

# State of Colorado

## The Public School Fund Investment Board

### REQUEST FOR PROPOSAL (RFP) SUBMITTAL COVER SHEET



<b>Publish Date:</b>	January 18, 2019	<b>RFP Number:</b>	2019-PSFIB-001
<p>Subject to the specifications, terms and conditions stipulated in the RFP and/or attached, the <b>Public School Fund Investment Board</b>, is requesting proposals from qualified vendors/firms/companies interested in <b>providing core open-end private real estate portfolio management services</b> to the <b>Public School Fund Investment Board</b>.</p> <p><b>NOTE: THIS RFP IS NOT ISSUED UNDER THE COLORADO PROCUREMENT CODE</b></p>			
<b>Submit All Proposals to:</b>	Colorado State Treasurer's Office ATTN:Eric Rothaus, Deputy Treasurer 200 East Colfax Ave., Room 140 Denver, CO 80203 e-mail: eric.rothaus@state.co.us	<b>Contact Name:</b> <b>Telephone No:</b>	Kristen Wiley, Portfolio Administrator 303-241-5908
<b>Submission Deadline</b>	<b>February 15, 2019</b> <b>4:00 p.m. (Mountain Standard Time)</b> <b>(Vendors are responsible for timely receipt)</b>	<p><b><u>IMPORTANT:</u></b> This completed and signed RFP Submittal Cover Sheet <b>MUST</b> accompany proposals submitted. Proposals must be delivered "sealed" with RFP Number, and Opening Date and Time on outside of envelope. Be advised that telegraphic or electronic offers cannot be accepted.</p>	
<b># of Copies to be Submitted:</b>	One (1) Original <u>Plus</u> Three (3) Hard Copies Required and one electronic copy		
<p><b>IDENTIFICATION OF OFFEROR(S) (Legibly Complete the Following Information):</b></p> <p>OFFEROR(S)/COMPANY NAME:</p> <p>STREET ADDRESS:</p> <p>CITY/STATE/ZIP:</p> <p>PHONE: <span style="float: right;">FAX:</span></p> <p>E-MAIL ADDRESS: <span style="float: right;">WEBSITE ADDRESS:</span></p> <p>AUTHORIZED SIGNATURE: _____  <span style="color: red; font-weight: bold; display: block; text-align: center;">(one copy must include an original signature)</span></p> <p>PRINTED NAME AND TITLE:</p> <p>FEIN OR VENDOR NUMBER AS REGISTERED ON VSS:</p> <p>CONTACT NAME FOR CLARIFICATIONS: <span style="float: right;">PHONE:</span></p> <p><b>MODIFICATIONS RECEIVED:</b></p>			

Offeror(s) are responsible for reading the entire RFP document before submitting a proposal.

**RETURN THIS PAGE WITH YOUR RESPONSE**

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## SECTION 1 INTRODUCTION AND OVERVIEW

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### **1.1 Introduction and Overview**

This preamble is provided only for informational purposes. The intent of this section is to assist potentially interested vendors in understanding the features/layout of this Request for Proposal (RFP) solicitation, and act as a guide to the RFP document. This section is not intended to address all of the requirements of the solicitation or be comprehensive in any manner, and should not be interpreted as such. In the event of discrepancies between the contents of this introduction and the main RFP text (**Sections 2** through **5** of this RFP), the main text provisions will prevail.

### **1.2 Layout of the RFP Document**

Following is a brief overview of the structure and layout of this document:

- **Section 1 – Introduction and Overview:** Describes RFP process and the features/layout of the RFP document and acts as a guide for the rest of the RFP document.
- **Section 2 – Administrative Information:** Details the administrative and legal requirements, procurement timetable, policies and procedures in effect for this procurement process.
- **Section 3 – Objectives and Scope of Work:** Describes the **PUBLIC SCHOOL FUND INVESTMENT BOARD’S** (“**INVESTMENT BOARD’s**” or “**State’s**”) Objectives for this project and the scope of work for this procurement.
- **Section 4 – Submittal Criteria:** Details the submittal requirements. This section will direct the vendor on what to submit to the state for the evaluation committee’s review.
- **Section 5 – Scoring and Evaluation Criteria:** This section states how the **INVESTMENT BOARD** will evaluate each proposal.
- **Section 6:** Exhibit Summary.

### **1.3 Solicitation Focus and Selection Process**

This RFP solicitation facilitates the **INVESTMENT BOARD’s** effort to contract with a qualified firm to provide investment management for a portion of the cash and financial assets of Colorado’s School Trust endowment.

A full Scope of Work can be found in **Section 3**.

In order for the **INVESTMENT BOARD** to make an informed and intelligent procurement choice, proposers must provide thorough and complete answers and responses to all of the areas described in this RFP.

#### **1.4 Single Contract**

The **INVESTMENT BOARD** will enter into a single contract with any selected vendor(s). Any partnerships between firms specializing must be managed in a Prime Contractor / Subcontractor approach. All references to “proposer” or “contractor” or “offeror” throughout this RFP document shall be interpreted to mean the *prime* responding vendor, except where specifically noted otherwise. Any/all forms signed and submitted by this so defined prime contractor shall be interpreted as acknowledgement of terms and conditions and assumed responsibilities on behalf of *all* partnered entities (if applicable). The selected contractor will be required to assume responsibility for all goods and services offered in its proposal, and the **INVESTMENT BOARD** will consider the selected contractor to be the sole point of contact with regard to all contractual matters and responsibilities. The selected contractor must gain prior written approval from the **INVESTMENT BOARD** for any changes to subcontractors, subsequent to proposal submission.

## SECTION 2 ADMINISTRATIVE INFORMATION

### 2.1 Issuing Office

This request for proposal is issued for the State of Colorado by the **INVESTMENT BOARD**. All proposals to this RFP should be submitted to:

Colorado State Treasurer's Office  
ATTN: Eric Rothaus, Deputy Treasurer  
200 East Colfax Ave., Room 140  
Denver, CO 80203  
Phone: (303) 866-2441  
e-mail: eric.rothaus@state.co.us

Contact with **any** other State personnel regarding this procurement, unless specifically authorized as in **Section 2.4 Inquiries** or by the Colorado State Treasurer's Office, **may result in disqualification.**

### 2.2 Purpose

The **INVESTMENT BOARD** is requesting proposals from qualified vendors/firms/companies interested in providing Investment Management Services to manage a portion of the cash and financial assets of the Colorado's School Trust endowment. This RFP solicitation process may include reference checks, proposer interviews, and proposal clarification sessions.

This RFP provides proposers with sufficient information to enable them to:

1. Understand the scope of work as outlined in **Section 3** of this RFP;
2. Submit proposals related to corporate background and experience, methodologies and services, and pricing; and
3. Allow for comprehensive evaluation and consideration by the **INVESTMENT BOARD**.

### 2.3 Schedule of Activities

Activity	Date
1. RFP published on VSS System	01/18/2019
2. Prospective Proposer's Inquiry Deadline <i>No inquiries accepted after this date</i>	01/25/2019
3. Response to written inquiries on Vendor Self Serve (VSS) ( <i>ESTIMATED*</i> )	01/31/2019
<b>4. Proposal Submission Deadline</b>	<b>02/15/2019</b>
5. Evaluation of Written Proposals ( <i>ESTIMATED*</i> )	Feb. 15 to March 15, 2019
6. Reference calls and letters of clarification for questions ( <i>ESTIMATED - If applicable per Investment Board's evaluation</i> )	Feb. 15 to March 22, 2019
7. Proposer Interviews ( <i>ESTIMATED – If applicable per Investment Board's evaluation</i> )	April 1 – April 15, 2019
9. Proposal Selection ( <i>ESTIMATED</i> )	April 2019
10. <i>Desired</i> Date of Executed Contract ( <i>ESTIMATED</i> )	TBD
11. <i>Desired</i> initial Performance Period ( <i>ESTIMATED</i> )	TBD

*\*As the evaluation process is dependent upon the number of proposals received, their length, and committee members' schedules; all dates post proposal submission are strictly estimated.*

## **2.4 Inquiries**

Prospective proposers may make written inquiries concerning the RFP to obtain clarification of requirements by submitting inquiries via email as an attachment that can be opened by Microsoft Word 2003 or later and have "Inquiry for RFP 2019-PSFIB-001" in the subject line. All inquiries must be in written format.

**No inquiries will be accepted after the date and time specified in the Schedule of Activities, Prospective Proposer's Inquiry Deadline.**

All inquiries should be sent to:

Kristen Wiley, PSPF Portfolio Administrator  
e-mail: [kbwiley@outlook.com](mailto:kbwiley@outlook.com)

with a copy to:

Eric Rothaus, Deputy Treasurer  
Colorado State Treasurer's Office  
[eric.rothaus@state.co.us](mailto:eric.rothaus@state.co.us)  
(See **Section 2.1 Issuing Office** for contact information)

Proposers should anticipate that written responses to written inquiries may be posted on VSS for all proposers to review. The **INVESTMENT BOARD** in its discretion may decline to respond to written inquiries.

## **2.5 Performance Period**

The expected performance period for the resulting contract will be 12 months commencing from execution of contract with the possible option of renewing annually for up to 4 more years for a total of five (5) years. Additional extension terms beyond five (5) years may be available at the **INVESTMENT BOARD**'s discretion.

## **2.6 Proposal Submission**

All proposals must be received by the **INVESTMENT BOARD**, c/o Colorado State Treasurer's Office, no later than the date and time shown in the Schedule of Activities, Line 4 Proposal Submission Deadline. Each proposal package shall consist of:

- One (1) original (identified as such) of Proposal
- Three (3) copies of Proposal Document
- One electronic version of the Proposal, readable in Word 2003 or later

See **Section 4** of this RFP – Response Requirements for format and content specifications.

***A complete proposal package including all elements of the proposer's response as delineated above MUST be submitted and received by the stated deadline.***

It is the sole responsibility of the proposer to ensure that its complete proposal package is received in the Colorado State Treasurer's Office prior to the deadline. Proposers mailing their documents should allow ample mail delivery time to ensure timely receipt of their proposals. **PROPOSALS RECEIVED AFTER THE DATE AND TIME STATED IN THE SCHEDULE OF ACTIVITIES MAY NOT BE CONSIDERED.**

Proposals must be clearly identified as a proposal in response to **RFP No: 2019-PSFIB-001** and must show such information on the **OUTSIDE** of the proposal packet(s). Proposals will not be accepted by facsimile transmittal. All materials submitted shall become the property of the **INVESTMENT BOARD** and will not be returned.

Proposers are advised of State's desire that proposals prepared in response to this RFP be submitted on recycled paper, and that all copies be printed on both sides of paper. While the appearance of proposals is important, and professionalism in proposal presentation should not be neglected, the use of non-recyclable or non-recycled glossy materials is discouraged. In addition, it is requested that proposals be in flat bound form rather than use three-ring binders in order to facilitate filing.

## **2.7 Amendments to RFP**

In the event it should be necessary to revise any portion of this RFP, addenda will be published on the State **Vendor Self Serve (VSS)** website at the Internet site, <https://www.colorado.gov/vss>. Proposer **MUST** acknowledge any/all amendments to this RFP in the cover letter to its proposal. In addition, the signature page attached to such addenda must be acknowledged with signature by a person authorized to bind the proposer, and included as part of the response proposal. It is the proposer's sole responsibility to monitor and access VSS for any amendments and to acknowledge and/or comply with all such published addenda as specifically instructed. Failure to acknowledge all amendments as instructed in each/all such addenda may cause rejection of the entire proposal as non-responsive.

## **2.8 Vendor Self-Service (VSS) and Registration.**

This solicitation is published using the Colorado Vendor Self-Service – ColoradoVSS (VSS). Offerors are not required to be registered on ColoradoVSS in order to download solicitation documents and information. ColoradoVSS information can be found through the Colorado State Purchasing & Contracts Office link at [www.colorado.gov/VSS](http://www.colorado.gov/VSS). The VSS Help Desk can be reached at 303-866-6464 for further assistance.

## **2.9 Parent Company**

If a proposer is owned or controlled by a parent company, the name, main office address and parent company's tax identification number (FEIN) must be provided in the proposal document. Regardless of whether a Proposer is owned or controlled by a parent company, the responding Proposer's FEIN, as provided on the RFP Submittal Cover Sheet, shall be the number used to determine registration status.

## **2.10 Response Material Ownership**

All material submitted regarding this RFP becomes the property of the State of Colorado. The State of Colorado has the right to retain the original proposal and other RFP response materials for its files. As such, the State of Colorado may retain or dispose of all copies as is lawfully deemed appropriate. The State of Colorado has the right to use any or all information/material presented in reply to the RFP, subject to limitations outlined in the clause, Proprietary/Confidential Information (2.11) (below). Proposer expressly agrees that the State may use the materials for all lawful State purposes, including the right to reproduce copies of the material submitted for purposes of evaluation, and to make the information available to the public in accordance with the provisions of the Colorado Open Records Act.

## **2.11 Proprietary/Confidential Information**

All material submitted in response to this RFP will become public record and may become subject to inspection under the Colorado Open Records Act or other governing law. Proposers are solely responsible for ensuring that submitted proposals do not contain confidential or proprietary information that they wish to remain protected from public inspection.

## **2.12 Rejection of Proposals**

The State of Colorado and the **INVESTMENT BOARD** reserve the right to reject any or all proposals received in response to this RFP, or to cancel this RFP if it is in the best interest of the State to do so. Failure to furnish all information, or to follow the proposal format set forth in this RFP, may act to disqualify the proposal. It is the sole responsibility of the proposer to ensure ALL required signature forms and the requisite numbers of document copies are included in its submittal package. The **INVESTMENT BOARD** reserves the right to waive or permit cure of nonmaterial variances in a proposal.

## **2.13 Incurring Costs**

The **INVESTMENT BOARD** is not liable for any cost incurred by proposers prior to issuance of a legally executed contract or procurement document. No property interest of any nature shall occur unless and until a contract is awarded and signed by all concerned parties. No reimbursement of travel and other preparatory costs will be considered for those proposers recommended for interview, demonstrations, or other subsequent travel prior to award.

## **2.14 Vendor Past Performance**

Each proposer's past performance will be reviewed as part of the **INVESTMENT BOARD's** overall evaluation of best value, including but not limited to, information regarding predecessor companies, key personnel who have relevant experience, and subcontractors performing major or critical aspects of the service(s) if such information is relevant. The **INVESTMENT BOARD** will consider past or current State contracts for efforts similar to the State requirements for this contract. The **INVESTMENT BOARD** will consider information provided regarding problems encountered on the identified contracts and any associated corrective actions.

## **2.15 Evaluation and Selection of Proposals**

The **INVESTMENT BOARD** intends to conduct a comprehensive, fair and impartial evaluation of proposals received in response to this RFP. The support staff and consultants of the **INVESTMENT BOARD** may evaluate proposals received in response to this RFP and may offer recommendations. The **INVESTMENT BOARD** will make the final decision as to which firm's proposal will be accepted. Proposals will be evaluated based upon qualifications and experience, cost, services and resources. The **INVESTMENT BOARD** may request presentations by proposers. If so, the proposer will have a scheduled time to meet with the **INVESTMENT BOARD** or a subset thereof.

## **2.16 Proposal Content/Acceptance of RFP Terms**

A submission in response to the RFP acknowledges acceptance by the proposer of all unaltered terms and conditions, as set forth herein. Any proposed exception to the **INVESTMENT BOARD's** Terms and Conditions must be clearly and thoroughly identified and supported and acceptable alternatives must be proposed. Failure to do so shall be deemed a waiver of any rights to subsequently raise exception and/or request modification, except as outlined or specified in this RFP. Submission of exceptions *does not guarantee* their acceptance, however, and such submittal will be taken into consideration during the proposal review.

## **2.17 Conflict of Interest**

By submission of a response proposal, the proposer agrees that, at the time of contracting, the proposer has no interest, direct or indirect, that would conflict in any manner or degree with the performance of the required services. The proposer shall further covenant that, in the performance of the contract, they shall not employ any person having any such known interest.

## **2.18 Proposal Prices**

Estimated proposal prices are not permitted unless specifically requested. Proposers are to submit prices reflective of as accurate and reasonable predictions of costs as possible. Proposers are alerted that although the **INVESTMENT BOARD** reserves the right to request a Best and Final Offer, any revisions, including costs, will be closely evaluated towards insuring the elimination of any perceived inequities and unacceptable conditions.

## **2.19 Award of Contract**

Final award of a contract may be made in the **INVESTMENT BOARD's** discretion to the proposer(s) whose proposal best meets the evaluation criteria set forth in this RFP and is determined by the **INVESTMENT BOARD** to be the most responsive to its and the State's needs and most advantageous to the State of Colorado, taking into consideration price and other factors, subject to discussion and execution of an acceptable contract as described herein. Proposals should contain specific language agreeing to the validity of pricing for 180 days.

## **2.20 Certification of Independent Price Determination**

1. By submission of its proposal, the proposer certifies and, in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this procurement:
  - a The prices in the proposal were arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other proposer or with any other competitor;
  - b Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the proposer and will not knowingly be disclosed by the proposer prior to award either directly or indirectly, to any other proposer or to any other competitor; and
  - c No attempt has been made by the proposer to induce any other person or firm to submit, or not to submit, a proposal for the purpose of restricting competition.
2. Each person signing the Cover Page of this RFP – certifies that:
  - a He/she is the person within the proposer's organization responsible for that organization's decision as to the prices being offered in the proposal and that he/she has not participated, and will not participate, in any action contrary to § 2.20(1)(a) through § 2.20(1)(c) (above); OR
  - b He/she is not the person within the proposer's organization responsible for the decision as to the prices being offered in the proposal but that he/she has been authorized in writing to act as agent for the persons responsible for such decision, by certifying that such persons have not participated, and will not participate, in any action contrary to § 2.20(1)(a) through § 2.20(1)(c) (above), and as the agent does hereby so certify; and he/she has not participated, and will not participate, in any action contrary to § 2.20(1)(a) through § 2.20(1)(c).

## **2.21 Taxes**

The State of Colorado, as purchaser, is exempt from all Federal taxes under Chapter 32 of the Internal Revenue Code (Registration No. 84-730123K) and from all State and Local Government Use Taxes (Colorado Revised Statutes, Section 39-26.114(a)). Seller/proposer is hereby notified that when materials are purchased in certain political subdivisions, the seller/proposer may be required to pay sales tax even though the ultimate product or service is provided to the State of Colorado. Such sales tax will not be reimbursed by the State.

## **2.22 Contract Products - Ownership Rights**

All products produced in response to the contract or agreement resulting from this RFP will be the sole property of the State of Colorado. Any exceptions must be outlined in detail. Exceptions may serve as cause for rejection of proposal. Such products shall include original materials, including any reports, studies, data, designs, drawings, maps, meeting minutes, specifications, data spreadsheets, notes, documents, electronically or magnetically recorded material and related intellectual property developed or created by the successful proposer pursuant to the services sought by this RFP, and subsequently provided and integrated by contract between the **INVESTMENT BOARD** and the successful proposer. The purchase of licenses for use of a proposer's software shall not be interpreted to mean purchase of the actual application or software. Ownership of the specific application and software selected under this RFP shall remain with the selected proposer. The successful proposer will not be allowed use of any materials furnished by, or produced for, the **INVESTMENT BOARD** for any purpose other than towards the completion of the works described herein, without permission from the **INVESTMENT BOARD**.

## **2.23 Assignment and Delegation**

Except for assignment of antitrust claims, neither party to any resulting contract stemming from this RFP may assign or delegate any portion of such contract without the prior written consent of the other party.

## **2.24 Choice of Law**

The laws of the State of Colorado shall govern in connection with the formation, performance, and the legal enforcement of any resulting contract.

## **2.25 Legislative Changes**

The State of Colorado reserves the right to amend the contract in response to legislative changes, which might affect this project.

## **2.26 Audit**

The States reserves the right to require that the successful proposer has a process audit conducted of its program at least once every three (3) years. If the successful proposer has not had such an audit prior to awarding of this contract, and the State requires one, then an audit must begin within six (6) months of the award of this contract. The State reserves the right to approve the selected audit firm.

## **2.27 Disadvantaged Business Opportunities**

The State encourages its agencies to utilize minority-owned and women-owned businesses to the greatest extent possible without sacrificing adequate competition. Proposers are reminded of the illegality of discrimination. While there is not a specific requirement for DBE participation for this solicitation, the State does encourage the submission of responses that include minority-owned and/or women-owned businesses.

## **2.28 Contract Term**

This RFP may result in a contract with the **INVESTMENT BOARD** (Model Contract attached as "Exhibit A"). The initial contract will be effective upon approval by the State Controller or designee. The awarded contractor is not authorized to conduct any work under the contract until signed / executed by the State Controller or designee. The contract performance contemplated herein shall commence upon the effective date of applicable contracts and shall be undertaken and performed in the sequence and manner set forth herein. The State reserves the right to reject any change to the model contract. The State also reserves the right to award to the next most advantageous vendor in the case that the awarded bidder wishes to make alterations to the model contract that are unacceptable to the State.



## **2.29 Standard Contract**

Except as modified, the **INVESTMENT BOARD** will incorporate standard State contract provisions into any contract resulting from this RFP, or substantially similar language, including provisions contained in the Model Contract and the State of Colorado Special Provisions (Exhibit A). As previously stated, the **INVESTMENT BOARD** will consider requests for exceptions to the State's contract provisions in its evaluation. In order for such exceptions to be considered, the proposer shall identify any potential exceptions as part of its RFP response. If the selected proposer requests changes to the standard language *after* the deadline for proposals, and such request results in protracted contract negotiations and probable delay of implementation, the **INVESTMENT BOARD** may cease contract discussions and exercise its right to offer the contract to a different proposer. Please note, the Model Contract lists the State's required legal provisions but does not include the specific Scope of Work and requirements for this RFP.

## SECTION 3 OBJECTIVES AND SCOPE

### **3.1 Introduction and Purpose**

#### **1. Introduction**

Colorado's Enabling Act and Constitution created the School Trust. The School Trust is an endowment of assets held in perpetual, intergenerational, public trust for the financial support of Colorado's public schools. The School Trust is comprised of land, minerals, and financial assets.

The Public School Fund (Fund) contains the School Trust's financial assets and is managed by the **INVESTMENT BOARD**, chaired by the Colorado State Treasurer. The market value of the Fund is approximately \$1 billion and receives revenues primarily from the State Land Board's leasing activities and investment returns. The Fund is currently invested in investment grade fixed income and global public equities. Portions of the Fund's income is used in the State's annual budget for public education.

The School Trust's land and minerals are managed by a five-person State Board of Land Commissioners and 45 full time employees. The State Land Board has a dual mission: to generate reasonable and consistent income; and to protect and enhance the value of the trust lands for future generations. Revenues generated by state trust lands through leases, rights-of-way and mineral production royalties go to State Land Board operations and capital investment, the Building Excellent Schools Today (BEST) Fund, and the Fund.

The management of the School Trust's \$4.3 billion portfolio through leasing and investment activities generated \$150.5 million in FY 2017-2018. School Trust revenue benefits K-12 public schools through allocation in the state's annual budget for public education, as well as through the BEST fund, directed by the Treasurer's office to support capital improvements to school facilities across the state.

One of the main pillars of the Fund is that the Fund is inviolate, meaning that no principal of the Fund may be withdrawn or appropriated. The overall objective of the **INVESTMENT BOARD** is to preserve, protect, and grow the principal of the Fund with a prudent level of risk over a long term horizon. The **INVESTMENT BOARD** will use reasonable efforts to ensure that realized losses are neutralized with realized gains within 12 months as provided for under CRS 22-41-104(2), by working with all investment advisors/managers.

#### **2. Purpose**

The **INVESTMENT BOARD** is charged with overseeing the prudent investment of the cash and financial assets of Colorado's School Trust endowment, which total approximately \$1 billion. The **INVESTMENT BOARD** requests proposals from qualified firms for core open-end private real estate management whose product can provide the services described in Section 3.3, Scope (below). The chosen manager(s) will report to the **INVESTMENT BOARD** and its designated advisor(s) or services provider(s).

### **3.2 Background:**

In the 2016 Legislative Session, the Colorado General Assembly passed and the Governor signed into law Senate Bill 16-035 which established an **INVESTMENT BOARD** for the Colorado Public School Fund. The legislation designates the Treasurer as the chair of the **INVESTMENT BOARD**. Prior to the passage of 16-035, the Fund was restricted to investing solely in fixed income assets. The new law enables, but does not require, the Fund to invest a portion of its assets in other selected asset classes.

#### **1. Legal Authorization**

The **INVESTMENT BOARD** is charged with directing the State Treasurer on how to securely invest the Fund for the intergenerational benefit of public schools and in a manner that complies with the Uniform Prudent Investor Act (UPIA), C.R.S. § 15-1.1-101 et seq.

#### **2. Board Composition**

The investment management of the Fund is vested in the five-person **INVESTMENT BOARD**, chaired by the State Treasurer. The Treasurer is tasked with appointing three members to the **INVESTMENT BOARD**, with the fifth seat filled by one of the Commissioners of the Colorado State Land Board. The **INVESTMENT BOARD** is required to meet at least quarterly. C.R.S. § 22-41-102.5(1)(b).

### 3. *Support Services*

A dedicated portfolio administrator, as well as staff from both the Treasurer's and State Land Board's offices, provides support services to the **INVESTMENT BOARD**. In addition, an Assistant Attorney General provides legal guidance to the **INVESTMENT BOARD**.

### 4. *Allocation of Assets*

Investments of the Fund currently include cash, fixed income securities, and equity funds. The current asset allocation is 20% equity and 80% fixed income. Per the Investment Policy Statement for the Colorado Public School Permanent Fund, the Strategic Asset Allocation of the Fund will change over time based on the **INVESTMENT BOARD**'s assessment of current and long-term market conditions, and distribution needs.

### 3.3 Scope:

The **INVESTMENT BOARD** is seeking proposals from qualified investment management firms to provide the following services:

1. Provide private real estate investment management, employing a core style as defined by NCREIF's ODCE index inclusion standards, in an open-end commingled fund structure.
2. Invest assets in conformity with **INVESTMENT BOARD**'s Investment Policy Statement, the Uniform Prudent Investor Act, Colorado statutes and constitutional provisions governing the Fund, and investment guidelines of the **INVESTMENT BOARD**, as defined in the contract established between the **INVESTMENT BOARD** and the Manager, or the governing trust documents of a commingled vehicle.
3. Coordinate with the **INVESTMENT BOARD**'s administrator, investment consultant (Callan LLC), the Colorado Treasurer's Office, and any other designated service provider(s) to aggregate and monitor realized and unrealized gains and losses.
4. Participate in meetings as needed to provide information to the **INVESTMENT BOARD** concerning the investment strategy, performance, and outlook.
5. Provide periodic reports and information relating to the investment strategy and other relevant information pertaining to the use of the **INVESTMENT BOARD**'s funds, as requested.
6. Provide monthly and annual performance reports including total return, appreciation return, income return, and geographic and sector allocation. Other data and services may be requested by the **INVESTMENT BOARD**, as may be necessary to assist in fulfilling its fiduciary responsibilities.

### 3.4 Performance Standards

- A. *Performance measures and standards.* If a contract is awarded, the **INVESTMENT BOARD** will assess the performance of the Manager through both quantitative and qualitative measures, including but not limited to the Manager's performance and ability to follow and implement the investment policies and objectives of the **INVESTMENT BOARD**; to comply with governing laws, guidelines, and industry standards; to generate desired levels of income and capital gains while avoiding net realized losses to the aggregate portfolio over a trailing 12-month period; and to provide timely and complete information and reporting to the Board and its staff.
- B. *Reporting and Accountability.* The successful proposer will be expected to provide monthly and/or quarterly performance reports (or at other intervals required by the **INVESTMENT BOARD**) including attribution and transaction activities, attend regular **INVESTMENT BOARD** meetings as requested and assist the Board and its staff in preparing annual financial statements. Other data and services may be requested by the **INVESTMENT BOARD** as may be necessary to assist in fulfilling its fiduciary responsibilities.
- C. *Dispute Resolution.* The successful proposer will be required to agree to the terms in the model contract, attached hereto as "Exhibit A," regarding determinations of non-compliance, contract breaches, remedies, and dispute resolution. Any objections or issues with the terms stated in Exhibit A should be clearly raised and addressed in the submitted proposal.
- D. *Monitoring and Insurance Requirements.* The successful proposer will be required to comply with record maintenance, inspections, monitoring, and audits requirements specified in model contract attached hereto as "Exhibit A." The successful proposer will also be required to carry insurance coverage in the types and amounts of coverage as stated in the model contract attached as "Exhibit A." Any objections or issues with the terms stated in Exhibit A should be clearly raised and addressed in the submitted proposal.

## SECTION 4

### EVALUATION SUBMITTAL PROCESS AND CRITERIA

A “proposal” is a responsive, conforming, unconditional, complete, legible and properly executed offer from a qualified responsible party interested in providing the services outlined in this RFP. It shall be the sole responsibility of the proposer to ensure its response proposal is in the proper form and in the **INVESTMENT BOARDS’s** possession (c/o Colorado State Treasurer’s Office) at the designated location on or before the scheduled time on the due date of receipt.

#### **Proposal General Requirements**

To be considered responsive, proposers must adhere to, and include, the following when preparing their proposal:

- In responding to each question or information request, proposers shall first paste an unaltered copy of the question prior to providing their response. In the event that a question has multiple parts (e.g. 1a, 1b, 1c, etc.) the copy of the main question should be included only at the beginning of the response and the subpart shall precede the response to that particular subpart.
- For reading ease and consistency across proposals, the required format shall be defined as: 8 ½ X 11 inch sheet of paper, single spaced in 12-point font.
- The proposer may provide additional material in Appendices and refer to material contained in the appendices in the basic proposal.
- Include a table of contents to assist in evaluation and review.
- Proposals excluding appendices may not exceed sixty pages in total.

#### **Proposal Format, Content and Detailed Descriptions**

Proposers are instructed to be thorough yet brief. Proposers should strive to answer each question without the addition of extraneous information. Proposers are also notified that the evaluation committee will take into consideration, as part of their review, the success of the proposer in being concise and to the point yet fully responsive.

- Proposals **MUST** follow the format outlined with hardcopies of each document provided as instructed.
- Proposal sections should be tabbed, clearly identifiable, and contain the following specifics:

#### **4.1. Transmittal Letter and Signed RFP Cover Page**

The Transmittal letter shall be printed on the proposer’s letterhead and addressed to:

Colorado State Treasurer’s Office  
ATTN: Eric Rothaus, Deputy Treasurer  
200 East Colfax Ave., Room 140  
Denver, CO 80203  
Phone: (303) 866-2441  
[eric.rothaus@state.co.us](mailto:eric.rothaus@state.co.us)

The Transmittal Letter shall contain the following:

1. An individual authorized to bind the firm shall sign the transmittal letter. Include the firm’s mailing address, electronic mail address, fax number and phone number.
2. The firm must certify in the transmittal letter that the contents of the proposal are true and accurate, and that the firm has not made any knowingly false statements in its proposal.

#### **4.2. The Signed Request for Proposal** (cover page for this RFP)

The signed cover page **MUST** be placed immediately following the Transmittal Letter, and any other required forms placed immediately after this form.

#### **4.3. Minimum Qualifications**

Please address how your firm meets each of the minimum requirements stated below. Proposers may reference projects included in **Section 4.4**.

1. Ten years of investment management experience in a similar scope.
2. Minimum of \$3 billion in strategy assets and \$5 billion in firm assets as of 12/31/2018.
3. Must be a registered adviser under the Investment Advisers Act of 1940, or be appropriately exempt from registration, such as a bank or trust company.
4. The core open-end fund should preferably have a limit on total fund-level leverage of 50% or less.

#### **4.4. Core Commingled Real Estate Search Questionnaire – Exhibit B**

Please complete Exhibit B attached to this RFP covering:

- Organization
- Proposed Open-End Commingled Fund & Team
- Performance
- Compliance
- Governance
- Fees
- Client Service & Fund Documents
- ESG

#### **4.5. PSFIB Core Real Estate RFP Excel Spreadsheet – Exhibit C**

Please complete Exhibit C attached to this RFP covering various aspects of the proposer's fund(s) and its investments.

**THE INVESTMENT BOARD will not consider the submission of brochures, references to websites and/or other marketing material as a substitute for written responses to our requirements and questions.**

**PROPOSALS NOT ADHERING TO THE ABOVE FORMAT GUIDELINES MAY BE REJECTED AS NON-RESPONSIVE. THE INVESTMENT BOARD STRONGLY ADVISES ALL PROPOSERS TO NUMBER PROPOSAL PAGES ACCORDINGLY AND USE DIVIDERS TO SEPARATE EACH SECTION.**

## **SECTION 5 EVALUATION PROCESS**

### **Specific Evaluation Criteria**

The **INVESTMENT BOARD** may utilize the factors listed below when evaluating the proposals. The **INVESTMENT BOARD** designed these factors to incorporate specific evaluation of the items requested in **Section 4** of this RFP, as well as the other aspects of the evaluation cited above. Please note this RFP is not issued under or governed by the Colorado Procurement Code.

### **5.1 Transmittal Letter and Signed RFP Cover Page**

The Introductory letter is required, but will not be scored.

### **5.2 The Signed Request for Proposal Form**

The RFP form is required, but will not be scored.

### **5.3 Minimum Qualifications**

The **INVESTMENT BOARD** will evaluate the evidence submitted to determine if each firm meets the minimum qualifications. Those firms meeting the minimum qualifications will be evaluated further as described in 5.4 through 5.5 below.

### **5.4 Core Commingled Real Estate Search Questionnaire – Exhibit B**

This questionnaire will be used to evaluate overall approach to investment management services, investment philosophy, and whether it aligns with the **INVESTMENT BOARD**'s needs and objectives.

This questionnaire will be used to evaluate the proposer's overall ability to maintain a successful working relationship with the **INVESTMENT BOARD**, including but not limited to the proposer's willingness to maintain ongoing communication with the **INVESTMENT BOARD** and staff, to implement directions and suggestions, to provide required and requested reports, and to attend regular meetings of the **INVESTMENT BOARD** when requested or required.

All proposals will be evaluated for, among others, the proposer's ability to meet the **INVESTMENT BOARD**'s investment goals and objectives, including but not limited to gaining exposure to Core Private Real Estate via an open-end commingled fund; the proposer's ability and willingness to provide ongoing and regular communication to the **INVESTMENT BOARD** and staff through reporting and other means; and the proposer's ability to successfully implement and comply with the **INVESTMENT BOARD**'s Investment Policy Statement and guidelines, the Uniform Prudent Investor Act, and Colorado statutes and constitutional provisions governing the Fund.

### **5.5 PSFIB Core Real Estate RFP Excel Spreadsheet – Exhibit C**

This spreadsheet will be used to supplement information provided in Exhibit B for the **INVESTMENT BOARD**'s overall evaluation.

## **SECTION 6 EXHIBIT SUMMARY**

### **Exhibit A: Model Contract**

The Office of the Attorney General and the Office of the State Controller have approved a model Services Contract for use by State departments. This document is illustrative of the clauses and provisions that will be included in any contract resulting from award of this RFP. The proposer is expected to review the attached Model Contract and note exceptions. Proposers agreeing to the requirements of the RFP are also agreeing to abide by the terms of the Model Contract. Any changes to this agreement may not be accepted by the State. The State also reserves the right to award to the next most advantageous vendor in lieu of term negotiations.

Colorado State Fiscal Rule 3-1, Issued by the State Controller's Office, requires that all State contracts, except leases and interagency agreements, contain Special Provisions (which are included in the Model Contract). These standard State of Colorado contract terms shall be included in any contract resulting from this RFP solicitation and **they are not negotiable**. By submitting a proposal in response to this RFP, the proposer shall be deemed to have agreed to all such terms and to their inclusion in the final contract.

### **Exhibit B: Core Commingled Real Estate Search Questionnaire**

With supplemental Exhibits B-1 through B-6

### **Exhibit C: PSFIB Core Real Estate RFP Excel Spreadsheet**