



REQUEST FOR PROPOSAL

Specialty Private Credit Consultant
[ID: RFP-20-20-03](#)

Issued June 15, 2020

Responses due via email

by 4:30pm CT on July 10, 2020

Please include RFP ID on all correspondence

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I. Introduction

The State Universities Retirement System (SURS, or the “System”) is soliciting proposals from firms to provide private credit consulting services to the SURS Investment Staff and Board of Trustees. SURS will be considering proposals for both non-discretionary and discretionary private credit consulting services.

All forms/required documents needed for submitting a response to 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 230,000 members who work for 61 employers. SURS is responsible for investing assets of more than \$19 billion in a diversified portfolio of U.S. and foreign stocks, bonds, real estate and alternative investments. Private markets (real estate, infrastructure, private equity) represent a target of 21% of the overall portfolio. SURS also administers a defined contribution plan, the Self-Managed Plan, which currently has assets of approximately \$2.7 billion. Northern Trust serves as SURS’ master trustee custodian.

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 currently employs approximately 148 staff, located in two offices in Champaign and Naperville, Illinois. Two SURS employees are in the Naperville office. The remaining SURS employees are currently situated in the Champaign offices at 1901 Fox Drive and 1801 Fox Drive.

A copy of SURS' most recent comprehensive annual financial report (CAFR) 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. Respondent providers 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. Responders should be familiar with those procurement requirements as well. The selected responder will be paid by SURS directly.

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

Background specific to this RFP:

The State Universities Retirement System (SURS) is soliciting proposals from firms to provide private credit consulting services to the SURS Investment Staff and Board of Trustees. SURS will be considering proposals for both non-discretionary and discretionary private credit consulting services. Respondents to this RFP are encouraged to describe ways in which they believe their firm's capabilities are unique and add compelling value. This search was authorized by the Board of Trustees and seeks to identify potential private credit retainer investment consultants to assist SURS in the development of their private credit strategy and implementation. The provider 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 provider, in accordance with the provisions of section 113.14 of the Illinois Pension Code (40 ILCS 5/1-113.14).

SURS does not currently have an allocation to private credit. Credit fixed income is contained within our Stabilized Growth asset class, and currently consists of public, credit-focused, fixed income securities. The stabilized Growth asset class has a total fund allocation of 14%. It is anticipated that 5%-7%, or approximately half of the total Stabilized Growth asset class, will be allocated to private credit. The total fund size at March 31, 2020 was \$17.8 billion.

SURS aspires to utilize minority and women-owned firms as encouraged under Section 1-109.1(10) of the Illinois Pension Code (40 ILCS 5/1-109.1(10)). Accordingly, such firms are strongly encouraged to apply.

III. Services Required

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

A. Strategic Private Credit Consulting

1. Conduct an annual review and further develop the Statement of Investment Policy focusing on the structure and diversification of the SURS private credit portfolio, including the establishment of goals, strategies, objectives and performance standards.
2. Assist the Board of Trustees (“Board”) and SURS staff in the development and maintenance of an appropriately structured private credit program, including an analysis of investment pacing based on cash flow and current commitments.
3. Prepare quarterly, and annual performance reports for the private credit portfolio.
4. Produce written research on private credit market conditions and opportunities; conduct special projects or other activities as requested.
5. Appear at Board and Investment Committee meetings or other meetings to present performance, program updates, research, analyses, written reports, and investment recommendations and respond to questions relating to the private credit program (approximately 2 to 6 times per year).
6. Each year, at a specific Investment Committee meeting of the Board of Trustees, SURS Staff and consultant will jointly present an Asset Class Review of the private credit asset class, incorporating information from annual organizational and performance reviews for each of the System’s managers. The Asset Class Review 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 private credit market benchmarks; 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.
7. Coordinate and communicate with other SURS consultants and advisors as appropriate to ensure effective administration of the private credit program.
8. Support SURS in achieving and evaluating goals related to the utilization of emerging investment managers that are minority-owned businesses, female-owned businesses, and businesses owned by a person with a disability.

B. Investment Sourcing and Selection

1. Support the selection of private credit investments, consistent with the SURS 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 may be required to 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’ private credit 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.

2. Work, as necessary, with SURS staff and legal counsel to negotiate, in the best interests of SURS, relevant contracts and legal documents including fee and investment terms in limited partnership agreements, subscription agreements, and side letters. Assist SURS with completing subscription documents.

C. Monitoring of Private Credit Portfolio

1. Provide on-going investment monitoring that may include attending annual meetings, serving on advisory boards, analyzing policy and peer benchmarks, and conducting manager meetings.
2. Provide regular updates/assessments of relevant operational and/or strategic changes with investment managers, including, but not limited to, performance, organization, ownership, investment products, and disclosure issues.
3. Ensure that investment managers comply with the terms of their contracts.
4. Review and recommend course of action on all fund document amendments, consents, extensions, and other partnership actions.
5. Assist and advise SURS staff with work-out situations, breaches or violations of limited partnership and side letter provisions, and fund dissolutions as may arise.

D. Database Management

1. Maintain information on portfolio exposure, including to vintage years, sub-asset classes (i.e. direct lending, mezzanine, special situations, etc.), geographic regions, and industries. Maintain information by portfolio type (i.e., core/satellite portfolios).
2. Maintain historical information on all cash flow, net asset values, commitments (total, funded, and unfunded), fee payments, cost basis and returns on each investment.
3. Calculate performance metrics including IRR and multiple calculations measured against performance benchmarks.
4. Provide ability to review cash flows and performance data by individual investment, sector, sub-asset class and portfolio type over quarterly periods.

E. Reporting Requirements for Total Private Credit Program

1. Quarterly performance report to include at a minimum:
 - a. Market overview and outlook
 - b. Allocation breakdown by strategy type
 - c. Update on each fund
 - d. Listing of each fund by strategy
 - e. Date of commitment to each fund
 - f. Commitment amount to each fund
 - g. Drawdown amounts by fund
 - h. Outstanding commitment by fund
 - i. Distribution amounts by fund
 - j. Fund net asset values
 - k. IRR and multiples of each fund
 - l. Peer universe comparisons over various time periods
2. Annual and quarterly reports are due no later than 45 days after the respective period end.
3. Reconcile quarterly reports with the records of SURS custodian bank; provide any other reporting required by SURS staff.
4. Provide assistance with appropriate information to satisfy public information requests or public reporting requirements.
5. Coordinate with general partners to obtain relevant information related to GASB 72 reporting requirements.

http://gasb.org/jsp/GASB/Document_C/GASBDocumentPage?cid=1176165840291

6. Provide report on management fees and expenses by partnership on an annual basis.

F. Education

1. Provide educational and/or training sessions on private credit investing to the Board and SURS staff as requested.

2. Provide SURS staff with access to all private credit research, published or unpublished, and general memoranda produced by consultant.

IV. Minimum Qualifications

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

1. The responder's key professionals and/or organization must not have material conflicts of interest with the SURS Board, its custodian, or its investment managers.
2. The responder must be willing to enter into a most favored nation clause certifying that the fees, costs, or pricing charged to SURS do not exceed the fees, costs, or pricing charged by the responder to any of its clients for the same or similar level of services.
3. Proposing firm must be an investment consulting firm registered as an investment adviser under the Investment Advisers Act of 1940. The firm will promptly advise SURS if it, at any time, is not so registered. The firm must submit its full Form ADV (Parts I and II).
4. Proposing firm must agree to serve as a "fiduciary" to the Fund within the meaning of Illinois legislation and to act in accordance with all requirements and standards of conduct applicable to fiduciaries.
5. Responder and its proposed team must have all authorizations, permits, licenses and certifications required by federal and state laws and regulations to perform the services specified in this RFP at the time responder submits a response to the RFP. Responder's audited financial statements must be made available for review.
6. Responder will comply with all legislation, applicable State fiduciary, ethics, and diversity laws, including any additional disclosure requirements.
7. As of December 31, 2019, and for at least the five (5) most recent continuous years, the firm must have a verifiable operating history with at least three (3) large 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.
8. As of December 31, 2019, the primary contact dedicated to the SURS contract must have at least five (5) years of experience in providing private credit consulting or management 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.
9. The responder's firm has provided evidence as to each of the Services Required in Section III of this RFP.

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

V. 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 60 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 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 Minimum Qualifications Certification in the form contained in Appendix A.

Reference Checks

Reference checks will be conducted for each finalist.

Company Organization and Diversity Questionnaire

The questionnaire contained in Appendix E to this RFP must be completed and returned as part of the proposal

Fee Proposal

The responder must complete the fee proposal in Appendix B-1 and/or B-2. The proposed fee shall include all costs and expenses for providing the services as described in this RFP. The responder must provide sufficient detail to fully explain the fee structure. The fee proposal must expressly state that the proposed fees are guaranteed for the term of any resulting contract.

SURS will be considering proposals for both non-discretionary and discretionary private credit consulting services. Please complete Appendix B-1 to submit a proposal for non-discretionary services. If your firm is interested in being considered to provide discretionary private credit consulting services, please complete Appendix B-2. If your firm is interested in being considered for both non-discretionary and discretionary mandates, please complete both Appendix B-1 and B-2.

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.

Contract

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 Request for Proposal 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 any proposals submitted under this RFP.

The terms contained in Appendix C, 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 included in Appendix C must be outlined as part of the proposer's response. However, SURS is not required to accept the responder'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 contained in the Addendum to Contract attached hereto unless the proposer and SURS both agree to include said changes in the final contract awarded under this RFP.

Specialty Private Credit Consultant Questionnaire

The responder must complete the required questions in the order presented in the attached Appendix D.

VI. 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.

VII. 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 will 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 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:

- Organization
- Resources
- Experience
- Service Team
- Thought Leadership
- Commitment to Diversity
- Independence
- Fees
- References
- Adherence to RFP submission requirements

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.

VIII. Anticipated Timeline and Contact Information

<u>Schedule</u>	<u>Dates</u>
Quiet Period Begins	June 5, 2020
RFP Issued	June 15, 2020
Responder Questions, if any, regarding the RFP due	June 19, 2020, 4:30 p.m. CT
SURS Responses to Questions	June 26, 2020, 4:30 p.m. CT
RFP Responses due on or before	July 10, 2020, 4:30 p.m. CT
Evaluations	July 2020
Video Interviews of Semi-Finalists and/or Finalists	August 2020
Selection by SURS	September 10, 2020

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 61825-2710

IX. Submission Process

Deadline

To be considered for selection, proposals **must be received via email** at Procurement_Officer@surs.org **no later than 4:30 p.m. CT, July 10, 2020**. Please reference "RFP-20-20-03 Specialty Private Credit Consultant - Name of Responder" in your communications. An email 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, July 10, 2020**. Please reference "RFP-20-20-03 Specialty Private Credit Consultant - Name of Responder" in 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 Request for Proposal, SURS will respond only to questions that are presented in writing via email to Procurement_Officer@surs.org. All questions should be submitted to SURS by 4:30 p.m. CT, June 19, 2020. Please reference "RFP-20-20-03 Specialty Private Credit Consultant - Name of Responder" in your communications. These questions will be consolidated into a single Q&A document and responded to by SURS on or about, June 26, 2020, by 4:30 p.m. CT. The

Q&A document will be posted on the SURS web site 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.

X. 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.** Bidders are required to make a good faith attempt to properly identify only those portions of the response that are truly furnished under a claim that they are proprietary, privileged or confidential and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business responding to this RFP.

Redacted Version of RFP Response

In the event Responder believes and claims that certain materials or information contained in the submitted response are exempt from public disclosure under the Illinois FOIA, Responder 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) *Note: Pricing and fee structures are generally disclosable under FOIA. If Responder claims that any fee or pricing information qualifies for an exemption under FOIA, Responder must submit its legal analysis with the redacted version of its RFP response.*

A RESPONDER'S FAILURE TO PROVIDE A REDACTED VERSION OF THE RFP WILL RESULT IN SURS DISCLOSING THE RESPONDER'S ENTIRE RFP RESPONSE IF THE SAME IS REQUESTED UNDER THE ILLINOIS FREEDOM OF INFORMATION ACT AND NEITHER THE RESPONDER 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, respondents, potential respondents, or their representatives should not contact anyone at SURS (including SURS staff, members of the SURS advisory committees and members of the SURS board) other than the listed RFP contact. In addition, respondents 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.

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: June 5, 2020**

1. The quiet period shall commence upon the initial publication date: June 15, 2020 and it shall end once a selection has been made and contract finalized with the service provider;
2. Initiation, continuation and conclusion of the quiet period shall be publicly communicated via the SURS website (www.SURS.org) to prevent inadvertent violations;
3. All board members, and SURS staff not directly involved in the search process, shall refrain from communicating with potential service providers regarding any product or service related to the search offered by the provider throughout the quiet period and shall refrain from accepting meals, travel, hotel, or other value from the providers;
4. Throughout the quiet period, if any board member or SURS staff member is contacted by a potential service provider, the board member or SURS staff member shall refer the provider to the SURS staff member directly involved in the search process;
5. All authority related to the search process shall be exercised solely by the relevant Committee or board as a whole, and not by individual board Members;
6. All information related to the search process shall be communicated by SURS staff to the relevant Committee or board as a whole, and not to individual board Members;
7. The quiet period does not prevent board approved due diligence, client conference attendance, or communications with an existing service provider that happens to be a provider in the ordinary course of services provided by such service provider; however, discussions related to the pending selection shall be avoided during those activities;
8. The provisions of this policy will apply to potential service providers throughout the quiet period and shall be communicated to providers in conjunction with any competitive proposal process; and
9. A potential service provider or vendor 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 respondents 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 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.

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 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.

Appendix A: Statement of Minimum Qualifications

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

Please initial each as applicable.

1. _____ The responder's firm and staff have no material conflicts with SURS or the SURS Board of Trustees, its custodian, or its investment managers.
2. _____ The responder is 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. _____ The proposing firm is an investment consulting firm registered as an investment adviser under the Investment Advisers Act of 1940 and will promptly advise SURS if it, any time, is not so registered. The firm must submit its full Form ADV (Parts I and II).
4. _____ The 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, 2019, and for at least the five (5) most recent continuous years, the firm must have a verifiable operating history with at least three (3) large 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.
8. _____ As of December 31, 2019, the primary contact dedicated to the SURS contract must have at least five (5) years of experience in providing private credit consulting or management 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.
9. _____ The responder's firm has provided evidence as to each of the Services Required in Section III of this RFP.

Signed: _____ Date: _____

Title: _____

Appendix B: Fee Proposal

SURS will be considering proposals for both non-discretionary and discretionary private credit consulting services. Please complete Appendix B-1 to submit a proposal for non-discretionary services. If your firm is interested in being considered to provide discretionary private credit consulting services, please complete Appendix B-2. If your firm is interested in being considered for both non-discretionary and discretionary mandates, please complete both Appendix B-1 and B-2.

FIRM NAME:

ADDRESS:

TELEPHONE:

RFP REPRESENTATIVE:

Proposed fees must be stated in total annual cost to SURS. Responder must provide sufficient detail to explain the fee structure fully. Any contingent fees should be fully explained and an annual estimate provided by the responding firm.

I, _____, a duly authorized representative of the above-indicated firm, have reviewed and understand the Specialty Private Credit Consultant Request for Proposal, and I am / we are prepared to provide the required services for the above costs.

Signature

Print name above

Appendix C: 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 Contractor and this contract, 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) 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, 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)