



TEXAS EDUCATION AGENCY

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

REQUEST FOR OFFER ORDER MANAGEMENT SYSTEM FOR THE TEXAS PERMANENT SCHOOL FUND RFO 701-13-016

Authorized by Article VII, Section 5 of the Texas Constitution

OFFER DELIVERY LOCATION: Purchasing & Contracts Texas Education Agency 1701 North Congress Avenue Austin, Texas 78701	REFER INQUIRIES TO: Email: PSFB2RFP@tea.state.tx.us Beginning: Monday, March 25, 2013 Ending: Friday, March 29, 2013
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OFFER DUE DATE AND TIME: Thursday, April 18, 2013, 3:00 p.m. Central Time

WITHOUT EXCEPTION: *An Offer must be date and time-stamped by TEA Purchasing & Contracts before the Offer 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 Offers will be received until the date and time established for receipt. After receipt, only the names of the Offerors may be made to the public. Prices and other Offer details may only be divulged after award of a contract, if a contract is awarded.

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

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

All Offers 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.

Offeror understands and agrees that no public disclosures or news releases pertaining to an award or information provided by TEA to fulfill requirements of this Request for Offer (RFO) shall be made without prior written approval.

Failure to formalize the terms of the Offer by signing the *Execution of Offer*, can disqualify the Offer. Offerors must identify in writing any General Provision term or condition that is not feasible with the submission of the Offer to this RFO. If an Offer 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 OFFER (RFO)

The Texas Education Agency (TEA) on behalf of The Texas Permanent School Fund (TPSF) seeks to identify an Order Management System (OMS) vendor, qualified to provide investment technology services to meet TPSF's portfolio management, trade order management, compliance, and straight-through processing needs.

Vendors must have:

Evidence of flexibility to accommodate new or complex investment solutions and willingness to make enhancements.

Evidence of proactive, professional service management (e.g., service objectives, service level agreements, interface/handoff documentation, escalation process).

Proactive involvement in solving problems (e.g., tracking and resolving issues).

Qualifications of Vendor staff (e.g., client service, performance analysts).

Evidence of annual improvement in client service and technology platform.

This Offer is subject to the requisite *Statement of Minimum Qualifications* and *Affirmation of Scope of Services*. Subject to applicable statutes and procedures, TEA reserves the right to engage other managers to provide the same or similar services to TPSF.

Offerors submitting responses to the RFO must have demonstrated experience in similar engagements with large institutional clients, and endowments or foundations.

The OMS Vendor will provide expertise and service related to the OMS and work cooperatively with the TEA, the TPSF and the TPSF counsel.

TEA selects OMS Vendors based upon a number of criteria, including the respondent's demonstrated competence, experience, knowledge, qualifications, written and verbal communication skills, ability and willingness to comply with TEA contracting and invoicing requirements, absence of disqualifying relationships or conflicts of interest, and proposed fees, among others. Respondents may be asked to come to Austin for an interview to discuss the Offeror's experience and qualifications. All TPSF engagements are non-exclusive.

1.2 BACKGROUND INFORMATION

1.2.1 Texas Permanent School Fund Overview

The Texas State Board of Education (SBOE) is responsible for managing the assets of the Texas Permanent School Fund 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.

As of January 31, 2013, the market value of TPSF was \$26.7 billion. The Fund was constitutionally created to provide a growing capital base to contribute to the public school system of Texas. Prior to July 2006, the TPSF's asset allocation targeted 55% domestic equities, 20% international equities and 25% fixed income securities. On July 7, 2006, the SBOE approved a new strategic asset allocation policy to diversify the TPSF assets into alternative asset classes whose returns are not as correlated to traditional asset classes. The strategic asset allocation was amended in 2008, July 2010, September 2011 and was most recently amended on July 20, 2012. It is expected that over time, this shift to diversify will provide incremental total return at reduced risk. 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. The current strategic allocation plan

for the TPSF assets includes diversifying into emerging market equities and debt, private equity, real estate, real return, risk parity, and absolute return strategies.

1.2.2 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 Commissioner of Education. 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.

1.3 MINIMUM QUALIFICATIONS

TEA will select the Offeror whose Offer demonstrates, in its judgment, the competence and experience to provide the required level of service. In order to be selected for pre-qualification, Offerors must meet all of requirements of Sections 1.3.1 and must be able to provide the required services as described in [Section 1.5](#). The Offeror selected must meet requirements established by Texas State law, the TEA, the TPSF, the State Comptroller, and the State Auditor.

1.3.1 Minimum Qualifications for Offerors

All Offerors submitting an offer for the mandate stated above, at a minimum, must:

- a. Provide a dedicated client service relationship manager.
- b. Have equity clients with over \$10 billion in Assets Under Management (AUM).
- c. Have fixed income clients with over \$10 billion in AUM. These clients must have structured investments.
- d. Have at least twenty-five (25) domestic (U.S.) clients.
- e. Have clients trading in derivatives with AUM over \$200 million notional.
- f. Provide software that contains a pre and post-trade compliance module.
- g. Provide software that enables TPSF to customize trade tickets by security type in order to capture the appropriate data.
- h. Provide software that contains electronic links to Vendor and industry utilities (e.g., Omgeo) to facilitate post-execution trade processing.
- i. Provide well-defined product plans documenting the capabilities for the software to operate in a true straight-through processing (STP) environment including workflow descriptions and electronic integration capabilities.
- j. Provide a system that is available on an ASP/hosted basis.

- k. Must 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;
- l. Must comply with the provisions stated in the *Investment Procedures Manual of the Texas Permanent School Fund*, EXHIBIT B.
- m. Must execute and return Historically Underutilized Business (HUB) Subcontracting Plan, DOCUMENT K.
- n. Must execute and return Execution of Offer and Affirmation of Terms and Conditions, DOCUMENT L.

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

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

1.4 MINIMUM COMPLIANCE RELATED TO THE PROCUREMENT PROCESS

Of particular significance to the procurement process is the need to comply with the following provisions of the *Investment Procedures Manual* related to communications between parties:

- a. From the time an RFO to prospective Offerors is posted to the ESB by TEA staff 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 RFO is permitted with any TPSF staff or SBOE member during the Blackout Period.
- b. 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 Offeror seeking to provide outside expertise to the TPSF and found in violation of these procedures shall be disqualified from the RFO or evaluation process with respect to the applicable RFO.

1.5 SCOPE OF SERVICES

TEA, on behalf of the TPSF, seeks to identify an Order Management System vendor qualified to provide investment technology services for TPSF.

The Offeror may be constrained by a specific set of approved policy guidelines, and monitored on an ongoing basis by the TEA and TPSF staff, and the TPSF's consultant.

The Offeror will work closely with the TEA, the TPSF Chief Investment Officer, staff, and any advisors to deliver the services listed below:

1.5.1 Technology Structure

- a. Customize and implement the OMS software to enable TPSF to manage portfolios, create orders, check pre and post trade compliance, reviews trade orders on the trading blotter, electronically manage orders (deliver orders and allocations to brokers, match orders with confirms, settle executed trades) in order to meet the goals and objectives of the requirements contained in TPSF's RFO.
- b. Provide for a collaborative working relationship which incorporates transparency, staff participation, and education both initially, during implementation, and ongoing, for the duration of the relationship.
- c. Prepare and present implementation plan including: recommended structure, full discussion of the issues, strategy and sub-strategy, cost estimates and timeline.
- d. Maintain general oversight of both the software implementation and ongoing support of the OMS platform.

1.5.2 Other Duties as Assigned

DOCUMENT E-*Affirmation of Scope of Services* is a Microsoft® Excel spreadsheet containing detailed questions designed to identify qualified Vendors. Questions left blank are negatively scored and all responses form part of the contract. Expanded detail regarding any technical limitation or capacity constraint for each response can be included in the response.

OMS Vendors must answer each question in DOCUMENT E with one of the codes in the table below. Some questions clearly call for Yes or No answers; answer with **Y** or **N**. A few questions clearly request numerical answers (such as number of accounts); answer with a number.

REQUIRED	DESCRIPTION	RESPONSE
Standard	Functionality is fully implemented and in production.	S
Partial	Functionality is partially implemented.	P
Development	Functionality is in development.	D
Custom	Functionality would have to be customized (Vendor owns/maintains code).	C
Custom Development	Functionality would have to be customized (Client owns/maintains code).	CD
No	Functionality is not in the system.	N
Not Available	Functionality not applicable to add.	N/A

OMS Vendors should not enter comments or additional information on the spreadsheet. Instead, create a separate document in Microsoft® Word for all answers that are not limited to a single-letter code response. In the supplemental document, copy the question and include the section and question number. Each supplemental document must be a single response to a single question; do not combine responses to questions within one supplemental document.

Note that as part of the Proposal evaluation process, TPSF may request Vendor to demonstrate functionality declared by the Vendor as Standard (**S**), Partial (**P**), or Development (**D**).

Offerors must complete and return DOCUMENT E. If the Offeror cannot affirm delivery of a service item and the service is not provided and/or 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 Offeror to the items listed in the Scope of Service.

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

1.6 CONTRACT TERM/OPTION TO EXTEND

The initial term of any contract resulting from this RFO shall be at least from contract award until 8/31/2015. The TPSF, at its own discretion, may negotiate a different initial term. The TPSF may extend any contract awarded pursuant to this RFO for two (2) two-year renewal terms. If renewed, the maximum term of the contract will not extend beyond 8/31/2019.

1.7 FEE PROPOSAL

Offerors must submit a comprehensive fee proposal consistent with the requirements and deliver the scope of services affirmed in this RFO.

Fee proposals must reflect service delivery required to meet the requirements stated throughout this RFO. TEA reserves the right to award contracts to more than one Offeror in order to obtain service that is in the best interest of the TPSF.

The fee proposal must be contained in Documents I and I-1.

Travel expenses within the scope of services must be included in the fee and cannot be billed separately. Any travel for activities outside the normal scope of services 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://fmx.cpa.state.tx.us/fm/travel/index.php>).

SECTION TWO—GENERAL INSTRUCTIONS AND STANDARD OFFER REQUIREMENTS

All Offers in response to this request must meet the following conditions in order to be considered.

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

2.1 OFFER SUBMISSION, DATE, AND TIME

OFFER DUE DATE AND TIME: Thursday, April 18, 2013, 3:00p.m.-Central Time

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

OFFER 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 20 printed copies and 8 CDs/USB devices ([Section 3.1 Format and Content](#)).
- g. Proposer's name, RFQ 701-13-014, 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/USD 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 ([Section 2.6 Disclosure of Content](#)).
- k. Photocopying is not available at TEA.
- l. Additions or replacements to the Proposal will not be accepted after the closing date for receiving the Proposal in the Purchasing & Contracts department of TEA.

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

2.1.1 Receipt of Offers

To be eligible to be considered for funding, Offers 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 Offer. 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 by the deadline.

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 Offer. Offerors are advised that TEA assumes no responsibility, due to any circumstances, for the receipt of an Offer after the deadline time and date established in this RFO.

2.1.2 Purchasing and Contracts

TEA's Purchasing & Contracts is open Monday through Friday, 8:00 a.m. to 5:00 p.m., Central Time, excluding holidays. Offers will not be considered if received in Purchasing & Contracts after 3:00 p.m. 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
Wednesday, March 20, 2013	Publication of Request for Offers in <i>Electronic State Business Daily</i> .
Monday, March 25, 2013 through Friday, March 29, 2013	Offeror'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, April 18, 2013	Offer is due in TEA Purchasing & Contracts 3:00 p.m., Central Time.
Week of May 6, 2013	Round One: Oral presentations including software demonstrations of selected semi-finalists.
Week of June 3, 2013	Round Two: Oral presentations including software demonstrations of selected finalists.
Week of June 24, 2013	Due Diligence: TPSF performs due diligence of both the OMS Vendor and OMS Vendor's clients. Note: These are expected to include onsite visits by TPSF staff.
Week of July 1, 2013	Selection of Offeror and commencement of negotiations after approval by TPSF.
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 OFFEROR'S QUESTION AND ANSWER FORUM

- Beginning: Monday, March 25, 2013
- Ending: Friday, March 29, 2013
- Questions: PSFB2RFP@tea.state.tx.us
- Answers: <http://esbd.cpa.state.tx.us>

Offerors 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 RFO. All questions must include representative's name, name of the Offeror represented, address, telephone number, fax number, and e-mail address. The questions and posted responses will be de-identified. Beginning Monday, March 25, 2013 and ending Friday, March 29, 2013, Offerors may email questions to PSFB2RFP@tea.state.tx.us. Answers will be updated and posted regularly at the Electronic State Business Daily (ESBD) at <http://esbd.cpa.state.tx.us>.

Any clarifications or interpretations of this RFO 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 RFO 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 Offers currently posted for TEA, select this Offer and links to all electronic documents are available and listed as Packages.

TEA may, at its discretion, post additional information as an Addendum if TEA determines any matter to require clarification. Offerors shall consider only those clarifications or interpretations to the RFO 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 Offers.

2.4 STANDARD OFFER REQUIREMENTS

TEA reserves the right to reject any and all Offers and to negotiate portions thereof. Offers that address only part of the requirements contained in this Request for Offer can be considered nonresponsive.

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

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

TEA reserves the right to select Offer containing best offer considering the outcomes desired. The Offeror 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 an Offer.

2.6 DISCLOSURE OF OFFER CONTENT

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

Offerors must:

- a. Indicate on Offer 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 Offer 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 RFO 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—OFFER FORMAT AND CONTENT

3.1 OFFER FORMAT AND CONTENT

Offerors **must** submit twenty (20) printed copies of the Offer. In addition, Offerors must submit eight (8) electronic CD/USB devices containing both a PDF and Microsoft® Word version of entire Offer (including all attachments), and a Microsoft® Excel version of required appendices. Please package Offer responses and electronic media in separate containers. Do not place electronic media inside individual Offer responses. Offers must be submitted in a manner which does not carry any benefit, keepsake, or value for members of the review panel.

Offer format and content should include the following:

- a. Offer Cover Page, DOCUMENT A, Check (✓) if contains proprietary material
- b. A signed Offer Content Checklist, DOCUMENT B
- c. Offer Content: DOCUMENT C through DOCUMENT L
- 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 Offer Cover Page

Offers should include a Offer Cover Page, which checks the method of proposed service delivery offered, checks if the Offer contains proprietary material, and clearly states the name of the Offeror or organization and the name, position, and telephone number of the Offeror's Administrator who may be contacted regarding the Offer, DOCUMENT A.

3.1.2 Offer Content Checklist

Offers should include an Offer Content Checklist, DOCUMENT B. This checklist is to assist Offerors in ensuring that all information is included in their response. Offerors must refer to the appropriate section of the RFO for detailed information. ***Failure to return all information on the checklist can disqualify the Offer.***

3.2 OFFEROR'S FINANCIAL RESPONSIBILITY

All Offerors must submit along with the Offer, indicators of financial stability. Offerors 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. TPSF will determine whether the documents submitted are sufficient.

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

Offer shall identify if the Offeror 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.

Offerors shall complete DOCUMENT D describing the financial information provided for evaluation and review. ***Failure to meet these conditions can disqualify the Offer.***

3.3 UNDERSTANDING SCOPE OF SERVICES

The Offeror must describe clearly, specifically, and as completely as possible, the methodology for carrying out the scope objectives and requirements as described in this RFO. Offerors must complete and return the *Affirmation of Scope of Services* contained in DOCUMENT E. If the Offeror 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 Offeror to the items listed in the Scope of Services. **Failure to complete and return an executed DOCUMENT E can disqualify the Offer.**

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

- *Affirmation of Scope of Services*, DOCUMENT E
- *Offeror Profile*, DOCUMENT F
- *Offeror Questionnaire*, DOCUMENT G

Answer all questions as thoroughly as possible to address the requirements of [Section 1.5 Scope of Services](#). When completing the DOCUMENT G, Offerors must provide satisfactory evidence of capability to manage and coordinate the types of activities described in the RFO and to produce the specified product or service on time.

3.4 CONFLICTS OF INTEREST

The Offer must describe any potential conflicts of interest that might arise in the course of providing the services required in this RFO. 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 Offeror as a whole and for each individual as described.

DOCUMENT SET	COMPLETED BY
Document H-A	Proposing Offeror Firm as a whole.
Document H-B	Each Dedicated Client Team Service Member and any other employee the proposing Offeror determines is appropriate.
Document H-C	Each Proposing Offeror Firm Affiliate , meaning those who work on matters related to the TPSF on behalf of the proposing Offeror including any lobbyist, petitioner, third-party marketer, solicitor, placement agent, or similar. If not applicable, complete anyway, and mark "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/Offeror/Vendors listed in the tables on Pages 1-4.
- **Page 6**— Record of All Contact with the SBOE, TEA Staff and TPSF Consultants. 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.

- **Page 7**—Disclosure of All Campaign Contributions and Gifts, per Section 4.3 of the State Board of Education Operating Rules.
- **Page 8**—Disclosure of All Campaign Contributions and Gifts to Statewide Elected Officials and Members of the Texas State Legislature. Signature Attestation (original signature of authorized individual).

3.5 FEE OFFER

Offerors **must** submit a comprehensive fee proposal consistent with the requirements and scope of services affirmed in this RFO.

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.

The fee proposal must be contained in DOCUMENT I as follows:

Document I	Fee Offer—Cover Page
Document I-1	Fee Offer—Detail and Justification

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 Offer.

3.6 OFFEROR IDENTIFICATION

Offeror 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. Offeror shall complete Section 3.B of DOCUMENT L with this information.

3.7 HISTORICALLY UNDERUTILIZED BUSINESS (HUB) IDENTIFICATION

Historically Underutilized Businesses (HUBs) as defined in [V.T.C.A., TX Govt. Code, §2161.001](#) (see EXHIBIT C) are encouraged to submit an Offer for the services requested in this RFO. Offerors are encouraged to become HUB certified.

Offerors that are not certified and who wish to become certified should complete the [HUB Certification](#) available on the State Comptroller's website. The Statewide HUB Program at (512) 463-5872 can also assist with questions regarding the requirements for certification. The Offeror should also relay this information to any potential subcontractors who wish to become a certified HUB.

Offerors 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 Offer.

The Offeror must identify if subcontracting opportunities are available. The Offeror may choose to subcontract any or all of the services to HUBs. The Offeror 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>.

- Search: HUBs on CMBL and HUBs not on the CMBL.
- Selection 1:
 - Class Code: #208–Computer Software for Microcomputers (Preprogrammed)
 - Item Code: #20–Computer Software, Business Applications

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

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

Failure to return the HUB Subcontracting Plan DOCUMENT K will disqualify the Offer.

3.8 EVALUATION CRITERIA

TEA will evaluate Offers according to the selection criteria specified in [Section 4.2](#) of this RFO.

SECTION FOUR—REVIEW OF OFFERS

4.1 REVIEW OF OFFERS

Review of Offers will begin as soon as practical after receipt. Evaluation of Offers 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 RFO. Offers 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 Offerors 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 Offers. Offers may be rated again following oral presentations.

The recommendations of the review panel will be assembled and presented to TEA/TPSF who will:

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

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

In the case of an Offer selected for qualification, notification to the Offeror will include the contractual conditions, which the Offeror must accept in accordance with Federal and/or State law, if taken under contract.

4.2 SELECTION CRITERIA

Offers are qualified based on the ability of each Offer to carry out all of the requirements contained in this RFO. TPSF will base its selection on, among other things, demonstrated competence and qualifications of the Offeror. Following is a summary of the factors that will be evaluated in selecting an Offer for prequalification, and the total number of points that will be applied in association with each:

FACTORS	POSSIBLE POINTS
Business and Organizational Strength	20
Scope of Service Functional Requirements System/Technical Requirements Support	50
Conflicts and Business Conduct	15
Fee Structure	10
Other Factors	5
TOTAL	100

By submitting Offers in response to this RFO, the Offeror accepts the evaluation process and acknowledges and accepts that determination of qualified Offerors will require subjective judgment.

SECTION FIVE—CONTRACTUAL REQUIREMENTS

5.1 OFFEROR OFFERS

The selected Offers 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 Offeror, 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. Offeror shall so bind all concerned.

5.2 EXECUTION OF OFFER AND AFFIRMATION OF TERMS AND CONDITIONS

Offeror shall review DOCUMENT L carefully, noting that the TEA General Provisions described therein consist of the conditions under which TEA will conduct its business with any Offeror selected. When contracting with an Offeror, TEA will incorporate these General Provisions into the body of the contract and they will become binding. Offeror wishing to do business with the TEA shall acknowledge their acceptance of these terms and conditions by signing DOCUMENT L and returning it as part of the Offer response.

Offeror must indicate in writing any General Provision term that is not feasible with the submission of the Offer to this RFO. Offeror 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 L in order to communicate contracting concerns. If an Offer 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 Offer by signing Execution of Offer can disqualify the Offer.

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 Offeror 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.

Offeror may verify account status by accessing the Comptroller's website at:

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

If the account status displays a message that the Offeror 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 Offer:

- Exhibit A** Regulation, Administration, and Other
- Exhibit B** TPSF Investment Procedures Manual
- Exhibit C** Definition of Historically Underutilized Business and Instructions
- Exhibit D** TPSF Statistics–AUM & Proposed Product Usage

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/>

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 TAC 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 Offeror'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.

EXHIBIT D
TPSF STATISTICS—AUM AND PROPOSED PRODUCT USAGE

The following table provides key TPSF statistics for this RFO. *Values are as of 12/31/12.*

ASSETS UNDER MANAGEMENT (AUM)	
Category	Amount
Equities AUM	\$ 9.2 billion
Fixed Income AUM	\$ 5.1 billion
Separate Accounts	3
PROPOSED USERS	
Category	Number
Equity Portfolio Managers	2
Equity Traders	2
Fixed Income Portfolio Managers/Traders	3
Portfolio Analysts	2
Compliance	2
Operations	4
Investment Technology	5
TOTAL USERS	20

DOCUMENTS TO RETURN IN OFFER RESPONSE

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

Document A	Offer Cover Page.....	42
Document B	Offer Content Checklist	43
Document C	Statement of Minimum Qualifications	45
Document D	Evidence of Offeror’s Financial Responsibility.....	Error! Bookmark not defined.
Document E	Affirmation of Scope of Services.....	49
Document F	Offeror Profile.....	Error! Bookmark not defined. 50
Document G	Offeror Questionnaire	51
Document H	Conflict of Interest and Contacts Questionnaire	Error! Bookmark not defined.
Document I	Fee Offer	99
Document J	Critical Service Level Agreements (SLA).....	102
Document K	HUB Subcontracting Plan (HSP)	Error! Bookmark not defined. 104
Document L	Execution of Offer and Affirmation of Terms and Conditions	Error! Bookmark not defined. 108

DOCUMENT A OFFER COVER PAGE

Submitted to the Purchasing & Contracts Division
Texas Education Agency
RFO 701-13-016

REQUEST FOR OFFER: Order Management System for the Texas Permanent School Fund

OFFEROR ISSUING THIS OFFER: [Enter Name and Address of Offeror submitting Offer]

Offeror Name:	
Address:	
Company Website:	

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

DATE SUBMITTED: [Enter date Offer is submitted to TEA]

OFFEROR IDENTIFICATION NUMBER: [Enter Offeror'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 RFO. 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:	

DOCUMENT B OFFER CONTENT CHECKLIST

OFFEROR NAME: _____

In accordance with Section 3.1 of RFO No 701-13-016, we hereby state that this Offer response is complete and includes the following documents arranged in tabular sections in the order listed below.

Offeror 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	Offer Cover Page	
<input type="checkbox"/>	Document B	Offer Content Checklist	
<input type="checkbox"/>	Document C	Statement of Minimum Qualifications	
<input type="checkbox"/>	Document D	Evidence of Offeror’s Financial Responsibility (DOCUMENT D supplemental documents and attachments)	
<input type="checkbox"/>	Document E	Affirmation of Scope of Services	
<input type="checkbox"/>	Document F	Offeror Profile	
<input type="checkbox"/>	Document G	Offeror Questionnaire: Appendix 1: Management Overview– <i>Acquisitions and Mergers</i> (Q#1) Appendix 2: Qualification and Experience– <i>Product Overview</i> (Q#7) Appendix 3: Qualification and Experience– <i>Clients Using Product</i> (Q#8) Appendix 4: References– <i>Current and Former Business References</i> (Q#25 and Q#26) Appendix 5: Portfolio Mgr– <i>Cash Management/ Forecasting Reports</i> (Q#78) Appendix 6: Reporting– <i>All Standard Reports</i> (Q#139) Appendix 7: ASP– <i>Infrastructure/Network Topography</i> (Q#276) Appendix 8: Support– <i>Most Recent SSAE 16 Report</i> (Q#336) Appendix 9: Support– <i>Customer Support Bio</i> (Q#347) Appendix 10: Support– <i>Technical Support Bio</i> (Q#348) Appendix 11: Training– <i>Technical Trainer Bio</i> (Q#379) Appendix 12: Implementation– <i>Time and Resources</i> (Q#381) Appendix 13: Implementation– <i>Organizational Chart</i> (Q#382) Appendix 14: Implementation– <i>Named List of Resources</i> (Q#383) Appendix 15: Ethics– <i>Firm’s Ethics Policy</i> (Q#403) Appendix 16: Additional– <i>Sample Vendor Agreements</i> (Q#410)	
<input type="checkbox"/>	Document Set H	Conflict of Interest and Contacts: H-A Proposing Offeror H-B Dedicated Client Service Team Members or Others (multiple sets) H-C Lobbyist or Third-Party Solicitors	
<input type="checkbox"/>	Document I	Fee Offer I and I-1	

	DOCUMENT	DOCUMENT TITLE	TAB
<input type="checkbox"/>	Document J	Critical Service Level Agreements (SLA)	
<input type="checkbox"/>	Document K	HUB Subcontracting Plan	
<input type="checkbox"/>	Document L	Signed Execution of Offer, Affirmation of Terms and Conditions, and Offer Preferences	

DOCUMENT C

STATEMENT OF MINIMUM QUALIFICATIONS

(OFFEROR NAME) _____ certifies that it meets the following minimum qualifications of RFO 701-13-016 as required in accordance with [Section 1.3 Minimum Qualifications](#). The Offeror must use this DOCUMENT C to clearly demonstrate that it meets the minimum qualifications as of February 28, 2013. The following questions (1 through 12) are intended to assist the Offeror with completion of this RFO. **Each question must be answered.** However, it is the responsibility of the Offeror to clearly demonstrate that the answer meets the minimum qualifications. To do so, the Offeror can add to the question set for each minimum qualification.

Offeror's Authorized Signature

Printed Name

Title

Date

QUESTIONS 1 AND 2—MINIMUM QUALIFICATIONS FOR OFFEROR'S DEDICATED CLIENT SERVICE TEAM:
All Offerors submitting Offers for the mandate stated above must provide, *at a minimum*, qualifications listed in [Section 1.3.1 Minimum Qualifications for Offerors](#) of this RFO. Our responses below and to DOCUMENT G, Questions 2, 3, and 4 explicitly support affirmative answers.

1. Provide the name of dedicated client service relationship manager and a back-up who will be assigned to the TPSF account.

OFFEROR'S DEDICATED CLIENT SERVICE RELATIONSHIP MANAGER AND BACK-UP
Assigned to the Texas Permanent School Fund Portfolio

Name	Responsibility	Year Joined Offeror	Yrs with Offeror (1.3.1.a)	Yrs Serving Institutional Clients (1.3.1.a)

2. In the table below, provide relevant excerpts of biographies that clearly demonstrate how each one of the above-named individuals is qualified to serve as the TPSF dedicated client service relationship manager. **Do not refer to biographies included as Appendices in this RFO.**

OFFEROR'S DEDICATED CLIENT SERVICE TEAM MEMBERS
Biographies

Name	Bio Excerpts as Applied to 1.3.1.a.

QUESTIONS 3 AND 17—MINIMUM QUALIFICATIONS FOR OFFEROR:
All Offerors submitting Offers for the mandate stated above must provide, *at a minimum*, qualifications listed in [Section 1.3.1 Minimum Qualifications for Offerors](#). Note specific item references.

3.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, our proposal provides evidence of our Firm’s stability and strength as described in DOCUMENT D, <i>Evidence of Proposer’s Financial Responsibility</i>.</p> <p>OR</p> <p>No, our Firm is unable to comply with the requirements of DOCUMENT D.</p>
4.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, our proposal provides evidence that our Firm has equity clients with over \$10 billion in AUM and our responses to DOCUMENT G, Questions 8, 10, 16, 18, and 25 explicitly support this affirmative answer to Minimum Qualification 1.3.1.b.</p> <p>OR</p> <p>No, our Firm is unable to comply with the requirements of Minimum Qualification 1.3.1.b.</p>
5.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, our proposal provides evidence that our Firm has fixed income clients with over \$10 billion in AUM and these clients have structured investments. Our responses to DOCUMENT G, Questions 8 and 25 explicitly support this affirmative answer to Minimum Qualification 1.3.1.c.</p> <p>OR</p> <p>No, our Firm is unable to comply with the requirements of Minimum Qualification 1.3.1.c.</p>
6.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, our proposal provides evidence that our Firm has at least twenty-five (25) domestic (U.S.) clients and our responses to DOCUMENT G, Questions 8 and 10 explicitly support this affirmative answer to Minimum Qualification 1.3.1.d.</p> <p>OR</p> <p>No, our Firm is unable to comply with the requirements of Minimum Qualification 1.3.1.d.</p>
7.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, our proposal provides evidence that our Firm has clients trading in derivatives with AUM over \$200 million notional and our responses to DOCUMENT G, Questions 8 and 10 explicitly support this affirmative answer to Minimum Qualification 1.3.1.e.</p> <p>OR</p> <p>No, our Firm is unable to comply with the requirements of Minimum Qualification 1.3.1.e.</p>
8.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, our proposal provides evidence that our software’s pre and post-trade compliance module and our responses to DOCUMENT G, Questions 117 and 118 explicitly support this affirmative answer to Minimum Qualification 1.3.1.f.</p> <p>OR</p> <p>No, our Firm is unable to comply with the requirements of Minimum Qualification 1.3.1.f.</p>
9.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, our proposal provides evidence that our software’s ability for TPSF to customize trade tickets by security type in order to capture appropriate data and our responses to DOCUMENT G, Questions 86 through 90 explicitly support this affirmative answer to Minimum Qualification 1.3.1.g.</p> <p>OR</p> <p>No, our Firm is unable to comply with the requirements of Minimum Qualification 1.3.1.g.</p>
10.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, our proposal provides evidence that our software’s ability to electronically link Vendor and industry utilities (e.g., Omgeo) to facilitate post-execution trade processing. Our responses to DOCUMENT G, Questions 252 through 256 and 258 through 262 explicitly support this affirmative answer to Minimum Qualification 1.3.1.h.</p> <p>OR</p> <p>No, our Firm is unable to comply with the requirements of Minimum Qualification 1.3.1.h.</p>
11.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, our proposal provides evidence that our Firm’s product plans document the capabilities for the software to operate in a true straight-through processing (STP) environment including workflow descriptions and electronic integration capabilities and our responses to DOCUMENT G, Questions 159 through 177 explicitly support this affirmative answer to Minimum Qualification 1.3.1.i.</p> <p>OR</p> <p>No, our Firm is unable to comply with the requirements of Minimum Qualification 1.3.1.i.</p>

12.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, our proposal provides evidence that our Firm’s system is available on an ASP/hosted basis. Our responses to DOCUMENT G, Questions 266-267 and 269 through 272 explicitly support this affirmative answer to Minimum Qualification 1.3.1.j.</p> <p>OR</p> <p>No, our Firm is unable to comply with the requirements of Minimum Qualification 1.3.1.j.</p>
13.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, we have read the provisions stated in Chapter 33 of the Texas Administrative Code: <i>Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund</i> and foresee no barriers to complying with such provisions and Minimum Qualification 1.3.1.k.</p> <p>OR</p> <p>No, our Firm is unable to comply with Minimum Qualification 1.3.1.k.</p>
14.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, we have read the provisions stated in the Investment Procedures Manual of the Texas Permanent School Fund (EXHIBIT B) and foresee no barriers to complying with such provisions and Minimum Qualification 1.3.1.l.</p> <p>OR</p> <p>No, our Firm is unable to comply with Minimum Qualification 1.3.1.l.</p>
15.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, we have executed DOCUMENT K, Historically Underutilized Business (HUB) Subcontracting Plan, and included it with our Proposal.</p> <p>OR</p> <p>No, our Firm is unable to comply with Minimum Qualification 1.3.1.m.</p>
16.	<input type="checkbox"/> <input type="checkbox"/>	<p>Yes, we have reviewed the provisions and executed DOCUMENT L, Execution of Offer and Affirmation of Terms and Conditions (DOCUMENT L). The document and all related written comments are included with our Proposal.</p> <p>OR</p> <p>No, our Firm is unable to comply with Minimum Qualification 1.3.1.n.</p>
17.	<input type="checkbox"/>	<p>Offeror was established in [<i>enter MM-YYYY the Offeror was established</i>].</p>

DOCUMENT D EVIDENCE OF OFFEROR'S FINANCIAL RESPONSIBILITY

OFFEROR NAME: _____

In accordance with Section 3.2 of RFO 701-13-016, we hereby submit the following documents to substantiate the financial viability of our Offeror. For the evidence we are not including as part of our Offer 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 Offer.***

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

1.	<input type="checkbox"/> <input type="checkbox"/>	<p>Most current audited financial statements [or link here if publicly available] and statements of cash flows are attached.</p> <p>OR</p> <p>Most current Certified Public Accountant-compiled financial report and statements of cash flows are attached.</p>
2.	<input type="checkbox"/> <input type="checkbox"/>	<p>Contact information and statement authorizing direct contact with the Firm for the following is in DOCUMENT D Supplement:</p> <p>External Certified Public Accountant; and</p> <p>Chief Financial Officer</p>
3.	<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>
4.	<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>
5.	<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>
6.	<input type="checkbox"/>	<p>Schedule(s) of all applicable insurance coverages are attached (i.e., Fiduciary, Errors and Omissions, Fidelity Bond).</p>
7.	<input type="checkbox"/>	<p>A list of all regulatory bodies with which the Firm is registered.</p>
8.	<input type="checkbox"/>	<p>Other evidence of financial viability: Explained in DOCUMENT D Supplement and attached.</p>
9.	<input type="checkbox"/>	<p>Has your Firm or any company in which your Firm has had a controlling interest ever been declared bankrupt? If Yes, attach a statement indicating bankruptcy date, court jurisdiction, trustee's name and telephone number, amount of liabilities, amount of assets, and current status of bankruptcy.</p>

DOCUMENT E AFFIRMATION OF SCOPE OF SERVICES

(OFFEROR NAME) _____ affirms its ability to provide all of the services in the scope of services, as detailed below, and as required of [Section 1.5](#) of RFO 701-13-016.

OFFEROR INFORMATION	
Please complete the following Offeror information. Include the name, telephone number, fax, and email address of the designated person(s) responsible for answering questions regarding DOCUMENT E.	
Offeror Name:	
Name of trade order management product	
Name of compliance product	
Primary Contact:	
Name	
Telephone and FAX	
Email address	
Alternate Contact:	
Name	
Telephone and FAX	
Email address	
RESPONSE CONVENTIONS	
Complete the status of all items within the attached Excel workbook (labeled Package 2) using the conventions below. Clearly label the completed workbook as DOCUMENT E in your submission and return in Excel file type. Do not reformat the Excel file.	
Standard: Functionality is fully implemented and in production.	S
Partial: Functionality is partially implemented.	P
Development: Functionality is in development.	D
Custom: Functionality would have to be customized (Vendor owns/maintains code).	C
Custom: Functionality would have to be customized (Client owns/maintains code).	CD
No: Functionality is not in the system.	N
Not Available: Functionality not applicable to add.	N/A

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

The Offeror agrees, by written affirmation, to deliver the scope of services as detailed in the completed and submitted DOCUMENT E as well as agrees to all other requirements as stated in this RFO.

Offeror Authorized Signature

Printed Name

Title

Date

DOCUMENT F OFFEROR PROFILE

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

OFFEROR NAME: _____

As of February 28, 2013

ORGANIZATION			
Year Offeror Established		Total Assets Serviced	\$ [MM]
Ownership Structure		Percent Employee Owned	
Main Headquarters/Address			
PRODUCTS			
<p>Name of the product our Offeror proposes for the TPSF:</p> <p>The objective is:</p> <p>To further meet goals and objectives of the TPSF, further consideration of our Offeror includes:</p>			
OFFEROR PHILOSOPHY			
OFFEROR PROCESS			

DOCUMENT G OFFEROR QUESTIONNAIRE

This Document is divided into four (4) main sections, each containing subsections with a series of questions (see also *Section 4.2–Selection Criteria* for criteria outline and evaluation points):

- Part 1–Business and Organizational Strength
- Part 2–Scope of Service (Functional Requirements, System/Technical Requirements, Support)
- Part 3–Conflicts and Business Conduct
- Part 4–Required Questionnaire Appendices

For reference purposes, the following acronyms are used throughout this questionnaire:

- **RFO** Request for Offer
- **SBOE** State Board of Education
- **TEA** Texas Education Agency
- **TPSF, PSF** Texas Permanent School Fund, Permanent School Fund

The Offeror must respond to all sections and all questions as of February 28, 2013, unless otherwise indicated.

PART 1–BUSINESS AND ORGANIZATIONAL STRENGTH

The intent of this section of DOCUMENT G is to capture basic background information as well as specific information about the Offeror’s experience and qualifications relative to the services described. Offerors are required to provide clear, detailed answers to the questions and comply with requests for additional information and appendices as listed.

COMPANY INFORMATION

Please provide the following:

Company Name	
System Name	
Company Address (corporate)	
Company Telephone	
Company FAX	
Company website	
Year Company Founded	
Years in Business with Present Company Name	
If incorporated, state or country of incorporation	
Legal status of the entity (such as corporation, partnership, limited liability company, sole proprietorship, etc.) and year entity established.	
List Members of Board of Directors	
Provide detailed description of your Company’s history including, but not limited to, key milestone dates, name changes, ownership, mergers and acquisitions.	
Provide the total # staff assigned to this product: Management Sales and Marketing Client Service/Training Implementation IT Support/Maintenance Development Other GRAND TOTAL	

CONTACT INFORMATION

Please provide the following:

Primary Contact Name and Title	
Primary Contact Address	
Primary Contact Telephone	
Primary Contact Email Address	
Is this person authorized to enter into a contractual agreement on behalf of the company? If No, provide name and contact information of authorized persons below.	

RFO Contact Name and Title	
RFO Contact Address	
RFO Contact Telephone	
RFO Contact Email Address	

MANAGEMENT OVERVIEW

1. Is your Company currently for sale or involved in any transaction to either acquire or be acquired or to merge with another organization, and/or has your company been involved in any such reorganization, acquisition or merger within the past three (3) years? If Yes, provide details and attach as **Appendix 1**.
2. Who is your current Company CEO and how many years has he/she been with the Company?
3. List the Company's senior management team and/or principal officers (include names, titles, experience and years with the Company).
4. Describe the structure of the Company's sales and service organizations including the experience of the sales force.
5. What portion of the Firm's total revenues does the system generate?

QUALIFICATIONS AND EXPERIENCE

6. Indicate number of years Firm has been providing the types of products/services requested in this RFO.
7. As **Appendix 2**, provide an overview of the product's origination and history. Discuss the evolution of each module, how long has it been in production, etc. Be sure to include past release schedules and major functionality introduced by date.
8. As **Appendix 3**, provide a full list of clients of similar AUM (size) to TPSF that are using the product(s).
9. Do you currently have any other clients affiliated with the State of Texas?
10. What is the total number of clients you have who are currently using the software?
11. What is the aggregate total size of all installations?
12. What is the largest number of concurrent users at one site?
13. If you offer an externally hosted solution (ASP) detail how many clients are externally hosted.
14. What percent of your clients use an ASP solution vs. an in-house installed solution?
15. What are your company's key product offerings and markets served?
16. What is the size and percentage of revenue from your largest client?
17. Describe any previous or current relationships with TPSF.
18. Describe your firm's experience implementing similar solutions for companies similar in size to TPSF.
19. How many software installations have been completed by your company?
20. What percentage of these installations occurred in the last two years?
Note: Count only new installations and do not consider product upgrades.
21. How many installations are currently in the pipeline?
22. How many clients have you lost in the last 12 months? 24 months? Why?
23. What is the Firm's success rate with RFPs in the past 12 months? 24 months?
24. How many software installations have been terminated prior to completion in the last 12 months? 24 months? Why?

REFERENCES

As **Appendix 4** to this questionnaire, provide the following:

25. List at least three (3) financial services company user references with which your Firm is *currently doing business* and has provided products and services similar in nature and scope to those set forth in this RFO within the past three (3) years. Include for each reference the following:

The company name and address

Contact name and telephone number

Brief description of the products and/or services provided

The date of the agreement under which such products and services were provided

26. List at least three (3) companies with which your Firm *is no longer doing business*. For each of the references listed, include:

Company name and address

Contact name and telephone number

Brief description of the products and/or services provided

The date of the agreement under which such products and services were provided

Reasons for discontinued service

PART 2—SCOPE OF SERVICE

This part of DOCUMENT G is divided into three (3) sections: Functional Requirements, System/Technical Requirements, and Support. Each section is then further subdivided. The answers to the questions must be responsive to the Scope of Services as described in [Section 1.5](#) and as affirmed in DOCUMENT E.

FUNCTIONAL REQUIREMENTS

The intent of this section is to outline TPSF's major functional requirements with regards to the solution. Offerors are required to provide clear, detailed answers to the questions and comply with requests for additional information and attachments.

SECURITY TYPES AND INFORMATION

27. Does the software use any third-party providers of security reference data and/or analytic calculations? If so, list the vendors, types of information they provide and the data distribution arrangements.
28. Does your system provide a front-end analytical platform? If not, state whether it allows an interface with other front-office analytical platforms, such as Bloomberg, Barra, FactSet, etc.
29. Most trade order management systems were developed as equity systems first and later fixed income was added. Please describe the similarities and especially the differences in the way your Firm thinks about and your product handles fixed income. Please specifically address how your software has been customized/modified for the fixed income market.
30. Please specify how your software has been customized/modified for money market instruments.
31. Please specify how your software has been customized/modified for complex derivatives.
32. Please indicate the date of the first release of your software supporting the trading of each fixed income asset type.

SECURITY MASTER

33. Explain the process for manually entering a new security master quickly. In your response please differentiate between equity and fixed income. What are the minimum required data elements that need to be entered for each product to enable an order to be generated.
34. Describe process for capture of intra-day pricing, including verification of results and any exception reports.
35. Describe how the database is updated for new prices. For example, are rebalancing calculations refreshed? How are limit orders treated?
36. For what period of time are prices maintained on the database? What fields are maintained as part of the record?
37. Does the software have the ability to report on all manual price changes (i.e., audit function)?
38. How many decimals does your system support for pricing? Can different decimal defaults be set for various asset classes (e.g., 4 for equity and 9 for fixed income) or is the system "one size fits all"?
39. If a security does not exist in the database, does the software allow the user to call out to a third party electronically to create and populate the security master? Please describe the process.
40. Can your system send the full new security SMF to our CAMRA accounting system so that it does not have to be rekeyed? How?
41. Please list any additional vendors not referenced in DOCUMENT E from whom you receive security and pricing information.

42. Does your software support history of data fields, i.e., pricing, number of bonds, market value? If so, please provide list of data elements stored and the timeframe for storing the data.
43. Does the software have blank identifier fields for cross-referencing?
44. Does the software support automatic cross-matching between CUSIP, Sedol and ISIN?
45. Do you have any clients today using CAMRA and the software you are recommending in this proposal? If yes, are they running intra-day updates between the two systems? Please describe.
46. Can corporate actions be processed in your system or does your system require the accounting system(s) to process them and then send a file? If the latter, how are "missed" corporate actions applied intraday?
47. Can the system accept a corporate action feed in real-time without going into a batch-processing mode?
48. What is the process for a user to change a security's factor?
49. Which instruments can TPSF trade based on either price or yield, or both?
50. How does your system support floating rate products without daily human input?
51. How does your system handle the modeling of CMOs on the day of the trade? For example, will the system calculate a yield, average life and duration on trade date? If so, how does it accomplish this?
52. How does your system handle the writing of options?
53. How does your system handle foreign exchange, interest, currency and credit derivatives (both over-the-counter (OTC) and exchange-traded)? Describe the software capabilities to price, value, store, and process the above-mentioned derivatives.
54. How does your system handle exchanging securities, such as 144a, Brady Bonds (designations, registration of emerging market securities) etc.?
55. Does your system capture and store spreads?
56. How does your software support sending trades to multiple accounting systems if the determination of routing is by fund?
57. How are positional changes managed intraday as a result of non-trading activity?

BROKER MASTER

58. Explain in detail how the software tracks the syndicate commissions on new issued securities.
59. Explain in detail how the software tracks and reports on commission targets and tracking. In your response discuss setting targets, reason codes, and the proper allocation of commission by type (agency, principle, directed, research, etc.)
60. How can TPSF manage approved broker lists?
61. Explain in detail how the software stores settlement instruction by security type and broker.
62. Explain how the settlement instructions are incorporated with the trade.
63. Does the system support SWIFT messaging? Please explain in detail.
64. Does the software load Dealer information? What data is stored?
65. Does the software store Clearing Broker information? What data is stored?
66. What cross-referencing functionality/utilities exist between the Dealer and Clearing Broker data?
67. How many user-defined fields are contained in the Broker Master tables?

PORTFOLIO MANAGER

68. TPSF does not have centralized trading. Explain how a Portfolio Manager can also function as a Trader. In your answer please address how system security/compliance issues are addressed.
69. Can accounts be mapped to accounting systems and to Oasys separately through X-referencing utilities?
70. Describe the process for a Senior Portfolio Manager to approve orders from Junior Portfolio Managers.
71. Describe the process of purchasing a new security that is not in the trade order management system's security master file and the subsequent feed back to the portfolio accounting system.
72. Describe the software's ability to produce profit and loss calculations across asset classes.
73. Does the system have look-through capability for Fund of Funds? If yes, to what level can the PM look?
74. TPSF has a requirement to have risk statistics on the portfolio views. Explain: (a) how your software provides this out-of-the-box (with a listing of statistics the software calculates); (b) other methods of importing statistics from other systems and the number of fields/data items available.
75. Please list the risk vendors with which you have in-production interfaces (Barra, FactSet, etc.).
76. Does your system come with any pre-defined risk scenarios (e.g., 1987 crash, 9/11, Euro crisis, etc.)?
77. TPSF has a process to load updates to cash every day in the late morning. Describe the best practices approach you would recommend for accomplishing this.
78. Explain your system's functionality in assisting with cash management/forecasting. Attach examples of your standard reports as **Appendix 5** (required).
79. Explain the process to load benchmarks to be used in modeling/rebalancing electronically intraday from an external system.
80. Explain in detail how your system functions as an Investment Book of Record (IBOR).
81. As an IBOR, does the system provide both trade date and settlement date accounting?
82. As an IBOR, how does the system process corporate actions that are missed by the accounting process?
83. As an IBOR, does the system provide both cash basis and accrual basis accounting?
84. As an IBOR, explain how your system accepts and processes expenses.

TRADER

85. TPSF does not have centralized trading. Explain how a trader can also function as a Portfolio Manager. In your answer please address how system security/compliance issues are addressed.
86. Each of TPSF's product areas employs a unique trade ticket. How many variations of a fixed income trade ticket come standard with your software?
87. Can TPSF customize additional tickets or is that a function your Firm would perform?
88. Describe the software's ability for traders to interact with orders as lists/baskets rather than as individual entities. This would include tracking the status of orders submitted by PMs as lists and the tracking of trader-generated lists sent to brokers.
89. As a follow-up to above question: how does your software track individual broker commissions when TPSF takes a basket of trades, sends half of the basket through, for example, four (4) different brokers (Algos), and then sends out the other half of the basket as market on close? Please explain in detail.
90. How can the trader add a new account to the allocation after the allocation process has begun?
91. Real time tick by tick pricing is a requirement. Explain how your system provides that function and list the available pricing sources.
92. Can the trader see a real time P&L on the blotter?

93. If yes to P&L, is the P&L at an average cost or tax lot level?
94. Does the system employ a consequential numeric generator for every trade?
95. How does your system create the trade ID? Do these trade IDs ever change when upgrading to a new version of the software?
96. Does your software provide pre-trade TCA? If yes, please explain its functionality.
97. How does your pre trade TCA work with basket orders? Is it security-by-security or can the entire basket be viewed?
98. Does your system employ a proprietary FIX engine? If so, is TPSF required to use it?
99. Are you FIX neutral? Which versions of FIX are supported?
100. Does your software interface to Bloomberg's EMSX system? Describe the interface functionality.
101. Please list the other EMS systems you have in production.
102. Describe your software's ability to interface with Broker Algos systems. Explain whether the system allows dragging and dropping onto buttons or other forms of interfacing. Explaining the interaction of your system with the Algos is important.
103. How does your system handle external transaction #'s from the portfolio accounting system? If the number of spaces in the number changes due to the trade being changed or cancelled how does your system handle these changes?
104. Describe the data stored in the transaction history files. How long is history stored?
105. Can TPSF make every order be password protected? How?
106. How do trade corrections get sent back to the originator?
107. Does the system allow a user to resend the data previously sent without a cancel/correct?
108. Does your system allow for cancels/corrects via Oasys?
109. How does Confirmation of Receipt from the accounting system work in your system? Is your system message-based or file-based? If both, which do you recommend?
110. Does the system support the publishing of events that affect cash and allow users to filter on them?
111. Describe the support available for reconciling the trading system activity with the accounting system(s) activity. What standard reports/tools are available? What types of audits are in place?
112. Can the system handle the modeling of OTC and exchange-traded derivatives?
113. Does the software generate payments, receipts, resets, payment advice, etc?
114. Does it have a maturity/expiration process (i.e. written option unexercised, etc.)?
115. Does the system have the capability to inform the PM that a bond is due to be called? If yes, how?
116. Does the system warn the PM that a puttable bond is coming close to the put date? How?

COMPLIANCE FUNCTIONS

117. Can the compliance module interface with more than one OMS for pre and post trade compliance? Do you have a standalone pre-trade compliance module?
118. Describe in detail how the system monitors pre- and post-trade compliance. For example, if the compliance module is interfacing with two trading systems, is pre-trade compliance automatic when sending orders to the desk or is there a separate process necessary to check orders pre-trade? For post-trade compliance, is the process a batch process?
119. Describe how compliance rules are added to the software from account level to corporate level compliance.

120. Describe the software's ability to perform "what if" analysis. For example, if a portfolio is out of compliance, can a user run hypothetical scenarios to determine what actions are necessary to bring the portfolio back into compliance?
121. Does the compliance module track basket rules? How?
122. Describe any capability to track TPSF employee trading for compliance purposes.
123. Can the software produce restrictions capture reports with a translation from the system definition of the restrictions to a "plain English" definition?
124. Describe any functionality for testing compliance rules before they are placed into production.
125. Describe your process for keeping the compliance rules current as new regulations are developed.
126. Please specify how your software has been customized/modified for regulatory compliance rules.
127. Describe client level reporting capabilities for compliance.

DATA ENTRY AND MAINTENANCE

128. Describe steps necessary to cancel and correct a trade that has been executed on the current day.
129. Describe steps necessary to cancel and correct a trade that was executed on a prior day.
130. Describe steps necessary to cancel and correct entire basket of trades for both current and prior day.
131. Describe the steps necessary to change the FX rate on a trade from a prior day.
132. At what point during processing is a transaction stored to history? Can the client control this?
133. What types of hierarchy of accounts can your software support?
134. Describe activities needed to ready software for start of each business day & how long does this take?
135. Can your software electronically accept incremental contributions/withdrawals of cash intra-day?
136. How does your system support securities lending? Can TPSF tag lent securities via a list-based file with restrictions?
137. Does the system support appropriate tagging mechanism that is part of a derivatives strategy (i.e., covered calls)?
138. How do you employ user-defined fields in the allocation process?

REPORTING

139. As **Appendix 6**, please provide a complete copy of all standard reports that come with the system.
140. Does the system contain full as-of date reporting?
141. What report designer tools can TPSF use to edit your standard reports?
142. Can the system report in local, base, or any currency desired by the user?
143. Does the system contain an embedded 3rd party report viewer? If yes, what make and version?
144. Does the system contain or support a report writer? If yes, is it (Y/N)?

Proprietary report writer

Third-party report writer

Crystal

Cognos

Actuate

SSRS

145. Does the system allow users to create, modify, and generate reports on a real-time basis? Such as:
- Data Files/Extracts
 - Browser Views
 - Pipe delimited
 - Microsoft Excel
 - Microsoft Word
 - Microsoft PowerPoint
 - Adobe PDF
 - HTML
 - XML
 - CSV
 - Text (TXT, TTX)
 - PRN (print ready)
146. In a hosted environment, do you create custom reports for your clients? What levels of fee structures are there for this service?
147. Does system provide heat map functionality? If yes, for what functions?
148. Does system support flexibility to customize report views per user and save from session-to-session?
149. Does system support the ability to organize our custom reports in our own folders and subfolders?
150. Describe system have batch reporting scheduling capability.
151. Describe how the system supports the email delivery of reports.
152. Does the system support the ability to manage/display specific reports based on user defined groups?
153. Can TPSF associate specific reports with default portfolios?
154. Can the system support the ability to drill down into or roll up report results directly in the report screen? For example, can TPSF expand or collapse sectors directly in the report screen?
155. Does the system support the ability to allow users to manipulate data in the current view (e.g., dropping rows and recalculating all values/fields on the fly)? If yes, explain.
156. Does the system support the ability to allow users to sort directly in the report screen by clicking on column headers?
157. Can TPSF easily re-order columns by dragging or with a mouse click, instead of having to remove and re-add the field at the desired location?
158. In reporting, can TPSF select a security or group of securities directly on the screen to exclude them from analysis?

WORKFLOW

159. Does the system have embedded workflow tools?
- Are they proprietary? (Y/N)
 - Are they third party? (Y/N)
160. Does it enable custom workflow processes to be defined?
- Define parallel review/approval paths
 - Define serial review/approval paths
 - Define any number of approval levels

- Define any number of approving groups per level
- Define any number of approvers
- 161. Does the system maintain expected times/schedule for processes and events?
- 162. Does it notify users when times are missed?
- 163. Can it initiate business processes such as data updates or Web service procedures to resolve issue?
- 164. Does the system maintain an audit trail of workflow? Such as:
 - Username
 - Date/time stamp
 - Comments
 - Status (e.g., pending approval, approved, rejected)
- 165. Does the system provide all management information online?
- 166. Does it allow assignment of each exception to an individual for research and resolution?
- 167. Does it allow for reassignment of an exception by an individual with appropriate permissions?
- 168. Does it support exceptions or breaks and generate emails?
- 169. Can users create comments associated with each exception?
- 170. Does the system support flow items and comments to other applications or groups?
- 171. Is exception processing linked to workflow features?
- 172. Are processes rules driven?
- 173. Are there standard reports, vendor-provided and supported, which list exceptions?
- 174. Does the system maintain codes or other values that indicate the priority of exceptions?
- 175. Is there a means of identifying exception items to end-users?
- 176. Is a GUI provided for manual updates and new entry of exception items?
- 177. Does the GUI provide tools and context to research and resolve exceptions?
 - Does it provide end-user tools to present details of the raw data used to create the data that gave rise to the exception?
 - Does it provide tools to correct erroneous values?
 - Does it allow end-users to record comments or annotations that document the steps followed to resolve the exception?
 - Does it provide for supervisory review and approval of edits and data entry to resolve exceptions?

SYSTEM/TECHNICAL REQUIREMENTS

The intent of this section is to outline TPSF's general system/technical requirements. Offerors are required to provide clear, detailed answers to the questions and comply with requests for additional information and attachments.

TECHNOLOGY

- 178. Describe the software's overall technical architecture and planned changes over the next two years.
- 179. Describe any support of virtualization with respect to production, test and DR environments.
- 180. How many clients use virtual environments?
- 181. Outline your products direction from a functionality perspective over the next two years.

182. Identify any major functional/architectural deficiencies and what is being done to correct them. Specify time periods.
183. On what platform(s) do you develop and do your primary testing of the software? List all that apply.
184. On which operating systems does the application run? If a client/server system, specify available operating systems for the client application and server application separately. If multi-tier, specify operating systems available for each tier.
185. For the question above, provide the number of clients in production on the various operating systems.
186. In what language and version was the software written? If a multi-tier system, answer this question for each tier. Please describe the technology stack the software runs on for each tier.
187. Is TPSF IT able to broadcast new releases/updates of the front end to user's desktops without having to install the software on each desktop?
188. What application do you employ to broadcast the new releases/updates?
189. Are there functions in your software that are not browser based? If yes, please list.
190. Which browsers are supported?
191. Do you provide your clients with a complete data dictionary?
192. Do you provide your clients with a complete data model?
193. Describe the software's ability to enable TPSF to add columns, tables, etc. to the data store.
194. For the question above, what do you see as best practice?
195. Does the product development staff use any published software methodology? If so, which?
196. Describe the software's logging capabilities.
197. Describe the software's recovery procedures. Include in your discussion recovery after abnormal termination of any software in the system and recovery after hardware failure. Please describe this for High Availability (node failure) and Disaster recovery (site failure) scenarios.
198. Based on your current installations, what is the frequency and average duration of downtime based on software defects?
199. Does your software use batch processing during any part of its operational cycle?
200. Describe what access (if any) end-users have during this batch processing. In your answer, specifically discuss the ability to update records etc.).
201. For system maintenance, can TPSF disable user logons?
202. Can core system functions be run from the command line?
203. Does your software require or support external scheduling and/or scripting utilities for scheduling and flow control in batch processes? If so, which are supported by your Firm?
204. Describe data integrity safeguards written into the software.
205. Describe purge and maintenance functions. Describe support for a data retention policy, if any.
206. Describe in detail the systems auditing functionality. In your answer specify whether you rely on database functionality or if there has been proprietary development involved.
207. Does the system produce system failure error audit reports that show what failed and why? Explain.
208. Does the system store the original, the change, and the new result together in one location providing an audit trail if needed? If not, which values are missing?
209. If a User ID is deleted, is the audit history lost for that individual? If not, does the ID change to a SID?
210. Is there an audit trail of all reports generated?

- 211. Is there an audit trail of all changes made to any report?
- 212. Is there an audit trail of any changes made to any screen?
- 213. List ALL areas where you believe the audit functionality could use improvement.

SYSTEM PERFORMANCE AND STRESS TESTING

- 214. Fully describe the software's scalability. Include discussions on which system resources (e.g., memory, processor, and network interface) are the most limiting factors when the software needs to scale up?
- 215. Describe your two largest installations including number of accounts, benchmarks, the number of users, number of positions, etc.
- 216. Describe your software's flexibility to balance performance trade-offs (e.g., setting mandatory limits, shutting out new users to maintain a specific performance level, load balancing, etc.).
- 217. Do you have concurrent user benchmarks, compliance test limit bottlenecks, and distributed architecture/remote access speed issues identified? If so, provide details.
- 218. Do you have nightly processing benchmarks?
- 219. Describe the tools and instrumentation used to monitor the health and performance of the solution.
- 220. Please describe your automated integrity checks.
- 221. What are the desktop requirements for your application?
- 222. Does your application support the 64-bit version of Windows 7? Windows 8?
- 223. Does it support the 32-bit and 64-bit versions of Office 2010?
- 224. Is system 64-bit? If not are there any plans to make it so?
- 225. Does the software fully support Microsoft's Terminal Services?
- 226. Does the software operate remotely using CITRIX?
- 227. Describe other remote access options.
- 228. Describe your architecture for scaling the system out vertically and horizontally. Please provide details regarding how the scale out architecture is implemented at other customer locations.

SYSTEM SECURITY

- 229. Describe how your system handles segregation of user responsibilities.
- 230. Describe how data is accessed by the application (i.e. ODBC, WebServices, native driver, etc.).
- 231. Is there granularity when granting permissions for data access? Describe in detail.
- 232. Does the product allow for workspace independence (i.e., log in from any workstation and profile follows)?
- 233. Does the system support single log on?
- 234. Does the product allow multiple simultaneous sessions for a single user ID?
- 235. Describe in detail the user authentication process and options.
- 236. Does your product allow passwords to be changed on a regular basis? Explain how this is accomplished.
- 237. When applying authorizations, are role-based security profiles used (i.e., a user can perform Role A)? Explain in detail how this is accomplished. Can the system offer hooks where custom implementation can be plugged in for authorization (e.g., a web service call)?
- 238. When applying authorizations, are group-based security profiles available (e.g., a user is part of a group which has specific roles associated to it)? Explain in detail how this is accomplished.

- 239. Can a new user's profile be copied from an existing user?
- 240. How do TPSF perform a periodic permission review?
- 241. Does the application lock after a period of inactivity?
- 242. Does the product provide password reset capabilities? Can it be disabled?
- 243. Will the ID lock after a certain number of failed attempts? How many?
- 244. Do you encrypt sensitive data in the:
 - Database?
 - Network?
- 245. In the course of sending the TPSF database to you for support purposes, do you have procedures/utilities to obfuscate client confidential data?
- 246. Does the product store resource passwords encrypted (i.e., database, WebSphere MQ, other systems with passwords)?
- 247. When logging, does the system write sensitive data, such as passwords, to the logs?
- 248. When logging, does the system roll the logs? Explain how often and how it works.
- 249. Does the system provide a listing of statistics such as:
 - User ID
 - Login date/time
 - Last login
 - Role
 - Permissions
 - Other

INTERFACES

- 250. Who is responsible for supporting, enhancing (new releases, etc.), and managing the interfaces?
- 251. Describe the tools provided by your software for developing interfaces.
- 252. Does the system have an in-production interface to SS&C's CAMRA?
- 253. Does the system have an in-production interface to Bloomberg for security master files, prices, benchmarks, etc.? Please describe in detail.
- 254. Does the system support SWIFT messaging? Please describe in detail.
- 255. Does the tool support real-time message-based interfacing via MQ Series or similar software? Are there any limitations (e.g., trades but not securities)?
- 256. Is there an interface tool (e.g., API) available for users to extract data into Excel and a .NET application?
- 257. Is the API read only or read/write, can it alter the data in the database?
- 258. Does the system support Web Services to extract data?
- 259. Are flat files supported for import/export?
- 260. Describe any other import/export capabilities.
- 261. Is there integration with email (in particular, MS Exchange)? Please describe.
- 262. Describe the interfaces you offer to load external vendor data.
- 263. Describe the architecture you have for initial seed of data.
- 264. Describe the architecture you have for interfacing with incoming and outgoing systems.

265. Describe your architecture for data movement through the system.

APPLICATION SERVICE PROVIDER (ASP) REQUIREMENTS

266. How many clients do you support in an ASP environment?
267. Where is your primary ASP platform located?
268. Where is the primary location backed up?
269. Is the ASP platform a shared environment or client dedicated hardware?
270. If the ASP environment is shared, explain the security features within the system to ensure authorized user access to company data.
271. Do all clients receive a test environment as part of standard service? If not, what is the additional cost?
272. Can TPSF defer installing upgrades in your ASP environment? For how long?
273. Do all clients receive a test environment that mirrors the production environment?
274. Can TPSF also have another environment to test new code in advance of upgrades?
275. Who is responsible for managing the test environment?
276. What is your infrastructure/network topology? Include any information about layout, location, and technology that is relevant. A high level diagram is required (**Appendix 7**).
277. Does the product support SSL communication between the desktop components and the server components (HTTPS, MQ, Socket)?
278. What is the recommended bandwidth for primary connection and failover? For example, do you recommend a T-1 dedicated circuit?
279. Do you employ multiple Local Exchange Carriers?
280. Do you support secure file transfers? Explain in detail.
281. What is your company's infrastructure lifecycle management methodology and philosophy? Include any relevant details around an upgrade or patch scenario.
282. What are the backup procedures for the environment including the technology and process methodology used?
283. Describe the software's archiving capabilities. In your response, describe how far back TPSF data will display in a current view, 5 years, 10 years.
284. Discuss your firm's compliance with SEC data storage requirements and how archived data is retrievable.
285. How do you notify customers of fixes and changes? What is the typical lead time?
286. Are fixes and maintenance always applied during maintenance windows?
287. What are the maintenance windows?
288. What is the schedule that the system is available (hours, weekdays, weekends)?
289. What is your average percent rate of uptime?
290. Do you provide regular reports on availability?
291. If TPSF finds that response time of the system is unacceptable, what escalation procedures available?
292. Can TPSF access the raw data from your monitoring software for our own analysis?

DISASTER RECOVERY REQUIREMENTS FOR ASP

293. Describe in detail your disaster recovery/business continuity capabilities. Your response should be comprehensive: including all technology and operational components, work locations, and services providers/parties needed to sustain the services within the RFO to TPSF?
294. Describe your measures to mitigate the risk of outages of the following: power feeds, fire suppression systems, air conditioning, and telecom.
295. Assuming you have a secondary site, how far is this recovery site from your primary data center?
296. What outside third-party expertise is used during your recovery efforts (e.g. IBM, SunGard, Agility)?
297. Describe the recovery time objective (RTO) and Recovery Point Objective (RPO) currently offered to your existing clients for the services described in the RFO.
298. Describe the disaster recovery business continuity exercises conducted during the last 24 months.
299. Provide the results of the last business continuity test and actions taken.
300. As clients, can TPSF participate in your disaster recovery/business continuity exercises?
301. If yes, describe how you envision us participating.
302. If TPSF becomes a client, you will be required you to participate in disaster recovery/business continuity exercises; do you foresee any issues with this?
303. Describe your current Pandemic Preparedness Plan (i.e., when it is anticipated staff will not be able to return/access the original system for weeks).
304. Do you have SSAE 16 findings related to your disaster recovery/business continuity program? Describe in detail.
305. What is the nature of your current technical recovery strategy? Does it include hot standby, warm standby, or cold recovery? If yes, describe each strategy in detail.

UPGRADES/SYSTEM DEVELOPMENT AND ENHANCEMENTS

306. Describe your product management/development process, including how bug fixes are prioritized against ongoing development. How is the staff organized?
307. How are software revisions and upgrades handled? Is there a release schedule? If not, explain the frequency of historical changes and the projected frequency in the future.
308. How are clients involved in the product development process?
309. Are clients involved in system changes relating to industry or regulatory requirements? If so, what is the level of their involvement in the development process (e.g., business requirements, functional specifications and testing)?
310. What is your standard policy on user enhancement requests? How do you determine whether a request is a generic product enhancement?
311. If a request is a generic request, do you underwrite the cost yourselves?
312. Are custom / client funded requests shipped to all clients? If not, how do you segregate specific client customization in the application?
313. How do you determine what enhancements will be added to the core product?
314. What is your version support model (e.g., do you support up to two versions back)?
315. How are client enhancements or customizations made to the system ported to a new release?
316. What is your strategy for upgrades and future releases (how many per year)?
317. In general, how much effort is required to support upgrades and future releases?
318. What future releases are already planned and what is the timing of them?

319. Provide details of your next release
320. What were the major changes in your last release?
321. What version are the majority of your clients currently on?
322. Provide copies of release notes from your last product release.
323. What is the date of the next release?
324. Describe your Quality Assurance process in detail. In your answer describe your regression testing procedures.
325. Do you conduct Beta testing with a representative group of clients? If so, what are the criteria for inclusion?
326. Can TPSF segment the test server to run multiple versions of test environments? Specify if there is a limit to the number of tests, model office, or BCP environments that can be set up and whether additional licensing or fees are required to do so.
327. What are the minimum hardware requirements for a test environment?
328. Describe your recommended client approach for migrating from one environment to the other (e.g., DEV/QA/UAT to Production to Disaster Recovery).
329. Describe capabilities, if any, for a hot deployment of emergency patches.

SUPPORT

The intent of this section is to outline TPSF's support requirements. Offerors are required to provide clear, detailed answers to the questions and comply with requests for additional information and attachments.

SUPPORT REQUIREMENTS

330. Describe your technology support organization. Include in your description: responsibilities, reporting lines, and staffing.
331. Outline your product support structure, including support hours of your help desk, average number of year's experience of help desk staff, personnel skill sets and escalation procedures.
332. Describe support policies and procedures, including all optional plans.
333. Provide a copy of your standard Service Level Agreement (SLA).
334. Does the SLA include a section on Audit Rights (i.e., TPSF's right to audit all aspects of your operations)?
335. Do you have local support in the State of Texas?
336. Provide a copy of your most recent SSAE 16 report (**Appendix 8**).
337. Do you provide your clients with a SSAE 16 every year?
338. Provide a copy of your Data Privacy Policies and Procedures.
339. Do you outsource your help desk?
340. What are your policies for off-hours emergency support?
341. Do you have a website that supports your product? What kind of administrator, developer, or user support does it offer for TPSF to use? Are items such as online manuals, tutorials, tips sheets, FAQs, knowledge base/support database readily available online?
342. What is your preferred method for help desk communication (e.g. phone, email, portal, etc.)? What other methods are supported?
343. Does your software have interactive product support online between vendor and client?

344. Is there a dedicated end-user support representative? If yes, how many clients per support representative?
345. Is there a dedicated technical support representative? If yes, how many clients per technical representative?
346. If TPSF does not approve of their dedicated support representatives how do we change them?
347. What are your minimum requirements for a customer support representative in your firm? Please provide a representative bio (**Appendix 9**).
348. What are your minimum requirements for a technical support representative in your firm? Please provide a representative bio (**Appendix 10**).
349. Does TPSF have access to your product specialists? If yes, how?
350. How many developers do you employ?
351. Do you provide a data calculations catalog (i.e., a description of all of the calculations in the system)?
352. As part of the TPSF contract, would there be a minimum number of professional services hours received at no additional cost? If yes, how many hours are provided?
353. Do you provide an ongoing sales and support representative that will work with TPSF?
354. Do you provide a Professional Services Group to assist TPSF in custom development?
355. List the firms you have strategic alliances with for implementation services and custom development.
356. Describe the type of application (i.e., software) used for maintaining client profiles, e.g., tracking client issues, calls, inquiries across the Firm and what departments have access to these profiles.
357. What level of support do you provide for User Defined Fields? Since UDFs can be viewed as customization, TPSF wants to understand your approach towards supporting them.
358. What level of support do you provide for your Software Developers Kit?
359. What level of support do you provide to your client's customizations to your software?
360. What is your support policy regarding your software? How many releases back do you support?
361. Describe available technical and end-user documentation. How are updates provided to clients?
362. What consultative or other support do you offer that is not directly related to the application suite? For example, do you keep clients aware of industry trends or regulatory changes that must be addressed through system modifications?
363. Is there a users group? If so, list officers and their contact information.
364. What is your Firm's role, if any, in the users group?
365. What is the frequency of your user conferences?
366. What type of software escrow do you offer?
367. Who is your escrow agent?
368. What is the fee for escrow?

END-USER AND TECHNICAL TRAINING

369. How do you handle training for your product? In your answer, differentiate between training for Business end-users and our System Development Team.
370. What is provided for training (e.g., documentation, onsite, web-cast, and other)?
371. Provide details for training options (facilities, types and costs).

372. Is a set amount of training provided with the purchase of the product?
373. How much training is recommended?
- For power users
 - For casual users (e.g., users researching issues)
 - For developers
374. Are additional courses provided if we choose to fully administer our own system?
375. Describe your ongoing Train the Trainer approach. Include costs associated with this type of training.
376. Describe your training approach for pilot group of users. Include costs associated with this type of training.
377. Describe your training approach for ongoing changes and updates to your application. Include in your description the costs associated with this type of training.
378. Describe the typical training standards that other organizations, similar to TPSF, have established to support the use and integration of your application.
379. Please provide a representative bio of one of your trainers (**Appendix 11**).

IMPLEMENTATION REQUIREMENTS

380. Describe your implementation approach, timing, resource requirements, etc. What skill set do you require from TPSF?
381. Provide TPSF with a project plan describing the amount of time and resources necessary to implement the product. Assume that historical performance data will be converted (**Appendix 12**).
382. Provide an organizational chart that reflects the titles of key staff, management contacts that will be assigned to our account and this engagement (**Appendix 13**).
383. Provide a named list of resources you propose to provide as part of this project. Include a detailed resume / biography for each staff member that describes their relevant experiences, the number of implementations they have completed, and any other information that might help TPSF judge the quality of the resource (**Appendix 14**).
384. Provide an estimated number of resources TPSF will have to provide for the implementation of the solution. Include the type of resources (i.e., Systems Analyst, DBA, developer, programmer etc.), the estimated time commitment, and the expected roles/ responsibilities of these resources.
385. State whether or not the use of any subcontractors is anticipated. If so, list the company name of each potential subcontractor and identify the products or services that may be provided by each.
386. What is your policy regarding TPSF's use of external consultants to assist them in implementation?
387. How has your organization handled a phased implementation approach?
388. What is the life cycle of a typical client install, in particular for TPSF using the statistics provided?
389. How long do clients typically run parallel with the new environment?
390. Provide information on your software deployment approach.
391. What data conversion tools do you provide?

PART 3—CONFLICTS AND BUSINESS CONDUCT

CLIENT CONFLICT

392. Do you or a related company have relationships with money managers that you recommend, consider for recommendation, or otherwise mention, or provide related services to your clients? If so, in table format, please provide the following information about each relationship:

NAME OF COMPANY	DESCRIPTION OF RELATIONSHIP	Gross Revenues Received from Relationship	% of Total Revenues
		\$	%
		\$	%
		\$	%
		\$	%

393. Do you have any policies or procedures to address conflicts of interest or to prevent these payments or relationships from being a factor when you provide services to you clients?
394. Will the Firm contractually agree to identify and quantify all business relationships with TPSF service providers and with finalists in a future TPSF search process?
395. 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?
396. Explain in detail any potential conflict 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.
397. Explain in detail any potential conflict 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

398. Do you own a broker/dealer from which you or a related company will benefit if money managers place trades for their clients with such broker/dealer?
399. Do you have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker-dealer?
400. What percentage of your clients utilized money managers, investment funds, brokerage services or other service providers from whom you receive fees?
401. What other sources of revenue do you receive from either strategic relationships or other third-parties? Please list in table below.

FIRM NAME	CY2013	CY2012	CY2011
Revenue from internal broker/dealer	\$	\$	\$
Revenue from external broker/dealers	\$	\$	\$
Revenue from strategic relationships	\$	\$	\$
Revenue from external consulting firm	\$	\$	\$
Revenue from other third parties	\$	\$	\$
Other (please list):	\$	\$	\$
TOTAL	\$	\$	\$

402. 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.

ETHICS

403. As **Appendix 15**, attach a copy of your Firm's ethics policy.

LITIGATION

404. Over the past five (5) years, has your Firm or any officer or principal been involved in any litigation or agency supervision or other legal proceedings relating to your software, customer service and support, or other activities? If so, provide a brief explanation and indicate the current status.

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

- a. been the focus of a non-routine Securities and Exchange Commission (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 any of these questions, please provide details.

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

- a. Is there any pending or threatened litigation against your Firm of any type (civil, criminal, regulatory, arbitration, mediation or other) or has your Firm been involved in a lawsuit within the last five years? If yes, please explain.
- b. Is your Firm under investigation by any federal, state, local or foreign regulatory body of any type?
- c. Has your Firm entered into any settlement, consent decree, cease and desist order or other similar agreement of any kind?

407. 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?
- c. Has your Firm entered into any settlement, consent decree, cease and desist order or other similar agreement of any kind?

408. When was your Firm's last SAS 70 or SSAE 16 inspection? Please provide inspection results and a brief explanation.

409. Is your Firm under investigation by any federal, state, local or foreign regulatory body of any type or any reason? ___ Yes or ___ No?

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

ADDITIONAL

410. As **Appendix 16** to this questionnaire, please provide sample agreements that your Firm could expect TPSF to sign in order to accept an engagement. Include all software, service level agreements (SLAs), and third-party vendor agreements.

PART 4—REQUIRED QUESTIONNAIRE APPENDICES

Attach here and TAB accordingly, DOCUMENT G—*Offeror Questionnaire Appendices (1-16)* and supplemental documents.

DOCUMENT H

CONFLICT OF INTEREST AND CONTACTS QUESTIONNAIRE

The Proposal must describe any potential conflicts of interest that might arise in the course of providing the services required in this RFO. 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 consists of H-A through H-C, each having four (4) parts, as listed below.

DOCUMENT H-A: Offeror Firm Submission—Proposing Firm as a whole. *An authorized Firm representative may execute Document H-A.*

- Conflict of Interests and Contacts
- Record of All Contact with the State Board of Education (SBOE), TEA staff, and TPSF Consultants
- 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: Dedicated Client Service Relationship Manager and Back-Up Submission—Each dedicated client service relationship manager (And Back-up) assigned to the TPSF account (i.e., there will be multiple sets of this document; one for each named individual in DOCUMENT C, Item 1.3.1.c.1). *The individual for whom a DOCUMENT H-B is prepared must sign with his/her original signature.*

- Conflict of Interests and Contacts
- Record of All Contact with the State Board of Education (SBOE), TEA staff, and TPSF Consultants
- 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: Proposing Offeror Firm Affiliate Submission—Each Proposing Offeror Firm Affiliate, i.e., those who work on matters related to the TPSF on behalf of the proposing Offeror including any lobbyist, petitioner, third-party marketer, solicitor, placement agent, or similar. If not applicable, complete anyway, and mark “N/A”. *The individual for whom a DOCUMENT H-C is prepared must sign with his/her original signature. The individual's signature signed by the RFO preparer could disqualify this Proposal.*

- Conflict of Interests and Contacts
- Record of All Contact with the State Board of Education (SBOE), TEA staff, and TPSF Consultants
- 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-A
OFFEROR FIRM SUBMISSION**

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CONFLICT OF INTEREST AND CONTACTS

Name of Offeror: _____ Date: _____

Offeror 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		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DOCUMENT H-A
OFFEROR FIRM 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, LLP–Gregg Jones	Legal counsel for Bond Guarantee Program–IRS Tax matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCall, Parkhurst & Horton LLP 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"/>
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"/>
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"/>

**DOCUMENT H-A
OFFEROR FIRM 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				
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, LLC	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"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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OFFEROR FIRM 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"/>

**DOCUMENT H-A
OFFEROR FIRM SUBMISSION**

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RECORD OF ALL CONTACT WITH THE SBOE, TEA STAFF, AND TPSF CONSULTANTS

All Offerors 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 TPSF consultants and legal counsel for the six months prior to the posting of this RFO. 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 Offeror 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-A
OFFEROR FIRM 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

**DOCUMENT H-A
OFFEROR FIRM SUBMISSION**

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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 RFO. 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

Printed Name

Title

Date

DOCUMENT H-B
DEDICATED CLIENT SERVICE RELATIONSHIP MANAGER AND BACK-UP SUBMISSION
Page [1] of [8]
CONFLICT OF INTEREST AND CONTACTS

Name of Offeror: _____ Date: _____

Dedicated Client Service Team Relationship Manager or Back-Up: _____

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		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DOCUMENT H-B

DEDICATED CLIENT SERVICE RELATIONSHIP MANAGER AND BACK-UP 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, LLP–Gregg Jones	Legal counsel for Bond Guarantee Program–IRS Tax matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCall, Parkhurst & Horton LLP 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"/>
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"/>
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"/>

DOCUMENT H-B
DEDICATED CLIENT SERVICE RELATIONSHIP MANAGER AND BACK-UP SUBMISSION
Page [3] of [8]

CONFLICT OF INTEREST AND CONTACTS

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

DOCUMENT H-B
DEDICATED CLIENT SERVICE RELATIONSHIP MANAGER AND BACK-UP SUBMISSION
Page [4] of [8]

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"/>

DOCUMENT H-B
DEDICATED CLIENT SERVICE RELATIONSHIP MANAGER AND BACK-UP SUBMISSION
 Page [6] of [8]

RECORD OF ALL CONTACT WITH THE SBOE, TEA STAFF, AND TPSF CONSULTANTS

All Offerors 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 TPSF consultants and legal counsel for the six months prior to the posting of this RFO. 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 Offeror 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-B
DEDICATED CLIENT SERVICE RELATIONSHIP MANAGER AND BACK-UP SUBMISSION

Page [7] of [8]

**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

DOCUMENT H-B
DEDICATED CLIENT SERVICE RELATIONSHIP MANAGER AND BACK-UP SUBMISSION
 Page [8] of [8]

**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 RFO. 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

 Printed Name

 Title

 Date

**DOCUMENT H-C
PROPOSING OFFEROR FIRM AFFILIATE SUBMISSION**

Page [1] of [8]

CONFLICT OF INTEREST AND CONTACTS

Name of Offeror: _____ Date: _____

Affiliate Completing Form: _____

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
SBOE MEMBERS				
Lawrence A. Allen	District 04 Frisco	<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		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

DOCUMENT H-C
PROPOSING OFFEROR 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, LLP—Gregg Jones	Legal counsel for Bond Guarantee Program—IRS Tax matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCall, Parkhurst & Horton LLP 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"/>
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"/>
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"/>

DOCUMENT H-C
PROPOSING OFFEROR FIRM AFFILIATE SUBMISSION

Page [3] of [8]

CONFLICT OF INTEREST AND CONTACTS

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

DOCUMENT H-C
PROPOSING OFFEROR FIRM AFFILIATE SUBMISSION

Page [4] of [8]

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"/>

DOCUMENT H-C
PROPOSING OFFEROR FIRM AFFILIATE SUBMISSION

Page [6] of [8]

RECORD OF ALL CONTACT WITH THE SBOE, TEA STAFF, AND TPSF CONSULTANTS

All Offerors 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 TPSF consultants and legal counsel for the six months prior to the posting of this RFO. 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 Offeror 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-C
PROPOSING OFFEROR FIRM AFFILIATE SUBMISSION**

Page [7] of [8]

**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

**DOCUMENT H-C
PROPOSING OFFEROR FIRM AFFILIATE SUBMISSION**

Page [8] of [8]

**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.

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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 RFO. 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

Printed Name

Title

Date

**DOCUMENT I
FEE OFFER**

COVER PAGE

OFFEROR NAME: _____

In accordance with Sections 1.8 and 3.5 of RFO 701-13-016, Offerors must submit a comprehensive fee proposal and deliver the scope of services affirmed in this RFO.

Fee proposals must reflect service delivery required to meet the requirements stated throughout this RFO and fees, expenses, and other considerations should be institutional in composition and amount.

TPSF reserves the right to award contracts to more than one Offeror 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.

GENERAL INFORMATION

In this Document, please answer the following:

1. Name the product and describe the services you propose to provide.
2. Describe the fee structure for the proposed services.
3. Provide the total cost of ownership over a Five-Year Life cycle, such as:
 - TPSF internal costs (e.g., personnel)
 - Vendor fees (e.g., software license, data subscriptions, hardware, computer operations, conversion fees)
4. Provide Implementation and conversion capabilities, such as:
 - Project management skills and discipline
 - Data conversion competencies that reduce dependencies on TPSF staff
 - Ability to design service objectives and agreement
 - Ability to train the client thoroughly

DOCUMENT I-1 FEE OFFER—DETAIL AND JUSTIFICATION

OFFEROR NAME: _____

In this Document, TPSF needs to obtain full access quotes. The exact type of license mix will be determined following the selection of a supplier. Additionally, please provide the licensing unit for each module (i.e., per user, per named user, per account, etc.). For both tables, insert additional rows as needed.

SYSTEM CHARGES

In the table below, please define the different modules and/or services that comprise your entire solution. Provide a brief description of the main module function and your applicable annual license prices based upon TPSF statistics and requirements (see Exhibit D).

#	Module Name	Module Description	Per Unit (user, workstation, onsite, etc.)	Unit Cost (\$USD)	# of Licenses	Total License Cost
1	[Module Name]	[Module Description]		\$		\$
2	[Module Name]	[Module Description]		\$		\$
3	[Module Name]	[Module Description]		\$		\$
4	[Module Name]	[Module Description]		\$		\$
5	[Module Name]	[Module Description]		\$		\$
6	[Module Name]	[Module Description]		\$		\$
7	[Module Name]	[Module Description]		\$		\$
					TOTAL	\$

SUPPORT AND IMPLEMENTATION CHARGES

Implementation and Other Costs. In this table, please provide your cost/fees for each module you have listed in the licensing table above. If not applicable, leave [Module Name] columns blank.

#	Item Description	[Module Name]						
1	End-User Training	\$	\$	\$	\$	\$	\$	\$
2	Installation and Configuration Services	\$	\$	\$	\$	\$	\$	\$
3	Software Maintenance and Support (if not included in above Annual Cost)	\$	\$	\$	\$	\$	\$	\$
4	Maintenance Exclusions	\$	\$	\$	\$	\$	\$	\$
5	Optional Software Modules	\$	\$	\$	\$	\$	\$	\$
6	Estimated Custom Programming Cost	\$	\$	\$	\$	\$	\$	\$
7	Estimated Custom Data Feeds and Interfaces Cost	\$	\$	\$	\$	\$	\$	\$
	Sub-Total	\$	\$	\$	\$	\$	\$	\$

Please list all staff levels that would be involved in the implementation. Include the total estimated hours for each, regular per hour rate, discounted per hour rate, and total estimated cost.

#	Staff Level	Total Estimated Hours	Regular Per Hour Rate	Discounted Per Hour Rate	Total Estimated Cost
1			\$	\$	\$
2			\$	\$	\$
3			\$	\$	\$
4			\$	\$	\$
5			\$	\$	\$
6			\$	\$	\$
7			\$	\$	\$
	Sub-Total				\$

DOCUMENT J
CRITICAL SERVICE LEVEL AGREEMENTS (SLA)

Text, text, text, text, text.

SERVICE LEVEL NAME	
Software Services Availability	
SERVICE LEVEL TYPE	Critical Service Level
MEASUREMENT START DATE	Commencement
METRIC DESCRIPTION	The Service Level for Software Services Availability measures the percentage of time the services are available during the applicable Measurement Window. This measurement is for all software services as an aggregate. Availability is defined by whether the services are available to users.
METRIC EXCLUSIONS	Downtime shall not include (a) any period of Downtime that is the result of scheduled time required and actually used to perform system maintenance (for example, preventive maintenance, system upgrades, etc.), provided that such time has been mutually agreed between the Parties and is scheduled so as to minimize the impact to Tea's business; (b) any Incidents that are directly attributable to infrastructure for which Service Provider is not operationally responsible or (c) infrastructure failures that do not result in the Application incurring Downtime.
HOURS OF MEASUREMENT	24 x 7
DAYS OF MEASUREMENT	365
MINIMUM SERVICE LEVEL	99.90%
EXPECTED SERVICE LEVEL	99.95%
ALGORITHM	The Service Level calculation for Software Services Availability is the sum of Actual Uptime for all services divided by the sum of expected, scheduled Uptime for the services, with the result expressed as a percentage.
COLLECTION PROCESS	[Service Provider to Complete]
REPORTING TOOLS	[Service Provider to Complete]
METRIC REPORTING	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi Annual

SERVICE LEVEL NAME	
Transaction Response Time	
SERVICE LEVEL TYPE	Critical Service Level
MEASUREMENT START DATE	Commencement
METRIC DESCRIPTION	End user application request response time, three second or less, exclusive of network time, for standard interactive transactions. TEA and the Offeror will mutually agree to which interactive transactions are included This metric is based on 60 percent of system capacity being available to online interactive users and the remaining capacity being available for all non-interactive activity (for example, batch, interfaces).
METRIC EXCLUSIONS	User-initiated report programs that run more than 10 minutes will be considered non-interactive activity. TEA will work with the Offeror to schedule non-interactive activity to meet these requirements.
HOURS OF MEASUREMENT	24 x 7
DAYS OF MEASUREMENT	
MINIMUM SERVICE LEVEL	99.90%
EXPECTED SERVICE LEVEL	99.95%
ALGORITHM	TBD
COLLECTION PROCESS	[Service Provider to Complete]
REPORTING TOOLS	[Service Provider to Complete]
RAW DATA STORAGE (ARCHIVES)	[Service Provider to Complete]
METRIC REPORTING	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi Annual

DOCUMENT K HUB SUBCONTRACTING PLAN (HSP)

In accordance with Texas Government Code § 2161.252, Texas Education Agency (TEA) has determined that subcontracting opportunities are probable under this contract. Therefore, respondents including State of Texas certified Historically Underutilized Businesses (HUBs) must complete and submit a State of Texas HUB Subcontracting Plan (HSP) with their solicitation response.

Note: Responses that do not include a completed HSP shall be rejected pursuant to TGC § 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 State of Texas Disparity Study. The HUB goals defined in 34 TAC §20.13, are: 11.2 % for Heavy Construction other than building contracts, 21.1 % for all Building Construction, including general contractors and operative builders contracts, 32.7 % for all Special Trade Construction contracts, 23.6% for Professional Services contracts, 24.6% for all Other Service contracts and 21% for Commodities contracts.

– AGENCY SPECIAL INSTRUCTIONS/ADDITIONAL REQUIREMENTS –

SECTION 1–RESPONDENT AND SOLICITATION INFORMATION

Respondent (Company) Name:	State of Texas VID #:
Point of Contact:	Phone #:
Is your Company a State of Texas Certified HUB? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Solicitation #:	

SECTION 2–SUBCONTRACTING OPPORTUNITIES

TEA has identified probable subcontracting opportunities by NIGP Class and Item codes in the table below. However, TEA acknowledges there may be additional subcontracting opportunities. After having divided the contract work into reasonable lots or portions to the extent consistent with prudent industry practices, the respondent must identify what portion(s) of work, including goods or services, will be subcontracted.

In accordance with 34 TAC§20.12, a "Subcontractor" means a person who contracts with a Offeror to work, to supply commodities or contribute toward completing work for a governmental entity.

Check the appropriate box regarding the subcontracting opportunity(s):

Yes, I will be subcontracting portion(s) of the contract.

(If Yes, in the spaces provided below, list any additional portions of work, not identified by TEA, that you will be subcontracting*, and go to SECTION 3)

No, I will not be subcontracting any portion of the contract, and will be fulfilling the entire contract with my own resources. (If No, complete SECTION 9 and 10)

Line Item # –Subcontracting Opportunity Description		Line Item # –Subcontracting Opportunity Description	
1		6	
2		7	
3		8	
4		9	
5		10	

Note: To list additional subcontracting opportunities, a continuation page is available at <http://www.tea.state.tx.us/tea/hub/index.html>.

SECTION 3–RESPONDENT SUBCONTRACTING OPPORTUNITIES

Enter the line item number and description for the portion of work listed in SECTION 2 for which you will be subcontracting.

Line Item # _____ Description: _____

SECTION 4–MENTOR-PROTÉGÉ PROGRAM

If respondent is participating as Mentor in a State of Texas Mentor-Protégé Program, submitting their Protégé (must be a State of Texas certified HUB) as a subcontractor to perform the portion of work (subcontracting opportunity) listed in SECTION 3 constitutes a Good Faith Effort towards that specific portion of work.

Will you be subcontracting the portion of work listed in SECTION 3 to your Protégé?

Yes (if checked, complete SECTIONS 8 and 10) **No /Not Applicable (if checked, go to SECTION 5)**

SECTION 5 – PROFESSIONAL SERVICES CONTRACT ONLY

Note: This section applies to Professional Services Contracts only. All other contracts go to SECTION 6 below.

Does your HSP contain subcontracting of 23.6% or more with HUB(s)?

Yes (if checked, complete SECTIONS 8 and 10) **No /Not Applicable (if checked, go to SECTION 6)**

In accordance with TGC §2254.002, "Professional Services" means services: (A) within the scope of the practice, as defined by State law of accounting; architecture; landscape architecture; land surveying; medicine; optometry; professional engineering; appraising; or professional nursing; or (B) provided in connection with the professional employment or practice of a person who is licensed or registered as a certified public accountant; an architect; a landscape architect; a land surveyor; a physician, including a surgeon; an optometrist; a professional engineer; a State certified or State licensed appraiser; or a registered nurse.

SECTION 6–NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

Complying with a, b and c of this section constitutes a Good Faith Effort towards the portion of work listed in SECTION 3.

After performing the requirements of this section, complete SECTIONS 7, 8, and 10.

- a. Provide written notification of the subcontracting opportunity listed in SECTION 3 to three (3) or more HUBs. Use the State of Texas’ Centralized Master Bidders List (CMBL), found at <http://www2.cpa.state.tx.us/cmb/cmbhub.html> and its HUB Directory, found at <http://www.window.state.tx.us/procurement//cmb/hubonly.html> to identify available HUBs.

- b. Provide written notification of the subcontracting opportunity listed in SECTION 3 to a minority or women trade organization or development center to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. A list of trade organizations and development centers may be accessed at <http://www.window.state.tx.us/procurement/prog/hub/mwb-links-1/>
- c. Written notifications should include the scope of services, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications and identify a contact person. Unless TEA has specified a different time period, you must allow the HUBs no less than five (5) working days from their receipt of notice to respond and provide notice of your subcontracting opportunity to a minority or women trade organization or development center no less than five (5) working days prior to the submission of your response to TEA.

SECTION 7 – HUB OFFERORS CONTACTED FOR SUBCONTRACTING OPPORTUNITY

List **three (3)** State of Texas certified HUBs you notified regarding the portion of work (subcontracting opportunity) listed in SECTION 3. Specify the Vendor ID number, date you provided notice, and if you received a response.

Company Name	VID #	Notice Date	Was Response	
			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Yes	<input type="checkbox"/> No
			<input type="checkbox"/> Yes	<input type="checkbox"/> No

SECTION 8 – SUBCONTRACTING SELECTION

List the subcontractor(s) you selected to perform the portion of work (subcontracting opportunity) listed in SECTION 3. Also, specify the percentage of work to be subcontracted, the approximate dollar value of the work to be subcontracted, and indicate if the company is a Texas Certified HUB.

Company Name	VID #	Expected % of Contract	Approximate Dollar Amount	Texas Certified HUB?	
				<input type="checkbox"/> Yes	<input type="checkbox"/> No
				<input type="checkbox"/> Yes	<input type="checkbox"/> No
				<input type="checkbox"/> Yes	<input type="checkbox"/> No

If the subcontractor(s) you selected is a non HUB, provide written justification of your selection process below:

SECTION 9 – SELF-PERFORMANCE JUSTIFICATION

Note: If you responded No to SECTION 2, you must complete SECTIONS 9 and 10.

Provide justification, in the space provided below, on how you intend to complete the entire contract using your own employees, materials, supplies and equipment. Attach any supporting documentation.

SECTION 10 – 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 are true and correct. Respondent understands and agrees that, if awarded any portion of the solicitation:

- The respondent must submit monthly compliance reports (Prime Contractor Progress Assessment Report (PAR) to the TEA HUB Coordinator, verifying their compliance with the HSP, including the use/expenditures they have made to subcontractors. (The PAR is available at <http://www.tea.state.tx.us/index2.aspx?id=7038>)
- The respondent must seek approval from TEA prior to making any modifications to their HSP. If HSP is modified without TEA’s prior approval, respondent may be subject to debarment pursuant to TGC §2161.253(d).
- The respondent must, upon request, allow TEA to perform onsite reviews of the company’s headquarters and/or worksite where services are to be performed and must provide documents regarding staff and other resources.

Authorized Signature

Printed Name

Title

Date

DOCUMENT L
EXECUTION OF OFFER AND AFFIRMATION OF TERMS AND CONDITIONS
(REVISED 2/15/2013)

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

1. Offeror expressly makes the following specific affirmations in response to this RFO:
 - A. Offeror understands that any Offer or bond signed by an agent or attorney-in-fact shall be accompanied by evidence of authority.
 - B. Offeror understands that any Offer may be withdrawn in writing prior to the date and time set for receipt of Offers. Any Offer not so withdrawn shall constitute an irrevocable offer, for a period of 90 days from the RFO closing date, to provide the service set forth in the attached specifications, or until a selection has been made by the Agency.
 - C. Offeror has fully complied with all of the terms and conditions for submission of Offer expressly stated throughout this RFO.
 - D. Offeror 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 Offer or bid.
 - E. Pursuant to 15 U.S.C. Sec.1, et seq. and Tex. Bus. & Comm. Code sec 15.01, et seq. neither Offeror or Vendor, corporation, partnership, limited liability company, or other business entity represented by Offeror, or anyone acting for such Offeror, 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 Offer 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, Offeror has not received compensation for participation in the preparation of the specifications for this RFO or Invitation for Bid. Offeror certifies that the individual or business entity named in its Offer, bid, or contract is not ineligible to receive the specified contract and acknowledges that any contract awarded from this RFO 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, Offeror shall provide the following information in order for the Offer 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 Offeror certifies that the individual or business entity named in this Offer 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 Offer includes the names and social security numbers of each person with at least a 25% ownership of the business entity submitting the Offer or bid. If this information is not included in the Offer, it will be provided prior to execution of any contract resulting from this RFO.

- I. Pursuant to Section 2252.901 of the Texas Government Code, Offeror certifies that it is not a former employee of TEA or that Offeror has not been an employee of TEA for twelve (12) months prior to the beginning date of any contract awarded from this RFO.
- J. Offeror 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 Offeror 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. Offeror 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 RFO. 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 Offeror and Offeror's other obligations under the Contract Documents, whether it is performed or furnished by Offeror, 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 Offeror during contract negotiations.
- L. Offeror agrees that all Subcontractors performing work under a contract from this RFO will obtain insurance which will protect TEA and its employees from the risk associated with the work performed under the Agreement. The Offeror 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 Offeror agrees to indemnify the Subcontractor for Work under this Agreement.
- M. Prior to the award of a contract, TEA may require that the successful Offeror file a performance bond in an amount reasonable and necessary to protect the State's interest. The bond must be conditioned on the successful Offeror's faithful performance of the terms of the contract.
- N. During negotiations, TEA and the Offeror may negotiate a liquidated damages clause.
- O. Terms and conditions beyond those stated in this RFO may be grounds for disqualification of a submitted Offer. TEA will have sole discretion to consider for inclusion any terms and conditions not stated in this RFO.
- 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 RFO shall be made without prior written approval of TEA.
- Q. Offeror 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 RFO. 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 RFO, 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 RFO.

- 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, Offeror 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 Offerors/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. Offeror 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 Offeror pursuant to this RFO. The following General Provisions which will be included in the contractual terms for any contract awarded under this RFO 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 Offer:** Contractor's Offer that was furnished to TEA in response to a request for Offer 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 Offer whether such Offer 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 Offer, in response to which Contractor submitted an Offer, 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 Offeror, corporation, partnership, or institution represented by Contractor, or anyone acting for such Offeror, 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 Offer 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 Offeror/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 voluntary 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 Offer 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 services 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. Offeror 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 Offeror pursuant to this RFO. The following *Special Provisions–A* which will be included in the contractual terms for any contract awarded under this RFO 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 Offerors/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: <http://ecpa.cpa.state.tx.us/vendor/tpsearch1.html>. If account status displays a message that the Offeror 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 Offeror and certifies the Offer submitted with this *Execution of Offer, Affirmation of Terms and Conditions, and Offer Preferences* instrument is in full compliance with the provisions expressly stated above. I further certify the Offer submitted with this instrument is allowed to claim any of the Chapter 2155 Texas Government Code preferences checked below.

The Offeror, 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 RFO, and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all services at the prices quoted in the Offer or bid. By signing this Offer, the Offeror signifies that if a Texas address is shown as the address of the Offeror, the Offeror qualifies as a Texas Resident Bidder as defined in Texas Administrative Code, Title 34, Part 1, Chapter 20.

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

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