



# **Request for Proposal**

## **Real Estate Consultant 2018**

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## REQUEST FOR PROPOSAL

### SECTION I: GENERAL INFORMATION

#### 1. Introduction:

The State Universities Retirement System (“SURS” or the “System”) is requesting proposals from investment consulting firms to provide real estate consulting services to SURS Investment Staff and Board of Trustees. This is a non-discretionary, full-retainer mandate. SURS will retain discretion over all manager/fund selection decisions. Respondents to this RFP are encouraged to describe ways in which they believe their firm’s capabilities are unique and add compelling value. This search was authorized by the Board of Trustees and seeks to identify potential full-service real estate retainer investment consultants. The consultant will report to the Board of Trustees and will also be required to work with and provide assistance to the SURS investment staff. It is anticipated that SURS will enter into a five (5) year contract with the consultant, in accordance with the provisions of section 113.14 of the Illinois Pension Code (40 ILCS 5/1-113.14).

#### 2. Background:

Created in 1941, SURS exists as a body politic and corporate created under Article 15 of the Illinois Pension Code. SURS is governed by a board of trustees in accordance with Illinois Law. The SURS Board of Trustees currently consists of six (6) elected and five (5) appointed members, including the chair of the Illinois Board of Higher Education, who also serves as the chair of the SURS Board of Trustees. The SURS Board of Trustees delegates their authority to the Executive Director and nearly 130 full-time staff in administering the provisions of Articles 1, 15 and 20 of the Illinois Pension Code (40 ILCS 5).

Administrative functions performed by SURS Staff include processing retirement, survivor, disability and death benefits for more than 230,000 members who have current or previous employment with 61 higher education entities in Illinois.

Located in Champaign, Illinois SURS offices are roughly 130 miles south of Chicago, 125 miles west of Indianapolis, and 85 miles east of Springfield. Additional information regarding SURS can be obtained at [www.surs.org](http://www.surs.org).

SURS has retained Pension Consulting Alliance (PCA) for general consulting services. PCA’s primary responsibilities include advising on matters related to asset allocation, investment policy and the broader portfolio. The System’s former general consultant, NEPC, serves as interim real estate consultant. Additionally, Northern Trust serves as the System’s master custodian, providing various management and administrative services.

#### **Real Estate Investment Program**

SURS has approximately \$1.8 billion invested in real estate as of December 31, 2017. The allocation is made up of both public and private real estate investments. The private portion of the fund invests in Core, Value-Add and Opportunistic real estate investments. Currently real estate is 9.6% of the total fund and the target allocation for real estate is 10%. Of the 10% total, 6% is allocated to private real estate investments and 4% to public REITs. A list of SURS current real estate managers can be found in Appendix E.

## **SECTION II: REQUEST FOR PROPOSAL OBJECTIVE**

### **1. Purpose of Request for Proposal**

SURS is requesting information from qualified firms to provide full-retainer, non-discretionary real estate consultancy. SURS will consider the following in making its decision:

- Organization
- Resources
- Experience
- Service Team
- Thought Leadership
- Commitment to Diversity
- Independence
- Fees

### **2. Issuing Officer, Contacts and Lobbying**

SURS is issuing this RFP. The Procurement Officer ([Procurement\\_Officer@surs.org](mailto:Procurement_Officer@surs.org)) is the sole point of contact regarding this RFP. Contact with any other employee of SURS, members of the Board of Trustees, or state officials is not permitted with respect to this RFP. The prohibition includes, but is not limited to, any lobbying efforts directed at state legislators or any state officer or employee who might reasonably be considered to have influence over the process and final outcome.

Additional information regarding Submission of responses to this RFP is set forth in Section IV below under the heading “Submission of Proposal and Selection Process”

## **SECTION III: SCOPE, QUALIFICATIONS AND INFORMATION REQUESTED**

### **1. Scope of Services**

The services required include, but are not limited to the following:

- Coordinate with the Investment Consultant in matters related to real estate as they pertain to the broader SURS portfolio, as necessary.
- Attend meetings of the Investment Committee and Board of Trustees when real estate issues arise to provide an assessment of any investment or manager issue arising during the period, to discuss topical issues and possible policy impact to SURS, and to present any recent research conducted by Investment Consultant.
- Educate Board of Trustees and Staff regarding significant trends in real estate investing and new investment opportunities.
- An annual review and further development of the Statement of Investment Policy focusing on the structure and diversification of the portfolio and including an analysis of investment pacing based on cash-flow and current commitments.
- Support SURS in achieving and evaluating goals related to the utilization of emerging investment managers that are minority-owned businesses, female-owned business, and businesses owned by a person with a disability
- Support the selection of real estate investments, consistent with the Investment Procurement Policy, including commingled funds, individual funds or partnerships appropriate for SURS to meet the requirements of the annual investment pacing analysis by analyzing investments coming to market, analyzing other appropriate investment opportunities and conducting detailed due diligence. As part of such due diligence, the consultant is required to develop and utilize a proactive, structured competitive search process that utilizes uniform documents consistent with the requirements of the Illinois Pension Code and Article 35 of the Illinois Procurement Code. Such uniform documents shall include the following: (1) a description of the goal to be achieved in the search for prospective investments; (2) the services to be performed; (3) the need for the service; (4) the qualifications that are necessary; and (5) a plan for performance reviews. The consultant's due diligence must also include whether the prospective investments will comply with all Illinois Pension Code requirements. Consultant shall present written recommendations to SURS staff, the Board and the Investment Committee which will include: (i) the results of consultant's due diligence, (ii) strategic considerations, (iii) a detailed review of the prospective investment including the terms and fees of such investment and (iv) a description of how the prospective investment would fit within SURS' real estate portfolio. It is expected that the consultant will introduce the System to high-quality managers and promote SURS access to funds. Any internally-generated manager/fund pipeline reports and/or recommended manager/fund reports will be made available to SURS staff on a periodic basis.
- Ongoing monitoring of SURS real estate managers and related real estate investments focusing on investment performance and organizational issues such as, but not limited to, changes in ownership, retention of professional staff, fee changes and new products.

- Work with Staff and legal counsel to provide assistance with review and negotiation of fee and investment terms and review and recommend courses of action for all fund document amendments and other partnership actions.
- Each year, at a specific Investment Committee meeting of the Board of Trustees, SURS Staff present an Asset Class Review of the real estate asset class, incorporating information from annual organizational and performance reviews for each of the System’s managers. Consultant will review and provide commentary on the annual organizational and performance reviews for each manager. Consultant will prepare an annual real estate report in conjunction with Staff’s review. The report will include an analysis of the current market environment, a summary of the most recent events in the financial markets, a review of the performance of the major real estate market indexes; an analysis of the asset allocation of the current investment program; a complete return analysis; and a review of the investment results in the context of their objectives and benchmarks, along with specific commentary on factors affecting performance.
- Prepare quarterly Real Estate Reports providing information on manager cash flow activity and performance, including peer universe comparisons over various time periods. Annual and quarterly reports are due no later than 30 days after the respective period end.
- Access to all real estate research, published or unpublished, and general memoranda produced by Consultant.
- Availability by phone, email or in-person meetings when appropriate to Staff and Trustees for further discussion or questions.

## **2. Minimum Qualifications**

Failure to satisfy each of the minimum qualifications will result in the immediate rejection of the proposal. The responder must address each of the qualifications substantiating how the responder satisfies each of the minimum qualifications. The responses must contain sufficient information as prescribed to assure SURS of its accuracy. Failure to provide complete information will result in rejection of the proposal. The Proposer must certify in writing on the Minimum Qualifications Certification (Appendix A) that it meets all of the minimum qualifications and must be signed by an individual who is authorized to bind the Proposer contractually.

1. The responder’s key professionals and/or organization must not have material conflicts of interest with the SURS Board, its custodian, or its investment managers.
2. The responder must be willing to enter into a most favored nation clause certifying that the fees, costs, or pricing charged to SURS do not exceed the fees, costs, or pricing charged by the responder to any of its clients for the same or similar level of services.
3. Proposing firm must be an investment consulting firm registered as an investment adviser under the Investment Advisers Act of 1940. The firm will promptly advise SURS if it, at any time, is not so registered. The firm must submit its full Form ADV (Parts I and II).
4. Proposing firm must agree to serve as a “fiduciary” to the Fund within the meaning of Illinois legislation and to act in accordance with all requirements and standards of conduct applicable to fiduciaries.

5. Responder and its proposed team must have all authorizations, permits, licenses and certifications required by federal and state laws and regulations to perform the services specified in this RFP at the time responder submits a response to the RFP. Responder's audited financial statements must be made available for review.

6. Responder will comply with all legislation, applicable State fiduciary, ethics, and diversity laws, including any additional disclosure requirements.

7. As of December 31, 2017, and for at least the five (5) most recent continuous years, the firm must have a verifiable operating history with at least three (3) institutional fund clients with similar size, complexity and real estate asset mix to SURS. Qualified Women, Minority, or Disabled Owned Businesses are exempt from this requirement and will be evaluated for further consideration at SURS' discretion.

8. As of December 31, 2017, the primary contact dedicated to the SURS contract must have at least five (5) years of experience in providing real estate consulting services to institutional fund clients. Qualified Women, Minority, or Disabled Owned Businesses are exempt from this requirement and will be evaluated for further consideration at SURS' discretion.

SURS retains the sole right to decide whether any responder is qualified to bid, including determining whether any responder's qualifications are sufficiently comparable to satisfy all of the above minimum qualifications.

### **3. Legislative Considerations**

Effective January 1, 2016, **Sections 5/1-110.6, 5/1-110.15, 5/1-110.16 of the Illinois Pension Code (40 ILCS 5/1)** generally requires SURS to divest from direct holdings in "restricted companies" consisting of:

1. Certain companies that boycott Israel by engaging in actions that are politically motivated and are intended to penalize, inflict economic harm on, or otherwise limit commercial relations with the State of Israel or companies based in the State of Israel or in territories controlled by the State of Israel;
2. Certain companies that have business operations that involve contracts with or provision of supplies or services to the Government of Iran, companies which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran, or companies involved in consortiums or projects commissioned by the Government of Iran; and
3. The government of Sudan and any of its agencies, companies under control of Sudan, companies established or organized in Sudan, companies identified or prosecuted by the Office of Foreign Assets in the U.S. Treasury Department as sponsoring terrorist activities in Sudan, or any publicly traded company whose principal place of business is in or conducts business in Sudan.

Index funds, mutual funds (or funds in which the System owns shares or interests together with other investors), and private market funds (which include private equity funds, private equity funds of funds, venture capital funds, hedge funds, hedge fund of funds, real estate funds, or other investment vehicles that are not publicly traded) are not subject to the divestment provisions. However, the Illinois Investment Policy Board will request that a private market fund manager consider removing restricted companies from the fund or create a similar actively managed fund having indirect holdings devoid of the companies. If such a fund is created, SURS is required to replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investing standards.

The **Illinois Governmental Ethics Act**, 40 ILCS 420, provides guidelines for ethical practices concerning state and local pension plans. Respondent providers should be familiar with the provisions of

this Act. The Act also encourages the Board to increase the racial, ethnic, and gender diversity of its fiduciaries, to the greatest extent feasible within the bounds of financial and fiduciary prudence. In furtherance of this Act, SURS will use its best efforts to increase the racial, ethnic, and gender diversity of its vendors/investment managers.

Sections of the **Illinois Procurement Code**<sup>1</sup> concerning prohibitions of political contributions for vendors, 30 ILCS 500/50-37, may or may not apply to SURS investment managers or other service providers. However, each investment manager or service provider should be familiar with the provisions of this section and comply with this section if the investment manager or service provider deems it appropriate.

Provisions of Illinois law (40 ILCS 5/1-109.1) encourage certain public retirement funds and investment boards to increase:

- The utilization of emerging investment managers (with goals for specific asset classes for emerging managers that are minority-owned businesses, female-owned business, and businesses owned by a person with a disability);
- The racial, ethnic and gender diversity of its fiduciaries, including its consultants and senior staff;
- The utilization of business owned by minorities, females, and persons with disabilities for all contracts and services;
- The utilization of minority broker-dealers; and
- The utilization of minority investment funds

**Public Act 99-0462** establishes the following aspirational goals for certain public retirement systems, pension funds, and investment boards, beginning January 1, 2006:

- The utilization of emerging investment managers for not less than 20 percent of the total funds under management;
- That not less than 20 percent of investment advisors are minorities, females, and persons with disabilities; and
- The utilization of businesses owned by minorities, females, and persons with disabilities for not less than 20 percent of contracts awarded for information technology services, accounting services, insurance brokers, architectural and engineering services, and legal services.

For these reasons, the SURS Board of Trustees encourages individuals who are minorities, females, and persons with a disability, as well as firms owned by minorities, females, and persons with a disability to respond to this RFP.

#### **4. Diversity Profile & Financial Disclosure Requirements**

Effective January 1, 2015 Section 1-113.21 of the Illinois Pension Code prohibits certain public retirement systems, pension funds, and investment boards from awarding a contract, oral or written, for investment services, consulting services, or commitment to a private market fund, unless the investment advisor, consultant or private market fund first discloses:

- The number and percentage of its investment and senior staff who are: i) a minority person, ii) a female, and iii) a person with a disability;
- The number of contracts, oral or written, for investment services, consulting services, and professional and artistic services that the investment advisor, consultant, or private market fund

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<sup>1</sup> Note: While SURS is not subject to the Illinois Procurement Code generally (30 ILCS 500/1-15.100), each responder should comply with any applicable sections of the Illinois Procurement Code.

has with i) a minority-owned business, ii) a female-owned business, or iii) a business owned by a person with a disability and;

- The number of contracts, oral or written, for investment services, consulting services, and professional and artistic services the investment advisor, consultant, or private market fund has with a business other than: i) a minority-owned business, ii) a female-owned business, or iii) a business owned by a person with a disability, if more than 50 percent of services performed pursuant to the contract are performed by i) a minority person, ii) a female, and iii) a person with a disability.

Additionally, consultants seeking to do business must disclose:

- The total number of searches for investment services made by the consultant in the prior calendar year;
- The total number of searches for investment services made by the consultant in the prior calendar year that included (i) a minority owned business, (ii) a female owned business, or (iii) a business owned by a person with a disability; and;
- The total number of searches for investment services made by the consultant in the prior calendar year in which the consultant recommended for selection (i) a minority owned business, (ii) a female owned business, or (iii) a business owned by a person with a disability; and;
- The total number of searches for investment services made by the consultant in the prior calendar year that resulted in the selection of (i) a minority owned business, (ii) a female owned business, or (iii) a business owned by a person with a disability; and
- The total dollar amount of investment made in the previous calendar year with (i) a minority owned business, (ii) a female owned business, or (iii) a business owned by a person with a disability that was selected after a search for investment services performed by the consultant.
- All compensation and economic opportunity received in the last 24 months from investment advisors retained by the board of a retirement system, board of a pension fund, or investment board; and
- Any compensation or economic opportunity received in the last 24 months from an investment advisor that is recommended for selection by the consultant.

Each responder must disclose this information in Appendices B-1 & B-2. **Failure to completely fill out this information may result in disqualification from consideration. If the information is not available, then please indicate "0" in the required fields. DO NOT LEAVE ANY FIELDS BLANK.**

Enumerated below are the specific items requested from respondent firms.

1. **Letter of Transmittal:** A letter of transmittal must be submitted on the responder's official letterhead. The letter must identify all documents provided collectively as a response to the RFP, and must be signed by an individual authorized to bind the responder contractually. An unsigned proposal will be rejected. The letter must also contain the following:

- Statement that the proposal is being made without fraud or collusion; that the responder has not offered or received any finder's fees, inducements or any other form of remuneration, monetary or non-monetary, from any individual or entity relating to the RFP;
- Statement that discloses any current business relationship or any current negotiations for prospective business with the Board or any SURS Board Members or SURS Staff; and
- Statement that the proposing firm has been in compliance with SURS Quiet Period Policy and Ex-Parte Communications Policy

2. **Minimum Qualification Certification:** The responder must complete the certification in Appendix A and provide all supporting documentation.
3. **Diversity Disclosures** (per Illinois Pension Code Section 1-113.21): The responder must complete the required disclosures regarding staff and vendor diversity in the form provided in Appendix B-1 & B-2
4. **Real Estate Investment Consulting Services Questionnaire:** The responder must complete the required questions in the order presented in Appendix C.
5. **Fee Proposal:** The responder must complete the fee proposal in Appendix D.

### **Contract Negotiating and Awarding**

Although fees are a material element in selection, cost is only one of several factors used to evaluate proposals. The successful bidder agrees that any resulting contract awarded under this RFP is subject to successful contract negotiations. SURS investment consulting agreement template is attached as Appendix F. Please include a written document detailing comments or requested edits to the consultant agreement template as part of the RFP response. If SURS and the successful bidder cannot reach an agreement on contract terms, a contract may not be awarded to said bidder.

Services provided by the successful bidder must be performed in compliance with all applicable federal and state laws. The successful bidder agrees that it will accept contract terms in any contract awarded under this RFP that shall include the following: the contract be enforced, governed and construed in all respects in accordance with the laws of the State of Illinois to the extent such laws are not pre-empted by the laws of the Unites States of America; the successful bidder will bring any suit, action, claim or proceeding in, and will submit to (and consents and waives any objection to) the jurisdiction of the Illinois Court of Claims in connection with any claim asserted against SURS arising out of, or in connection with, any Agreement awarded under this RFP; the successful bidder will submit to (and consents and waives any objection to) the jurisdiction of each of the Sixth Judicial Circuit of Illinois, Champaign County, Urbana, Illinois and the United States District Court for the Central District of Illinois in Urbana, Illinois in respect of any suit, action, claim or proceeding brought by SURS arising out of, or in connection with, this Agreement; and the successful bidder agrees that SURS does not waive its claim to sovereign immunity by entering into an Agreement awarded under this RFP.

## SECTION IV: SUBMISSION OF PROPOSAL AND SELECTION PROCESS

### 1. Schedule

**SURS reserves the right to alter the following schedule if necessary.** If the schedule changes the Procurement Officer will notify the affected responders via e-mail. In no event will the dates listed below be changed to earlier dates.

<u>Schedule</u>	<u>Dates</u>
Quiet Period Begins	April 19, 2018
RFP Issued	April 23, 2018
Deadline for Responder Questions	May 4, 2018
Response to Questions	May 7, 2018
<b>RFP Responses due 4:30 p.m. CT</b>	<b>May 25, 2018</b>
Evaluations	June/July 2018
Candidate Interviews	Early August, 2018
Selection	September 13, 2018

### 2. Submission Process

#### Deadline:

To be considered for selection, proposals must be received via e-mail in Adobe Acrobat format at [Procurement\\_Officer@surs.org](mailto:Procurement_Officer@surs.org) no later than **4:30 p.m. CT, May 25, 2018**. *Please reference the “Real Estate Consultant Search RFP Response - Name of Responder” in your communications.* An e-mail confirmation will be sent confirming receipt of the proposal.

#### Withdrawal:

A proposal may be withdrawn any time prior to the deadline by written notification signed by the individual applicant or authorized agent of the firm and received at [Procurement\\_Officer@surs.org](mailto:Procurement_Officer@surs.org) no later than the deadline of **4:30 p.m. CT, May 25, 2018**. *Please reference the “Real Estate Consultant Search RFP Response - Name of Responder” in your communications.* An e-mail confirmation will be sent confirming withdrawal of the proposal. The proposal may be resubmitted with any modifications **no later than** the deadline. Modifications offered in any other manner will not be considered.

#### Questions:

In order to clarify any issues in this Request for Proposal, SURS will respond only to questions that are presented in writing via e-mail to [Procurement\\_Officer@surs.org](mailto:Procurement_Officer@surs.org). All questions should be submitted to SURS by **4:30 p.m. CT, May 4, 2018**. *Please reference the “Real Estate Consultant Search RFP Response - Name of Responder” in your communications.* These questions will be consolidated into a single Q&A document and responded to by SURS on, or about, Monday, **May 7, 2018**. The Q&A document will be posted on the SURS web site at [www.surs.org/rfp](http://www.surs.org/rfp) without indicating the source of the query.

## **SECTION V: ILLINOIS FREEDOM OF INFORMATION ACT DISCLOSURE, COMMUNICATIONS AND EVALUATION PROCESS**

### **Freedom of Information Act Disclosure:**

**All materials submitted in response to the RFP become property of SURS. Proposals remain confidential during the selection process. However, upon completion of the selection process, all responses, including that of the individual or firm selected, will be a matter of public information and will be open to public inspection in accordance with the State of Illinois Freedom of Information Act (FOIA) 5 ILCS 140/1 *et. seq.***

If, in response to this RFP, trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged or confidential and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business responding to this RFP, such claim must be clearly made and such information must be clearly identified. (5 ILCS 140/7 and 7.5) **Responses to this RFP with every page marked as proprietary, privileged or confidential will not satisfy this requirement.** Bidders are required to make a good faith attempt to properly identify only those portions of the response that are truly furnished under a claim that they are proprietary, privileged or confidential and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business responding to this RFP.

**Redacted Version of RFP Response:** In the event Responder believes certain materials in the submitted response are exempt from public disclosure, Responders are asked to provide a redacted version of the response it believes will be suitable for release under the Illinois Freedom of Information Act (5 ILCS 140/7 and 7.5)

**However, any claim of privilege from disclosure is not definitive. SURS has the right and legal obligation to determine whether such information is exempt from disclosure under the Illinois Freedom of Information Act and no information will be considered or determined by SURS to be proprietary, privileged or confidential unless it is identified and separated as indicated herein. (5 ILCS 140/7 and 7.5)**

### **Ordinary Course of Business Communications Allowed:**

Other than existing normal business matters, respondents, potential respondents, or their representatives should not contact anyone at SURS (including SURS staff, members of the SURS advisory committees and members of the SURS Board) other than the investment team assigned to the RFP listed above. In addition, respondents must not discuss this RFP with any employee of SURS's custodian, managers, legal counsel, or other advisors or persons/entities having contracts or other affiliations with SURS.

### **SURS Quiet Period Policy:**

Please note the following Quiet Period Policy establishing guidelines by which the SURS Board of Trustees and SURS Staff will communicate with prospective service providers during a search process. **The Quiet Period for this RFP began on April 19, 2018.**

1. A Quiet Period will commence upon Board authorization and end once a selection has been made by the Board and the completion of successful contract negotiations with a respondent;
2. Initiation, continuation and conclusion of the Quiet Period shall be publicly communicated to prevent inadvertent violations;

3. All Board members, and Staff other than the Chief Procurement Officer or their designee, shall refrain from communicating with respondents regarding any product or service related to the search in process. All Board members and Staff shall refrain from accepting meals, travel, hotel, or other value from such respondents;
4. Throughout the Quiet Period, if any Board member is contacted by a respondent, the Board member shall refer such party to the Chief Procurement Officer;
5. All authority related to the search process shall be exercised solely by the Investment Committee or Board as a whole, and not by individual Board members;
6. The Quiet Period does not prevent Board approved due diligence, client conference attendance or communications with an existing vendor; provided, however, that discussions related to the procurement and pending selection shall be avoided during those activities;
7. The provisions of this Policy shall apply throughout the Quiet Period and shall be communicated to respondents in conjunction with any search; and
8. A respondent may be disqualified from a search process for a violation of the Quiet Period or any portion of this Policy.

### **Ex-Parte Communications:**

The State Officials and Employees Ethics Act (5 ILCS 430) provides that all “ex parte communications” concerning investment, rulemaking or quasi-adjudicatory matters pending before a state agency must be documented and some must be reported. An “ex parte communication” is any written or oral communication by any person that imparts or requests material information or makes a material argument regarding potential action concerning an investment, a rulemaking process, or a quasi-adjudicatory matter. An “ex parte communication” does not include statements publicly made in a public forum or communications among employees of the state agency.

**An “ex parte communication” from an “interested party” or his or her official representative or attorney to an employee or the agency must be memorialized and made a part of the record. An “interested party” is a person or entity whose rights, privileges, or interests are the subject of or are directly affected by an investment, regulatory or quasi-adjudicatory matter.**

**An “ex parte communication” other than that described above must be reported by the SURS staff member or Board Trustee immediately to the agency’s Ethics Officer. The communication must be memorialized and made a part of the record. The communication must be filed with the Executive Ethics Commission, accompanied by a memorandum from the Ethics Officer.**

### **Rights Reserved:**

SURS reserves the right to amend any segment of the RFP prior to the announcement of a contractor. In such an event, all respondents will be afforded the opportunity to revise their proposals to accommodate the RFP amendment.

SURS reserves the right to remove any or all of the services from consideration for this contract. At its discretion, SURS may issue a separate contract for any service or groups of services included in this RFP. SURS may negotiate additional provisions to the contract awarded pursuant to this RFP.

SURS may request additional information from any or all bidders to assist in the evaluation of proposals, and SURS reserves the right to conduct background investigations of selected individuals or firms prior to awarding a contract under this RFP.

SURS does not bear any obligation to complete the RFP process or to select any individual(s) or firm(s). SURS also reserves the right without prejudice to reject any or all proposals submitted. SURS will **NOT** reimburse any expenses incurred in responding to this RFP.

**Proposal Evaluation:**

All proposals received by deadline will be reviewed to determine whether they meet the requirements of this RFP. The primary factors that will be considered include, but will not necessarily be limited to:

- **Organization**
- **Resources**
- **Experience**
- **Service Team**
- **Thought Leadership**
- **Commitment to Diversity**
- **Independence**
- **Fees**

**Terms and Conditions:**

Following a review of submitted materials, selected individuals or firms must be prepared to make a presentation to the SURS Board of Trustees at a date and location to be determined by SURS. SURS will **NOT** provide reimbursement for any costs incurred by the individuals or firms associated with this presentation. Prior to the award of a contract pursuant to this RFP, selected individuals or firms must provide all requested documentation.

## SECTION VI: DEFINITIONS AND APPENDICES

### Definitions Under Illinois Law:

Link to Illinois Compiled Statutes: [www.ilga.gov](http://www.ilga.gov)

Link to Section 1-113.21 Illinois Pension Code: <http://www.ilga.gov/legislation/publicacts/98/PDF/098-1022.pdf>

“**Contract**” means all types of [State] agreements, regardless of what they may be called, for the procurement, use, or disposal of supplies, services, professional or artistic services, or construction or for leases of real property where the [State] is the lessee, or capital improvements, and including renewals, master contracts, contracts for financing through use of installment or lease-purchase arrangements, renegotiated contracts, amendments to contracts, and change orders.

“**Investment adviser**”, "investment advisor", or "investment manager" means, with respect to a pension fund or retirement system established under Illinois Code if the person:

(1) is a fiduciary appointed by the board of trustees of the pension fund or retirement system in accordance with Section 1-109.1;

(2) has the power to manage, acquire, or dispose of any asset of the retirement system or pension fund;

(3) has acknowledged in writing that he or she is a fiduciary with respect to the pension fund or retirement system; and

(4) is at least one of the following: (i) registered as an investment adviser under the federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.); (ii) registered as an investment adviser under the Illinois Securities Law of 1953; (iii) a bank, as defined in the Investment Advisers Act of 1940; or (iv) an insurance company authorized to transact business in this State.

“**Minority person**” means a person who is a citizen or lawful permanent resident of the United States and who is a member of a minority.

“**Minority owned business**” means a business which is at least 51% owned by one or more minority persons, or in the case of a corporation, at least 51% of the stock in which is owned by one or more minority persons; and the management and daily business operations of which are controlled by one or more of the minority individuals who own it.

“**Female owned business**” means a business which is at least 51% owned by one or more females, or, in the case of a corporation, at least 51% of the stock in which is owned by one or more females; and the management and daily business operations of which are controlled by one or more of the females who own it.

“**Business owned by a person with a disability**” means a business that is at least 51% owned by one or more persons with a disability and the management and daily business operations of which are controlled by one or more of the persons with disabilities who own it. A not-for-profit agency for persons with disabilities that is exempt from taxation under Section 501 of the Internal Revenue Code of 1986 is also considered a "business owned by a person with a disability".

“**Compensation**” means any money, thing of value, or economic benefit conferred on, or received by, a consultant in return for services rendered, or to be rendered, by himself, herself, or another.

“**Economic opportunity**” means any purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services wherein a consultant may gain an economic benefit.