager, DBE Program. This status report must be submitted prior to or at the same time as the proposer submits its final invoice to the Authority user department identified in the solicitation. (NOTICE: The original invoices must be submitted directly to the Authority department identified in the contract documents and the Status Report of DBE Subcontract Payments must be submitted directly to the General Manager, DBE Program.) **Failure to follow these directions may delay final payment.**
- D. The address for the General Manager, DBE Program, is: CTA General Manager, DBE/EEO Programs/Contract Compliance Department, 567 W. Lake Street, P.O.Box 7562, Chicago, IL 60680-7562.

IX. DBE SUBSTITUTIONS

- A. Arbitrary changes by the proposer of the commitments previously indicated in **Schedule D** are prohibited. No changes may be made by the proposer to the DBE firms listed on Schedule D after the opening of proposals but prior to contract award. However, in the event the Purchasing Agent, after consulting with the DBE Department, determines that a critical DBE subcontractor is non-responsible, the Authority may require that proposer replace the non-responsible DBE subcontractor prior to contract award. In that event, proposer must replace the non-responsible DBE subcontractor with a responsible, certified DBE subcontractor or show adequate good faith efforts as set forth Section V hereof, must submit all information required in subsection C.5 hereof, and must receive the prior written approval of the General Manager, DBE Program for such substitution.

- B. Further, after entering into each approved DBE subcontract, the Contractor shall neither terminate the subcontract for convenience, nor reduce the scope of the work to be performed by the DBE, nor decrease the price to the DBE, without receiving prior written approval of the General Manager, DBE Program. Such approval is required even if the DBE agrees with the change to the DBE's contract desired by the Contractor.
- C. It may become necessary, at times, to substitute a new subcontractor in order to complete the contract work. The substitution procedure to be followed is:
1. The Contractor must immediately notify the General Manager, DBE Program, in writing, of the proposed substitution of subcontractor. The Contractor's notification must include the specific reasons it intends to reduce the scope of or terminate a DBE subcontract; adequate documentation to support the Contractor's proposed action; and a proposed substitute firm to complete the DBE's portion of work.
 2. The following is a non-exclusive list of the types of reasons, which justify substitution: the DBE was found not to be able to perform, or not to be able to perform on time; the DBE's work product was not acceptable; the DBE demands an unreasonable escalation of its price.
 3. The following is a non-exclusive list of the types of reasons which do not justify substitution: a replacement firm has been recruited by the Contractor to perform the same work under more advantageous terms; performance issues by the DBE were disputed and every reasonable effort to have the dispute resolved or mediated has not been taken; the DBE has requested a reasonable price escalation which may be justified due to unforeseen circumstances (e.g., a change in scope of DBE's work).
 4. If the subcontractor to be substituted for the DBE is not a DBE, the Contractor must show adequate good faith efforts as set forth in Section V hereof.
 5. The Contractor's request for approval of a substitution must include the name, address, and principal official of the proposed substitute subcontractor and the dollar value and scope of work of the proposed subcontract. If the new subcontractor is a DBE, all DBE affidavits and documents required by **Schedule C** shall be attached.
 6. The Authority will evaluate the submitted documentation and respond within fifteen (15) calendar days to the request for approval of a substitution. The Authority's response may approve the request, seek more information, and request an interview to clarify the problem or reject the proposed DBE substitution, with the reasons for the rejection stated in

the Authority's response. In the case of an expressed emergency need to receive the necessary decision for the sake of job progress, the Authority will respond as soon as practicable.

7. Actual substitution by the Contractor may not be made prior to the Authority's approval. Once notified of the Authority's approval, the substitute subcontract must be executed within five (5) calendar days, and a copy submitted to the General Manager, DBE Program.
- C. The Authority will not approve extra payment for escalated costs incurred by the Contractor when a substitution of subcontractors becomes necessary in order to comply with the DBE requirements of the contract.

X. NON-COMPLIANCE

- A. Failure to comply with the DBE requirements of the contract or failure to use DBEs as stated in the proposal constitutes a material breach of contract. The General Manager, DBE Program, shall have the discretion to recommend to the Authority's Purchasing Agent that the Purchasing Agent apply suitable sanctions to the Contractor if the Contractor is found to be in non-compliance with the DBE requirements. Such sanctions include, but are not limited to, withholding payment to the Contractor until corrective action is taken; suspension and/or termination of the contract, in whole or in part; and debarring or suspending the Contractor from entering into future contracts with the Authority.
- B. The failure by the Contractor to use a DBE subcontractor to the extent the Contractor committed to use said DBE gives the underutilized DBE subcontractor specific contract remedies, including the right to damages, the right to resolve the dispute by binding arbitration before an independent arbitrator and the right to recover its reasonable expenses, including attorneys' fees, if the DBE is the prevailing party, as follows:
1. Damages. In the event the Contractor has not complied with the contractual DBE percentage and the change to the contractual DBE usage has not been approved by the Authority, an affected DBE may recover from the Contractor damages suffered by said DBE as a result of being underutilized. This provision is intended for the benefit of any DBE affected by underutilization and grants such entity third party beneficiary rights. Any rights conferred by this provision are non-waivable and take precedence over any conflicting provisions in the agreement between the Contractor and the DBE.
 2. Arbitration procedures. If requested by the DBE, the DBE shall have the right to initiate binding arbitration of any dispute concerning damages suffered as a result of being underutilized. A DBE desiring to arbitrate must notify the Contractor in writing to initiate the arbitration process.

Unless the affected parties agree to a different schedule in writing, within ten (10) days of receipt by the Contractor of the intent to arbitrate from the DBE, the above-described disputes must be arbitrated in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), a not-for-profit agency, with an office at 225 North Michigan Avenue, Suite 2527, Chicago, Illinois 60601-7601. All such arbitrations must be initiated by the DBE filing a demand for arbitration with the AAA; must be conducted by the AAA; and must be held in Chicago, Illinois.

3. Fees. All fees of the arbitrator are the initial responsibility of the DBE; provided, however, that the arbitrator is authorized to award reasonable expenses, including attorneys' and arbitrator fees, as damages to a prevailing DBE.
 4. Entry of judgment. Judgment upon the award rendered by the arbitrator may be entered in any court of competent jurisdiction.
- C. If the Contractor does not pay any subcontractor or material supplier listed on a pay request, or if a subcontractor or material supplier does not pay any lower tier subcontractor or supplier, within the 15 day time limit set forth in the Local Government Prompt Payment Act, 50 ILCS 5055/9 ("Prompt Payment Act"), the Contractor must pay the subcontractor/material supplier an additional amount for interest at the rate of two percent (2%) per month (or, the amount provided in the Prompt Payment Act, as amended) on the outstanding balance, for each month, prorated per diem for any partial month, that the Contractor fails or refuses to pay the subcontractor/supplier. Provided that, in the event the Contractor receives less than full payment from the Authority and/or the Contractor has rejected the subcontractor/supplier's work or materials, the Contractor's obligations to make payment are limited by the provisions of the Prompt Payment Act. All agreements between the Contractor and its subcontractors/supplier and with lower tier subcontractors/suppliers must provide for payment and interest as set forth herein.
- D. The Contractor agrees to include the following assurance in all of its subcontracts: "The Contractor and subcontractor shall comply with the requirements of the Illinois Human Rights Act (775 ILCS 5/1-100, et seq.) and the Illinois Public Works Employment Discrimination Act (775 ILCS 5/10/0.01, et seq) and shall refrain from unlawful discrimination under Illinois law in the performance of this contract. The failure by the Contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the Authority deems appropriate."

X. RECORD KEEPING

The Contractor shall maintain records of all relevant data with respect to the utilization of DBEs and shall retain these records for a period of at least three (3) years after final acceptance of the work. Full access to said records shall be granted to the Authority and its Inspector General, its Federal and/or State funding agencies, the U.S. Department of Justice, the USDOT and any duly authorized representatives thereof. In addition, the Contractor shall, at all times, cooperate with the Authority's Inspector General.

The Proposer must also create a bidders list, consisting of information about all subcontractors that submitted a proposal or a quote. The bidders list must include the name, address, DBE/non-DBE status, age of firm and the appropriate range of annual gross receipts. The form for the bidders list suggested by the Authority can be found in the DBE forms section of the IFB documents. Failure to submit this information will result in the firm being deemed non-responsible for the contract.

X. MINORITY FINANCIAL INSTITUTIONS

The proposer is encouraged to utilize financial institutions owned and controlled by socially and economically disadvantaged individuals. Use of such institutions may be considered by the Authority as evidence of proposer's willingness to do business with DBEs. Information about such institutions is available in the Authority's DBE Program Directory, which is available on-line at www.transitchicago.com and a hard copy is available at the Authority's DBE Program Office, 567 W. Lake Street, 4th floor, Chicago, Illinois 60661-1498.

Technical Assistance Agencies

The following agencies are available to the prospective proposers for assistance.

Asian American Alliance
222 W. Cermak Road, #303
Chicago, IL 60616
Ph: (312) 326-2200
Website: asianamericanalliance.com

Black Contractors United (BCU)*
400 W. 76th St., Suite 200
Chicago, IL 60620
Ph: (773) 483-4000
E-mail: bcunewera@ameritech.net

**Bond Guarantee Program
Surety Bond**
c/o Carol Harris
500 W. Madison St., Suite 1250
Chicago, IL 60661
Ph: (312) 353-4528
Fax: (312) 353-1160
E-mail: carol.harris@sba.gov

Chicago Minority Business Development
11 S. LaSalle Ste. #850
Chicago, IL 60603
Ph: (312) 263-0105
Fax: (312) 263-0280
Website: cmbdc.org

Chicago Urban League*
1818 S. Paulina
Chicago, IL 60653
Ph: (773) 285-5800
Website: cul-chicago.org

Cosmopolitan Chamber of Commerce*
1455 South Michigan Avenue, Ste. #240
Chicago, IL 60604
Ph: (312) 786-0212
E-mail: cchamber@ameritech.net

Federation of Women Contractors*
330 S. Wells, Suite 1110
Chicago, IL 60606
Ph: (312) 360-1122
E-mail: fwcchicago@aol.com
**Hispanic-American Construction
Industry* (HACIA)**
901 W. Jackson Blvd., Suite #205
Chicago, IL 60607
Ph: (312) 666-5910
Website: www.hacia.org

**Latin American Chamber of Commerce of
Illinois***
3512 W. Fullerton
Chicago, IL 60647
Ph: (773) 252-5211
Website: www.laccl.com

**Mexican-American Chamber of
Commerce**
122 S. Michigan Avenue, Suite #1705
Chicago, IL 60603
Ph: (312) 554 - 0844
Website: maccbusiness.com

Chicagoland Chamber of Commerce & Industry

330 N. Wabash, Suite #2800

Chicago, IL 60611

Ph: (312) 494-6700

Website: chicagolandchamber.org

Rainbow/Push Coalition

930 E. 50th Street

Chicago, IL 60615

Website: www.rainbowpush.org

NAWBO NET

330 S. Wells, Suite 1110

Chicago, IL 60606

Ph: (312) 322-0990

Website: nawbochicago.org

Women's Business Development Center

c/o Hedy M. Ratner

8 South Michigan Avenue, Suite #400

Chicago, IL 60603

Ph: (312) 853-3477

Fax: (312) 853-0145

Website: www.wbdc.org

Project Information/DBE Directory of Certified local and Out-of-State Construction and Design DBEs.

Chicago Transit Authority

Project Information

c/o Reginald B. Lovelace

Purchasing Department

567 W. Lake Street

P.O. Box 7554

Chicago, IL 60680-7554

Ph: (312) 681-2400

Fax: (312) 681-2405

E-mail: rlovelace@transitchicago.com

Chicago Transit Authority

DBE Information

c/o Pamela Beavers

DBE/EEO Programs/Contract Compliance
Dept.

567 W. Lake Street

P.O. Box 7562

Chicago, IL 60680-7562

Ph: (312) 681-2600

Fax: (312) 681-2697

E-mail: pbeavers@transitchicago.com

Schedule B

AFFIDAVIT OF DBE/NON-DBE JOINT VENTURE

This Schedule B need not be submitted if all joint venturers are DBEs. In such a case, however, the written joint venture agreement and a copy of the current IL UCP Letter of Certification for each DBE must be submitted.

ALL INFORMATION REQUESTED BY THIS SCHEDULE MUST BE ANSWERED IN THE SPACES PROVIDED BY JOINT VENTURERS AT ANY TIER. ADDITIONAL SHEETS MAY BE ATTACHED.

- I. **Name of joint venture:** _____
Address of joint venture: _____

Phone number of joint venture: _____
- II. **Identify each non-DBE venturer(s):**
Name of Firm: _____
Address: _____
Phone: _____
Contact person for matters concerning DBE compliance: _____
- III. **Identify each DBE venturer(s):**
Name of Firm: _____
Address: _____
Phone: _____
Contact person for matters concerning DBE compliance: _____
- IV. **Describe the role(s) of the DBE venturer(s) in the joint venture:**

- V. **Attach a copy of the joint venture agreement.** In order to demonstrate the DBE venturer's share in the ownership, control management responsibilities, risks and profits of the joint venture, the proposed joint venture agreement must include specific details related to: (1) the contributions of capital and equipment; (2) work items to be performed by the DBE's own forces, (3) work items to be performed under the supervision of the DBE venturer; and (4) the commitment of management, supervisory and operative personnel employed by the DBE to be dedicated to the performance of the project.
- VI. **Attach a copy of the current IL UCP Letter of Certification for each DBE joint venturer.**
- VII. **Ownership of the Joint Venture:**
A. **What is the percentage(s) of DBE ownership in the joint venture?**

DBE ownership percentage(s): _____
Non-DBE ownership percentage(s): _____

Schedule B
AFFIDAVIT OF DBE/NON-DBE JOINT VENTURE

VII. Ownership of the Joint Venture (continued):

B. Specify DBE/non-DBE percentages for each of the following (provide narrative descriptions and other detail as applicable):

1. Sharing of profit and loss: _____

2. Capital contributions:

(a) Dollar amounts of initial contribution: _____

(b) Dollar amounts of anticipated on-going contributions: _____

3. Contributions of equipment (*specify types, quality and quantities of equipment to be provided by each venturer*):

4. Other applicable ownership interests, including ownership options or other agreements, which restrict or limit ownership and/or control:

5. Provide copies of all written agreements between venturers concerning this project.

6. Identify each current Chicago Transit Authority contract and each contract completed during the past two (2) years by either of the joint venture partners participating in this joint venture:

VIII. Control of and Participation in the Joint Venture. Identify by name and firm those individuals who are, or will be, responsible for and have the authority to engage in the following management functions and policy decisions. (Indicate any limitations to their authority such as dollar limits and co-signatory requirements.):

A. Joint venture check signing:

B. Authority to enter contracts on behalf of the joint venture:

Schedule B
AFFIDAVIT OF DBE/NON-DBE JOINT VENTURE

C. Signing, co-signing and/or collateralizing loans:

D. Acquisition of lines of credit:

E. Acquisition and indemnification of payment and performance bonds:

F. Negotiating and signing labor agreements:

G. Management of contract performance. *(Identify by name and firm only):*

1. Supervision of field operations:

2. Major purchases:

3. Estimating:

4. Engineering:

IX. Financial Controls of Joint Venture:

A. Which firm and/or individual will be responsible for keeping the books of account?

B. Identify the "managing partner," if any, and describe the means and measure of their compensation:

C. What authority does each venturer have to commit or obligate the other to insurance and bonding companies, financing institutions, suppliers, subcontractors, and/or other parties participating in the performance of this contract or the work of this project?

- X. State the approximate number of personnel (by trade) needed to perform the joint venture's work under this contract. Indicate whether they will be employees of the majority firm, DBE firm, or the joint venture.

[illegible]

If any personnel proposed for this project will be employees of the joint venture:

- A. Are any proposed joint venture employees currently employed by either venturer? _____
Employed by non-DBE (number): _____ Employed by DBE: _____
- B. Identify by name and firm the individual who will be responsible for joint venture hiring: _____

- XI. Please state any material facts and additional information pertinent to the control and structure of this joint venture.**

Schedule B
AFFIDAVIT OF DBE/NON-DBE JOINT VENTURE

The undersigned affirm that the foregoing statements are correct and include all material information necessary to identify and explain the terms and operations of our joint venture and the intended participation of each venturer in the undertaking. Further, the undersigned covenant and agree, under which work is done for CTA by the venturers, to provide to CTA current, complete and accurate information regarding actual joint venture work and the payment therefor, and any proposed changes to any provision of the joint venture, or those of each venturer relevant to the joint venture by authorized representatives of CTA, its Inspector General or any of its funding agencies.

Any misrepresentation regarding the status of a person or an entity in order to qualify for DBE status may result in conviction for a Class 2 felony, including a penalty for one and a half times the value of the contract. Material misrepresentation on any matter will also be grounds for terminating any contract which may be awarded, and for initiating action under federal or state laws concerning false statements.

NOTE: *If, after filing this Schedule B and before the completion of the joint venture's work on the project, there is any change in the information submitted, the joint venture must inform the General Manager, DBE Program directly in writing or through the prime contractor if the joint venture is a subcontractor.*

Name of DBE Partner Firm

Name of Non-DBE Partner Firm

Signature of Affiant

Signature of Affiant

Name and Title of Affiant (Type or Print)

Name and Title of Affiant (Type or Print)

Date

Date

On this _____ day of _____, 20____, the above-signed Officers of

(Name of Joint Venture)

personally known to me as the persons described in the foregoing Affidavit, acknowledged that they executed the same in the capacity therein stated and for the purpose therein contained.

IN WITNESS OF, I hereunto set my hand and official seal.

Signature of Notary Public

My Commission Expires: _____

SEAL

LETTER OF INTENT FROM DBE TO PERFORM AS SUBCONTRACTOR, SUPPLIER AND/OR CONSULTANT

Name of Project/Contract: _____

Job Order No.: _____

**Schedule C:
LETTER OF INTENT FROM DBE**

Sub-Contracting Levels

% _____ of the dollar amount of the DBE's subcontract will be sublet to non-DBE contractors.

% _____ of the dollar amount of the DBE's subcontract will be sublet to DBE contractors.

NOTICE: IF THE DBE WILL NOT BE SUB-SUBCONTRACTING ANY OF THE WORK DESCRIBED IN THIS SCHEDULE, A ZERO (0) MUST BE SHOWN IN EACH BLANK ABOVE.

NOTICE: IF MORE THAN THIRTY PERCENT (30%) OF THE DOLLAR AMOUNT OF THE DBE's SCOPE OF WORK WILL BE SUBLET, A BRIEF EXPLANATION AND DESCRIPTION OF THE WORK TO BE SUBLET MUST BE ATTACHED TO THIS SCHEDULE.

NOTICE: Any misrepresentation regarding the status of a person or an entity in order to qualify for DBE status may result in conviction for a Class 2 felony, including a penalty for one and a half times the value of the contract. Material misrepresentation on any matter will also be grounds for terminating any contract which may be awarded, and for initiating action under federal or state laws concerning false statements.

The undersigned will enter into a formal written agreement for the above work with you as Prime Contractor, conditioned upon your execution of a contract with the Chicago Transit Authority, and will do so within (5) five calendar days of your receipt of a signed contract from the Chicago Transit Authority.

(Signature of Owner, President or Authorized Agent of DBE)

Name/Title (Print)

Date

Phone

If proposing to perform as a DBE/non-DBE Joint Venture:

(Signature of Owner, President or Authorized Agent of non-DBE)

Name/Title (Print)

Date

Phone

On this _____ day of _____, 20____, the above-signed Officer

(Name of DBE company)

personally known to me as the persons described in the foregoing Affidavit, acknowledged that h/she executed the same in the capacity therein stated and for the purpose therein contained.

IN WITNESS OF, I hereunto set my hand and official seal.

Signature of Notary Public

My Commission Expires: _____

SEAL

Special Conditions-Disadvantaged Business Enterprise (Revised 7/27/06)

84693-1

Schedule D: DBE UTILIZATION PLAN

Bidder's or Proposer's failure to submit both pages of this form with its bid will result in the bid being rejected in its entirety

Name of Project/Contract: _____

Requisition No.: _____

Job Order No.: _____

State of _____

County (City) of _____

In connection with the above captioned contract, I HEREBY DECLARE AND AFFIRM that I am the

_____ and duly authorized representative of
(Title of Affiant)

(Name of Prime Contractor)

and that I have personally reviewed the material and facts set forth in and submitted with the attached Disadvantaged Business Enterprises (DBE) Schedules for each DBE. Listed below is/are the agreement(s) that correspond(s) with the Schedule C submitted by **each** DBE and **listed separately for each** DBE participating on the above mentioned contract:

DBE Firm(s)	Description/Type of Work (In Detail)	Dollar Amount of DBE Contract

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Total Dollar Amount for All DBE Contracts Listed Above: \$_____

**Schedule D:
AFFIDAVIT OF PRIME CONTRACTOR**

I hereby acknowledge that I have been advised of the following: Any misrepresentation regarding the status of a person or an entity in order to qualify for DBE status may result in conviction for a Class 2 felony, including a penalty for one and a half times the value of the contract. Material misrepresentation on any matter will also be grounds for terminating any contract which may be awarded, and for initiating action under federal or state laws concerning false statements.

To the best of my knowledge, information and belief, the facts and representations contained in the aforementioned attached Schedules are true and no material facts have been omitted.

The undersigned will enter into formal agreements with all listed DBE firms for work as indicated by this Schedule D and accompanying Schedules, and will enter into such agreements within five (5) calendar days after receipt of the contract executed by the Chicago Transit Authority. In the event the Prime Contractor cannot meet said five (5) day schedule, it must provide a written explanation for the delay and an estimate date by which the written agreement will be completed.

The Prime Contractor designated the following person as their DBE Liaison Officer:

(Name - Please Print or Type)

(Phone)

I do solemnly declare and affirm under penalty of perjury that the contents of the foregoing document are true and correct, and that I am authorized on behalf of the Prime Contractor to make this affidavit.

(Name of Prime Contractor - Print or Type)

(Signature)

(Name and Title of Affiant - Print or Type)

(Date)

On this _____ day of _____, 20____, the

(Title of Affiant)

(Name of Company)

personally known to me as the person described in the foregoing Affidavit, acknowledged that he/she executed the same in the capacity therein stated and for the purpose therein contained.

IN WITNESS OF, I hereunto set my hand and official seal.

Signature of Notary Public

My Commission Expires: _____

SEAL

Appendix C

Bid Protest Procedure

BID PROTEST PROCEDURES

SECTION I – AUTHORITY BID PROTEST PROCEDURE

- A. The Chicago Transit Authority (CTA/ Authority)** will hear and consider a bona fide bid protest regarding its procurement actions. It is anticipated that the majority of protests will be evaluated and finally decided by the Authority. Accordingly, the Authority intends to provide a thorough review of all bona fide bid protests. The Authority's primary concern, however, is the timely procurement of needed capital equipment, supplies or services. It does not intend to allow the filing of bid protests to unnecessarily delay the procurement process, especially if the protest involved is vexatious or frivolous in nature.

Notwithstanding the availability of these protest procedures, any interested party is encouraged to exhaust all methods described in the Contract Documents of resolving a procurement issue before filing a formal protest with the Authority. In its consideration of a bid protest, the Authority reserves the right to give due consideration to the good faith efforts of the protestor to resolve the issue involved through informal methods.

Note – The Federal Transit Administration (FTA) will be notified by the Authority of all formal, written protests, when FTA funds are involved.

B. Definitions for purposes of this section -

1. The term "days" refers to working days of the Authority.
2. The term "interested party" means any person (a) who is an actual bidder or prospective bidder in the procurement involved, and (b) whose direct economic interest would be affected by the award of the contract or by a failure to award the contract.

C. Submission of Protest

Any interested party may file a bid protest with the Authority on the basis that the Authority has failed to comply with applicable Federal or State law or with the Authority's Procurement Regulations. The protest must be filed in accordance with the timing requirements set forth in subsection D. "*Types of Protests and Timing*" of this section, and must include:

1. The name and address of the protestor.
2. The number of the contract solicitation.
3. A statement of the grounds for the protest, and in particular the Federal or State law or Authority Regulation alleged to have been violated. This statement should be accompanied by any supporting documentation the protesting party desires the Authority to consider in making its decision.

Protest should be submitted to: **General Manager Purchasing
Chicago Transit Authority
P.O. Box 7560
Chicago, IL 60680-7560**

D. Types of Protests and Timing

The requirement for timely filing of a bid protest with the Authority will depend upon the type of protests involved. The Authority will consider the following three types of protest by interested parties:

1. Protest regarding solicitation

Any bid protest regarding the solicitation by the Authority must be filed **no later than five (5) days before the opening of bids**. Any protest filed after that date which raises issues regarding the solicitation will not be considered by the Authority.

This type of protest would include any claim that the bid solicitation contained exclusionary or discriminatory specifications, any challenge to the basis of award, or any claim that the solicitation documents or the solicitation process violated applicable Federal or State law, or that the Authority failed to follow its Procurement Regulations in the solicitation of bids.

2. Protests regarding bid evaluation

Any bid protest regarding the evaluation of bids by the Authority must be filed with the Authority **no later than twenty (20) days after the opening of bids**. Any protest filed after such date which raises issues regarding the bid evaluation will not be considered by the Authority.

This type of protest would include any challenge to determinations by the Authority of the responsiveness of a bid or the responsibility of a bidder, or any claim that the evaluation of bids violated federal or State law or the Authority's Procurement Regulations.

3. Protests Regarding Award of Contract

Any protest regarding the award of the contract must be filed **no later than ten (10) days after the date of award**. Any protest regarding the award of the contract filed after that date will not be considered by the Authority.

This type of protest will only be entertained by the Authority if the protestor is able to demonstrate that the party awarded the contract fraudulently represented itself as a responsible bidder or that the Authority violated Federal or State law or its Procurement Regulations in the award of the contract.

E. Authority Response

1. Types of Protests

The Authority will notify the protestor upon timely receipt of a bid protest and may, where appropriate, request additional information from the protestor. The Authority may, at its discretion, meet with the protestor to review the matters raised by the protest. The Authority's consideration of the particular types of protests will, except as otherwise provided in subsection 2. "*Decisions by Authority*" of this section, be in accordance with the following provisions:

a. Protest regarding solicitation

Upon receipt of a timely filed protest regarding the solicitation, the Authority will postpone the opening of bids until resolution of the protest. No additional bids will be accepted during the period of postponement.

If the protest regarding the solicitation involves a claim of unduly restrictive or exclusionary specifications, the Authority will, in evaluation of the protest, consider both the specific need of the Authority for the feature or item challenged and any effects on competition of including the specification regarding that feature or item. If the Authority determines that such feature or item was included in the specification in order to meet justified and valid transit needs of the Authority, and was not unduly restrictive of competition or designed to exclude a particular competitor, then the Authority will have grounds to deny the protest.

b. Protests regarding bid evaluation

Upon receipt of a timely filed protest regarding the evaluation of bids, the Authority will suspend its evaluation of all bids submitted until resolution of the protest if the Authority determines that the protestor has established that there are reasonable doubts regarding the responsiveness of a bid or the responsibility of a bidder or regarding the Authority's compliance with Federal or State law or its Procurement Regulations.

c. Protests after award

Upon receipt of a timely filed protest regarding the award of a contract, the Authority will issue a stop work order, if necessary, until the resolution of the protest if the Authority determines that the protestor has established a prima facie case that the contract was awarded fraudulently or in violation of that Federal or State law or the Authority's Procurement Regulations.

2. Decisions by Authority

As indicated above, in most instances the Authority will suspend the procurement process upon receipt of a bona fide bid protest. However, the Authority reserves the right, notwithstanding the pendency of a protest, to proceed with the appropriate action in the procurement process or under the contract in the following cases:

- a. where the item to be procured is urgently required;
- b. where the Authority determines that the protest was vexatious or frivolous; and
- c. where delivery or performance will be unduly delayed, or other undue harm will occur, by failure to make the award promptly.

After review of a bid protest submitted under this section, the Authority will issue a written decision of the basis of the information provided by the protestor, the results of any meetings with the protestor, and the Authority's own investigation. If the protest is upheld, the Authority will take appropriate action to correct the procurement process and protect the rights of the protestor, including resolicitation of bids, revised evaluation of bids or Authority determinations, or termination of the contract. If the protest is denied, the Authority will lift any suspension imposed and proceed with the procurement process or the contract, as the case may be.

The availability of review of bid protest by FTA is described in Section II. As noted in that section, under FTA's revised procurement guidelines the role of the Federal government in bid protest review is quite limited.

SECTION II – FTA BID PROTEST PROCEDURE

Reviews of protests by FTA will be limited to claims that the CTA failed to have or follow protest procedures, or claims that CTA failed to review a complaint or protest. A protestor must exhaust all administrative remedies with the CTA before pursuing a protest with FTA. An appeal to FTA must be received by the cognizant FTA regional or Headquarters Office within five (5) working days of the date the protester knew or should have known of the violation.

Violations of Federal law or regulation will be handled by the complaint process stated within that law or regulation. Violations of State or local law or regulations will be under the jurisdiction of State or local authorities.

Appendix D

CERTIFICATION – Debarment –
Primary Participant

**CERTIFICATION OF PRIMARY PARTICIPANT
REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS**

_____, certifies to the best of our knowledge and belief that it and
(Company's name)

its principles:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
3. Are not presently indicated for or otherwise criminally or civilly charged by charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and
4. Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

THE PRIMARY PARTICIPANT (APPLICANT OR POTENTIAL CONTRACTOR FOR A MAJOR THIRD PARTY CONTRACT) _____ CERTIFIES OR
(Company name)
AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. SECTIONS 3801 *ET SEQ.* ARE APPLICABLE THERETO.

(Signature and Title of Authorized Official)

If you are unable to certify to any of the statements in this certification, the participant shall attach an explanation to this certification.

Appendix E

CERTIFICATION – Debarment –
Lower-Tier Participant

**CERTIFICATION OF LOWER TIER PARTICIPANT
REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS**

_____, certifies to the best of our knowledge and belief that it and
(Company's name)

its principles:

1. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
2. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of frauds or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
3. Are not presently indicated for or otherwise criminally or civilly charged by charged by a government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (2) of this certification; and
4. Have not within a three-year period preceding this application/ proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

THE LOWER TIER PARTICIPANT (APPLICANT OR POTENTIAL CONTRACTOR FOR A MAJOR
THIRD PARTY CONTRACT) _____ CERTIFIES
(Company name)
OR AFFIRMS THE TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS
SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF
31 U.S.C. SECTIONS 3801 *ET SEQ.* ARE APPLICABLE THERETO.

(Signature and Title of Authorized Official)

If you are unable to certify to any of the statements in this certification, the participant shall attach an explanation to this certification.

Appendix F

CERTIFICATION – Drug-free Workplace

CERTIFICATION REGARDING A DRUG FREE WORKPLACE

Pursuant to the definitions regarding a Drug Free Workplace provided in the Drug-Free Workplace Act of 1988, the Illinois Drug Free Workplace Act, 30 ILCS 580/1 *et seq.*, the Federal Acquisition Regulation System ("FAR"), Procedures for Transportation Workplace Drug & Alcohol Testing Programs, 49 CFR 40, and Prevention of Alcohol Misuse & Prohibited Drug Use in Transit Operation, 49 CFR 655, _____ ("Contractor") certifies to the best of its knowledge and belief that it and its principals:

1. Maintain a workplace(s) (i.e. the site(s) for the performance of work done by the Contractor in connection with this contract) safe and free from "controlled substances" as described in the Controlled Substances Act (21 U.S.C. 812) and as further described in regulations 21 CFR 1308.11 – 1308.15.
2. Have neither been convicted, including entering a plea of 'nolo contendere,' nor had sentence imposed by any judicial body charged with the responsibility to determine violations of Federal or State criminal drug statutes.
3. Publish and give notice to its employees and sub-contractors that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Contractor's workplace, and also that actions will be taken against any and all employees and sub-contractors found to be in violation of same.
4. Provide that all employees engaged in the performance of the contract receive a copy of the above statement, that the employee will abide by the terms of this statement, and that the employee will notify the employer in writing of the employee's conviction no later than five (5) calendar days after such conviction.
5. Provide for appropriate action against an employee for violation of any and all of these rules and that an employee convicted of drug abuse must satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by Federal, State, or local health or law enforcement or other appropriate agency.
6. Comply with all drug and alcohol policies, testing programs and reporting requirements set forth in 49 CFR 40 and 49 CFR 655 whenever the Contractor, its employees, or sub-contractor(s) perform one or more of the following functions considered "safety-sensitive", as defined in 49 CFR 655:
 - (1) Operating a revenue service vehicle, including when not in revenue service;
 - (2) Operating a non-revenue service vehicle, when required to be operated by a holder of a commercial Driver's License;
 - (3) Controlling dispatch or movement of a revenue service vehicle;
 - (4) Maintaining (including repairs, overhaul and rebuilding) a revenue service vehicle or equipment used in revenue service; or
 - (5) Maintaining (including repairs, overhaul and rebuilding) a revenue service vehicle or equipment used in revenue service; or
 - (6) Carrying a firearm for security purposes.
7. Will otherwise comply with all drug and alcohol policies set forth in applicable Federal, State and local laws and regulations, including, but not limited to the Drug-Free Workplace Act of 1988, FAR, Illinois Drug Free Workplace Act, 49 CFR 40 and 49 CFR 655 in such version, prior or subsequent to amendment or revision, as is currently enforced or enforceable at and during the execution and performance of this Contract.

In addition to other remedies, the Contractor's failure to comply with any part of the requirements of the Drug-Free Workplace Act of 1988, FAR, Illinois Drug Free Workplace Act, 49 CFR 40 or 49 CFR 655, may render the Contractor subject to any or all of the following: suspension of payments, termination of contract for default, suspension or debarment.

(Signature and Title of Authorized Official)

(Date)

Appendix G

CERTIFICATION – Lobbying

LOBBYING CERTIFICATION

Certification for Contracts, Grants, Loans and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and contracts under grants, loans and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Executed this _____ day of _____, 20_____.

By: _____
(Type or print name of contractor)

(Signature of authorized officer)

(Title of authorized officer)

Appendix H

Brief History of Your Company

BRIEF HISTORY OF YOUR COMPANY

Tell us about your company:

Company Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Local Contact Person: _____

Title: _____

Phone Number: () _____ - _____ Fax Number: () _____ - _____

How many years has your company been in business? _____

How many employees? _____ **Annual Sales?** _____

Is your business a (an): (check one)

Manufacturer _____ Supplier _____ Distributor _____ Other (explain) _____

Have you provided goods or services to city government, state, county, Board of Education, municipality, etc.?

Please provide a list of references including the three (3) largest companies your firm has done business with in the past two (2) years, and a person and a telephone at that firm which CTA may contact.

Firm Name

Contact Person

Telephone[illegible]

Appendix I

Disclosure of Ownership (Prime Consultant & Sub-Consultant)

DISCLOSURE OF OWNERSHIP

All businesses submitting proposals are required to complete the appropriate portion of this form. If more space is needed attach additional pages. In signing and submitting its proposals, of which this Disclosure of Ownership form is a part, the business certifies that the information submitted on this Disclosure of Ownership form is correct as of the date of the submittal of the proposal.

1. IF THE BUSINESS IS A CORPORATION, check this box ☐ and complete:
If the shares of the Corporation are not listed on the New York Stock Exchange or any regional exchange, list then name of each person who possesses either nominal or beneficial ownership or 5% or more of the Corporation's stock (list below). If none, type or print "NONE" in space below.

Is the Corporation listed on the New York Stock Exchange? ☐ Yes ☐ No

If the corporation is listed on an exchange other than the New York Stock Exchange, the name of the exchange is _____

TYPED OR PRINTED NAME	%INTEREST
_____	_____
_____	_____
_____	_____
_____	_____

2. IF THE BUSINESS IS A PARTNERSHIP, check this box ☐ and complete:
The name of each general, limited or individual partner entitled to receive 5% or more of the profit derived from partnership activities (list below). If none, type or print "NONE" in space below.

TYPED OR PRINTED NAME	%INTEREST
_____	_____
_____	_____
_____	_____
_____	_____

3. IF THE BUSINESS IS A SOLE PROPRIETORSHIP, check this box ☐ and complete:
The name of each person other than the owner entitled to receive 5% or more of the profits derived from the activities of the business (list below). If none, type or print "NONE" in space below.

TYPED OR PRINTED NAME	%INTEREST
_____	_____
_____	_____
_____	_____
_____	_____

IF BIDDER IS A CORPORATION – THIS PAGE MUST BE EXECUTED

Appendix J

Non-Disclosure Statement
(Prime Consultant & Sub-Consultant)

NON-DISCLOSURE STATEMENT

In connection with the Proposal submitted herewith in response to the Chicago Transit Authority's ("CTA") Letter of Interest and Qualification ("LIQ"), **B09OP02079— Letter of Interest and Qualification for Broker/Dealer Services on an As-Needed Basis for a Period of 24 Months, Beginning May 16, 2009,**

("Company") acknowledges and agrees that the evaluation process conducted by the CTA on all Proposals submitted is confidential and sensitive. Company further agrees not to take any action(s) that would frustrate the process, provide any unfair advantage to itself, or provide any advantage or disadvantage to any other proposer in connection with the proposal. Therefore, Company states as follows:

1. All substantive details of the Proposal submitted by Company and all materials and information provided, discussed, disclosed or otherwise conveyed, whether in writing or orally, by the CTA or Company or between Company and CTA during demonstrations, presentations, meetings or negotiations in connection with the CTA's evaluation of Company's Proposal, including cost or price information, technical information or any other proposal information or conditions with respect to the possible procurement transaction contemplated by the proposal (the "Transaction"), the identity of the CTA's evaluation committee, the name of the proposers, or any sub-contractor, and the number of proposers are hereby referred to as "Confidential Evaluation Material" for purposes of this Statement. Confidential Evaluation Material shall also include all communications regarding the Transaction with Authorized CTA Personnel, including: (i) requests for additional information, (ii) requests for tours or management meetings, (iii) discussions or questions regarding the Transaction, (iv) the occurrence, existence, or lack thereof, of any such communication, discussion or negotiation, (v) the status of discussions or negotiations and (vi) the fact that any Confidential Evaluation Material has been made available to Company. The term Confidential Evaluation Materials does not include statements informing another of the submission or existence of the Proposal.
2. Company will limit knowledge of and access to the Confidential Evaluation Materials to only those of its principals, directors, officers, employees and representatives, who have a need to know such information (collectively the "Company Parties") and such Confidential Evaluation Materials shall be used solely in connection with negotiations with Authorized CTA Personnel regarding the Transaction. When the Company discloses Confidential Evaluation Material to any of the Company Parties, it shall be the Company's responsibility to ensure that all Company Parties recognize the confidential nature of such information, together with the restrictions on use and disclosure contained herein.
3. Company will not disclose any Confidential Evaluation Material to any employee, officer or Board member of the CTA who is not named as Authorized CTA Personnel. Additionally, Company will not contact any employee, officer or Board member of the CTA other than the Authorized CTA Personnel on any matter involving this Transaction. Authorized CTA Personnel shall mean only the CTA Procurement Administrator for the Transaction, the General Manager – Purchasing, the Vice President – Purchasing and Warehousing and any other CTA person or position specifically authorized in writing by either the CTA's Procurement Administrator, General Manager - Purchasing, or Vice President – Purchasing and Warehousing.
4. The Company shall not disclose any Confidential Evaluation Material to, or use any such information for the advantage or disadvantage of, any third person. The term "third person" shall be broadly interpreted to include without limitation any corporation, company, group, partnership or an individual other than the Company Parties and Authorized CTA Personnel.

5 Notwithstanding the above, the obligations of Company regarding the Confidential Evaluation Material do not apply to information which in the opinion of Company's counsel is otherwise required to be disclosed by law. In such event, Company shall provide CTA with written notice of such a determination, and a supporting statement from its counsel, prior to disclosure.

6. Company shall advise the CTA in writing if it learns of any unauthorized use or disclosure of Confidential Evaluation Material.

7. The CTA shall be entitled to equitable relief, including injunction, if any provision of this Statement is breached. Additionally, the CTA reserves the right to disqualify the Company from further consideration for the Transaction in the event of a breach of the terms of this Statement.

8. This Statement is governed by the laws of the State of Illinois and any lawsuits involving this Statement shall be filed in courts of competent jurisdiction located in Cook County, Illinois.

9. This Statement shall be effective as of the date signed and shall continue in full force and effect until the date on which a contract award for the Transaction is made by the CTA's Board.

Agreed to and Accepted:

Company

By: _____

Name: _____

Title: _____

Date: _____

RFP NON-DISCLOSURE STATEMENT SUB-CONSULTANT

In connection with the Proposal submitted herewith in response to the Chicago Transit Authority's ("CTA") Letter of Interest and Qualification ("LIQ") **B09OP02079– Letter of Interest and Qualification for Broker/Dealer Services on an As-Needed Basis for a Period of 24 Months, Beginning May 16, 2009,** _____ ("Company") acknowledges and agrees that the evaluation process conducted by the CTA on all Proposals submitted is confidential and sensitive. Company further agrees not to take any action(s) that would frustrate the process, provide any unfair advantage to itself, or provide any advantage or disadvantage to any other proposer in connection with the RFP.

Therefore, Company states as follows:

1. All substantive details of the Proposal submitted by Company and all materials and information provided, discussed, disclosed or otherwise conveyed, whether in writing or orally, by the CTA or Company or between Company and CTA during demonstrations, presentations, meetings or negotiations in connection with the CTA's evaluation of Company's Proposal, including cost or price information, technical information or any other proposal information or conditions with respect to the possible procurement transaction contemplated by the RFP (the "Transaction"), the identity of the CTA's evaluation committee, the name of the proposers, or any sub-contractor, and the number of proposers are hereby referred to as "Confidential Evaluation Material" for purposes of this Statement. Confidential Evaluation Material shall also include all communications regarding the Transaction with Authorized CTA Personnel, including: (i) requests for additional information, (ii) requests for tours or management meetings, (iii) discussions or questions regarding the Transaction, (iv) the occurrence, existence, or lack thereof, of any such communication, discussion or negotiation, (v) the status of discussions or negotiations and (vi) the fact that any Confidential Evaluation Material has been made available to Company. The term Confidential Evaluation Materials does not include statements informing another of the submission or existence of the Proposal.
2. Company will limit knowledge of and access to the Confidential Evaluation Materials to only those of its principals, directors, officers, employees and representatives, who have a need to know such information (collectively the "Company Parties") and such Confidential Evaluation Materials shall be used solely in connection with negotiations with Authorized CTA Personnel regarding the Transaction. When the Company discloses Confidential Evaluation Material to any of the Company Parties, it shall be the Company's responsibility to ensure that all Company Parties recognize the confidential nature of such information, together with the restrictions on use and disclosure contained herein.
3. Company will not disclose any Confidential Evaluation Material to any employee, officer or Board member of the CTA who is not named as Authorized CTA Personnel. Additionally, Company will not contact any employee, officer or Board member of the CTA other than the Authorized CTA Personnel on any matter involving this Transaction. Authorized CTA Personnel shall mean only the CTA Procurement Administrator for the Transaction, the General Manager – Purchasing, the Vice President – Purchasing and Warehousing and any other CTA person or position specifically authorized in writing by either the CTA's Procurement Administrator, General Manager - Purchasing, or Vice President – Purchasing and Warehousing.
4. The Company shall not disclose any Confidential Evaluation Material to, or use any such information for the advantage or disadvantage of, any third person. The term "third person" shall be broadly interpreted to include without limitation any corporation, company, group, partnership or an individual other than the Company Parties and Authorized CTA Personnel.

5. Notwithstanding the above, the obligations of Company regarding the Confidential Evaluation Material do not apply to information which in the opinion of Company's counsel is otherwise required to be disclosed by law. In such event, Company shall provide CTA with written notice of such a determination, and a supporting statement from its counsel, prior to disclosure.
6. Company shall advise the CTA in writing if it learns of any unauthorized use or disclosure of Confidential Evaluation Material.
7. The CTA shall be entitled to equitable relief, including injunction, if any provision of this Statement is breached. Additionally, the CTA reserves the right to disqualify the Company from further consideration for the Transaction in the event of a breach of the terms of this Statement.
8. This Statement is governed by the laws of the State of Illinois and any lawsuits involving this Statement shall be filed in courts of competent jurisdiction located in Cook County, Illinois.
9. This Statement shall be effective as of the date signed and shall continue in full force and effect until the date on which a contract award for the Transaction is made by the CTA's Board.

Agreed to and Accepted:

Company

By: _____

Name: _____

Title: _____

Date: _____

Appendix K

Broker/Dealer Information

Part I: Request for General Information from Broker/Dealer Candidate

1. **Name of Firm**
2. **Address: (Please provide both street address and/or P.O. Box No., if applicable)**
3. **Telephone**
4. **Contact Personnel: (provide as an attachment if more space is required.)**

Name
Title
Telephone No.

Name
Title
Telephone No.

Provide background information concerning the account representatives listed in No. 4 above. Please include information on the individual's employment history as it relates to the securities industry, official licenses and certificates, the history and details of any disciplinary actions or complaints and the disposition of each as well as the history of any arbitration or litigation, the nature of the case and status or disposition.

5. **Please provide the following information regarding at least two comparable clients with whom any of the representatives listed in No. 4 has an established relationship. We would prefer public sector clients in CTA's geographical area, if possible.**

Client Name #1

Address

Person to Contact

Telephone No.

Length of Relationship

Client Name #2

Address

Person to Contact _____
Telephone No. _____
Length of Relationship _____

6. Has/have the representative(s) listed in No. 4 above been authorized by the firm to be account representative(s) for the Chicago Transit Authority?

Yes _____ No _____

7. Please list the name of the immediate supervisor of the account representative(s) named in your response to No. 4 above.

- 7a. Briefly describe any formal program of supervision of the account representative(s) named in Number 4, if your firm has established such a program.

8. Is your firm a member of NASD?

Yes _____ No _____

If not, why? _____

9. Place an "X" by each regulatory agency that your firm is examined by and/or subject to its rules and regulations.

FDIC _____ SEC _____ NYSE _____

Comptroller of Currency _____ Federal Reserve System _____

- 9a. Other (example: State Regulatory Agency). Multi-state firms please note: It is not necessary to include regulatory agencies which do not have jurisdiction over your firm's activities in Illinois.

10. Have you obtained all required licenses to operate as a broker/dealer in the state of Illinois?

Yes _____ No _____

11. Does the broker/dealer participate in the Securities Investor Protection Corporation program?

Yes _____ No _____

If not, why? _____

12. Describe any additional investor protection coverages that you provide to customers in case of default or failure to deliver?

13. Place an "X" in the block next to each of the instruments set forth below in which you make an active market (both buy and sell).

- | | |
|--|---|
| _____ US Treasury Bills | _____ FHLMC Bonds, Notes and Discount Notes |
| _____ US Treasury Notes | _____ SLMA Obligations |
| _____ FFCB Bonds, Notes and Discount Notes | _____ Taxable Municipal Bonds - Rated & Insured |
| _____ Money Market Mutual Funds | _____ Repurchase Agreements |
| _____ US Treasury Bonds | _____ Commercial Paper |
| _____ FHLB Bonds, Notes and Discount Notes | |
| _____ FNMA Bonds, Notes and Discount Notes | |
| _____ Mortgage Backed Securities & CMO's of GNMA, FHLMC, FNMA and FHLB | |
| _____ Money Market Deposit Accounts (100% backed by US Government Securities) | |
| _____ CDs issued by financial institutions which are insured and/or collateralized 100% by US Govt. Securities | |

14. Does your firm specialize in any of the instruments listed above? If so, please specify which ones.

15. Does your firm participate in the selling groups of Government Agencies? If so, please specify.

16. Is your firm certified as a Disadvantaged Business Entity (DBE) by the CTA?

Yes _____ No _____

16a. Is your firm currently certified as a MBE/WBE by:

City of Chicago _____ County of Cook _____ Other _____

Part II: Request for Broker/Dealer Candidate Disclosure

17. To the best of your knowledge, has there been any "material" litigation, arbitration or regulatory proceedings, either pending, adjudicated or settled, that your firm has been subject to within the last five years that involved issues concerning the suitability of the sale or purchase of securities to institutional clients or fraudulent or unfair practices related to the sale of securities to an institutional client? If so, please describe each such matter briefly. For purposes of this section, proceedings are "material" if your independent accountant applying generally accepted accounting principles determines that such proceedings required disclosure on your financial statements.

18. Please provide publicly available financial documents filed with these agencies for the previous two fiscal years.

- National Association of Securities Dealers
- Securities and Exchange Commission
- Federal Deposit Insurance Corp.

Part III: Certification

The broker/dealer acknowledges that it has reviewed and is familiar with the CTA's Investment Policy and certifies that its staff will invest CTA funds consistent with CTA Investment Policy.

I hereby certify that the above is true and correct to the best of my knowledge and that I am authorized to execute this request for information on behalf of the firm.

NAME OF FIRM

BY

TITLE*

DATE

* Note the foregoing form must be signed by a registered principal of your firm.