



TEXAS EDUCATION AGENCY

William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701

REQUEST FOR PROPOSAL REAL ESTATE INVESTMENT COUNSEL SERVICES FOR THE TEXAS PERMANENT SCHOOL FUND RFP 701-13-015

Authorized by Article VII, Section 5 of the Texas Constitution

PROPOSAL DELIVERY LOCATION: Purchasing & Contracts Texas Education Agency 1701 North Congress Avenue Austin, Texas 78701	REFER INQUIRIES TO: Email: PSFB2RFP@tea.state.tx.us Beginning: Wednesday, May 1, 2013, 8AM Central Time Ending: Friday, May 3, 2013, 5PM Central Time
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PROPOSAL DUE DATE AND TIME: Thursday, May 16, 2013, 3PM Central Time

WITHOUT EXCEPTION: *A Proposal must be date and time-stamped by TEA Purchasing & Contracts before the Proposal due date and time as listed above.*

Pursuant to the Provisions of the Texas Government Code Title 10 Subtitle D Chapter 2156.121 – 2156.127, sealed Proposals will be received until the date and time established for receipt. After receipt, only the names of the Proposers may be made to the public. Prices and other Proposal details may only be divulged after award of a contract, if a contract is awarded.

Pursuant to Chapter 2155.131 of the Texas Government Code and pursuant to 34 Texas Administrative Code (TAC) §20.41, the Texas Comptroller of Public Accounts (Comptroller) has delegated authority to the Texas Education Agency to conduct this Request for Proposal and to award a contract for the purposes stated herein.

All written requests for information will be communicated to all applicants known to the Agency.

All Proposals shall become the property of the State of Texas upon receipt.

All Proposals must be delivered to the Texas Education Agency Purchasing & Contracts as required by the instructions within this request.

All addenda to and interpretation of this solicitation shall be in writing. The State shall not be legally bound by an addenda or interpretation that is not in writing.

Failure to formalize the terms of the Proposal by signing the *Execution of Offer*, can disqualify the Proposal. Proposers must identify in writing any General Provision term or condition that is not feasible with the submission of the Proposal to this RFP. If a Proposal is signed and submitted without specifically identifying all General Provisions that are not feasible, TEA will not negotiate the General Provisions.

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SECTION ONE—INTRODUCTION AND PURPOSE

1.1 PURPOSE OF THE REQUEST FOR PROPOSAL (RFP)

It is the intent of the Texas Education Agency (TEA), on behalf of the State Board of Education (SBOE), to solicit proposals for a Real Estate Investment Counsel (RE Counsel or Firm) who will provide expertise and advice related to the overall investment strategy, policies, and practices of a real estate portfolio for the Texas Permanent School Fund (TPSF), in accordance with all requirements stated herein. The RE Counsel will work cooperatively with the SBOE, TPSF staff and the General Investment Counsel, when providing advice concerning real estate investments for the TPSF.

Eligible proposers are companies that are Registered Investment Advisors with the Securities & Exchange Commission (SEC) and have demonstrated experience in similar engagements with large institutional clients, endowments, or foundations. The RE Counsel will be expected to be familiar with and provide expertise, advice, and recommendations with respect to all aspects of the real estate asset class. Investments may include, but are not limited to, domestic and international real estate, core and non-core real estate and other real estate investments. TEA reserves the right to award contracts to more than one real estate investment counsel firm in order to obtain advice that is in the best interest of the TPSF. Proposers are encouraged to submit proposals that delineate the proposer's ability to provide counsel for a comprehensive real estate portfolio, to provide counsel for a domestic core real estate portfolio and for providing counsel for tactical real estate opportunities.

1.2 DEFINITIONS/ACRONYMS

Counsel: Individuals or firms acting in an advisory or consultant-like capacity, providing professional advice or services, such as legal or investment.

Discretionary: Authority to make investment decisions with the acceptance of fiduciary responsibility.

Institutional: Relating to long-established institutions, rather than individuals, specifically corporations, governments, unions, colleges, non-profits.

Manager: An investment management firm that provides real estate investment management services to institutional clients.

Proposer: Firms submitting a Proposal in response to this RFP; a professional services firm that provides real estate investment counsel to institutional clients.

RFP: Request for Proposal

SBOE: State Board of Education

TEA: Texas Education Agency

TPSF: Texas Permanent School Fund

1.3 BACKGROUND INFORMATION

1.3.1 Texas Permanent School Fund Overview

The Texas SBOE is responsible for managing the assets of the TPSF under Article VII of the Constitution of the State of Texas. The goal established by the SBOE for the TPSF is to obtain the greatest amount of income and capital appreciation consistent with the safety of principal. The investment staff of the TPSF implements the policies of the SBOE and administers the TPSF according to SBOE goals and objectives. The TPSF staff functions as part of the internal operations of the Texas Education Agency (TEA) under the direction of the Commissioner of Education.

The Fund was constitutionally created to provide a growing capital base to contribute to the public school system of Texas, and, as of February 28, 2013, the market value of TPSF was \$26.9 billion. The Fund's strategic asset allocation was most recently amended on July 20,

2012. The new target asset allocation is being implemented over multiple years and asset classes are strategically added commensurate with the economic environment and the goals and objectives of the SBOE. (See Exhibit B, Section D).

1.3.2 Regulation and Administration

The TPSF is regulated by Article VII of the Texas Constitution. In 1988, Section 5(d) was approved by the voters of the State which allowed the TPSF to be managed by the prudent person standard. Links to the following legal documents are in EXHIBIT A:

- Article VII of the Texas Constitution
- Chapter 33 of the Texas Administrative Code: Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund
- Chapter 43 of the Texas Education Code: Permanent School Fund and Available School Fund

The SBOE manages the TPSF through the Committee on School Finance/Permanent School Fund (Committee), which is comprised of five of the fifteen members of the SBOE. The TPSF is administered by the Investment Office of the Texas Education Agency, pursuant to the policies established by the SBOE. The Investment Office is headed by the Executive Administrator. For internal administrative purposes, the Investment Office reports to the Chief Deputy. For TPSF management purposes, the investment staff meets periodically with the Committee to report on the investment activities of the TPSF.

Additional information about TEA is available at the TEA website. Links to additional information are in EXHIBIT A.

1.4 MINIMUM QUALIFICATIONS

The SBOE desires to contract with an investment firm, company or business entity to provide expertise, advice and recommendations for the investment management of the real estate portfolio of the TPSF. The SBOE will select the Firm whose Proposal demonstrates, in its judgment, the competence and experience to provide the required level of service. In order to be selected for pre-qualification, Firms must meet all of the requirements of Sections 1.4.1, 1.4.2, and must be able to provide the required services as described in Section 1.6. The Firm selected must meet requirements established by Texas state law, the TEA, the SBOE, the TPSF, the State Comptroller, and the State Auditor.

1.4.1 Minimum Qualifications for the Firm's Lead Real Estate Investment Counsel Professionals

The lead real estate investment counsel professional(s) assigned to the TPSF account, at a minimum:

- a. Must have three (3) years with the Firm; and
- b. Must have seven (7) years providing real estate investment counsel services to institutional clients and more specifically developing real estate investment strategy services and providing real estate investment program monitoring services for institutional clients.

1.4.2 Minimum Qualifications for Firms

To be considered a qualified proposer, firms submitting proposals must meet the following minimum requirements as of the proposal submission deadline date. Proposing firms must:

- a. provide evidence of financial strength and stability;
- b. be a qualified investment counsel organization registered under the Investment Advisors Act of 1940;
- c. acknowledge that they will serve as a fiduciary to the TPSF as it relates to work performed and advice given;

- d. demonstrate an ability to fully meet the Scope of Services as described in Section 1.6 of this document;
- e. currently provide real estate investment counsel services to three (3) clients each of whom have assets under management of at least \$10 billion;
- f. currently provide real estate investment counsel to three (3) clients each of whom maintain a real estate portfolio of at least \$1 billion in committed capital;
- g. currently have at least five (5) institutional public fund, endowment or foundation clients;
- h. have at least five (5) years experience in advising on real estate strategies for institutional clients;
- i. comply with provisions stated in Chapter 33 of the Texas Administrative Code: Statement of Investment Objectives, Policies, and Guidelines of Texas Permanent School Fund; and
- j. comply with the provisions stated in the Investment Procedures Manual of the Texas Permanent School Fund (EXHIBIT B);

Proposers must complete and return (1) *Statement of Minimum Qualifications* contained in DOCUMENT C, and (2) *Affirmation of Scope of Services Required* contained in DOCUMENT E.

Failure to complete this information can disqualify Proposal at the sole discretion of the TPSF.

1.5 MINIMUM COMPLIANCE RELATED TO THE PROCUREMENT PROCESS

Comply with the *Investment Procedures Manual* (IPM), including the following provisions of Section G of the IPM related to communications between parties:

- a. This RFP/RFQ was authorized for issuance and posting by the SBOE on April 19, 2013.
- b. From the time that a RFP/RFQ is authorized by the SBOE to be distributed by TEA staff to prospective Proposers and continuing through the Selection Date, a Blackout Period will exist. No communication involving the TPSF or the type of investment or service that is the subject of the RFP/RFQ is permitted with any SBOE member during the Blackout Period.
- c. Applicants performing other duties on behalf of the TPSF may communicate with SBOE members concerning those other duties in writing or at a Committee or SBOE meeting. Written communications shall be copied to all SBOE members and the Executive Administrator, who will aggregate such communications and timely provide copies to all SBOE members.

Any Proposer seeking to provide outside expertise to the TPSF and found in violation of these procedures shall be disqualified from the RFP or evaluation process with respect to the applicable RFP.

See Exhibit B for complete text of *Investment Procedures Manual*.

1.6 SCOPE OF SERVICES

The selected Proposer(s) will have proven experience advising large institutional clients, endowments, or foundations.

The real estate investment counsel will work closely with the SBOE, the Chief Investment Officer and TPSF staff to deliver the services listed below:

1.6.1 General

Under the direction of the Committee, the Chair of the SBOE, the Chief Investment Officer, or his designee, the services to be provided by the RE Counsel(s) shall include, but are not limited to, the following:

- a. Develop real estate investment strategic and tactical plans, related policy and procedures with TPSF staff.

- b. Work in conjunction with TPSF staff on an ongoing basis to implement TPSF real estate investment decisions.
- c. Collaborate with TPSF staff on TPSF portfolio allocation issues, concerning real estate investments.
- d. With TPSF staff, monitor the TPSF real estate investment portfolio.
- e. Work with TPSF staff to periodically review the existing benchmarks(s) for the real estate program and recommend changes, as appropriate.
- f. Attend Committee meetings and/or SBOE meetings or legislative hearings as requested by TPSF investment staff. Be available for ad-hoc telephone conferences and consultation with TPSF staff and SBOE members.
- g. Provide educational conferences or materials on real estate matters for SBOE and Committee members, when requested.

1.6.2 Manager Search and Selection

- a. Work with TPSF staff as needed in the screening of the available real estate investments.
- b. Work cooperatively with the TPSF staff in developing appropriate procurement methodologies for the asset class, including procurement questionnaire's and interview questions.
- c. Work with TPSF staff as necessary in the due diligence process with regard to potential real estate investments.
- d. Provide appropriate research and analyses to evaluate potential real estate investments and real estate products in order to assist in recommendations of finalists for SBOE consideration and selection.
- e. Collaborate with TPSF staff to interview prospective real estate investment candidates.
- f. Assist with fee negotiation and contract development for selected real estate investments, when requested by the TPSF staff.

1.6.3 Research and Analysis

- a. Provide analysis and advice to the Committee and TPSF staff on global industry and market trends, investment strategies, and conditions, including positive and/or negative trends with respect to the real estate asset class. This includes both public and privately held real estate assets in domestic and international markets.

In conjunction with the above, periodically comment upon the pros and cons of expanding/contracting the scope of asset classes in which the TPSF invests (Either within the real estate program or otherwise) and provide advice regarding such.
- b. Conduct regular meetings with TPSF staff regarding real estate investment market trends, strategies and conditions and provide hard copies of all such presentations and analyses no less than quarterly.
- c. Maintain a broad database of real estate managers, products and universes.

Failure to complete and return an executed DOCUMENT E can disqualify the Proposal.

1.7 CONTRACT TERM/OPTION TO EXTEND

The initial term of any contract resulting from this RFP shall be at least from contract award until August 31, 2015. The TPSF, at its own discretion, may negotiate a different initial term. The TPSF may extend any contract awarded pursuant to this RFP for up to two (2) additional four-year periods under the same or different terms. If renewed, the maximum term of the contract will not extend beyond August 31, 2023.

1.8 FEE PROPOSAL

Proposers must complete DOCUMENT I - *Fee Proposal*, for comprehensive real estate investment counsel services as described in Section 1.6. The fee proposal must reflect service delivery required to meet the requirements stated throughout this RFP. TEA reserves the right to award contracts to more than one Proposer in order to obtain service that is in the best interest of the TPSF.

Travel expenses within the scope of work must be included in the fee and cannot be billed separately.

Any travel for activities outside the normal scope of work must be approved in advance by the TPSF to receive reimbursement. ~~Any reimbursement for travel expenditures will be at State-approved rates in~~ accordance with State travel regulations (see listing of State-approved rates at <https://fm.x.cpa.state.tx.us/fm/travel/index.php>).

SECTION TWO—GENERAL INSTRUCTIONS AND STANDARD PROPOSAL REQUIREMENTS

All responses must meet the conditions in Section 2.1 in order to be considered. Additions or replacements to the response will not be accepted after the closing date. **NOTE:** Photocopying is not available at TEA.

Failure to meet these conditions shall result in disqualification of Proposal and the Proposal shall receive no further consideration.

2.1 PROPOSAL SUBMISSION, DATE, AND TIME

PROPOSAL DUE DATE AND TIME: Thursday, May 16, 2013, 3PM Central Time

- a. **WITHOUT EXCEPTION**—A Proposal must be date and time stamped by the TEA Purchasing & Contracts staff before the Proposal due date and time.
- b. **WITHOUT EXCEPTION**—A Proposal will not be accepted by facsimile transmission (FAX).

PROPOSALS MUST BE SUBMITTED AS FOLLOWS:

- c. Single box weight not to exceed 50 lbs.
- d. Indicate: box # of total box #, prominently displayed on each box.
- e. Addressee:
**Purchasing & Contracts, Rm. 2-125
Texas Education Agency
William B. Travis Bldg.
1701 N. Congress Ave.
Austin, TX 78701-1494**
- f. Box 15 printed copies and 5 CDs/USB devices (Section 3.1 Format and Content).
- g. Proposer's name, RFP 701-13-015, and closing date clearly marked on each CD/USB device.
- h. Package or box, CDs/USB devices separately. Do not place CDs/USB devices inside individual responses.
- i. Each CD/USB device must contain electronic versions of printed material in .PDF and .DOC, .XLS format (Section 3.1 Format and Content).
- j. Proprietary etc. clearly marked (see: Section 2.6 Disclosure of Proposal Content).

Proposers must sign DOCUMENT J - *Execution of Offer, Affirmation of Terms and Conditions, and Proposal Preferences*. By signing, the Proposer or the Proposer's legally authorized agent affirms that the all statements within the Proposal are true and correct. Proposers must indicate, in writing, any General Provisions, terms, or conditions that are not feasible with the submission of the Proposal to this RFP. Discovery of any false statement in the Proposal is a material breach and shall void the submitted Proposal or any resulting contracts and Proposer shall also be removed from all vendor lists maintained by the state of Texas.

2.1.1 Receipt of Proposals

To be eligible to be considered for funding, Proposals must be received in the TEA's Purchasing & Contracts Division (PCD) on or before 3:00 p.m. (Central Time) on the closing date as specified in the Request for Proposal. In establishing the time and date of receipt, the Commissioner of Education will rely solely on the time/date stamp of the Purchasing & Contracts Division.

Regardless of the method of submitting the Offer, e.g., United States Postal Service (USPS), United Parcel Service (UPS)®, Federal Express® or any other delivery service, the Offer must be received in the Agency's Purchasing & Contracts Division by the deadline in order to be considered.

NOTE: TEA will not accept a USPS postmark and/or round validation stamp, mail receipt with the date of mailing stamped by the USPS, a dated shipping label, invoice or receipt from a commercial carrier, or any other documentation as proof of receipt of any Proposal. Proposers are advised that TEA assumes no responsibility, due to any circumstances, for the receipt of a Proposal after the deadline time and date established in this RFP.

2.1.2 Purchasing and Contracts

TEA's Purchasing & Contracts is open Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding holidays. Proposals will not be considered if received in Purchasing & Contracts after 3PM Central time on the closing date.

Purchasing & Contracts is located on the 2nd floor of the William B. Travis Bldg, 1701 N. Congress (at 17th St. and N. Congress, two blocks north of the State Capitol) in Room 2-125.

See Section 2.1 for mailing address.

2.2 EXPECTED SEQUENCE OF EVENTS/CRITICAL DATES

It should be noted that all of these dates may vary as conditions require.

DATE	EVENT
Friday, April 26, 2013	Publication of Request for Proposals in <i>Electronic State Business Daily</i> .
Wednesday, May 1 – Friday, May 3, 2013	Proposer's Question and Answer Forum with questions e-mailed to PSFB2RFP@tea.state.tx.us and questions and answers posted to the <i>Electronic State Business Daily</i> at http://esbd.cpa.state.tx.us
Thursday, May 16, 2013	Proposal is due in TEA Purchasing & Contracts 3:00 p.m., Central Time.
Wednesday, July 17, 2013 - – Thursday, July 18, 2013	Oral presentations of selected finalists.
Friday, July 19, 2013	Selection of Proposer and commencement of negotiations after approval by State Board of Education.
Upon Execution	Beginning date of contract and commencement of work immediately after contract is signed.
August 31, 2015	Ending date of initial contract term with option to renew.

2.3 PROPOSER'S QUESTION AND ANSWER FORUM

- Beginning: 8:00AM Central Time, Wednesday, May 1, 2013
- Ending: 5:00PM Central Time, Friday, May 3, 2013
- Questions: PSFB2RFP@tea.state.tx.us
- Answers: <http://esbd.cpa.state.tx.us>

Proposers will be provided a forum to ask questions and receive clarifying information about the scope, discrepancies, omissions, or doubts as to the meaning of the specifications of the RFP. All questions must include representative's name, name of the Firm represented, address, telephone number, fax number, and e-mail address. The questions and posted responses will be de-identified. Beginning 8:00AM Central Time, Wednesday, May 1, 2013 and ending 5:00PM Central Time, Friday, May 3, 2013. Proposers may email questions to PSFB2RFP@tea.state.tx.us. Answers will be updated and posted regularly at the Electronic State Business Daily at <http://esbd.cpa.state.tx.us>.

Any clarifications or interpretations of this RFP that materially affect or change its requirements will be issued as an Addendum by TEA. It is the responsibility of all respondents to obtain this information in a timely manner. No oral explanation in regard to the meaning of the RFP will be made and no oral instructions will be given before the award of the contract.

To search the Electronic State Business Daily (ESBD): Select Texas Education Agency-701 from the drop-down Name box, order the results by Agency and select "Go" from the list of Proposals currently posted for TEA, select this Proposal and links to all electronic documents will be available at the bottom of the posting, listed as Packages.

TEA may, at its discretion, post additional information as an Addendum if TEA determines any matter to require clarification. Proposers shall consider only those clarifications or interpretations to the RFP specifications that TEA issues by addenda five (5) calendar days prior to the submittal deadline. Interpretations or clarifications in any other form will not be binding on TEA and should not be relied on in preparing Proposals.

2.4 STANDARD PROPOSAL REQUIREMENTS

Proposals that address only part of the requirements contained in this Request for Proposal can be considered non-responsive.

TEA reserves the right to reject any and all Proposals and to negotiate portions thereof.

TEA makes no representations, written or oral, that it will enter into any form of agreement with any respondent to this RFP and no such representation is intended or should be construed by the issuance of this RFP.

The fee schedule submitted by the Proposer is subject to negotiation by the TEA.

TEA reserves the right to select Proposal containing best offer considering the outcomes desired. The Proposer shall furnish such additional information that the Agency may reasonably require.

2.5 STATE NOT RESPONSIBLE FOR PREPARATION COSTS

TEA will not be liable for any costs incurred in the preparation and submittal of a Proposal.

2.6 DISCLOSURE OF PROPOSAL CONTENT

After contract award, Proposals are subject to release under the Texas Government Code, Chapter 552, Public Information Act.

Proposers must:

- a. Indicate on Proposal Cover Page if submission contains proprietary, confidential, or copyright material, i.e., considered a trade secret or protected by patent or copyright laws.
- b. Identify each document, page, and answer within the Proposal if proprietary, confidential, or copyright material; and accordingly,
- c. Clearly mark each document, page, and answer.

A link to the Government Code citation is included in EXHIBIT A. As such, if an open records request related to the RFP process is received by the TEA to disclose documents, the TEA would have to follow the procedures of TGC Chapter 552. Exceptions to disclosure do exist and it is possible that proprietary or confidential can be defended under the requirements of TGC Section 552.110 *Exception: Trade Secrets; Certain Commercial or Financial Information*. If there appears to be an exception to disclosure, the matter would be presented to the Texas Attorney General to issue a decision and render an opinion about the proprietary or confidential nature of the material. The burden of proof concerning confidentiality rests with the author of the material and the TPSF would not be required to argue on another's behalf. ***All opinions from the Texas Attorney General are binding.***

2.7 INDEPENDENT AUDITING STANDARDS AND CONFLICT OF INTERESTS

If an entity or its subsidiary has or is currently contracted with TEA to perform professional services or consulting (non-audit) services, then they cannot be awarded a contract to provide financial audit, attestation, or performance audit services for two years from finishing an engagement.

An entity or its subsidiary that performed financial audit, attestation, or performance audit services for TEA, may not receive a contract award to perform professional services or consulting (non-audit) services for two years.

SECTION THREE—PROPOSAL FORMAT AND CONTENT

3.1 PROPOSAL FORMAT AND CONTENT

Proposers **must** submit fifteen (15) printed copies of the Proposal. In addition, Proposers **must** submit five (5) electronic CDs/USB devices containing both a PDF and Microsoft® Word version of entire Proposal (including all attachments), and a Microsoft® Excel version of the required appendices. Please package the Proposal responses and CDs/USBs in separate containers. Do not place CDs/USBs inside individual Proposal responses. Proposals must be submitted in a manner which does not carry any benefit, keepsake, or value for members of the review panel.

Proposal format and content should include the following:

- a. Proposal Cover Page, DOCUMENT A, Check (✓) if contains proprietary material
- b. A signed Proposal Content Checklist, DOCUMENT B
- c. Proposal Content: DOCUMENT C through DOCUMENT K
- d. Proprietary and/or confidential, clearly marked
- e. Tabs between each DOCUMENT
- f. Sequentially numbered pages from front to back. (1, 2, 3, etc.)
- g. Written on 8 ½" x 11" paper
- h. Bound in three ring binders

3.1.1 Proposal Cover Page

Proposals should include a DOCUMENT A - *Proposal Cover Page*, which checks if the Proposal contains proprietary material, and clearly states the name of the Firm or organization and the name, position, and telephone number of the Proposer's Administrator who may be contacted regarding the Proposal.

3.1.2 Proposal Content Checklist

Proposals should include a DOCUMENT B - *Proposal Content Checklist*. This checklist is to assist Proposers in ensuring that all information is included in their response. Proposers must refer to the appropriate section of the RFP for detailed information. ***Failure to return all information on the checklist can disqualify the Proposal.***

3.2 PROPOSER'S FINANCIAL RESPONSIBILITY

All Proposers must submit along with the Proposal, indicators of financial stability. Proposers should submit their most recent audited financial statement or a certified public accountant-compiled financial report. Levels of financial disclosure and financial responsibility are factors in the evaluation process. The TPSF will determine whether the documents submitted are sufficient.

Proposers shall provide any details of all past or pending litigation or claims filed against the Firm or any principal officer or employee of the Firm that may affect performance under a contract with TEA/TPSF or reflect adversely upon the qualifications of the Firm or any such individual.

Proposal shall identify if the Proposer is currently in default on any loan agreement or financing agreement with any bank, financial institution or other entity. If so, specify date(s), details, circumstances, and prospects for resolution.

Proposers shall complete DOCUMENT D - *Evidence of Financial Responsibility* describing the financial information provided for evaluation and review. ***Failure to meet these conditions can disqualify the Proposal.***

3.3 UNDERSTANDING THE SCOPE OF SERVICES

The Proposer must describe clearly, specifically, and as completely as possible, the methodology for carrying out the scope objectives and requirements as described in this RFP. Proposers must complete and return DOCUMENT E - *Affirmation of Scope of Services Required*. If the Proposer cannot affirm delivery of a service item and the service will not be provided and/or is not included in the fee proposal, then a detailed explanation must accompany each item. DOCUMENT E must be executed by an individual authorized to bind the Firm to the items listed in the Scope of Service. ***Failure to complete and return an executed DOCUMENT E can disqualify the Proposal.***

The following documents support the understanding of the scope of work:

- *Affirmation of Scope of Services Required*, DOCUMENT E
- *Real Estate Investment Counsel Profile*, DOCUMENT F
- *Real Estate Investment Counsel Services Questionnaire*, DOCUMENT G

Answer all questions as thoroughly as possible to address the requirements of Section 1.6 Scope of Work. When completing the Questionnaire, Proposers must provide satisfactory evidence of capability to manage and coordinate the types of activities described in the RFP and to produce the specified product or service on time.

3.4 CONFLICTS OF INTEREST

The Proposal must describe any potential conflicts of interest that might arise in the course of providing the services required in this RFP. Potential conflicts of interest that might occur include but are not limited to the following: payment of fees for any reason to consultants that may recommend managing various asset allocation mandates, owning or participating in the ownership of money management firms or brokerage firms, or paying fees to or receiving fees from TPSF Service Providers.

The appropriate Conflicts of Interest and Contacts document set should be completed in its entirety for the Firm as a whole and for each individual as described. Forms must be signed by the person who completes the form.

DOCUMENT SET	COMPLETED BY
Document H-A	Proposing Firm as a whole.
Document H-B	Each Lead Real Estate Investment Counsel Professional assigned to the TPSF account (those same names noted on Document C, Item 1.4.1.c.1).
Document H-C	Each Key Professional Employee and any other employee the proposing Firm determines is appropriate.
Document H-D	Each Proposing Firm Affiliate , meaning those who work on matters related to the TPSF on behalf of the proposing Firm, including any placement agent, lobbyist, petitioner, or any third-party marketer, solicitor or similar. If not applicable, complete anyway, and marked "N/A".

Each document set will consist of the following:

- Page 1**—Conflict of Interest and Contact: SBOE Members and Committee of Investment Advisors.
- Pages 2 -3**—Conflict of Interest and Contact: Investment Counsel, Advisors, and Service Providers.
- Page 4**—Conflict of Interest and Contact: with TPSF Senior Staff and TEA Legal Staff.
- Page 5**—Conflict of Interest and Contact: to describe the disclosed relationships the individual has with those persons/firms listed in the tables on Pages 1-4.

- e. **Page 6**— Record of All Contact with the SBOE, TEA Staff and the SBOE/TPSF General Investment Counsel. Especially where business relationships exist, the individual should briefly describe the nature of the relationship, identify what contact has been made, identify each occurrence, indicate the date of the occurrence, and clearly describe the content of discussions.
- f. **Page 7**—Disclosure of All Campaign Contributions and Gifts, per Section 4.3 of the State Board of Education Operating Rules.
- g. **Page 8**—Disclosure of All Campaign Contributions and Gifts to Statewide Elected Officials and Members of the Texas State Legislature. Signature Attestation (pages 18).

3.5 FEE PROPOSAL

The proposer must submit DOCUMENT I - *Fee Proposal* to accomplish the project objectives and activities.

TEA reserves the right to award contracts to more than one Manager in order to obtain service that is in the best interest of the TPSF.

Fees must be justified in terms of activities and anticipated expenditures must be reasonable (i.e., consistent with current market price and practice) and necessary to accomplish objectives stated herein. The fee proposal must evidence that financial resources are adequately and appropriately allocated among fee categories in a cost-effective and prudent business manner to accomplish the objectives stated herein. Services to be purchased from other agencies, subcontractors, including any amounts subcontracted to HUBs, counsel, and others must be specified.

Payment will be made upon satisfactory performance of services, receipt by the TEA of specified deliverables, and receipt of properly prepared and certified invoices/expenditure reports.

Failure to meet these conditions can disqualify the Proposal.

3.6 PROPOSER IDENTIFICATION

Proposer shall provide to agency, respondent's 9-digit Federal Employer's Identification Number (FEI); Social Security Number (SSN) if respondent is an individual; or respondent's 14-digit State of Texas Vendor's Identification Number (VIN). If incorporated, respondent shall also provide to agency the corporation's charter number issued by the Texas Secretary of State's office. Proposer shall complete Section 3.B of DOCUMENT K with this information.

3.7 HISTORICALLY UNDERUTILIZED BUSINESS (HUB) IDENTIFICATION

Historically Underutilized Businesses (HUBs) as defined in Texas Government Code, §2161.001 (see EXHIBIT C) are encouraged to submit a Proposal for the services requested in this RFP. Proposers are encouraged to become HUB certified.

Proposers that are not certified and who wish to become certified should complete the HUB Certification application available at <http://www.window.state.tx.us/procurement/prog/hub/hub-certification/>. The Statewide HUB Program at (512) 463-5872 can assist with questions regarding the requirements for certification. The Proposer should also relay this information to any potential subcontractors who wish to become a certified HUB.

Proposers that are certified as a HUB with the Texas Comptroller of Public Accounts' Texas Procurement and Support Services should attach a copy of the certificate to the Proposal.

The Proposer must identify if subcontracting opportunities are available. The Proposer may choose to subcontract any or all of the services to HUBs. The Proposer may choose to subcontract any or all of the services to HUBs. Use the Comptroller Centralized Master Bidders List (CMBL)/HUB Directory to locate Texas Certified HUBs for subcontracting opportunities:

Open <http://www2.cpa.state.tx.us/cmb/cmbhub.html>.

a. Search: HUBs on CMBL and HUBs not on the CMBL.

b. Selection 1:

- Class Code: #946 Financial Services
- Item: #48 Financial Advisors
- Item: #49 Financial Services

If subcontracting, the Proposer should submit *DOCUMENT J - HUB Subcontracting Plan*, and complete all sections (1-10).

If the Proposer can perform and intends to complete all the subcontracting opportunities identified by the TEA with its employees and resources without benefit of subcontractors, the Proposer should complete Sections 1, 2, 9 and 10 of *DOCUMENT J - HUB Subcontracting Plan*.

Failure to return the HUB Subcontracting Plan DOCUMENT J will disqualify the Proposal.

3.8 EVALUATION CRITERIA

TEA will evaluate Proposals according to the selection criteria specified in Section 4.2 of this RFP.

SECTION FOUR—REVIEW OF PROPOSALS

4.1 REVIEW OF PROPOSALS

Review of Proposals will begin as soon as practical after receipt. Evaluation of Proposals occurs in several stages. The first stage includes a compliance evaluation to ascertain proper form and content in accordance with all provisions stated within this RFP. Proposals that pass the compliance evaluation will then be evaluated for minimum qualifications and be evaluated according to the criteria listed in Section 4.2 below. The Proposers receiving the most favorable ratings during the first round of selection may be asked to send a representative to Austin, Texas, at a time and place to be arranged for oral presentation of Proposals. Proposals may be rated again following oral presentations.

The recommendations of the review panel will be assembled and presented to the SBOE who will:

- Approve the Proposal in whole or in part;
- Disapprove the Proposal; or
- Defer action on the Proposal for such reasons as a requirement for further evaluation.

Texas Education Agency will notify each Proposer in writing of the selection or non-selection for qualification. Additional copies of Proposals not selected for qualification will be destroyed in accordance with the agency approved records retention policy.

In the case of a Proposal selected for qualification, notification to the Proposer will include the contractual conditions, which the Proposer must accept in accordance with federal and/or state law, if taken under contract.

4.2 SELECTION CRITERIA

Proposals will be qualified based on the ability of each Proposer to carry out all of the requirements contained in this *Request for Proposal*. TEA and the SBOE will base its selection on, among other things, demonstrated competence and qualifications of the Proposer. Among other possible factors that TEA and the SBOE may consider are (a) the quality and reliability of the services previously provided; and (b) indicators of probable performance under the contract such as past performance of the service delivery, the Proposer's financial resources and ability to perform, and the Proposer's experience or demonstrated capability and responsibility. Following is a summary of the factors that will be evaluated in selecting a Proposer for prequalification, and the total number of points that will be applied in association with each

FACTORS	POSSIBLE POINTS
Business and Organizational Strength	20
Real Estate Investment Counsel Experience	30
Client Service	20
Conflicts and Business Conduct	15
Fee Structure	10
Other Factors	5
TOTAL	100

By submitting Proposals in response to this RFP, the Proposer accepts the evaluation process and acknowledges and accepts that determination of qualified Proposers will require subjective judgment.

SECTION FIVE—CONTRACTUAL REQUIREMENTS

5.1 CONTRACTORS' PROPOSALS

The selected Proposals may be incorporated into a contract prepared by the TEA for signature by the contracting parties. The resulting contract shall contain, among others, the following provisions:

All materials, conceptions and products produced or conceived by contractor, its employees, agents, consultants or subcontractors arising out of the contract shall be the sole property of TEA, and TEA shall have the exclusive right to copyright and patent these materials, conceptions and products, subject to applicable law. Contractor shall so bind all concerned.

5.2 EXECUTION OF OFFER AND AFFIRMATION OF TERMS AND CONDITIONS

Proposer shall review DOCUMENT K - *Execution of Offer and Affirmation of Terms and Conditions* carefully, noting that the TEA General Provisions described therein consist of the conditions under which TEA will conduct its business with any Proposer selected as a qualified investment management firm. When contracting with a qualified investment management firm, TEA will incorporate these General Provisions into the body of the contract and they will become binding. Proposers wishing to do business with the TEA shall acknowledge their acceptance of these terms and conditions by signing DOCUMENT K and returning it as part of the Proposal response.

Proposers must indicate in writing any General Provision term that is not feasible with the submission of the Proposal to this RFP. Proposers must identify the individual terms and explain why the terms are not feasible. An addendum can be attached to the submission of the executed DOCUMENT K in order to communicate contracting concerns. If a Proposal is signed and submitted without specifically identifying all General Provisions that are not feasible, TEA will not negotiate the General Provisions.

Failure to formalize terms of Proposal by signing Execution of Offer can disqualify the Proposal.

5.3 PAYMENT

All payments are made in accordance with Texas Government Code § 2251.001 et seq. Payments for Goods and Services. Payment is contingent upon the submission of properly prepared and detailed invoice/expenditure reports, each payment cycle. For certain investment management services, it is anticipated that fees for services/operating expenditures will be deducted from fund assets in lieu of being paid by state warrant.

TEA reserves the right to review and approve fees and expenditures at various levels before fund assets are released.

According to guidelines set forth by the Texas Comptroller of Public Accounts, the payment scheduling policy requires agencies to pay as close to the due date as possible in order to maximize fiscal benefits to the state. Payments are due in 30 days.

5.4 CONTRACTING WITH PERSONS WHO HAVE CERTAIN DEBTS OR DELINQUENCIES

A contractor who is indebted or owes delinquent taxes to the State will have any payments under the contract applied toward the debt or delinquent taxes owed the State until the amount is paid in full, regardless of when the debt or delinquency was incurred. This provision does not apply if the warrant or transfer results in payments being made in whole or in part with money paid to the state by the Federal Government.

Contractor may verify account status by accessing the Persons Indebted to the State page on the Texas e Comptroller's website at:

https://fmx.cpa.state.tx.us/fm/pubs/purchase/restricted/index.php?section=indebted&page=persons_indebted

If the account status displays a message that the vendor is on hold, contractor is advised to contact the Comptroller's Warrant Hold Section in the Division of Revenue Accounting at 1 (800) 531-5441 extension 3-4561 for assistance in resolving the issue.

EXHIBITS

The following exhibits are included in this Proposal:

Exhibit A Regulation, Administration, and Other

Exhibit B TPSF Investment Procedures Manual

Exhibit C Definition of Historically Underutilized Business and Instructions

EXHIBIT A

REGULATION, ADMINISTRATION, AND OTHER

For ease of reference, select laws, statutes, policies and reports pertaining to the Texas Education Agency Texas Permanent School Fund can be found at the following links:

- Article VII of The Texas Constitution
<http://www.statutes.legis.state.tx.us/Docs/CN/htm/CN.7.htm>
- Chapter 33 of the Texas Administrative Code: Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund
[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=4&ti=19&pt=2&ch=33&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=4&ti=19&pt=2&ch=33&rl=Y)
- Chapter 43 of the Texas Education Code: Permanent School Fund and Available School Fund
<http://www.statutes.legis.state.tx.us/Docs/ED/htm/ED.43.htm>
- Chapter 2155 of the Texas Government Code: Purchasing—General Rules and Procedures, including:
Section 2155.004—Certain Bids and Contracts Prohibited
<http://www.statutes.legis.state.tx.us/docs/gv/htm/gv.2155.htm>
Section 2161.001—Texas Government Code: HUB Defined
<http://www.statutes.legis.state.tx.us/docs/gv/htm/gv.2161.htm>
- Texas Comptroller of Public Accounts:
Electronic State Business Daily (ESBD)
<http://esbd.cpa.state.tx.us/>
HUB Certification Process
<http://www.window.state.tx.us/procurement/prog/hub/hub-certification/>
Vendors Indebted to the State of Texas
https://fm.xcpa.state.tx.us/fm/pubs/purchase/restricted/index.php?section=indebted&page=persons_indebted
TINS—Vendor Hold Search
<https://cpafmprd.cpa.state.tx.us/tpis/search.html>
- Chapter 552 of the Texas Government Code: Public Information Act, including:
Section 552.0225—Right of Access to Investment Information,
Section 552.0230—Special Right of Access to Confidential Information
Section 552.1100—Exception Trade Secrets; Certain Commercial or Financial Information
Section 552.1430—Confidentiality of Certain Investment Information
<http://www.statutes.legis.state.tx.us/sotwdocs/gv/htm/gv.552.htm>
- Section 4.3 of the State Board of Education Operating Rules, amended January 19, 2011, Disclosure of Campaign Contributions and Gifts
<http://www.tea.state.tx.us/index4.aspx?id=2147497741>
- Audited Annual Financial Statements of the TPSF
<http://www.tea.state.tx.us/psf/annualgateway.html>
- Additional Information about TEA and TPSF
TEA: <http://www.tea.state.tx.us>
TPSF: <http://www.tea.state.tx.us/psf/>

EXHIBIT B
TPSF INVESTMENT PROCEDURES MANUAL
(©NOVEMBER 2012)

The State Board of Education (SBOE) has adopted the Statement of Investment Objectives, Policies and Guidelines, which sets forth the prudent objective standards for the investment and administration of the Texas Permanent School Fund (Fund). The Statement addresses the needs of the Fund; establishes criteria for manager performance measurement; communicates the Statement to all parties; serves as a review document for compliance; demonstrates that the SBOE is in compliance with its responsibility of managing the investments of the Fund and documents compliance with the appropriate governing laws.

To effectuate the Statement of Investment Objectives, Policies and Guidelines, the State Board of Education adopts the following procedures, consistent with the objectives of the Fund. These procedures delineate with specificity the operative provisions, processes and procedures for the implementation of the Statement, consistent further with input from all of the appropriate parties, as follows:

A. COMMITTEES OF THE STATE BOARD OF EDUCATION

1. The State Board of Education has established the Committee on School Finance/Permanent School Fund (Committee) to assist in the administration and oversight of the Fund. The following are the duties and responsibilities of the Committee:
 - a. The Committee is comprised of members of the State Board of Education selected under the rules of the SBOE;
 - b. The Committee shall make recommendations to the State Board of Education concerning the ratification of all investment manager transactions for the current reporting period, if the transactions are consistent with the Statement of Investment Objectives, Policies and Guidelines; the Procedures Manual; and all other applicable constitutional, statutory and contractual provisions;
 - c. The Committee shall approve any periodic tactical recommendations pertaining to adjustments to the long-term asset allocation strategic plan of the State Board of Education;
 - d. The Committee shall direct the activities of the executive administrator in implementing the policies of the State Board of Education concerning the investment of the Permanent School Fund;
 - e. The Committee shall implement the policies of the State Board of Education concerning the investment of the Permanent School Fund;
 - f. The Committee shall direct and monitor each SBOE approved action and counsel with and receive reports from the executive administrator, the Committee of Investment Advisors (CIA), Investment Counsel, and any investment manager hired under the provisions set forth;
 - g. The Committee shall ensure compliance with the State Board of Education's statement of investment policy and non-compliance shall be reported to the State Board of Education; and
 - h. The Committee shall recommend to the State Board of Education, new procedures or recommend amendments to existing procedures consistent with the provisions of the Statement of Investment Objectives, Policies, and Guidelines.
2. Committee of Investment Advisors (CIA) - Duties and Responsibilities
 - a. Members of the State Board of Education shall individually select the Committee of Investment Advisors members. The SBOE shall approve selected appointments. The Committee of Investment Advisors shall be comprised of no more than 15 members. Each must have considerable institutional investment expertise and be free from conflicts of interest;
 - b. Committee of Investment Advisors shall serve at the pleasure of each incumbent State Board of Education member;

- c. The CIA may meet semi-annually or more frequently with the entire SBOE membership at the call of the chairman of the SBOE; and
- d. CIA are to receive copies of all information that is not designated as confidential or proprietary and correspondence provided to SBOE members regarding PSF activities, performance and presentation materials so as to be fully informed.
- e. The Committee of Investment Advisors shall be independent investment experts who closely advise their respective State Board of Education member on investment issues.

B. CRITERIA FOR THE ENGAGEMENT, RETENTION OR TERMINATION OF INVESTMENT COUNSEL

- 1. Investment counsel may be recommended by the Committee and retained by the State Board of Education, provided counsel meets the following minimum criteria by having or having access to:
 - a. Organizational processes that provide for combining the knowledge and judgments in different areas of institutional investment expertise in order that the advice and recommendations made to the Permanent School Fund will have evolved from the opinions of many rather than one individual; and
 - b. The capability of complying with additional criteria as may be established by the State Board of Education.
- 2. If at any time Investment Counsel fails to comply with any of the above provisions, or fails to perform pursuant to the provisions of the Investment Counsel contract, the Committee shall notify the State Board of Education of said failure. The SBOE shall take appropriate measures to correct any deficiencies.

C. INTERNAL ACCOUNTING PROCEDURES AND CASH MANAGEMENT CONTROLS

The following procedures and controls shall be adopted and implemented by the investment staff of the Permanent School Fund:

- 1. All investments of the Permanent School Fund shall be accounted for in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) unless otherwise prescribed by state law;
- 2. Income, gains and losses from investments shall be collected and allocated to Fund 0044.
- 3. Proper controls shall be maintained as well as a segregation of duties between the portfolio managers/traders and the accounting staff;
- 4. All investment transactions shall be properly authorized and in accordance with the portfolio manager's/trader's established investment limits;
- 5. All investment transactions shall be supported by a trade ticket prepared by the portfolio manager(s)/trader(s). The trade ticket may be in paper or electronic form and must be authorized by the portfolio manager(s)/trader(s);
- 6. All trades shall be verified by accounting staff and affirmed by the Fund's custodian prior to settlement;
- 7. The investment office shall have no direct control over or access to physical cash currency;
- 8. The following monthly reconciliations are completed and reviewed:
 - a. between the investment accounting system and the records of the Custodian;
 - b. between the investment general ledger system (statewide and agency) and the investment accounting system;
- 9. Controls must be established to meet the liquidity needs of the Fund;
- 10. Outstanding purchase commitments shall be properly recorded including any accrued interest paid on purchases;

11. All requests to the Custodian to transfer funds in order to purchase securities or invest in short-term instruments shall be properly authorized by the Permanent School Fund staff and properly recorded in the records of the State Comptroller's office;
12. Investment reports shall be prepared in accordance with legal and regulatory requirements and to meet the information requirements of the SBOE; and
13. It shall be the policy of the SBOE to perform delivery and settlement of cash and securities through the Fund's custodial bank. The Fund custodian will collect all monies due the Fund and deliver all monies due from Fund.

The Fund custodian will make all Fund monies available for investment. In the event funds are not invested as a result of specific security transactions ordered by internal Permanent School Fund staff or external investment managers, the custodian will invest such proceeds on a short term basis pending further instructions. In the event monies are not invested within one business day by the custodian or as a result of instructions from authorized investment managers, such proceeds shall be remitted to the State Treasury.

The Fund custodian shall maintain currency accounts for all currencies traded in the Fund's international investment portfolios. The Fund custodian shall execute cash movements across these accounts at the direction of investment managers, including transmission of monies for foreign exchange transactions, upon authorized instruction from investment managers. In order to facilitate settlement of trades denominated in foreign currency, custodian may hold foreign currencies overnight as authorized by investment managers.

D. STRATEGIC ASSET ALLOCATION PLAN

To pursue the objectives of the Texas Permanent School Fund at an acceptable risk level, the following strategic (i.e., long-term) allocation is adopted:

ASSET CLASS	STRATEGIC ASSET ALLOCATION	RANGE
Equity		
Large Cap US Equity	18.0%	+/- 3.0%
Small/Mid-Cap Cap US Equity	7.0%	+/- 1.0%
International Large Cap Developed and Emerging Market Equity	18.0%	+/- 3.0%
International Emerging Market Equity	3.0%	+/- 1.0%
<i>Total Equity</i>	46.0%	
Fixed Income		
DOMESTIC INVESTMENT GRADE FIXED INCOME	12.0%	+/- 2.0%
EMERGING MARKET DEBT (LOCAL CURRENCY)	5.0%	+/- 1.0%
<i>Total Fixed Income</i>	17.0%	
Cash Equivalents	0.0%	
Global Risk Control Strategies		
ABSOLUTE RETURN	10.0%	+/- 1.0%
RISK PARITY	7.0%	+/- 1.0%
<i>Total Global Risk Control Strategies</i>	17.0%	
Other Alternative Assets		
PRIVATE EQUITY	6.0%	+/- 2.0%
REAL ESTATE	8.0%	+/- 2.0%
REAL RETURN (COMMODITIES)	3.0%	+/- 0.5%
REAL RETURN (U.S. TREASURY INFLATION PROTECTED SECURITIES (TIPS))	3.0%	+/- 0.5%
<i>Total Other Alternative Assets</i>	20.0%	

Provided, however, that the Committee (SBOE) shall have the right to make periodic adjustments to the above-listed allocations as they see fit, commensurate with the economic environment and the goals and objectives of the Fund. It is understood that the strategic allocation to alternative assets may differ from the target ranges outlined for limited periods of time, due to the illiquid nature of these asset classes. Further, during the initial implementation of alternative asset classes, the allocation will fall below the minimum range until the program can be fully established.

Formal asset allocation studies shall be conducted by the Asset Allocation Consultant at least every two years, with annual evaluations of the validity of the adopted asset allocation.

E. ASSET ALLOCATION BALANCING PROCEDURE

The SBOE has established specific asset allocation targets within the ranges of its investment policy. To assure allocations consistent with this policy, the Committee and the Executive Administrator has developed a systematic rebalancing policy, as follows:

Target rebalancing ranges will be established for each asset class and category based upon market volatility, liquidity and inherent transaction costs. The ranges are not necessarily symmetrical and reflect a practical approach to rebalancing – thus, whole numbers are employed to establish target limits.

1. Asset Class Rebalancing

The following policies will be followed regarding asset weightings:

- a. Valuation and monitoring of asset classes in relation to their targets will be done as available from the custodian and investment managers;
- b. When all asset classes are within target ranges, any cash will be allocated between equity and fixed income portfolios as appropriate to take advantage of capital market opportunities;
- c. Whenever the asset classes of the Fund deviate from their target ranges, the Executive Administrator will rebalance the asset mix as follows:
 - (1) Utilize available cash first to bring asset classes to within target ranges;
 - (2) If available cash is insufficient, transfers between asset classes will be made to bring them to their target levels.
- d. Whenever the asset classes of the Fund lie within their target ranges, the Executive Administrator may perform a partial or full rebalance to move the Fund toward the optimal target allocation to take advantage of market conditions that could be beneficial to the long-term performance of the Fund.
- e. Cash-flows to and from illiquid portfolios will not be made, unless part of a predetermined plan.
- f. The SBOE may vote to delay automatic asset class rebalancing if major changes in the strategic asset allocation plan are expected in the near term.
- g. Distributions paid to the Available School Fund (ASF) shall be distributed from asset classes that exceed the target allocations and bring the Fund back in line with the target allocation.
- h. The Executive Administrator, in consultation with the Asset Allocation Consultant, should maintain the asset allocation targets and rebalance between asset classes when it is determined that imbalances have occurred within asset classes in excess of the Strategic Asset Allocation plan's ranges (Section D).
- i. Upon notice from the Commissioner of Education in regards to a guaranteed school district bond default, the Executive Administrator shall cause to be deposited in State Treasury Fund 0044 account sufficient cash to cover the default by funding the default from any asset class that exceeds its target and is highly liquid. If each asset class is at target, then assets will be sold in line with target weights. The funds will then be transferred to the paying agent in accordance with Texas Education Code Chapter 45.059.

In accordance with Texas Education Code Chapter 45.061, the Commissioner will immediately direct the Comptroller to withhold the amount paid, plus interest, from the first state money payable to the school district. The amount withheld shall be deposited to Fund 0044 in the State Treasury. The Executive Administrator shall return the funds to the asset classes from which they were taken or to asset classes that are underweighted at the time of receipt of the reimbursement.

2. Transition Procedure

Investment manager changes and additions occur due to natural growth of the fund and to the attrition of managers due to performance or other reasons, as well as for rebalancing purposes. The Executive Administrator shall obtain the authorization from the SBOE to effect the transition of assets from one portfolio to another using services of an outside, independent specialist that has experience in the management of portfolio transitions. The function of the specialist is to recommend lowest cost and most efficient method for transitioning assets and to monitor and report on effectiveness of transitions.

F. STANDARDS OF PERFORMANCE

1. Total Funds

The Total Fund shall consist of a diversified portfolio including domestic and international equities, fixed income, and alternative asset classes.

The State Board of Education expects active managers to collectively out-perform their respective (and agreed upon) individual unmanaged benchmarks net of fees. Therefore, total performance of the Texas Permanent School Fund will be measured against a composite benchmark reflective of the Fund's targeted allocation between equities, fixed income, and alternative assets. During periods of transition, where assets deviate significantly from the long-term target allocation, the composite benchmark shall be dynamic, calculated monthly using the beginning of period capitalization weight of each investment portfolio and the return of their respective primary index. A transition period shall be defined as the period beginning on the first day of the month after the contract has been signed with the investment manager and the initial funding of asset class takes place. Once funding begins, the composite benchmark shall revert back to the standard static calculation on the first day of the month following funding. The static calculation shall be calculated based on the percentage allocated to each asset class.

In order to meet the investment objectives as specified in the SBOE's statement of Investment Objectives, Policies and Guidelines, the Total Fund will strive to maintain intergenerational equity whereby the Fund will pay-out a constant distribution per student after adjusting for inflation.

The asset allocation adopted July 2012 reflects the following asset classes, benchmarks and target allocations of the Fund, utilized when calculating the composite benchmark:

ASSET CLASS	PASSIVE BENCHMARK	LONG-TERM TARGET ALLOCATION
Equity		
Large Cap US Equity	S&P 500	18.0%
Small/Mid-Cap Cap US Equity	S&P 1000	7.0%
International Large Cap Developed and Emerging Market Equity	MSCI All Country World Index EX US (Net Dividend)	18.0%
International Emerging Markets Equity	MSCI EM Index (net dividends)	3.0%
<i>Total Equity</i>		46.0%
Fixed Income		
DOMESTIC INVESTMENT GRADE FIXED INCOME	Barclays Capital U.S. Aggregate Bond Index	12.0%
EMERGING MARKET DEBT (LOCAL CURRENCY)	JPM GBI-EM Global Diversified	5.0%
<i>Total Fixed Income</i>		17.0%
Cash Equivalents		0.0+%

Global Risk Control Strategies		
ABSOLUTE RETURN	Hedge Fund Return Index (HFRI)	10.0%
RISK PARITY	60% S&P500 / 40% Barclays Capital US Aggregate Bond Index	7.0%
<i>Total Global Risk Control Strategies</i>		17.0%
Other Alternative Assets		
PRIVATE EQUITY	Actual Investment Return or Custom Benchmark	6.0%
REAL ESTATE	NCREIF Property (NPI)	8.0%
REAL RETURN (COMMODITIES)	DJ-UBS Commodities TR Index	3.0%
REAL RETURN (U.S. TREASURY INFLATION PROTECTED SECURITIES (TIPS))	Barclays Capital US TIPS	3.0%
<i>Total Other Alternative Assets</i>		20.0%

Note 1: The above benchmarks are representative of sample indices, subject to being redefined upon investment manager funding of their own unique portfolio.

Note 2: Over a rolling 3-year period, private equity investments should be measured against a long-term custom benchmark. However, for periods under 3 years, including the actual return for the investment in the benchmark accomplishes the dual goal of accurately portraying total fund performance for the Fund, while eliminating the short-term benchmark noise that is introduced by the mismatch between long-term objectives and short-term market movements.

2. Equity Allocation

The equity allocation shall consist of diversified domestic and international stocks. The purpose of the equity allocation is to provide appreciation of principal that more than offsets inflation and provides a growing stream of current income.

The allocation to domestic and international equities will be across capitalization ranges.

The equity managers will be subject to the following general and specific investment guidelines:

a. Domestic Equity Manager(s)

The strategic objective of the Fund is to obtain broad domestic equity market exposure.

(1) An indexed large cap core equity manager is expected to:

- (a) Achieve an annualized time-weighted rate of total return (net of expenses and fees) equal to the return of the benchmark represented by the S&P 500 Index;
- (b) Maintain an acceptable risk level when measured by the standard deviation of quarterly returns of the representative benchmark (S&P 500).

(2) An indexed small/mid cap core equity manager is expected to:

- (a) Achieve an annualized time-weighted rate of total return (net of expenses and fees) equal to the return of the benchmark represented by the S&P 1000 Index;
- (b) Maintain an acceptable risk level when measured by the standard deviation of quarterly returns of the representative benchmark (S&P 1000).

b. International Equity Manager(s)

The strategic objective of the Fund is to obtain a broad international equity market exposure.

(1) An indexed large cap developed and emerging market equity manager is expected to:

- (a) Achieve an annualized time-weighted rate of total return (net of fees and expenses) equal to the return of the benchmark represented by the MSCI All Country World Index Ex USA (Net of Dividends).

- (b) Maintain an acceptable risk level when measured by standard deviation of quarterly returns of the representative benchmark, the MSCI All Country World Index Ex USA (Net of Dividends).
- (2) An emerging international market equity manager is expected to:
 - (a) Achieve an annualized time-weighted rate of total return (net of fees and expenses) equal to the return of the benchmark represented by the MSCI EM Index (Net of Dividends).
 - (b) Maintain an acceptable risk level when measured by standard deviation of quarterly returns of the representative benchmark the MSCI EM Index (Net of Dividends).

3. Fixed Income Allocation

The total fixed income allocation shall consist of a well-diversified portfolio.

The fixed income portfolio will be managed under a broad market mandate. Each account shall be managed in an active manner to achieve the total return objective as established and to preserve principal while maintaining an acceptable income yield.

In addition to the prohibited transactions and restrictions delineated in Section 33.25 of the Statement of Investment Objectives, Policies and Guidelines, the fixed income portfolio of any manager of the Fund must maintain a minimum quality rating, duration average and minimum income yield consistent with the overall characteristics of the manager's fixed income benchmark.

The fixed income manager(s) will be subject to the following general and specific investment guidelines:

a. Domestic High Grade Fixed Income Manager(s)

A domestic fixed income manager is expected to achieve over the course of a fair market cycle of three to five years, the following:

- (1) An annualized time-weighted rate of return (net of fees and expenses) in excess of the return of the benchmark represented by the Barclays Capital U.S. Aggregate Bond Index;
- (2) Maintain an acceptable risk level when measured by the standard deviation of quarterly returns of the representative benchmark (Barclays Capital U.S. Aggregate Bond Index).

b. Emerging Market Debt Manager(s)

An emerging debt manager is expected to achieve over the course of a fair market cycle of three to five years the following:

- (1) An annualized time-weighted rate of return (net of fees and expenses) in excess of the return of the benchmark represented by the JPM GBI-EM Global Diversified Index;
- (2) Maintain an acceptable risk level when measured by the standard deviation of quarterly returns of the representative benchmark (JPM GBI-EM Global Diversified Index).

c. Cash Equivalent Manager(s)

A Short Term Investment Fund (STIF) manager is expected to:

- (1) Achieve an annualized time-weighted rate of total return (net of fees and expenses) in excess of the return of a benchmark represented by the 91-Day Treasury Bill.
- (2) Maintain an acceptable risk level when measured by the standard deviation of quarterly returns of the representative benchmark (91-Day Treasury Bill).

4. Alternative Asset Allocation

The alternative asset allocation shall consist of real estate, real return, absolute return, and private equity investments. Alternative investments are non-traditional investments that have low correlation with most traditional asset classes. Alternative investments are usually transacted through a partnership structure and often characterized by limited liquidity, infrequent valuations, and need for greater administrative workload and oversight. The State Board of Education recognizes that additional investment classes may reduce Fund's overall volatility of returns and/or enhance overall performance.

The alternative asset manager(s) will be subject to the following investment guidelines:

a. Real Estate Manager(s)

A real estate manager is expected to achieve over the course of a fair market cycle of three to five years the following:

(1) Open End Funds

- (a) An annualized time-weighted rate of return (net of fees and expenses) in excess of the return of the benchmark represented by the NCREIF Property Index.
- (b) Maintain an acceptable risk level when measured by the standard deviation of quarterly returns of the representative benchmark (NCREIF Property Index).

(2) Closed End Funds

- (a) An internal rate of return (net of fees and expenses) equal to the actual investment return of a custom index.
- (b) Maintain an acceptable risk level when measured by the standard deviation of quarterly returns of the representative benchmark (NCREIF Property Index).

b. Real Return Manager(s)

(1) Inflation Linked Securities Manager(s)

An inflation linked securities manager is expected to achieve over the course of a fair market cycle of three to five years the following:

- (a) An annualized time-weighted rate of return (net of fees and expenses) in excess of the return of the benchmark represented by the Barclays Capital U.S. TIPS.
- (b) Maintain an acceptable risk level when measured by standard deviation of quarterly returns of the representative benchmark (Barclays Capital U. S. TIPS).

(2) Commodities Manager(s)

A commodities manager is expected to achieve over the course of a fair market cycle of three to five years the following:

- (a) An annualized time-weighted rate of return (net of fees and expenses) in excess of the return of the benchmark represented by the DJ-UBS Commodities Index.
- (b) Maintain an acceptable risk level when measured by standard deviation of quarterly returns of the representative benchmark (DJ-UBS Commodities Index).

c. Absolute Return Manager(s)

An absolute return manager is expected to achieve over the course of a fair market cycle of three to five years the following:

- (1) Achieve an annualized time-weighted rate of return (net of fees and expenses) in excess of the return of the benchmark represented by the HFRI Fund of Funds Index;
- (2) Maintain an acceptable risk level when measured by standard deviation of quarterly returns of half (50%) the volatility of the broad equity market, represented by the S&P 500 Index.

d. Private Equity Manager(s)

A private equity manager is expected to achieve, over the life of each partnership (typically ranging 10+ years), the following:

- (1) An internal rate of return (net of fees and expenses) equal to the actual investment return or a custom index.

- (2) Equity holdings that are taken private with the option to participate in the new private company ("stub equity") shall be considered and analyzed for their value to the Fund. If the Executive Administrator deems that receiving shares of the new company is of economic value he/she shall inform the SBOE of the investment in the private company at the next board meeting. These assets will be treated as part of private equity allocation and shall not exceed 10% of the private equity asset class target.

e. Risk Parity Manager(s)

A risk parity manager is expected to achieve over the course of a fair market cycle of three to five years the following:

- (1) An annualized time-weighted return (net of fees and expenses) in excess of the total return of a composite benchmark represented by 60% of the S&P 500 Index and 40% of the Barclays Capital U.S. Aggregate Bond Index.

5. Performance Monitoring

The objectives outlined above for managers within each asset class recognize that the investment horizon is long-term and that investment competence must be measured throughout a meaningful period of time. While the quantitative assessment of managerial competence will be measured over a fair market cycle of three to five years, the State Board of Education anticipates that its Investment Consultant will make interim quantitative and qualitative judgments. Specific quantitative and qualitative factors, which will be reported to the SBOE by its Investment Consultant and reviewed on an ongoing basis, include:

- a. Fundamental changes in investment philosophy
- b. Changes in organizational structure or financial condition (including significant changes in total assets under management)
- c. Changes in key personnel
- d. Changes in fee structure
- e. Any regulatory activity or litigation brought against the manager

6. Watch List

If a manager is not meeting the corresponding performance expectations outlined above, if the managers' performance falls below that of the appropriate index for three consecutive quarters, or the manager's relative rank falls significantly below the respective median, the manager will be placed on a "watch list." After the manager has been placed on the "watch list", the Investment Consultant and/or the PSF staff should interview the manager via phone conversation or in person. If the manager's performance fails to improve relative to the standards detailed above, and/or qualitative factor changes remain unresolved, the manager may be considered for termination.

7. Currency Hedging Strategies for International Portfolios

According to 19 IAC 33.25: Permissible and Restricted Investments and General Guidelines for Investment Managers, the State Board of Education may approve currency hedging strategies for the international portfolios, if consistent with the overall objectives of the Fund.

The following sets forth the State Board of Education's procedures in hedging the international portfolios foreign currency exposure of the Permanent School Fund:

- a. The objective of the currency hedge is to protect the value of the portfolio from currency fluctuations when investments in foreign securities are translated back into U. S. dollars. As such, portfolio leverage and cross hedging outside of US dollars is not permitted;
- b. While it is expected that most contracts open to hedge currency exposure will be for periods of less than three months, the SBOE recognizes the longer-term nature of currency movements. The

maturity of any hedging contract engaged by a manager shall not exceed a period of 12 months, provided however, that a maturity beyond the 12 month period may be requested, in writing, by a respective manager and may be granted by the SBOE if conditions warrant the extension of maturity;

- c. Foreign exchange contracts and futures instruments may be purchased and sold against the receipt of cash, securities and other readily negotiable instruments related to securities held in the portfolios; and;
- d. All institutional counterparties with which a foreign currency contract is engaged shall meet a minimum rating of A3 compiled by Moody's Investors Service Global Credit Research Counterparty Ratings.

8. Financial Futures

The Fund may purchase or sell financial futures contracts for the purpose of making asset allocation changes in a more efficient and cost effective manner, and to improve liquidity. Futures contracts shall be subject to the following terms and conditions:

- a. Equity and fixed income investment managers will not enter into futures transactions for the purpose of speculative leveraging. Speculative leveraging is defined as buying financial futures where the amount of the contract obligation is an amount greater than the market value of the portfolio's cash, receivables, and short-term (maturities of less than one year) securities. In no instance will the total amount of the contract be an amount greater than the market value of the portfolio's cash, receivables, and short-term securities.
- b. Alternative asset investment strategies, such as private equity, risk parity, commodities, absolute return and real estate may employ speculative leveraging. For private equity investment, leverage, if utilized, must be limited to less than 50% at the limited partnership level in which the Fund is an investor. For core real estate investments, leverage should not exceed 40% across the entire portfolio. For non-core real estate managers, there are no specific limits on leverage; however usage shall be outlined specific to each investment within the management agreement.
- c. The total amount of the portfolio's financial futures contract obligation should not exceed 10% of the market value of the portfolio's total assets. The Fund may exceed the 10% rule during a transition approved by the SBOE.
- d. The sum of each portfolio together with the financial futures contract obligation should be within the asset allocation range for each asset class.
- e. The Fund may use cash and obligations of the U.S. government or any of its agencies to meet the margin requirements.
- f. Financial futures contracts may be written in an underlying market index which reflects the asset class invested by the portfolio.
- g. Futures transactions will be conducted with only a few of the highest quality domestic and international banks and brokerage firms. These firms must be members of the National Futures Association (NFA) and the Commodities Futures Trading Commission (CFTC). The criteria to be used in selecting such banks and brokerage firms should include, but should not be limited to strong capitalization, their experience in the financial futures markets as well as compliance with the Fund's guidelines for selecting brokerage firms.

G. LEGAL ACTION

The Fund staff or designee will file and monitor all class action claims. In other instances where the Fund may have potential legal recourse over current or former investments, Fund staff shall consult with TEA counsel and the Attorney General's office if needed. Upon consultation, staff shall take action as needed to protect the Fund's legal rights, including authorizing suit. Staff shall report back to the SBOE on any action taken at the next regular meeting.

H. PROCESS FOR THE SELECTION OF CONSULTANTS, INVESTMENT MANAGERS, CUSTODIANS AND OTHER PROFESSIONALS TO PROVIDE OUTSIDE EXPERTISE TO THE PERMANENT SCHOOL FUND

1. Communications with SBOE Members While Request for Proposal or Qualifications Outstanding

a. Definitions:

- (1) **Applicant** means a person or entity who submits a response to an RFP or RFQ, or who has expressed an interest in an RFP or RFQ by filing a notice of intent to bid. A person or entity ceases to be an Applicant if the person or entity does not submit an application by the required deadline or is selected or eliminated as a possible candidate.
- (2) **Authorization Date** means the date at which a Request for Proposal (RFP) or Request for Qualifications (RFQ) is approved by the SBOE to be distributed by Staff to prospective professionals.
- (3) **Blackout Period** means the period beginning with the Authorization Date and continuing through the Selection Date.
- (4) **Eligible List** means all persons or entities selected as eligible for a contract pursuant to an RFP or RFQ. A person or entity remains on the Eligible List until the period of eligibility expires, or the person or entity withdraws or is removed pursuant to subsection (d).
- (5) **Restricted Period** means the period following the Selection Date during which qualified applicants could be selected as contractors to perform services for the PSF pursuant to an RFP or RFQ.
- (6) **Selection Date** means the date at which a proposer is to provide services enters into a contract pursuant to an RFP, or is finally determined to be eligible for selection to provide services pursuant to an RFQ.

- b. Except as allowed by subsections (c), (e) and (f), no communication involving the Permanent School Fund or the type of investment or service that is the subject of the RFP or RFQ is permitted with any SBOE member during the Blackout Period.
- c. Applicants performing other duties on behalf of the Permanent School Fund may communicate with SBOE members concerning those other duties in writing or at a Committee or SBOE meeting. Written communications shall be copied to all SBOE members and the Executive Administrator, who will aggregate such communications and timely provide copies to all SBOE members.
- d. During the Restricted Period for selection, an Applicant may communicate with SBOE members concerning the subject of the RFP or RFQ only in writing or at a Committee or SBOE meeting. Written communications shall be copied to all SBOE members and the Executive Administrator, who will aggregate such communications and timely provide copies to all SBOE members. During the restricted period, staff may remove a person or entity from the Eligible List solely for failure to meet minimum qualifications under the RFP or RFQ and shall notify the SBOE of any such action.
- e. Applicants or persons or entities on the Eligible List may at any time communicate with SBOE members at a social function, workshop, conference, ceremonial event or press conference about matters unrelated to the Permanent School Fund or the type of investment or service that is the subject matter of the RFP or RFQ.
- f. The Chairs of the SBOE and Committee may jointly authorize one or more SBOE members to accompany staff on due diligence meetings or visits with an Applicant and will announce the authorized members at a SBOE meeting. Staff shall prepare a record of the persons participating in the due diligence visit and the matters considered and provide the record to SBOE members. Under no circumstances may a quorum of the SBOE or any Committee of the SBOE participate in a due diligence visit or discuss any SBOE business unless posted as a public meeting of the SBOE or Committee. A member's expenses while participating in a due diligence meeting or visit shall be paid from the Permanent School Fund budget.

- g. Disclosures required of an applicant for an RFP or RFQ shall be updated prior to any final decision of the SBOE.
- h. Any professional seeking to provide outside expertise to the Permanent School Fund and found in violation of this procedure shall be disqualified from the bidding process with respect to the applicable RFP or RFQ.
- i. Prospective professionals providing outside expertise shall further comply with all other statutory provisions regulating RFPs and RFQs.

2. Steps for Identification and Selection of Outside Professionals

The sequence of steps to be completed to identify and select qualified firms or individuals who satisfy the SBOE need for expert assistance are:

- a. **Step 1**—The Committee directs staff to develop an RFP or RFQ to be adopted by the SBOE.
- b. **Step 2**—The Committee, in developing the RFP or RFQ, shall define the service or expertise needed, establish minimum objective criteria to be consistently applied to all parties in order to determine eligibility for consideration and detail all information to be considered for eligible parties.

(Examples of information required include name and address of the firm, number of employees, size and type of client basis, assets under management, areas of expertise, staff experience, staff turnover, other public fund clients, references, fee proposals, etc.)

A standard set of evaluation criteria are drafted and used to evaluate the proposals.

The Committee may appoint a sub-committee to oversee the RFP or RFQ development process and the establishment of criteria for both eligibility and evaluation.

- c. **Step 3**—The Committee (or sub-committee, if appointed) in coordination with staff and/or consultants, shall identify the universe of potential firms and screen this universe based upon the minimum objective criteria.
- d. **Step 4**—The RFP or RFQ is adopted by the SBOE and posted to the Electronic State Business Daily web-site where prospective applicants may electronically download documents pertinent to the RFP or RFQ. Firms who request RFPs or RFQs will be mailed such documents. The candidates are given a deadline to respond. Any qualifying proposals received by the deadline, and any supplemental information requested, are considered further.
- e. **Step 5**—The proposals are presented to the Permanent School Fund Committee for review at a formal presentation. In the event that the number of proposals received in response to the RFP or RFQ is too extensive to be considered by the full Committee at a formal presentation, the Committee may delegate the process of screening the proposals and selecting the finalists to the appointed sub-committee or to staff if no sub-committee has been appointed. These finalists will then make a formal presentation to the full Committee. The Committee will then select a finalist or finalists to be recommended to the State Board of Education for final selection to provide the services requested.
- f. **Step 6**—All voting members shall disclose any conflicts of interest prior to vendor decisions/actions. This statement of independence shall be filed with the Executive Administrator.
- g. **Step 7**—After an Applicant or Applicants are selected and approved by the State Board of Education, staff shall negotiate a contract for the services requested subject to the maximum fee and any other conditions approved by the SBOE. The draft contract shall be reviewed by legal staff prior to execution by the Commissioner of Education.
- h. **Step 8**—SBOE members, the Committee of Investment Advisors, PSF staff, and PSF client relationship consultants will file a quarterly report which lists any substantive meetings with proposers or Applicants or persons or entities seeking to perform services for the PSF about Permanent School Fund investments or an outstanding RFP or RFQ for services for the PSF. Disclosure should include meetings and discussions involving solicitations of potential mandates by

the PSF, including industry conferences, seminars and workshops. Staff shall provide for electronic means to file reports required under this step.

Notification of Statutory Compliance: The Fund will comply with all statutory provisions applicable to state agency RFPs and RFQs.

I. COMPLIANCE WITH SEC RULE 15C2-12 PERTAINING TO DISCLOSURE OF INFORMATION RELATING TO THE BOND GUARANTEE PROGRAM (BGP)

1. Annual Reports

The Agency shall provide annually to the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to the Program of the general type which describes the Program and which is included in an Official Statement for Guaranteed Bonds. Any financial statements so to be provided need not be audited. Such information shall be transmitted electronically to the MSRB, in such format and accompanied by such identifying information as prescribed by the MSRB.

If the Agency changes its fiscal year from the year ending August 31, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the Agency otherwise would be required to provide financial information and operating data pursuant to this section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each the MSRB or filed with the SEC.

2. Material Event Notices

The Agency shall notify the MSRB, in a timely manner (but not in excess of ten business days after the occurrence of the event), of any of the following events with respect to the Program:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults, if such event is material within the meaning of the federal securities laws;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers, or their failure to perform;
- f. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax-exempt status of the Program, or other material events affecting the tax status of the Program;
- g. Modifications to rights of holders of the Bonds, if such event is material within the meaning of the federal securities laws;
- h. Bond calls, if such event is material within the meaning of the federal securities laws, and tender offers;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of Guaranteed Bonds, if such event is material within the meaning of the federal securities laws;
- k. Rating changes;
- l. Bankruptcy, insolvency, receivership, or similar event of the Program, which shall occur as described below;

- m. The consummation of a merger, consolidation, or acquisition involving the Program or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if such event is material within the meaning of the federal securities laws; and
- n. Appointment of a successor or additional trustee with respect to the Program or the change of name of a trustee, if such event is material within the meaning of the federal securities laws.

For these purposes, any event described in the immediately preceding paragraph (l) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Program in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Program, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Program.

The Agency shall notify the MSRB, in a timely manner, of any failure by the Agency to provide financial information or operating data in accordance with Section 1 of this Rule by the time required by such Section.

Nothing in this Program Regulation shall obligate the Agency to make any filings or disclosures with respect to Guaranteed Bonds, as the obligations of the Agency hereunder pertain solely to the Program.

3. Limitations, Disclaimers, and Amendments

With respect to a series of Guaranteed Bonds, the Agency shall be obligated to observe and perform the covenants specified in this Program Regulation for so long as, but only for so long as, the Agency remains an "obligated person" with respect to the Guaranteed Bonds within the meaning of the Rule.

The provisions of this Program Regulation are for the sole benefit of each Issuing District, as well as holders and beneficial owners of the Guaranteed Bonds; nothing in this Program Regulation, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Agency undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Program Regulation and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Program's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Program Regulation or otherwise, except as expressly provided herein. The Agency does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Guaranteed Bonds at any future date.

Under no circumstances shall the Agency or the Program be liable to the holder or beneficial owner of any Guaranteed Bond, the Issuing District or any other person or entity, in contract or tort, for damages resulting in whole or in part from any breach by the Agency, whether negligent or without fault on its part, of any covenant specified in this Program Regulation, but every right and remedy of any such person, in contract or tort, for or on account of any such breach shall be limited to an action for mandamus or specific performance.

No default by the Agency in observing or performing its obligations under this Program Regulation shall comprise a breach of or default under the Order for purposes of any other provision of the Order. Nothing in this Program Regulation is intended or shall act to disclaim, waive, or otherwise limit the duties of the Agency under federal and state securities laws.

The provisions of this Program Regulation may be amended by the Agency from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Agency, but only if (1) the provisions of this Program Regulation, as so amended, would have permitted an underwriter to purchase or sell Guaranteed Bonds in the primary offering of the Guaranteed Bonds in compliance with the Rule, taking

into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Guaranteed Bonds consent to such amendment or (b) a person that is unaffiliated with the Agency (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Guaranteed Bonds. If the Agency so amends the provisions of this Program Regulation, it shall include with any amended financial information or operating data next provided in accordance with Section 1 an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Agency may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Guaranteed Bonds in the primary offering of the Guaranteed Bonds.

4. Definitions

As used in this Program Regulation, the following terms have the meanings ascribed to such terms below:

- a. **Agency** means the Texas Education Agency or the successor thereto with respect to the management of the Program.
- b. **Guaranteed Bonds** means obligations for which application is made and granted for a guarantee under the Program.
- c. **Issuing District** means a school district which issues Guaranteed Bonds.
- d. **MSRB** means Municipal Securities Rulemaking Board or any successor to functions under the Rule.
- e. **Official Statement** means each offering document of an Issuing District used in the offering and/or sale of Guaranteed Bonds.
- f. **Order** means the resolution, order, ordinance or other instrument or instruments of an Issuing District pursuant to which Guaranteed Bonds are issued and the rights of the holders and beneficial owners thereof are established.
- g. **Permanent School Fund** means the perpetual school fund established by Article VII, Section 2 of the Texas Constitution.
- h. **Program** means the program of bond guarantee by the Permanent School Fund, which program has been established by Article VII, Sections 2 and 5 of the Texas Constitution, and is administered in accordance with Subchapter C, Chapter 45, Texas Education Code, as amended, and the rules and regulations of the Agency. The term Program shall also include the rules, regulations and policies of the Agency with respect to the administration of such program of guarantee of school district bonds, as well as the rules, regulations, policies of the Agency with respect to the administration, and the operational and financial results, of the Permanent School Fund.
- i. **Program Regulation** means Rule of the Agency which is promulgated for the purpose of establishing and undertaking with respect to the Program which satisfies the requirements of the Rule.
- j. **Rule** means SEC Rule 15c2-12, as amended from time to time.
- k. **SEC** means the United States Securities and Exchange Commission.

J. TRADE POLICY, SOFT DOLLAR, DIRECTED TRADE, AND COMMISSION RECAPTURE PROCEDURES

Section 33.40 Trading and Brokerage Policy of 19 TAC 33 Statement of Investment Objectives, Policies and Guidelines of the Texas Permanent School Fund establishes the trading and brokerage policy for the Permanent School Fund. The principles of the policy specify that all transactions executed by investment managers for the Permanent School Fund shall be obtained at best execution and lowest cost. Ongoing efforts must be made to reduce trading costs provided that the investment returns of the Fund are not jeopardized.

Provided that the total return of a manager's portfolio is not adversely affected or that investment process is not affected so as to place the Fund in a disadvantageous position relative to the investment manager's other accounts, and provided that the best execution and lowest cost are obtained, each manager may be expected to direct a percentage of its trading to specified firms for the purpose of brokerage commission recapture programs as may be directed, from time to time, by the State Board of Education.

The SBOE recognizes that some broker/dealer firms provide services above and beyond pure execution as part of its services offered to the Fund in exchange for commission oriented transactions. Furthermore, the SBOE recognizes that transactions costs incurred by the Fund in the form of commissions (**Note:** the term commissions shall include fixed income credits where applicable) may be treated by brokerage firms as payment for research services as well as execution services. While many large broker/dealer firms provide proprietary research services, the SBOE recognizes that certain firms (i.e., "soft dollar" broker/dealers) distribute research services of independent third party providers. The value of independent research services provided by broker/dealers is known as "soft dollars."

The SBOE recognizes that a soft dollar program may be established through a commission recapture agreement between an investment manager and a broker/dealer whereby a portion of the commission may be returned to the Fund. According to Section 28(e) of the Securities Exchange Act of 1934, this portion of the commission is available for expenditure if it is used only for research, the brokerage firm provides the research, the commission is reasonable, and the commission applies only to an agency security transaction. A properly implemented soft dollar program can allow a portion of the listed commission stream to be captured and used to offset direct investment management expenses of the Fund. "Commission recapture" is when a portion of the commission stream is returned to the Fund by the broker/dealer.

Additionally, the SBOE recognizes that the soft dollar potential of the Fund is limited by the trading activity for the Fund and the number of listed trades that can be executed with a specific broker under the standard of lowest cost and best execution.

The State Board of Education recognizes that creating and maintaining a prudent policy pertaining to brokerage commissions is an integral part of fulfilling its fiduciary duties and therefore establishes the following procedures related to soft dollar agreements, commission recapture agreements and directed trades for investment managers of the Permanent School Fund:

1. The commission rate for a soft dollar trade shall be no more than the standard commission rate of a regular broker/dealer trade;
2. All commissions paid shall be reported to the SBOE at its regularly scheduled meetings appropriately separating soft dollar trades from regular trades, and shall include the average commission per share on equity transactions for both soft dollar commissions and regular commissions;
3. At least annually, the Committee shall review a schedule of soft dollar services provided by broker/dealers and the percent recapture rate of each broker/dealer;
4. Due to the differences in execution ability of broker/dealer firms and the differences in trading and liquidity characteristics of securities, investment managers will select broker/dealers based on the principle of best execution and lowest cost and other applicable provisions of 19 TAC 33.40-Trading and Brokerage Policy;
5. The Accounting Department of the Permanent School Fund shall reconcile the statements of the soft dollar brokers to specific services provided to the Fund;
6. External investment managers are prohibited from participating in "soft dollar" programs and shall participate in commission recapture programs only as directed by the Fund; and
7. To facilitate the ability of investment managers to obtain lowest cost and best execution, a broker/dealer firms shall be designated by the staff of the Permanent School Fund as soft dollar/commission recapture firms. Conversion rate is to be negotiated by the staff and reported to the Committee. Soft dollar/commission recapture broker must meet the applicable criteria for the selection of broker/dealer firm as outlined in Section 33.40(c)-Guidelines for Selecting a Brokerage Firm, found in Chapter 33-Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund.

K. INCLUSION OF HUBS IN THE MANAGEMENT OF THE PERMANENT SCHOOL FUND

1. The State Board of Education wishes to ensure an equal opportunity for all businesses to provide goods and services to the Texas Permanent School Fund. It is the goal of the SBOE to promote full and equal opportunity for all businesses in contracting or subcontracting with the Fund. Accordingly, the SBOE encourages the utilization of historically underutilized businesses (HUBs), as defined by Section 2161.001 (2) of the Texas Government Code (rev. 1999), for securities brokerage services.
2. The Executive Administrator shall abide by the provisions of the Comptroller of Public Accounts/Texas Procurement and Support Services (CPA/TPASS) procurement policy established by 34 TAC Part 1, Chapter 20, Subchapter B regarding the utilization of HUBs as subcontractors as set forth in this Section.
3. All external contractors providing investment management services to the Fund shall abide by the provisions of the Comptroller of Public Accounts/Texas Procurement and Support Services (CPA/TPASS) procurement policy established by 34 TAC Part 1, Chapter 20, Subchapter B regarding the utilization of HUBs as subcontractors. The Texas Education Agency requires that each prime contractor use the HSP Progress Assessment Report for reporting payments to HUB subcontractors.
4. For purposes of administration of this Section (Subchapter J), entities registered as HUBs, as defined by Section 2161.001 (2) of the Texas Government Code (rev. 1999) shall be considered as meeting the requirements of Chapter 20.
5. For the purpose of interpreting 34 TAC Part 1, Chapter 20, Subchapter B, broker/dealers are considered professional service providers. The goal for subcontracting to such providers is 20%.
6. The Executive Administrator shall immediately or upon selection of new Fund vendor, deliver to each external Investment Manager/Contractor a copy of this rule and of 34 TAC Part 1, Chap. 20, Subchapter B.
7. The Executive Administrator shall require in a form acceptable to the Committee, the submission of reports of compliance with these provisions by all outside contractors. Investment managers shall include in regular quarterly reporting on Fund portfolios to the SBOE summaries of brokerage commissions paid for the quarter and year-to-date by broker/dealer summarizing transactions paid to HUB firms.
8. After assembly of such reports, the Executive Administrator of the Fund shall report to the Committee regarding compliance with these provisions by internal staff and all external contractors at each regularly scheduled meeting. The committee shall receive the report of the Executive Administrator and report these findings to the SBOE.
9. The Executive Administrator shall include this policy with all Requests for Proposals, and shall include each prospective vendor's response respective to this policy prominently to the SBOE.

EXHIBIT C

DEFINITION OF HISTORICALLY UNDERUTILIZED BUSINESS AND INSTRUCTIONS

[As defined in V.T.C.A., TX Govt. Code, §2161.001]

(2) *"Historically underutilized business" means an entity with its principal place of business in this state that is:*

(A) a corporation formed for the purpose of making a profit in which 51 percent or more of all classes of the shares of stock or other equitable securities are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the corporation's control, operation, and management;

(B) a sole proprietorship created for the purpose of making a profit that is completely owned, operated, and controlled by an economically disadvantaged person;

(C) a partnership formed for the purpose of making a profit in which 51 percent or more of the assets and interest in the partnership are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the partnership's control, operation, and management;

(D) a joint venture in which each entity in the venture is a historically underutilized business, as determined under another paragraph of this subdivision; or

(E) a supplier contract between a historically underutilized business as determined under another paragraph of this subdivision and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the goods or otherwise warehouses and ships the goods.

(3) *"Economically disadvantaged person" means a person who is economically disadvantaged because of the person's identification as a member of a certain group, including Black Americans, Hispanic Americans, women, Asian Pacific Americans, and Native Americans, and who has suffered the effects of discriminatory practices or other similar insidious circumstances over which the person has no control.*

Added by Acts 1995, 74th Leg., ch. 41, § 1, eff. Sept. 1, 1995. Amended by Acts 1999, 76th Leg., ch. 1499, § 1.21, eff. Sept. 1, 1999.

DOCUMENTS TO RETURN IN PROPOSAL RESPONSE

The following documents must be submitted in response to this Proposal in the order listed:

Document A	Proposal Cover Page
Document B	Proposal Content Checklist
Document C	Statement of Minimum Qualifications
Document D	Evidence of Proposer's Financial Responsibility
Document E	Affirmation of Scope of Services
Document F	Real Estate Investment Counsel Profile
Document G	Real Estate Investment Counsel Services Questionnaire
Document H	Conflict of Interest and Contacts Questionnaire
Document I	Fee Proposal
Document J	HUB Subcontracting Plan (HSP)
Document K	Execution of Offer and Affirmation of Terms and Conditions

DOCUMENT A
PROPOSAL COVER PAGE

Submitted to the Purchasing & Contracts Division
Texas Education Agency
RFP 701-13-015

REQUEST FOR PROPOSAL: Real Estate Investment Counsel Services for the Texas Permanent School Fund

FIRM ISSUING THIS PROPOSAL: Enter Name and Address of Firm submitting Proposal

Firm Name:	
Address:	
Company Website:	

CONTAINS PROPRIETARY: ☐ Yes, this Proposal *contains* proprietary material.
☐ No, this Proposal *does not contain* proprietary material.

DATE SUBMITTED: Enter date Proposal is submitted to TEA

FIRM IDENTIFICATION NUMBER: Enter Firm's Federal EIN or SSN if an individual

CONTACT INFORMATION Provide the name, address, telephone number, fax, and email address of the designated person(s) responsible for answering questions regarding the RFP. Also include the name, title, telephone, fax, and email address of one lead investment principal and the contracting officer of your organization.	
PRIMARY CONTACT	
Title:	
Phone (including Area Code):	
FAX (including Area Code):	
Email:	
ALTERNATE CONTACT	
Title:	
Phone (including Area Code):	
FAX (including Area Code):	
Email:	
LEAD REAL ESTATE INVESTMENT COUNSEL CONTACT	
Title:	
Phone (including Area Code):	

FAX (including Area Code):	
Email:	
CONTRACTING OFFICER (Authorized to sign a binding contract for the Firm)	
Title:	
Phone (including Area Code):	
FAX (including Area Code):	
Email:	

DOCUMENT B PROPOSAL CONTENT CHECKLIST

PROPOSER FIRM NAME: _____

In accordance with Section 3.1 of RFP 701-13-015, we hereby state that this Proposal response is complete and includes the following documents arranged in tabular sections in the order listed below.

Proposer's Authorized Signature

Printed Name

Title

Date

Check the box for each document included in the response and list the tab letter in the right column.

	DOCUMENT	DOCUMENT TITLE	TAB
<input type="checkbox"/>	Document A	Proposal Cover Page	
<input type="checkbox"/>	Document B	Proposal Content Checklist	
<input type="checkbox"/>	Document C	Statement of Minimum Qualifications	
<input type="checkbox"/>	Document D	Evidence of Proposer's Financial Responsibility (DOCUMENT D Supplement and attachments)	
<input type="checkbox"/>	Document E	Affirmation of Scope Services	
<input type="checkbox"/>	Document F	Real Estate Investment Counsel Profile	
<input type="checkbox"/>	Document G	Real Estate Investment Counsel Services Questionnaire: Appendix 1: Firm Organizational Chart Appendix 2: Staff Organizational Chart Appendix 3: Professionals' Biographies Appendix 4: Sample Report of a Recently-Completed Real Estate Investment Manager Search Appendix 5: Sample Report of a Recently-Completed On-going Due Diligence Review of a Real Estate Investment Manager Appendix 6: Sample Monitoring Report of a Client's Existing Real Estate Investment(s) Appendix 7: Sample Performance Report of a Client's Existing Real Estate Investment(s) Appendix 8: Most Recent Real Estate Research Report Appendix 9: List of Recommended Funds 2006 - 2012 Appendix 10: Listing of Real Estate Investment Research and Whitepapers Published in the Last Two Years Appendix 11: List and Description of Agreement(s) Firm Would Expect to Execute with TEA in Order to Accept an Engagement	

	DOCUMENT	DOCUMENT TITLE	TAB
<input type="checkbox"/>	Document Set H	Conflict of Interest and Contacts: H-A Proposing Firm H-B Lead Investment Professionals H-C Key Professional Employees or Others H-D Placement Agent, Lobbyist or Third-Party Solicitors	
<input type="checkbox"/>	Document I	Fee Proposal I	
<input type="checkbox"/>	Document J	HUB Subcontracting Plan	
<input type="checkbox"/>	Document K	Signed Execution of Offer, Affirmation of Terms and Conditions, and Proposal Preferences	

DOCUMENT C

STATEMENT OF MINIMUM QUALIFICATIONS

(PROPOSER FIRM NAME) _____ certifies that it meets the following minimum qualifications of RFP 701-13-015 as required in accordance with Section 1.4 Minimum Qualifications. The Proposer must use this DOCUMENT C to clearly demonstrate that it meets the minimum qualifications as of March 31, 2013. The following **Questions 1 through 12** are intended to assist the Proposer and *each question must be answered*. However, it is the responsibility of the Proposer to clearly demonstrate that it meets the minimum qualifications. To do so, the Proposer can add to the question set for each minimum qualification.

Proposer's Authorized Signature

Printed Name

Title

Date

QUESTIONS 1 AND 2—MINIMUM QUALIFICATIONS FOR FIRM'S LEAD INVESTMENT PROFESSIONALS:

All Firms submitting proposals for the mandate stated above must provide, *at a minimum*, qualifications listed in Section 1.4.1 Minimum Qualifications for the Firm's Lead Investment Professionals of this Proposal. Note that these same individuals will be required to complete and execute Document H-B.

- | | | |
|-----------|--------------------------|--|
| 1. | <input type="checkbox"/> | Provide the name of the lead real estate investment counsel professionals who will be assigned to the TPSF account. Include their minimum qualifications and length of experience as described in Section 1.4.1. |
|-----------|--------------------------|--|

LEAD REAL ESTATE INVESTMENT COUNSEL PROFESSIONALS

Assigned to the Texas Permanent School Fund Portfolio

Name	Responsibility	Year Joined Firm	Yrs with Firm (1.4.1.a)	Yrs exp as a real estate counsel re 1.4.1.b

- | | | |
|-----------|--------------------------|---|
| 2. | <input type="checkbox"/> | In the table below, provide relevant excerpts of biographies that clearly demonstrate how each of the above named lead real estate investment counsel professionals <i>meets both</i> Minimum Qualifications of Section 1.4.1(a and b). Do not refer to biographies included as Appendix 3 in this Proposal. |
|-----------|--------------------------|---|

LEAD REAL ESTATE INVESTMENT COUNSEL PROFESSIONALS

Biographies

Name	Excerpts as applied to 1.4.1 (a and b)

QUESTIONS 3 THROUGH 12—MINIMUM QUALIFICATIONS FOR FIRM: All Firms submitting proposals for the mandate stated above must provide, <i>at a minimum</i> , qualifications listed in Section 1.4.2 Minimum Qualifications for the Firms of this Proposal. Note specific item references to Section 1.4.2.																	
3.	<input type="checkbox"/>	Yes, our proposal provides evidence of our Firm's stability and strength contained in DOCUMENT D: EVIDENCE OF PROPOSER'S FINANCIAL RESPONSIBILITY. OR															
	<input type="checkbox"/>	No, our Firm is unable to comply with the requirements of DOCUMENT D and Minimum Qualification 1.4.2.a.															
4.	<input type="checkbox"/>	Yes, as of March 31, 2013, our Firm is a Registered Investment Advisor (RIA) with the SEC. OR															
	<input type="checkbox"/>	No, as of March 31, 2013, our Firm is not registered with the SEC as an RIA as required in Minimum Qualification 1.4.2.b.															
5.	<input type="checkbox"/>	Yes, as of March 31, 2013, our Firm is willing to act as a fiduciary with respect to work performed and investment counsel provided. OR															
	<input type="checkbox"/>	No, our Firm is not willing to act as a fiduciary as required in Minimum Qualification 1.4.2.c.															
6.	<input type="checkbox"/>	Yes, our Firm is fully able to meet the Scope of Services as described in Section 1.6 and as additionally affirmed in DOCUMENT E. OR															
	<input type="checkbox"/>	No, our Firm is not fully able to meet to meet the Scope of Services as described in Section 1.6 and required in Minimum Qualification 1.4.2.d.															
7.	<input type="checkbox"/>	Yes, as of March 31, 2013, our Firm currently provides real estate investment counsel services to three (3) clients, each of whom have assets under management of at least \$10 billion:															
	<input type="checkbox"/>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Firm Real Estate Client (as of March 31, 2013)</th> <th style="text-align: center;">Total Portfolio Assets Under Management (as of March 31, 2013)</th> </tr> <tr> <th style="text-align: left;">RE Client Name</th> <th style="text-align: left;">RE Client Type</th> <th></th> </tr> </thead> <tbody> <tr> <td>1.</td> <td></td> <td></td> </tr> <tr> <td>2.</td> <td></td> <td></td> </tr> <tr> <td>3.</td> <td></td> <td></td> </tr> </tbody> </table>	Firm Real Estate Client (as of March 31, 2013)		Total Portfolio Assets Under Management (as of March 31, 2013)	RE Client Name	RE Client Type		1.			2.			3.		
Firm Real Estate Client (as of March 31, 2013)		Total Portfolio Assets Under Management (as of March 31, 2013)															
RE Client Name	RE Client Type																
1.																	
2.																	
3.																	
	<input type="checkbox"/>	OR No, our Firm does not meet Minimum Qualification 1.4.2.e.															
8.	<input type="checkbox"/>	Yes, as of March 31, 2013, our Firm currently provides real estate investment counsel services to three (3) clients, each of whom maintain a real estate portfolio of at least \$1 billion in committed capital:															
	<input type="checkbox"/>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: center;">Firm Real Estate Client (as of March 31, 2013)</th> <th style="text-align: center;">\$ Committed to Real Estate Investments (as of March 31, 2013)</th> </tr> <tr> <th style="text-align: left;">RE Client Name</th> <th style="text-align: left;">RE Client Type</th> <th></th> </tr> </thead> <tbody> <tr> <td>1.</td> <td></td> <td></td> </tr> <tr> <td>2.</td> <td></td> <td></td> </tr> <tr> <td>3.</td> <td></td> <td></td> </tr> </tbody> </table>	Firm Real Estate Client (as of March 31, 2013)		\$ Committed to Real Estate Investments (as of March 31, 2013)	RE Client Name	RE Client Type		1.			2.			3.		
Firm Real Estate Client (as of March 31, 2013)		\$ Committed to Real Estate Investments (as of March 31, 2013)															
RE Client Name	RE Client Type																
1.																	
2.																	
3.																	
	<input type="checkbox"/>	OR No, our Firm does not meet Minimum Qualification 1.4.2.f.															

9.	<input type="checkbox"/> Yes, as of March 31, 2103, our firm currently has at least five (5) institutional public fund, endowment or foundation clients: <table border="1" data-bbox="355 268 1362 501"> <thead> <tr> <th data-bbox="355 268 659 331">RE Client Name (as of March 31, 2013)</th> <th data-bbox="659 268 1362 331">Institutional Client Type</th> </tr> </thead> <tbody> <tr><td data-bbox="355 331 659 363">1.</td><td data-bbox="659 331 1362 363"></td></tr> <tr><td data-bbox="355 363 659 394">2.</td><td data-bbox="659 363 1362 394"></td></tr> <tr><td data-bbox="355 394 659 426">3.</td><td data-bbox="659 394 1362 426"></td></tr> <tr><td data-bbox="355 426 659 457">4.</td><td data-bbox="659 426 1362 457"></td></tr> <tr><td data-bbox="355 457 659 501">5.</td><td data-bbox="659 457 1362 501"></td></tr> </tbody> </table> <input type="checkbox"/> OR No, our Firm does not meet Minimum Qualification 1.4.2.g.	RE Client Name (as of March 31, 2013)	Institutional Client Type	1.		2.		3.		4.		5.	
RE Client Name (as of March 31, 2013)	Institutional Client Type												
1.													
2.													
3.													
4.													
5.													
10.	<input type="checkbox"/> Yes, as of March 31, 2013, our Firm has at least five (5) years experience advising on real estate strategies for institutional clients. OR <input type="checkbox"/> No, our Firm does not meet Minimum Qualification 1.4.2.h.												
11.	<input type="checkbox"/> Yes, our Firm can and will comply with the provisions stated in Chapter 33 of the Texas Administrative Code: Statement of Investment Objectives, Policies and Guidelines of Texas Permanent School Fund. OR <input type="checkbox"/> No, our Firm does not meet Minimum Qualification 1.4.2.i.												
12.	<input type="checkbox"/> Yes, our Firm can and will comply with the provisions stated in the Investment Procedure Manual of Texas Permanent School Fund (Exhibit B). OR <input type="checkbox"/> No, our Firm does not meet Minimum Qualification 1.4.2.j.												

DOCUMENT D

EVIDENCE OF PROPOSER'S FINANCIAL RESPONSIBILITY

PROPOSER FIRM NAME: _____

In accordance with Section 3.2 of RFP 701-13-015, we hereby submit the following documents to substantiate the financial viability of our Firm. For the evidence we are not including as part of our Proposal submission, we have provided a brief explanation.

Check all items that apply and include behind this cover sheet. Questions 1 through 4 must be answered with appropriate documentation. If any of Questions 5 through 8 are NOT applicable, please enter N/A. Failure to meet these conditions will disqualify the Proposal.

If your Proposal does not include attachments as requested, explain in DOCUMENT D SUPPLEMENT and include directly behind DOCUMENT D.

1.	<input type="checkbox"/> Most current audited financial statements [or link here if publicly available] and statements of cash flows are attached. OR <input type="checkbox"/> Most current Certified Public Accountant-compiled financial report and statements of cash flows are attached.
2.	<input type="checkbox"/> Contact information and statement authorizing direct contact with the Firm for the following is in DOCUMENT D Supplement: <ul style="list-style-type: none"> • External Certified Public Accountant; and • Chief Financial Officer
3.	<input type="checkbox"/> Schedule(s) of all applicable insurance coverage are attached (i.e., Fiduciary, Errors and Omissions, Fidelity Bond).
4.	<input type="checkbox"/> SEC Form ADV– Part 1 and 2 SEC-IAPD website: Investment Adviser Public Disclosure for details, links, and Glossary of Terms <ul style="list-style-type: none"> • Our status is registered, approved, and effective _____ (MM/YY) • Our filing is current as of 3/31/2013: Each adviser, once its SEC registration is effective, must file an annual updating amendment within 90 days after the close of its fiscal year. • Part 1A–firm CRD# _____ Please provide print copies of the following: <ul style="list-style-type: none"> • Part 2–Investment Adviser Brochure Part 2–Brochure Supplement for those individuals named as lead principals (DOCUMENT C). • Disclosure Reporting Pages (DRP) with explanation of reported matters noted on DOCUMENT D Supplement. • ADV-E–Surprise Examination Report • Firm's Code of Ethics.
5.	<input type="checkbox"/> A list of all regulatory bodies with which the Firm is registered.

6.	<input type="checkbox"/> <input type="checkbox"/>	<p>Statements from auditors have not been issued to the management of our Firm.</p> <p>OR</p> <p>All management letters including _____ SAS No. 115 and _____ are attached and explained in DOCUMENT D Supplement.</p>
7.	<input type="checkbox"/> <input type="checkbox"/>	<p>Firm currently has NO pending or threatening litigations or claims filed against it that may affect performance under a contract with TPSF (past concerns are addressed in DOCUMENT G).</p> <p>OR</p> <p>All pending or threatened litigations or claims against the Firm that may affect performance under a contract with TPSF are listed, dated, and explained in DOCUMENT D Supplement.</p>
8.	<input type="checkbox"/> <input type="checkbox"/>	<p>Firm is currently NOT in default on any loan agreement or financing agreement with any bank, financial institution or other entity (past concerns are addressed in DOCUMENT G).</p> <p>OR</p> <p>All <u>current</u> defaults are listed, dated, and explained, including circumstances and prospects for resolution, in DOCUMENT D Supplement</p>
9.	<input type="checkbox"/>	<p>Other evidence of financial viability: Explained in DOCUMENT D Supplement and attached.</p>

DOCUMENT E

AFFIRMATION OF SCOPE OF SERVICES

(PROPOSER FIRM NAME) _____ affirms its ability to provide all of the services in the scope of work, as detailed below, and as required of Section 1.6 of RFP 701-13-015.

Check the box accordingly where the service is deliverable. When the service cannot be delivered as described, the box shall remain unchecked and an explanation as to why the service cannot be delivered should be attached to DOCUMENT E on a separate page.

An individual authorized to bind the proposing Firm to these service requirements must sign and date the affirmation of services statement below.

☐ The Proposer agrees, by written affirmation, to deliver the scope of services as detailed below, (except where not checked and as explained in DOCUMENT E Supplement) as well as agree to all other requirements as stated in this RFP.

Proposer's Authorized Signature

Printed Name

Title

Date

	SCOPE OF SERVICE	YES, SERVICE IS DELIVERABLE
1.6.1	GENERAL	
a.	Develop real estate investment strategic and tactical plans, related policy and procedures with TPSF staff.	<input type="checkbox"/>
b.	Work in conjunction with TPSF staff on an ongoing basis to implement TPSF real estate investment decisions.	<input type="checkbox"/>
c.	Collaborate with TPSF staff on TPSF portfolio allocation issues, concerning real estate investments.	<input type="checkbox"/>
d.	With TPSF staff, monitor the real estate portfolio.	<input type="checkbox"/>
e.	Work with TPSF staff to periodically review the existing benchmarks(s) for the real estate program and recommend changes, as appropriate.	<input type="checkbox"/>
f.	Attend Committee meetings and/or SBOE meetings or legislative hearings as requested by TPSF investment staff. Be available for ad-hoc telephone conferences and consultation with TPSF staff and SBOE members.	<input type="checkbox"/>
g.	Provide educational conferences or materials on real estate matters for SBOE and Committee members, when requested.	<input type="checkbox"/>
1.6.2	MANAGER SEARCH AND SELECTION	
a.	Work with TPSF staff as needed in the screening of the available real estate investments.	<input type="checkbox"/>
b.	Work cooperatively with the TPSF staff in developing appropriate procurement methodologies for the asset class, including procurement questionnaire's and interview questions.	<input type="checkbox"/>
c.	Work with TPSF staff as necessary in the due diligence process with regard to potential real estate investments.	<input type="checkbox"/>
d.	Provide appropriate research and analyses to evaluate potential real estate investments and real estate products in order to assist in recommendations of finalists for SBOE	<input type="checkbox"/>

	consideration and selection.	
e.	Collaborate with TPSF staff to interview prospective real estate investment candidates.	<input type="checkbox"/>
f.	Assist with fee negotiation and contract development for selected real estate investments, when requested by the TPSF staff.	<input type="checkbox"/>
1.6.3	RESEARCH AND ANALYSIS	
a.	Provide analysis and advice to the Committee and TPSF staff on global industry and market trends, investment strategies, and conditions, including positive and/or negative trends with respect to the real estate asset class. This includes both public and privately held real estate assets in domestic and international markets. In conjunction with the above, periodically comment upon the pros and cons of expanding/contracting the scope of asset classes in which the TPSF invests (Either within the real estate program or otherwise) and provide advice regarding such.	<input type="checkbox"/>
b.	Conduct regular meetings with TPSF staff regarding real estate investment market trends, strategies and conditions and provide hard copies of all such presentations and analyses no less than quarterly.	<input type="checkbox"/>
c.	Maintain a broad database of real estate managers, products and universes.	<input type="checkbox"/>

DOCUMENT F
REAL ESTATE INVESTMENT COUNSEL PROFILE

Please retain the format of this Document. This Document is not to exceed four (4) pages.

PROPOSER FIRM NAME: _____

As of Quarter Ending March 31, 2013

Organization			
Year Firm Established		Main Headquarters	
Number of Counsel Professionals		Percentage Employee Owned	

Real Estate Investment Counsel Philosophy
Describe.

Process (Including selection of managers, asset allocation, and risk/return analysis)
Describe.

Biographies of Lead Real Estate Investment Counsel Professionals
Include brief Biographies of lead professional(s).

DOCUMENT G
REAL ESTATE INVESTMENT COUNSEL SERVICES QUESTIONNAIRE

The Proposer must respond to all questions (1 through 74) as of March 31, 2013 unless otherwise instructed.

BUSINESS AND ORGANIZATIONAL STRENGTH

GENERAL FIRM INFORMATION

1. List the location(s) of your headquarters and branch offices. State the primary function of staff (i.e. Investment Counsel, Marketing, Operations) and number of staff in each office.

	Location	Primary Function of Staff	# of Staff
Main Headquarters:			
Branch Office (1):			
Branch Office (2):			

FIRM ORGANIZATIONAL STRUCTURE

2. As **Appendix 1**, please provide a firm organizational chart, depicting parent, subsidiaries, and affiliate organizations, and divisions/ departments.
3. Describe any changes in your organizational structure in the last five (5) years.
4. Provide below an outline of your firm's succession plan.

FIRM PHILOSOPHY

5. What do you see as your firm's competitive advantage or strongest area of expertise. Are there services you provide which make your firm unique from your competitors? Are these reflective of your current client base?
6. Explain your firm's goals and plans for expansion, particularly how such goals may pertain to accepting new client business.

FIRM OWNERSHIP STRUCTURE AND ALIGNMENT OF STAFF INTERESTS

7. What year was your firm established?
8. Describe the ownership structure of your firm.
9. Describe any ownership changes in the last five (5) years.
10. Describe programs for employee retention.

PROFESSIONAL SERVICES

11. Who are the accountants for your Firm?

12. How often is your Firm audited?
13. Provide a listing of the auditors for your Firm in the last five years.
14. Provide a listing of the legal advisors for your Firm in the last five years.

ASSETS UNDER MANAGEMENT

15. Complete the charts below and specify the number of years your organization has been providing advice on real estate strategies for institutional clients.

Enter asset values to the nearest million.

	#	#	#	\$AUM	\$AUM
Calendar Year End	Number of Accounts	Total # Discretionary Accounts	Total # Non Discretionary Accounts	Total Discretionary Real Estate Assets	Total Non-Discretionary Real Estate Assets
2012					
2011					
2010					
2009					
2008					
2007					

Institutional Real Estate Assets Managed – Discretionary Accounts , by Client Type					
Calendar Year End	Corporate Client Assets a	Public Assets b	Taft-Hartley Assets c	Endowment & Foundation Assets d	Total Instit'l Real Estate Assets (a+b+c+d)
2012					
2011					
2010					
2009					
2008					
2007					

Institutional Real Estate Assets Managed – Non-Discretionary Accounts , by Client Type					
Calendar Year End	Corporate Client Assets a	Public Assets b	Taft-Hartley Assets c	Endowment & Foundation Assets d	Total Instit'l Real Estate Assets (a+b+c+d)
2012					
2011					
2009					
2008					
2007					

FIRM EXPERIENCE AND CAPACITY

16. As Appendix 2, please provide a staff organization chart showing functions, positions, and titles of all professionals in your organization. (Chart should identify relevant positions within the organization of those involved in real estate services.)

17. Complete the chart below:

	As of March 31, 2013
Assets Under Management (AUM \$)	
# of Clients	
# of Real Estate Investment Counsel	
Client to RE Investment Counsel Ratio	
AUM to RE Investment Counsel Ratio	

18. Provide the year and positions of any investment professionals that have been gained or lost in the last five (5) years.

Additions				
Name	Title	Role	Tenure	Arrival Date

Departures				
Name	Title	Role	Tenure	Departure Date / Arrival Date

REAL ESTATE INVESTMENT COUNSEL EXPERIENCE

PROFESSIONAL EXPERIENCE

19. Provide the names of real estate investment counsel professionals who will be assigned to the TPSF account including the Primary Counsel and Principal Assistant [identify the Primary Counsel with an asterisk (*)]. Include their length of experience in Real Estate Investment Strategy and Monitoring Services for Institutional clients and specifically identify all principals.

KEY INVESTMENT PROFESSIONALS							
Assigned to the Texas Permanent School Fund Account							
	Name	Responsibility	Year Joined Firm	Years With Firm	Years with Firm & Prior	Years in Real Estate Consulting for Institutional Clients	# of Clients Currently Assigned
1	*	Primary Counsel					
2		Principal Assistant					
3							
4							
5							

20. Discuss, especially from the TPSF perspective, the procedures for managing the loss of any of the above key investment professionals assigned to the TPSF account.
21. As an **Appendix 3**, please provide detailed biographical data on all individuals who will be assigned to the TPSF account.

22. Does your firm have a formal investment committee for recommending funds to clients? If so please describe the committee process and also discuss any differences between discretionary and non-discretionary mandates.
23. If applicable, please provide below a list of the investment committee members and include their bios in **Appendix 3**.
24. Does your firm have a separate real estate research group that is different than the key investment professionals who will be assigned to the Texas Permanent School Fund Account? If so please describe how this group will interact with the consulting team and directly with the Texas Permanent School Fund staff.
25. If applicable, please provide below a list of the real estate research group team members and include their bios in **Appendix 3**.

The answers to the following questions must be responsive to the Scope of Services as described in Section 1.6 of the RFP.

REAL ESTATE INVESTMENT COUNSEL SERVICES

26. Describe how your firm is prepared to consult with the SBOE and TPSF staff on asset allocation changes and other issues related to the **total** portfolio.
27. Outline your process for the development and continuous review of each of the following:
 - i. TPSF real estate investment strategy.
 - ii. TPSF real estate investment policy.
 - iii. TPSF real estate investment portfolio mix .
28. Outline your process for working with TPSF staff to implement **real estate** investment decisions. Include sourcing, strategy selection, fund selection, fund due diligence, recommendation and monitoring.
29. Describe your process and methodology for recommending modifications to the **total** portfolio as warranted by changes in the real estate market or overall strategy.
30. Provide your firm's strategic real estate investment allocation and recommendations that were disseminated to clients at the beginning of 2006, 2009 and 2012.
31. Outline your process for evaluating real estate fund performance by manager, in the aggregate, and relative to benchmarks.
32. Describe risk budgeting methodologies employed in your process.
33. Describe the knowledge transfer, educational conferences and materials on real estate your firm can offer the SBOE, Committee Members, and TPSF staff, when requested.

INVESTMENT SEARCH, SELECTION AND MONITORING

34. Describe your firm's approach to pipeline management. How does your firm filter the opportunity set among different fund strategies (e.g. debt, equity, diversified, specific property type, specific geography, etc)? What factors do you consider in ranking and recommending certain fund strategies over others from the opportunity set?
35. Once a fund strategy is selected, how does your firm filter the opportunity set within the available investments? What factors do you consider in ranking and recommending a specific investment from the opportunity set?

36. Describe your firm's ranking process for funds. Does your firm have a specific numeric or other ranking scale? If so, please describe. Also, please describe your firm's internal review process for recommending a fund (including the role of any investment committees that approve recommendations).
37. As **Appendix 4**, please provide a final report of a recently completed real estate manager search for an institutional client.
38. As **Appendix 5**, please provide a copy of a recently completed real estate manager ongoing due diligence review for an institutional client. Describe the process and frequency.
39. Describe how your firm will work with TPSF staff in the search and procurement processes in: developing questionnaires', conducting interviews, and providing appropriate research and analysis to evaluate managers.
40. Describe how your firm disseminates its investment recommendations across its client base. Is the method uniform for all clients? Describe any circumstance under which recommendations vary for different client groups?
41. Describe your firm's process for monitoring existing TPSF real estate investments? Describe factors tracked and, as **Appendix 6**, please provide a sample of any reports that you would provide to TPSF.
42. Describe your firm's approach to measure real estate investment performance, including benchmarking, performance attribution and differences in methodology across real estate sectors. As **Appendix 7**, please provide a sample of any such reports that you provide to TPSF.

RESEARCH AND ANALYSIS

43. Outline your process for monitoring and reporting on real estate market trends.
44. How does your firm integrate internal and external research?
45. As **Appendix 8**, please provide your most recent real estate research detailing the trends you foresee with the real estate asset class in the future?

46. Please complete the table below regarding real estate investments made by clients since 2006 (for both discretionary and non-discretionary accounts).

	Total Client Dollars Committed to Real Estate Funds	Total Client Dollars Committed to Funds Recommended by the Firm
Core:		
2006		
2007		
2008		
2009		
2010		
2011		
2012		
Value-Added		
2006		
2007		
2008		
2009		
2010		
2011		
2012		
Opportunistic		
2006		
2007		
2008		
2009		
2010		
2011		
2012		

47. Please complete the table below regarding real estate investments recommended to clients since 2006 (for both discretionary and non-discretionary accounts).

	Total # of Recommended Funds	Total Client Dollars Committed to Funds Recommended by the Firm	Median IRR Since Inception for Recommended Funds	Median Equity Multiple Since Inception for Recommended Funds
Core:				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
Value-Added				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
Opportunistic				
2006				
2007				
2008				
2009				
2010				
2011				
2012				

48. As **Appendix 9**, please provide, by year, the following data for recommended funds since 2006: (i) Firm Name, (ii) Fund Name, (iii) Currency of Fund, (iv) Fund Vintage Year, (v) Fund Size, (vi) Fund Style (core, value-add, opportunistic, debt), (vii) Fund Geographic Focus, (viii) Fund Property Type Focus, (ix) Fund IRR Since Inception, and (x) Fund Equity Multiple Since Inception.

MANAGER DATABASE

49. Describe in detail your proprietary database(s), including managers, products, and universes.
50. Describe any non-proprietary database system you use in your consulting business. Describe the functionalities and capabilities of the database.

51. Detail the number of funds offering products in the following real estate investment strategies that your firm follows and has access to:

Real Estate Strategies	Estimated # of Funds					
	Global and/or Multi-Regional	US/North America	Europe	Asia	South and Central America	Total
Core						
Core Plus						
Value-Added						
Mezzanine						
Opportunistic						
Other (please describe)						

52. Explain how firms enter your search universe. Are there any charges or costs to the firms? How do they enter your database?

CLIENT SERVICE

SERVICING THE RELATIONSHIP

53. Describe your client service plan for TPSF, and specifically address Section 1.6.1.f Scope of Services: *Attend Committee meetings and/or SBOE meetings or legislative hearings as requested by TPSF investment staff. Be available for ad-hoc telephone conferences and consultation with TPSF staff and SBOE members.*
54. Describe the range of services you typically provide to clients in a real estate consulting relationship or other real estate relationships (i.e. performance measurement consulting, manager searches, and asset allocation consulting or related).

Service	Description

55. Provide a list of your top ten (10) current clients by type, indicate real estate services provided and length of time. For each client please provide the current allocation to real estate and the amount invested.

	Client Type (i.e. Public, Private)	Service	Length of Time	% Alloc to RE	USD Invested in Real Estate
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

56. Provide a listing of clients gained or lost during the past five (5) years. List the size of the fund and the reason for ending the relationship(s):

Client	Date of Hire / Termination	Size of Fund	Reason

CLIENTS AND CLIENT REFERENCE INFORMATION

57. Please provide at least five (5) references including three (3) non-ERISA, one (1) public fund client, and one (1) corporate client. Please provide a mixture of discretionary and non-discretionary relationships and so note in the table below. Include name, address, contact name, title, phone number, e-mail address. References should also list the name of the lead professional(s) currently servicing the account.

	Client Firm Name	Discretionary Account?	Firm Address	Contact Name	Title	Phone	E-mail
1	(Non-ERISA Client)	<input type="checkbox"/> Yes <input type="checkbox"/> No					
2	(Non-ERISA Client)	<input type="checkbox"/> Yes <input type="checkbox"/> No					
3	(Non-ERISA Client)	<input type="checkbox"/> Yes <input type="checkbox"/> No					
4	(Public Fund Client)	<input type="checkbox"/> Yes <input type="checkbox"/> No					
5	(Corporate Client)	<input type="checkbox"/> Yes <input type="checkbox"/> No					

CONFLICTS AND BUSINESS CONDUCT

CLIENT CONFLICT

58. Will the Firm contractually agree to identify and quantify all business relationships with third-party investment managers?
59. Will the Firm contractually agree to disclose all potential and actual conflicts of interest, and will it annually disclose all sources of Firm revenue and all business relationships and affiliations?
60. Explain in detail any potential for conflict which would be created by your Firm contracting with TPSF, including other client relationships and/or manager fund relationships which may inhibit services to TPSF on a primary basis.

ALTERNATE LINES OF BUSINESS

61. Does your firm (or subsidiary) provide consulting services other than real estate consulting to public or private funds? If so, please describe in detail these services and list your clients.
62. Are there services you provide which your firm gives investment advice and where your firm is paid a percentage of the profits generated, i.e. fund of funds? Please provide details.
63. Are there circumstances under which your firm or any individual in your firm receives compensation, finder's fees or any other financial benefit from parties other than consulting clients, such as Investment Funds? If yes, provide a list of such parties, the services provided for such amounts, and the amounts received.
64. Please list all services your firm, its principals or any affiliate(s) provide that generate revenues for the firm and indicate the applicable percent of your firm's total revenue during the past three years.

	2010	2011	2012
Revenues from <i>non-discretionary</i> real estate investment activities	%	%	%
Revenues from <i>discretionary</i> real estate investment activities	%	%	%
Other (please list)	%	%	%
Total	100%	100%	100%

65. Does your firm, its principals, or any affiliate, own any part of a money management firm, broker-dealer or other organization that sells services to institutional investors and/or SEC registered investment advisors? If so, identify the firm(s) and describe the relationship.
66. Please list all **real estate investment firms** from which your firm, its principals, or any affiliates receive compensation. Please identify these revenues sources as client directed, payment for services, and/or revenues not related to a letter of direction or specific services. (Please mark all that apply.)

Firm Name	Client Directed	Real Estate Investment Services	Non-Client Non-Service Related Revenues

LITIGATION

67. Over the past five (5) years, has your Firm or any officer or principal been involved in any litigation or other legal proceedings relating to your real estate investment counsel services? If so, provide a brief explanation and indicate the current status.

68. Has your Firm, its principals, or affiliate ever:

- a. been the focus of a non-routine SEC inquiry or investigation or similar inquiry or investigation from any similar federal, state or self-regulatory body or organization;
- b. been a party to any litigation concerning fiduciary responsibility or other investment related matters; or
- c. submitted a claim to your errors and omissions, fiduciary, liability, and/or fidelity bond insurance carrier(s)?

If your Firm answered yes to a, b or c above, please provide details.

69. Please answer the following questions in regards to your Firm:

- a. Reconfirm your response as it relates to any pending or threatened litigation against your Firm, in DOCUMENT D, of any type (civil, criminal, regulatory, arbitration, mediation or other) and indicate here if your Firm has been involved in a lawsuit within the last five years? If Yes, please explain.
- b. As a result, was your Firm under investigation by any federal, state, local or foreign regulatory body of any type (e.g., SEC, FINRA CFTC or attorney general)?
- c. Has your Firm entered into any settlement, consent decree, cease and desist order or other similar agreement of any kind?

70. Please answer the following questions in regards to your Firm:

- a. Reconfirm your response as it relates to any current default on any loan agreement or financing agreement with any bank, financial institution or other entity, in DOCUMENT D, of any type and indicate here if your Firm has been in default within the last five years? If Yes, please explain.
- b. As a result, was your Firm under investigation by any federal, state, local or foreign regulatory body of any type (e.g., SEC, FINRA CFTC or attorney general)?
- c. Has your Firm entered into any settlement, consent decree, cease and desist order or other similar agreement of any kind?

71. When was your Firm's last regulatory inspection? Please provide us with the inspection results and a brief explanation.

72. Is your Firm under investigation by any federal, state, local or foreign regulatory body of any type or any reason (e.g., SEC, FINRA CFTC or attorney general)? ____ Yes or ____ No?

If Yes, list each, date, name regulatory authority, type of authority, and explain the reason.

ADDITIONAL

73. As **Appendix 10** to this questionnaire, provide a listing of published research reports and white papers authored in the last two (2) years by principals of your Firm on real estate investment consulting strategies.

74. As **Appendix 11** to this questionnaire, list and describe the agreement(s) that your Firm may expect to be executed in order to accept an engagement. Samples may be included in this Appendix.

APPENDICES

Attach here and TAB accordingly, DOCUMENT G Questionnaire Appendices (1-11), and supplemental.

DOCUMENT H

CONFLICT OF INTEREST AND CONTACTS QUESTIONNAIRE

The response must disclose any potential conflicts of interest that might arise in the course of providing the services required in this RFP. Potential conflicts of interest that might occur include but are not limited to the following: payment of fees for any reason to consultants that may recommend managing various asset allocation mandates, owning or participating in the ownership of money management firms or brokerage firms, or paying fees to or receiving fees from TPSF Service Providers. DOCUMENT H-SET consists of DOCUMENT H-A through H-D.

Document H-A: Firm Submission- The firm as a whole. DOCUMENT H-A should also reflect the disclosures reported in DOCUMENTS H-B through H-D, for individuals. This form should be signed by an individual authorized to represent the firm.

- Conflict of Interests and Contacts
- Record of All Contact with the State Board of Education (SBOE), TEA staff, and the SBOE/TPSF General Investment Counsel
- Disclosure of Campaign Contributions and Gifts to Candidates and Members of the SBOE
- Disclosure of Campaign Contributions and Gifts to Statewide Elected Officials and Members of the Texas State Legislature

Document H-B: Lead Real Estate Investment Counsel Professional Submission- Each lead real estate professional assigned to the TPSF account (i.e., each named individual in DOCUMENT C, Question 1). Each individual completes and executes a separate form.

- Conflict of Interests and Contacts
- Record of All Contact with the State Board of Education (SBOE), TEA staff, and the SBOE/TPSF General Investment Counsel
- Disclosure of Campaign Contributions and Gifts to Candidates and Members of the SBOE
- Disclosure of Campaign Contributions and Gifts to Statewide Elected Officials and Members of the Texas State Legislature

Document H-C: Key Professional Employee Submission- Each Key Professional Employee and any other employee the proposing firm determines appropriate. Each individual completes and executes a separate form.

- Conflict of Interests and Contacts
- Record of All Contact with the State Board of Education (SBOE), TEA staff, and the SBOE/TPSF General Investment Counsel
- Disclosure of Campaign Contributions and Gifts to Candidates and Members of the SBOE
- Disclosure of Campaign Contributions and Gifts to Statewide Elected Officials and Members of the Texas State Legislature

Document H-D: Proposing Firm Affiliate Submission- Each Proposing Firm Affiliate, i.e., those who work on matters related to the TPSF on behalf of the Proposing Firm including any lobbyist, petitioner, third-party marketer, solicitor, placement agent, or similar. This form should be signed by an individual authorized to represent the firm affiliate.

- Conflict of Interests and Contacts
- Record of All Contact with the State Board of Education (SBOE), TEA staff, and the SBOE/TPSF General Investment Counsel
- Disclosure of Campaign Contributions and Gifts to Candidates and Members of the SBOE
- Disclosure of Campaign Contributions and Gifts to Statewide Elected Officials and Members of the Texas State Legislature.

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CONFLICT OF INTEREST AND CONTACTS

Name of Firm: _____

Date: _____ Firm Representative Completing Form: _____

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
SBOE MEMBERS				
Lawrence A. Allen	District 04 Fresno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Bahorich	District 06 Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Bradley	District 07 Beaumont	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Barbara Cargill, Chair	District 08 The Woodlands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ruben Cortez, Jr.	District 02 Brownsville	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Martha M. Dominguez	District 01 El Paso	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pat Hardy	District 11 Weatherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mavis B. Knight, Secretary	District 13 Dallas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Maynard	District 10 Georgetown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sue Melton	District 14 Waco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ken Mercer	District 05 San Antonio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Geraldine "Tincy" Miller	District 12 Dallas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marisa B. Perez	District 03 San Antonio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thomas Ratliff, Vice Chair	District 09 Mt. Pleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marty Rowley	District 15 Amarillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMITTEE OF INVESTMENT ADVISORS TO SBOE MEMBERS				
John Osborn	Advisor to David Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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CONFLICT OF INTEREST AND CONTACTS

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS				
Andrews Kurth, L.L.P.-Gregg Jones,	Legal counsel for Bond Guarantee Program - IRS Tax matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCall, Parkhurst & Horton L.L.P. Dan Culver	Legal counsel for Bond Guarantee Program - Disclosure and SEC Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graves, Dougherty, Hearon & Moody PC – Cliff Ernst	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graves, Dougherty, Hearon & Moody PC – Rod Edens	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fulbright & Jaworski LLP – Forrest Brumbaugh	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ice Miller LLP	Legal Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson Walker LLP – Chuck Campbell	Fiduciary Counsel for SBOE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson Walker LLP – David Parish	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinhart Boerner Van Deuren sc – Keith Johnson	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinhart Boerner Van Deuren sc – Jussi Snellman	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strasburger & Price - Gary Lawson	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strasburger & Price - Gus Fields	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd - Michael Humphrey	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd - Steven Novick	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd – Benjamin Blakney	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd – Dan Moore	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NEPC – Rhett Humphreys	General Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NEPC – Keith Stronkowsky	General Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BNYMellon Asset Servicing	Global Custodian, Securities Lender & Performance Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank of America Merrill Lynch	Futures Commission Merchant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Angelo Gordon & Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AQR Capital Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AREA Property Partners, L.P.	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackrock Investment Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackstone Alternative Asset Management, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackstone Group	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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CONFLICT OF INTEREST AND CONTACTS

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS				
Bridgewater Associates, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cornerstone Real Estate Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Suisse Asset Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DU Fund Partners II, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grosvenor Capital Management, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Invesco Real Estate	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
L&B Realty Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mesa West Capital	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mesirow Advanced Strategies, Inc	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NB Alternatives Advisers, LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NIAM	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Oaktree Capital Management	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pacific Investment Management Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prudential Real Estate Investors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TA Realty Associates	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UBS Realty Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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CONFLICT OF INTEREST AND CONTACTS

TPSF SENIOR STAFF AND TEA LEGAL STAFF				
B. Holland Timmins	Chief Investment Officer and Executive Administrator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carlos Veintemillas	Deputy Chief Investment Officer, Director of Fixed Income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Catherine Civileto	Deputy Executive Administrator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Grubenman	Director of Private Market Alternatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karim Hirani	Director of Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Hubbard	Director of Public Market Alternatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Anderson	TEA General Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joan Allen	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Maska	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Armstrong	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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[illegible]

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**RECORD OF ALL CONTACT WITH THE SBOE, TEA STAFF, AND THE SBOE/TPSF GENERAL
INVESTMENT COUNSEL**

All Proposers shall provide a listing of all substantive contacts, concerning this or any other procurement of the TPSF, with the members of the SBOE, the TEA/TPSF Staff and the SBOE/TPSF General Investment Counsel and legal counsel for the six months prior to the posting of this RFP. Please include all phone conversations or personal meetings held with persons named above.

☐ No, contact *has not* been made. ☐ Yes, contact *has* been made.

Date	Person Contacted	Nature of Contact/Topic

Warrant *and represent* that the firm or its affiliates have not paid and will not pay, have not given and will not give, any remuneration or thing of value directly or indirectly to members of the SBOE, Committee of Investment Advisors to the SBOE, the TEA Commissioner of Education, the TPSF Chief Investment Officer, or any State of Texas Employee, or any third-party for the benefit of the aforementioned, except as disclosed below, including but not limited to: cash, carried interest (or other form of value), a finder's fee, cash solicitation fee, or a fee for consulting, lobbying, or otherwise.

☐ I have read the above and I warrant and represent that I have *no disclosures* to report.

☐ I have read the above and I warrant and represent that *all disclosures* are as follows:

Person For Whom A Benefit is Conferred	Person, Corporation, or Legal Entity Providing Benefit	Description of Benefit	Dollar Value of Benefit	Date

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**DISCLOSURE OF CAMPAIGN CONTRIBUTIONS AND GIFTS TO
CANDIDATES AND MEMBERS OF THE STATE BOARD OF EDUCATION**

*In accordance with Section 4.3 of the State Board of Education Operating Rules, amended January 19, 2011,
Disclosure of Campaign Contributions and Gifts.*

Any person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose whether, at any time in the preceding four years, the person, corporation, or other legal entity has made a campaign contribution to a candidate for or member of the State Board of Education. Disclosure shall be made in writing to the commissioner of education 14 calendar days prior to consideration by the board or any committee of a contract, grant or charter.

- ☐ No, campaign contributions *have not* been made.
- ☐ Yes, campaign contributions *have* been made. Details listed below:

Person For Whom A Campaign Contribution Was Made (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Making Contribution	Dollar Value of Contribution	Date

A person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose in the same manner any benefit conferred on a candidate for or member of the State Board of Education during the preceding four years. A benefit need not be disclosed if the aggregate value of benefits conferred on a member of the State Board of Education during the preceding four years does not exceed \$250, or a different limit set by Section 572.023(b)(7), Texas Government Code. This requirement applies whether or not the person, corporation, or other legal entity is required to report the expenditure to the Texas Ethics Commission. For purposes of this section, a benefit is not conferred if the State Board member has paid for the member's own participation, as well as any participation by other persons for the direct benefit of any business in which the member has a substantial interest as defined under Texas Government Code Section 572.005 (1) - (7).

- ☐ No, benefit *has not* been conferred.
- ☐ Yes, benefit *has* been conferred. Details listed below:

Person For Whom A Benefit Has Been Conferred (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Providing Benefit	Dollar Value of Benefit	Date

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**DISCLOSURE OF CAMPAIGN CONTRIBUTIONS AND GIFTS TO STATEWIDE ELECTED OFFICIALS
AND MEMBERS OF THE TEXAS STATE LEGISLATURE**

*In accordance with Section 4.3 of the State Board of Education Operating Rules, amended January 19, 2011,
Disclosure of Campaign Contributions and Gifts.*

Any person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose whether, at any time in the preceding four years, the person, corporation, or other legal entity has made a campaign contribution to a candidate for or member of the State Board of Education. Disclosure shall be made in writing to the commissioner of education 14 calendar days prior to consideration by the board or any committee of a contract, grant or charter.

☐ **No**, campaign contributions *have not* been made.

☐ **Yes**, campaign contributions *have* been made. Details listed below:

Person For Whom A Campaign Contribution Was Made (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Making Contribution	Dollar Value of Contribution	Date

ACCESS TO CONFIDENTIAL INFORMATION

I understand that any unauthorized disclosure of confidential, sensitive and restricted student information is illegal as provided in the Family Educational Rights and Privacy Act of 1974 (FERPA) and in the implementing of federal regulation found in 34 CFR, Part 99.

I also understand that failure to observe these restrictions is prohibited by the Texas Government Code, Section 552.352 and that such an offense constitutes a Class A misdemeanor.

SIGNATURE ATTESTATION

I have disclosed any information of which I am aware that could be viewed as impairment to my independence in providing the service as described in the RFP. I certify that all disclosures contained in this document set are accurate and I have read and I understand the above statement as it applies to my response.

Authorized Signature on Behalf of Firm

Printed Name

Title (Authorized on Behalf of Firm)

Date

DOCUMENT H-B
LEAD REAL ESTATE COUNSEL SUBMISSION

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CONFLICT OF INTEREST AND CONTACTS

Name of Firm: _____

Date: _____ Name of Lead Real Estate Counsel: _____

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
SBOE MEMBERS				
Lawrence A. Allen	District 04 Fresno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Bahorich	District 06 Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Bradley	District 07 Beaumont	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Barbara Cargill, Chair	District 08 The Woodlands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ruben Cortez, Jr.	District 02 Brownsville	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Martha M. Dominguez	District 01 El Paso	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pat Hardy	District 11 Weatherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mavis B. Knight, Secretary	District 13 Dallas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Maynard	District 10 Georgetown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sue Melton	District 14 Waco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ken Mercer	District 05 San Antonio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Geraldine "Tincy" Miller	District 12 Dallas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marisa B. Perez	District 03 San Antonio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thomas Ratliff, Vice Chair	District 09 Mt. Pleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marty Rowley	District 15 Amarillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMITTEE OF INVESTMENT ADVISORS TO SBOE MEMBERS				
John Osborn	Advisor to David Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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LEAD REAL ESTATE COUNSEL SUBMISSION
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CONFLICT OF INTEREST AND CONTACTS

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS				
Andrews Kurth, L.L.P.-Gregg Jones,	Legal counsel for Bond Guarantee Program - IRS Tax matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCall, Parkhurst & Horton L.L.P. Dan Culver	Legal counsel for Bond Guarantee Program - Disclosure and SEC Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graves, Dougherty, Hearon & Moody PC – Cliff Ernst	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graves, Dougherty, Hearon & Moody PC – Rod Edens	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fulbright & Jaworski LLP – Forrest Brumbaugh	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ice Miller LLP	Legal Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson Walker LLP – Chuck Campbell	Fiduciary Counsel for SBOE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson Walker LLP – David Parish	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinhart Boerner Van Deuren sc – Keith Johnson	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinhart Boerner Van Deuren sc – Jussi Snellman	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strasburger & Price - Gary Lawson	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strasburger & Price - Gus Fields	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd - Michael Humphrey	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd - Steven Novick	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd – Benjamin Blakney	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd – Dan Moore	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NEPC – Rhett Humphreys	General Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NEPC – Keith Stronkowski	General Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BNYMellon Asset Servicing	Global Custodian, Securities Lender & Performance Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank of America Merrill Lynch	Futures Commission Merchant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Angelo Gordon & Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AQR Capital Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AREA Property Partners, L.P.	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackrock Investment Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackstone Alternative Asset Management, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackstone Group	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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LEAD REAL ESTATE COUNSEL SUBMISSION
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CONFLICT OF INTEREST AND CONTACTS

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS				
Bridgewater Associates, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cornerstone Real Estate Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Suisse Asset Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DLJ Fund Partners II, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grosvenor Capital Management, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Invesco Real Estate	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
L&B Realty Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mesa West Capital	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mesirow Advanced Strategies, Inc	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NB Alternatives Advisers, LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NIAM	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Oaktree Capital Management	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pacific Investment Management Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prudential Real Estate Investors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TA Realty Associates	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UBS Realty Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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LEAD REAL ESTATE COUNSEL SUBMISSION
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CONFLICT OF INTEREST AND CONTACTS

TPSF SENIOR STAFF AND TEA LEGAL STAFF				
B. Holland Timmins	Chief Investment Officer and Executive Administrator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carlos Veintemillas	Deputy Chief Investment Officer, Director of Fixed Income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Catherine Civiletto	Deputy Executive Administrator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Grubenman	Director of Private Market Alternatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karim Hirani	Director of Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Hubbard	Director of Public Market Alternatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Anderson	TEA General Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joan Allen	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Maska	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Armstrong	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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**RECORD OF ALL CONTACT WITH THE SBOE, TEA STAFF, AND THE SBOE/TPSF GENERAL
INVESTMENT COUNSEL**

All Proposers shall provide a listing of all substantive contacts, concerning this or any other procurement of the TPSF, with the members of the SBOE, the TEA/TPSF Staff and the SBOE/TPSF General Investment Counsel and legal counsel for the six months prior to the posting of this RFP. Please include all phone conversations or personal meetings held with persons named above.

☐ No, contact *has not* been made. ☐ Yes, contact *has* been made.

Date	Person Contacted	Nature of Contact/Topic

Warrant and represent that the firm or its affiliates have not paid and will not pay, have not given and will not give, any remuneration or thing of value directly or indirectly to members of the SBOE, Committee of Investment Advisors to the SBOE, the TEA Commissioner of Education, the TPSF Chief Investment Officer, or any State of Texas Employee, or any third-party for the benefit of the aforementioned, except as disclosed below, including but not limited to: cash, carried interest (or other form of value), a finder's fee, cash solicitation fee, or a fee for consulting, lobbying, or otherwise.

☐ I have read the above and I warrant and represent that I have *no disclosures* to report.

☐ I have read the above and I warrant and represent that *all disclosures* are as follows:

Person For Whom A Benefit is Conferred	Person, Corporation, or Legal Entity Providing Benefit	Description of Benefit	Dollar Value of Benefit	Date

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**DISCLOSURE OF CAMPAIGN CONTRIBUTIONS AND GIFTS TO
CANDIDATES AND MEMBERS OF THE STATE BOARD OF EDUCATION**

*In accordance with Section 4.3 of the State Board of Education Operating Rules, amended January 19, 2011,
Disclosure of Campaign Contributions and Gifts.*

Any person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose whether, at any time in the preceding four years, the person, corporation, or other legal entity has made a campaign contribution to a candidate for or member of the State Board of Education. Disclosure shall be made in writing to the commissioner of education 14 calendar days prior to consideration by the board or any committee of a contract, grant or charter.

- ☐ No, campaign contributions *have not* been made.
- ☐ Yes, campaign contributions *have* been made. Details listed below:

Person For Whom A Campaign Contribution Was Made (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Making Contribution	Dollar Value of Contribution	Date

A person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose in the same manner any benefit conferred on a candidate for or member of the State Board of Education during the preceding four years. A benefit need not be disclosed if the aggregate value of benefits conferred on a member of the State Board of Education during the preceding four years does not exceed \$250, or a different limit set by Section 572.023(b)(7), Texas Government Code. This requirement applies whether or not the person, corporation, or other legal entity is required to report the expenditure to the Texas Ethics Commission. For purposes of this section, a benefit is not conferred if the State Board member has paid for the member's own participation, as well as any participation by other persons for the direct benefit of any business in which the member has a substantial interest as defined under Texas Government Code Section 572.005 (1) - (7).

- ☐ No, benefit *has not* been conferred.
- ☐ Yes, benefit *has* been conferred. Details listed below:

Person For Whom A Benefit Has Been Conferred (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Providing Benefit	Dollar Value of Benefit	Date

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**DISCLOSURE OF CAMPAIGN CONTRIBUTIONS AND GIFTS TO STATEWIDE ELECTED OFFICIALS
AND MEMBERS OF THE TEXAS STATE LEGISLATURE**

*In accordance with Section 4.3 of the State Board of Education Operating Rules, amended January 19, 2011,
Disclosure of Campaign Contributions and Gifts.*

Any person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose whether, at any time in the preceding four years, the person, corporation, or other legal entity has made a campaign contribution to a candidate for or member of the State Board of Education. Disclosure shall be made in writing to the commissioner of education 14 calendar days prior to consideration by the board or any committee of a contract, grant or charter.

- ☐ No, campaign contributions *have not* been made.
- ☐ Yes, campaign contributions *have* been made. Details listed below:

Person For Whom A Campaign Contribution Was Made (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Making Contribution	Dollar Value of Contribution	Date

ACCESS TO CONFIDENTIAL INFORMATION

I understand that any unauthorized disclosure of confidential, sensitive and restricted student information is illegal as provided in the Family Educational Rights and Privacy Act of 1974 (FERPA) and in the implementing of federal regulation found in 34 CFR, Part 99.

I also understand that failure to observe these restrictions is prohibited by the Texas Government Code, Section 552.352 and that such an offense constitutes a Class A misdemeanor.

SIGNATURE ATTESTATION

I have disclosed any information of which I am aware that could be viewed as impairment to my independence in providing the service as described in the RFP. I certify that all disclosures contained in this document set are accurate and I have read and I understand the above statement as it applies to my response.

Lead Real Estate Counsel Signature

Printed Name

Title

Date

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KEY PROFESSIONAL EMPLOYEE SUBMISSION

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CONFLICT OF INTEREST AND CONTACTS

Name of Firm: _____

Date: _____ Name of Key Professional Employee: _____

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
SBOE MEMBERS				
Lawrence A. Allen	District 04 Fresno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Bahorich	District 06 Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Bradley	District 07 Beaumont	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Barbara Cargill, Chair	District 08 The Woodlands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ruben Cortez, Jr.	District 02 Brownsville	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Martha M. Dominguez	District 01 El Paso	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pat Hardy	District 11 Weatherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mavis B. Knight, Secretary	District 13 Dallas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Maynard	District 10 Georgetown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sue Melton	District 14 Waco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ken Mercer	District 05 San Antonio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Geraldine "Tincy" Miller	District 12 Dallas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marisa B. Perez	District 03 San Antonio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thomas Ratliff, Vice Chair	District 09 Mt. Pleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marty Rowley	District 15 Amarillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMITTEE OF INVESTMENT ADVISORS TO SBOE MEMBERS				
John Osborn	Advisor to David Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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CONFLICT OF INTEREST AND CONTACTS

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS				
Andrews Kurth, L.L.P.-Gregg Jones,	Legal counsel for Bond Guarantee Program - IRS Tax matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCall, Parkhurst & Horton L.L.P. Dan Culver	Legal counsel for Bond Guarantee Program - Disclosure and SEC Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graves, Dougherty , Hearon & Moody PC – Cliff Ernst	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graves, Dougherty , Hearon & Moody PC – Rod Edens	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fulbright & Jaworski LLP – Forrest Brumbaugh	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ice Miller LLP	Legal Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson Walker LLP – Chuck Campbell	Fiduciary Counsel for SBOE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson Walker LLP – David Parish	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinhart Boerner Van Deuren sc – Keith Johnson	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinhart Boerner Van Deuren sc – Jussi Snellman	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strasburger & Price - Gary Lawson	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strasburger & Price - Gus Fields	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd - Michael Humphrey	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd - Steven Novick	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd – Benjamin Blakney	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd – Dan Moore	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NEPC – Rhett Humphreys	General Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NEPC – Keith Stronkowsky	General Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BNYMellon Asset Servicing	Global Custodian, Securities Lender & Performance Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank of America Merrill Lynch	Futures Commission Merchant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Angelo Gordon & Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AQR Capital Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AREA Property Partners, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackrock Investment Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackstone Alternative Asset Management, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackstone Group	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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CONFLICT OF INTEREST AND CONTACTS

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS				
Bridgewater Associates, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cornerstone Real Estate Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Suisse Asset Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DLJ Fund Partners II, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grosvenor Capital Management, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Invesco Real Estate	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
L&B Realty Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mesa West Capital	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mesirow Advanced Strategies, Inc	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NB Alternatives Advisers, LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NIAM	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Oaktree Capital Management	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pacific Investment Management Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prudential Real Estate Investors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TA Realty Associates	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UBS Realty Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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CONFLICT OF INTEREST AND CONTACTS

TPSF SENIOR STAFF AND TEA LEGAL STAFF				
B. Holland Timmins	Chief Investment Officer and Executive Administrator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carlos Veintemillas	Deputy Chief Investment Officer, Director of Fixed Income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Catherine Civiletto	Deputy Executive Administrator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Grubenman	Director of Private Market Alternatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karim Hirani	Director of Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Hubbard	Director of Public Market Alternatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Anderson	TEA General Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joan Allen	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Maska	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Armstrong	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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[illegible]

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KEY PROFESSIONAL EMPLOYEE SUBMISSION
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**RECORD OF ALL CONTACT WITH THE SBOE, TEA STAFF, AND THE SBOE/TPSF GENERAL
INVESTMENT COUNSEL**

All Proposers shall provide a listing of all substantive contacts, concerning this or any other procurement of the TPSF, with the members of the SBOE, the TEA/TPSF Staff and the SBOE/TPSF General Investment Counsel and legal counsel for the six months prior to the posting of this RFP. Please include all phone conversations or personal meetings held with persons named above.

☐ No, contact has not been made. ☐ Yes, contact has been made.

Date	Person Contacted	Nature of Contact/Topic

Warrant and represent that the firm or its affiliates have not paid and will not pay, have not given and will not give, any remuneration or thing of value directly or indirectly to members of the SBOE, Committee of Investment Advisors to the SBOE, the TEA Commissioner of Education, the TPSF Chief Investment Officer, or any State of Texas Employee, or any third-party for the benefit of the aforementioned, except as disclosed below, including but not limited to: cash, carried interest (or other form of value), a finder's fee, cash solicitation fee, or a fee for consulting, lobbying, or otherwise.

- ☐ I have read the above and I warrant and represent that I have *no disclosures* to report.
- ☐ I have read the above and I warrant and represent that *all disclosures* are as follows:

Person For Whom A Benefit is Conferred	Person, Corporation, or Legal Entity Providing Benefit	Description of Benefit	Dollar Value of Benefit	Date

**DISCLOSURE OF CAMPAIGN CONTRIBUTIONS AND GIFTS TO
CANDIDATES AND MEMBERS OF THE STATE BOARD OF EDUCATION**

*In accordance with Section 4.3 of the State Board of Education Operating Rules, amended January 19, 2011,
Disclosure of Campaign Contributions and Gifts.*

Any person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose whether, at any time in the preceding four years, the person, corporation, or other legal entity has made a campaign contribution to a candidate for or member of the State Board of Education. Disclosure shall be made in writing to the commissioner of education 14 calendar days prior to consideration by the board or any committee of a contract, grant or charter.

- ☐ No, campaign contributions *have not* been made.
- ☐ Yes, campaign contributions *have* been made. Details listed below:

Person For Whom A Campaign Contribution Was Made (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Making Contribution	Dollar Value of Contribution	Date

A person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose in the same manner any benefit conferred on a candidate for or member of the State Board of Education during the preceding four years. A benefit need not be disclosed if the aggregate value of benefits conferred on a member of the State Board of Education during the preceding four years does not exceed \$250, or a different limit set by Section 572.023(b)(7), Texas Government Code. This requirement applies whether or not the person, corporation, or other legal entity is required to report the expenditure to the Texas Ethics Commission. For purposes of this section, a benefit is not conferred if the State Board member has paid for the member's own participation, as well as any participation by other persons for the direct benefit of any business in which the member has a substantial interest as defined under Texas Government Code Section 572.005 (1) - (7).

- ☐ No, benefit *has not* been conferred.
- ☐ Yes, benefit *has* been conferred. Details listed below:

Person For Whom A Benefit Has Been Conferred (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Providing Benefit	Dollar Value of Benefit	Date

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**DISCLOSURE OF CAMPAIGN CONTRIBUTIONS AND GIFTS TO STATEWIDE ELECTED OFFICIALS
AND MEMBERS OF THE TEXAS STATE LEGISLATURE**

*In accordance with Section 4.3 of the State Board of Education Operating Rules, amended January 19, 2011,
Disclosure of Campaign Contributions and Gifts.*

Any person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose whether, at any time in the preceding four years, the person, corporation, or other legal entity has made a campaign contribution to a candidate for or member of the State Board of Education. Disclosure shall be made in writing to the commissioner of education 14 calendar days prior to consideration by the board or any committee of a contract, grant or charter.

- ☐ No, campaign contributions *have not* been made.
- ☐ Yes, campaign contributions *have* been made. Details listed below:

Person For Whom A Campaign Contribution Was Made (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Making Contribution	Dollar Value of Contribution	Date

ACCESS TO CONFIDENTIAL INFORMATION

I understand that any unauthorized disclosure of confidential, sensitive and restricted student information is illegal as provided in the Family Educational Rights and Privacy Act of 1974 (FERPA) and in the implementing of federal regulation found in 34 CFR, Part 99.

I also understand that failure to observe these restrictions is prohibited by the Texas Government Code, Section 552.352 and that such an offense constitutes a Class A misdemeanor.

SIGNATURE ATTESTATION

I have disclosed any information of which I am aware that could be viewed as impairment to my independence in providing the service as described in the RFP. I certify that all disclosures contained in this document set are accurate and I have read and I understand the above statement as it applies to my response.

Key Professional Employee Signature

Printed Name

Title

Date

DOCUMENT H-D
PROPOSING FIRM AFFILIATE SUBMISSION

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CONFLICT OF INTEREST AND CONTACTS

Name of Firm: _____

Name of Affiliate Firm: _____

Date: _____

Name of Person: _____

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
SBOE MEMBERS				
Lawrence A. Allen	District 04 Fresno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Bahorich	District 06 Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Bradley	District 07 Beaumont	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Barbara Cargill, Chair	District 08 The Woodlands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ruben Cortez, Jr.	District 02 Brownsville	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Martha M. Dominguez	District 01 El Paso	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pat Hardy	District 11 Weatherford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mavis B. Knight, Secretary	District 13 Dallas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tom Maynard	District 10 Georgetown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sue Melton	District 14 Waco	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ken Mercer	District 05 San Antonio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Geraldine "Tincy" Miller	District 12 Dallas	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marisa B. Perez	District 03 San Antonio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thomas Ratliff, Vice Chair	District 09 Mt. Pleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marty Rowley	District 15 Amarillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
COMMITTEE OF INVESTMENT ADVISORS TO SBOE MEMBERS				
John Osborn	Advisor to David Bradley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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PROPOSING FIRM AFFILIATE SUBMISSION
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CONFLICT OF INTEREST AND CONTACTS

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS				
Andrews Kurth, L.L.P.-Gregg Jones,	Legal counsel for Bond Guarantee Program - IRS Tax matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCall, Parkhurst & Horton L.L.P. Dan Culver	Legal counsel for Bond Guarantee Program - Disclosure and SEC Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graves, Dougherty, Hearon & Moody PC – Cliff Ernst	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Graves, Dougherty, Hearon & Moody PC – Rod Edens	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fulbright & Jaworski LLP – Forrest Brumbaugh	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ice Miller LLP	Legal Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson Walker LLP – Chuck Campbell	Fiduciary Counsel for SBOE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jackson Walker LLP – David Parish	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinhart Boerner Van Deuren sc – Keith Johnson	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinhart Boerner Van Deuren sc – Jussi Snellman	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strasburger & Price - Gary Lawson	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Strasburger & Price – Gus Fields	Contracting Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd - Michael Humphrey	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd - Steven Novick	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd – Benjamin Blakney	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Courtland Partners, Ltd – Dan Moore	Real Estate Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NEPC – Rhett Humphreys	General Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NEPC – Keith Stronkowsky	General Investment Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BNYMellon Asset Servicing	Global Custodian, Securities Lender & Performance Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank of America Merrill Lynch	Futures Commission Merchant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Angelo Gordon & Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AQR Capital Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
AREA Property Partners, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackrock Investment Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackstone Alternative Asset Management, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Blackstone Group	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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PROPOSING FIRM AFFILIATE SUBMISSION
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CONFLICT OF INTEREST AND CONTACTS

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS				
Bridgewater Associates, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cornerstone Real Estate Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Suisse Asset Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
DLJ Fund Partners II, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Grosvenor Capital Management, LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Invesco Real Estate	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
L&B Realty Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mesa West Capital	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mesirow Advanced Strategies, Inc	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NB Alternatives Advisers, LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NIAM	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Oaktree Capital Management	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pacific Investment Management Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prudential Real Estate Investors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
TA Realty Associates	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
UBS Realty Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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PROPOSING FIRM AFFILIATE SUBMISSION
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CONFLICT OF INTEREST AND CONTACTS

TPSF SENIOR STAFF AND TEA LEGAL STAFF				
B. Holland Timmins	Chief Investment Officer and Executive Administrator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Carlos Veintemillas	Deputy Chief Investment Officer, Director of Fixed Income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Catherine Civileto	Deputy Executive Administrator	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
John Grubenman	Director of Private Market Alternatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Karim Hirani	Director of Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
James Hubbard	Director of Public Market Alternatives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Anderson	TEA General Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joan Allen	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Maska	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Armstrong	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

CONFLICT OF INTEREST AND CONTACTS

RFP 701-13-015

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PROPOSING FIRM AFFILIATE SUBMISSION
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RECORD OF ALL CONTACT WITH THE SBOE, TEA STAFF, AND THE SBOE/TPSF GENERAL INVESTMENT COUNSEL

All Proposers shall provide a listing of all substantive contacts, concerning this or any other procurement of the TPSF, with the members of the SBOE, the TEA/TPSF Staff and the SBOE/TPSF General Investment Counsel and legal counsel for the six months prior to the posting of this RFP. Please include all phone conversations or personal meetings held with persons named above.

☐ No, contact *has not* been made. ☐ Yes, contact *has* been made.

Date	Person Contacted	Nature of Contact/Topic

Warrant *and represent* that the firm or its affiliates have not paid and will not pay, have not given and will not give, any remuneration or thing of value directly or indirectly to members of the SBOE, Committee of Investment Advisors to the SBOE, the TEA Commissioner of Education, the TPSF Chief Investment Officer, or any State of Texas Employee, or any third-party for the benefit of the aforementioned, except as disclosed below, including but not limited to: cash, carried interest (or other form of value), a finder's fee, cash solicitation fee, or a fee for consulting, lobbying, or otherwise.

☐ I have read the above and I warrant and represent that I have *no disclosures* to report.

☐ I have read the above and I warrant and represent that *all disclosures* are as follows:

Person For Whom A Benefit is Conferred	Person, Corporation, or Legal Entity Providing Benefit	Description of Benefit	Dollar Value of Benefit	Date

DOCUMENT H-D
PROPOSING FIRM AFFILIATE SUBMISSION
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**DISCLOSURE OF CAMPAIGN CONTRIBUTIONS AND GIFTS TO
CANDIDATES AND MEMBERS OF THE STATE BOARD OF EDUCATION**

*In accordance with Section 4.3 of the State Board of Education Operating Rules, amended January 19, 2011,
Disclosure of Campaign Contributions and Gifts.*

Any person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose whether, at any time in the preceding four years, the person, corporation, or other legal entity has made a campaign contribution to a candidate for or member of the State Board of Education. Disclosure shall be made in writing to the commissioner of education 14 calendar days prior to consideration by the board or any committee of a contract, grant or charter.

- ☐ No, campaign contributions *have not* been made.
- ☐ Yes, campaign contributions *have* been made. Details listed below:

Person For Whom A Campaign Contribution Was Made (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Making Contribution	Dollar Value of Contribution	Date

A person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose in the same manner any benefit conferred on a candidate for or member of the State Board of Education during the preceding four years. A benefit need not be disclosed if the aggregate value of benefits conferred on a member of the State Board of Education during the preceding four years does not exceed \$250, or a different limit set by Section 572.023(b)(7), Texas Government Code. This requirement applies whether or not the person, corporation, or other legal entity is required to report the expenditure to the Texas Ethics Commission. For purposes of this section, a benefit is not conferred if the State Board member has paid for the member's own participation, as well as any participation by other persons for the direct benefit of any business in which the member has a substantial interest as defined under Texas Government Code Section 572.005 (1) - (7).

- ☐ No, benefit *has not* been conferred.
- ☐ Yes, benefit *has* been conferred. Details listed below:

Person For Whom A Benefit Has Been Conferred (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Providing Benefit	Dollar Value of Benefit	Date

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**DISCLOSURE OF CAMPAIGN CONTRIBUTIONS AND GIFTS TO STATEWIDE ELECTED OFFICIALS
AND MEMBERS OF THE TEXAS STATE LEGISLATURE**

*In accordance with Section 4.3 of the State Board of Education Operating Rules, amended January 19, 2011,
Disclosure of Campaign Contributions and Gifts.*

Any person, corporation or other legal entity which proposes to enter into a contract with or applies for a grant, contract, or charter which may be granted by the State Board of Education shall disclose whether, at any time in the preceding four years, the person, corporation, or other legal entity has made a campaign contribution to a candidate for or member of the State Board of Education. Disclosure shall be made in writing to the commissioner of education 14 calendar days prior to consideration by the board or any committee of a contract, grant or charter.

- ☐ No, campaign contributions *have not* been made.
- ☐ Yes, campaign contributions *have* been made. Details listed below:

Person For Whom A Campaign Contribution Was Made (Candidate or SBOE Member)	Person, Corporation, or Legal Entity Making Contribution	Dollar Value of Contribution	Date

ACCESS TO CONFIDENTIAL INFORMATION

I understand that any unauthorized disclosure of confidential, sensitive and restricted student information is illegal as provided in the Family Educational Rights and Privacy Act of 1974 (FERPA) and in the implementing of federal regulation found in 34 CFR, Part 99.

I also understand that failure to observe these restrictions is prohibited by the Texas Government Code, Section 552.352 and that such an offense constitutes a Class A misdemeanor.

SIGNATURE ATTESTATION

I have disclosed any information of which I am aware that could be viewed as impairment to my independence in providing the service as described in the RFP. I certify that all disclosures contained in this document set are accurate and I have read and I understand the above statement as it applies to my response.

Signature of Affiliate

Printed Name

Title or Role

Date

Affiliate Firm Name (if applicable)

DOCUMENT I
FEE PROPOSAL
COVER PAGE

PROPOSER FIRM NAME: _____

In accordance with Sections 1.8 and 3.5 of RFP 701-13-015, Managers must submit a comprehensive fee proposal consistent with the requirements to provide real estate investment consulting services for the TPSF and deliver the scope of services affirmed in this RFP.

TPSF reserves the right to award contracts to more than one firm in order to obtain service that is in the best interest of the TPSF.

Travel Expenses will be handled in accordance with Section 1.8.

Service	Fee (\$)
COMPREHENSIVE REAL ESTATE PORTFOLIO SERVICES – All Types of Real Estate Assets	
Annual fee for real estate investment counsel services	
Fee for each manager search project (if applicable)	
OTHER	
Please list any fees and expenses not included above	

DOCUMENT J
HUB SUBCONTRACTING PLAN (HSP)

Insert Document J – HUB Subcontracting Plan document here

DOCUMENT K

EXECUTION OF OFFER AND AFFIRMATION OF TERMS AND CONDITIONS

This Execution of Offer, Affirmation of Terms and Conditions, and Proposal Preferences is entered into by and between the State Board of Education and the Texas Education Agency, hereinafter referred to as TEA and the Proposer. By signing this instrument, Proposer or Proposer's legally authorized agent affirms that the all statements within the proposal are true and correct. Proposer understands and acknowledges that discovery of any false statement in the proposal is a material breach and shall void the submitted proposal or any resulting contracts and that Proposer shall also be removed from all vendor lists maintained by the state of Texas. By signature hereon affixed, Proposer hereby acknowledges and certifies that Proposer shall be subject to the following specific affirmations, general provisions, and special provisions if the proposal is awarded a contract:

1. Proposer expressly makes the following specific affirmations in response to this RFP:
 - A. Proposer understands that any proposal or bond signed by an agent or attorney-in-fact shall be accompanied by evidence of authority.
 - B. Proposer understands that any proposal may be withdrawn in writing prior to the date and time set for receipt of proposals. Any proposal not so withdrawn shall constitute an irrevocable offer, for a period of 90 days from the RFP closing date, to provide the commodities or service set forth in the attached specifications, or until a selection has been made by the agency.
 - C. Proposer has fully complied with all of the terms and conditions for submission of proposal expressly stated throughout this RFP.
 - D. Proposer has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or services to a public servant in connection with the submitted proposal or bid.
 - E. Pursuant to 15 U.S.C. Sec.1, et seq. and Tex. Bus. & Comm. Code sec 15.01, et seq. neither Proposer or the firm, corporation, partnership, limited liability company, or other business entity represented by Proposer, or anyone acting for such firm, corporation, partnership, limited liability company, or other business entity has violated the antitrust laws of this State or the Federal Antitrust Laws, nor communicated directly or indirectly the proposal or bid made to any competitor or any other person engaged in such line of business.
 - F. Pursuant to Section 2155.004 of the Texas Government Code, Proposer has not received compensation for participation in the preparation of the specifications for this RFP or Invitation for Bid. Proposer certifies that the individual or business entity named in its proposal, bid, or contract is not ineligible to receive the specified contract and acknowledges that any contract awarded from this RFP may be terminated and payment withheld if this certification is inaccurate.
 - G. Pursuant to Section 669.003 of the Texas Government Code, relating to contracting with a former executive head of a state agency. If this provision of the Government Code applies, Proposer shall provide the following information in order for the proposal to be evaluated: (a) Name of the former executive, (b) name of the state agency where that executive worked, (c) date of separation from that agency, (d) that former executive's current position with the proposing business entity, and (e) the beginning date of employment with the proposing business entity.
 - H. Pursuant to Texas Family Code, Title 5, Subtitle D, Section 231.006 (d) regarding child support, the Proposer certifies that the individual or business entity named in this proposal is not ineligible to receive specified payment and acknowledges that this contract may be terminated and payment may be withheld if this certification is inaccurate, the proposal includes the names and social security numbers of each person with at least a 25% ownership of the business entity submitting the proposal or bid. If this information is not included in the proposal, it will be provided prior to execution of any contract resulting from this RFP.

- I. Pursuant to Section 2252.901 of the Texas Government Code, Proposer certifies that it is not a former employee of TEA or that Proposer has not been an employee of TEA for twelve (12) months prior to the beginning date of any contract awarded from this RFP.
- J. Proposer must make full disclosure of intent to employ any subcontractor who is a former employee/retiree of TEA. Within the first twelve months of leaving employment at TEA, a former employee/retiree selected by the Proposer for a subcontract, shall not perform services on a project or fill a position that the former employee/retiree worked on while employed at TEA.
- K. Proposer agrees to purchase and maintain at its expense insurance as required for the work being performed and furnished pursuant to any contract awarded from this RFP. Such insurance will protect TEA from all claims from bodily injury, death, or property damage which may arise out of or result from the performance or furnishing by the Proposer and Proposer's other obligations under the Contract Documents, whether it is performed or furnished by Proposer, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any one of them to perform or furnish any of the Work, or by anyone for whose acts any of them may be liable.
 - i. Specific insurance coverage required by TEA is as follows:

Worker's Compensation and Employer's Liability coverage with limits consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Art. 8308-1.01 et. seq. Tex. Rev. Civ. Stat.) and minimum policy limits for employers Liability of \$500,000.00.

Comprehensive General Liability Insurance with minimum Bodily Injury limits of \$500,000.00 for each occurrence, and Property Damage limits of \$500,000.00 for each occurrence to include Premises-Operations, Broad Form Property Damage, Personal Injury and Contractual Liability Coverage.
 - ii. TEA reserves the right to terminate the Contract or stop the Work in progress for substantial failure to submit the required evidence of insurance or cancellation of an active policy as agreed upon by TEA and Proposer during contract negotiations.
- L. Proposer agrees that all Subcontractors performing work under a contract from this RFP will obtain insurance which will protect TEA and its employees from the risk associated with the work performed under the Agreement. The Proposer will maintain written evidence of such coverage for its Subcontractors. If the Subcontractor fails to demonstrate and/or obtain such insurance or the Subcontractor's insurance expires and is no longer available, the Proposer agrees to indemnify the Subcontractor for Work under this Agreement.
- M. Prior to the award of a contract, TEA may require that the successful Proposer file a performance bond in an amount reasonable and necessary to protect the state's interest. The bond must be conditioned on the successful Proposer's faithful performance of the terms of the contract.
- N. During negotiations, TEA and the Proposer may negotiate a liquidated damages clause.
- O. Terms and conditions beyond those stated in this RFP may be grounds for disqualification of a submitted proposal. TEA will have sole discretion to consider for inclusion any terms and conditions not stated in this RFP.
- P. Contractor understands and agrees that no public disclosures or news releases pertaining to any results or findings based on research conducted to fulfill requirements of this RFP shall be made without prior written approval of TEA.
- Q. Proposer affirms that they have not been convicted of a Hurricane Katrina related felony.
- R. Contractor or Contractor's employees, representatives, agents and any subcontractors shall serve as an independent contractor in providing the services under any PO resulting from this RFP. Contractor or Contractor's employees, representatives, agents and any subcontractors shall not be employees of TEA. Should Contractor subcontract any of the services required in this RFP, Contractor expressly understands and acknowledges that in entering into such subcontract(s), TEA is in no manner liable to any subcontractor(s) of Contractor. In no event shall this provision relieve

bidder of the responsibility for ensuring that the services rendered under all subcontracts are rendered in compliance with this RFP.

- S. Contractor represents and warrants that it shall pay all taxes or similar amounts resulting from this Contract, including, but not limited to, any federal, State, or local income, sales or excise taxes of Contractor or its employees. TEA shall not be liable for any taxes resulting from this Contract.
 - T. In the event that any provision of this Contract is later determined to be invalid, void, or unenforceable, then the remaining terms, provisions, covenants, and conditions of this Contract shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.
 - U. In accordance with Texas Government Code, §2155.074 and 2155.075, vendor performance may be used as a factor in award of a Contract.
 - V. Any individual who interacts with public purchasers in any capacity is required to adhere to the guidelines established in the TAC, Rule 111.4. The Rule outlines the ethical standards required of public purchasers, agency employees, and vendors who interact with public purchasers in the conduct of state business. Specifically, a TEA employee may not have an interest in, or in any manner be connected with a contract or bid for a purchase of goods or services by an agency of the state; or in any manner, including by rebate or gift, accept or receive from a person to whom a contract may be awarded, directly or indirectly, anything of value or a promise, obligation, or contract for future reward or compensation. Entities who are interested in seeking business opportunities with the state must be mindful of these restrictions when interacting with public purchasers of TEA or purchasers of other state agencies.
 - W. The Texas Education Agency is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing—Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism and any subsequent changes made to it via cross-referencing respondents/vendors with the Federal General Services Administration's Excluded Parties List System (EPLS, <http://www.epls.gov>), which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list. Contractor certifies that they are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Contractor is in compliance with the State of Texas statutes and rules relating to procurement and that Respondent is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at <http://www.epls.gov>.
2. Proposer has read, understands, and agrees to be bound to the terms and conditions stated in the TEA's "General Provisions" if a contract is awarded to Proposer pursuant to this RFP. The following General Provisions which will be included in the contractual terms for any contract awarded under this RFP are included in this instrument and are stated as follows:
- A. As used in these General Provisions:
 - i. Contract means TEA's Standard Contract, and all of TEA's attachments, appendices, schedules (including but not limited to the General Provisions and the Special Provisions), amendments and extensions of or to the Standard Contract;
 - ii. Agency or TEA means the Texas Education Agency;
 - iii. Contractor means the party or parties to this Contract other than TEA, including its or their officers, directors, employees, agents, representatives, consultants and subcontractors, and subcontractors' officers, directors, employees, agents, representatives and consultants;
 - iv. Project Administrator means the respective person(s) representing TEA or Contractor, as indicated by the Contract, for the purposes of administering the Contract Project;
 - v. Contract Project means the purpose intended to be achieved through the Contract;
 - vi. Amendment means a Contract that is revised in any respect, and includes both the original Contract, and any subsequent amendments or extensions thereto.

- B. **Contingency:** The Contract(s), including any amendments, extensions or subsequent contracts, are executed by TEA contingent upon the availability of appropriated funds by legislative act. Notwithstanding any other provision in this Contract or any other document, this Contract is void upon the insufficiency (in TEA's discretion) or unavailability of appropriated funds. In addition, this Contract may be terminated by TEA at any time for any reason upon notice to Contractor. Expenditures and/or activities for which Contractor may claim reimbursement shall not be accrued or claimed subsequent to receipt of such notice from TEA.
- C. **Indemnification:** Contractor shall hold TEA harmless from and shall indemnify TEA against any and all claims, demands, and causes of action of whatever kind or nature asserted by any third party and occurring or in any way incident to, arising from, or in connection with, any acts of Contractor in performance of the Contract Project.
- D. **Subcontracting:** Contractor shall not assign or subcontract any of its rights or responsibilities under this Contract without prior formal written amendment to this Contract properly executed by both TEA and Contractor. The TEA Contract Manager must pre-approve any changes in key personnel throughout the contract term. Any changes to the HUB Subcontracting Plan (HSP) must be approved by the Agency HUB Coordinator before staffing changes are initiated.
- E. **Encumbrances/Obligations:** All encumbrances, accounts payable, and expenditures shall occur on or between the beginning and ending dates of this Contract. All goods must have been received and all services rendered during the Contract period in order for Contractor to recover funds due. In no manner shall encumbrances be considered or reflected as accounts payable or as expenditures.
- F. **Contractor's Proposal:** Contractor's proposal that was furnished to TEA in response to a request for proposal is incorporated in this Contract by reference. The provisions of this Contract shall prevail, however, in all cases of conflict arising from the terms of Contractor's proposal whether such proposal is a written part of this Contract or is attached as a separate document.
- G. **Requirements, Terms, Conditions, and Assurances:** The terms, conditions, and assurances, which are stated in the Request for Proposal, in response to which Contractor submitted a proposal, are incorporated herein by reference for all purposes, although the current General Provisions shall prevail in the event of conflict.
- H. **Records Retention:** Contractor shall maintain its records and accounts in a manner which shall assure a full accounting for all funds received and expended by Contractor in connection with the Contract.
- I. **Sanctions for Failure to Perform or for Noncompliance:** If Contractor, in TEA's sole determination, fails or refuses for any reason to comply with or perform any of its obligations under this Contract, TEA may impose such sanctions as it may deem appropriate. This includes but is not limited to the withholding of payments to Contractor until Contractor complies; the cancellation, termination, or suspension of this Contract in whole or in part; and the seeking of other remedies as may be provided by this Contract or by law. Any cancellation, termination, or suspension of this Contract, if imposed, shall become effective at the close of business on the day of Contractor's receipt of written notice thereof from TEA.
- J. **Contract Cancellation, etc.:** If this Contract is cancelled, terminated, or suspended by TEA prior to its expiration date, the reasonable monetary value of services properly performed by Contractor pursuant to this Contract prior to such cancellation, termination or suspension shall be determined by TEA and paid to Contractor as soon as reasonably possible.
- K. **Refunds Due to TEA:** If TEA determines that TEA is due a refund of money paid to Contractor pursuant to this Contract, Contractor shall pay the money due to TEA within 30 days of Contractor's receipt of written notice that such money is due to TEA. If Contractor fails to make timely payment, TEA may obtain such money from Contractor by any means permitted by law, including but not limited to offset, counterclaim, cancellation, termination, suspension, total withholding, and/or disapproval of all or any subsequent applications for said funds.

- L. **State of Texas Laws:** In the conduct of the Contract Project, Contractor shall be subject to Texas State Board of Education rules pertaining to this Contract and the Contract Project, and to the laws of the State of Texas governing this Contract and the Contract Project. This Contract constitutes the entire agreement between TEA and Contractor for the accomplishment of the Contract Project. This Contract shall be interpreted according to the laws of the State of Texas except as may be otherwise provided for in this Contract.
- M. **Signature Authority; Final Expression; Superseding Document:** Contractor certifies that the person signing this Contract has been properly delegated this authority. The Contract represents the final and complete expression of the terms of agreement between the parties. The Contract supersedes any previous understandings or negotiations between the parties. Any representations, oral statements, promises or warranties that differ from the Contract shall have no force or effect. The Contract may be modified, amended or extended only by formal written amendment properly executed by both TEA and Contractor.
- N. **Antitrust:** By signing this Contract, Contractor, represents and warrants that neither Contractor nor any firm, corporation, partnership, or institution represented by Contractor, or anyone acting for such firm, corporation or institution has, (1) violated the antitrust laws of the State of Texas under Tex. Bus. & Com. Code, Chapter 15, or the federal antitrust laws; or (2) communicated directly or indirectly the Proposal to any competitor or any other person engaged in such line of business during the procurement process for this Contract.
- O. **Family Code Applicability:** By signing this Contract, Contractor, if other than a state agency, certifies that under Section 231.006, Family Code, that Contractor is not ineligible to receive payment under this Contract and acknowledges that this Contract may be terminated and payment may be withheld if this certification is inaccurate. TEA reserves the right to terminate this Contract if Contractor is found to be ineligible to receive payment. If Contractor is found to be ineligible to receive payment and the Contract is terminated, Contractor is liable to TEA for attorney's fees, the costs necessary to complete the Contract, including the cost of advertising and awarding a second contract, and any other damages or relief provided by law or equity.
- P. **Dispute Resolution:** The dispute resolution process provided for in Chapter 2260 of the Texas Government Code must be used by TEA and Contractor to attempt to resolve all disputes arising under this Contract.
- Q. **Interpretation:** In the case of conflicts arising in the interpretation of wording and/or meaning of various sections, parts, Appendices, General Provisions, , Exhibits, and Attachments or other documents, the TEA Contract and its General Provisions, Appendices and Special Provisions shall take precedence over all other documents which are a part of this contract.
- R. **Public Information:** TEA is subject to the provisions of the Texas Public Information Act. If a request for disclosure of this Contract or any information related to the goods or services provided under the Contract or information provided to the TEA under this Contract constituting a record under the Act is received by the TEA, the information must qualify for an exception provided by the Texas Public Information Act in order to be withheld from public disclosure. Contractor authorizes the TEA to submit any information contained in the Contract, provided under the Contract, or otherwise requested to be disclosed, including information Contractor has labeled as confidential proprietary information, to the Office of the Attorney General for a determination as to whether any such information may be excepted from public disclosure under the Act. If the TEA does not have a good faith belief that information may be subject to an exception to disclosure, the TEA is not obligating itself by this Contract to submit the information to the Attorney General. It shall be the responsibility of the Contractor to make any legal argument to the Attorney General or appropriate court of law regarding the exception of the information in question from disclosure. The Contractor waives any claim against and releases from liability the TEA, its officers, employees, agents, and attorneys with respect to disclosure of information provided under or in this Contract or otherwise created, assembled, maintained, or held by the Contractor and determined by the Attorney General or a court of law to be subject to disclosure under the Texas Public Information Act.

- S. **Venue and Jurisdiction:** Subject to and without waiving any of the Agency's rights, including sovereign immunity, this Contract is governed by and construed under and in accordance with the laws of the State of Texas. Venue for any suit concerning this solicitation and any resulting contract or purchase order shall be in a court of competent jurisdiction in Travis County, Texas.
- T. **Protests:** Any actual or prospective bidder, offer or, or contractor who is aggrieved in connection with the solicitation, evaluation, or award of this or any other contract by the Texas Education Agency may submit a formal protest to the Director of the Agency's Contracts and Purchasing Division. This protest procedure shall be the exclusive method by which anyone may make a challenge to any aspect of the Agency's contracting process. The Agency will not be required to consider the merits of any protest unless the protest is submitted timely, in a sworn written protest petition, and in strict compliance with all requirements in applicable law and Agency's rules (Title 19 of the Texas Administrative Code, at § 30.2002, or any amendment or successor rules).
- U. **Severability:** In the event that any provision of this Contract is later determined to be invalid, void, or unenforceable, the invalid provision will be deemed severable and stricken from the contract as if it had never been incorporated herein. The remaining terms, provisions, covenants, and conditions of this Contract shall remain in full force and effect, and shall in no way be affected, impaired, or invalidated.
- V. **Excluded Parties List System:** The Texas Education Agency is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing-Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism and any subsequent changes made to it via cross-referencing respondents/vendors with Federal General Services Administration's Excluded Parties List System (EPLS, <http://www.epls.gov>), which is inclusive of United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list. Contractor certifies that they are eligible to participate in this transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Contractor is in compliance with the State of Texas statutes and rules relating to procurement and that Respondent is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at <http://www.epls.gov>.
- W. **Suspension and Debarment:** Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal, state or local government entity. If Contractor is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this contract.
- X. **Collusion:** Contractor certifies and represents that Contractor has not colluded with, nor received any assistance from, any person who was paid by TEA to prepare specifications or a solicitation on which a respondent's bid or proposal is based and will not allow any person who prepared the respective specifications or solicitation to participate financially in any contract award.
- Y. **Proprietary or Confidential Information:** Contractor will not disclose any information to which it is privy under this Contract without the prior consent of the agency. Contractor will indemnify and hold harmless the State of Texas, its officers and employees, and TEA, its officers and employees for any claims for damages that arise from the disclosure by Contractor or its contractors of information held by the State of Texas.
- Z. **Independent Contractor:** Contractor shall serve as an independent contractor in providing services under this Contract. Contractor's employees are not and shall not be construed as employees or agents of the State of Texas.
- AA. **Termination:** This contract shall terminate upon full performance of all requirements contained in this contract, unless otherwise extended or renewed as provided in accordance with the contract terms and conditions.

- i. **Termination for Convenience:** Either Party may terminate this Contract at any time, in whole or in part, without penalty, by providing thirty (30) calendar days advance written notice to the other Party. In the event of such a termination, the Contractor shall, unless otherwise mutually agreed upon in writing, cease all work immediately upon the effective date of termination. TEA shall be liable for reimbursing only those expenses incurred by the Contractor that are permitted under this Contract and were incurred prior to the effective termination date.
- ii. **Termination for Cause/Default:** If the Contractor fails to provide the goods or services contracted for according to the provisions of the Contract, or fails to comply with any of the terms or conditions of the Contract, TEA may, upon written notice of default to the Contractor, immediately terminate all or any part of the Contract. Termination is not an exclusive remedy, but will be in addition to any other rights and remedies provided in equity, by law or under the Contract.

TEA may exercise any other right, remedy or privilege which may be available to it under applicable law of the state and any other applicable law or may proceed by appropriate court action to enforce the provisions of the Contract, or to recover damages for the breach of any agreement being derived from the Contract. The exercise of any of the foregoing remedies will not constitute a termination of the Contract unless TEA notifies the Contractor in writing prior to the exercise of such remedy.

The Contractor shall remain liable for all covenants and indemnities under the Contract. The Contractor shall be liable for all costs and expenses, including court costs, incurred by TEA with respect to the enforcement of any of the remedies listed herein.

- iii. **Termination Due to Changes in Law:** If federal or state laws or regulations or other federal or state requirements are amended or judicially interpreted so that either Party cannot reasonably fulfill this Contract and if the Parties cannot agree to an amendment that would enable substantial continuation of the Contract, the Parties shall be discharged from any further obligations under this Contract.
- iv. **Rights upon Termination or Expiration of Contract:** In the event that the Contract is terminated for any reason, or upon its expiration, TEA shall retain ownership of all associated work products and documentation obtained from the Contractor under the Contract.
- v. **Survival of Terms:** Termination of the Contract for any reason shall not release the Contractor from any liability or obligation set forth in the Contract that is expressly stated to survive any such termination or by its nature would be intended to be applicable following any such termination, including the provisions regarding confidentiality, indemnification, transition, records, audit, property rights, dispute resolution, and invoice and fees verification.

BB. **Audit:** Pursuant to Section 2262.003 of the Texas Government Code, Contractor understands and agrees that (1) the state auditor may conduct an audit or investigation of any entity receiving funds from the state directly under the Contract or indirectly through a subcontract under the Contract; (2) acceptance of funds directly under the Contract or indirectly through a subcontract under the Contract acts as acceptance of the authority of the state auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds; and (3) under the direction of the legislative audit committee, an entity that is the subject of an audit or investigation by the state auditor must provide the state auditor with access to any information the state auditor considers relevant to the investigation or audit.

CC. **Force Majeure:** Except as otherwise provided, neither Contractor nor TEA nor any agency of the State of Texas, shall be liable to the other for any delay in, or failure of performance, of a requirement contained in this Contract caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed provided the non-performing party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, war, strike, fires, explosions, or other causes that are beyond the reasonable control of either party and that by exercise of due foresight such party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due

diligence, such party is unable to overcome. Each party must inform the other in writing with proof of receipt within three (3) business days of the existence of such force majeure or otherwise waive this right as a defense.

DD. Abandonment or Default: If the contractor defaults on the contract, TEA reserves the right to cancel the contract without notice and either re-solicit or re-award the contract to the next best responsive and responsible respondent. The defaulting contractor will not be considered in the re-solicitation and may not be considered in future solicitations for the same type of work, unless the specification or scope of work significantly changed. The period of suspension will be determined by the agency based on the seriousness of the default.

EE. Payment for service(s) described in this Contract is contingent upon satisfactory completion of the service(s). Satisfaction will be determined by TEA's Project Administrator, in his sole discretion but in accordance with reasonable standards and upon advice of his superiors in TEA, if necessary. The Project Administrators of this Contract for TEA and Contractor shall be the following persons or their successors in office:

TEA	CONTRACTOR
B. Holland Timmins	(Name)
Texas Permanent School Fund	(Organization Name)
Texas Education Agency	(Address)
William B. Travis Building	(City, State, Zip)
1701 N. Congress Avenue	(Phone)
Austin, Texas 78701	(Fax)

FF. Notices: All notices, reports, and correspondence required by this Contract shall be in writing and delivered to the following representatives of TEA and Contractor or their successors in office:

TEA	CONTRACTOR
B. Holland Timmins	(Name)
Texas Permanent School Fund	(Organization Name)
Texas Education Agency	(Address)
William B. Travis Building	(City, State, Zip)
1701 N. Congress Avenue	(Phone)
Austin, Texas 78701	(Fax)

3. Proposer has read, understands, and agrees to be bound to the terms and conditions stated in the following *Special Provisions–A* if a contract is awarded to Proposer pursuant to this RFP. The following *Special Provisions–A* which will be included in the contractual terms for any contract awarded under this RFP are included in sample format as follows:

- A. The definitions of terms in the General Provisions shall apply to these *Special Provisions–A*.
- B. Contractor shall provide to Agency, Contractor's nine (9) digit Federal Employer's Identification Number (FEI#) or Social Security Number (SSN) if Contractor is an individual, or Contractor's fourteen (14) digit State of Texas Vendor's Identification Number (VIN). If Contractor is incorporated, Contractor shall also provide to Agency the corporation's charter number issued by the Texas Secretary of State's office. Information provided by the contractor will be verified by the Agency.
- C. The Texas Education Agency is federally mandated to adhere to the directions provided in the President's Executive Order (EO) 13224, Executive Order on Terrorist Financing–Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism and any subsequent changes made to it via cross-referencing respondents/vendors with the Federal General Services Administration's Excluded Parties List System (EPLS, <http://www.epls.gov>), which is inclusive of the United States Treasury's Office of Foreign Assets Control (OFAC) Specially Designated National (SDN) list. Contractor certifies that they are eligible to participate in this

transaction and have not been subjected to suspension, debarment, or similar ineligibility determined by any federal, state or local governmental entity and that Contractor is in compliance with the State of Texas statutes and rules relating to procurement and that Respondent is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at <http://www.epls.gov>.

- D. TEA shall determine whether a payment law prohibits the Comptroller from issuing a warrant or initiating an electronic funds transfer to a person before the agency enters into a written contract with that person. Contractor who is indebted or owes delinquent taxes to the state will have any payments under the contract applied toward the debt or delinquent taxes owed the state until the amount is paid in full, regardless of when the debt or delinquency was incurred.

Contractor may verify their account status by accessing the Comptroller's website at: https://fmxcpa.state.tx.us/fm/pubs/purchase/restricted/index.php?section=indebted&page=persons_indebted. If account status displays a message that the vendor is on hold, contractor is advised to contact the Comptroller's Warrant Hold Section in the Division of Revenue Accounting at 1 (800) 531-5441 ext. 3-4561 for assistance in resolving the issue.

The undersigned is an authorized official for the Proposer and certifies the proposal submitted with this *Execution of Offer, Affirmation of Terms and Conditions, and Proposal Preferences* instrument is in full compliance with the provisions expressly stated above. I further certify the proposal submitted with this instrument is allowed to claim any of the Chapter 2155 Texas Government Code preferences checked below.

The Proposer, if selected as the contractor, will be required to purchase products and materials produced in this state when they are available at a price and time comparable to products and materials produced outside of Texas (TX Govt. Code § 2155 and Rule 1 TAC 113.8).

<input type="checkbox"/>	§ 2155.441	Products of persons with mental or physical disabilities
<input type="checkbox"/>	HB 3560	Goods produced or offered by service-disabled veterans.
<input type="checkbox"/>	§ 2155.442	Energy efficient products
<input type="checkbox"/>	HB 3560	Preference to manufacture that has recycle program for computer equipment.
<input type="checkbox"/>	§ 2155.443	Rubberized asphalt paving material
<input type="checkbox"/>	§ 2155.444	Texas produced supplies, materials, or equipment; or USA supplies, materials, or equipment over foreign products
<input type="checkbox"/>	Rule 1 TAC 113.8 (b)(2D)	Services offered by a Texas bidder
<input type="checkbox"/>	§ 2155.444	Texas agriculture products
<input type="checkbox"/>	§ 2155.444	Texas and United States products and Texas Services, (d) purchases for landscaping purposes including plants native to the region
<input type="checkbox"/>	HB 3560	Texas Resident service-disabled veterans
<input type="checkbox"/>	HB 3560	Preference to contractors providing foods of higher nutritional value.
<input type="checkbox"/>	§ 2155.445	Recycled, remanufactured, or environmentally sensitive products made of recycled materials
<input type="checkbox"/>	§ 2155.446	Paper containing recycled fibers
<input type="checkbox"/>	§ 2155.447	Recycled motor oil and lubricants
<input type="checkbox"/>	§ 2155.449	Products produced in facilities on rehabilitated property as certified by

		section 361.609 of the Texas Health and Safety Code
<input type="checkbox"/>	§ 2155.449	Products and services from economically depressed or blighted areas
<input type="checkbox"/>	§ 2155.449	Products and services from Historically Underutilized Business or small business pursuant to the goals and objectives stated in chapter 2161 of the Texas Government Code

In compliance with this RFP, and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all real estate investment counsel services at the prices quoted in the proposal or bid. By signing this proposal, the Proposer signifies that if a Texas address is shown as the address of the Proposer, the Proposer qualifies as a Texas Resident Bidder as defined in Texas Administrative Code, Title 34, Part 1, Chapter 20.

PROPOSER/COMPANY NAME:	
STREET ADDRESS:	
CITY/STATE/ZIP:	
TELEPHONE NO:	
FACSIMILE NO:	
EMAIL ADDRESS:	
NAME OF PROPOSER'S AUTHORIZED AGENT:	
TITLE OF PROPOSER'S AUTHORIZED AGENT:	
SIGNATURE OF AUTHORIZED AGENT:	



HUB SUBCONTRACTING PLAN (HSP)

In accordance with Texas Gov't Code §2161.252, the contracting agency has determined that subcontracting opportunities are probable under this contract. Therefore, all respondents, including State of Texas certified Historically Underutilized Businesses (HUBs) must complete and submit this State of Texas HUB Subcontracting Plan (HSP) with their response to the bid requisition (solicitation).

NOTE: Responses that do not include a completed HSP shall be rejected pursuant to Texas Gov't Code §2161.252(b).

The HUB Program promotes equal business opportunities for economically disadvantaged persons to contract with the State of Texas in accordance with the goals specified in the 2009 State of Texas Disparity Study. The statewide HUB goals defined in 34 Texas Administrative Code (TAC) §20.13 are:

- 11.2 percent for heavy construction other than building contracts,
- 21.1 percent for all building construction, including general contractors and operative builders contracts,
- 32.7 percent for all special trade construction contracts,
- 23.6 percent for professional services contracts,
- 24.6 percent for all other services contracts, and
- 21 percent for commodities contracts.

- - Agency Special Instructions/Additional Requirements - -

In accordance with 34 TAC §20.14(d)(1)(D)(iii), a respondent (prime contractor) may demonstrate good faith effort to utilize Texas certified HUBs for its subcontracting opportunities if the total value of the respondent's subcontracts with Texas certified HUBs meets or exceeds the statewide HUB goal or the agency specific HUB goal, whichever is higher. When a respondent uses this method to demonstrate good faith effort, the respondent must identify the HUBs with which it will subcontract. If using existing contracts with Texas certified HUBs to satisfy this requirement, only contracts that have been in place for five years or less shall qualify for meeting the HUB goal. This limitation is designed to encourage vendor rotation as recommended by the 2009 Texas Disparity Study.

SECTION 1 RESPONDENT AND REQUISITION INFORMATION

- a. Respondent (Company) Name: _____ State of Texas VID #: _____
Point of Contact: _____ Phone #: _____
E-mail Address: _____ Fax #: _____
- b. Is your company a State of Texas certified HUB? ☐ - Yes ☐ - No
- c. Requisition #: _____ Bid Open Date: ____/____/____
(mm/dd/yyyy)

Enter your company's name here: _____

Requisition #: _____

SECTION 2 SUBCONTRACTING INTENTIONS

After dividing the contract work into reasonable lots or portions to the extent consistent with prudent industry practices, and taking into consideration the scope of work to be performed under the proposed contract, including all potential subcontracting opportunities, the respondent must determine what portions of work, including goods and services, will be subcontracted. Note: In accordance with 34 TAC §20.11., an "Subcontractor" means a person who contracts with a prime contractor to work, to supply commodities, or to contribute toward completing work for a governmental entity.

a. Check the appropriate box (Yes or No) that identifies your subcontracting intentions:

☐ - Yes, I will be subcontracting portions of the contract. (If Yes, complete Item b. of this SECTION and continue to Item c. of this SECTION.)

☐ - No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources. (If No, continue to SECTION 3.)

b. List all the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

Item #	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you have had contracts in place for <u>five (5) years or less.</u>	Percentage of the contract expected to be subcontracted to HUBs with which you have had contracts in place for <u>more than five (5) years.</u>	Percentage of the contract expected to be subcontracted to non-HUBs.
1		%	%	%
2		%	%	%
3		%	%	%
4		%	%	%
5		%	%	%
6		%	%	%
7		%	%	%
8		%	%	%
9		%	%	%
10		%	%	%
11		%	%	%
12		%	%	%
13		%	%	%
14		%	%	%
15		%	%	%
Aggregate percentages of the contract expected to be subcontracted:		%	%	%

(Note: If you have more than fifteen subcontracting opportunities, a continuation sheet is available online at <http://window.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/>)

c. Check the appropriate box (Yes or No) that indicates whether you will be using only Texas certified HUBs to perform all of the subcontracting opportunities you listed in SECTION 2, Item b.

☐ - Yes (If Yes, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed.)

☐ - No (If No, continue to Item d. of this SECTION.)

d. Check the appropriate box (Yes or No) that indicates whether the aggregate expected percentage of the contract you will subcontract with Texas certified HUBs with which you have had contracts in place with for five (5) years or less meets or exceeds the HUB goal the contracting agency identified on page 1 in the "Agency Special Instructions/Additional Requirements".

☐ - Yes (If Yes, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed.)

☐ - No (If No, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed.)

SECTION 3 SELF PERFORMING JUSTIFICATION (If you responded "No" to SECTION 2, Item a, you must complete this SECTION and continue to SECTION 4.)

Check the appropriate box (Yes or No) that indicates whether your response/proposal contains an explanation demonstrating how your company will fulfill the entire contract with its own resources.

- ☐ - Yes (If Yes, in the space provided below list the specific page(s)/section(s) of your proposal which explains how your company will perform the entire contract with its own equipment, supplies, materials and/or employees.)
- ☐ - No (If No, in the space provided below explain how your company will perform the entire contract with its own equipment, supplies, materials and/or employees.)

SECTION 4 AFFIRMATION

As evidenced by my signature below, I affirm that I am an authorized representative of the respondent listed in SECTION 1, and that the information and supporting documentation submitted with the HSP is true and correct. Respondent understands and agrees that, if awarded any portion of the requisition:

- The respondent will provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor for the awarded contract. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity they (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.
- The respondent must submit monthly compliance reports (Prime Contractor Progress Assessment Report – PAR) to the contracting agency, verifying its compliance with the HSP, including the use of and expenditures made to its subcontractors (HUBs and Non-HUBs). (The PAR is available at <http://www.window.state.tx.us/procurement/prog/hub/hub-forms/progressassessmentrpt.xls>).
- The respondent must seek approval from the contracting agency prior to making any modifications to its HSP, including the hiring of additional or different subcontractors and the termination of a subcontractor the respondent identified in its HSP. If the HSP is modified without the contracting agency's prior approval, respondent may be subject to any and all enforcement remedies available under the contract or otherwise available by law, up to and including debarment from all state contracting.
- The respondent must, upon request, allow the contracting agency to perform on-site reviews of the company's headquarters and/or work-site where services are being performed and must provide documentation regarding staffing and other resources.

Signature

Printed Name

Title

Date

- REMINDER:** ➤ If you responded "Yes" to SECTION 2, Items c or d, you must complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.
- If you responded "No" SECTION 2, Items c and d, you must complete an "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed in SECTION 2, Item b.

(Rev. 10/11)

IMPORTANT: If you responded “Yes” to SECTION 2, Items c or d of the completed HSP form, you must submit a completed “HSP Good Faith Effort - Method A (Attachment A)” for each of the subcontracting opportunities you listed in SECTION 2, Item b of the completed HSP form. You may photo-copy this page or download the form at <http://www.window.state.tx.us/procurement/prog/hub/hub-forms/HUBSubcontractingPlanAttachment-A.doc>

Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP form for which you are completing this attachment.

List the subcontractor(s) you selected to perform the subcontracting opportunity you listed above in SECTION A-1. Also identify whether they are a Texas Certified HUB and their VID number, the approximate dollar value of the work to be subcontracted, the expected percentage of work to be subcontracted, and indicate whether the company is a Texas certified HUB.

REMINDER: As specified in SECTION 4 of the completed HSP form, if you (respondent) are awarded any portion of the requisition, you are required to provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity they (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.

HSP Good Faith Effort - Method B (Attachment B)

(Rev. 10/11)

Enter your company's name here: _____ Requisition #: _____

IMPORTANT: If you responded "No" to SECTION 2, Items c and d of the completed HSP form, you must submit a completed "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed in SECTION 2, Item b of the completed HSP form. You may photo-copy this page or download the form at <http://www.window.state.tx.us/procurement/prog/hub/hub-forms/HUBSubcontractingPlanAttachment-B.doc>

SECTION B-1 SUBCONTRACTING OPPORTUNITY

Enter the item number and description of the subcontracting opportunity you listed in SECTION 2, Item b, of the completed HSP form for which you are completing this attachment:

Item #: _____ Description: _____

SECTION B-2 MENTOR PROTÉGÉ PROGRAM

If respondent is participating as a Mentor in a State of Texas Mentor Protégé Program, submitting its Protégé (Protégé must be a State of Texas certified HUB) as a subcontractor to perform the subcontracting opportunity listed in SECTION B-1, constitutes a good faith effort to subcontract with a Texas certified HUB towards that specific portion of work.

Check the appropriate box (Yes or No) that indicates whether you will be subcontracting the portion of work you listed in SECTION B-1 to your Protégé.

- ☐ - Yes (If Yes, to continue to SECTION B-4.)
☐ - No / Not Applicable (If No or Not Applicable, continue to SECTION B-3.)

SECTION B-3 NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

When completing this section you **MUST** comply with items a, b, c and d, thereby demonstrating your Good Faith Effort of having notified Texas certified HUBs and minority or women trade organizations or development centers about the subcontracting opportunity you listed in SECTION B-1. Your notice should include the scope of work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person.

When sending notice of your subcontracting opportunity, you are encouraged to use the attached HUB Subcontracting Opportunity Notice form, which is also available online at <http://www.window.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/>

Retain supporting documentation (i.e., certified letter, fax, e-mail) demonstrating evidence of your good faith effort to notify the Texas certified HUBs and minority or women trade organizations or development centers.

- a. Provide written notification of the subcontracting opportunity you listed in SECTION B-1, to three (3) or more Texas certified HUBs. Unless the contracting agency specified a different time period, you must allow the HUBs at least seven (7) working days to respond to the notice prior to your submitting your bid response to the contracting agency. When searching for Texas certified HUBs, ensure that you use the State of Texas' Centralized Master Bidders List (CMBL) and Historically Underutilized Business (HUB) Search directory located at <http://www.window.state.tx.us/procurement/cmbll/cmbllhub.html>. HUB Status code "A" signifies that the company is a Texas certified HUB.
- b. List the three (3) Texas certified HUBs you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the company's Vendor ID (VID) number, the date you sent notice to that company, and indicate whether it was responsive or non-responsive to your subcontracting opportunity notice.

Company Name	VID #	Date Notice Sent (mm/dd/yyyy)	Did the HUB Respond?
		/ /	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
		/ /	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
		/ /	<input type="checkbox"/> - Yes <input type="checkbox"/> - No

- c. Provide written notification of the subcontracting opportunity you listed in SECTION B-1 to minority or women trade organizations or development centers to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. Unless the contracting agency specified a different time period, you must provide your subcontracting opportunity notice to minority or women trade organizations or development centers at least seven (7) working days prior to submitting your bid response to the contracting agency.

A list of trade organizations and development centers that have expressed an interest in receiving notices of subcontracting opportunities is available on the Statewide HUB Program's webpage at <http://www.window.state.tx.us/procurement/prog/hub/mwb-links-1/>

- d. Enter the name of the minority or women trade organizations or development centers you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the date when you sent notice to it and indicate if it accepted or rejected your notice.

Minority/Women Trade Organizations or Development Centers	Date Notice Sent (mm/dd/yyyy)	Was the Notice Accepted?
	/ /	<input type="checkbox"/> - Yes <input type="checkbox"/> - No
	/ /	<input type="checkbox"/> - Yes <input type="checkbox"/> - No

HSP Good Faith Effort - Method B (Attachment B) *Cont.*

Enter your company's name here: _____ Requisition #: _____

SECTION B-4 SUBCONTRACTOR SELECTION

- a. List the subcontractor(s) you selected to perform the subcontracting opportunity you listed in SECTION B-1. Also identify whether they are a Texas Certified HUB and their VID number, the approximate dollar value of the work to be subcontracted, the expected percentage of work to be subcontracted, and indicate whether the company is a Texas certified HUB.

Company Name	Texas Certified HUB	VID # (Required if Texas Certified HUB)	Approximate Dollar Amount	Expected Percentage of Contract
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%
	<input type="checkbox"/> - Yes <input type="checkbox"/> - No		\$	%

- b. If any of the subcontractors you have selected to perform the subcontracting opportunity you listed in SECTION B-1 is not a Texas certified HUB, provide written justification for your selection process (attach additional page if necessary):

REMINDER: As specified in SECTION 4 of the completed HSP form, if you (respondent) are awarded any portion of the requisition, you are required to provide notice as soon as practical to all the subcontractors (HUBs and Non-HUBs) of their selection as a subcontractor. The notice must specify at a minimum the contracting agency's name and its point of contact for the contract, the contract award number, the subcontracting opportunity it (the subcontractor) will perform, the approximate dollar value of the subcontracting opportunity and the expected percentage of the total contract that the subcontracting opportunity represents. A copy of the notice required by this section must also be provided to the contracting agency's point of contact for the contract no later than ten (10) working days after the contract is awarded.

HUB Subcontracting Opportunity Notification Form

In accordance with Texas Gov't Code, Chapter 2161, each state agency that considers entering into a contract with an expected value of \$100,000 or more shall, before the agency solicits bids, proposals, offers, or other applicable expressions of interest, determine whether subcontracting opportunities are probable under the contract. The state agency I have identified below in Section B has determined that subcontracting opportunities are probable under the requisition to which my company will be responding.

34 Texas Administrative Code, §20.14 requires all respondents (prime contractors) bidding on the contract to provide notice of each of their subcontracting opportunities to at least three (3) Texas certified HUBs (who work within the respective industry applicable to the subcontracting opportunity), and allow the HUBs at least seven (7) working days to respond to the notice prior to the respondent submitting its bid response to the contracting agency. In addition, the respondent must provide notice of each of its subcontracting opportunities to minority/women trade organizations or development centers at least seven (7) working days prior to submitting its bid response to the contracting agency.

We respectfully request that vendors interested in bidding on the subcontracting opportunity identified in Section C reply no later than the date and time identified in Section C, Item 1. Submit your response to the point-of-contact referenced in Section A.

Section A PRIME CONTRACTOR'S INFORMATION

Company Name: _____ State of Texas VID #: _____
 Point-of-Contact: _____ Phone #: _____
 E-mail Address: _____ Fax #: _____

Section B CONTRACTING STATE AGENCY AND REQUISITION INFORMATION

Agency Name: _____
 Point-of-Contact: _____ Phone #: _____
 Requisition #: _____ Bid Open Date: _____

Section C SUBCONTRACTING OPPORTUNITY RESPONSE DUE DATE, DESCRIPTION, REQUIREMENTS AND RELATED INFORMATION

1. Potential Subcontractor's Bid Response Due Date:	<p>Our firm must receive your bid response to this subcontracting opportunity no later than 5:00 P.M., Central Daylight Standard Time on: _____ (Date)</p> <p>(Note: In accordance with 34 TAC §20.14, each notice of subcontracting opportunity shall be provided to <u>at least three (3)</u> Texas certified HUBs, and allow the HUBs at least <u>seven (7)</u> working days to respond to the notice prior to submitting our bid response to the contracting agency. In addition, we must provide the same notice to minority/women trade organizations or development centers at least <u>seven (7)</u> working days prior to submitting our bid response to the contracting agency.)</p>
2. Scope of Work:	
3. Required Qualifications: <input type="checkbox"/> - Not Applicable	
4. Bonding/Insurance Requirements: <input type="checkbox"/> - Not Applicable	
5. Location to review plans/specifications: <input type="checkbox"/> - Not Applicable	