

Request for Proposal



Real Assets Consultant 2023

ID:RFP-20-23-03

Issued December 12, 2022

**Responses due via email
By 4:30 CT on February 10, 2023**

Please include RFP ID on all correspondence

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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 assets consulting services to SURS Investment Staff and Board of Trustees. This search was authorized by the Board of Trustees and seeks to identify potential full-service real assets retainer investment consultants (the “Consultant”). Respondents to this RFP are encouraged to describe ways in which they believe their firm’s capabilities are unique and add compelling value. This is a non-discretionary, full-retainer mandate. SURS will retain discretion over all manager/fund selection decisions. 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:

SURS is the administrator of a cost-sharing, multiple-employer, public employee retirement system that provides retirement, survivor, disability and death benefits to employees of Illinois state universities, community colleges, and certain other affiliated organizations and agencies. SURS was created in 1941, by an act of the Illinois General Assembly, and is governed by the Illinois Pension Code (40 ILCS 5/15-101 et seq.). SURS provides benefit services to over 240,000 members who work for 61 employers. SURS is responsible for investing assets of more than \$22 billion in a diversified portfolio of U.S. and foreign stocks, bonds, real estate and alternative investments. SURS also administers two defined contribution plans, the Retirement Savings Plan, with assets of approximately \$3.5 billion and the Deferred Compensation Plan (launched in 2021), with assets of approximately \$8 million.

An elected and appointed, eleven-person board of trustees governs SURS. Five members of the board are appointed by the governor of the state of Illinois (one of whom is the chairperson of the Illinois Board of Higher Education). The remaining six members of the board are elected by participating members (four individuals) and annuitants (two individuals). The governor designates the chairperson of SURS from among the eleven trustees. Trustees serve six-year terms. SURS is funded by participant payroll deductions and annual employer contributions provided by the state of Illinois. By statute, SURS is defined as a “body politic and corporate” created by Article 15 of the Illinois Pension Code.

SURS primary offices are located in Champaign, Illinois at 1901 Fox Drive and 1801 Fox Drive. A copy of SURS’ most recent comprehensive annual financial report is available for review, or to download, at www.surs.org.

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

Section 1-109.1(6) of the Illinois Pension Code (40 ILCS 5/1-109.1(6)) encourages Illinois public pension systems like SURS to utilize businesses owned by “minorities,” “women,” and “persons with disabilities” for all contracts and services, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act (“BEMWPD”, 30 ILCS 575). Additionally, Section 1-109.1(10) of the Illinois Pension Code (40 ILCS 5/1-109.1(10)) sets an aspirational goal of not less than 20 percent of contracts awarded to such businesses for “information technology services,” “accounting services,” “insurance brokers,” “architectural and engineering services,” and “legal services” as defined by the

BEMWPD. Accordingly, businesses that meet these definitions are strongly encouraged to submit responses to this RFP.

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

SURS is subject to its own procurement statutes and rules, which include, without limitation, rules and regulations set forth in the Illinois Administrative Code adopted by the Joint Committee on Administrative Rules, Ill. Adm. Code Title 80. Part 1600.130, the SURS General Procurement Policy and the SURS Investment Procurement Policy. Proposers should be familiar with those procurement requirements as well. The selected proposer will be paid by SURS directly.

Additional legal requirements that vendors should be familiar with are contained in the Addendum to Contract under Appendix G.

3. Defined Benefit Plan Investment Program:

June 30, 2022, the Defined Benefit plan trust totaled \$22.8 billion with a strategic target functional asset allocation as follows:

<u>Functional Class</u>	<u>Target</u>
Traditional Growth - Public equities	35.0%
Non-Traditional Growth	
Private Equity	11.0%
Non-Core Real Assets	5.0%
Principal Protection	8.0%
Stabilized Growth	
Options Strategies	2.0%
Public Credit	2.0%
Private Credit	5.0%
Core Real Assets	8.0%
Inflation Sensitive	5.0%
Crisis Risk Offset	
Long Duration	2.0%
Long Volatility	1.7%
Tail Risk	0.3%
Trend Following	10.0%
ARP	5.0%

The Defined Benefit plan is structured with both active and passive managers and is 100% externally managed.

SURS has retained Meketa for general consulting services (the “Investment Consultant”). Meketa’s primary responsibilities include advising on matters related to asset allocation, investment policy and the broader portfolio. Additionally, Northern Trust serves as the System’s master custodian, providing various management and administrative services.

4. Real Assets Investment Program

SURS has approximately \$2 billion invested in real assets as of June 30, 2022. The allocation is made up of private real estate (core and non-core), infrastructure (core and non-core), and farmland (non-core)

investments. Currently real assets is 9% of the total fund and the target allocation for real assets is 13%. A list of SURS current real assets 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 assets 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) 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 assets as they pertain to the broader SURS portfolio, as necessary.
- Attend meetings of the Investment Committee and Board of Trustees when real assets 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 the Consultant.
- Educate Board of Trustees and Staff regarding significant trends in real assets 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 investment managers that are minority-owned businesses, women-owned business, and businesses owned by a person with a disability.
- Support the selection of real assets 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 assets 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 assets managers and related real assets 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, the Consultant will present an Asset Class Review of the real assets asset class, incorporating information from annual organizational and performance reviews for each of the System’s managers. 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 assets 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 assets 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 45 days after the respective period end.
- Access to all real assets 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 Responder 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, 2022, 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 assets asset mix to SURS. Qualified women-owned, minority-owned, or businesses owned by a person with a disability. Owned Businesses are exempt from this requirement and will be evaluated for further consideration at SURS' discretion.

8. As of December 31, 2022, the primary contact dedicated to the SURS contract must have at least five (5) years of experience in providing real assets consulting services to institutional fund clients. Qualified women-owned, minority-owned, and businesses owned by a person with a disability. 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 the above minimum qualifications.

3. Legislative Considerations

Respondents are subject to 40 ILCS 5/1-110.16, as amended from time to time, relating to investments in companies that are designated by the Illinois Investment Policy Board ("IIPB") as restricted companies. Managers must comply with the IIPB's Prohibited Investment List and reporting requirements under applicable Illinois law. For more information, please visit: <http://iipb.illinois.gov>.

In addition, absent a determination by SURS that shareholder activism would be more impactful than divestment (and, if such a determination is made but such engagement efforts are unsuccessful), Section 1-110.16 of the Illinois Pension Code (40 ILCS 5/1) generally requires SURS to divest from direct holdings in the following types of "restricted companies":

1. Expatriated entities, as defined in Section 1-15.120 of the Illinois Procurement Code (30 ILCS 500/) (*i.e.*, a foreign incorporated entity which is treated as an inverted domestic corporation under subsection (b) of Section 835 of the Homeland Security Act of 2002, 6 U.S.C. 395(b), or any subsidiary of such an entity); and
2. For-profit companies that contract with the federal government to shelter migrant children under the federal Unaccompanied Alien Children Program or a substantially similar federal program.

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 Code¹ 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 investments boards to increase:

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

Illinois law further establishes the following aspirational goals for certain public retirement systems, pension funds, and investment boards:

- 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 women, minorities, and persons with disabilities; and
- The utilization of businesses owned by women, minorities, 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 women, minorities, and persons with a disability, as well as firms owned by women, minorities, and persons with a disability, to respond to this RFP.

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

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 woman, 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 has with i) a minority-owned business, ii) a woman-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 woman-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 woman, 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 women-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 women-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 women-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 women-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 and B-2 and for SURS compliance purposes, B-3. **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. ***All communications regarding this RFP must include the RFP ID shown on the title page.***

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 and B-2 and for SURS compliance purposes, B-3.
4. **Real Assets 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. Any deviation from the prescribed format which in the opinion of SURS is material may result in the rejection of the proposal. The proposed fee shall include all costs and expenses for providing the services as described in this RFP. Once finalists are selected, fees may be subject to a "best and final" offer process to be determined at the discretion of the System. The Fee Proposal must expressly state that the proposed fees are guaranteed for the term of any resulting contract.

5. Contract Negotiating and Awarding

Although fees are a material element in selection, cost is only one of several factors used to evaluate proposals. This request for proposal is neither a contract nor meant to serve as a contract. It is anticipated that one of the proposals submitted in response to this RFP may be selected as the basis for negotiation of a contract with the proposer. Such a contract is presently contemplated to contain, at a minimum, the terms of the proposal submitted, as finally negotiated and approved by the System. SURS reserves the right to negotiate additions, deletions or modifications to the terms of proposals submitted. The terms contained in Appendix G, Addendum to Contract, must be agreed to and accepted by the candidate or organization selected to perform the work contemplated by this RFP, unless exceptions are noted as part of the proposer's response. Any questions or exceptions to the terms and conditions must be outlined as part of the proposer's response. However, SURS is not required to accept the proposer's exceptions. Any exceptions noted in the proposer's response will be addressed and discussed during the review process, but no changes will be made to the terms and conditions stated herein, unless the proposer and SURS both agree to include said changes in the final contract awarded under this RFP.

As part of this RFP process, including but not necessarily as a precursor to its acceptance of any best and final offer, SURS may require any proposers deemed reasonably susceptible to award to engage in discussions of specific contract language. Such discussions may be extensive and may require the proposer to be represented by personnel with authority to agree to contractual language. SURS may request or require that proposers who engage in such discussions include the contract language that results from such discussions as part of a best and final offer, such that SURS' award to such a proposer will lead directly to

contract execution on the agreed terms, without further discussion or negotiation. The specifics of the terms and conditions agreed to as a result of such discussions may be a factor in SURS' award decision.

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 United 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	December 12, 2022
RFP Issued	December 12, 2022
Deadline for Responder Questions	January 6, 2023
Response to Questions	January 18, 2023
RFP Responses due 4:30 p.m. CT	February 10, 2023
Evaluations	February/March 2023
Candidate Interviews	April 2023
Selection	June 1, 2023

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 no later than **4:30 p.m. CT, February 10, 2023**. *Please reference the “Real Assets Consultant Search RFP Response - Name of Responder” in your communications, along with the RFP ID shown on the title page. 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 no later than the deadline of **4:30 p.m. CT, February 10, 2023**. *Please reference the “Real Assets Consultant Search RFP Response – Name of Responder” in your communications, along with the RFP ID shown on the title page.* 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. All questions should be submitted to SURS by **4:30 p.m. CT, January 6, 2023**. *Please reference the “Real Assets Consultant Search RFP Response – Name of Responder” in your communications, along with the RFP ID shown on the title page.* These questions will be consolidated into a single Q&A document and responded to by SURS on, or about, **January 18, 2023**. The Q&A document will be posted on the SURS web site at www.surs.org/rfp without indicating the source of the query.

SECTION V: ILLINOIS FREEDOM OF INFORMATION ACT (FOIA) DISCLOSURE, COMMUNICATIONS AND EVALUATION PROCESS

1. 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, vendor 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).

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, and such markings will result in the entire proposal being deemed to be disclosable public information, without further discussion.** Proposers 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.

2.Redacted Version of RFP Response:

In the event the proposer believes and claims that certain materials or information contained in the submitted response are exempt from public disclosure under the Illinois FOIA, the proposer is required 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) Proposers should assume that information suitable for release will include, but not be limited to, proposer's questions, proposals, appendices attached, proof of concepts, best and final offers, and any related communication with SURS staff in regard to the RFP.

Note: Pricing and fee structures are generally disclosable under FOIA.

A PROPOSER'S FAILURE TO PROVIDE A REDACTED VERSION OF THE RFP RESPONSE WILL RESULT IN SURS DISCLOSING THE PROPOSER'S ENTIRE RFP RESPONSE IF THE SAME IS REQUESTED UNDER THE ILLINOIS FREEDOM OF INFORMATION ACT AND NEITHER THE PROPOSER NOR ANY THIRD PARTIES SHALL HAVE ANY RECOURSE AGAINST SURS FOR ITS DISCLOSURE OF THE NON-REDACTED RFP RESPONSE.

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)

3. 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 December 12, 2022.**

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.

4. Ordinary Course of Business Communications Allowed:

Other than existing normal business matters, responders, potential responders, or their representatives should not contact anyone at SURS (including SURS staff, members of the SURS board, SURS consultants, attorneys and current vendors) other than the listed RFP contact. In addition, responders must not discuss this RFP with any employee of SURS, trustee of SURS, employee of SURS' custodian, managers, legal counsel, or other advisors or persons/entities having contracts or other affiliations with SURS.

5. 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.

6.Equal Opportunity:

SURS does not discriminate because of race, color, religion, creed, sex, sexual orientation, age, marital status, military status, certain unfavorable discharges from military service, political affiliation, citizenship, ancestry, national origin, physical or mental handicap or disability or any other characteristic protected by law. It is the System's intent to comply with all state, federal and local equal employment and opportunity laws and public policies.

7.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**

8.Terms and Conditions:

Following a review of submitted materials, if requested, selected individuals or organizations must be prepared to make a presentation or otherwise participate in an in-person interview in Champaign, IL or in Chicago, IL with SURS staff members and/or members of 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

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.

“Women-owned business” means a business which is at least 51% owned by one or more women, or, in the case of a corporation, at least 51% of the stock in which is owned by one or more women; and the management and daily business operations of which are controlled by one or more of the women 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.