

Texas Education Agency  
RFP 701-15-023  
Clarifying Questions  
Addendum #1

**To all proposers, similar questions received in the mailbox as of 5:00 pm CT on March 6, 2015 have been combined and answered only once. Questions are redacted and answered in random order. In accordance with Section 2.3, only questions that require material clarification about the scope, discrepancies, omissions, or doubts of this procurement have been answered in the Question and Answer Forum. Please consider all questions and answers significant to the proposal process.**

Q1: What are the annual fees for the existing contract that the Fund is paying to its current consultant?

A1: The incumbent is currently compensated at the rate of \$580,000.00 per year.

Q2: Could you confirm whether the US Large- and SMID-Cap Equity are both passively managed by internal staff?

A2: Yes, both index mandates are currently managed by internal staff.

Q3: Could you approximate the number of external investment manager searches the TPSF has conducted per year historically? Could you further estimate what percentage was traditional strategies and what percentage was alternative strategies?

A3: Historically we have conducted a number of annual searches in the low single digits with a focus on alternative managers.

Q3: Could you provide the percentages currently utilized between direct and fund-of-funds for hedge funds and private markets?

A3: Estimate as of 12/31/14 - Hedge Funds: 0% direct / 100% fund - of- funds. Real Estate: 100% direct / 0% fund - of - funds, Private Equity: 0% direct / 100% fund - of - funds.

Q3: Could you generally describe the typical cadence (quarterly, monthly, etc.) of in-person meetings with the SBOE, TPSF Committee, legislative hearings, and other meetings requiring attendance by the investment consultant?

A3: Attendance is expected 5 - 6 times per year at SBOE/ TPSF Committee Meetings. The Texas legislative body meets every other year with a regular session scheduled from January – June, with potential for infrequent hearings during this period. Over recent sessions, it has not been necessary for the investment counsel to attend legislative hearings.



## TEXAS EDUCATION AGENCY

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

### REQUEST FOR PROPOSAL INVESTMENT COUNSEL FOR THE TEXAS PERMANENT SCHOOL FUND RFP 701-15-023

*Authorized by Article VII, Section 5 of the Texas Constitution*

<b>PROPOSAL DELIVERY LOCATION:</b> Purchasing & Contracts, Rm. 2-125 Texas Education Agency 1701 North Congress Avenue Austin, Texas 78701	<b>REFER INQUIRIES TO:</b> Email: PSFB2RFP@tea.texas.gov  Beginning: Monday, March 2, 2015 Ending: Friday, March 6, 2015
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**PROPOSAL DUE DATE AND TIME: Thursday, March 19, 2015 3:00 PM Central Time**

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

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

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

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

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

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

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

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

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## TABLE OF CONTENTS

<b>SECTION ONE—INTRODUCTION AND PURPOSE .....</b>	<b>5</b>
1.1 Purpose of the Request for Proposal (RFP) .....	5
1.2 Definitions/Acronyms .....	5
1.3 Background Information .....	6
1.4 Minimum Qualifications .....	6
1.5 Minimum Compliance Related to the Procurement Process .....	7
1.6 Scope of Services .....	8
1.7 Contract Term/Option to Extend .....	11
1.8 Fee Proposal .....	11
<b>SECTION TWO—GENERAL INSTRUCTIONS AND STANDARD PROPOSAL REQUIREMENTS .....</b>	<b>12</b>
2.1 Proposal Submission, Date, and Time .....	12
2.2 Expected Sequence of Events/Critical Dates .....	14
2.3 Proposer’s Question and Answer Forum .....	14
2.4 Standard Proposal Requirements .....	15
2.5 State Not Responsible for Preparation Costs .....	15
2.6 Disclosure of Proposal Content .....	15
2.7 Independent Auditing Standards and Conflict of Interests .....	15
<b>SECTION THREE—PROPOSAL FORMAT AND CONTENT .....</b>	<b>16</b>
3.1 Proposal Format and Content .....	16
3.2 Proposer’s Financial Responsibility .....	16
3.3 Understanding the Scope of Work .....	17
3.4 Conflicts of Interest .....	17
3.5 Fee Proposal .....	18
3.6 Proposer Identification .....	18
3.7 Historically Underutilized Business (HUB) Identification .....	18
3.8 Evaluation Criteria .....	19
<b>SECTION FOUR—REVIEW OF PROPOSALS .....</b>	<b>20</b>
4.1 Review of Proposals .....	20
4.2 Selection Criteria .....	20
<b>SECTION FIVE—CONTRACTUAL REQUIREMENTS .....</b>	<b>21</b>
5.1 Contractors’ Proposals .....	21
5.2 Execution of Offer and Affirmation of Terms and Conditions .....	21
5.3 Payment .....	21
5.4 Contracting with Persons Who Have Certain Debts or Delinquencies .....	21

<b>EXHIBITS.....</b>	<b>22</b>
Exhibit A	Regulation, Administration, and Other .....23
Exhibit B	TPSF Investment Procedures Manual.....24
Exhibit C	Definition of Historically Underutilized Business and Instructions.....42
<b>DOCUMENTS TO RETURN IN PROPOSAL RESPONSE .....</b>	<b>43</b>
Document A	Proposal Cover Page .....44
Document B	Proposal Content Checklist.....46
Document C	Statement of Minimum Qualifications .....47
Document D	Evidence of Proposer’s Financial Responsibility .....51
Document E	Affirmation of Scope of Services.....53
Document F	Investment Counsel Profile.....56
Document G	Investment Counsel Questionnaire .....57
Document H	Conflict of Interest and Contacts Questionnaire .....68
Document I	Fee Proposal .....101
Document J	HUB Subcontracting Plan (HSP) .....105
Document K	Execution of Offer and Affirmation of Terms and Conditions .....114

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## SECTION ONE—INTRODUCTION AND PURPOSE

### 1.1 PURPOSE OF THE REQUEST FOR PROPOSAL (RFP)

The Texas Education Agency (TEA) on behalf of the State Board of Education (SBOE) and the Texas Permanent School Fund (TPSF) seeks to solicit proposals from firms to provide general investment counsel to assist the SBOE in its fiduciary responsibility to the Fund. The Proposal is subject to the requisite *Statement of Minimum Qualifications* and *Affirmation of Scope of Services Required*. See below for a detailed description. Subject to applicable statutes and procedures, SBOE reserves the right to engage other firms to provide the same or similar services to TPSF.

Firms submitting responses to the RFP must be a Registered Investment Advisor with the Securities and Exchange Commission and have demonstrated experience in similar engagements with large institutional clients, and endowments or foundations.

The SBOE selects firms, if any, based upon a number of criteria, including the proposer'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 reasonableness of proposed fees, among others. Proposers may be asked to come to Austin for an interview to discuss the firm's experience and qualifications. All TPSF engagements are non-exclusive.

### 1.2 DEFINITIONS/ACRONYMS

**Assets Under Management (AUM):** Client-only assets contracted for investment management services by the proposing firm, and the assets being actively invested as of the date in question, not prospect, pending contract or awaiting investment.

**Assets Under Advisement (AUA):** Only assets managed by the firm's clients which the firm provides general advisement, consultation or counsel services for as of the date in question, not prospect, pending contract or awaiting investment.

**Broadly-diversified or Well-diversified:** Spread across most securities, instruments, markets, and geographies.

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

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

**GIPS® Compliant:** Firm confirmation that performance data is prepared according to the calculation methodologies as described in the CFA Institute's Global Investment Performance Standards (GIPS)®.

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

**IPM:** Texas Permanent School Fund's Investment Procedures Manual

**POLICY:** Chapter 33 of the Texas Administrative Code

**RFP:** Request for Proposal

**SBOE:** State Board of Education

**TEA:** Texas Education Agency

**TPSF:** Texas Permanent School Fund

## **1.3 BACKGROUND INFORMATION**

### **1.3.1 Texas Permanent School Fund Overview**

The Texas State Board of Education 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 December 31, 2014, the market value of TPSF was \$29.94 billion. The Fund was constitutionally created to provide a growing capital base to contribute to the public school system of Texas. Since July 18, 2014, the TPSF's asset allocation target has been: 21% domestic equities, 16% international large cap equities, 3% emerging market equities, 12% domestic fixed income securities, 3% real return TIPS, 7% emerging market debt, and 38% for various alternative assets including absolute return, commodities, private equity, real estate, and risk parity. This 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 with the intent that diversification will provide incremental total return at reduced risk.

### **1.3.2 Regulation and Administration**

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

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

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

## **1.4 MINIMUM QUALIFICATIONS**

The SBOE will select the firm whose Proposal demonstrates, in its judgment, the competence and experience to provide the required level of service. In order to be selected for pre-qualification, firms must meet all of the requirements of Sections 1.4.1, 1.4.2, and must be able to provide the required services as described in Section 1.6. The firm selected must meet requirements established by Texas state law, the TEA, the SBOE, the TPSF, the State Comptroller, and the State Auditor.

### **1.4.1 Minimum Qualifications for the Firm's Lead Investment Professionals**

The lead investment professionals assigned to the TPSF account, at a minimum:

- a. Must have three (3) years with the firm;

- b. Must have three (3) years' experience providing general investment counsel to institutional clients with at least ten (\$10) billion in assets, and prefer public fund or endowment client experience;
- c. Must have a minimum of ten (10) years relevant investment experience, the majority of which must be either as investment counsel and/or as a plan sponsor.

#### **1.4.2 Minimum Qualifications for Firms**

All firms submitting Proposals for the mandate stated above, at a minimum:

- a. Must provide evidence of firm stability and financial strength.
- b. Must be an investment advisor registered with the SEC under the Investment Advisors Act of 1940.
- c. Must be willing to act as a fiduciary with respect to work performed and any specific investments made.
- d. Must attend and present at regular SBOE meetings Committee on Permanent School Fund meetings, legislative hearings, if requested, and other scheduled meetings.
- e. Must demonstrate an ability to fully meet the Scope of Services as described in Section 1.6 of this document.
- f. Must have significant assets of institutional clients under advisement (AUA) with no less than fifty (\$50) billion and prefer one-hundred (\$100) billion or greater AUA.
- g. Must demonstrate having provided advisory services to institutional tax-exempt organizations, and must currently have at least three (3) institutional public fund, endowment, or foundation clients, each client with no less than ten (\$10) billion, and prefer twenty (\$20), billion or greater in total fund assets.
- h. Must be in existence for at least five (5) years and the firm must exhibit a history of at least five (5) consecutive years advising five (5) large institutional clients, endowments, and foundations.
- i. 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;
- j. Must comply with the provisions stated in the Investment Procedures Manual of the Texas *Permanent School Fund*, EXHIBIT B.

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

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

### **1.5 MINIMUM COMPLIANCE RELATED TO THE PROCUREMENT PROCESS**

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

- This RFP was authorized for issuance and posting by the SBOE on February 13, 2015
- From the time that a RFP is authorized by the SBOE to be distributed by TEA staff to prospective Proposers and continuing through the selection date, a Blackout Period will exist. No communication involving the TPSF or the type of investment or service that is the subject of the RFP is permitted with any SBOE member during the Blackout Period.
- Applicants performing other duties on behalf of the TPSF may communicate with SBOE members concerning those other duties in writing or at a Committee or SBOE meeting. Written communications shall be copied to all SBOE members and the Executive Administrator, who will aggregate such communications and timely provide copies to all SBOE members.



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

See [Exhibit B](#) for complete text of *Investment Procedures Manual*.

## **1.6 SCOPE OF SERVICES**

The TEA, on behalf of the SBOE and the TPSF, seeks to hire a firm to provide general investment counsel to assist the SBOE in its fiduciary responsibility to the TPSF. Investment Counsel is expected to provide expert advice on the development and management of TPSF's investment related activities. Investment Counsel will work closely with the SBOE, the Chief Investment Officer, TPSF other specialized counsels, TPSF performance advisor, TPSF custodian bank, and TPSF staff to deliver the services listed below:

### **1.6.1 General Investment Counsel**

- a. In conjunction with the TPSF staff, conduct spending policy analysis, intergenerational equity analysis, estimate endowment distribution rates, and provide formal recommendations that include all data, assumptions and methodologies supporting the analysis.
- b. When requested, review methodologies utilized by staff to test compliance with Constitutional and other regulatory mandates specific to TPSF.
- c. Evaluate the Statement of Investment Objectives, Policies, and Guidelines, including the tolerance for and management of risk, and recommend amendments. (EXHIBIT A: 2., Chapter 33 of the Texas Administrative Code)
- d. When requested, provide assistance in the periodic review of the Investment Procedures Manual, and recommend written amendments. (EXHIBIT B)
- e. Assist with the preparation of asset allocation studies and provide written recommendations, accordingly.
- f. In conjunction with the TPSF staff, conduct a full review of the asset allocation plan at least every two years.
- g. Provide TPSF staff with the firm's annual capital market projections, including education and analyses on market conditions and all data, assumptions and methodologies that support the projection and analyses.
- h. Perform routine stress testing on the TPSF including tests that measure how the Fund will perform in a variety of market scenarios and extreme market environments and how the Fund will meet liquidity needs under such conditions. Examples include but are not limited to: economic recovery, deflation, inflation, stagflation, extreme market decline and other shock factors.
- i. Provide documented due diligence monitoring/reviewing of existing and future investment managers; conduct on-site visits of existing and potential managers as needed; when requested, provide periodic review of investment manager fees with recommendations for action to be taken to ensure appropriate fee structures.
- j. When requested, provide advice in the planning, oversight, costing and review of asset transitions among investment managers and investment vehicles.
- k. Attend and present at regular SBOE meetings, Committee on Permanent School Fund meetings, legislative hearings, as requested, and other meetings as needed.
- l. Be available for ad-hoc telephone conferences and consultation with SBOE members, Committees, and TPSF staff.
- m. Provide counsel in specialized asset classes, when requested.

### 1.6.2 Search and Recommendation

- a. Perform specialized searches/studies and produce analysis, reports and whitepapers as may be requested by the SBOE or Chief Investment Officer.
- b. Assist with investment manager searches or other providers of investment related services, across all asset classes when requested, based on the Investment Procedures Manual and performance objectives of the TPSF.
  - i. Assist in the screening of available investment manager and investment product universes to identify investment opportunities, consistent with the Policy and the asset allocation plan.
  - ii. Provide appropriate whitepapers, research and analyses to evaluate investment opportunities and to assist in bringing investment recommendations to the SBOE for consideration and selection.
  - iii. Assist in developing procurement minimum qualifications, questionnaires and interview questions, comprehensive agenda for on-site diligence visits, and due diligence checklists for manager and advisor selection.
  - iv. Independently evaluate investment manager proposals and presentations, and work with TPSF staff to prepare recommendations and analyses for presentation to the SBOE.
- c. Work with TPSF staff as necessary in the due diligence process with regard to the selection of investment opportunities. Due diligence best practices generally include the following:
  - i. Review the reasonableness and prudence of each investment opportunity given its risk and expected return, including assessing the impact of the economy and market conditions of the investment type. Evaluate the appropriateness of opportunities within the context and requirements of the Policy and IPM.
  - ii. Review the reasonableness and prudence of investment terms, investment structure, fee structure, and the alignment of the TPSF and manager/partner interests.
  - iii. Evaluate the institutional quality of the organization including, but not limited to: history, ownership, firm financial strength, personnel, investment/management experience, client service, quality assurance, operations and systems, business conduct, conflicts of interest.
  - iv. Analyze and generate reports for past performance, fee structure and track record of each investment opportunity. Evaluate the overall investment strategy focusing on appropriate fit for the TPSF.
  - v. Evaluate the team that will actually be providing services to the TPSF. Review team members for expertise, experience, conflicts of interest and track record for any given strategy. Assess the firm personnel and their track record and conflicts of interest. Evaluate compensation arrangements to ensure appropriate incentives and alignments of interest are in place.
  - vi. Confirm compliance with the Policy.

- d. When requested, assist with interviews of prospective investment managers or other providers of investment related services, across all asset classes including interviews held in Austin, TX as well as on-site due diligence visits to prospective candidate offices or other on-site locations as needed.
- e. When requested, work with TPSF staff and TPSF legal counsel to assist with fee and term negotiation and contract development for selected investment opportunities. TEA acknowledges that Investment Counsel is not providing any legal advice or consultation in providing services in this category. Investment Counsel shall review, evaluate and recommend retention or removal of managers, but shall have no authority to engage or terminate any manager.
- f. Work with TPSF staff as necessary to identify and document investments that are no longer consistent with the Policy and asset allocation plan. Assist in developing exit strategies when investments require termination, partial or full liquidation, and retirement.
- g. Participate in the procurement process and assist in the evaluation of the global master custodian and/or securities lending agent, if requested.

### **1.6.3 Research and Analysis**

- a. Provide access to general and firm investment and economic research, including spending policy and intergenerational equity research, analysis and methodologies; and, general and firm capital market assumptions and projections with underlying methodologies.
- b. Perform research projects/specialized studies and produce reports as may be requested by the SBOE and/or CIO on specific investment matters, including public fund universes, endowment universes, compensation studies, across all asset classes and related to other investment matters.
- c. Provide TPSF staff with direct access to all Investment Counsel research, including having discussions with the lead researcher and firm analysts. Provide whitepapers to TPSF when available. Provide access to all client facing electronic tools that your firm may offer.
- d. Provide education and information on capital market conditions and projections to SBOE and TPSF staff.
- e. Provide whitepapers, educational materials and conduct educational seminars on investment principles, asset classes, investment strategies, investment vehicles, macro or thematic investment trends and other related matters.
- f. Provide research in specific alternative asset classes, when requested.
- g. Prepare other investment related research and reports when requested by SBOE or TPSF staff.

### **1.6.4 Manager Database**

- a. Maintain a broad database of investment advisors, managers, and other investment service providers and investment products.
- b. Provide TPSF staff access to the lead researcher and analysts involved in compiling such information to discuss the database and its contents.

### **1.6.5 Other Duties as Assigned**

Proposers must complete and return the Affirmation of Scope of Services contained in DOCUMENT E. If the Proposer cannot affirm delivery of a service item and the service will not be provided and/or is not included in the fee proposal, then a detailed explanation must accompany each item. DOCUMENT E must be executed by an individual authorized to bind the firm to the items listed in the Scope of Service.

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

## **1.7 CONTRACT TERM/OPTION TO EXTEND**

The initial term of any contract resulting from this RFP shall be at least from contract award until August 31, 2018. The TPSF, at its own discretion, may negotiate a different initial term. The TPSF may extend any contract awarded pursuant to this RFP for up to two (2) additional three (3) year periods under the same or different terms. If renewed, the maximum term of the contract will not extend beyond August 31, 2024.

## **1.8 FEE PROPOSAL**

Proposers must submit a fee proposal for the services being offered.

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

The fee proposal must be contained in Document Set I: I, I-1, I-2, and I-3.

Travel expenses within the scope of work must be included in the fee and cannot be billed separately. Any travel for activities outside the normal scope of work must be approved in advance by the TPSF to receive reimbursement. Any reimbursement for travel expenditures will be at State-approved rates in accordance with State travel regulations (see listing of State-approved rates at <https://fm.xcpa.state.tx.us/fm/travel/index.php>).

## SECTION TWO—GENERAL INSTRUCTIONS AND STANDARD PROPOSAL REQUIREMENTS

All Proposals 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 Proposal and the Proposal shall receive no further consideration.***

### 2.1 PROPOSAL SUBMISSION, DATE, AND TIME

**PROPOSAL DUE DATE AND TIME: Thursday, March 19, 2015 3:00 PM Central Time (CT)**

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

**PROPOSALS MUST BE SUBMITTED AS FOLLOWS:**

- c. Box 20 printed copies and 5 CDs/USB devices (see: [Section 3.1 Proposal Format and Content](#)).
- d. In sealed box(es).
- e. Single box weight not to exceed 50 lbs.
- f. Proposer's name, prominently displayed on each box.
- g. RFP 701-15-023, prominently displayed on each box.
- h. Closing date: March 19, 2015, prominently displayed on each box.
- i. Indicate: box # of total box #, prominently displayed on each box.
- j. Addressee:

**Purchasing & Contracts, Rm. 2-125  
Texas Education Agency  
William B. Travis Bldg.  
1701 N. Congress Ave.  
Austin, TX 78701-1494**

- k. Box 20 printed copies and 5 CDs/USB devices (see: [Section 3.1 Proposal Format and Content](#)).
- l. Proposer's name, RFP 701-15-023, and closing date clearly marked on each CD.
- m. Package or box, CDs/USB devices separately, do not place electronic media inside individual Proposal responses.
- n. Each CD/USB contains electronic versions of printed material in .PDF and .DOCX, .XLS (see: [Section 3.1 Proposal Format and Content](#)).
- o. Proprietary etc. clearly marked (see: [Section 2.6 Disclosure of Proposal Content](#)).

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

### 2.1.1 Receipt of Proposals

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

Regardless of the method of submitting the Offer, e.g., United States Postal Service (USPS), United Parcel Service (UPS)®, Federal Express® or any other delivery service, the Offer must be received in the Agency's Purchasing & Contracts Division by 3:00 PM CT on or before the closing date in order to be considered.

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

### 2.1.2 Purchasing and Contracts

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

### 2.1.3 Number of Copies of Proposal

Twenty (20) printed copies of the Proposal are required to be submitted. In addition, five (5) electronic CDs should be submitted containing both the PDF and the Microsoft Word versions of the entire Proposal (including all attachments), and the Microsoft Excel version of the required appendices. Package the Proposal responses and the CDs in separate containers. Do not place CDs inside individual Proposal responses.

The required number of copies of the Offer must be received in the TEA Purchasing & Contracts by 3:00 PM CT on the established deadline date. ***Failure to meet this condition can disqualify the Proposal.***

Photocopying is not available at TEA.

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.

## 2.2 EXPECTED SEQUENCE OF EVENTS/CRITICAL DATES

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

DATE	EVENT
Tuesday, February 24, 2015	Publication of Request for Proposals in <i>Electronic State Business Daily</i> .
Monday, March 2, 2015 – Friday, March 6, 2015	Proposer's Question and Answer Forum with questions e-mailed to <a href="mailto:PSFB2RFp@tea.texas.gov">PSFB2RFp@tea.texas.gov</a> and questions and answers posted to the <i>Electronic State Business Daily</i> at <a href="http://esbd.cpa.state.tx.us">http://esbd.cpa.state.tx.us</a>
Thursday, March 19, 2015	Proposal is due in TEA Purchasing & Contracts 3:00 p.m., Central Time.
Thursday, July 16, 2015	Oral presentations of selected finalists.
Friday, July 17, 2015	Selection of Proposer and commencement of negotiations after approval by State Board of Education.
Upon Execution	Beginning date of contract and commencement of work immediately after contract is signed.
August 31, 2018	Ending date of initial contract term with option to renew.

## 2.3 PROPOSER'S QUESTION AND ANSWER FORUM

- Beginning: 8:00 AM CT Monday, March 2, 2015
- Ending: 5:00 PM CT Friday, March 6, 2015
- Questions: [PSFB2RFp@tea.texas.gov](mailto:PSFB2RFp@tea.texas.gov)
- Answers: <http://esbd.cpa.state.tx.us>

Proposers will be provided a forum to ask questions and receive clarifying information about the scope, discrepancies, omissions, or doubts as to the meaning of the specifications of the RFP. All questions must include representative's name, name of the firm represented, address, telephone number, fax number, and e-mail address. The questions and posted responses will be de-identified. Beginning 8:00 AM CT Monday, March 2, 2015 and ending 5:00 PM CT Friday, March 6, 2015. Proposers may email questions to [PSFB2RFp@tea.texas.gov](mailto:PSFB2RFp@tea.texas.gov). Answers will be updated and posted regularly at the Electronic State Business Daily at <http://esbd.cpa.state.tx.us>.

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

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

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

## 2.4 STANDARD PROPOSAL REQUIREMENTS

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

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

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

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

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

## 2.5 STATE NOT RESPONSIBLE FOR PREPARATION COSTS

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

## 2.6 DISCLOSURE OF PROPOSAL CONTENT

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

Proposers must:

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

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

## 2.7 INDEPENDENT AUDITING STANDARDS AND CONFLICT OF INTERESTS

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

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



## SECTION THREE—PROPOSAL FORMAT AND CONTENT

### 3.1 PROPOSAL FORMAT AND CONTENT

Proposers **must** submit twenty (20) printed copies of the Proposal. In addition, Proposers **must** submit five (5) electronic CDs/USB devices containing both a PDF and Microsoft® Word version of entire Proposal (including all attachments), and a Microsoft® Excel version of the required appendices. Please package the Proposal responses and CDs/USB devices in separate containers. Do not place CDs/USB devices inside individual Proposal responses. Proposals must be submitted in a manner which does not carry any benefit, keepsake, or value for members of the review panel.

Proposal format and content should include the following:

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

#### 3.1.1 Proposal Cover Page

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

#### 3.1.2 Proposal Content Checklist

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

### 3.2 PROPOSER'S FINANCIAL RESPONSIBILITY

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

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

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

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

### 3.3 UNDERSTANDING THE SCOPE OF WORK

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

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

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

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

### 3.4 CONFLICTS OF INTEREST

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

The appropriate Conflicts of Interest and Contacts document set should be completed in its entirety for the firm as a whole and for each individual as described.

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

Each document set will consist of the following:

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

- f. **Page 7**—Disclosure of All Campaign Contributions and Gifts, per Section 4.3 of the State Board of Education Operating Rules.
- g. **Page 8**—Disclosure of All Campaign Contributions and Gifts to Statewide Elected Officials and Members of the Texas State Legislature. Signature Attestation (pages 18).

### 3.5 FEE PROPOSAL

Proposers **must** submit a comprehensive fee proposal consistent with the requirements to provide general investment counsel to assist the SBOE in its fiduciary responsibility to the Fund, and deliver the scope of services affirmed in this RFP.

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

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

<b>Document I</b>	Fee Proposal—Cover Page
<b>Document I-1</b>	Fee Proposal—Detail and Justification
<b>Document I-2</b>	Fee Proposal—Description of Categories
<b>Document I-3</b>	Fee Proposal—Mathematical Example

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

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

***Failure to meet these conditions can disqualify the Proposal.***

### 3.6 PROPOSER IDENTIFICATION

Proposer shall provide to agency, its 9-digit Federal Employer's Identification Number (FEI); Social Security Number (SSN) if proposer is an individual; or proposer's 14-digit State of Texas Vendor's Identification Number (VIN). If incorporated, proposer shall also provide to agency the corporation's charter number issued by the Texas Secretary of State's office. Proposer shall complete Section 3.B of DOCUMENT J 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 a Proposal for the services requested in this RFP. Proposers are encouraged to become HUB certified.

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

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

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

- Open <http://www2.cpa.state.tx.us/cmb1/cmb1hub.html>.
- Search: HUBs on CMBL and HUBs not on the CMBL.
- Selection 1:
  - Class Code: #946 Financial Services
  - Item: #48 Financial Advisors
  - Item: #49 Financial Services

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

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

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

### **3.8 EVALUATION CRITERIA**

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

## SECTION FOUR—REVIEW OF PROPOSALS

### 4.1 REVIEW OF PROPOSALS

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

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

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

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

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

### 4.2 SELECTION CRITERIA

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

FACTORS	POSSIBLE POINTS
Business and Organizational Strength	20
Investment Counsel Experience	25
Client Service	20
Conflicts and Business Conduct	20
Fee Proposal	10
Other Factors	5
<b>TOTAL</b>	100

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

## SECTION FIVE—CONTRACTUAL REQUIREMENTS

### 5.1 CONTRACTORS' PROPOSALS

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

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

### 5.2 EXECUTION OF OFFER AND AFFIRMATION OF TERMS AND CONDITIONS

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

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

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

### 5.3 PAYMENT

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

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

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

### 5.4 CONTRACTING WITH PERSONS WHO HAVE CERTAIN DEBTS OR DELINQUENCIES

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

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

[https://fm.xcpa.state.tx.us/fm/pubs/purchase/restricted/index.php?section=indebted&page=persons\\_indebted](https://fm.xcpa.state.tx.us/fm/pubs/purchase/restricted/index.php?section=indebted&page=persons_indebted)

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

## EXHIBITS

*The following exhibits are included in this Proposal:*

- Exhibit A**      Regulation, Administration, and Other
- Exhibit B**      TPSF Investment Procedures Manual
- Exhibit C**      Definition of Historically Underutilized Business and Instructions

## **EXHIBIT A**

### **REGULATION, ADMINISTRATION, AND OTHER**

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

1. Article VII of The Texas Constitution  
<http://www.statutes.legis.state.tx.us/Docs/CN/htm/CN.7.htm>
2. 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)
3. 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>
4. Chapter 2155 of the Texas Government Code: Purchasing—General Rules and Procedures, including:
  - a. Section 2155.004—Certain Bids and Contracts Prohibited  
<http://www.statutes.legis.state.tx.us/docs/gv/htm/gv.2155.htm>
  - b. Section 2161.001—Texas Government Code: HUB Defined  
<http://www.statutes.legis.state.tx.us/docs/gv/htm/gv.2161.htm>
5. Texas Comptroller of Public Accounts:
  - a. Electronic State Business Daily (ESBD)  
<http://esbd.cpa.state.tx.us/>
  - b. HUB Certification Process  
<http://www.window.state.tx.us/procurement/prog/hub/hub-certification/>
  - c. Vendors Indebted to the State of Texas
  - d. [https://fm.x.cpa.state.tx.us/fm/pubs/purchase/restricted/index.php?section=indebted&page=persons\\_indebted](https://fm.x.cpa.state.tx.us/fm/pubs/purchase/restricted/index.php?section=indebted&page=persons_indebted)
  - e. TINS—Vendor Hold Search  
<https://cpafmprd.cpa.state.tx.us/tpis/search.html>
6. Chapter 552 of the Texas Government Code: Public Information Act, including:
  - a. Section 552.0225—Right of Access to Investment Information,
  - b. Section 552.0230—Special Right of Access to Confidential Information
  - c. Section 552.1100—Exception Trade Secrets; Certain Commercial or Financial Information
  - d. Section 552.1430—Confidentiality of Certain Investment Information  
<http://www.statutes.legis.state.tx.us/sotwdocs/gv/htm/gv.552.htm>
7. Section 4.3 of the State Board of Education Operating Rules, amended January 30, 2013, Disclosure of Campaign Contributions and Gifts  
[http://tea.texas.gov/About\\_TEA/Leadership/State\\_Board\\_of\\_Education/SBOE\\_Meetings/SBOE\\_Operating\\_Rules\\_Amended\\_1\\_30\\_13/](http://tea.texas.gov/About_TEA/Leadership/State_Board_of_Education/SBOE_Meetings/SBOE_Operating_Rules_Amended_1_30_13/)
8. Audited Annual Financial Statements of the TPSF  
[http://tea.texas.gov/Finance\\_and\\_Grants/Texas\\_Permanent\\_School\\_Fund/Texas\\_Permanent\\_School\\_Fund\\_-\\_Annual\\_Report/](http://tea.texas.gov/Finance_and_Grants/Texas_Permanent_School_Fund/Texas_Permanent_School_Fund_-_Annual_Report/)
9. Additional Information about TEA and TPSF
  - a. TEA: <http://tea.texas.gov>
  - b. TPSF: <http://tea.texas.gov/psf>



## **EXHIBIT B**

### **TPSF INVESTMENT PROCEDURES MANUAL**

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, the custodian may hold foreign currencies overnight as authorized by the 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
<b>Equity</b>		
Large Cap US Equity	16.0%	+/- 3.0%
Small/Mid-Cap US Equity	5.0%	+/- 1.0%
International Large Cap Developed and Emerging Market Equity	16.0%	+/- 3.0%
International Emerging Market Equity	3.0%	+/- 1.0%
<i>Total Equity</i>	40.0%	
<b>Fixed Income</b>		
DOMESTIC INVESTMENT GRADE FIXED INCOME	12.0%	+/- 2.0%
EMERGING MARKET DEBT (LOCAL CURRENCY)	7.0%	+/- 1.0%
<i>Total Fixed Income</i>	19.0%	
<b>Cash Equivalents</b>	0.0%	
<b>Global Risk Control Strategies</b>		
ABSOLUTE RETURN	10.0%	+/- 1.0%
RISK PARITY	7.0%	+/- 1.0%
<i>Total Global Risk Control Strategies</i>	17.0%	
<b>Other Alternative Assets</b>		
PRIVATE EQUITY	10.0%	+/- 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>	24.0%	

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 the lowest cost and most efficient method for transitioning the assets and to monitor and report on the 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 2014 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
<b>Equity</b>		
Large Cap US Equity	S&P 500	16.0%
Small/Mid-Cap US Equity	S&P 1000	5.0%
International Large Cap Developed and Emerging Market Equity	MSCI All Country World Index EX US (Net Dividend)	16.0%
International Emerging Markets Equity	MSCI EM Index (net dividends)	3.0%
<i>Total Equity</i>		40.0%
<b>Fixed Income</b>		
DOMESTIC INVESTMENT GRADE FIXED INCOME	Barclays Capital U.S. Aggregate Bond Index	12.0%
EMERGING MARKET DEBT (LOCAL CURRENCY)	JPM GBI-EM Global Diversified	7.0%
<i>Total Fixed Income</i>		19.0%
<b>Cash Equivalents</b>		0.0+%
<b>Global Risk Control Strategies</b>		
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%
<b>Other Alternative Assets</b>		

PRIVATE EQUITY	Custom Private iQ® Benchmark	10.0%
REAL ESTATE	Core: NCREIF Fund Index - Open End Diversified Core Equity, Equally Weighted, Net of Fee (NFI-ODCE, EW, Net) or, if available, NCREIF Fund Index - Open End Diversified Core Equity Ex- 81-100 Trust Structure Funds, Equally Weighted, Net of Fee (NFI-ODCE Ex-81-100, EW, Net) Non-core: Custom Private iQ® Benchmark	8.0%
REAL RETURN (COMMODITIES)	Bloomberg Commodity Total Return Index	3.0%
REAL RETURN (U.S. TREASURY INFLATION PROTECTED SECURITIES (TIPS))	Barclays Capital US TIPS	3.0%
<i>Total Other Alternative Assets</i>		24.0%

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

## 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 are often characterized by limited liquidity, infrequent valuations, and the need for greater administrative workload and oversight. The State Board of Education recognizes that additional investment classes may reduce the 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)**

**(1) Open End Funds**

A real estate 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 NCREIF Fund Index - Open End Diversified Core Equity, Equally Weighted, Net of Fee (NFI-ODCE, EW, Net) or, if available, NCREIF Fund Index - Open End Diversified Core Equity Ex- 81-100 Trust Structure Funds, Equally Weighted, Net of Fee (NFI-ODCE Ex-81-100, EW, Net).
- (b) Maintain an acceptable risk level when measured by the standard deviation of quarterly returns of the representative benchmark NCREIF Fund Index - Open End Diversified Core Equity, Equally Weighted, Net of Fee (NFI-ODCE, EW, Net) or, if available, NCREIF Fund Index - Open End Diversified Core Equity Ex- 81-100 Trust Structure Funds, Equally Weighted, Net of Fee (NFI-ODCE Ex-81-100, EW, Net).

**(2) Closed End Funds**

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

- (a) An internal rate of return (net of fees and expenses) in excess of median returns of the Fund's investments' objectives and vintage year.
- (b) Maintain an acceptable risk level when measured by the standard deviation of quarterly returns of the representative benchmark (Custom Private iQ® Benchmark).

**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 Bloomberg Commodity Total Return Index.
- (b) Maintain an acceptable risk level when measured by standard deviation of quarterly returns of the representative benchmark (Bloomberg Commodity Total Return 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 the 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) in excess of median returns of the Fund's investments' objectives and vintage year.
- (2) Maintain an acceptable risk level when measured by the standard deviation of quarterly returns of the representative benchmark (Custom Private iQ® Benchmark).

**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 the Municipal Securities Rulemaking Board or any successor to its 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 this 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 the 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 the 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. The conversion rate is to be negotiated by the staff and reported to the Committee. The soft dollar/commission recapture broker must meet the applicable criteria for the selection of broker/ dealer firm as outlined in Section 33.40(c)-Guidelines for Selecting a Brokerage Firm, found in Chapter 33-Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund.

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

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

## EXHIBIT C

### DEFINITION OF HISTORICALLY UNDERUTILIZED BUSINESS AND INSTRUCTIONS

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

- (2) *"Historically underutilized business" means an entity with its principal place of business in this state that is:*
- (A) a corporation formed for the purpose of making a profit in which 51 percent or more of all classes of the shares of stock or other equitable securities are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the corporation's control, operation, and management;*
  - (B) a sole proprietorship created for the purpose of making a profit that is completely owned, operated, and controlled by an economically disadvantaged person;*
  - (C) a partnership formed for the purpose of making a profit in which 51 percent or more of the assets and interest in the partnership are owned by one or more economically disadvantaged persons who have a proportionate interest and actively participate in the partnership's control, operation, and management;*
  - (D) a joint venture in which each entity in the venture is a historically underutilized business, as determined under another paragraph of this subdivision; or*
  - (E) a supplier contract between a historically underutilized business as determined under another paragraph of this subdivision and a prime contractor under which the historically underutilized business is directly involved in the manufacture or distribution of the goods or otherwise warehouses and ships the goods.*
- (3) *"Economically disadvantaged person" means a person who:*
- (A) is economically disadvantaged because of the person's identification as a member of a certain group, including:*
    - (i) Black Americans;*
    - (ii) Hispanic Americans;*
    - (iii) women;*
    - (iv) Asian Pacific Americans;*
    - (v) Native Americans; and*
    - (vi) veterans as defined by 38 U.S.C. Section 101(2) who have suffered at least a 20 percent service-connected disability as defined by 38 U.S.C. Section 101(16); and*
  - (B) 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; Acts 2003, 78th Leg., ch. 1261, Sec. 1, eff. Sept. 1, 2003. Amended by: Acts 2013, 83rd Leg., R.S., Ch. 1255 (H.B. 194), Sec. 1, eff. September 1, 2013.*

## DOCUMENTS TO RETURN IN PROPOSAL RESPONSE

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

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

## DOCUMENT A PROPOSAL COVER PAGE

Submitted to the Purchasing & Contracts Division  
Texas Education Agency  
RFP 701-15-023

**REQUEST FOR PROPOSAL:** Investment Counsel for TPSF

**FIRM ISSUING THIS PROPOSAL:**

<b>Firm Name:</b>	
<b>Address:</b>	
<b>Company Website:</b>	

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

**DATE SUBMITTED:** [Enter date Proposal is submitted to TEA]

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

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

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

## DOCUMENT B PROPOSAL CONTENT CHECKLIST

**PROPOSER FIRM NAME:** \_\_\_\_\_

In accordance with Section 3.1 of RFP 701-15-023, we hereby state that this Proposal response is complete and includes the following documents arranged in tabular sections in the order listed below.

\_\_\_\_\_  
Proposer's Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

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

	DOCUMENT	DOCUMENT TITLE	TAB
<input type="checkbox"/>	Document A	Proposal Cover Page	
<input type="checkbox"/>	Document B	Proposal Content Checklist	
<input type="checkbox"/>	Document C	Statement of Minimum Qualifications	
<input type="checkbox"/>	Document D	Evidence of Proposer's Financial Responsibility (DOCUMENT D Supplement and attachments)	
<input type="checkbox"/>	Document E	Affirmation of Scope Services	
<input type="checkbox"/>	Document F	Investment Counsel Profile	
<input type="checkbox"/>	Document G	Investment counsel Questionnaire: Appendix 1: Firm Organizational Chart (Q#28) Appendix 2: Firm Client List (Q#32) Appendix 3: PSF Team Biographies (Q#40) Appendix 4: Spending Policy Analysis (Q#45) Appendix 5: Sample Intergenerational Equity Analysis (Q#46) Appendix 6: Sample Investment Policy (Q#50) Appendix 7: Sample Asset Allocation Study (Q#53) Appendix 8: Current Capital Market Expected Returns (Q#55) Appendix 9: Research Reports & Educational Materials (Q#79) Appendix 10: Sample Investment Manager Tracking Report (Q#86) Appendix 11: Research and White Papers (Q#106) Appendix 12: Sample Agreement (Q#107) Appendix 13: Firm Code of Ethics (Q#108)	
<input type="checkbox"/>	Document Set H	Conflict of Interest and Contacts: H-A Proposing Firm H-B Lead Investment Professionals H-C Key Professional Employees or Others H-D Lobbyist or Third-Party Solicitors	
<input type="checkbox"/>	Document I	Fee Proposal I, I-1, I-2, and I-3	
<input type="checkbox"/>	Document J	HUB Subcontracting Plan	
<input type="checkbox"/>	Document K	Signed Execution of Offer, Affirmation of Terms and Conditions, and Proposal Preferences	

## DOCUMENT C

### STATEMENT OF MINIMUM QUALIFICATIONS

(PROPOSER FIRM NAME) \_\_\_\_\_ certifies that it meets the following minimum qualifications of RFP 701-15-023 as required in accordance with [Section 1.4 Minimum Qualifications](#). The Proposer must use this DOCUMENT C to clearly demonstrate that it meets the minimum qualifications as of **December 31, 2014**. The following **Questions 1 through 16** are intended to assist the Proposer and **each question must be answered**. However, it is the responsibility of the Proposer to clearly demonstrate that it meets the minimum qualifications. To do so, the Proposer can add to the question set for each minimum qualification.

\_\_\_\_\_  
Proposer's Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

<b>QUESTIONS 1 AND 2—MINIMUM QUALIFICATIONS FOR FIRM'S LEAD INVESTMENT PROFESSIONALS:</b> All firms submitting proposals for the mandate stated above must provide, <i>at a minimum</i> , qualifications listed in <a href="#">Section 1.4.1 Minimum Qualifications for the Firm's Lead Investment Professionals</a> of this Proposal.						
<b>1.</b>	<input type="checkbox"/>	Provide the name the lead investment professionals who will be assigned to the TPSF account. Include their minimum qualifications and length of experience as described in Section 1.4.1.				
<b>LEAD INVESTMENT PROFESSIONALS</b> Assigned to the Texas Permanent School Fund Account						
Name	Responsibility	Year Joined Firm	Yrs with Firm	Yrs exp re 1.4.1.a	Yrs exp re 1.4.1.b	Yrs exp re 1.4.1.c
<b>2.</b>	<input type="checkbox"/>	In the table below, provide relevant excerpts of biographies that clearly demonstrate how each of the above named lead investment professionals <i>meets all three</i> Minimum Qualifications of Section 1.4.1(a, b, and c). Do not refer to biographies included as an Appendix in this Proposal.				
<b>LEAD INVESTMENT PROFESSIONALS</b> Biographies						
Name	Excerpts as applied to 1.4.1 (a, b and c)					



**QUESTIONS 3 THROUGH 16—MINIMUM QUALIFICATIONS FOR FIRM:**

All Firms submitting proposals for the mandate stated above must provide, *at a minimum*, qualifications listed in [Section 1.4.2 Minimum Qualifications for the Firms](#) of this Proposal. Note specific item references to Section 1.4.2.

3.	<input type="checkbox"/>	<b>Yes</b> , our proposal provides evidence of our firm's stability and strength contained in DOCUMENT D: EVIDENCE OF PROPOSER'S FINANCIAL RESPONSIBILITY.
	<input type="checkbox"/>	<b>OR</b>
	<input type="checkbox"/>	<b>No</b> , our firm is unable to comply with the requirements of DOCUMENT D and Minimum Qualification 1.4.2.a.
4.	<input type="checkbox"/>	<b>Yes</b> , as of December 31, 2014, our firm is a Registered Investment Advisor (RIA) with the SEC.
	<input type="checkbox"/>	<b>OR</b>
	<input type="checkbox"/>	<b>No</b> , as of December 31, 2014, our firm is not registered with the SEC as an RIA as required in Minimum Qualification 1.4.2.b.
5.	<input type="checkbox"/>	<b>Yes</b> , as of December 31, 2014, our firm is willing to act as a fiduciary with respect to work performed and any specific investments made.
	<input type="checkbox"/>	<b>OR</b>
	<input type="checkbox"/>	<b>No</b> , our firm is not willing to act as a fiduciary as required in Minimum Qualification 1.4.2.c.
6.	<input type="checkbox"/>	<b>Yes</b> , our firm is willing to attend and present at regular SBOE meetings, Committee on Permanent School Fund meetings, legislative hearings and other scheduled meetings if requested.
	<input type="checkbox"/>	<b>OR</b>
	<input type="checkbox"/>	<b>No</b> , our firm is not willing to attend and present at regular SBOE meetings, Committee on Permanent School Fund meetings, legislative hearings and other scheduled meetings if requested as required in Minimum Qualification 1.4.2.d.
7.	<input type="checkbox"/>	<b>Yes</b> , our firm is fully able to meet the Scope of Services as described in Section 1.6 and as additionally affirmed in DOCUMENT E.
	<input type="checkbox"/>	<b>OR</b>
	<input type="checkbox"/>	<b>No</b> , our firm is not fully able to meet to meet the Scope of Services as described in Section 1.6 and required in Minimum Qualification 1.4.2.e.
8.	<input type="checkbox"/>	<b>Yes</b> , as of December 31, 2014, our firm has at least fifty (\$50) billion in institutional clients' assets under advisement (AUA).
	<input type="checkbox"/>	<b>OR</b>
	<input type="checkbox"/>	<b>No</b> , our firm does not meet Minimum Qualification 1.4.2.f.
9.	<input type="checkbox"/>	<b>Yes</b> , as of December 31, 2014, our firm can demonstrate having provided advisory services to institutional tax-exempt organizations, and our firm currently has at least three (3) institutional public fund, endowment, or foundation clients, each client with no less than ten (\$10) billion or greater in total fund assets.
	<input type="checkbox"/>	<b>OR</b>
	<input type="checkbox"/>	<b>No</b> , our firm does not meet Minimum Qualification 1.4.2.g.
10.	<input type="checkbox"/>	Demonstrate below how your firm meets Minimum Qualifications 1.4.2.f and g as of December 31, 2014:

**INSTITUTIONAL, DISCRETIONARY AUA\***

\$USD in Millions (Unlevered)

As of [date]		Public a	Endowment/ Foundation b	Total Public and Endowment Foundation (a)+(b)=c	Corporate Client d	Taft- Hartley e	Other** Institutional/ Discretionary f	Total Client Institutional/ Discretionary (c+d+e+f)=g
1	Client							

2	Client							
3	Client							
4	Client							
5	Client							
6	Client							
7	Client...							
8	<b>TOTAL</b>							

**Table 9:** \*Assets Under Advisement as defined in Section 1.2.

\*\*RFP proposer must refer to each response by column and row; define Other\*\* and describe in space below.

11.	<input type="checkbox"/>	Our firm was established in [enter MM and YYYY your Firm was established].
12.	<input type="checkbox"/> <b>Yes</b> , as of December 31, 2014, our firm has a minimum five (5)-year consecutive history of advising five (5) large institutional clients, endowments, and foundations. <b>OR</b> <input type="checkbox"/> <b>No</b> , our firm does not meet the Minimum Qualification of 1.4.2.h.	
13.	<input type="checkbox"/>	In the space below, attach and describe an exhibit of your firm history in response to Minimum Qualification 1.4.2.h:
14.	<input type="checkbox"/>	In the table below, list <i>all</i> institutional public fund, endowment, or foundation clients in response to Minimum Qualification 1.4.2.h. Do not refer to client lists included as an Appendix in this Proposal.
<b>All Institutional Clients as applied to Minimum Qualification 1.4.2.h</b>		
Client Name/Type		Client Total AUA for Firm (\$MM)
1.Required		
2.Required		
3.Required		
4 Required		
5. Required		
6. Required...		
15.	<input type="checkbox"/> <b>Yes</b> , we have read the provisions stated in <i>Chapter 33 of the Texas Administrative Code: Statement of Investment Objectives, Policies, and Guidelines of the Texas Permanent School Fund</i> and we see no barriers to complying with such provisions. <b>OR</b> <input type="checkbox"/> <b>No</b> , our firm is unable to comply with Minimum Qualification 1.4.2.i.	

<b>16.</b>	<input type="checkbox"/>  <input type="checkbox"/>	<p><b>Yes</b>, we have read the provisions stated in the Investment Procedures Manual of the Texas Permanent School Fund (EXHIBIT B) and we so no barriers to complying with such provisions.</p> <p><b>OR</b></p> <p><b>No</b>, our firm is unable to comply with Minimum Qualification 1.4.2.j.</p>
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## DOCUMENT D

### EVIDENCE OF PROPOSER'S FINANCIAL RESPONSIBILITY

**PROPOSER FIRM NAME:** \_\_\_\_\_

In accordance with Section 3.2 of RFP 701-15-023, we hereby submit the following documents to substantiate the financial viability of our firm. For the evidence we are not including as part of our Proposal submission, we have provided a brief explanation.

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

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

<b>1.</b>	<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><b>OR</b></p> <p>Most current Certified Public Accountant-compiled financial report and statements of cash flows are attached.</p>
<b>2.</b>	<input type="checkbox"/>	<p>Contact information and statement authorizing direct contact with the firm for the following is in DOCUMENT D Supplement:</p> <ul style="list-style-type: none"> <li>• External Certified Public Accountant; and</li> <li>• Chief Financial Officer</li> </ul>
<b>3.</b>	<input type="checkbox"/>	<p>Schedule(s) of all applicable insurance coverage are attached (i.e., Fiduciary, Errors and Omissions, Fidelity Bond).</p>
<b>4.</b>	<input type="checkbox"/>	<p>SEC Form ADV:</p> <ul style="list-style-type: none"> <li>• Part 1; Firm IARD/CRD# _____ Investment Adviser Public Disclosure <a href="http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_OrgSearch.aspx">http://www.adviserinfo.sec.gov/IAPD/Content/Search/iapd_OrgSearch.aspx</a>; print not required.</li> <li>• New Part 2A and 2B brochures, as filled with the SEC; print and attach.</li> <li>• Firm registration status is approved since _____ (month and year)</li> </ul>
<b>5.</b>	<input type="checkbox"/>	<p>A list of all regulatory bodies with which the firm is registered.</p>
<b>6.</b>	<input type="checkbox"/>    <input type="checkbox"/>	<p>Statements from auditors have not been issued to the management of our firm.</p> <p><b>OR</b></p> <p>All management letters including _____ SAS No. 115 and _____ are attached and explained in DOCUMENT D Supplement.</p>
<b>7.</b>	<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><b>OR</b></p> <p>All pending or threatened litigations or claims against the firm that may affect performance under a contract with TPSF are listed, dated, and explained in DOCUMENT D Supplement.</p>

8.	<input type="checkbox"/>          <input type="checkbox"/>	<p>Firm is currently NOT in default on any loan agreement or financing agreement with any bank, financial institution or other entity (past concerns are addressed in DOCUMENT G).</p> <p><b>OR</b></p> <p>All <u>current</u> defaults are listed, dated, and explained, including circumstances and prospects for resolution, in DOCUMENT D Supplement</p>
9.	<input type="checkbox"/>	<p>Other evidence of financial viability: Explained in DOCUMENT D Supplement and attached.</p>

## DOCUMENT E

### AFFIRMATION OF SCOPE OF SERVICES

(PROPOSER FIRM NAME) \_\_\_\_\_ affirms its ability to provide all of the services in the scope of work, as detailed below, and as required of Section 1.6 of RFP 701-15-023.

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

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

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

\_\_\_\_\_  
Proposer's Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

	SCOPE OF SERVICE	YES, SERVICE IS DELIVERABLE
<b>1.61</b>	<b>GENERAL INVESTMENT COUNSEL</b>	
a.	In conjunction with the TPSF staff, conduct spending policy analysis, intergenerational equity analysis, estimate endowment distribution rates, and provide formal recommendations that include all data, assumptions and methodologies supporting the analysis.	<input type="checkbox"/>
b.	When requested, review methodologies utilized by staff to test compliance with Constitutional and other regulatory mandates specific to TPSF.	<input type="checkbox"/>
c.	Evaluate the Statement of Investment Objectives, Policies, and Guidelines, including the tolerance for and management of risk, and recommend amendments. (EXHIBIT A #2. Chapter 33 of the Texas Administrative Code).	<input type="checkbox"/>
d.	When requested, provide assistance in the periodic review of the Investment Procedures Manual, and recommend written amendments. (EXHIBIT B).	<input type="checkbox"/>
e.	Assist with the preparation of asset allocation studies and provide written recommendations, accordingly.	<input type="checkbox"/>
f.	In conjunction with the TPSF staff, conduct a full review of the asset allocation plan at least every two years.	<input type="checkbox"/>
g.	Provide TPSF staff with the firm's annual capital market projections, education and analyses on market conditions and all data, assumptions and methodologies that support the projection and analyses.	<input type="checkbox"/>
h.	Perform routine stress testing on the TPSF including tests that measure how the Fund will perform in a variety of market scenarios and extreme market environments and how the Fund will meet liquidity needs under such conditions. Examples include but are not limited to: economic recovery, deflation, inflation, stagflation, extreme market decline and other shock factors.	<input type="checkbox"/>

i.	Provide documented due diligence monitoring/reviewing of existing and future investment managers; conduct on-site visits of existing and potential managers as needed; when requested, provide periodic review of investment manager fees with recommendations for action to be taken to ensure appropriate fee structures.	<input type="checkbox"/>
j.	When requested, provide advice in the planning, oversight, costing and review of asset transitions among investment managers and investment vehicles	<input type="checkbox"/>
k.	Attend and present at regular SBOE meetings, Committee on Permanent School Fund meetings, legislative hearings, as requested, and other meetings as needed.	<input type="checkbox"/>
l.	Be available for ad-hoc telephone conferences and consultation with SBOE members, Committees, and TPSF staff	<input type="checkbox"/>
m.	Provide counsel in specialized asset classes, when requested.	<input type="checkbox"/>
<b>1.62</b>	<b>SEARCH AND RECOMMENDATION</b>	
a.	Perform specialized searches/studies and produce analysis, reports and whitepapers as may be requested by the SBOE or Chief Investment Officer.	<input type="checkbox"/>
b.	Assist with investment manager searches or other providers of investment related services, across all asset classes when requested, based on the Investment Procedures Manual and performance objectives of the TPSF.	<input type="checkbox"/>
	i. Assist in the screening of available investment manager and investment product universes to identify investment opportunities, consistent with the Policy and the asset allocation plan	<input type="checkbox"/>
	ii. Provide appropriate whitepapers, research and analyses to evaluate investment opportunities and to assist in bringing investment recommendations to the SBOE for consideration and selection.	<input type="checkbox"/>
	iii. Assist in developing procurement minimum qualifications, questionnaires and interview questions, comprehensive agenda for on-site diligence visits, and due diligence checklists for manager and advisor selection.	<input type="checkbox"/>
	iv. Independently evaluate investment manager proposals and presentations, and work with TPSF staff to prepare recommendations and analyses for presentation to the SBOE.	<input type="checkbox"/>
c.	Work with TPSF staff as necessary in the due diligence process with regard to the selection of investment opportunities. Due diligence best practices generally include the following:	<input type="checkbox"/>
	i. Review the reasonableness and prudence of each investment opportunity given its risk and expected return, including assessing the impact of the economy and market conditions of the investment type. Evaluate the appropriateness of opportunities within the context and requirements of the Policy and IPM.	<input type="checkbox"/>
	ii. Review the reasonableness and prudence of investment terms, investment structure, fee structure, and the alignment of the TPSF and manager/partner interests.	<input type="checkbox"/>
	iii. Evaluate the institutional quality of the organization including, but not limited to: history, ownership, firm financial strength, personnel, investment/management experience, client service, quality assurance, operations and systems, business conduct, conflicts of interest.	<input type="checkbox"/>
	iv. Analyze and generate reports for past performance, fee structure and track record of each investment opportunity. Evaluate the overall investment strategy focusing on appropriate fit for the TPSF.	<input type="checkbox"/>
	v. Evaluate the team that will actually be providing services to the TPSF. Review team members for expertise, experience, conflicts of interest and track record for any given strategy. Assess the firm personnel and their track record and conflicts of interest. Evaluate compensation arrangements to ensure appropriate incentives and alignments of interest are in place.	<input type="checkbox"/>

	vi. Confirm compliance with the Policy	<input type="checkbox"/>
d.	When requested, assist with interviews of prospective investment managers or other providers of investment related services, across all asset classes including interviews held in Austin, TX as well as on-site due diligence visits to prospective candidate offices or other on-site locations as needed.	<input type="checkbox"/>
e.	When requested, work with TPSF staff and TPSF legal counsel to assist with fee and term negotiation and contract development for selected investment opportunities. TEA acknowledges that Investment Counsel is not providing any legal advice or consultation in providing services in this category. Investment Counsel shall review, evaluate and recommend retention or removal of managers, but shall have no authority to engage or terminate any manager.	<input type="checkbox"/>
f.	Work with TPSF staff as necessary to identify and document investments that are no longer consistent with the Policy and asset allocation plan. Assist in developing exit strategies when investments require termination, partial or full liquidation, and retirement.	<input type="checkbox"/>
g.	Participate in the procurement process and assist in the evaluation of the global master custodian and/or securities lending agent, if requested.	<input type="checkbox"/>
<b>1.63</b>	<b>RESEARCH AND ANALYSIS</b>	
a.	Provide access to general and firm investment and economic research, including spending policy and intergenerational equity research, analysis and methodologies; and, general and firm capital market assumptions and projections with underlying methodologies.	<input type="checkbox"/>
b.	Perform research projects/specialized studies and produce reports as may be requested by the SBOE and/or CIO on specific investment matters, including public fund universes, endowment universes, compensation studies, across all asset classes and related to other investment matters.	<input type="checkbox"/>
c.	Provide TPSF staff with direct access to all Investment Counsel research, including having discussions with the lead researcher and firm analysts. Provide white papers to TPSF when available. Provide access to all client facing electronic tools that your firm may offer	<input type="checkbox"/>
d.	Provide education and information on capital market conditions and projections to SBOE and TPSF staff	<input type="checkbox"/>
e.	Provide whitepapers, educational materials and conduct educational seminars with SBOE members and TPSF staff on investment principles, asset classes, investment strategies, investment vehicles, macro or thematic investment trends and other related matters.	<input type="checkbox"/>
f.	Provide research in specific alternative asset classes, when requested.	<input type="checkbox"/>
g.	Prepare other investment related research and reports when requested by SBOE or TPSF staff.	<input type="checkbox"/>
<b>1.63</b>	<b>MANAGER DATABASE</b>	
a.	Maintain a broad database of investment advisors, managers, and other investment service providers and investment products.	<input type="checkbox"/>
b.	Provide TPSF staff access to the lead researcher and analysts involved in compiling such information to discuss the database and its contents.	<input type="checkbox"/>
<b>1.65</b>	<b>OTHER DUTIES ASSIGNED</b>	



## DOCUMENT F INVESTMENT COUNSEL PROFILE

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

**PROPOSER FIRM NAME:** \_\_\_\_\_

As of Quarter Ending December 31, 2014

<b>ORGANIZATION</b>			
Year Firm Established		Total Firm AUA (in millions)	\$ MM
Main Headquarters		Total Firm Endowment/ Foundation AUA (In millions)	\$ MM
Ownership Structure		Total Number of Staff	
Percent Employee Owned		Total Number of Investment Professionals	
<b>PROPOSED SERVICE</b>			
<ul style="list-style-type: none"> <li>Name and describe the type of service you propose for the TPSF:</li> </ul>			
<b>FIRM PHILOSOPHY</b>			
Describe your firm philosophy when providing general investment counsel, as it relates to a permanent, public endowment.			
<b>FIRM PROCESS</b>			
Describe your firm process for identifying and recommending changes to clients.			
<b>BIOGRAPHIES</b>			
Include brief biographies of the named lead investment professionals assigned to the TPSF account and other key professionals that your firm will assign to the TPSF account:			

## DOCUMENT G

### INVESTMENT COUNSEL QUESTIONNAIRE

This Document is divided into three main sections, each containing subsections with a series of questions:

- Business and Organizational Strength
- Investment Counsel Client Service
- Conflicts and Business Conduct

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

- **RFP** Request for Proposal
- **SBOE** State Board of Education
- **TEA** Texas Education Agency
- **TPSF** Texas Permanent School Fund
- **Investment Counsel** General Investment Counsel

*The Proposer must respond to all questions (1 through 109) as of December 31, 2014, unless otherwise instructed.*

### BUSINESS AND ORGANIZATIONAL STRENGTH (20 POINTS)

#### GENERAL FIRM INFORMATION

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1. What year was your firm established?
2. How long has your firm served as a general investment consultant for institutional clients?
3. List the location(s) of your headquarters and branch offices. State the primary function of staff (i.e. Investment Consultants, Marketing, Operations) and number of staff in each office.

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

#### FIRM ORGANIZATIONAL STRUCTURE

---

4. Provide a firm organizational chart, depicting parent, subsidiary, and affiliate organizations, and divisions/departments. Identify distinct lines of business in your firm which are in addition to your investment consulting line of business.
5. Describe the ownership structure of your firm, detailing the profit and loss structure between the larger firm and the investment counsel business. For example, how services provided by the firm are billed or allocated to the investment counsel against revenues generated by the business line.
6. Describe any changes in your organizational structure in the last five (5) years, including new business ventures.

7. Does your firm anticipate any major organizational changes, including ownership changes or selling minority equity positions or structural changes within the firm the foreseeable future?
8. Provide an outline of your firm's succession plan.
9. Describe the business continuity plan your firm has in place in order to permit it to continue to deliver the services described in this RFP and to preserve all associated electronic and written records, in the case of a disaster.

#### **FIRM PHILOSOPHY**

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10. Summarize your philosophy relating to the investment counsel's relationship with boards, staff, and money managers.
11. What do you see as your firm's competitive advantage or strongest area of expertise?
12. List the services you provide which make your firm unique from your competitors?
13. How does your firm address the unique needs of each client and provide customized consulting?
14. Explain your firm's goals and plans for expansion, particularly how such goals may pertain to accepting new client business.
15. What are your firm's views on direct investment versus fund-of funds investing?
16. What are your firm's views on indexed versus active management for different asset classes?

#### **FIRM OWNERSHIP STRUCTURE AND ALIGNMENT OF STAFF INTERESTS**

---

17. What percentage of the firm is owned by current active employees, retired employees, parent company, affiliates or other entities?
18. Provide the names of individuals possessing ownership, including their title or position within the firm.
19. Describe any ownership changes in the last five (5) years.
20. Describe any specific programs for keeping valued employees.
21. Describe the recent financial condition of your firm.

#### **PROFESSIONAL SERVICES**

---

22. Who are the accountants for your firm?
23. How often is your firm audited?
24. Who are the auditors for your firm?
25. Who are the legal advisors for your firm?
26. List other independent service providers or contractors your firm may use, in relation to the services you propose for the TPSF.

## ASSETS UNDER ADVISEMENT

27. Complete the chart below and enter asset values to the nearest million.

		Client Number of Accounts			Client Assets Under Advisement (\$ AUA)			
		Institutional Client Accounts (i.e. Endowment, Foundation, Pension, Union)		Non-institutional		Institutional Client Account Assets Under Advisement (AUA)		Non-institutional
Calendar Year End	# Total	# Greater than \$1 Billion	# Less than \$1 Billion	# Other	Total \$ (in millions)	\$ Greater than \$1 Billion	\$ Less than \$1 Billion	\$ Other
2014								
2013								
2012								
2011								
2010								

## FIRM EXPERIENCE AND CAPACITY

28. As **Appendix 1** provide organization charts in two different perspectives:

- a staff organization chart showing departments, functions, positions, titles and reporting paths of all professionals in your organization. (Chart should identify relevant positions within the organization of those involved in general investment counsel and manager search); and,
- a staff organization chart showing specialized subject matter or asset class expertise teams that cross departmental lines, if such teams exist.

29. Explain how the firm controls the quality of service provided to the clients.

30. In relation to your working with a client, have you had experience working with other firms providing investment counsel to the same client? If so, which firm, and in what context?

31. Provide the year and role of all investment professionals that have been gained or lost in the last five (5) years. Explain the circumstances of any listed employee departures.

Name	Title	Role	Tenure	Arrival Date	Departure Date

32. As **Appendix 2** to this questionnaire, provide your client list.

33. Provide a list of clients gained and/or lost during the past five years. Indicate the size of the fund and the reason for ending the relationship.

Client	Date of Hire	Date of Termination	Size of Fund	Reason

34. Check all asset classes with which the firm has experience.

	Domestic Equity	Int'l Equity	Domestic Fixed Income	Int'l Fixed Income	Absolute Return	Private Equity	Real Estate	Real Return	Risk Parity
Asset Class Experience	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes

35. List all other asset classes with which your firm has experience, not indicated above.

36. Check all asset classes with which you have assisted your clients in implementing.

	Domestic Equity	Int'l Equity	Domestic Fixed Income	Int'l Fixed Income	Absolute Return	Private Equity	Real Estate	Real Return	Risk Parity
Asset Class Implemented	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes	<input type="checkbox"/> Yes

37. List all other asset classes which your firm has implemented for a client, not indicated above.

## EXPERIENCE OF PROFESSIONAL STAFF

38. List all investment professionals, key professional employees, and others who will represent the firm and be assigned to the TPSF account. This includes all individuals of affiliate groups that will work on the TPSF account.

39. List the number of employees having expertise in subject areas listed below. This includes the firm-wide number of employees with general expertise; employees that will be dedicated to the TPSF account, the firm-wide subject matter specialists, and the number of searches conducted by the firm for the subject area.

	(A)	(B)	(C)	(D)
Subject Area Expertise	Firm-wide # of Employees w/ Expertise	TPSF Team # of Employees w/ Expertise	# of Firm-wide Subject Matter Specialists	Firm-wide # of Searches
Asset allocation				
Global Equity				
Domestic Equity- Large and Small				
Domestic Fixed Income				
International Equity				
International Global Fixed Income				
Emerging markets- Equity, long/short				
Emerging markets- Fixed income				
Currency- Active management				
Currency- Hedging				
Derivatives- Domestic/International				
Hedge Funds- Direct				
Fund of Hedge Funds				
Portable Alpha				

Risk Parity				
Commodities				
Private equity				
Real estate				
Real Return				
Charter School Finance - Capitalization				
Tactical Asset Allocation				
Risk Management				
Permanent / Endowment				
Public Fund				

40. As **Appendix 3** to this questionnaire, provide detailed biographies of each of the professionals in Column B from the above table that your firm is assigning to the TPSF team.
41. Discuss, especially from the TPSF perspective, the procedures for managing the loss of any of the key investment professionals assigned to the TPSF account.

### CLIENTS REFERENCE INFORMATION

42. Provide evidence that the firm and the investment professionals assigned to the TPSF account have gained experience through working for similar clients. Cite the name of the agency or agencies served, the kinds of activities that were performed, and describe.
43. Please provide at least five (5) client firm references, at least three (3) of which are institutional, that TPSF staff can contact. The reference should have been a client for at least three years. Include at least one non-ERISA, one public fund client, and one corporate client. Please indicate the assets under advisement in millions. Also, include the firm address, contact name, title, phone number, and e-mail address.

**No employees of TEA can be listed in the proposal as references.**

Client Firm Name	Discretion	\$AUA or \$AUM	Client for # of Years	Firm Address (City, State)	Contact Name and Title	Phone	E-mail
1. (Non-ERISA Client)	<input type="checkbox"/> Yes <input type="checkbox"/> No						
2. (Public Fund Client)	<input type="checkbox"/> Yes <input type="checkbox"/> No						
3. (Corporate Client)	<input type="checkbox"/> Yes <input type="checkbox"/> No						
4. (Institutional Client)	<input type="checkbox"/> Yes <input type="checkbox"/> No						
5. (Institutional Client)	<input type="checkbox"/> Yes <input type="checkbox"/> No						

### INVESTMENT COUNSEL EXPERIENCE (25 POINTS)

The SBOE seeks to hire a firm to provide general investment counsel to assist the SBOE in its fiduciary responsibility to the TPSF. Investment Counsel is expected to provide expert advice on the development and management of TPSF's investment related activities. Investment Counsel will work closely with the SBOE, Chief Investment Officer, and staff,

The answers to the following questions must be responsive to the Scope of Work as described in Section 1.6 of the RFP, and Document E, Affirmation of Scope of Services Required, and establish the firm's commitment to provide the services described.

44. Outline your approach to conducting a spending policy analysis, intergenerational equity and estimation of endowment distributions rates.
45. As **Appendix 4**, to this questionnaire, provide a sample of a spending policy analysis you have performed for a client, similar to that of the TPSF. Include data, assumptions and methodologies used to support the sample report.
46. As **Appendix 5** to this questionnaire, if available, provide a sample intergenerational equity analysis, including data, assumptions and methodologies used to support the analysis.
47. Outline your approach to the examination of investment policies, including the tolerance for and the management of risk.
48. Describe your view of an appropriate risk management structure, monitoring, and procedures for funds, similar to that of TPSF.
49. Explain your practice in recommending amendments.
50. As **Appendix 6** to this questionnaire, provide a sample of an investment policy your firm has constructed in collaboration with a client, similar to that of the TPSF. Include data, assumptions and methodologies used to support the sample report
51. Discuss in detail the theory and the methodology of the asset allocation process you employ.
52. How does your firm develop asset class assumptions?
53. As **Appendix 7** to this questionnaire, provide a sample of an asset allocation study you have performed for a client, similar to that of the TPSF. Include data, assumptions and methodologies used to support the sample report.
54. How does your firm develop capital market expected returns?
55. As **Appendix 8** to this questionnaire, provide a copy of your firm's current capital market expected returns, include detailed explanations of assumptions, methodologies, formulas, etc. Provide a sample multi-asset class capital market study and include detailed explanations of assumptions, methodologies, formulas, etc.
56. Detail your process for recommending an overall portfolio structure, with attention to its relationship with investment policy and asset allocation.
57. Outline your process for maintaining and providing a continuous review of investment policy, asset allocation, and portfolio structure.
58. Describe the rationale used when recommending performance benchmarks for a fund in total as well as for the various asset classes, investment styles and individual investment managers.
59. Discuss composite benchmarks and your views regarding floating benchmarks tied to the actual asset allocation versus fixed benchmarks tied to the policy asset allocation.
60. In reviewing our program, what changes if any would you recommend? How would you recommend achieving those changes?

## SEARCH AND RECOMMENDATION

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61. Outline your approach to evaluating and making recommendations related to investment program relationships, such as a global master custodian, securities lending agent, or other investment operations service providers.
62. Detail your global custodian search capabilities and procedures. How many of these searches have you done in the past three years?
63. Describe your approach to the investment advisor or manager search process.
64. Describe in detail your firm's process in the evaluation and recommendation of investment advisors or managers.

65. List the key issues and search criteria you use to screen investment advisors or managers for recommendation.
66. Provide a sample manager search report which includes alternative asset classes (Absolute Return, Risk Parity, etc).
67. Do you have individuals dedicated to the investment advisor or manager search process, and if so, how many?
68. Describe your firm's involvement in preparing guidelines for investment managers.
69. Will you work with staff in the negotiation of such guidelines?
70. Describe your firm's capability in monitoring manager compliance with guidelines and style consistency.
71. What conditions would lead you to recommend terminating a manager?
72. How many manager terminations has your firm recommended in the last five (5) years? How many of these recommendations resulted in a termination?

## RESEARCH AND ANALYSIS

---

73. Describe the internal structure and organization of your research department. If no separate department exists, describe how this function is performed.
74. Describe the manner in which external resources and sources of information are used in the research process.
75. How does your firm integrate internal and external research?
76. Outline your process for monitoring and reporting on market trends.
77. Discuss any alternative managers your firm recommended that resulted in major issues or losses for your clients. For example, did any of your recommendations include Madoff, Galleon, S.A.C. Capital, Bayou or any hedge funds that no longer exist?
78. List the type and frequency of research reports and educational materials that your firm will provide the SBOE and TPSF staff.
79. As **Appendix 9** to this questionnaire, provide a sample of recent research reports and educational materials listed above.
80. Describe the educational alternatives that you will provide to the SBOE and the TPSF staff.
81. Do you provide any web-based or computer-based analytical tools or other research-oriented technical resources to your clients? Describe and indicate if these are included in the fee proposal or are additional.

## MANAGER DATABASE

---

82. Briefly describe your firm's tracking system for prospective investment advisors or managers. Identify if this is a proprietary or non-proprietary system. Include a discussion of the following: managers, products, universes, and years of performance data.
83. Explain how firms enter your search universe. Detail any charges, costs or fees to the firms. How do they "get a foot in the door" of your database?
84. Does your firm maintain a database of worldwide investment managers and have a performance measurement system that accurately monitors the returns of a significant number of investment managers?  
☐ Yes, our firm maintains such a database. ☐ No, our firm does not, however\_\_\_\_\_.



85. In the space provided below, name the database and performance measurement systems, and describe and/or exhibit the system as it relates to the question above.

Description or Exhibit of Database and Performance Measurement

86. As **Appendix 10** to this questionnaire, provide a sample of your firm's investment manager tracking report from your tracking systems as it relates to the manager database questions above.
87. Describe any other proprietary or non-proprietary database systems your firm uses in its consulting business. Describe the functionalities and capabilities of the database.
88. For the last four (4) full calendar years ending December 31, 2014 detail the number of funds in your database in the following asset classes that your firm follows and has access to:

	2014 Number of Funds								
	Domestic Equity	Int'l Equity	Domestic Fixed Income	Int'l Fixed Income	Absolute Return	Private Equity	Real Estate	Real Return	Other
Reviewed									
Conducted Due Diligence									
Conducted On-site Due Diligence									
Recommended to Clients									
Invested by Client									

	2013 Number of Funds								
	Domestic Equity	Int'l Equity	Domestic Fixed Income	Int'l Fixed Income	Absolute Return	Private Equity	Real Estate	Real Return	Other
Reviewed									
Conducted Due Diligence									
Conducted On-site Due Diligence									
Recommended to Clients									
Invested by Client									

	2012 Number of Funds								
	Domestic Equity	Int'l Equity	Domestic Fixed Income	Int'l Fixed Income	Absolute Return	Private Equity	Real Estate	Real Return	Other
Reviewed									
Conducted Due Diligence									
Conducted On-site Due Diligence									
Recommended to Clients									
Invested by Client									

	2011 Number of Funds								
	Domestic Equity	Int'l Equity	Domestic Fixed Income	Int'l Fixed Income	Absolute Return	Private Equity	Real Estate	Real Return	Other
Reviewed									
Conducted Due Diligence									
Conducted On-site Due Diligence									
Recommended to Clients									
Invested by Client									

## CLIENT SERVICE (20 POINTS)

89. Describe your client service plan for TPSF, and specifically address Section 1.6.1. Scope of Work.

## CONFLICTS AND BUSINESS CONDUCT (20 POINTS)

### FEE PAYMENT

---

90. If you allow plans to pay your consulting fees using the plan's brokerage commissions, do you monitor the amount of commissions paid and alert plans when consulting fees have been paid in full? If not, how can a plan make sure it does not over-pay its consulting fees?
91. If you allow plans to pay your consulting fees using the plan's brokerage commissions, what steps do you take to ensure that the plan receives best execution for its securities trades?

### CLIENT CONFLICT

---

92. Do you or a related company have relationships with money managers that you recommend, consider for recommendation, or otherwise mention to the plan? If so, in table format, please provide the following information about each relationship (expand table if necessary):

Name of Company	Description of Relationship	Gross Revenues Received from Relationship	% of Total Revenues

93. 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 advice to your clients?
94. Will the firm contractually agree to identify and quantify all business relationships with investment managers who are finalists in a TPSF search process?
95. 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?
96. Explain in detail any potential for conflict which would be created by your firm contracting with TPSF, including other client relationships and/or manager fund relationships which may inhibit services to TPSF on a primary basis

### **ALTERNATE LINES OF BUSINESS**

97. Do you have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker-dealers?
98. What percentage of your plan clients utilizes money managers, investment funds, brokerage services or other service providers from whom you receive fees?
99. Please list all services your firm, its principals or any affiliate(s) provide that generate revenues for the firm and indicate the applicable percent (out to two decimal places) of your firm's total revenue during the past three years.

Percentage of Revenues Based on Type:	CY2012 %	CY2013 %	CY2014 %
Revenues from General Investment Counsel services			
Revenues from External Managers			
Revenues from Conference Fees			
Revenue from Education and Training Services			
Revenues from Hedge Fund Investment Counsel Services			
Revenues from Private Equity Investment Counsel Services			
Revenues from Real Estate Investment Counsel Services			
Other (please list)			
Total			

100. For the two questions above, under what circumstances does your firm or any individual in your firm receive compensation, finder's fees or any other financial benefit from parties other than consulting clients? To respond, provide a list of such parties, the services provided for such amounts, and the amounts received.
101. 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.

102. Please list all **investment management firms** from which your firm, its principals, or any affiliates receive compensation. Please identify these revenues sources as client directed, payment for services, and/or revenues not related to a letter of direction or specific services. (Please mark all that apply.)

Firm Name	Client Directed	Payment for Services	Non-Client Non-Service Related Revenues

## LITIGATION

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103. Over the past five (5) years, has your firm or any officer or principal been involved in any litigation or other legal proceedings relating to your **general investment counsel** activities? If so, provide a brief explanation and indicate the current status.
104. Has your firm, its principals, or affiliate ever:
- Been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self-regulatory body or organization,
  - Been a party to any litigation concerning fiduciary responsibility or other investment related matters, or,
  - 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.
105. Please answer the following questions in regards to your firm:
- 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.
  - Is your firm under investigation by any federal, state, local or foreign regulatory body of any type (e.g., real estate commission, NASD or attorney general)?
  - Has your firm entered into any settlement, consent decree, cease and desist order or other similar agreement of any kind?
106. In reference to your firm's SEC Form ADV Part 1 Section 11 Disclosure Reporting Pages (DRP's), please provide an explanation for each disclosure, if any.

## ADDITIONAL

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107. As **Appendix 11** to this questionnaire, provide a listing of published research reports, whitepapers authored by principals of your firm.
108. As **Appendix 12** to this questionnaire, provide a sample agreement that your firm may expect to be signed in order to accept an engagement.
109. As **Appendix 14** to this questionnaire, provide a copy of your firm's Code of Ethics.
110. As a supplemental appendix to this questionnaire, include any other information that your firm believes is pertinent to this RFP, but not specifically requested anywhere else in the proposal Document Set.

## APPENDICES

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Attach here and TAB accordingly, DOCUMENT G Questionnaire Appendices (1-14, and supplemental appendix, if any.

## **DOCUMENT H**

### **CONFLICT OF INTEREST AND CONTACTS QUESTIONNAIRE**

DOCUMENT H consists of four (4) sections each having four (4) parts, as listed below:

#### **Document H-A: Firm Submission**

- 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: Lead Investment Professional Submission**

- 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: Key Professional Employee Submission**

- 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-D: Proposing Firm Affiliate Submission**

- 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  
FIRM SUBMISSION**

Page [1] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

Name of Firm: \_\_\_\_\_

Date: \_\_\_\_\_ Firm Representative Completing Form: \_\_\_\_\_

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>SBOE MEMBERS</b>				
Lawrence A. Allen	District 04 Fresno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Baborich	District 06 Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Erika Beltran	District 13 Dallas	<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., Secretary	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"/>
Tom Maynard	District 10 Georgetown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sue Melton-Malone	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 Mr. Pleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marty Rowley	District 15 Amarillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>COMMITTEE OF INVESTMENT ADVISORS TO SBOE MEMBERS</b>				
John Osborn		<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-A**  
**FIRM SUBMISSION**

Page [2] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS</b>				
Andrews Kurth, L.L.P.-Gregg Jones,	Legal counsel for Bond Guarantee Program - IRS Tax matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCall, Parkhurst & Horton L.L.P. Dan Culver	Legal counsel for Bond Guarantee Program - Disclosure and SEC Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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"/>
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 – 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"/>
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"/>
ARES Property Partners LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ashmore Investment Management Limited	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"/>
The Carlyle Group	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CSLA Capital Partners (HK) Limited	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cornerstone Real Estate Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Suisse Asset Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**DOCUMENT H-A  
FIRM SUBMISSION**

Page [3] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS</b>				
DRA Advisors LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GCM Customized Fund Investment Group, L.P.	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"/>
GTIS Partners	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"/>
Investec Asset Management, Ltd.	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"/>
Madison Realty Capital	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"/>
Morgan Stanley Real Estate Advisor, Inc.	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NB Alternatives Advisers, LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NIAM	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Oaktree Capital Management	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pacific Investment Management Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prudential Real Estate Investors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stone Harbor Investment Partners, LP	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"/>
Tristan Capital Partners	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"/>



**DOCUMENT H-A  
FIRM SUBMISSION**

Page [4] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

<b>TPSF SENIOR STAFF AND TEA LEGAL STAFF</b>				
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 Markets	<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 Global Risk Control Strategies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Von Byer	TEA General Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Armstrong	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ariel Sloan	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Maska	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## Page [5] of [8]

[illegible]

**DOCUMENT H-A  
FIRM SUBMISSION**

Page [6] of [8]

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

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

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

Date	Person Contacted	Nature of Contact/Topic

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

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

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

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

**DOCUMENT H-A  
FIRM 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-A  
FIRM 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 RFP. I certify that all disclosures contained in this document set are accurate and I have read and I understand the above statement as it applies to my response.

\_\_\_\_\_  
Authorized Signature on Behalf of Firm

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title (Authorized on Behalf of Firm)

\_\_\_\_\_  
Date

**DOCUMENT H-B**  
**LEAD INVESTMENT PROFESSIONAL SUBMISSION**

Page [1] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

Name of Firm: \_\_\_\_\_

Date: \_\_\_\_\_ Lead Professional Completing Form: \_\_\_\_\_

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>SBOE MEMBERS</b>				
Lawrence A. Allen	District 04 Fresno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Baborich	District 06 Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Erika Beltran	District 13 Dallas	<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., Secretary	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"/>
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 Mr. Pleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marty Rowley	District 15 Amarillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>COMMITTEE OF INVESTMENT ADVISORS TO SBOE MEMBERS</b>				
John Osborn		<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**  
**LEAD INVESTMENT PROFESSIONAL SUBMISSION**  
Page [2] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS</b>				
Andrews Kurth, L.L.P.-Gregg Jones,	Legal counsel for Bond Guarantee Program - IRS Tax matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCall, Parkhurst & Horton L.L.P. Dan Culver	Legal counsel for Bond Guarantee Program - Disclosure and SEC Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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"/>
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 – 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"/>
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"/>
ARES Property Partners LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ashmore Investment Management Limited	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"/>
The Carlyle Group	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CSLA Capital Partners (HK) Limitd	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cornerstone Real Estate Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Suisse Asset Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**DOCUMENT H-B**  
**LEAD INVESTMENT PROFESSIONAL SUBMISSION**  
Page [3] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS</b>				
DRA Advisors LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GCM Customized Fund Investment Group, L.P.	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"/>
GTIS Partners	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"/>
Investec Asset Management, Ltd.	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"/>
Madison Realty Capital	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"/>
Morgan Stanley Real Estate Advisor, Inc.	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NB Alternatives Advisers, LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NIAM	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Oaktree Capital Management	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pacific Investment Management Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prudential Real Estate Investors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stone Harbor Investment Partners, LP	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"/>
Tristan Capital Partners	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"/>



**DOCUMENT H-B**  
**LEAD INVESTMENT PROFESSIONAL SUBMISSION**  
Page [4] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

<b>TPSF SENIOR STAFF AND TEA LEGAL STAFF</b>				
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 Markets	<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 Global Risk Control Strategies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Von Byer	TEA General Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Armstrong	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ariel Sloan	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Maska	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Page [5] of [8]

## CONFLICT OF INTEREST AND CONTACTS

[illegible]

**DOCUMENT H-B**  
**LEAD INVESTMENT PROFESSIONAL SUBMISSION**

Page [6] of [8]

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

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

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

Date	Person Contacted	Nature of Contact/Topic

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

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

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

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

**DOCUMENT H-B**  
**LEAD INVESTMENT PROFESSIONAL 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**  
**LEAD INVESTMENT PROFESSIONAL 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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- ☐ **Yes**, campaign contributions *have* been made. Details listed below:

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

**ACCESS TO CONFIDENTIAL INFORMATION**

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

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

**SIGNATURE ATTESTATION**

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

\_\_\_\_\_  
Authorized Signature of Lead Professional

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title (Authorized on Behalf of Firm)

\_\_\_\_\_  
Date

**DOCUMENT H-C**  
**KEY PROFESSIONAL EMPLOYEE SUBMISSION**

Page [1] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

Name of Firm: \_\_\_\_\_

Date: \_\_\_\_\_ Key Professional Completing Form: \_\_\_\_\_

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>SBOE MEMBERS</b>				
Lawrence A. Allen	District 04 Fresno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Baborich	District 06 Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Erika Beltran	District 13 Dallas	<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., Secretary	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"/>
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 Mr. Pleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marty Rowley	District 15 Amarillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>COMMITTEE OF INVESTMENT ADVISORS TO SBOE MEMBERS</b>				
John Osborn		<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**  
**KEY PROFESSIONAL EMPLOYEE SUBMISSION**

Page [2] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS</b>				
Andrews Kurth, L.L.P.-Gregg Jones,	Legal counsel for Bond Guarantee Program - IRS Tax matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCall, Parkhurst & Horton L.L.P. Dan Culver	Legal counsel for Bond Guarantee Program - Disclosure and SEC Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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"/>
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 – 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"/>
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"/>
ARES Property Partners LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ashmore Investment Management Limited	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"/>
The Carlyle Group	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CSLA Capital Partners (HK) Limited	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cornerstone Real Estate Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Suisse Asset Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**DOCUMENT H-C**  
**KEY PROFESSIONAL EMPLOYEE SUBMISSION**  
Page [3] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS</b>				
DRA Advisors LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GCM Customized Fund Investment Group, L.P.	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"/>
GTIS Partners	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"/>
Investec Asset Management, Ltd.	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"/>
Madison Realty Capital	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"/>
Morgan Stanley Real Estate Advisor, Inc.	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NB Alternatives Advisers, LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NIAM	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Oaktree Capital Management	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pacific Investment Management Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prudential Real Estate Investors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stone Harbor Investment Partners, LP	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"/>
Tristan Capital Partners	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"/>



**DOCUMENT H-C**  
**KEY PROFESSIONAL EMPLOYEE SUBMISSION**  
Page [4] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

<b>TPSF SENIOR STAFF AND TEA LEGAL STAFF</b>				
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 Markets	<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 Global Risk Control Strategies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Von Byer	TEA General Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Armstrong	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ariel Sloan	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Maska	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Page [5] of [8]

## CONFLICT OF INTEREST AND CONTACTS

[illegible]

**DOCUMENT H-C**  
**KEY PROFESSIONAL EMPLOYEE SUBMISSION**

Page [6] of [8]

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

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

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

Date	Person Contacted	Nature of Contact/Topic

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

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

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

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

**DOCUMENT H-C**  
**KEY PROFESSIONAL EMPLOYEE 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.

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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

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- ☐ **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**  
**KEY PROFESSIONAL EMPLOYEE SUBMISSION**

Page [8] of [8]

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

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**ACCESS TO CONFIDENTIAL INFORMATION**

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

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

**SIGNATURE ATTESTATION**

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

\_\_\_\_\_  
Authorized Signature of Key Professional

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title (Authorized on Behalf of Firm)

\_\_\_\_\_  
Date

**DOCUMENT H-D**  
**PROPOSING FIRM AFFILIATE SUBMISSION**  
Page [1] of [8]  
**CONFLICT OF INTEREST AND CONTACTS**

Name of Firm: \_\_\_\_\_

Date: \_\_\_\_\_ Firm Representative Completing Form: \_\_\_\_\_

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>SBOE MEMBERS</b>				
Lawrence A. Allen	District 04 Fresno	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Donna Baborich	District 06 Houston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Erika Beltran	District 13 Dallas	<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., Secretary	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"/>
Tom Maynard	District 10 Georgetown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sue Melton-Malone	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 Mr. Pleasant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marty Rowley	District 15 Amarillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>COMMITTEE OF INVESTMENT ADVISORS TO SBOE MEMBERS</b>				
John Osborn		<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-D**  
**PROPOSING FIRM AFFILIATE SUBMISSION**

Page [2] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS</b>				
Andrews Kurth, L.L.P.-Gregg Jones,	Legal counsel for Bond Guarantee Program - IRS Tax matters	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
McCall, Parkhurst & Horton L.L.P. Dan Culver	Legal counsel for Bond Guarantee Program - Disclosure and SEC Compliance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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"/>
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 – 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"/>
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"/>
ARES Property Partners LP	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ashmore Investment Management Limited	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"/>
The Carlyle Group	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CSLA Capital Partners (HK) Limited	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cornerstone Real Estate Advisors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Credit Suisse Asset Management LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**DOCUMENT H-D**  
**PROPOSING FIRM AFFILIATE SUBMISSION**  
Page [3] of [8]

**CONFLICT OF INTEREST AND CONTACTS**

PERSON	DESCRIPTION	Personal/Social Contact	Business Contact	No Prior Relationship
<b>INVESTMENT COUNSELS, ADVISORS, AND SERVICE PROVIDERS</b>				
DRA Advisors LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
GCM Customized Fund Investment Group, L.P.	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"/>
GTIS Partners	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"/>
Investec Asset Management, Ltd.	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"/>
Madison Realty Capital	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"/>
Morgan Stanley Real Estate Advisor, Inc.	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NB Alternatives Advisers, LLC	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NIAM	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Oaktree Capital Management	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pacific Investment Management Company	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Prudential Real Estate Investors	Investment Manager	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stone Harbor Investment Partners, LP	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"/>
Tristan Capital Partners	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"/>



**DOCUMENT H-D**  
**PROPOSING 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 Markets	<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 Global Risk Control Strategies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Von Byer	TEA General Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jeff Armstrong	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ariel Sloan	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Maska	TEA Counsel	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Page [5] of [8]

## CONFLICT OF INTEREST AND CONTACTS

[illegible]

**DOCUMENT H-D**  
**PROPOSING FIRM AFFILIATE SUBMISSION**

Page [6] of [8]

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

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

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

Date	Person Contacted	Nature of Contact/Topic

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

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

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

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

**DOCUMENT H-D**  
**PROPOSING FIRM AFFILIATE SUBMISSION**

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-D**  
**PROPOSING 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.

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

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

**ACCESS TO CONFIDENTIAL INFORMATION**

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

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

**SIGNATURE ATTESTATION**

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

\_\_\_\_\_  
Authorized Signature of Affiliate

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title (Authorized on Behalf of Firm)

\_\_\_\_\_  
Date

# DOCUMENT I FEE PROPOSAL

## COVER PAGE

**PROPOSER FIRM NAME:** \_\_\_\_\_

In accordance with Sections 1.8 and 3.5 of RFP 701-15-023, Proposers **must** submit a fee proposal for services offered as Investment Counsel for the Texas Permanent School Fund. The fee proposal should clearly state the fee, identify the services offered, and estimate expenses and costs the TPSF may incur. To submit your fee proposal, return the complete Document Set I, respond to Questions 1 through 6, and use the space provided.

Fee proposals **must** reflect service offered meeting the requirements stated throughout this RFP and fees, expenses, and other considerations should be institutional in composition and amount.

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

**Travel Expenses will not be reimbursed.**

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## GENERAL INFORMATION

In this Document, answer the following:

1. Name and briefly describe the type of service you propose.
2. Describe the fee structure for the proposed service delivery.
3. Fee proposal:

	\$ Amount USD
<b>Contract commencement date through August 31, 2018</b> (Initial Term):	
September 1, 2015 - August 31, 2016	
September 1, 2016 – August 31, 2017	
September 1, 2017 – August 31, 2018	
<b>September 1, 2018 – August 31, 2021</b> ( Option to extend )	
<b>September 1, 2021 – August 31, 2024</b> ( Option to extend)	

\* The maximum term of the contract will not extend beyond August 31, 2024.

# DOCUMENT I-1

## FEE PROPOSAL—DETAIL

**PROPOSER FIRM NAME:** \_\_\_\_\_

In this Document:

1. Complete the tables and add information as appropriate to complete the fee proposal. This should include an estimate of costs and expenses.

Full Service Annual Flat Fee		
	Check One	Describe
Full Service Annual Flat Fee (USD)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$
Billing frequency quarterly?	<input type="checkbox"/> Yes <input type="checkbox"/> No	i.e. Quarterly, in arrears.
Travel expense included in fee?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Education opportunities included in fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Asset allocation studies included in fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Investment policy analysis included in fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Spending policy analysis included in fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Alternative investment analysis included in fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Manager searches included in fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Research projects included in fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Global Custodian evaluation included in fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Securities Lending evaluation included in fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other: i.e. Investment operation systems evaluation	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other: i.e. Futures commission merchant	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other: i.e. Prime Broker	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Web/Computer-based analytic tools included in fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
On-line database access included in fee?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other: Describe	<input type="checkbox"/> Yes <input type="checkbox"/> No	

Project-based Services Fee, Retainer Fee, Other			
If Applicable:		Amount	Describe
Per Search Fee : Traditional Asset Class	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	
Per Search Fee: Alternative Asset Class	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	
Per Search Fee: Specialized	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	
Per Search Fee: Global Custody	<input type="checkbox"/> Yes <input type="checkbox"/> No	\$	
Retainer Hourly Fee Schedule	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Web/Computer-based analytic tools	<input type="checkbox"/> Yes <input type="checkbox"/> No		
On-line database access	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Other: Describe	<input type="checkbox"/> Yes <input type="checkbox"/> No		
Other: Describe	<input type="checkbox"/> Yes <input type="checkbox"/> No		

**DOCUMENT I-2**  
**FEE PROPOSAL—FEE JUSTIFICATION**

**PROPOSER FIRM NAME:** \_\_\_\_\_

In this Document:

1. Provide a fee justification, for the above fee proposal. Assume a nine (9) year time horizon.
2. Are there other specialized services your firm would offer for additional fees?



**DOCUMENT I-3**  
**FEE PROPOSAL—SUPPLEMENTAL INFORMATION**

**PROPOSER FIRM NAME:** \_\_\_\_\_

1. Use this space to provide us with supplemental fee, expense, or cost estimates. For example, describe and quote a fee for services your firm is qualified to offer that can add value to the management of the TPSF and are not included in the scope of the RFP.



# HUB Subcontracting Plan (HSP)

## DOCUMENT J

### QUICK CHECKLIST

While this HSP Quick Checklist is being provided to merely assist you in readily identifying the sections of the HSP form that you will need to complete, it is very important that you adhere to the instructions in the HSP form and instructions provided by the contracting agency.

- If you will be awarding all of the subcontracting work you have to offer under the contract to only Texas certified HUB vendors, complete:
  - ☐ Section 1 - Proposer and Requisition Information
  - ☐ Section 2 a. - Yes, I will be subcontracting portions of the contract
  - ☐ Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors
  - ☐ Section 2 c. - Yes
  - ☐ Section 4 - Affirmation
  - ☐ GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2 b.
- If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you have a continuous contract in place for five (5) years or less meets or exceeds the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:
  - ☐ Section 1 - Respondent and Requisition Information
  - ☐ Section 2 a. - Yes, I will be subcontracting portions of the contract
  - ☐ Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors
  - ☐ Section 2 c. - No
  - ☐ Section 2 d. - Yes
  - ☐ Section 4 - Affirmation
  - ☐ GFE Method A (Attachment A) - Complete an Attachment A for each of the subcontracting opportunities you listed in Section 2 b.
- If you will be subcontracting any portion of the contract to Texas certified HUB vendors and Non-HUB vendors or only to Non-HUB vendors, and the aggregate percentage of all the subcontracting work you will be awarding to the Texas certified HUB vendors with which you have a continuous contract in place for five (5) years or less does not meet or exceed the HUB Goal the contracting agency identified in the "Agency Special Instructions/Additional Requirements", complete:
  - ☐ Section 1 - Respondent and Requisition Information
  - ☐ Section 2 a. - Yes, I will be subcontracting portions of the contract
  - ☐ Section 2 b. - List all the portions of work you will subcontract, and indicate the percentage of the contract you expect to award to Texas certified HUB vendors and Non-HUB vendors
  - ☐ Section 2 c. - No
  - ☐ Section 2 d. - No
  - ☐ Section 4 - Affirmation
  - ☐ GFE Method B (Attachment B) - Complete an Attachment B for each of the subcontracting opportunities you listed in Section 2 b.
- If you will not be subcontracting any portion of the contract and will be fulfilling the entire contract with your own resources, complete:
  - ☐ Section 1 - Respondent and Requisition Information
  - ☐ Section 2 a. - No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources
  - ☐ Section 3 - Self Performing Justification
  - ☐ Section 4 - Affirmation

**\*Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.



# HUB Subcontracting Plan (HSP)

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

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

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

- 11.2 percent for heavy construction other than building contracts,
- 21.1 percent for all building construction, including general contractors and operative builders' contracts,
- 32.9 percent for all special trade construction contracts,
- 23.7 percent for professional services contracts,
- 26.0 percent for all other services contracts, and
- 21.1 percent for commodities contracts.

## **- - Agency Special Instructions/Additional Requirements - -**

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

## **SECTION-1: RESPONDENT AND REQUISITION INFORMATION**

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

SECTION 2: SUBCONTRACTING INTENTIONS RESPONDENT

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

- a. Check the appropriate box (Yes or No) that identifies your subcontracting intentions:
- ☐ - Yes, I will be subcontracting portions of the contract. (If Yes, complete Item b, of this SECTION and continue to Item c of this SECTION.)
☐ - No, I will not be subcontracting any portion of the contract, and I will be fulfilling the entire contract with my own resources. (If No, continue to SECTION 3 and SECTION 4.)
- b. List all the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

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

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

- c. Check the appropriate box (Yes or No) that indicates whether you will be using only Texas certified HUBs to perform all of the subcontracting opportunities you listed in SECTION 2, Item b.
- ☐ - Yes (If Yes, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed.)
☐ - No (If No, continue to Item d, of this SECTION.)
- d. Check the appropriate box (Yes or No) that indicates whether the aggregate expected percentage of the contract you will subcontract with Texas certified HUBs with which you have a continuous contract\* in place with for five (5) years or less meets or exceeds the HUB goal the contracting agency identified on page 1 in the "Agency Special Instructions/Additional Requirements".
- ☐ - Yes (If Yes, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method A (Attachment A)" for each of the subcontracting opportunities you listed.)
☐ - No (If No, continue to SECTION 4 and complete an "HSP Good Faith Effort - Method B (Attachment B)" for each of the subcontracting opportunities you listed.)

**Continuous Contract:** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.

**SECTION 2: SUBCONTRACTING INTENTIONS RESPONDENT (CONTINUATION SHEET)**

- a. This page can be used as a continuation sheet to the HSP Form's page 2, Section 2, Item b. Continue listing the portions of work (subcontracting opportunities) you will subcontract. Also, based on the total value of the contract, identify the percentages of the contract you expect to award to Texas certified HUBs, and the percentage of the contract you expect to award to vendors that are not a Texas certified HUB (i.e., Non-HUB).

Item #	Subcontracting Opportunity Description	HUBs		Non-HUBs
		Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for <u>five (5) years or less</u>	Percentage of the contract expected to be subcontracted to HUBs with which you have a <u>continuous contract*</u> in place for <u>more than five (5) years</u>	Percentage of contract expected to be subcontracted to Non-HUBs
16		%	%	%
17		%	%	%
18		%	%	%
19		%	%	%
20		%	%	%
21		%	%	%
22		%	%	%
23		%	%	%
24		%	%	%
25		%	%	%
26		%	%	%
27		%	%	%
28		%	%	%
29		%	%	%
30		%	%	%
31		%	%	%
32		%	%	%
33		%	%	%
34		%	%	%
35		%	%	%
36		%	%	%
37		%	%	%
38		%	%	%
39		%	%	%
40		%	%	%
41		%	%	%
42		%	%	%
43		%	%	%
	Aggregate percentages of the contract expected to be subcontracted:	%	%	%

***\*Continuous Contract:*** Any existing written agreement (including any renewals that are exercised) between a prime contractor and a HUB vendor, where the HUB vendor provides the prime contractor with goods or service under the same contract for a specified period of time. The frequency the HUB vendor is utilized or paid during the term of the contract is not relevant to whether the contract is considered continuous. Two or more contracts that run concurrently or overlap one another for different periods of time are considered by CPA to be individual contracts rather than renewals or extensions to the original contract. In such situations the prime contractor and HUB vendor are entering (have entered) into "new" contracts.

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

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

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

**SECTION 4: AFFIRMATION**

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

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

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Date  
(mm/dd/yyyy) \_\_\_\_\_

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

a. **HSP Good Faith Effort - Method A (Attachment A)**

Enter your company's name here: \_\_\_\_\_ Requisition #: \_\_\_\_\_

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

**SECTION A-1: SUBCONTRACTING OPPORTUNITY**

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

Item Number: \_\_\_\_\_ Description: \_\_\_\_\_

**SECTION A-2: SUBCONTRACTOR SELECTION**

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

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

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

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

Rev. 10/14

Enter your company's name here: \_\_\_\_\_ Requisition #: \_\_\_\_\_

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

## SECTION B-1: SUBCONTRACTING OPPORTUNITY

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

Item Number: \_\_\_\_\_ Description: \_\_\_\_\_

## SECTION B-2: MENTOR PROTÉGÉ PROGRAM

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

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

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

## SECTION B-3: NOTIFICATION OF SUBCONTRACTING OPPORTUNITY

When completing this section you MUST comply with items a, b, c and d, thereby demonstrating your Good Faith Effort of having notified Texas certified HUBs and trade organizations or development centers about the subcontracting opportunity you listed in SECTION B-1. Your notice should include the scope of work, information regarding the location to review plans and specifications, bonding and insurance requirements, required qualifications, and identify a contact person. When sending notice of your subcontracting opportunity, you are encouraged to use the attached HUB Subcontracting Opportunity Notice form, which is also available online at <http://www.window.state.tx.us/procurement/prog/hub/hub-subcontracting-plan>.

Retain supporting documentation (i.e., certified letter, fax, e-mail) demonstrating evidence of your good faith effort to notify the Texas certified HUBs and trade organizations or development centers. Also, be mindful that a working day is considered a normal business day of a state agency, not including weekends, federal or state holidays, or days the agency is declared closed by its executive officer. The initial day the subcontracting opportunity notice is sent/provided to the HUBs and to the trade organizations or development centers is considered to be "day zero" and does not count as one of the seven (7) working days.

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

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

- c. Provide written notification of the subcontracting opportunity you listed in SECTION B-1 to two (2) or more trade organizations or development centers in Texas to assist in identifying potential HUBs by disseminating the subcontracting opportunity to their members/participants. Unless the contracting agency specified a different time period, you must provide your subcontracting opportunity notice to trade organizations or development centers at least seven (7) working days prior to submitting your bid response to the contracting agency. A list of trade organizations and development centers that have expressed an interest in receiving notices of subcontracting opportunities is available on the Statewide HUB Program's webpage at <http://www.window.state.tx.us/procurement/prog/hub/mwb-links-1/>.
- d. List two (2) trade organizations or development centers you notified regarding the subcontracting opportunity you listed in SECTION B-1. Include the date when you sent notice to it and indicate if it accepted or rejected your notice.

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



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

Rev. 10/14

Enter your company's name here: \_\_\_\_\_ Requisition #: \_\_\_\_\_

## SECTION B-4: SUBCONTRACTOR SELECTION

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

- a. Enter the item number and description of the subcontracting opportunity for which you are completing this Attachment B continuation page.

Item Number: \_\_\_\_\_ Description: \_\_\_\_\_

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

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

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

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



# HUB Subcontracting Opportunity Notification Form

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

34 Texas Administrative Code, §20.14 requires all respondents (prime contractors) bidding on the contract to provide notice of each of their subcontracting opportunities to at least three (3) Texas certified HUBs (who work within the respective industry applicable to the subcontracting opportunity), and allow the HUBs at least seven (7) working days to respond to the notice prior to the respondent submitting its bid response to the contracting agency. In addition, at least seven (7) working days prior to submitting its bid response to the contracting agency, the respondent must provide notice of each of its subcontracting opportunities to two (2) or more trade organizations or development centers (in Texas) that serves members of groups (i.e., Asian Pacific American, Black American, Hispanic American, Native American, Woman, Service Disabled Veteran) identified in Texas Administrative Code, §20.11(19)(C).

We respectfully request that vendors interested in bidding on the subcontracting opportunity scope of work identified in **Section C, Item 2**, reply no later than the date and time identified in **Section C, Item 1**. Submit your response to the point-of-contact referenced in **Section A**.

## SECTION: A PRIME CONTRACTOR'S INFORMATION

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

## SECTION: B CONTRACTING STATE AGENCY AND REQUISITION INFORMATION

Agency Name: \_\_\_\_\_  
Point-of-Contact: \_\_\_\_\_ Phone #: \_\_\_\_\_  
Requisition #: \_\_\_\_\_ Bid Open Date: (mm/dd/yyyy) \_\_\_\_\_

## SECTION: C SUBCONTRACTING OPPORTUNITY RESPONSE DUE DATE, DESCRIPTION, REQUIREMENTS AND RELATED INFORMATION

### 1. Potential Subcontractor's Bid Response Due Date:

If you would like for our company to consider your company's bid for the subcontracting opportunity identified below in Item 2, we must receive your bid response no later than \_\_\_\_\_ Central Time on \_\_\_\_\_ (mm/dd/yyyy)

*In accordance with 34 TAC §20.14, each notice of subcontracting opportunity shall be provided to at least three (3) Texas certified HUBs, and allow the HUBs at least seven (7) working days to respond to the notice prior to submitting our bid response to the contracting agency. In addition, at least seven (7) working days prior to us submitting our bid response to the contracting agency, we must provide notice of each of our subcontracting opportunities to two (2) or more trade organizations or development centers (in Texas) that serves members of groups (i.e., Asian Pacific American, Black American, Hispanic American, Native American, Woman, Service Disabled Veteran) identified in Texas Administrative Code, §20.11(19)(C).*

*(A working day is considered a normal business day of a state agency, not including weekends, federal or state holidays, or days the agency is declared closed by its executive officer. The initial day the subcontracting opportunity notice is sent/provided to the HUBs and to the trade organizations or development centers is considered to be "day zero" and does not count as one of the seven (7) working days.)*

### 2. Subcontracting Opportunity Scope of Work:

### 3. Required Qualifications:

☐- Not Applicable

### 4. Bonding/Insurance Requirements:

☐- Not Applicable

### 5. Location to review plans/specifications:

☐- Not Applicable

**DOCUMENT K**  
**EXECUTION OF OFFER AND AFFIRMATION OF TERMS AND CONDITIONS**  
**AND PROPOSAL PREFERENCES**

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

1. Proposer expressly makes the following specific affirmations in response to this RFP:

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

information is not included in the proposal, it will be provided prior to execution of any contract resulting from this RFP.

- I. Pursuant to Section 2252.901 of the Texas Government Code, Proposer certifies that it is not a former employee of TEA or that Proposer has not been an employee of TEA for twelve (12) months prior to the beginning date of any contract awarded from this RFP.

Proposer must make full disclosure of intent to employ any subcontractor who is a former employee/retiree of TEA. Within the first twelve months of leaving employment at TEA, a former employee/retiree selected by the Proposer for a subcontract, shall not perform services on a project or fill a position that the former employee/retiree worked on while employed at TEA.

- J. Proposer agrees to purchase and maintain at its expense insurance as required for the work being performed and furnished pursuant to any contract awarded from this RFP. Such insurance will protect TEA from all claims from bodily injury, death, or property damage which may arise out of or result from the performance or furnishing by the Proposer and Proposer's other obligations under the Contract Documents, whether it is performed or furnished by Proposer, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any one of them to perform or furnish any of the Work, or by anyone for whose acts any of them may be liable.

- i. Specific insurance coverage required by TEA is as follows:

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

*Comprehensive General Liability Insurance* with minimum Bodily Injury limits of \$500,000.00 for each occurrence, and Property Damage limits of \$500,000.00 for each occurrence to include Premises-Operations, Broad Form Property Damage, Personal Injury and Contractual Liability Coverage.

- ii. TEA reserves the right to terminate the Contract or stop the Work in progress for substantial failure to submit the required evidence of insurance or cancellation of an active policy as agreed upon by TEA and Proposer during contract negotiations.
- K. Proposer agrees that all Subcontractors performing work under a contract from this RFP will obtain insurance which will protect TEA and its employees from the risk associated with the work performed under the Agreement. The Proposer will maintain written evidence of such coverage for its Subcontractors. If the Subcontractor fails to demonstrate and/or obtain such insurance or the Subcontractor's insurance expires and is no longer available, the Proposer agrees to indemnify the Subcontractor for Work under this Agreement.
- L. Prior to the award of a contract, TEA may require that the successful proposer file a performance bond in an amount reasonable and necessary to protect the state's interest. The bond must be conditioned on the successful proposer's faithful performance of the terms of the contract.
- M. During negotiations, TEA and the proposer may negotiate a liquidated damages clause.
- N. Terms and conditions beyond those stated in this RFP may be grounds for disqualification of a submitted proposal. TEA will have sole discretion to consider for inclusion any terms and conditions not stated in this RFP.
- O. Contractor understands and agrees that no public disclosures or news releases pertaining to any results or findings based on research conducted to fulfill requirements of this RFP shall be made without prior written approval of TEA.
- P. Proposer affirms that they have not been convicted of a Hurricane Katrina related felony.

- Q. Contractor or Contractor's employees, representatives, agents and any subcontractors shall serve as an independent contractor in providing the services under any PO resulting from this RFP. Contractor or Contractor's employees, representatives, agents and any subcontractors shall not be employees of TEA. Should Contractor subcontract any of the services required in this RFP, Contractor expressly understands and acknowledges that in entering into such subcontract(s), TEA is in no manner liable to any subcontractor(s) of Contractor. In no event shall this provision relieve bidder of the responsibility for ensuring that the services rendered under all subcontracts are rendered in compliance with this RFP.
- R. 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.
- S. 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.
- T. In accordance with Texas Government Code, §2155.074 and 2155.075, vendor performance may be used as a factor in award of a Contract.
- U. 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.
- V. 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 proposers/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 Proposer is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at <http://www.epls.gov>.
2. Proposer has read, understands, and agrees to be bound to the terms and conditions stated in the TEA's "General Provisions" if a contract is awarded to Proposer pursuant to this RFP. The following General Provisions which will be included in the contractual terms for any contract awarded under this RFP are included in this instrument and are stated as follows:
- A. As used in these General Provisions:
- *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;
  - *Agency or TEA* means the Texas Education Agency;
  - *Proposer or Respondent* may be used interchangeably in the competitive solicitation. Proposer and Respondent infer pre RFP award status and Contractor infers to post RFP award status.

- *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;
  - *Project Administrator* means the respective person(s) representing TEA or Contractor, as indicated by the Contract, for the purposes of administering the Contract Project;
  - *Contract Project* means the purpose intended to be achieved through the Contract;
  - *Amendment* means a Contract that is revised in any respect, and includes both the original Contract, and any subsequent amendments or extensions thereto.
  - *Major Contract* means any contract over \$10 million cumulative over the life of the contract.
- 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 indemnify and hold harmless the State of Texas and the Texas Education Agency, and/or their officers, agents and employees, representatives, contractors, assignees, and/or designees, from any and all liability actions, claims, demands, or suits, and all related costs, attorney fees, and expenses arising out of, or resulting from any acts or omissions of the Contractor or its agents, employees, subcontractors, Order Fulfillers, or suppliers of subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract. The defense shall be coordinated by contractor with the Office of the Attorney General when Texas state agencies are named defendants in any lawsuit and contractor may not agree to any settlement without first obtaining the concurrence from the office of the attorney general. Contractor and TEA agree to furnish timely written notice to each other of any such claim.
- D. **Subcontracting:** Contractor shall not assign, transfer 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. Any changes to the HUB Subcontracting Plan (HSP) must be approved by the Agency HUB Coordinator before staffing changes are initiated.
- E. **Encumbrances/Obligations:** All encumbrances, accounts payable, and expenditures shall occur on or between the beginning and ending dates of this Contract. All goods must have been received and all services rendered during the Contract period in order for Contractor to recover funds due. In no manner shall encumbrances be considered or reflected as accounts payable or as expenditures.
- F. **Contractor's Proposal:** Contractor's proposal that was furnished to TEA in response to a Request For Proposal is incorporated in this Contract by reference. The provisions of this Contract shall prevail, however, in all cases of conflict arising from the terms of Contractor's proposal whether such proposal is a written part of this Contract or is attached as a separate document.
- G. **Requirements, Terms, Conditions, and Assurances:** The terms, conditions, and assurances, which are stated in the Request for Proposal, in response to which Contractor submitted a proposal, are incorporated herein by reference for all purposes, although the current General Provisions shall prevail in the event of conflict.
- H. **Records Retention:** Contractor shall maintain its records and accounts in a manner which shall assure a full accounting for all funds received and expended by Contractor in connection with the Contract. These records and accounts shall be retained by Contractor and made available for programmatic or financial audit by TEA and by others authorized by law or regulation to make such an audit for a period of not less than five (5) years from the date of completion of the Contract Project or the date of the receipt by TEA of Contractor's final claim for payment or final expenditure report in connection with this Contract,

whichever is later. If an audit has been announced, the records shall be retained until such audit has been completed.

- I. **Audit:** Pursuant to Section 2262.154 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.

Contractor further agrees that acceptance of funds under this contract acts as acceptance for TEA to conduct an audit or investigation in connection with those funds. Contractor, subcontractors, and any entities receiving funds through this contract shall cooperate fully with TEA in the conduct of the audit or investigations, including providing all records pertaining to this contract that are requested.

J. **Information Security Requirements:**

- i. **Access to Confidential TEA Information.** Contractor represents and warrants that it will take all necessary and appropriate action within its abilities to safeguard TEA Confidential Information and to protect it from unauthorized disclosure. If Contractor discloses any TEA confidential information to a subcontractor or agent, Contractor will require the subcontractor or agent to comply with the same restrictions and obligations as are imposed on Contractor. Whenever communications with Contractor necessitate the release of Confidential TEA Information, additional TEA Confidential forms will need to be signed by each individual who will require access to or may be exposed to that information. Contractor shall access TEA's systems or Confidential TEA Information only for the purposes for which it is authorized. TEA reserves the right to review the Contractor's security policy to ensure that any data that is on the Contractor's servers is secure. Contractor shall cooperate fully by making resources, personnel, and systems access available to TEA and TEA's authorized representative(s).

Contractor shall ensure that any TEA Confidential Information in the custody of Contractor is properly sanitized or destroyed when the information is no longer required to be retained by TEA or Contractor in accordance with this Contract. Electronic media used for storing any Confidential TEA Information must be sanitized by clearing, purging or destroying in accordance with such standards established by the National Institute of Standards and Technology and the Center for Internet Security. These standards are also required if the Contractor is collecting, maintaining, or analyzing data gathered, collected, or provided under this Contract. Contractor must maintain a record documenting the removal and completion of all sanitization procedures with the following information:

- a. Date and time of sanitization/destruction;
- b. Description of the item(s) and serial number(s) if applicable;
- c. Inventory number(s); and
- d. Procedures and tools used for sanitization/destruction.

No later than sixty (60) days from contract expiration or termination or as otherwise specified in this Contract, Contractor must complete the sanitization and destruction of the data and provide to Comptroller all sanitization documentation.

ii. **Access to Internal TEA Network and Systems**

As a condition of gaining remote access to any internal TEA network and systems, Contractor must comply with TEA's policies and procedures. TEA's remote access request procedures will require Contractor to submit TEA Applicable Access Request forms for TEA's review and approval. Remote access technologies provided by Contractor must be approved by TEA's Information Security

Officer. TEA, in its sole discretion, may deny network or system access to any individual that does not complete the required forms. Contractor must secure its own connected systems in a manner consistent with TEA's requirements. TEA reserves the right to audit the security measures in effect on Contractor's connected systems without prior warning. TEA also reserves the right to immediately terminate network and system connections not meeting such requirements.

iii. **Disclosure of Security Breach**

Contractor shall provide notice to TEA's Project Manager and TEA's Information Security Officer as soon as possible following Contractor's discovery or reasonable belief that there has been unauthorized use, exposure, access, disclosure, compromise, modification, or loss of sensitive or confidential Comptroller information ("Security Incident"). Within twenty-four (24) hours of the discovery or reasonable belief of a Security Incident, Contractor shall provide a written report to TEA's Information Security Officer detailing the circumstances of the incident which includes at a minimum:

- a. Description of the nature of the Security Incident;
- b. The type of TEA information involved;
- c. Who may have obtained the information;
- d. What steps Contractor has taken or will take to investigate the Security Incident;
- e. What steps Contractor has taken or will take to mitigate any negative effect of the Security Incident; and
- f. A point of contact for additional information.

Each day thereafter until the investigation is complete, Contractor shall provide TEA's Information Security Officer with a written report regarding the status of the investigation and the following additional information as it becomes available:

- a. Who is known or suspected to have gained unauthorized access to TEA information;
- b. Whether there is any knowledge if TEA information has been abused or compromised;
- c. What additional steps Contractor has taken or will take to investigate the Security Incident;
- d. What steps Contractor has taken or will take to mitigate any negative effect of the Security Incident; and
- e. What corrective action Contractor has taken or will take to prevent future similar unauthorized use or disclosure.

Contractor shall confer with TEA's Chief Information Security Officer regarding the proper course of the investigation and risk mitigation. TEA reserves the right to conduct an independent investigation of any Security Incident, and should TEA choose to do so, Contractor shall cooperate fully by making resources, personnel, and systems access available to TEA and TEA's authorized representative(s). Subject to review and approval of TEA's Information Security Officer, Contractor, at its own cost, shall provide notice that satisfies the requirements of applicable law to individuals whose personal, confidential, or privileged data were compromised or likely compromised as a result of the Security Incident. If TEA, in its sole discretion, elects to send its own separate notice, then all costs associated with preparing and providing notice shall be reimbursed to TEA by Contractor. If Contractor does not reimburse such costs within thirty (30) days of TEA's written request, then TEA shall have the right to collect such costs.

- K. **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.
- L. **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.



- M. **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 thirty (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.
- N. **State of Texas Laws:** In the conduct of the Contract Project, Contractor shall be subject to laws or rules of the State of Texas pertaining to and or 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.
- O. **HUB Subcontracting Plan:** Pursuant to 34 TAC 201.14 -18 and TGC 2161, Contractors shall maintain business records documenting compliance with the HUB subcontracting plan (HSP) and shall submit a compliance report to the contracting agency monthly, in the format required by the Agency. The compliance report submission shall be required as a condition for payment. If the Contractor subcontracts any part of the contract in a manner that is not consistent with its HUB subcontracting plan, the selected proposer must submit a revised HUB subcontracting plan before subcontracting any of the work under the contract. If the Contractor subcontracts any of the work without prior authorization and without complying with this section, the Contractor is deemed to have breached the contract and is subject to any remedial actions provided by Government Code, Chapter 2161, and other applicable state law
- P. **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.
- Q. **Antitrust:** By signing this Contract, Contractor, represents and warrants that neither Contractor nor any firm, corporation, partnership, or institution represented by Contractor, or anyone acting for such firm, corporation or institution has, (1) violated the antitrust laws of the State of Texas under Tex. Bus. & Com. Code, Chapter 15, or the federal antitrust laws; or (2) communicated directly or indirectly the Proposal to any competitor or any other person engaged in such line of business during the procurement process for this Contract.
- R. **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.
- S. **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. The parties may agree to mediation of their dispute at any time. The Agency's participation in mediation or any other dispute resolution process shall not waive any of the Agency's contractual or legal rights and remedies, including but not limited to sovereign immunity.
- T. **Interpretation:** In the case of conflicts arising in the interpretation of wording and/or meaning of various sections, parts, Appendices, General Provisions, Special 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.

- U. **Compliance with Laws:** Contractor shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any court or administrative bodies or tribunals in any matter affecting Contractor's performance.
- V. **Public Information:** The 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 exempt 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.

To the extent that this Contract requires the creation or exchange of information that is not excepted from disclosure under the Texas Public Information Act, Contractor agrees to make all such information available to TEA for no additional charge in a format that is accessible by the public. Unless otherwise specified elsewhere in this Contract, the required format for the information will be an electronic flat file that can be (and, upon request from TEA, will be) delivered by Contractor and received by TEA through the parties' normal contact email addresses.

- W. **Gratuities:** By signing this Contract, Contractor represents and warrants that the Contractor has not given, offer to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted response.
- X. **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.
- Y. **Protests:** Any actual or prospective Bidder, Offeror, 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 written protest is submitted within ten (10) working days after such aggrieved person knows, or reasonably should have known, of the occurrence of the action which is protested. The protest document must meet with all requirements in applicable law and Agency's rules (Title 19 of the Texas Administrative Code, at § 30.2002) <http://ritter.tea.state.tx.us/rules/tac/index.html>.

If the protest procedure results in a final determination by the Agency that a violation of law has occurred in its contracting process in a case in which a contract has been awarded, then the Agency may declare the contract void at inception. In that event, the party who had been awarded the contract shall have no rights under the contract and no remedies under the law against the Agency.

- Z. **Liability for and Payment of Taxes:** 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.

- AA. **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.
- BB. **Assignment of Contract:** This Contract may not be assigned, sold, or transferred without express written consent of the TEA Purchasing, Contracts, and Agency Services (PCAS) Division. An attempted assignment without notice to TEA will constitute a material breach of contract.
- CC. **Buy Texas:** When applicable under this Contract, in accordance with Texas Government Code Section 2155.4441, Contractor shall purchase products and materials produced in the State of Texas when available at a price and time comparable to products and materials produced outside the state.
- DD. **Excluded Parties List System:** The Texas Education Agency and the Contractor must adhere to the directions provided in the President's Executive Order (EO) 13224, Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, which may be viewed at <http://www.whitehouse.gov/briefing-room/presidential-actions/executive-orders> . That Executive Order prohibits any transaction or dealing by United States persons, including but not limited to the making or receiving of any contribution of funds, goods, or services to or for the benefit of those persons listed in the General Services Administration's Excluded Parties List System (EPLS) which may be viewed on the System for Award Management (SAM) site at <http://www.Sam.gov>.
- EE. **Suspension and Debarment:** Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal, state or local government entity and that Contractor is in compliance with the State of Texas statutes and rules relating to procurement. If Contractor is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this contract.
- FF. **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 Contractor's bid or proposal is based and will not allow any person who prepared the respective specifications or solicitation to participate financially in any contract award.
- GG. **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 or damages that arise from the disclosure by Contractor or its contractors of information held by the State of Texas.
- HH. **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.
- II. **Contractor Performance:** All state agencies must report unsatisfactory Contractor performance on purchases over \$25,000. Contractor s who are in default or otherwise not in good standing under any other current or prior contract with TEA at the time of selection will not be eligible for award of this contract. A Contractor's past performance will be measured based upon pass/fail criteria, in compliance with applicable provisions of §§2155.074, 2155.075, 2156.007, 2157.003, and 2157.125, Gov't Code. Contractor s may fail this selection criterion for any of the following conditions: A score of less than 90% in the Contractor Performance System, currently under a Corrective Action Plan, having repeated negative Contractor performance reports for the same reason, having purchase orders that have been cancelled in the previous 12 months for non-performance (i.e. late delivery, etc.). TEA may conduct reference checks with other entities regarding past performance. In addition to evaluating performance through the Contractor Performance Tracking System (as authorized by 34 Texas Administrative Code §20.108), TEA

may examine other sources of Contractor performance including, but not limited to, notices of termination, cure notices, assessments of liquidated damages, litigation, audit reports, and non-renewals of contracts. Any such investigations shall be at the sole discretion of TEA, and any negative findings, as determined by TEA, may result in non-award to the Contractor. Agencies report satisfactory and exceptional Contractor performance to assist in determining best value. In accordance with Texas Government Code, §2155.074 and §2155.75, vendor performance may be used as a factor in future contract awards.

Contractor performance information is located on the CPA web site at:

[http://www.cpa.state.tx.us/procurement/prog/vendor\\_performance/](http://www.cpa.state.tx.us/procurement/prog/vendor_performance/)

- JJ. **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:** TEA may terminate this Contract at any time, in whole or in part, without penalty, by providing fifteen (15) 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, properly performed 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.
  - vi. **Contract Transition:** In the event a subsequent competitive solicitation is awarded to a New Contractor, the Outgoing Contractor shall hand-over to the New Contractor all "Works" including but not limited to the following: data, materials, database access, intellectual property, source code, training materials, access to websites, asset transfer, and maintenance of service commitments. The purpose of transition planning is to ensure a seamless and continuous service when changing from one contract to another. The Outgoing Contractor will begin shipping, transmitting or providing access to all appropriate materials and data to the New Contractor within 10 days of announcement of award at the New Contractor's expense for data processing and production, packing and shipping.

The Outgoing Contractor will be responsible for providing the services identified in the Contract until all records have been completely transferred to the New Contractor. The Outgoing Contractor is responsible for performing due diligence to ensure that all the transition activities are identified and completed during the Contract Transition.

The Outgoing Contractor shall submit to TEA requested reports and data. TEA will not release the final invoice until all materials are returned to TEA or their designee. The TEA Project Manager shall approve the Transition Plan prior to its implementation. The Transition Plan must minimize the impacts on continuity of operations and maintain communication with the TEA Project Manager and the New Contractor.

KK. **Amendments:** All Amendments to this Contract will be in a manner as prescribed by the Project Administrator of the Agency and will be made on AMENDMENT TO TEXAS EDUCATION AGENCY CONTRACT form supplied by TEA and signed by both parties. An Amendment to this Contract will become effective on the date of signature of TEA or the effective date shown on the Amendment document whichever is first.

LL. **Insurance:** When applicable, Contractor represents and warrants that it will, within five (5) business days of being requested by TEA, provide TEA with current certificates of insurance for types of insurance coverage that TEA deems relevant to the Contract Project:

Workers Compensation: Statutory Limits

Employers Liability: Each Accident \$1,000,000

Disease- Each Employee \$1,000,000

Disease-Policy Limit \$1,000,000

MM. **Force Majeure:** Except as otherwise provided, neither Contractor nor TEA 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, fires, explosions, hurricanes, floods, failure of transportation 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.

NN. **Abandonment or Default:** If the Contractor defaults on the Contract, Texas Education Agency reserves the right to cancel without notice and either re-solicit or re-award the Contract to the next best responsive proposer. The defaulting Contractor will not be considered in the re-solicitation and may not be considered in future solicitations for the same type of work, unless the specification or scope of work significantly changed. The period of suspension will be determined by the Agency based on the seriousness of the default.

OO. **Payment:** Payment for services described in this Contract is contingent upon satisfactory completion of the services.

- i. Payment for goods or services purchased with State-appropriated funds will be issued by electronic Direct Deposit from the State Treasury. Direct Deposit is the preferred method of payment. Any payment owed by an Agency must be transmitted electronically to the Contractor no later than 30 days after the later of:
  - a. Day on which the Agency received the goods;
  - b. Date the performance of the service under the contract is completed; or
  - c. Day on which the agency received the complete and correct invoice for goods or services.

Invoices must be submitted to:

[TEAAccountspayable@tea.texas.gov](mailto:TEAAccountspayable@tea.texas.gov) and to [PSFInvoices@tea.texas.gov](mailto:PSFInvoices@tea.texas.gov)

Additional information and a Direct Deposit Authorization application may be found at:  
<https://fm.x.cpa.state.tx.us/fm/payment/index.php>.

- ii. Unless otherwise stated, payment under this Contract will be made upon performance of services based upon submission of an expenditure report/invoice, properly prepared and certified, outlining expenditures by cost category. Include the contract number, purchase order number, and the Texas Comptroller of Public Accounts Texas Identification Number (TIN) on all invoices/expenditure reports.
- iii. All goods must have been received and all services rendered by the ending date of this Contract in order for Contractor to include these costs as either expenditures or as accounts payable and, thereby, recover funds due.
- iv. 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. TEA shall determine whether a payment law prohibits the Comptroller from issuing a warrant or initiating an electronic funds transfer to a person before TEA enters into a written contract with that person.

Contractor may verify their 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](https://fm.x.cpa.state.tx.us/fm/pubs/purchase/restricted/index.php?section=indebted&page=persons_indebted)

**PP. Notices Point of Contact and Escalation:** 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)
Executive Administrator and CIO	(Title)
Permanent School Fund	(Organization Name)
Texas Education Agency	(Address)
1701 N. Congress Avenue	(City, State, Zip)
Austin, TX 78701	

**QQ. U.S. Department of Homeland Security's E-Verify System:** By entering into this Contract, the Contractor certifies and ensures that it utilizes and will continue to utilize, for the term of this Contract, the U.S. Department of Homeland Security's E-Verify system to determine the eligibility of:

- i. All persons employed to perform duties within Texas, during the term of the Contract; and
- ii. All persons (including subcontractors) assigned by the Proposer to perform work pursuant to the Contract, within the United States of America.

The Contractor shall provide, upon request of (agency name), an electronic or hardcopy screenshot of the confirmation or tentative non-confirmation screen containing the E-Verify case verification number for attachment to the Form I-9 for the three most recent hires that match the criteria above, by the Contractor, and Contractor's subcontractors, as proof that this provision is being followed.

**If this certification is falsely made, the Contract may be immediately terminated, at the discretion of the state and at no fault to the state, with no prior notification. The Contractor shall also be responsible for the costs of any re-solicitation that the state must undertake to replace the terminated Contract.**

*The Texas Government Code and Family Code sites referenced in this document may be viewed at:*  
<http://www.statutes.legis.state.tx.us/>

The Texas Administrative Code site referenced in this document may be viewed at:  
[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.viewtac](http://info.sos.state.tx.us/pls/pub/readtac$ext.viewtac)

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

A. The definitions of terms in the General Provisions shall apply to these Special Provisions - A.

- B. Contractor shall provide to Agency, Contractor's nine (9) digit Federal Employer's Identification Number (FEI#) or Social Security Number (SSN) if Contractor is an individual, or Contractor's fourteen (14) digit State of Texas Vendor's Identification Number (VIN). If Contractor is incorporated, Contractor shall also provide to Agency the corporation's charter number issued by the Texas Secretary of State's office. Information provided by the contractor will be verified by the Agency.

Contractor's FEI#	_____
Contractor's SSN	_____
Contractor's VIN	_____
Contractor's charter #	_____

- 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 proposers/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 Proposer is not listed on the federal government's terrorism watch list as described in Executive Order 13224. Entities ineligible for federal procurement are listed at <http://www.epls.gov>.
- D. TEA shall determine whether a payment law prohibits the Comptroller from issuing a warrant or initiating an electronic funds transfer to a person before the agency enters into a written contract with that person. Contractor who is indebted or owes delinquent taxes to the state will have any payments under the contract applied toward the debt or delinquent taxes owed the state until the amount is paid in full, regardless of when the debt or delinquency was incurred.

Contractor may verify their account status by accessing the Comptroller's website at:  
<https://cpafmprd.cpa.state.tx.us/tpis/search.html>

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

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

The proposer, if selected as the contractor, will be required to purchase products and materials produced in this state when they are available at a price and time comparable to products and materials produced outside of Texas (TX Govt. Code § 2155.4441).

Check below if claiming a preference included in Chapter 2155 of the Texas Government Code and in Rule 1 TAC 113.8



- ☐ § 2155.441 Products of persons with mental or physical disabilities
- ☐ HB 3560 Goods produced or offered by service-disabled veterans.
- ☐ § 2155.442 Energy efficient products
- ☐ HB 3560 Preference to manufacture that has recycle program for computer equipment.
- ☐ § 2155.443 Rubberized asphalt paving material
- ☐ § 2155.444 Texas produced supplies, materials, or equipment; or USA supplies, materials, or equipment over foreign products
- ☐ Rule 1 TAC
- ☐ 113.8 (b)(2D) Services offered by a Texas bidder
- ☐ § 2155.444 Texas agriculture products
- ☐ § 2155.444 Texas and United States products and Texas Services, (d) purchases for landscaping purposes including plants native to the region
- ☐ HB 3560 Texas Resident service-disabled veterans
- ☐ HB 3560 Preference to contractors providing foods of higher nutritional value.
- ☐ § 2155.445 Recycled, remanufactured, or environmentally sensitive products made of recycled materials
- ☐ § 2155.446 Paper containing recycled fibers
- ☐ § 2155.447 Recycled motor oil and lubricants
- ☐ § 2155.449 Products produced in facilities on rehabilitated property as certified by section 361.609 of the Texas Health and Safety Code
- ☐ § 2155.449 Products and services from economically depressed or blighted areas
- ☐ § 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 RFQ, and subject to all the conditions herein, the undersigned offers and agrees to furnish any or all commodities or services at the prices quoted in the proposal or bid. By signing this proposal, the proposer signifies that if a Texas address is shown as the address of the proposer, the proposer qualifies as a Texas Resident Bidder as defined in Rule 1 TAC 111.2.

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