

## **General Consulting Search Q&A**

1. Can you please provide the specific dates of the meetings the consultant will be expected to attend?

- **The 2018/19 SURS Investment Committee meeting schedule is shown on the following pages. Additional meetings are anticipated to occur over the course of a year, including with staff and/or the Board.**

Thursday, February 1, 2018 Friday, February 2, 2018 Chicago	9:00 a.m. – 5:00 p.m. 9:00 a.m. – 1:00 p.m.	Investment Committee Investment Forum
Thursday, March 8, 2018 Champaign	9:00 a.m. – 5:00 p.m.	Committee Meetings Board Meeting
Thursday, April 19, 2018 Chicago	9:00 a.m. - 5:00 p.m.	Investment Committee
Thursday, June 7, 2018 Chicago	9:00 a.m. - 5:00 p.m.	Committee Meetings Board Meeting
Thursday, September 13, 2018 Champaign	9:00 a.m. - 5:00 p.m.	Committee Meetings Board Meeting
Thursday, October 18, 2018 Chicago	9:00 a.m. - 5:00 p.m.	Investment Committee
Thursday, December 6, 2018 Chicago	9:00 a.m. - 5:00 p.m.	Committee Meetings Board Meeting
Thursday, January 31, 2019 Friday, February 1, 2019 Chicago	9:00 a.m. – 5:00 p.m. 9:00 a.m. – 1:00 p.m.	Investment Committee Investment Forum
Thursday, March 7, 2019 Champaign	9:00 a.m. – 5:00 p.m.	Committee Meetings Board Meeting
Thursday, April 18, 2019 Chicago	9:00 a.m. - 5:00 p.m.	Investment Committee
Thursday, June 6, 2019 Chicago	9:00 a.m. - 5:00 p.m.	Committee Meetings Board Meeting

Thursday, September 12, 2019 Champaign	9:00 a.m. - 5:00 p.m.	Committee Meetings Board Meeting
Thursday, October 17, 2019 Chicago	9:00 a.m. - 5:00 p.m.	Investment Committee
Thursday, December 5, 2019 Chicago	9:00 a.m. - 5:00 p.m.	Committee Meetings Board Meeting

2. Can you please confirm the current annual fee being paid to the incumbent consultant?

- **The current consultant's contract calls for an annual retainer of \$450,000. The annual retainer includes one asset/liability study during the agreement term and costs of travel to attend all required meetings. The annual retainer covers both the defined benefit and defined contribution (SMP) plan.**

**Additionally, the current consultant is paid on project work per search or study. Such work would include any additional asset/liability study, and any custodian/securities lending, public and private markets defined benefit, or SMP investment provider and investment options searches at varying cost levels.**

**Additional information on amounts paid can be found in the Annual Financial Report section of the SURS website under the News/Publications tab.**

3. Is your current consultant being invited to rebid?

- a. Is the scope outlined in the RFP consistent with the current consultant's contract? If not, what items are different?
  - **Yes, the current consultant is invited to rebid. The scope of services is materially the same as the current consultant's contract. It should be noted that SURS is currently searching for a defined contribution consultant and may pursue other specialty consultants in the near term.**

4. Can you please provide the reason for the issuance of this RFP?

- **State statute limits consultant contracts to five years and contract extensions are not allowed. The current consultant is entering the fifth year of its five-year contract term.**

5. Can you please provide your Defined Contribution Plan Document?

- **Please see the following link: <http://www.surs.org/sites/default/files/pdfsx/ReSMP.pdf>**

6. Does the System expect a new consultant to conduct an Asset Liability study soon after it is retained? We note that your last study was as of June 2014?

- **Yes, this would be a priority early in the consultant's term.**

7. When was the last time the System issued an RFP for recordkeeping/provider services?

- **The SMP provider search concluded with Board approval of mandates to TIAA and Fidelity in October 2015.**

8. Can you please provide any service agreement terms you believe we should review prior to completing the RFP?

- **Although a new contract will be negotiated with the Investment Consultant(s) selected through this RFP process, a copy of the current Investment Consulting Services Agreement can be obtained through a FOIA request. The negotiated agreement will likely contain terms that are similar to other consulting agreements your firm has entered into but attached at the end of this Q&A document are two exhibits from the current contract with required disclosures that you should be aware of as well as a copy of the SURS Standard Addendum that includes terms that must be incorporated into the new agreement.**

9. Are there any strategic initiatives SURS intends to review or implement over the next 18 months? Could you please specify with regards to the DC plan?

- **Please refer to the FY18 SURS Investment Plan on the SURS website or at the following link: <http://www.surs.com/investment-plan>. This document provides insights into both defined benefit and defined contribution initiatives. Defined contribution initiatives are more fully detailed in the defined contribution specialty search RFP document also found on the SURS website.**

## **EXHIBIT C**

### **DISCLOSURES REQUIRED BY SECTION 5(b)**

Pursuant to Section 5(b) of this Agreement, effective as of \_\_\_\_\_, 201\_, Consultant certifies that the following is a true, accurate, and complete list of the names and addresses of

- (i) the Investment Consultant:
  
- (ii) each entity that is a parent of, or owns a controlling interest in, the Investment Consultant:
  
- (iii) each entity that is a subsidiary of, or in which a controlling interest is owned by, the Investment Consultant:
  
- (iv) all persons who have an ownership or distributive income share in the Investment Consultant that is in excess of 7.5%:
  
- (v) each person who serves as an executive officer of the Investment Consultant:

## EXHIBIT D

### ANNUAL DISCLOSURE CERTIFICATION FORM

\_\_\_\_\_ (“Investment Consultant”) warrants and represents as of the date stated below as follows:

1. There are no direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of Investment Consultant in connection with the provision of services, except as follows (*if none, state “none”*):
2. If different from Exhibit C of the Investment Consulting Services Agreement, effective as of November 1, 2013, the following is a true, accurate and complete list of the names and addresses of (i) the Investment Consultant; (ii) each entity that is a parent of, or owns a controlling interest in, the Investment Consultant; (iii) each entity that is a subsidiary of, or in which a controlling interest is owned by, the Investment Consultant; (iv) all persons who have an ownership or distributive income share in the Investment Consultant that is in excess of 7.5%; and (v) each person who serves as an executive officer of the Investment Consultant:
  - i.
  - ii.
  - iii.
  - iv.
  - v.
3. The following is a true, accurate and complete list of the names and addresses of all subcontractors, if applicable, and the expected amount of money each will receive under the Agreement, including an acknowledgment that the contractor must promptly make notifications, in writing, if at any time during the term of the contract a contractor adds or changes any subcontractors. (For purposes of this paragraph “subcontractor” does not include non-investment related professionals or professionals offering services that are not directly related to the investment of assets, such as legal counsel, actuary, proxy-voting services, services used to track compliance with legal standards, and investment fund of funds where the board has no direct contractual relationship with the investment advisers of partnerships.) (*if none, state “none”*):

**Date:** \_\_\_\_\_

**By:** \_\_\_\_\_

**Its:** \_\_\_\_\_

## ADDENDUM TO CONTRACT

As an addendum to the contract entered into between State Universities Retirement System (SURS) and \* (the "Contractor") on \_\_\_\_\_, 2017, and in consideration of SURS entering into such contract, the 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.
- 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)

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2017

**Contractor**  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**State Universities Retirement System of Illinois**  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_