



Chicago Teachers' Pension Fund

REQUEST FOR PROPOSAL

PAYROLL COMPLIANCE AUDIT SERVICES

No. FY18-0004



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I. SUMMARY

This Request for Proposal (“RFP”) is being issued by the Public School Teachers’ Pension and Retirement Fund of Chicago, commonly known as the Chicago Teachers’ Pension Fund (“CTPF” or the “Fund”) to solicit proposals from qualified Respondents (“Bidder” or “Firm” or “Respondent”), to perform comprehensive payroll compliance audit services on Chicago’s charter schools.

If you are interested in the proposed engagement, we welcome proposals from qualified firms. Respondents must satisfy the qualifications and requirements outlined herein.

II. BACKGROUND

Established by the Illinois General Assembly in 1895 as the Public School Teachers’ Pension and Retirement Fund of Chicago, CTPF administers a multi-employer defined benefit public employee retirement fund. CTPF is administered in accordance with Illinois Compiled Statutes (ILCS) Chapter 40, Articles 1, 17, and 20. Chicago Public Schools (“CPS”) is the largest employer. A payroll audit of CPS is not presently within the scope of this RFP. There are also 146 charter schools (13 of which are multi-campus charter schools with two or more campuses) operating in accordance with 105 ILCS 5/27A-1 *et seq.* of the Illinois School Code (“Employers”) which are subject to payroll compliance audits by CTPF pursuant to 40 ILCS 5/17-132. CTPF, and certain labor organizations, including the Chicago Teachers Union and the Illinois Federation of Teachers, employing teachers on leave of absence from CPS or a charter school, while not subject to the payroll compliance audit requirements of 40 ILCS 5/17-132, are also contributing employers.

CTPF is governed by a Board of Trustees made up of twelve (12) members. The Board of Trustees oversees the Fund’s benefit programs, approves all benefits, makes investment decisions, and provides general operational oversight.

For more information about the Fund, please visit: www.ctpf.org.

III. SCOPE OF WORK

CTPF is seeking proposals from qualified Respondents to perform comprehensive payroll compliance audit services related to charter school pension contributions to the Fund. The Fund expects to retain one or more firms to perform the services described herein under a three year contract; if multiple firms are retained, each firm will be assigned a portion of the compliance audits to be conducted. Services are to be performed based on agreed upon compliance audit procedures as identified in Exhibit I (hereinafter referred to as “Procedures”). Such Procedures are subject to change at the sole discretion of CTPF.

Specifically, the payroll compliance audit services will relate to charter schools' compliance with 40 ILCS 5/17-106 in determining if employees of charter schools were or should have been participants in the Fund during the compliance audit period determined by the Fund and whether charter school employers have appropriately contributed and made employee payroll deductions in accordance with the Illinois Pension Code and Fund's administrative rules. Every charter school will be subject to a compliance audit. The Fund will start the compliance audit engagement with an initial, three-year audit scope period with all charter schools to be audited on a staggered basis over the three years of the contract. However, depending on the preliminary and/or final audit results, once a compliance audit has been initiated, that audit scope period may be extended for cause by the Fund.

To give Respondents a sense of the breadth and scale of the compliance audit, as of the time of this RFP, there are a total of 146 Chicago charter schools that will be the subject of the audit, 13 of which are multi-campus charter schools with two or more campuses. The multi-campus employers are considered a single employer.

The current 133 single-campus charter schools have the following ranges for total number of employees:

0 to 25 employees	78 schools
25 to 50 employees	46 schools
50 to 100 employees	9 schools

The 13 multi-campus charter schools fall within the following ranges for total number of employees:

25 to 50 employees	1 school
50 to 100 employees	3 schools
100 to 250 employees	6 schools
500 to 750 employees	3 schools

Each of the multi-campus charter schools, their number of campuses (in parentheses), and their range of total number of employees are as follows:

Acero (14)	500-750
Aspira (4)	50-100
Betty Shabazz (2)	25-50
Catalyst (3)	100-250
CICS (16)	500-750
Concept Schools (4)	100-250
Institute For Latino Progress (2)	50-100
KIPP (4)	100-250
LEARN (7)	100-250
Noble (17)	500-750

Perspective (5)	100-250
University of Chicago Charter (4)	100-250
Urban Prep Charter (4)	50-100

The following scope of services and deliverables are expected as a minimum requirement. However, proposed, alternative approaches are welcome:

1. Planning Meeting

- a. Present project approach and timeline.
- b. Identify key Fund personnel to interview.
- c. Discuss any areas that may be of concern to Fund management.

2. Employee Reporting Process Walkthrough

- a. Enhance understanding of the Fund’s charter school reporting processes, practices, and requirements.
- b. Collect, review, and analyze existing background documentation/materials related to the Fund’s policies, procedures, and workflows, and perform interviews with key process owners.
- c. Provide a repository for all work papers and completed compliance audit programs and provide Fund management with access throughout the engagement. At the close of the assigned audits, the firm is expected to provide CTPF with an electronic copy of all workpapers prepared by the firm and supporting documentation provided by the charter school that were utilized to conduct the compliance audits.

3. Testing (to be performed on a July 1-June 30 fiscal year basis)

- a. Complete fieldwork, subject to adequate employer access and cooperation, onsite at each audited charter school.
- b. Identify employees who qualify for CTPF membership by comparing the employee’s hire date in the charter school’s payroll register to the earliest date the employee had an active educator license/certificate on file with the Illinois State Board of Education (ISBE) by conducting a search using ISBE’s Educator Licensure Information System (ELIS).
- c. Identify individuals who are purported to be hourly employees exempt from participation and individuals who are purported to be independent contractors or employees of third-party contractors but who qualify for CTPF membership by reviewing accounts payable invoices, 1099-MISC tax forms and Form 941, Employer’s Quarterly Tax Return for compensation paid, then conducting a search for an active educator license/certificate using the ISBE ELIS.
- d. Perform a reconciliation of certified/licensed employees, independent contractors, and third-party contractors against the ISBE Position Description/Position Code the charter school reported to CPS and/or ISBE to determine whether the individual was employed in a covered instructional position.

- e. Perform a reconciliation of each charter school’s payroll register against reporting extracted from the Fund’s pension administration system that reflects pension payroll records as reported by the charter school during the scope period of the compliance audit.
 - i. For all certified/licensed individuals in covered instructional positions, reconcile:
 - 1. Date of hire, pensionable salary (including hourly wages), pension contributions, termination date, and sick day balance.
 - 2. Where pensionable salary and/or hourly wage discrepancies exist, identify the variance and the charter school’s associated wage codes or types.
 - 3. Individuals not reported to the Fund including name, gross salary, pensionable salary (including hourly wages), associated wage codes or types, pension contributions, and ISBE Position Description or Position Code.
 - 4. Sick day balance (for terminated members only)
 - ii. For all certified/licensed individuals in non-covered positions reported to the Fund, identify:
 - 1. Name, salary, and pension contributions reported to the Fund.
 - iii. For all unlicensed individuals reported to the Fund, identify:
 - 1. Name, salary, and pension contributions reported to the Fund.
- f. Determine the percentage of certified/licensed individuals in instructional positions to total instructional positions to measure charter school’s compliance with 105 ILCS 5/27A-10(c-5) and (c-10) and whether charter schools have met the minimum percentage of certified/licensed instructional staff.
- g. Maintain billing records, on a school-by-school basis, to be utilized in the transfer of compliance audit costs based on Rules adopted by the Board and, as necessary, enforcement by the courts.

4. Reports and Presentation to Management

- a. Provide the Executive Director of the Fund with monthly status reports.
- b. At the conclusion of the compliance audit, summarize and present written observations for management’s consideration. (Note: These written observations will be provided to CTPF’s external auditor and may be provided to the Chicago Board of Education.)

Your proposal should include any deliverables or services, not included in the scope of this engagement that your Firm would suggest be provided in order to provide more complete and thorough services.

IV. TIMELINE

EVENT	DUE DATE
RFP Distribution to Respondents	Friday, February 2, 2018
Written questions due from Respondents	Friday, February 23, 2018, 12:00 p.m. (CST)
Compilation of questions and answers, and any RFP addenda posted to www.ctpf.org	Friday, March 2, 2018, 12:00 p.m. (CST)
RFP Due Date	Wednesday, March 14, 2018, 12:00 p.m. (CDT)

V. CONTACT

Any questions concerning this RFP must be directed to:

Name(s)	Becky Z. Gonzales, Contract and Procurement Administrator
Address	203 North La Salle Street Suite 2600 Chicago, IL 60601-1210
Phone	312.604.1400
Email	gonzalesr@ctpf.org

VI. TERM OF ENGAGEMENT

The term of the engagement will be governed by the negotiated contract or agreement, with the intention of a three-year contract based on the three-year compliance audit cycle. CTPF may, in its sole discretion, terminate the contract at any time during that term.

VII. SUBMISSION GUIDELINES

In order to be considered for selection, proposals must be received via email, in PDF format, by Becky Z. Gonzales at gonzalesr@ctpf.org no later than 12:00 p.m. (CDT), on March 14, 2018. Late submissions will be rejected as unresponsive. Paper submissions will be rejected as non-

conforming. An email confirmation will be sent to the Respondent after receipt of the proposal.

VIII. PROPOSAL CONTENT AND FORMAT

All information requested in the RFP must be addressed in the Respondent's proposal. Proposals should provide a concise explanation of Respondent's qualifications and the proposed services to be rendered. Emphasis should be placed on completeness and clarity of content. Each proposal must be submitted in response to categories A through J outlined below and must be clearly labeled as such.

A. Cover Letter

- a. Briefly state the Respondent's understanding of the work requested and a statement why the Respondent believes it is best qualified to perform the engagement. The letter should be signed by the representative of the Respondent authorized to contract on behalf of the Respondent.

B. Title Page

- a. Date
- b. Subject
- c. Respondent's name and chief executive officer (or the equivalent)
- d. Respondent's address
- e. Respondent's website address
- f. Respondent's phone number
- g. Respondent's fax number
- h. Contact's name
- i. Contact's title
- j. Contact's phone number
- k. Contact's email address

C. Table of Contents

D. Project Plan

- a. Address the various services and deliverables outlined in Section III. Scope of Work and describe the specific approach that will be taken in performing each service or providing each deliverable.
- b. Describe how Respondent has the necessary dedicated staffing and bandwidth to take on this engagement, either in whole or in part. If in part, please describe the estimated extent of Respondent's abilities to meet the scope of the engagement, including onsite fieldwork.
- c. Describe any deliverables or services, not included in Section III. Scope of Work that your Firm would suggest be provided in order to provide more complete and thorough services. Also, describe your process for replacing

staff to ensure minimal to no delays in the completion of the audits as scheduled.

- d. Indicate the location of the office(s) from which the work on this engagement is to be performed.
- e. Provide a percentage break down of how much of the engagement will be performed at your site, CTPF's site, or remotely.
- f. Identify tasks that will be performed by your Firm and tasks that you may recommend be performed by CTPF's staff.
- g. Provide an estimate of how long it would take Respondent to complete a compliance audit on a per school basis, distinguishing between single site employers and multi-site employers and between large and small workforces. If Respondent has the necessary staffing and bandwidth, provide a timetable, for each service or deliverable, complete with estimated hours and completion dates assuming 36, 72, or 144 audits in a 3 year period.

E. Billing

- a. Provide proposed fees/hourly rates for each level of professional and support staff and/or task and deliverable. For hourly rates, please provide anticipated percentage of total hours to be spent at each rate level and/or a breakdown of how you anticipate hours to be allocated. Are out-of-pocket expenses included in your fee structure? Is travel to compliance audit work sites included? Do you bill for time at Trustees' meetings and the preparation of each individual audit report?
- b. State any special considerations with respect to billing or payment of fees and expenses that Respondent offers and that you believe would differentiate your Firm from other proposals and would make your Firm's services more cost effective to the Fund.
- c. CTPF expects the lowest rate charged by Respondent for its governmental and non-profit clients. If for any reason Respondent is unwilling or unable to charge the lowest rate, please explain why.
- d. Unless part of the RFP response, the billing rate will be fixed for the three-year term (subject to termination) of this engagement.

F. Firm's Background, Qualifications, and Experience

- a. Briefly describe Respondent's background, history, and ownership structure, including any parent, affiliated, or subsidiary company, and any business partners. The firm must be regularly-established in the industry of providing payroll compliance audit services, financially responsible, and have experienced personnel able to provide the required services. CTPF may request additional information substantiating the above requirements. Failure to provide this information may result in a Respondent's proposal being declared non-responsive.

- b. Provide the size of the Firm including number of offices and number of full-time employees. Identify the key personnel proposed for the CTPF engagement, emphasizing specific experience on contracts similar in scope to the requirements of this RFP. Describe his or her position, current responsibilities, areas of expertise, experience, education, professional designations, and memberships. Include details regarding the proposed management of the personnel who would be assigned to the CTPF engagement. Will a dedicated compliance audit manager be assigned? CTPF expects a reasonable notice of key personnel being removed from the engagement and reserves the right to approve the replacement of key personnel.
- c. Provide the number of years that the Firm and any identified individuals have been providing the services requested in this RFP.
- d. Provide details on your Firm's employee benefit industry experience/expertise. Specifically, state whether your Firm has provided payroll compliance audit services to other public pension funds, retirement systems, or ERISA employee benefit funds which are of similar or greater size and/or complexity as the Fund.
- e. Include a representative listing of your Firm's benefit plan clients for which you provide employer compliance audit services and, for each, list the year when services were last provided.
- f. State how many payroll compliance audits your Firm performs on an annual basis. Please provide a summary of the size of these audits, as to the number of participants per audit.
- g. Comment on the percentage of your Firm's business that is made up of employee benefit plan clients and state how many plans your Firm audits annually.
- h. Is your firm lawfully qualified to practice public accounting as regulated by the Illinois Public Accounting Act, independent from personal, external, and organizational impairment?
- i. Is your Firm a member of the American Institute of Certified Public Accountants (AICPA)? If so, please include a copy of your Firm's most recent Peer Review.
- j. Is your Firm a member of the AICPA's Employee Benefit Plan Quality Center? If so, please describe your involvement.
- k. Has your Firm undergone a U.S. Department of Labor Audit Quality Inspection? When? What were the results?
- l. Will your Firm use outside contractors (subcontractors) for this engagement? If so, what confidentiality agreement is in place to protect sensitive information from disclosure? What allocation of the scope of services will be assigned to outside contractors (subcontractors)?
- m. Do you have a relationship with any audit firms that are MWDBE firms? If not, are you willing to enter into an arrangement by which you would subcontract work to a MWDBE firm?

- n. Indicate Respondent's due diligence process in hiring, evaluating, and monitoring its staff and contractors, as applicable.
- o. List any known professional or personal relationships Respondent or its employees or contractors may have with individual CTPF Board members and/or Fund staff.
- p. Identify any potential or actual conflicts of interest you have in providing services to CTPF. State whether you have ever provided services to CTPF, the City of Chicago, the Chicago Board of Education ("Chicago Public Schools" or "CPS"), the Chicago Teachers Union ("CTU"), the Retired Teachers' Association of Chicago ("RTAC"), the Chicago Principals and Administrators Association ("CPAA"), any Chicago charter school, or any employee group or trade organization related to the aforementioned entities. If so, please state the name of each such client or former client, contact information, and the nature and time frame of such representation. In providing such information, you consent to and agree to release CTPF from any liability that may result from contacting such client(s) and communicating with such client(s) about your prior engagements, and soliciting an opinion regarding the work performed for such client(s). In addition, please state how you intend to resolve any potential or actual conflicts of interest.
- q. Identify all public sector or ERISA fund clients who have terminated their working relationship with you in the past five (5) years and provide a brief statement of the reason(s) for the termination. Provide each client's contact information. You consent to and hereby release CTPF from any liability that may arise from contacting your former client(s) and communicating with them about the work you performed and the reason for your termination.

G. Insurance, Liability, Confidentiality, and Litigation

- a. What assurances can you provide that your Firm will not be subject to cyber-attacks? Describe security and protection measures.
- b. It is expected that the selected firms will have adequate quality control procedures in place to guarantee the accuracy of the work performed. These procedures will include reviewing draft compliance audit reports for accuracy and in accordance with established Procedures (see Exhibit I) prior to submission to the Fund. Describe your quality assurance procedures.
- c. Please describe the levels of your professional liability insurance coverage for client security breaches (cyber risk) and any fiduciary or professional liability insurance your Firm carries. Is the coverage on a per client basis or is the dollar figure applied to the Firm as a whole? List the insurance carriers.
 - i. What limitation on liability, if any, do you impose through your contract? The Firm must not seek to unreasonably limit its liability for negligence.
 - ii. Are you bonded?
 - iii. Does coverage for liability, due to your negligence, continue for a period following termination of the contract? If so, for how long?

X. PROPOSAL EVALUATION

The following guidelines will be used to analyze and evaluate all proposals. CTPF reserves the right to evaluate all factors deemed appropriate, whether or not such factors have been stated in this section.

A. QUALIFICATIONS

In order to be selected for this engagement, the Respondent must demonstrate that it can meet the requirements of the RFP and the scope of work contained in the RFP.

The Respondent must be regularly established in the industry of providing payroll compliance audit services and must provide detailed information in response to Section VIII (f) Firm's Background, Qualifications, and Experience. CTPF may request information substantiating these requirements.

Failure to provide this information may result in a Respondent's proposal being declared non-responsive.

B. REVIEW OF PROPOSALS

- a. An Evaluation Committee consisting of Trustees and/or Fund staff will evaluate all proposals received.
- b. The Committee will determine if Respondents meet the mandatory requirements listed below:
 - i. The Respondent has no conflict of interest with respect to any other work performed by the Respondent.
 - ii. The Respondent must demonstrate that it can meet the requirements of the RFP and the Scope of Work contained in this RFP.
 - iii. The Respondent must adhere to the instructions in this RFP.
 - iv. The Respondent must follow the proposal content and format outlined in Section VIII.
 - v. The Respondent must provide all disclosures requested in Section XXIII as a clearly marked exhibit.
- c. Factors to be considered by the Committee members include, but are not limited to:
 - i. Qualifications to perform the services requested;
 - ii. Price;
 - iii. Responses to the Proposal Content in Section VIII; and
 - iv. Presentation to the Committee (if applicable).

Any contract award is ultimately a decision of the Board of Trustees and is not required to be based on the evaluations, scoring, or recommendations by the Evaluation Committee.

This RFP is not an offer of a contract. Acceptance of a proposal does not commit CTPF to award a contract to any Respondent, even if the Respondent satisfied all requirements stated in this RFP. Publication of this RFP does not limit CTPF's right to negotiate for the services described in this RFP. CTPF reserves the right to choose to not to enter into an agreement with any of the Respondents to this RFP.

The information submitted in response to this RFP becomes the exclusive property of CTPF.

XI. FINALIST PRESENTATIONS

After the proposal submission due date, CTPF will contact the top-ranked Respondents to set up a meeting, approximately one hour in length, with the RFP Evaluation Committee either on-site at the CTPF offices, 203 N. La Salle, or via videoconference, or by telephone. At these meetings, Respondents must be prepared to provide a brief presentation on their payroll compliance audit services as outlined in their proposal and answer any questions regarding their proposal. Additionally, Respondents may be invited to present to the CTPF Board of Trustees and/or to the Finance & Audit Committee.

At the discretion of the Board of Trustees, top-ranked Respondents may not be asked to present to the Evaluation Committee; rather, such Respondents may instead be asked to present directly to the Board of Trustees or to the Finance & Audit Committee.

XII. RFP WITHDRAWAL OR MODIFICATION

Proposals may be withdrawn or modified by a written or email request prior to the RFP due date. CTPF may, by written notice to all Respondents, cancel, postpone, or amend the RFP prior to the due date. If CTPF decides, at its sole discretion, that the revision or amendment will require additional time for response, the due date will be extended for all Respondents.

XIII. INCOMPLETE PROPOSALS

CTPF reserves the right to request additional information or to reject the proposal outright if the information provided in a Respondent's proposal is deemed to be insufficient for evaluation. False, incomplete, or unresponsive statements in connection with a proposal may be sufficient cause for its rejection. The evaluation and determination of the fulfillment of the requirements will be determined by CTPF and such judgment shall be final.

Any proposal received at the designated email after the required time and date specified for receipt shall be considered late and non-responsive. Late proposals will not be evaluated for award.

Proposals submitted shall be valid for one hundred twenty (120) days following the closing date noted above. CTPF and the Respondent may extend this period by mutual written agreement. If a solicitation is cancelled before the due date, the offer will be returned to the Respondent who submitted the response.

XIV. SELECTION OF WINNING BID

Award of the contract(s) resulting from this RFP will be based upon the Respondent(s) whose offer(s), in the sole discretion of the Board of Trustees, is the most advantageous to CTPF in terms of the Respondent's submission, including, but not limited to qualifications, meeting contract requirements, cost, and other factors as specified in this RFP.

After evaluation of the proposals and approval by CTPF, all Respondents will be notified of the result. Contract negotiations will commence with the selected Respondent(s).

XV. REIMBURSEMENT FOR PROPOSAL PREPARATION

CTPF will not reimburse any expenses incurred in responding to this RFP including, but not limited to, the costs of preparing the response, providing any additional information, or making a presentation or presentations. CTPF reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

XVI. QUIET PERIOD

During the RFP review period (which begins on the date the RFP is posted on CTPF's website) to and until a contract is executed, there shall be no communication between Respondents and Board members or Fund staff (other than the RFP contact listed in Section V or his or her designee) regarding any product or service related to the search. Respondents may communicate with the Contract and Procurement Administrator or her designee solely regarding administrative questions relating to the procurement process. All other questions must be asked and will be responded to through the RFP question and answer process.

Note: This restriction shall not apply to CTPF-initiated communications related to the short-term retention of a payroll compliance audit firm(s).

The quiet period shall not prevent customary respondent due diligence, initiated by CTPF, or communications with a current service provider who happens to be a candidate, provided that any such communication must be in the ordinary course of business and necessary for the provision of current services provided by such service provider. Discussions relating to the pending selection are strictly prohibited.

XVII. RFP LIMITATIONS AND CONDITIONS

- A. This RFP does not commit CTPF to award an agreement or procure services of any kind whatsoever. CTPF reserves the right, in its sole discretion, to negotiate with any or all applicants considered, or to postpone, delay, or cancel this RFP, in whole or in part. CTPF may terminate discussions, in its sole discretion, or select another finalist. CTPF reserves the right to award an agreement or agreements based upon the proposals received. The Firm should not assume that there will be an opportunity to alter or amend its proposal at a later date or at the time of contract negotiations.
- B. CTPF may request that Respondent clarify the content of the proposal. Other than for purposes of clarification, no Respondent will be allowed to alter or amend its proposal after the RFP due date.
- C. All materials submitted in response to this RFP shall be the sole property of CTPF. CTPF reserves the right to use any and all ideas submitted in the proposals.
- D. CTPF reserves the right to reject or cancel in whole or in part at any time, any and all proposals received; to waive minor irregularities; to negotiate in any manner necessary to best serve CTPF and to make a whole award, multiple awards, a partial award, or no award.
- E. CTPF reserves the right to reject any or all offers and to discontinue this RFP process without obligation or liability to any potential vendor.
- F. CTPF reserves the right to reject the proposal of a Respondent who is not currently able to perform the contract. CTPF reserves the right to award a contract, if at all, to the Firm which will provide the best match to the requirements of the RFP and the needs of the Fund, which may not be the proposal offering the lowest fees. CTPF may take into consideration any factor it deems relevant, including but not limited to, past experience, financial stability, the ability to perform the requirements as set forth in this RFP, or previous failure to perform similar contracts in accordance with the terms, or in a timely manner, and other relevant criteria. CTPF is not required to accept for consideration any proposal that fails to address or does not comply with each of the requirements or the criteria set forth in this RFP.
- G. CTPF reserves the right to award a contract on the basis of initial offers received, without discussions or requests for best and final offers. Conversely, CTPF reserves the right to request best and final offers.
- H. Any contract award is ultimately a decision of the Board of Trustees and is not required to be based on the evaluations, scoring, or recommendations by the Evaluation Committee.
- I. If Respondent submits a proposal, CTPF reserves the right to conduct its own due diligence and to undertake such investigations as it deems necessary to determine Respondent's satisfaction of the qualifications and ability to furnish the required services. Upon request, Respondent agrees to provide any and all information for this purpose.
- J. CTPF reserves the right to request additional documentation or information from Respondents. Requested information may vary by Respondent. CTPF may ask

questions of any Respondent to seek clarification of a proposal to ensure the Respondent understands the scope of the work or other terms of the RFP.

- K. CTPF does not guarantee or commit to contracting any specific number of payroll compliance audits to Respondent during the life of the agreement.
- L. Written approval from CTPF will be required for any news releases regarding the award of contract.

XVIII. MINORITY AFFILIATION

CTPF is an equal employment opportunity employer, and endeavors to increase the utilization of vendors who are MWDBE Firms. Please provide any information relative to your Firm's minority Firm affiliations or minority Firm participation in the engagement, and a MWDBE breakdown for your Firm. Please also provide any MWDBE subcontractors/subvendors that Respondent intends to use on this contract, including the name, role, and expected payments and percentage utilization.

XIX. WAIVER OF CLAIMS

By submitting a proposal, the Respondent agrees to waive any claim it has or may have against CTPF, its Board of Trustees, and/or CTPF officers, employees, and agents arising out of or in connection with the administration, evaluation, or recommendation of any proposal, the waiver of any requirements under the RFP, the acceptance or rejection of any proposal, and/or the award of the contract.

XX. CONTRACT NEGOTIATIONS

Once the Respondent(s) has been selected to perform the services, the parties will begin negotiating the terms of the engagement. CTPF does not anticipate or desire a lengthy negotiation. CTPF may, in its sole discretion, terminate negotiations and proceed to engage another party for such services, whether or not that party was a Respondent, if the parties are unable to expediently negotiate an agreement or reach a bargaining impasse.

XXI. NOTICE REGARDING ILLINOIS PUBLIC RECORDS LAWS

The proposal that you submit will be subject to the Illinois Freedom of Information Act (5 ILCS 140/) ("FOIA Act"). The FOIA Act provides generally that all records in the custody or possession of a public body are presumed to be open to inspection or copying. Any public body that asserts that a record is exempt from disclosure has the burden of proving by clear and convincing evidence that such record is exempt from disclosure. CTPF will determine, in its sole discretion, whether the materials are subject to public disclosure, if a request is made in accordance with

the FOIA Act for materials submitted in response to this RFP. If CTPF denies a public records request based on a Respondent's representation that such information is proprietary, privileged, and/or confidential, Respondent, by submission of a response to this RFP making these proprietary, privileged, and/or confidential assertions, agrees to reimburse CTPF for, and to indemnify, defend, and hold harmless CTPF, its officers, Trustees, fiduciaries, employees, and agents from and against any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses including, without limitation, attorneys' fees, expenses, and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to CTPF's complete or partial FOIA denial based on Respondent's assertions. By submitting your proposal, you further agree to indemnify, defend (at CTPF's discretion), and hold CTPF harmless from and against any and all Claims arising from or relating to CTPF's complete or partial disclosure of your proposal if CTPF determines, in its sole discretion, that such disclosure is required by law, or if disclosure is ordered by a court of competent jurisdiction.

XXII. MOST FAVORED TERMS

All prices, terms, warranties, and benefits offered by the Respondent in its proposal must be comparable or better than those offered by the Respondent in agreements with substantially similar governmental or quasi-governmental clients. Should the Respondent make available more favorable terms to a substantially similar governmental or quasi-governmental client with respect to the types of services set forth in Respondent's proposal, Respondent will make such prices, terms, or conditions available to CTPF.

XXIII. DISCLOSURES

All Respondents must provide the written disclosures requested below in categories (i) through (ix) as part of their RFP response. A response must be provided for each disclosure category below. Respondents should use "none" or "not applicable" as appropriate. Your disclosures must be clearly labeled as an exhibit to your proposal.

- (i) The Respondent must disclose, labeling each category, separately: (a) any entity that is a parent of, or owns a controlling interest in, the Respondent, (b) any entity that is a subsidiary of, or in which a controlling interest is owned by, the Respondent, (c) any persons or entities who have an ownership or distributive income share in the Respondent that is in excess of seven and one-half percent (7.5%), and (d) any persons who serve as executive officers of the Respondent, including their titles.
- (ii) The Respondent must disclose, separately: (a) any direct or indirect payments in excess of \$1,000 per calendar year within the prior five (5) calendar years made to any community or not-for-profit organization relating to public education by: (i) the Respondent, (ii) any executive officer of the Respondent, (iii) any parent

entity of the Respondent, (iv) the executive officers of any entity that is a parent of, or owns a controlling interest in, the Respondent, and (v) any Shareholder of Respondent with ownership or a distributive income share in the Respondent that is in excess of seven and one-half percent (7.5%); (b) any formal involvement with any community or not-for-profit organization relating to public education by any person or entity identified in (a) above; and (c) any involvement as a member or director of a charter school that contributes to the Fund by any person or entity identified in (a) above. For purposes of this Section XXIII (ii) and (iii), "Shareholder" shall mean any person who has an ownership or distributive income share in the Respondent.

- (iii) The Respondent must disclose if: (a)(i)any executive officer of the Respondent, (ii) any parent entity, (iii) the executive officers of any entity that is a parent of, or owns a controlling interest in, the Respondent, and (iv) any Shareholder of the Respondent with ownership or a distributive income share in the Respondent that is in excess of seven and one-half percent (7.5%), has given any direct or indirect financial support in excess of \$1,000 per calendar year within the prior five (5) calendar years or (b) whether the persons or entities identified in (a), above, have had any formal involvement within the prior five (5) calendar years with a community or not-for-profit organization with a central purpose of influencing public policy related to budgetary and fiscal policy which directly or indirectly relates to the continued availability and long-term viability of defined benefit pensions in the public sector, to education policy, or to retirement security policy.

For the purposes of this disclosure, an organization has the "central purpose" of influencing policy if it is understood with the exercise of reasonable due diligence, including but not limited to the examination of the organization's IRS filings and other publicly-available statements of purpose, that the organization intends to affect policy or engage in lobbying or other advocacy activity. A Respondent is not required to disclose contributions to organizations that engage in such activities in furtherance of providing medical research, aid to the poor, disaster relief, or other such tangible goods or service. The Trustees have determined that the following organizations presently fall under this required disclosure:

American Enterprise Institute,
American Legislative Exchange Council,
Brookings Institution,
California Common Sense,
California Policy Center,
Civic Committee of the Commercial Club,
Heritage Foundation,
Howard Jarvis Taxpayers Association,

Illinois Municipal League,
Illinois Policy Institute,
Independent Institute,
Jessie Ball DuPont Fund,
Laura and John Arnold Foundation,
Mackinac Center for Public Policy,
Manhattan Institute for Policy Research,
Massachusetts Taxpayers Foundation,
Mercatus Center at George Mason University,
National Council on Teacher Quality,
National Institute for Labor Relations Research,
Nelson Rockefeller Institute of Government,
National Taxpayers United of Illinois,
Pioneer Institute,
R Street Institute,
Reason Foundation,
Show Me Institute,
State Policy Network,
StudentsFirst,
Taxpayers for Sustainable Pensions,
Taxpayers United of America,
Teacherspensions.org,
Texas Public Policy Foundation,
The Future of Freedom of Foundation,
The Pew Charitable Trust,
UnionWatch,
Urban Institute,
Wyoming Liberty Group, and
Any state or local affiliates or chapters of the above organizations.

- (iv) The Respondent and any parent, controlling entity, subsidiary, or affiliate must disclose any direct or indirect financial relationships, transactions, or consulting agreements with the Chicago Board of Education entered into within the prior five (5) calendar years. Any such direct or indirect financial relationships, transactions, consulting agreements, or consulting-related contracts with the Chicago Board of Education entered into on or after the execution of an agreement shall be identified in an amended Respondent Disclosure within thirty (30) days of any new relationship, transaction, investment, agreement, or contract with the Chicago Board of Education.
- (v) The Respondent must disclose the names and addresses of any subcontractors and the expected amount and/or percentage of money each will receive under the agreement if authorized by the Fund.

- (vi) The total number of Respondent's staff. The number of Respondent's staff and percentage of its staff, broken out separately for each category, who are (1) a minority person, (2) a female, or (3) a person with a disability. This information must be provided using the EEOC chart available on CTPF's website. Supplemental information to the EEOC chart is welcome.
- (vii) The number of current contracts for consulting services and professional and artistic services that the Respondent has, broken out separately into each category, with a (1) minority owned business, (2) female owned business, or (3) business owned by a person with a disability.
- (viii) The number of current contracts for consulting services and professional and artistic services that the Respondent has with a business other than (1) a minority owned business, (2) a female owned business, or (3) a business owned by a person with a disability, under which, while the business is not owned by one of the above categories, where more than fifty percent (50%) of services performed pursuant to the contract, broken down separately into each category, are performed by (1) a minority person, (2) a female, or (3) a person with a disability.
- (ix) The Respondent shall agree to annually disclose various EEO data and diversity of vendor's contracts as required by the Fund.

XXIV. AGREEMENT AND APPROVAL

The Fund may select one or more firms to provide the services described herein.

To the extent one or more firms are selected, CTPF will work to negotiate an agreement with the selected firm(s), giving due consideration to the stipulations in the Firm's(s') submitted standard agreement.

The selected firm(s) shall be required to assume full responsibility for all services and activities offered in its/their proposal whether or not provided directly. Further, CTPF will consider the selected firm(s) to be the sole point of contact with regard to contractual matters, including payment of fees.

The selected firm(s) and its/their personnel, including subcontractors, shall treat any and all information provided by CTPF as confidential and is/are prohibited from using that information for any other purposes than those provided by contract, without CTPF's express written consent.

The selected firm(s) shall not use a subcontractor without CTPF's express written consent. All terms and conditions of a contract with the selected firm(s) shall be equally binding on any subcontractors.

The selected firm(s) shall meet specific performance standards established during the contract negotiation process. The approved project schedule, specifying agreed upon, significant milestone events, and a project completion date, shall be incorporated into the contract as projects are identified and assigned to the successful Respondent(s) by CTPF.