

**CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM  
Real Estate Board Consultant Request for Proposal (RFP)**

**I. SCOPE OF WORK**

Contractor shall provide the following services in accordance with the Investment Resolution adopted by the board.

1. Monitor the performance of the Real Estate portfolio including partnership investments, co-investments, secondary interests and other investments as applicable. Prepare and present, using CalSTRS directed graphic parameters, quarterly performance review reports to the Investment Committee. Monitor the aggregated portfolio to ensure that the program is managed according to policy, as well as monitor portfolio performance against the benchmark and provide context on market trends/opportunities. Portfolio data will be provided by a third party.
2. Provide analysis and advice to the Investment Committee on global real estate industry and market trends, investment strategies and conditions, including positive and/or negative trends with respect to the real estate asset class. Such analysis and advice is to be provided verbally on an ongoing basis and in the form of written reports on a quarterly basis.

In conjunction with the above, the Contractor shall periodically comment and provide advice regarding the pros and cons of expanding (or contracting, if applicable) the scope of real estate asset class in which CalSTRS invests.

3. Review, comment, and make recommended actions on the investment strategy, policies and practices of the Real Estate Program following discussion and analysis with the Teachers' Retirement Board Investment Committee and recommend changes as appropriate. Assist in the development of investment objectives, investment guidelines, investment procedures and portfolio strategy, and as requested provide written recommendation to the Investment Committee on such.
4. Maintain industry data, both domestic and international, sufficient in size and scope to allow an analysis of the risk and returns of the real estate portfolio diversified by risk category (core, value add, opportunistic, public), property type, and geography for use in strategic planning.
5. Review and comment on the annual business plan proposed by staff to the Investment Committee. Upon request, assist staff in the annual review of the overall real estate portfolio, investment strategy, risk levels, performance, and market trends.
6. Attend Investment Committee and/or board meetings and legislative hearings as requested by Investment staff.

7. The Contractor is not required to opine or provide a recommendation for specific investments unless directed by the Investment Committee or staff.
8. As requested by staff, provide periodic performance review of existing real estate advisors/managers, including:
  - Compliance with CalSTRS Real Estate Policy
  - Compliance with contract and investment guidelines and strategy
  - Organizational changes
  - Structure/Ownership changes
  - Financial/Legal issues
  - Fee analysis
9. Assist in the development of RFPs or RFIs for investment management service
10. Other services as may be required in connection with, and in the general nature of, the above duties, for example:
  - Market research on a specialized sector
  - Research on a new investment structure
  - Fee analysis on prospective transactions
  - Review of advisor/manager contracts
  - Validation of performance-related fees
  - Attendance at meetings with advisors/managers

## **II. MINIMUM QUALIFICATIONS AND REQUIREMENTS**

The proposer must meet all of the following minimum qualifications to be given further consideration. Failure to satisfy any of the minimum qualifications will result in the immediate rejection of the proposal.

In addition to proposals from individual firms, CalSTRS will accept proposals from joint ventures. The joint venture parties together must satisfy all of the minimum qualifications and requirements to be considered for this assignment. If the proposer is a joint venture, the proposal must clearly define the responsibilities of each party in the joint venture and must provide evidence that each party understands and agrees to the provisions of the RFP and the proposed contract.

1. As of the final date for proposal submission, the firm must have been in business at least three years.
2. As of the final date for proposal submission, the primary consultant and principal assistant that will be assigned to the CalSTRS account must each have at least three (3) years of

experience in developing real estate strategy services and providing real estate program monitoring and performance reporting services for institutional clients.

### III SCORING

Phase	Evaluation	Maximum Points
<b>PROPOSAL EVALUATION</b>		
<b>Phase 1</b>	1.A Proposal Questionnaire Evaluation Score ①	175 Points
	1.B Fee Proposal Evaluation Score	75 Points
	<b>SUBTOTAL SCORE (Phase 1)</b>	<b>250 Points</b>
<b>Phase 2</b>	DVBE INCENTIVE②	15 Points
<b>Phase 3</b>	Semi-Finalists Interview(s)* (if applicable) ③	100 Points
<b>Phase 4</b>	Finalists Interview(s)** ④	Pass/Fail
<b>Phase 5</b>	Best and Final Offer (BAFO) ⑤	

① Points for fees will be computed for proposals that score a minimum of 122 points on Proposal Evaluation.

② DVBE Incentive points will be applied as follows:

- 8 points (3% of Subtotal Score) if the Proposer provides from 3.01-4.00% DVBE participation on Attachment 7 of the RFP
- 10 points (4% of Subtotal Score) if the Proposer provides 4.01-5.00% DVBE participation on Attachment 7 of the RFP
- 13 points (5% of Subtotal Score) if the Proposer provides 5.01% or greater DVBE participation on Attachment 7 of the RFP

③ The highest scoring Proposers may be invited to participate in Semi-Finalists Interview(s), at CalSTRS’ discretion. The Semi-Finalist interviews will have a maximum score of 100 points and will NOT be added to Phase 1 & Phase 2 point-totals. (\*May be conducted by CalSTRS Staff.)

④ The highest scoring Proposers will be invited to participate in Finalists Interview(s), at CalSTRS’ discretion. (\*\*Will be conducted by Investment Committee, and/or designee(s) of the Investment Committee.)

⑤ The highest scoring Proposer(s) may be invited to participate in the Best and Final Offer (BAFO) process, at CalSTRS’ discretion.

**The highest scoring Proposer may be awarded an agreement at CalSTRS' discretion.**

**IV. RFP TIMELINE**

Staff will work with the Contracts and Legal divisions to administer the RFP with the rough timeline as shown below:

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|--------------------------------|--|
| <b>May:</b>                    | Presentation of Scope of Services to Investment Committee and approval of RFP process. |
| <b>June:</b>                   | Release and advertise RFP  |
| <b>July:</b>                   | RFP responses due to CalSTRS.  |
| <b>August/early September:</b> | Evaluation of RFP responses by staff.  |
| <b>October:</b>                | Interviews of finalists by Investment Committee and selection of consultant.           |