



REQUEST FOR PROPOSAL

General Consultant
Defined Benefit
[ID: RFP-20-23-01](#)

Issued July 5, 2022

Responses due via email

by 4:30 pm CT on August 31, 2022

Please include RFP ID on all correspondence

Table of Contents

I. Introduction	4
II. Description of SURS	4
III. Scope of Work	6
IV. Minimum Qualifications	7
V. Legislative Considerations	8
VI. Proposal Content	10
Indexed Table of Contents	10
Cover Letter	10
Statement of Minimum Qualifications	10
Reference Checks	10
Company Organization and Diversity Disclosure	10
Fee Proposal	10
Contract	10
VII. Submission of Proposals	11
VIII. Evaluation Process	11
Pre-Evaluation Review	11
Proposal Evaluation	11
IX. Anticipated Timeline and Contact Information	13
X. Submission Process	13
Deadline	13
Withdrawal	13
Questions	13
XI. General Conditions	14
Freedom of Information Act Disclosure and Redacted RFP Response Requirement	14
Redacted Version of RFP Response	14
Ordinary Course of Business Communications Allowed	15
SURS Quiet Period Policy	15
Rights Reserved	15
Equal Opportunity	16
Terms and Conditions	16
XII. Definitions Under Illinois Law	16

Appendix A: Statement of Minimum Qualifications.....	18
Appendix B: Questionnaire.....	19
Contact and Company Information:.....	19
General Information	19
Diversity, Equity and Inclusion	21
Consultants and Staffing	23
Client Servicing Capabilities	23
Performance Measurement and Portfolio Analytics.....	24
Asset Allocation Model/Issues.....	24
Manager/Portfolio Evaluations	25
Manager Searches	26
Passive Management/Securities Lending/Cash Management.....	27
Risk.....	27
Other Items	27
References	29
Appendix C: Fee Proposal	30
Appendix D: Addendum to Contract.....	31
Appendix E: Diversity Disclosure	34
Appendix F: Compensation and Economic Opportunity Disclosures.....	35
Appendix G: SURS Investment Plan FY 2022	36

I. Introduction

The State Universities Retirement System (SURS, or the System) is soliciting proposals from investment consulting firms to provide general consulting services to SURS investment staff and SURS Board of Trustees for the Defined Benefit plan. This is a non-discretionary mandate with SURS retaining discretion over all manager/fund selection decisions. Private equity, private credit and real assets are not covered in this RFP as SURS has specialty consultants in those classes. SURS also has a separate consultant for the Defined Contribution plan.

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 seeks to identify potential full-service general retainer investment consultants. The consultant will report to the SURS 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).

All forms/required documents needed for submitting a request for proposal (RFP) are available on the SURS website at www.surs.org.

A proposer's preparation and submittal of a proposal or subsequent participation in presentations or contract negotiations creates no obligation on the System to award a contract or to pay any associated costs. All proposals and related materials will be retained by the System and will be subject to disclosure as required in accordance with the Illinois Freedom of Information Act.

II. Description of SURS

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 \$25 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 \$3.7 billion and the Deferred Compensation Plan (launched in 2021), with assets of approximately \$7 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 D.

Defined Benefit Plan Investment Program:

As of March 31, 2022, the Defined Benefit plan trust totaled \$25 billion with a strategic target functional asset allocation as follows:

<u>Functional Class</u>	<u>Target</u>
Traditional Growth - Public equities	38.0%
Non-Traditional Growth	
Private Equity	10.5%
Non-Core Real Assets	2.5%
Principal Protection	8.0%
Stabilized Growth	
Options Strategies	2.5%
Liquid Credit	9.0%
Private Credit	1.0%
Core Real Assets	4.5%
Inflation Sensitive	5.0%
Crisis Risk Offset	
Long Duration	4.0%
Trend Following	10.0%
ARP	5.0%

The Defined Benefit plan is structured with both active and passive managers and is 100% externally managed. Please see Appendix G – SURS Investment Plan FY 2022 for additional information. SURS recently completed a search for long volatility/tail risk strategies and expects to have managers funded during the third quarter.

SURS Staffing

The SURS investment team currently consists of 10 members. These include:

- Chief Investment Officer
- Deputy Chief Investment Officer
- Three Senior Investment Officers individually responsible for Private Equities, Public and Private Fixed Income, and Real Assets
- Three Investment Officers
- One Investment Analyst
- One Compliance Analyst

Broader System resources are also utilized, including accounting and internal/external legal counsel. Additionally, Northern Trust serves as the System's master custodian, providing various management and administrative services.

III. Scope of Work

The State Universities Retirement System is looking for qualified firms to provide full-service general consultancy. The proposer must be able to provide all of the services listed below unless otherwise indicated:

Portfolio Construction and Asset Allocation

1. Assist SURS to construct investment portfolio that is "best in class" for US public pension system with a funding ratio of less than 50% and net cash outflow of -2 to -4%
2. Perform comprehensive asset/liability studies and provide corresponding recommendations
3. Recommend asset allocation: modeling, recommendations and implementation
4. Conduct In-depth analysis of any asset class or sub-asset class recommended for addition to the policy portfolio to support tactical or strategic decisions
5. Develop a benchmark(s) against which asset allocation/policy portfolio can be evaluated
6. Construct attribution analysis for asset classes and forecast variables
7. Establish empirically based benchmarks for each asset class and sub-asset class
8. Identify asset classes or sub-asset classes that warrant active management and provide supporting analysis
9. Provide recommendations for manager structure within each asset class and sub-asset class

Implementation

1. The General Consultant will be a partner with the SURS investment team and a resource for the SURS board
2. Assist with drafting RFPs for asset managers, custodians, securities lending agent, transition managers, etc.
3. Identify and screen candidates and recommend top choices, with pros and cons
4. Support staff in the selection, retention and ongoing monitoring of asset managers, custodians, securities lending agent, transition managers, etc
5. Help oversee and refine institutional hedging and overlay programs (i.e., rebalancing, tail risk hedging, etc.)
6. Support SURS in achieving and evaluating Minority Women Disadvantaged Business Enterprises (MWDBE) system goals
7. Provide assistance in contract review and negotiation, including on-going manager guidelines revisions and partnership actions

8. Provide policy portfolio, asset class, sub-asset class and manager performance reviews vs. agreed upon benchmarks/metrics and make recommendations for changes consistent with SURS Investment Policy.
 - a. Such portfolio review shall consist of a concise, transparent and relevant executive summary consisting of no more than 10 pages in PowerPoint or similar format
 - b. Such portfolio review shall be presented with cooperation and collaboration of SURS staff
9. Provide quarterly performance reporting, including appropriate reporting to evaluate each alternative asset class
10. Develop/refine 'risk' dashboard and related metrics
11. Perform liquidity management studies and recommend changes, as appropriate
12. Examine cash flow forecasts and pacing analyses provided by specialty consultants
13. Review Investment Policy and suggest revisions
14. Review Investment Beliefs and suggest revisions
15. Provide staff support as required/agreed
16. Provide capital market research, asset class/new product education for board and staff and provide general board education as requested/agreed
17. Work with staff to provide a forward-looking calendar of deliverables to the board
18. Attend seven regular investment committee meetings to review performance and make recommendations (attendance of in-person vs virtual is determined at the discretion of the board)
19. Attend other staff and/or board meetings upon request
20. Provide assistance on special projects upon request, and
21. Provide other services as required by SURS

IV. Minimum Qualifications

Failure to satisfy each of the minimum qualifications will result in the immediate rejection of the proposal. The proposal must address each of the qualifications substantiating how the proposer 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 Statement of Minimum Qualifications (Appendix A) that it meets all of the minimum qualifications, and such Statement of Minimum Qualifications must be signed by an individual who is authorized to bind the proposer contractually.

1. The proposer'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 proposer 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 proposer 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. Proposer 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 proposer submits a response to the RFP. Proposer's audited financial statements must be made available for review.

6. Proposer will comply with all legislation, applicable state fiduciary, ethics, and diversity laws, including any additional disclosure requirements.
7. As of June 30, 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 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 June 30, 2022, the primary contact dedicated to the SURS contract must have at least five (5) years of experience in providing 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 proposer is qualified to bid, including determining whether any proposer's qualifications are sufficiently comparable to satisfy the above minimum qualifications.

V. Legislative Considerations

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 the following types of "restricted companies":

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.

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 MWDBE;
- 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

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 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.

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.

VI. Proposal Content

At a minimum, the proposal must include the following information to be considered for the engagement. For ease of review, each requirement should be addressed separately. ***All communications regarding this RFP must include the RFP ID shown on the title page.***

Indexed Table of Contents

The proposal package must include an indexed table of contents to facilitate the review process.

Cover Letter

A cover letter, which will be considered an integral part of the proposal package, in the form of a standard business letter, must be signed by an individual authorized to bind the proposer contractually. This cover letter must indicate the signer is so authorized and must indicate the signer's title or position. An unsigned proposal will be rejected. The cover letter must also include:

- a. A statement that the proposal meets all requirements of this RFP, and that the offer tendered by the proposal will remain in full force and effect until and may be accepted by SURS at any time prior to 180 days beyond the deadline for submittal.
- b. A disclosure of any current business relationship or any current negotiations for prospective business with SURS, or with any member of the SURS Board of Trustees or SURS staff, or any party currently rendering services to SURS.
- c. A statement that the proposer acknowledges that all documents submitted in response to this RFP may be subject to disclosure under the Illinois Freedom of Information Act and/or the Illinois Open Meetings Act.

Statement of Minimum Qualifications

Proposers must complete and return the Statement of Minimum Qualifications certification in the form contained in Appendix A.

Reference Checks

Reference checks will be conducted for each finalist.

Company Organization and Diversity Disclosure

The Questionnaire (Appendix B), Diversity Disclosure (Appendix E) and Compensation and Economic Opportunity Disclosures (Appendix F) to this RFP must be completed and returned as part of the proposal.

Fee Proposal

Proposers must submit a fixed-cost proposal in the format prescribed in the Fee Proposal (Appendix C). 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.

Contract

This request for proposal is neither a contract nor meant to serve as a contract. It is anticipated that one or two 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 D, 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.

VII. Submission of Proposals

All proposals must be received no later than the deadline stated in the Anticipated Timeline and Contact Information section. Submissions must be made via email to the identified contact person by the stated deadline. **Only email submissions will be accepted.**

The proposals become the property of SURS upon submission. All costs for developing proposals and attending presentations and/or interviews are entirely the responsibility of the proposer and shall not be chargeable to SURS.

Only one proposal from an individual, firm, partnership, corporation, or combination thereof, will be considered for this assignment.

VIII. Evaluation Process

Pre-Evaluation Review

All proposals will be reviewed to determine if they contain all the required submittals specified in this RFP. Those not submitting all required information in the prescribed format may be rejected.

Proposal Evaluation

All proposals received by the SURS representative on or before the deadline listed above will be reviewed to determine whether they meet the minimum requirements of this RFP.

All proposals received by deadline and that pass the pre-evaluation review will undergo an evaluation process conducted by SURS staff. They will be reviewed to determine whether they meet the requirements of this RFP. SURS will consider the following factors in the evaluation process, ranked in no specific order, and will render a decision based on the perceived best fit and best value for the engagement. Fees will be one of the determining factors in this decision but will not be the primary determinative. Proposals will be evaluated based on criteria including:

- Corporate organization, general experience, and stability
- Resources
- Experience
- Service Team
- Thought Leadership
- Commitment to Diversity
- Independence
- Fees

Proposals that contain false or misleading statements or that provide references which do not support an attribute or condition claimed by the proposer will be rejected. Issuance of the request for proposal creates no obligation to award a contract or to pay any costs incurred in the preparation of a proposal. Nothing in this RFP or any resulting contract shall preclude SURS from procuring services similar to those described herein from other sources.

During the evaluation process, proposers may be requested to provide additional information and/or clarify contents of their proposal. Other than information requested by SURS, no proposer will be allowed to alter the proposal or add new information after the filing date.

Once finalists are selected, proposals may be subject to a "best and final" offer process to be determined at the discretion of the System.

IX. Anticipated Timeline and Contact Information

<u>Schedule</u>	<u>Dates</u>
Quiet Period Begins	July 5, 2022
RFP Issued	July 5, 2022
Responder Questions Due	July 15, 2022, 4:30 p.m. CT
Responses to Questions	July 29, 2022, 4:30 p.m. CT
RFP Responses Due On or Before	August 31, 2022, 4:30 p.m. CT
Evaluations	September-October 2022
Interviews	November 2022
Selection by SURS	December 8, 2022

SURS may extend these deadlines at its discretion. Any such extensions will be posted to the SURS website.

SURS RFP Contact Information

Procurement Officer
Procurement_Officer@surs.org
SURS
1901 Fox Drive
Champaign, IL 61820-7333

X. Submission Process

Deadline

To be considered for selection, proposals **must be received via email in Adobe Acrobat format** at Procurement_Officer@surs.org **no later than 4:30 p.m. CT, August 31, 2022**. Please reference "RFP-20-23-01 + General Consultant Defined Benefit RFP Response" with name of proposer in the subject line of your communications. An email confirmation will be sent confirming receipt of the proposal.

Withdrawal

A proposal may be withdrawn 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 submission deadline, currently designated as 4:30 p.m. CT, August 31, 2022. Please reference "RFP-20-23-01 + General Consultant Defined Benefit RFP Response" with name of proposer in the subject line of your communications. An email 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

To clarify any issues in this RFP, SURS will respond only to questions that are presented in writing via email to Procurement_Officer@surs.org or Procurement_Officer@surs.org. All questions should be submitted to SURS by 4:30 p.m. CT, July 15, 2022. Please reference "RFP-20-23-01 + General

Consultant Defined Benefit RFP Response” with name of proposer in the subject line of your communications. These questions will be consolidated into a single Q&A document and responded to by SURS on or about July 29, 2022. The Q&A document will be posted on the SURS website at www.surs.org/rfp-investment. This document will include all questions received and SURS’ answers to the same without indicating the source of the query.

XI. General Conditions

Freedom of Information Act Disclosure and Redacted RFP Response Requirement

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.

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)

Ordinary Course of Business Communications Allowed

Other than existing normal business matters unrelated to this RFP, proposers, potential proposers, 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 listed RFP contact, and in compliance with the Quiet Period Policy described below. In addition, proposers 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, except in compliance with the Quiet Period Policy.

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 vendors or service providers during a search process. **The quiet period for this RFP began on the date the RFP was issued: July 5, 2022.**

1. A quiet period will commence upon issuance of an RFP 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 those directly involved in the search or 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 or its designee(s), 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.

Rights Reserved

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

SURS reserves the right to remove any or all 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 proposers 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.

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.

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 organizations associated with this presentation. Prior to the award of a contract pursuant to this RFP, selected individuals or firms must provide all requested documentation.

XII. 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.

“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.

Appendix A: Statement of Minimum Qualifications

(Firm Name) _____ certifies that it meets the following minimum qualifications.

Please initial each as applicable.

1. _____ The proposer’s key professionals and/or organization has no material conflicts with SURS or the SURS board.

2. _____ The proposer 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 proposer 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 SURS within the meaning of Illinois legislation and to act in accordance with all requirements and standards of conduct applicable to fiduciaries.

5. _____ Proposer 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 proposer submits a response to the RFP. Proposer’s audited financial statements must be made available for review.

6. _____ Proposer will comply with all legislation, applicable state fiduciary, ethics, and diversity laws, including any additional disclosure requirements.

7. _____ As of June 30, 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 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 June 30, 2022, the primary contact dedicated to the SURS contract must have at least five (5) years of experience in providing 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.

Signed: _____ Date: _____

Title: _____

Appendix B: Questionnaire

The following questionnaire must be completed and included with your response to this RFP. Type your responses in the same order as the questionnaire, listing the question first followed by your answer.

Contact and Company Information:

Name of Individual / Organization: _____

Mailing Address: _____

City: _____ State: _____ Zip Code: _____ Phone: _____

Fax: _____

Federal Employer Identification Number: _____

Contact Person(s):

Name: _____ Phone: _____

Title: _____

Fax: _____ Email: _____

Website: _____

General Information

1. Identify the location of the main office, and, if different, the office from which services would be provided to SURS. Does your firm have an office located in Illinois?

2. Provide a brief history of your firm and its operations. Include the year formed, ownership structure, and any ownership changes that occurred during the past five years. Also include any pending or planned organizational changes.

3. Is your firm a certified MWDBE firm? If so, please provide a copy of the certification.

4. List your firm's lines of business and the approximate contributions of each business to your organization's total revenue. If your firm is an affiliate or subsidiary of an organization, what percentage of the parent firm's total revenue does your subsidiary or affiliate generate?

5. Please provide details on the financial condition of your firm. The most recent annual report filed with the SEC is acceptable. Any recent material changes should be included.

6. What are your capabilities to take on a client of SURS size and complexity? Will you need to bring on any additional resources?

7. Provide a listing of all public fund clients. Include the size of the fund and the length of service to them.

8. Please complete the following table as of June 30, 2022.

Types of Clients	Number of Clients in Each Category (By Client's Total AUM)			
	Under \$5B	\$5B-\$15B	\$15B-\$30B	Over \$30B
Public Pension Plans				
Corporate Pensions Plans				
Taft-Hartley Plans				
Foundations/Endowments				

9. Provide a listing of full-retainer clients lost or gained during the past five (5) years including information on the size and type of the client. Indicate if the primary and backup consultant that would be assigned to SURS was on the service team for either the clients gained or lost.

10. Do you outsource any parts of your investment consulting business? If so, please describe in detail which parts are performed externally and the reason for doing so. Please provide the name(s) of the providers, their office location, how long they have been in business, and the qualifications of the specific people who will be working on SURS account.

11. Does your firm have a Client Advisory Board or similar structure? Please describe.

12. Does your firm provide discretionary investment management services? If so, what percentage is discretionary and non-discretionary? How has this composition changed over the past five years?

13. Does your firm or any employees invest their own capital in investment opportunities that they recommend to clients? If so, please explain how potential conflicts that arise from this activity are mitigated.

14. Does your firm accept investment managers as clients? If so, for what products? Please disclose the investment management firms that are clients and the revenue received from these firms during the past five (5) years.

15. Do you have any policies or procedures to address conflicts of interest or to prevent payments or relationships from being considered when you provide advice to clients?

16. Is your firm, its parent or affiliate a broker/dealer?
17. Do you have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker-dealers?
18. Are you willing to hold periodic (perhaps weekly) calls with SURS to review investment opportunities, due diligence, projects, workflow, and/or scheduling?
19. Does your firm have experience with plans with serious funding challenges? Does your advice to these plans differ from advice provided to well-funded plans? If so, how?
20. Describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance the firm carries. List the insurance carriers supplying the coverage and supply certificates evidencing the coverage.
21. Has there been any litigation against the firm or its principals/owners/officers within the past five (5) years?
22. Has there been any SEC or other regulatory action against the firm or its principals/owners/officers within the past five (5) years?
23. Has the firm adopted the CFA Code of Ethics and Standards of Professional Conduct? If so, how is employee compliance monitored?
24. What are your firm's consulting specialties and strengths? What differentiates your firm from your competitors? What are your firm's limitations? Why should SURS hire your firm rather than your competitor(s)? Please list your top five (5) competitors.

Diversity, Equity and Inclusion

25. Does your firm have a Diversity, Equity and Inclusion (DEI) policy or initiative? If 'yes,' provide a copy of the policy. If 'no,' are you considering the development of such a policy or initiative?
26. Does your firm have a DEI Committee within the organization empowered to effect best DEI practices? If 'yes,' provide details of the committee and their accomplishments over the past three years.
27. Does your firm have policies or practices in place to ensure that equal pay is provided for equal performance in equivalent roles regardless of gender and minority categorization? If 'yes,' provide details of the policies/practices.

28. Does your firm have formal mentorship, sponsorship and/or employer affinity programs for minorities, women, and/or persons with a disability? If 'yes,' provide details of the program(s).
29. Does your firm define goals and measure diversity outcomes at all levels of the organization, across all departments, and is compensation tied to the achievement of these goals? If 'yes,' provide details.
30. Does your firm have procedures in place for the anonymous reporting and investigation of harassment, discrimination and/or workplace violence? If 'yes,' please provide details of the procedures and how they are communicated to employees. If not, are you considering the establishment and communication of such procedures?
31. What improvements has the firm made in the hiring of MWDBE in the past year?
32. When selecting service providers, does the firm consider DEI policies or practices in the review process?
33. Does your firm require a Code of Conduct from service providers? If 'no,' are you considering making this a requirement?
34. Does the firm utilize MWDBE investment banks for capital markets services, mergers and acquisitions services and/or other advisory services?
35. Does your firm have a Code of Conduct that covers harassment, discrimination and/or workplace violence? If 'yes,' provide a copy of the Code. If 'no,' are you considering the development and implementation of such a code?
36. Does your firm provide mandatory anti-harassment and non-discrimination training to all employees? If 'yes,' please provide details and timing of the training. If 'no,' are you considering implementing a training program?
37. Have there been any claims of sexual or general harassment, misconduct, or discrimination against any current or former firm employees (while employed by your firm) within the last five years? If applicable, how did the firm respond to any claims of sexual or general harassment, misconduct, or discriminations against any current or former employees (while employed by the firm) within the last five (5) years?
38. Does your firm work with organizations that promote the attraction and retention of women, minorities, and persons with a disability within the investment industry? If "yes,' provide a list of these organizations, as well as any additional programs you have embraced.
39. Has your firm undertaken any actions to combat racism and sexism in the investment management industry in the last year? If 'yes,' provide details.

Consultants and Staffing

40. Identify and provide biographies of the primary and backup consultants who would be assigned to this engagement. How many clients do these consultants currently serve? Who are the clients these consultants currently serve? Which of these consultants would attend the SURS investment committee meetings?

--

41. What is the turnover of professional staff (senior management and consulting personnel) over the last five (5) years?

Turnover	Senior Management	Consulting Personnel
2021		
2020		
2019		
2018		
2017		

42. Please list staff positions hired, resigned and terminated within the last five (5) years, including a description of each position and the reason for the hire, resignation and/or termination.

--

43. Describe the firm's compensation and incentive program for hiring and retaining key consultant personnel. How does the firm tie client performance and satisfaction to a consultant's compensation? Please include a description of your firm's equity and/or profit-sharing arrangement with staff at all levels of the organization.

--

44. What is your firm's succession plan for key members of the organization?

--

45. How many employees does your firm have? Please provide information on the number of employees in each specific functional area of your firm. (Please be sure to specify which are analysts, investment professionals, support staff, etc.). Please provide an organizational chart depicting each functional area.

--

46. Describe your philosophy regarding a consultant's relationship with a board or investment committee and investment staff.

--

Client Servicing Capabilities

47. What is the average client to consultant ratio? What is the maximum number of clients assigned to a consultant? Identify the different classification of employees within the firm and the totals for each classification.

--

48. How does your firm evaluate the quality of its consulting services? Describe any benchmarks the firm has developed to evaluate its performance and the performance of its primary/lead consultants.

--

49. What do you consider to be crucial issues regarding the development of an investment policy?
50. Describe a typical project plan that you would follow for completing an investment policy review including steps/phases of the project, anticipated timeframe for each step and the interaction with the client, your firm's various units, the client's actuary and other entities. Please provide a sample investment policy statement.
51. Describe the structure and organization of your firm's research department – include the number and experience of analysts.
52. Provide a list of research topics published over the past year. Please include a sample published research report from the past year.

Performance Measurement and Portfolio Analytics

53. Describe the content and format of your firm's quarterly performance reports for the total fund, asset classes, and individual investment managers. ***Provide a sample report for one of your firm's clients that is structured similarly to SURS).***
54. Can these reports be customized to accommodate SURS information needs? Are there charges for these additional information requests? Within what time frames can these requested changes be implemented?
55. Describe the quality control procedures in place to assure accuracy of reports. How does your firm verify the accuracy of data received from the custodian and investment managers?
56. Describe your firm's performance attribution capabilities. Does your firm's quarterly reporting package contain attribution analysis at the total fund, asset class and investment manager level?
57. Are your performance reports and attribution analysis tools available online?

Asset Allocation Model/Issues

58. Describe your firm's capabilities and experience in providing asset allocation consulting services to a fund the size of SURS. How often does your firm recommend a formal review of asset allocation studies?
59. Describe your methodology for incorporating liabilities into asset/liability studies?
60. Provide a biography of the individuals responsible for the asset-liability model.
61. What are the limitations of your asset allocation models? What is done to adjust to these limitations?

62. Describe your firm's capital markets model. Is the model proprietary, or does your firm rely on an outside vendor's model? If your firm relies on an outside vendor, indicate the name of the vendor, name of the model, etc.

63. What framework do you use for constructing your key capital markets assumptions? Does your firm develop standard inputs to the model for all clients? Can these inputs be customized based upon individual client views, needs or requirements?

64. Provide your firm's current inputs to the asset allocation model. Include at a minimum: expected returns, standard deviations and correlation coefficients for U.S. equities (large caps, small caps, total market), international equities (developed and emerging markets), global equities, U.S. bonds, U.S. TIPS, international bonds, emerging markets debt, Treasury bills, real estate, private equity, hedge funds (including systematic trend following and alternative risk premia), infrastructure, commodities and any other significant asset classes for which your firm has developed inputs.

65. How often do you revise your capital markets assumptions?

66. Please discuss recent recommendations and the rationale for each, to adjust a similarly situated client's asset allocation or portfolio structure within each of the equity and fixed income asset classes.

67. Describe your firm's view on rebalancing. Include discussion on targets, ranges, frequency, and implementation methods.

68. Describe you firm's views on the following. When might they be appropriate?

a. Tactical asset allocation

b. Downside risk protection

c. Tail risk protection

d. Quantitative/factor investing

e. Fundamental investing

f. Options based strategies (Volatility Risk Premium)

Manager/Portfolio Evaluations

69. Discuss the steps your firm would take to analyze SURS' current investment portfolio. Include discussion of the data requirements and a sample of a completed total portfolio evaluation.

70. Briefly describe any on-going due diligence process. What critical issues are examined in the due diligence process?

71. Describe your firm's criteria for recommending that an investment manager be placed on watch, removed from watch, or terminated. Describe your firm's process for transitioning or liquidating the assets of a terminated investment manager.

72. Provide one example of a written recommendation to hire, and one recommendation to terminate, a public market manager that you have made within the last 12 months. Include copies of supporting documentation you provided to your client. Describe the necessary conditions for the firm to recommend terminating an investment manager.

73. How often are on-site due diligence visits conducted with your client's managers? Please prepare a table showing how many on-site visits your firm conducted over the past 3 years by asset class. Are notes from manager meetings made available to clients?

74. Do you have a client portal? If so, describe the type of information is available on the portal?

75. For a list of managers/strategies utilized by SURS, please see Appendix G. Please provide a list of these managers and strategies with which your firm has direct experience.

Manager Searches

76. Describe in detail your manager database and search process.

77. Does your firm have a database of MWDBE firms? How many managers are in it?

78. Describe your firm's record in MWDBE managers. How many of these managers have you recommended in the last five years?

79. Illinois statute requires goals be established for the management of assets by MWDBE firms. The goals adopted by the SURS board are included in SURS Investment Policy, found at <https://surs.org/wp-content/uploads/policy.pdf>. How can your firm assist us in meeting these goals?

80. Please provide an example of a recently-completed investment manager due diligence report for a fixed income, public equity, alternative risk premia, and systematic trend following manager search.

81. Does your firm utilize an approved manager list? If so, how often is it updated and how do you ensure that all firms have an opportunity for inclusion? How many strategies are approved? How many strategies have been added/dropped in the past 3 years?

Passive Management/Securities Lending/Cash Management

82. Describe your firm's view of the role of passive management (by asset class) in your client's portfolio. Please describe the process used to determine whether passive management will be recommended?
83. Indicate the active/passive allocation in your typical public pension fund clients.
84. Describe your firm's view on securities lending. Do you typically recommend lending with the client's custodian or with a third-party lender? Describe your viewpoint on each method of implementation.
85. Briefly describe the capabilities associated with the evaluation and monitoring of securities lending programs. Briefly describe the capabilities associated with the evaluation and monitoring of short-term investment funds (STIF) or other cash management programs. Please provide a sample securities lending program review.
86. Do you believe a plan should have a permanent allocation to cash? Why or why not?

Risk

87. Explain the firm's views on risk management for a pension fund. What do you see as the key risks, and how do you recommend these risks be handled?
88. In terms of portfolio management, discuss the firm's view on risk budgeting or similar methods and describe any experience the firm has in assisting clients in establishing risk budgets or similar processes. Please provide a sample risk budgeting study.
89. Briefly describe the risks to which a public pension fund is exposed.
90. What strategies have you recommended to mitigate risks?
91. How does your firm monitor risk? List what measurements are used when evaluating risk. At what level are these risk measurements used: total portfolio, asset class, asset style, investment manager? Which measurements are most important in the analysis of risk?
92. Discuss your views on investment manager tracking error.
93. Describe any risk management capabilities and associated costs that are offered to clients.

Other Items

94. Describe your firm's capabilities in providing educational opportunities for trustees and staff. Provide a list of board-level education topics your firm has presented over the last 3 years, including one

sample educational presentation. Does your firm hold an annual investment conference for its clients? Is there a cost for clients to attend educational opportunities?

95. Discuss your firm's philosophy on transition management. Do you recommend clients maintain a pool of approved transition managers? Have you assisted with a search for qualified transition managers?

96. Briefly describe how a new client would transition to your firm. How long is the process from start to finish? Do you backload transaction and/or investment performance data? What problems have you encountered in transitioning a new client to your firm from their previous consultant? Please provide at least one reference (name, fund name, address, phone, and email) of a recent client of yours whom we can contact regarding the transition process.

97. Describe your approach to addressing Environmental, Social, and Governance issues for client investment programs.

98. Has your firm adopted the Principles for Responsible Investment (PRI)? If so, when? If adopted, please include a discussion of any actions taken as a result of the adoption of PRI.

99. Disclose any relationship you have or have had with any SURS board member, consultant, or employee. If there are no conflicts of interest, please state, "There are no conflicts of interest to report."

100. Briefly describe your philosophy relating to the consultant's relationship with board members, staff, investment managers, and brokers.

101. Is your firm in compliance with the provisions of SEC Rule 206 (4)-5 as it would apply to SURS?

102. Does your firm have a business continuation and disaster recovery plan? Is the plan ever tested? Please describe the key features of the plan.

103. Describe efforts taken to protect computer systems from cyber threats. How do you keep client data safe?

104. Does your firm have a SOC 1 or 2 report or similar IT general controls report? If so, please attach.

105. Where will SURS data be stored? Please discuss data backups and disaster recovery locations as part of your answer.

106. Do you perform system vulnerability tests, and can the results be made available to SURS?

107. Please provide a sample contract for Investment Consulting Services.

References

108. Please provide a list of clients that have converted to your organization in the past 12 months, including the dates of conversion.

109. Please list clients that have departed your organization in the past 12 months, including dates of leaving.

110. Please list five references for clients with similar structure and size to SURS, and that utilize the services being requested in this RFP. At least three of these references should be serviced by the same client service team you are proposing for this mandate. For how long has each been a client of your organization?

Appendix C: Fee Proposal

SURS will be evaluating fee proposals for full retainer services as well as project-based services. The fees quoted in this proposal must be in force for the entire five-year contract period.

Please refer to the Scope of Work for specific services requested.

FIRM NAME: _____

TELEPHONE: _____

REPRESENTATIVE: _____

	Year 1	Year 2	Year 3	Year 4	Year 5	Total for Contract Period
1. Annual Retainer	\$	\$	\$	\$	\$	\$
2. Project Based Services						
a.	\$	\$	\$	\$	\$	
b.	\$	\$	\$	\$	\$	
c.	\$	\$	\$	\$	\$	
d.	\$	\$	\$	\$	\$	
3. Other Items	\$	\$	\$	\$	\$	

Please detail all services included in the pricing above:

	Details
1. Annual Retainer	
2. Project Based Services	
a.	
b.	
c.	
d.	
3. Other Items	

Appendix D: Addendum to Contract

ADDENDUM TO CONTRACT

In consideration of SURS entering into such contract, the vendor/contractor also agrees to the following:

- 1) If the contractor is an individual, he or she certifies that he or she is not in default on an educational loan as provided in Section 3 of the Educational Loan Default Act, 5 ILCS 385/3.
- 2) The contractor certifies that it is not barred from being awarded a contract or subcontract because of a conviction or admission of guilt for bribery or for bribing an officer or employee of the state of Illinois or any other state in that officer or employee's official capacity as provided in Section 50-5 of the Illinois Procurement Code, 30 ILCS 500/50-5 and further certifies that it is in compliance with Section 50-37 of the Illinois Procurement Code, 30 ILCS 500/50-37.
- 3) The contractor certifies that it will provide a drug free workplace by engaging in the conduct prescribed in Section 3 of the Drug Free Workplace Act, 30 ILCS 580/3.
- 4) The contractor certifies that it is not barred from contracting with SURS because of a violation of either Section 33E-3 (bid-rigging) or 33E-4 (bid rotating) of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E.
- 5) The contractor certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Act of 1979 or the regulations of the U.S. Department of Commerce promulgated under that Act.
- 6) The contractor certifies that no fees, commissions, or payments of any type have been or will be paid to any third party in connection with the contract to which this is an addendum, except as disclosed in the contract or an exhibit thereto as provided in 30 ILCS 500/50-25 and in 40 ILCS 5/1-145. The contractor shall promptly notify SURS if it ever has reason to believe that this certification is no longer accurate.
- 7) To the extent Illinois law is applicable to contractor, pursuant to 775 ILCS 5/2-105, contractor agrees to:
 - a) Refrain from unlawful discrimination and discrimination based on citizenship status in employment and undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination;
 - b) Comply with the procedures and requirements of the Illinois Department of Human Rights' regulations concerning equal employment opportunities and affirmative action;
 - c) Provide such information, with respect to its employees and applications for employment, and assistance as the Illinois Department of Human Rights may reasonably request; and
 - d) Have written sexual harassment policies that shall include, at a minimum, the following information:
 - i) The illegality of sexual harassment;

- ii) The definition of sexual harassment under state law;
 - iii) A description of sexual harassment, utilizing examples;
 - iv) Contractor's internal complaint process including penalties;
 - v) The legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Illinois Human Rights Commission;
 - vi) Directions on how to contact the Illinois Department of Human Rights and the Illinois Human Rights Commission; and
 - vii) Protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act. A copy of the policies shall be provided to the Illinois Department of Human Rights upon request.
- 8) To the extent it applies to the contractor and this contract, the contractor agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/1, *et seq.*
- 9) Contractor shall maintain, for a minimum of five (5) years after the completion of the contract, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract. Contractor shall further make all such books, records, and supporting documents related to the contract available for review and audit by the internal auditor of SURS and by the Illinois Auditor General and shall cooperate fully with any audit conducted by the internal auditor of SURS and the Illinois Auditor General and will further provide the internal auditor of SURS and the Illinois Auditor General full access to all relevant materials.
- 10) Contractor agrees to notify the SURS Ethics Officer if it solicits or intends to solicit for employment any of the employees of SURS during the term of the contract.
- 11) Contractor understands that SURS and this contract are subject to the provisions of the Illinois Open Meetings Act (5 ILCS 120/1, *et seq.*) and the Illinois Freedom of Information Act (5 ILCS 140/1, *et seq.*).
- 12) If Contractor is a vendor that receives access of any kind to the SURS network or to any component of the SURS computer systems to perform work contemplated under the Agreement to which this Addendum is attached, Contractor agrees that its employees and/or pre-approved subcontractors who will be performing work for SURS will complete designated cybersecurity training required by SURS before any such work shall commence.
- 13) Counterparts. This Agreement and Addendum may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement. The counterparts of this Agreement and Addendum may be executed and delivered by facsimile or other electronic signature by any of the parties to any other party and the receiving party may rely on the receipt of such document so executed and delivered by facsimile or other electronic means as if the original had been received.

Under penalties of perjury, the contractor certifies that _____ is its correct Federal Taxpayer Identification Number.

Contractor is doing business as a(n) (please circle applicable entity):

- Individual
- Corporation
- Real Estate Agent
- Trust or Estate
- Sole Proprietorship
- Not-for-Profit Corporation
- Governmental Entity
- Other: _____
- Partnership
- Medical and Health Care Services Provider Corporation
- Tax Exempt Organization (IRC 501(a) only)

Appendix E: Diversity Disclosure

Appendix F: Compensation and Economic Opportunity Disclosures

Appendix G: SURS Investment Plan FY 2022