

January 3, 2011

**OKLAHOMA FIREFIGHTERS PENSION AND RETIRMENT SYSTEM –
REQUEST FOR PROPOSALS FOR COMMERCIAL REAL ESTATE PROFESSIONALS**

Position Title: Commercial Real Estate Professional

The Oklahoma Firefighters Pension and Retirement System ("OFP") is requesting proposals from qualified commercial real estate brokerage firms or individuals having previous experience in providing commercial real estate broker/developer, property management and advisory services to governmental and/or corporate clients. It is anticipated that the commercial real estate professionals selected will provide certain real estate brokerage, property management and leasing services with regard to a potential investment in Oklahoma City real estate by OFP. A qualified applicant will be registered or licensed, or exempt from registration or licensure, with the Oklahoma Real Estate Commission or other appropriate Oklahoma state agency.

Respondents to this proposal (hereafter referred to as "Vendors" or individually a "Vendor") are required to comply with the bid procedures as set forth in this Request for Proposal (RFP) pursuant to the Competitive Bid Standards attached hereto as Appendix A. Failure to comply with the bid procedures may render your bid invalid. Three (3) copies of your proposal should be submitted to Finley & Cook at the address listed below:

Mail to:

Oklahoma Firefighters Pension and Retirement System
c/o Finley & Cook
P.O. Drawer 1447
Shawnee, OK 74802-1447

Overnight to:

Oklahoma Firefighters Pension and Retirement System
c/o Finley & Cook
601 North Broadway
Shawnee, OK 74801

Application Deadline: January 28, 2011, 5:00 p.m. Central Standard Time. No late applications will be considered.

In addition, please transmit an electronic version of the response to this solicitation to Marc Edwards, OFP's legal counsel, at medwards@phillipsmurrah.com. Failure to transmit an electronic version of the response to this solicitation may cause the response to not be considered in the awarding of a contract or contracts. OFP hopes to have an engagement date prior to April 1, 2011. A timeline is discussed on page 2 and is subject to change at the sole option of the Board.

The cost of developing the proposal is the responsibility of the Vendor and shall not be chargeable to OFP. In the event that none of the proposals are satisfactory to OFP, no selection will be made. OFP reserves the right to pick more than one Vendor. Depending on the type of real estate investment to be made by OFP, there may be a need to engage a commercial real estate brokerage firm, a management company, a joint venture developer and/or a property management/leasing firm. Proposals submitted in response to the RFP become the property of OFP and are subject to public inspection. OFP reserves the right to modify the RFP contents and requirements at any time prior to the submission deadline.

Proposals shall constitute firm offers. Once submitted, proposals cannot be altered without the written consent of OFP, but proposals may be withdrawn prior to the application deadline.

This RFP can be found on OFP's website at www.ok.gov/fprs. **An electronic version of the questionnaire may also be requested by e-mail at dmichael@oklaosf.state.ok.us**. Include the name of the RFP in your request. All responses to this RFP must be submitted in accordance with the instructions contained in the RFP.

The Vendor's Affidavit and all questions contained in this RFP must be identically reproduced in the submitted proposal. Any alternations to the contents of the RFP document will be grounds for dismissal from consideration or termination of a resulting contract. By submitting a response, it is agreed by the Vendor that any misleading or false information given may be grounds for dismissal from consideration, or termination of any resulting contract, whenever, and however discovered.

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Key Dates:

The following timeline is an estimate and may be adjusted at OFP's discretion any time during this selection process.

<u>Event</u>	<u>Date</u>
Distribution of RFP	January 3, 2011
Deadline for questions submitted in writing via e-mail or fax	January 17, 2011
Date for answers to questions	January 24, 2011
Proposals due (no later than 5:00 p.m. Central Time)	January 28, 2011
Finalist presentation (if necessary)	TBA
Award business (date contingent on final negotiations)	TBA
Contract start date	TBA

PROPOSAL COVER SHEET (must be signed, notarized and returned)

Proposal	Agency	Proposal Deadline
Commercial Real Estate Professionals	Oklahoma Firefighters Pension and Retirement System	must be received by _____, 20__

Vendor Identification:

Name of Vendor:	_____
Address:	_____
City/State/Zip Code:	_____
Telephone Number:	_____
Facsimile Number:	_____

VENDOR'S AFFIDAVIT

STATE OF _____)
)
 COUNTY OF _____)

SS:

_____ (Print or Type Name), of lawful age, being first duly sworn, on oath says that:

- (S)he is the duly authorized agent of _____, the vendor submitting this proposal which is attached to this statement for the purpose of certifying the facts pertaining to the existence of collusion among vendors and between vendors and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to the proposal to which this statement is attached, and further represents and warrants that (s)he has the authority to bind the vendor contractually;
- (S)he is fully aware of the facts and circumstances surrounding the making and submitting of this proposal and has been personally and directly involved in the proceedings leading to the submission of such proposals;
- Neither the vendor nor anyone subject to the vendor's direction or control has been a party: a) to any collusion among vendors in restraint of freedom of competition by agreement to propose a fixed price or to refrain from submitting a proposal; b) to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other term of such prospective contract; nor, c) in any discussions between vendors and any state official concerning exchange of money or any other thing of value for special consideration in the award of this prospective contract; d) to paying, giving or donating or agreeing to pay, give or donate to any officer or employee of the State of Oklahoma, any money or other thing of value, either directly or indirectly, in procuring this prospective contract; and
- The information contained in this proposal is true, correct and accurate as presented.

 Name/Title

Subscribed and sworn to before me this _____ day of _____, 20 ____.

 Notary Public

(seal)

My commission number: _____ and expiration date: _____

A. INTRODUCTION

Legal Authorization

OFP was created to hold and manage the Oklahoma Firefighters Pension and Retirement Fund and to provide retirement and pension benefits for the eligible firefighters of the State of Oklahoma. OFP's statutory investment authority is set forth in 11 O.S. § 49-100.9.

State Board

OFP is administered by the State Board. The State Board is comprised of thirteen (13) members including five (5) members of the Oklahoma State Firefighters' Association Board of Trustees, the President of the Professional Firefighters of Oklahoma or designee, the President of the Oklahoma State Retired Firefighters' Association or designee, the State Insurance Commissioner or designee, the Director of State Finance or designee, one (1) member appointed by the Speaker of the Oklahoma State House of Representatives, one (1) member appointed by the President Pro Tempore of the Oklahoma State Senate, and two (2) members appointed by the President of the Oklahoma Municipal League. **Please note that members of the State Board shall not be contacted directly by respondents to this RFP (See Paragraph 9 of the Competitive Bid Standards in Appendix A).**

Support Services

OFP has a staff of nine (9) persons supervised by an Executive Director. The Executive Director and the Assistant Director manage the day-to-day financial operations of OFP. The Executive Director reports transactions and investment developments to the Investment Committee of the Board as directed by the Board. The Executive Director is Robert Jones, and the Assistant Executive Director is Herb Bradshaw. **Except for requesting an electronic copy of the RFP questionnaire in the manner described on the front page of this RFP, OFP's staff shall not be contacted directly by any Vendor. (See Paragraph 9 of the Competitive Bid Standards in Appendix A)**

OFP's legal counsel is Phillips Murrah, P.C., Oklahoma City, Oklahoma and its investment consultant is Asset Consulting Group, St. Louis, Missouri.

Investments

OFP is charged with the duty of administering the investment of approximately \$1.5 billion, which represents the total pension funds of all eligible firefighters in the State of Oklahoma. OFP's current real estate asset allocation target is approximately 7.5%, with 4.5% being invested in Core Real Estate and 3.0% being invested in Enhanced/Other Real Assets. It is anticipated that any investment real property purchased or developed by OFP would constitute Enhanced/Other Real Assets.

Investment Guidelines

Any investment in real property must be made in compliance with OFP's "Statement of Policy Guidelines and Investment Objectives" (the "Guidelines"), a copy of which is included as an exhibit on the RFP link on OFP's website.

B. GENERAL

All proposals shall be submitted at no cost to OFP at the address provided herein. OFP will not reimburse for any costs associated with developing an application and this RFP does not commit OFP or the State of

Oklahoma to procure or contract for any services.

OFP reserves the right to reject any and/or all proposals offering services if, in its opinion, it does not meet the standard of quality established by this RFP.

Applicable Laws and Courts

This solicitation and any resulting contracts shall be governed in all respects by the laws of the State of Oklahoma, and any litigation with respect thereto shall be brought in the District Court of Oklahoma County, Oklahoma. The Vendor shall comply with all applicable federal, state and local laws, rules and regulations.

Ethics in Public Contracting

By submitting their bids or proposals, Vendors certify that their bids/proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Vendor, supplier, manufacturer or subcontractor in connection with their bid/proposal, and that they have not conferred on any public employee or Board member having responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of value, in exchange for procuring this contract.

Qualifications of Vendors

OFP may make such reasonable investigations as deemed proper and necessary to determine the ability of the Vendor to perform the services required, and the Vendor shall furnish to OFP all such information and data for this purpose as may be requested. OFP reserves the right to inspect the Vendor's physical facilities prior to award to satisfy questions regarding the Vendor's capabilities. OFP further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Vendor show that the Vendor is not properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

Confidentiality

The Vendor is expected to comply with provisions of Oklahoma statutes regarding confidentiality of membership data and agrees not to disclose confidential membership information to other parties without OFP's prior authorization and approval.

Assignment of Contract

The contract shall not be assignable by the Vendor in whole or in part without the written consent of OFP.

Period of Contract

It is anticipated that the initial contract shall be for a partial year period ending on June 30, 2011. Thereafter, the contract may be renewed by the Board annually for four additional one-year contract periods. The Board reserves the right to terminate the contract upon 30 days notice, with or without cause.

All vendors who have submitted a proposal will be notified of the Board's decision in writing after the final selection has been made. This notice of final selection may be the only communication between OFP and the vendors.

Ownership of Data and Work Product

There is a presumption that all work product generated for OFP under a contract awarded pursuant to this RFP, as well as all data compiled by the Vendor while performing under such contract, shall become the sole property of OFP. OFP must be given reasonable access to all such work product or data compiled by the Vendor in the performance of this contract.

Limitation of Liability, Hold Harmless Clauses & Indemnity

The State of Oklahoma and its agencies and instrumentalities are constitutionally barred from limiting the liability of a private vendor. Agencies are similarly prohibited from holding a private entity harmless from liability or providing indemnity to a private entity. A contract between a successful Vendor and OFP will not have any such terms.

Survival

Any and all representations, conditions and warranties made by Vendor in its proposal are essential to the relationship between the parties and shall survive the execution and delivery of the proposal and all statements contained in any document.

Errors and Omissions in Proposal

Failure by OFP to object to an error, omission or deviation in the proposal will in no way modify the RFP or excuse the Vendor from full compliance with the specifications of the RFP or any contract awarded pursuant to the RFP.

C. AGREEMENTS AND QUALIFICATIONS OF VENDORS

All Vendors must:

- Acknowledge and agree that if awarded the contract, the Vendor will be a fiduciary to OFP pursuant to Oklahoma law.
- Agree that any resulting contract and services will be subject to and interpreted by Oklahoma law.
- Agree that this RFP and the Vendor's response will be incorporated by reference to any resulting contract.
- Agree to submit reports as requested by OFP's Board or staff in a timely manner.
- Answer, to the best of its abilities, all questions in this RFP.

Job Requirements

- General knowledge of, and experience with, the Oklahoma City commercial real estate market.
- Ability to assess the needs of OFP and determine what type of investment (purchase, develop, etc) would best serve OFP, the State Board and OFP's members.
- Ability to identify, assess and negotiate deals with respect to an investment in commercial real estate.
- Have experience managing and leasing commercial real estate.
- Be an Oklahoma entity or a foreign entity qualified to do business in the State of Oklahoma.

- Be registered or licensed, or exempt from registration or licensure, with the Oklahoma Real Estate Commission or other appropriate state agency.
- Be able to demonstrate proof of insurance in the State of Oklahoma.

Job Preferences

- Experience with OFP or other pension systems or state agencies.
- Experience with the specific needs of such state agencies or instrumentalities in regards to real estate and the purchase, leasing, or development of same.
- Experience with clients who purchase commercial real property as an investment.

D. BACKGROUND

OFP is requesting assistance from qualified commercial real estate professionals to assist it with this investment. OFP is seeking a commercial real estate broker/developer to assist in the potential acquisition and/or development of a suitable commercial real estate investment property in the greater Oklahoma City area in accordance with the Guidelines. OFP currently anticipates that it will invest between \$2.3 million and \$4.6 million to acquire and, to the extent necessary, improve the property. OFP plans to utilize approximately 3,500 sf within this investment property as its principal place of business (such amount being calculated based upon the statutory allowed space per qualified employee), and plans to lease the remainder of the property to one or more tenants. OFP is also seeking a qualified property management/leasing firm to handle the management and leasing of this investment property.

E. GOALS / SCOPE OF WORK

To assist it in accomplishing its goals, OFP seeks talented and experienced firms or individuals with experience performing services with respect to commercial real estate investments, including, but not limited to:

- Market analysis
- Property identification
- Property due diligence
- Negotiation and consummation of transaction
- Office relocation
- Property management and leasing

The selected professionals will provide OFP assistance in the following areas and, to the extent applicable to the services offered, will prepare a report addressing each area.

1. **Preliminary Facility Requirements:** Help define OFP's existing and desired facility objectives and requirements. The evaluation should include, at a minimum:

- Space demand and use (i.e. functions, types, critical business processes)
- Workplace characteristics, standards and other special requirements
- Design and facility image
- Location criteria
- Data and telecommunications requirements
- Additional criteria proposed by the Vendor

2. **Investment Strategy:** Develop alternative investment, financial and transaction structure

options that most readily address OFP's investment objectives, constraints and goals. The strategy should include, at a minimum:

- OFP's investment objectives
- OFP's financial objectives and constraints
- Economics of buying versus leasing
- Tax benefits and incentives
- Acquisition, build-to-suit, or retro-fitting an existing facility

3. **Market Research:** Provide detailed information on the investment potential in the Oklahoma City market, including available and future property opportunities in the Oklahoma City market that meet OFP's proposed investment, facility and financial requirements.

4. **Project Schedule:** Develop a schedule of tasks and steps needed to transition OFP from the exploration to real estate transaction phase.

5. **Leasing:** Provide detailed information on the potential of leasing a portion of the investment property purchased by OFP to third parties, including an analysis of the current occupancy and rental rates for commercial rentals in the Oklahoma City market.

All real estate professionals selected will report to the Executive Director and may be called upon to work closely with the State Board and its legal counsel to accomplish the objectives of any potential transaction.

F. PROPOSAL FORMAT AND CONTENT

Submitted proposals must follow the format outlined below and include all requested information. Failure to submit proposals in the required format can result in the proposal being eliminated from evaluation and consideration.

Each selected applicant will be a professional individual or a firm with considerable experience in commercial real estate.

All responses must contain information in the following areas:

Cover Letter

All Vendors should provide a cover letter signed by an authorized representative which contains the following general information:

- The name and contact information of the lead contact and a statement that the lead contact will be available to attend meetings and make presentations as required by OFP.
- A statement expressing the Vendor's agreement to comply with the terms of this RFP and their unequivocal commitment and ability to perform all or a portion of the services described in this RFP.

Qualifications/Experience

Please answer the questionnaire attached hereto as Appendix B.

Business References

Please provide a minimum of three (3) business references from government and/or corporate clients.

Compensation Schedule

Each Vendor must submit a compensation schedule and method to be rendered under this proposal. Please specify any services you propose to offer that are not included in the proposed commission structure and the rates and basis for such additional services.

Performance/Comparative Results of Past Analysis and Results

Please provide a detailed analysis of all real estate investments you were involved in and results of efforts that occurred any time during the five (5) year period beginning July 1, 2005 and ending June 30, 2010, where the investment's dollar value was between \$2 million and \$5 million. Please describe specific examples of creative real estate investment solutions you have rendered and all services, if any, provided to a public agency.

Retention of Documentation

Please include a statement in your proposal or cover letter acknowledging that if your firm is awarded the contract, you will retain project related papers and related reports for a minimum of five (5) years from the termination of your contractual relationship with OFP.

Agreement

Provide a copy of the standard agreement used by the Vendor to provide services of the type sought under this RFP. However, OFP reserves the right to use its standard professional services agreement for the contract.

Conflicts of Interest

Address any possible conflicts of interest with other clients if you are awarded the contract.

Additional Data

The submission of additional information that would be beneficial to OFP in the proposal selection process is encouraged.

APPENDIX A

COMPETITIVE BID STANDARDS

Contractual services with pension fund custodians, investment managers, investment consultants, and other professions that are exempt from competitive bidding procedures of the Oklahoma Central Purchasing Act shall be chosen by a solicitation of proposals on a competitive bid basis pursuant to the following standards:

1. The Board shall approve all requests for proposals issued by OFP. The Board reserves the right to request additional information from any Vendor.
2. The Vendor shall comply with the bid procedures set forth in the requests for proposals and these standards.
3. The Executive Director is responsible for developing a list of qualified bidders for each approved proposal including those bidders who have registered with the Central Purchasing Division of the Oklahoma Department of Central Services.
4. Proposals will be mailed by and returned to OFP's independent certified public accountant that will verify to the Board whether the solicitation is in compliance with these standards.
5. A solicitation does not commit the Board to award a contract, to pay any costs incurred in the preparation of a proposal, or to procure or contract for the articles of goods or services.
6. The Board reserves the right to accept or reject any or all proposals received as a result of a solicitation, to negotiate with any and all qualified bidders, to select any qualified bidder to provide additional or ancillary services to the Board, or to cancel in part or in its entirety a solicitation if it is in the best interest of OFP to do so, or to award all, part, or none of a contract.
7. The Board shall award contracts to the lowest and best bidder at a specified time and place, which shall be open to the public pursuant to the provisions of the Oklahoma Open Meeting Act.
8. Proposals shall be evaluated by the Executive Director and any other person or organization, including but not limited to the Investment Committee or Rules Committee of the Board, as determined by the Chairman of the Board. The Executive Director and other persons or organizations shall present the evaluations and recommendations to the Board.
9.
 - a. During the process leading to an award of any contract by OFP, no member of the Board or its staff shall knowingly communicate concerning any matter relating to the contract or selection process with any party financially interested in the contract or an officer or employee of that party, unless the communication is (1) part of the process expressly described in the RFP or other solicitation invitation, or (2) part of a noticed board meeting, or (3) as provided in subsection c. of this section. Any Vendor who knowingly participates in a communication that is prohibited by this subsection shall be disqualified from the contract award.
 - b. During the evaluation of any request for proposal, no party who is financially interested in a proposal, or an officer of that party, may knowingly communicate with any Board Member concerning any matter relating to the transaction or its evaluation, unless the financially interested party discloses the content of the communication in a writing addressed and submitted to the Executive Director and the Board prior to the Board's action on the prospective proposal. This

subsection shall not apply to communications that are part of a noticed board meeting, or as provided in subsection c of this section.

- (1) The writing shall disclose the date and location of the communication, and the substance of the matters discussed. The Board shall prescribe other procedures concerning this disclosure.
- (2) Any Board Member who participates in a communication subject to this subsection shall also have the obligation to disclose the communication to the Executive Director and the Board prior to the Board's action on the proposal. The Board shall prescribe procedures for this disclosure, including procedures to apply to Board Members who fail to disclose communications as required by this subsection.
- (3) Consistent with its fiduciary duties, the Board shall determine the appropriate remedy for any knowing failure of a financially interested party to comply this subsection including, but not limited to, outright rejection of the prospective proposal, reduction in fee received, or any other sanction.
- (4) The communications disclosed under this subsection shall be made public, either at the open meeting of the Board in which the proposal is considered, or if in closed executive session, upon public disclosure of any closed executive session votes concerning the proposal.

c. The procedures and prohibitions prescribed by this section shall not apply to:

- (1) Communications that are incidental, exclusively social, and do not involve OFP or its business, or the Board or staff member's role as a System official.
- (2) Communications that do not involve OFP or its business and are within the scope of the Board or staff member's private business or public office wholly unrelated to OFP.

10. Proposals will be evaluated using the following criteria listed in order of importance.

- a. The Vendor's demonstrated understanding of the problems and the needs of the solicitation as outlined in the proposal as well as the perceptiveness to address areas not specifically identified.
- b. Soundness of the Vendor's approach to the problems and needs presented by the proposal including methodology for achieving specific tasks and objectives.
- c. Experience and capacity of bidder including recent, related experience, qualification of personnel and the Vendor's ability to commit capable staff to support the project requested by the proposal.
- d. Cost effectiveness and reasonableness of the Vendor's fees.

APPENDIX B

QUESTIONNAIRE

Commercial Real Estate Professionals

Company Name: _____
Address: _____
Contact: _____
Telephone: _____
Fax: _____
Contact Email: _____
Firm Website: _____

Please answer all the questions below.

Organizational Information

1. Please provide a brief history of the organization (include the month and year the firm was founded, state of formation, key founder(s)/leader(s) within the firm, and how long the organization has been in business under its present name).
2. Please describe the current ownership structure (i.e. % employee owned, % privately held, % publicly traded, etc.) and provide a detailed organizational chart.
3. Please outline the firm's current capital structure including details on any debt obligations and any upcoming refinancing needs.
4. Describe any changes in the structure or ownership of the firm over the past five years.
 - a. Are there any structural or ownership changes contemplated?
 - b. Briefly outline any business plans including succession plans.
 - c. Identify any specific owners who own more than 15% of the firm.
5. Is the firm considered a minority or woman-owned business? If yes, please explain.
6. How many offices does the firm have? Where is the firm's main office located? Where are the individuals or team that will be assigned to work with OFP located?
7. Is the firm registered with any regulatory or state agencies?
 - a. Provide a copy of the most recent filings, if applicable, required by any regulatory or state agency (or agencies) with which the firm is registered or licensed.
 - b. Provide a summary of any regulatory issue, investigation, sanction, or similar matter the firm may have had during the last five years.
 - c. State whether, during the last five years, any regulatory or state agency has conducted an audit or review of the firm.
 - d. If such an audit or review was conducted, discuss any significant findings by the regulator.

- e. Provide a copy of any deficiency letter or similar letter or report regarding such a regulatory audit or review.
 - f. Describe what actions were taken by the firm to correct any deficiencies.
 - g. Provide a description of any material litigation involving the firm or any of its principals during the last ten years, including the nature of the litigation, the parties, the court, cause number, and the current status.
8. Is the firm or any subsidiary, affiliate or related entity the subject of an investigation being conducted by any regulatory agency or any State Attorney General?
9. Has the firm adopted a formal compliance policy and/or a code of ethics for employees? If yes, please provide a copy of such policies.
10. Provide a detailed overview of the firm's qualifications, including any experience in commercial real estate investments.
11. What professional certifications and professional memberships does the firm or its individual employees have?
12. Please provide a summary of significant real estate investments and leasing and sale transactions, including any unique or similar projects that might be relevant OFP.
13. Please list the types and amount of insurance coverage held by your firm. Please provide proof of such self-insurance or professional liability coverage.

Personnel Information

14. Please describe the team assigned to OFP (include the specific responsibilities of each key professional).
15. Describe your training procedures for your professional staff. What sort of ongoing education programs do you encourage or require?
16. How are your professional staff compensated? What steps are taken to ensure retention of these individuals?
17. How many employees do you have in all offices? How many licensed real estate brokers do you employ? How many agents/salespersons? How many support staff? Do you have any other licensed or registered real estate professionals?
18. Please provide the name, contract information and a CV or similar document for the lead contact and each other key professional employee that will be assigned to the contract.
19. Please list any professional certifications and professional memberships held by your employees that are responsive to this RFP.