

**Teachers' Retirement System
of the State of Illinois**



**REQUEST FOR PROPOSALS FOR
INVESTMENT LEGAL SERVICES**

Issued August 15, 2018

Responses due August 30, 2018 by 2:00 pm CDT

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I. Introduction

The Teachers' Retirement System of the State of Illinois (the System or TRS) is requesting proposals to provide specialized legal services to the System. The selected law firm will handle investment-related legal work as directed by the System. The objective of this Request for Proposal is to solicit competitive proposals from qualified firms in sufficient detail to permit objective evaluation of all proposals which may result in a contract to provide legal services to the Teachers' Retirement System.

TRS is committed to increasing racial, ethnic, and gender diversity in all aspects of its utilization of vendors to provide goods and services to the System, to the greatest extent feasible, and within the bounds of financial and fiduciary prudence. To that end, the System strongly encourages qualified minority, female, disabled, and veteran-owned firms to submit proposals to this RFP.

A proposer's preparation and submittal of a proposal or subsequent participation in presentations or contract negotiations creates no obligation on the System to award a contract or to pay any associated costs. All proposals and related materials will be retained by the System and will be subject to disclosure as required in accordance with the Illinois Freedom of Information Act.

II. Summary Description of TRS

The General Assembly created the Teachers' Retirement System of the State of Illinois (TRS or the System) in 1939. TRS administers a multiple-employer public pension plan to provide its members and beneficiaries with retirement, disability, and death benefits. There are over 1,000 TRS-covered employers, most of which are school districts. Membership is mandatory for all full-time, part-time, and substitute Illinois public school personnel employed outside the city of Chicago in positions requiring certification by the Illinois State Board of Education. Persons employed at certain state agencies relating to education are also TRS members. The System serves 406,855 members, annuitants, and beneficiaries and held over \$51.4 billion in assets in trust for its membership as of March 31, 2018.

The retirement system is administered as a qualified plan under the Internal Revenue Code. TRS benefits and investments are governed by Articles 1, 16, and 20 of the Illinois Pension Code, 40 ILCS 5. Funding comes from member contributions, contributions by TRS-covered employers, the state of Illinois, and investment income. The System's most recent Comprehensive Annual Financial Report as well as a variety of other information about TRS is available on the TRS website at <https://www/trsil.org>.

A thirteen-member Board of Trustees (the Board) is responsible for the general administration of the System, including the duties granted to it under Article 16 of the Illinois Pension Code, 40 ILCS 5/16. Under the direction of the Executive Director employed by the Board, the day-to-day administration of the System is delegated to the System's staff.

The System's internal legal staff, comprised of the Chief Legal Counsel, Senior Legal Counsel, and legal assistant, is the initial and primary provider of legal services to the System. Legal matters that require outside counsel are referred by the Office of Legal Counsel. Supervision of all outside legal work, billing matters, and contact with System staff by outside counsel is coordinated by and through the Office of the Legal Counsel.

Using the combined resources of external investment managers, consultants, and internal staff, TRS invests the trust assets in accordance with general fiduciary rules of both state and federal laws and the Investment Policy adopted by the Board. The market value of the TRS total fund on March 31, 2018 was \$51.42 billion. The asset allocation as of March 31, 2018 are as follows:

Asset Class	Market Value	
	\$	%
Public Equity	18,552.9	36.1%
Private Equity	6,326.7	12.3%
Real Estate (Opportunistic)	1,451.3	2.8%
Total Equity	26,330.9	51.2%
Real Estate (Core - Value Add)	5,612.8	10.9%
Other Real Assets	1,389.8	2.7%
Total Real Assets	7,002.6	13.6%
Total Diversifying Strategies	6,263.9	12.2%
Global Fixed Income	10,367.4	20.2%
Short-term	1,453.7	2.8%
Total Income	11,821.1	23.0%
Total TRS Fund	\$51,418.5	100.0%

III. Services Required

The System is seeking outside legal counsel to advise the System on an ongoing, as-needed basis in matters primarily involving the System's investment portfolio. On occasion, the firm may be called upon to provide such other legal services and advice as may be requested by the System on an as-needed basis. Responding firms must demonstrate experience and expertise in legal matters primarily related to investments with special expertise in private market investment. To avoid conflicts, firms that provide other legal services to the System are not eligible for this engagement. All responding firms must meet the highest standards of professional competence and ethics.

Responding firms are expected to assign to this engagement attorneys who will be responsive to the System by providing advice and legal representation as and when needs and questions arise, which will typically include comprehensive review and negotiation of partnership agreements and related documentation on behalf of the System. It is critically important that the firm possess capacity and depth to devote sufficient attorney resources with experience and expertise providing

legal advice to institutional investors to render advice and produce work product within normal and expedited time frames, as required by the System relative to a particular assignment. On occasion, the firm may be required to meet with System staff and to attend TRS Committee and Board of Trustees meetings or provide other legal advice as needed.

V. Proposal Content

At a minimum, the proposal must include the following information to be considered for the engagement. For ease of review, each requirement should be addressed in a separate section preceded by an index tab to identify the subject of the section. The proposal should be formatted on consecutively numbered pages and include a table of contents. Failure to provide information in the prescribed format may result in rejection of the proposal. All responses will be subject to verification for accuracy. **Proposals containing false or misleading information will be rejected.**

1. Cover Letter

A cover letter, which will be considered an integral part of the proposal package, in the form of a standard business letter, must be signed by an individual authorized to bind the proposer contractually. This cover letter must indicate the signer is so authorized, and must indicate the signer's title or position. An unsigned proposal will be rejected. The cover letter must also include:

- a. A statement that the proposal meets all requirements of this RFP, and that the offer tendered by the proposal will remain in full force and effect until, and may be accepted by the Board of Trustees of the Teachers' Retirement System of the State of Illinois, at any time prior to June 30, 2019.
- b. A statement certifying that the proposer either: (a) it is not required to register or (b) it is registered as a business entity with the State Board of Elections pursuant to the Procurement Code, 30 ILCS 500/20-160 and acknowledges a continuing duty to update such registration pursuant to the Procurement Code; and that proposer acknowledges that any Agreement awarded as a result of this RFP is voidable under Section 50-60 of the Procurement Code if the proposer fails to comply with the business entity registration requirements. **30 ILCS 500/20-160; 30 ILCS 500/50-60.**
- c. A statement that the proposal is being made without fraud or collusion; that the proposer has not offered or received any finder's fees, inducements, or any other form of remuneration, monetary or non-monetary, from any individual or entity; and that the proposer has not conferred or promised to confer, on any individual or entity, any payment, loan, advance, services, or any other form of remuneration in connection with the award of this engagement.
- d. A disclosure of any current business relationship or any current negotiations for prospective business with TRS, or with any member of the Board of Trustees or TRS staff, or any party currently rendering services to TRS.

- e. A statement that the proposer is willing to enter into an agreement in the form attached to the RFP as Appendix F including all certifications and representations contained therein, and that the proposer acknowledges and understands that certain provisions in the sample agreement mandated by Illinois state law to be included in contracts with agencies of the State of Illinois are not subject to negotiation.
- f. A statement that the proposer acknowledges that all documents submitted in response to this RFP may be subject to disclosure under the Illinois Freedom of Information Act and/or the Illinois Open Meetings Act.
- g. An attestation by the signer that the information provided in the Proposal is true and accurate, and that the signer is aware that pursuant to the Illinois Pension Code, 40 ILCS 5/1-135, any person who knowingly makes any false statement or falsifies or permits to be falsified any record of a retirement system or pension fund created under this Code (i.e., the System) in an attempt to defraud the retirement system or pension fund is guilty of a Class 3 felony.

2. Vendor Type Verification Form

Proposers must complete and return the Vendor Type Verification form in the form contained in Appendix A.

3. Reference Checks

Reference checks may be conducted for each finalist. Please provide reference authorization letter in the format prescribed in Appendix B.

4. Questionnaire

The questionnaire contained in Appendix C to this RFP must be completed and returned as part of the proposal.

5. Fee Proposal

Proposers must submit their fee in the format prescribed in Appendix D. Any deviation from the prescribed format which in the opinion of TRS is material may result in the rejection of the proposal. The proposed fee shall include all costs and expenses for providing the services to TRS as described in this RFP. Once finalists are selected, fees may be subject to a “best and final” offer process to be determined at the discretion of the System.

The fee proposal must expressly state that the proposed fees are guaranteed for the three-year term of any resulting contract.

VI. Submission of Proposals

All proposals must be received at the address designated below **no later than 2:00 P.M. CDT on August 30, 2018**. Submit five hard copies of your proposal and one copy on CD-ROM or thumb drive in a sealed package to:

Heidi Darow, Purchasing Officer
Teachers' Retirement System of the State of Illinois
P.O. Box 19253
2815 West Washington Street
Springfield, IL 62794-9253

One of the hard copies must be marked as the "Master Copy" and submitted in a loose-leaf, three-ringed binder which displays the proposer's name on the outside front cover. **Do not submit the Master Copy with spiral binding.**

Clearly identify the outside of the sealed proposal package with the proposer's name and return address in the upper left hand corner and the statement "**SEALED PROPOSAL – DO NOT OPEN** – Response to Request for Proposals for Investment Legal Services, Issued August 15, 2018." Failure to clearly identify the outside of the proposal package may result in the rejection of the proposal. TRS is not responsible for receipt of any proposal which is improperly labeled.

TRS accepts no responsibility for lost and/or late delivery of proposals. Whether mailed, hand-delivered, or delivered by carrier, the proposer is responsible for timely delivery on or before the above date and time. **Proposals that arrive late for any reason whatsoever, including mail delay or any other cause beyond the control of the proposer, will not be considered and will be returned unopened.**

Except as specifically requested by TRS, submission of proposals or any portion thereof via facsimile transmission, electronic, or magnetic media will not be allowed.

The proposals become the property of TRS upon submission. All costs for developing proposals and attending presentations and/or interviews are entirely the responsibility of the proposer and shall not be chargeable to TRS.

Only one proposal from an individual, firm, partnership, corporation, or combination thereof, will be considered for this assignment.

VII. Evaluation Process

Pre-Evaluation Review

Each proposal package will be date-stamped when received. Each proposal package will be inspected to ascertain that it is properly sealed and labeled. Proposals not passing this inspection may not be accepted. All proposals will be reviewed to determine if they contain all the required

submittals specified in this RFP. Those not submitting all required information in the prescribed format will be rejected.

Proposal Evaluation

Proposals that pass the pre-evaluation review will undergo an evaluation process conducted by TRS staff. Proposals will be evaluated based on criteria including:

- Understanding of the services requested
- Soundness of the approach and quality of the proposed services
- Firm qualifications including established record of success in similar work
- Individual qualifications of the assigned staff
- Proposed deliverables
- Cost

During the evaluation process, proposers may be requested to provide additional information and/or clarify contents of their proposal. Other than information requested by TRS, no proposer will be allowed to alter the proposal or add new information after the filing date.

Finalists may be scheduled for one or more oral presentations or interviews with TRS staff. Not all proposers may be asked to participate. Finalist interviews may be scheduled at the TRS office or on-site at the finalist's office at the discretion of TRS. Reference checks may be conducted for each finalist. TRS may require contract and fee negotiations to be completed prior to any presentation. Once finalists are selected, fees may be subject to a "best and final" offer process to be determined at the discretion of the System.

VII. Anticipated Timeline

Subject to change at TRS discretion

Date RFP Issued	August 15, 2018
Deadline for Submitting RFP Response	August 30, 2018
Proposal Evaluation	September 3-7, 2018
Finalist Interviews	September 10-21, 2018
Firm(s) Selected/Contract Begins	October 1, 2018

IX. General Conditions

1. Clarification of the RFP

To maintain the integrity of the RFP process, interested proposers are expected to respond to this RFP to the best of their understanding without asking questions or requesting clarification. If a proposer discovers an error in this RFP, the proposer should immediately notify TRS of such error in writing to Heidi Darow at the following email address: purchasing@trsil.org. If deemed necessary or appropriate in the System's discretion, TRS may clarify or modify any part of this RFP by posting notice on the TRS Web site prior to the proposal deadline.

2. Restrictions on Communication

Proposers must not discuss or share the contents of their proposals with other potential proposers. TRS policy and the Illinois state ethics law strictly limit communication during the search process. **Any attempt to initiate contact with TRS staff or TRS Trustees, other than as specifically stated in this RFP, may disqualify the proposer from further consideration.**

3. Reservation of Rights

TRS reserves the right to withdraw this RFP, to accept or reject any or all proposals submitted, and to waive any immaterial deviation, defect, or irregularity, whenever it would be in the best interest of TRS to do so. Waiver of an immaterial deviation shall in no way modify the Request for Proposal or excuse a proposer from full compliance with all RFP requirements.

Proposals that contain false or misleading statements or that provide references which do not support an attribute or condition claimed by the proposer will be rejected. Issuance of the Request for Proposal creates no obligation to award a contract or to pay any costs incurred in the preparation of a proposal. Nothing in this RFP or any resulting contract shall preclude TRS from procuring services similar to those described herein from other sources.

4. No Confidentiality

Proposals and all materials submitted in response to this RFP cannot be considered confidential. All proposals and related materials will be retained by TRS and will be subject to disclosure as required in accordance with the Illinois Freedom of Information Act, 5 ILCS 140.

5. Equal Opportunity

TRS does not discriminate because of race, color, religion, creed, sex, sexual orientation, age, marital status, military status, certain unfavorable discharges from military service, political affiliation, citizenship, ancestry, national origin, physical or mental handicap or disability or any other characteristic protected by law. It is the System's intent to comply with all state, federal, and local equal employment and opportunity laws and public policies.

Appendix A: Vendor Type Verification Form

Please complete the information below as it applies to you/your company. This form must be included with your proposal.

Female Owned Business - Must be 51% independently owned by a female _____

Minority Owned Business - Must be 51% independently owned by a minority _____

Persons with Disability Business - Must be 51% independently owned by a disabled person _____

Veteran Owned Business - Must be 51% independently owned by a veteran _____

None of the above _____

Representative Signature

Date

Appendix B: Reference Authorization Letter
[On prospective vendor letterhead]

[Month, Day, Year]

[Reference Name]

[Reference Title]

[Company Name]

[Reference Address]

[City, State, Zip]

Dear [Reference Name]:

(Prospective Vendor Name) has submitted a proposal to the Teachers' Retirement System of the State of Illinois ("System") with regard to providing investment legal services. The System is conducting its due diligence with regard to *(Prospective Vendor Name)*. Through this written authorization, *(Prospective Vendor Name)* hereby authorizes any individual, business, corporation, retirement system, state agency, or other entity to release any facts and information it may have concerning *(Prospective Vendor Name)*, its principals, employees and agents, to the System.

A copy of this authorization may be used as if it were an original. Thank you for your assistance.

Sincerely,

(Prospective Vendor Name)

(Authorized Signature and Title)

Appendix C: Questionnaire

This Questionnaire is designed to allow the System to gain a better understanding of the prospective law firm's qualifications and suitability for this engagement. For this reason, it is important to provide accurate, complete, and thorough information. Please attach and tab the completed questionnaire to your proposal as **Exhibit 1**.

Organization and Management

1. Contact and Company Information:

Name of Firm: _____
Mailing Address: _____
City: _____ State: _____ Zip Code: _____
Phone: _____ Fax: _____
E-mail: _____
Federal Employer Identification Number: _____
Contact Person(s):
Name: _____ Phone: _____
Title: _____ Fax: _____

2. Give a brief history of your firm, including the year the firm began providing investment legal services. Give specific details with regard to the nature of services provided, with special attention to public sector experience and specific experience with private equity investment for public pension plans.
3. Describe in detail your firm's organizational structure, including the number of attorneys, the location of the firm's offices, and the number of attorneys specializing in private market investments and their location. Identify any controlling stockholders, parents, subsidiaries, affiliates, partners, general partners, or principals (all such individuals or entities hereinafter collectively referred to as the "firm"). Provide each identified entity's involvement in providing private market investment legal services within the last five years. Provide a complete listing of any affiliated companies or joint ventures and the nature of services provided.
4. Provide an organizational chart. Include the number of professionals in total. Also provide a short biography of your key attorneys including their title, function, number of years with your firm, years of experience, educational background and professional affiliations.
5. Describe any changes in the firm's ownership structure, core line of business, or senior staffing within the last 18 months. Do you anticipate any such changes in the future? If so, describe.

Attorney Qualifications and Staffing

6. Identify and state qualifications and experience of attorneys and professional personnel who would be assigned to staff this engagement, as well as current and planned role the individual will play, relative to this assignment.
7. Explain your firm's procedures in the event that a key person assigned to the proposed engagement leaves your firm during the engagement.
8. Describe other services besides investment legal services offered by your firm. Please provide a listing of your firm's divisions along with their contribution to the firm's total revenues and expenses (in percentage terms). Is it anticipated that the entity the System is considering retaining may use the services of affiliated firms? Do you consider this a conflict of interest? Why or why not?
9. Describe your firm's diversity policies and practices.
10. Describe the approach your firm will take to help the System control its legal costs.

Civil and Criminal Matters

11. Has your firm or any predecessor firm ever been involved in any litigation arising from the firm's provision of legal services? Is your firm currently involved in any litigation? Please comment.
12. Has a civil legal judgment of any kind ever been entered against a shareholder, partner, officer or key employee of your firm or any predecessor firm? If the answer is yes, please provide the details including the date of judgment, jurisdiction and the current status of the proceeding.
13. Has any current shareholder, partner, officer or key employee of your firm ever been terminated or forced to resign from his/her employment for reasons related to professional competence, ethical and/or financial improprieties and/or unsatisfactory performance? If the answer is yes, please provide the details including the name of the individual and the identity of the former employer, together with a copy of the reference authorization letter (see the attached format that follows) sent to the former employer and a copy signed by the identified individual. Please also send a copy of each authorization letter to the System.
14. Has any shareholder, partner, officer or director of your firm ever been charged with and/or convicted of a criminal offense (other than traffic court violations) or charged by any regulatory agency with violations of financial or professional regulations? If the answer is yes, please provide all details including the caption of the proceeding and its disposition and/or status.

Conflicts

15. Identify any actual, potential, or appearance of conflict of interest that may arise as a result of your selection to represent the System¹. Describe in detail the nature of the conflict and what consent would be required under the Illinois Rules of Professional Responsibility. Also, identify any representation within the last three years of (1) any school district or other employer covered by the System; (2) any labor organization, professional association or collective bargaining unit whose members are covered by the System; (3) any investment manager or private equity fund; and (4) any individual or entity where the firm advocated positions that could reasonably be construed as being contrary to the interests of the System.
16. Identify any current or former contact or relationship of any nature whatsoever with any current or former member of the Board. Identify any other matters that would be required to be disclosed pursuant to the “Conflict of Interest” provision contained in the sample agreement enclosed in this RFP.

Private Market Legal Services

17. Describe in detail your firm’s knowledge of and experience regarding public sector defined benefit retirement plans and the qualified plan provisions of the Internal Revenue Code. Also describe in detail your firm’s knowledge of and experience with Illinois state law in general, and specifically the Illinois Pension Code.
18. Explain your understanding of the Illinois Freedom of Information Act as it relates to the TRS investment portfolio in general, and private market investments specifically.
19. Describe in detail your firm’s understanding of the services requested by this RFP. Provide a narrative that supports why your firm believes that it is qualified to undertake the proposed engagement.
20. Provide a detailed explanation of the investment legal services your firm would provide to the System. Describe the anticipated role of the TRS General Counsel’s Office and the TRS investment staff in your firm’s provision of the required legal services.
21. Identify the initial year and briefly summarize the history of your firm providing legal advice to public pensions or other institutional investors as limited partners in private market fund investing, specifically private equity.
22. Describe how your private market practice group fits within the context of the firm. What conflicts of interests could exist between the private market practice group and the clients it represents? Please detail any existing or potential conflicts that arise between performing legal services for general partners as well as limited partners. Please explain in detail how these potential conflicts are managed.

¹ Consult the System’s website, trsil.org, for detailed information about investment managers, consultants, and professional service providers and vendors currently retained by the System.

23. Describe your firm's expertise within the various segments of the private market investment universe. Specifically, please discuss expertise in a) private equity, b) real estate, c) other real assets, d) any other area for which you have expertise.
24. In addition to private market fund investment, has your firm provided legal advice on any other institutional transaction type, i.e., direct co-investments, joint venture agreements, seed/start-up investment structuring. Please include examples and the total number of engagements. Does your firm have specific attorneys with full dedication/specialization in any of the transaction types listed above? Please explain.
25. Does your firm endorse the Institutional Limited Partners Association Private Equity Principles? If so, please prioritize the principles (rank each 1-5) based on what your firm feels are the most relevant or have the most impact on a limited partner's investment interest.
26. How do you see the current environment for limited partners as it relates to terms management and fund negotiations? Please identify areas (business and/or legal issues) where you are currently seeing sharper negotiation and meaningful outcomes/movement.
27. Please describe your firm's opinion relating to alignment of interests between a general partner and limited partner and how those two interests can be further aligned through structuring the side letter or partnership agreement.
28. Provide a listing of published research reports/white papers authored by attorneys of your firm on alternative investment-related subjects. Also provide a list of any conferences or information sessions where your firm has sponsored or presented on private equity or limited partner conditions or rights.
29. Provide a statement describing similar private market legal services that your firm has performed over the last five years with comparable clients. The statement should include:
 - a. The name, address, and phone number of the client.
 - b. The name and phone number of a responsible official who may be contacted as a reference.
 - c. A summary description of the scope of the project and significant work completed, including the client's type of business and the size of its assets under management, if possible.
 - d. The start and end date of the engagement.
30. Please send a copy of the reference authorization letter in the format shown on the next page to a representative sampling of listed contacts as references. Please also send a copy of the authorization letter to the System.

Appendix D: Fee Proposal

1. **Hourly Rates:** The System customarily receives discounted rates for outside legal services. With that in mind, provide the discounted hourly billing rates to be charged for each attorney and professional that you propose to assign to this engagement, as well as the normal hourly billing rates charged by each of those individuals. Also, provide a detailed explanation of any other charges or expenses to be assessed in relation to representation of the System.
2. **Flat Fee Structure:** The System is interested in a flat rate fee structure for routine work (e.g. partnership agreement review) to be performed by the selected firm. With that in mind, please propose a not-to-exceed fixed fee for legal services contemplated by the proposed engagement, clearly identifying the fee per project, which must include any and all costs, reimbursable expenses, or other charges to the System in connection therewith. Please include at least the following specific services:
 - a. NDAs/NRLs
 - b. Primary Fund (re-up)
 - c. Primary Fund (new)
 - d. Co-Investments
 - e. Secondary Projects (PSAs, GP transfers, etc.)
 - f. Separate Accounts
3. Explain how your firm's fee proposal in connection with this proposed engagement compares to your other clients' fee structures.
4. The fee proposal must expressly state that the proposed fees are guaranteed for the term of any resulting contract

Appendix E: Agreement for Investment Legal Services SAMPLE AGREEMENT

THIS AGREEMENT FOR LEGAL SERVICES (this “Agreement”) is made and entered into this ____ day of _____, 2018, by and between the Teachers’ Retirement System of the State of Illinois (the “System”), a retirement system established under and pursuant to the laws of the State of Illinois, and *[INSERT NAME/ADDRESS/LEGAL STATUS OF CONTRACTOR], a *[INSERT LEGAL STATUS OF CONTRACTOR] (“Contractor”).

WHEREAS, the System has need to obtain the legal services of attorneys with specialized legal skills; and

WHEREAS, Contractor is qualified to and has agreed to provide such legal services; and

NOW THEREFORE, the System and Contractor agree as follows:

Services: In accordance with the terms of this Agreement and any attachments hereto, the Request for Proposals issued August 15, 2018 (the “RFP”), and Contractor’s response to the RFP (the “RFP Response”), Contractor shall provide legal representation, advice, and services to the system as the need arises, upon authorization of the Executive Director, Chief Legal Counsel, or Chief Investment Officer. The System shall have the sole discretion to interpret any discrepancies or inconsistencies between this Agreement, the RFP, and the RFP Response, which interpretation shall be final.

Compensation:

- a) [AS AGREED]
- b) Such compensation shall include all normal business expenses, including all overhead expenses associated with Contractor's business, such as clerical time and overtime, telephone calls, tele-facsimiles, photocopying, and mailing expenses.
- c) Contractor will make every effort to assign the partner, associate or other professional with the lowest hourly billing rate within a given category to meet the System's legal needs, consistent with the degree of expertise and experience required by a particular project.
- d) In addition to the compensation provided above, the System shall reimburse Contractor for actual and reasonable out-of-pocket expenses directly attributable to performance of the services hereunder, which expenses may include travel, lodging, and meals during the period of travel.

Billing: Contractor shall submit monthly invoices to the System’s Chief Legal Counsel.

- a) The amount shown on the invoice shall be in accordance with the fee or rate schedule provided herein.
- b) The invoice shall be itemized, with a separate itemized total for each particular matter or category of matters being handled, listing the services performed by professional, by date, and by hours (or 1/10th hour fractions thereof) worked.
- c) The invoice shall also list out-of-pocket expenses incurred that have not been paid directly by the System. Where reimbursement of expenses is requested, copies of invoices substantiating Contractor's actual expenditures shall be enclosed with Contractor's invoice.
- d) Contractor shall perform its services and prepare its invoices in conformance with the *Billing Policy for Outside Legal Counsel*, a copy of which is attached to this Agreement and incorporated by reference as though fully set forth herein.
- e) By submitting an invoice, Contractor certifies that the professional services provided meet all requirements of the Agreement, that the amount billed is as allowed in the Agreement, and that any expenses billed are reimbursable under this Agreement.
- f) Invoices submitted by Contractor for professional services performed prior to July 1 must be presented to the System no later than July 15 of that year in order to ensure payment under this Agreement. Failure by Contractor to seek payment of invoices prior to July 15 may require Contractor to seek payment in the Illinois Court of Claims.
- g) Contractor shall not bill for any taxes unless accompanied by proof that TRS is subject to the tax. If necessary, Contractor may request the applicable Illinois tax exemption number and federal tax exemption information.

Payment: Payments will be paid in accordance with the Prompt Payment Act, 30 ILCS 540. Payment will be made in the amount earned to date of invoice, less previous partial payments. Final payment may be adjusted by the System if such adjustment is supported by a System audit. All recordkeeping shall be in accordance with sound accounting standards. TRS shall not be liable to pay for supplies or equipment provided or services rendered, including related expenses, incurred prior to the execution of this Agreement by all parties and the beginning of the term of this Agreement.

Term of the Agreement: The term of this Agreement shall begin on the date of execution and end on _____, unless earlier terminated in accordance with this Agreement. This Agreement may be extended at the System's option for additional periods upon execution of an amendment providing for such extension.

Amendment and Changes: This Agreement may be amended in writing from time to time by mutual consent of the parties. All amendments to this Agreement must be in writing and fully executed by the parties.

Applicable Law: This Agreement and Contractor's obligations and services hereunder are hereby made and must be performed in compliance with all applicable federal and state laws. This Agreement shall be construed and governed in accordance with the laws of the State of Illinois to the extent that such laws are not pre-empted by the laws of the United States of America. By entering into this Agreement, Contractor agrees to submit to the exclusive jurisdiction of the state and federal courts of Illinois and agrees that any action or proceeding against the System arising out of or in connection with this Agreement shall be instituted in the Illinois Court of Claims. The System shall not enter into binding arbitration to resolve any dispute arising out of this Agreement. The System does not waive sovereign immunity by entering into this Agreement.

Bankruptcy: Contractor shall promptly notify the System if Contractor becomes insolvent, files a petition in bankruptcy, becomes a party to an involuntary bankruptcy proceeding, or makes an assignment for the benefit of creditors. In such an event, the System may immediately cancel all or any portion of this Agreement upon written notice.

Certifications and Conflicts: Contractor certifies that it is not legally prohibited from contracting with TRS or the State of Illinois, has no known conflicts of interest, and further specifically certifies, on behalf of itself and its officers, employees, agents, affiliates, and subcontractors, as follows:

- a) **Educational Loan:** Contractor, in accordance with the Educational Loan Default Act, is not in default on an educational loan. **5 ILCS 385.**
- b) **Ethics:** Contractor acknowledge that employees and trustees of TRS are subject to the State Officials and Employees Ethics Act, that TRS has adopted a gift ban more restrictive than required by state law, and agrees to refrain from bestowing or offering gifts of any monetary or non-monetary value to TRS employees or trustees. Contractor agrees to complete ethics training upon request. **5 ILCS 430.**
- c) **Bribery:** Contractor has not been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other state, nor made an admission of guilt of such conduct that is a matter of record. **30 ILCS 500/50-5.**
- d) **Felony:** If Contractor has been convicted of a felony, at least five years has passed after the date of completion of the sentence for that felony, unless no person held responsible by a prosecutorial office for the facts upon which the conviction was based continues to have any involvement with the business. **30 ILCS 500/50-10.**
- e) **Sarbanes-Oxley:** If Contractor has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, 815 ILCS 5, at least five years has passed from the date of conviction. Contractor is not barred from being awarded a contract under 30 ILCS 500/50-10.5, and acknowledges that TRS shall declare this Agreement void if this certification is false. **30 ILCS 500/50-10.5.**
- f) **Debt Delinquency:** Contractor and its affiliates are not delinquent in the payment of any debt to the State, or if delinquent, have entered into a deferred payment plan to pay off the debt. Contractor further certifies that it is not barred from being awarded a contract under

30 ILCS 500/50-11, and acknowledges that TRS may declare this Agreement void if this certification is false, or if Contractor later becomes delinquent and has not entered into a deferred payment plan to pay off the debt. **30 ILCS 500/50-11; 30 ILCS ILCS 500/50-60.**

- g) **Illinois Use Tax:** Contractor is not barred from being awarded a contract under 30 ILCS 500/50-12, and acknowledges that TRS may declare this Agreement void if this certification is false. Contractor shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provisions of the Illinois Use Tax Act, and acknowledges that failure to comply can result in this Agreement being declared void. **30 ILCS 500/50-12.**
- h) **Environmental Protection:** Contractor has not committed a willful or knowing violation of the Environmental Protection Act (EPA) relating to civil penalties within the last five years, and is therefore not barred from being awarded a contract. If this certification is later determined to be false, Contractor acknowledges that the System may declare this Agreement void. **30 ILCS 500/50-14.**
- i) **Lead Poisoning:** Contractor is not in violation of the Illinois Procurement Code provision prohibiting owners of residential buildings who have committed a willful or knowing violation of the Lead Poisoning Prevention Act from doing business with the State until the violation is mitigated. **30 ILCS 500/14.5, 410 ILCS 45.**
- j) **Conflict of Interest:** Contractor does not have any public or private interest, direct or indirect, and shall not acquire directly or indirectly any such interest which does or may conflict in any manner with Contractor's obligations under this Agreement. Contractor has disclosed, and agrees it is under a continuing obligation to disclose to TRS, financial or other interests, public or private, direct or indirect, that may be a potential conflict of interest or which would prohibit Contractor from entering into or continuing to perform under this Agreement. Contractor further certifies that, in the performance of this Agreement, no person having any such interest shall be employed by Contractor. If any elected or appointed State officer or employee, or spouse or minor child of same has any ownership or financial interest in Contractor or this Agreement, Contractor certifies that it has disclosed that information to TRS, and any waiver of the conflict has been issued in accordance with applicable law and rule. Membership in the Teachers' Retirement System of the State of Illinois does not constitute a conflict of interest within the meaning of this paragraph. **30 ILCS 105/8.40, 30 ILCS 500/50-13, 30 ILCS 500/50-15, 30 ILCS 500/50-35.**
- k) **Inducement:** Contractor has not offered or paid any money or valuable thing to induce any person not to bid for a State contract, and has not accepted any money or valuable thing, or acted upon the promise of same, for not bidding on a State contract. **30 ILCS 500/50-25.**
- l) **Non-Solicitation:** Contractor has not employed or retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement, and has not paid or agreed to pay any company or person, other than a bona

vide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award of making of this Agreement.

- m) **Revolving Door:** Contractor is not in violation of the “revolving door prohibition” on procurement activity relating to a State agency. **30 ILCS 500/50-30.**
- n) **Anticompetitive Practices:** Contractor will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anticompetitive practice among any bidders, offerors, contractors, proposers, or employees of the State. **30 ILCS 500/50-40, 30 ILCS 500/50-45, 30 ILCS 500/50-50.**
- o) **Business Entity Registration:** Contractor certifies either: (a) it is not required to register or (b) it is registered as a business entity with the State Board of Elections pursuant to the Procurement Code, 30 ILCS 500/20-160 and acknowledges a continuing duty to update such registration pursuant to the Procurement Code. Contractor acknowledges that this Agreement is voidable under Section 50-60 of the Procurement Code if Contractor fails to comply with the business entity registration requirements. **30 ILCS 500/20-160; 30 ILCS 500/50-60.**
- p) **ERI:** Contractor has informed the System in writing if Contractor was formerly employed by the System and received an early retirement incentive prior to 1993 under 40 ILCS 5/14-108.3 or 16-133.3 of the Illinois Pension Code, and acknowledges that contracts made without the appropriate filing with the Auditor General are not payable from the “contractual services” or other appropriation line items. Contractor has not received an early retirement incentive in or after 2002 under 40 ILCS 5/14-108.3 or 40 ILCS 5/16-133.3 of the Illinois Pension Code, and acknowledges that contracts in violation of Section 15a of the State Finance Act are not payable from the “contractual services” or other appropriation line items. **30 ILCS 105/15a.**
- q) **Drug Free Workplace:** Contractor will provide a drug free workplace and will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of this Agreement. This certification applies to contracts of \$5,000 or more with individuals, and to entities with 25 or more employees. **30 ILCS 580.**
- r) **International Boycott:** Neither Contractor, nor any substantially owned affiliate, is or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or applicable regulations of the U.S. Department of Commerce. This certification applies to contracts that exceed \$10,000. **30 ILCS 582.**
- s) **Forced Labor:** In accordance with the State Prohibition of Goods from Forced Labor Act, no foreign-made equipment, materials, or supplies furnished under this Agreement have been or will be produced in whole or in part by forced labor, convict labor, or indentured labor under penal sanction. **30 ILCS 583.**

- t) **Child Labor:** In accordance with the State Prohibition of Goods from Child Labor Act, no foreign-made equipment, materials, or supplies furnished under this Agreement have been or will be produced in whole or part by the labor of any child under the age of 12. **30 ILCS 584.**
- u) **Bid Rigging/Rotating:** Contractor has not been convicted of bid rigging or bid rotating or any similar offense of any state or of the United States. **720 ILCS 5/33E-3, E-4.**
- v) **Nondiscrimination/Equal Employment Opportunity:** Contractor will comply with applicable provisions of the State and Federal constitutions, laws, and regulations pertaining to unlawful discrimination, harassment, and equal employment opportunity, including but not limited to the U.S. Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act, the Public Works Employment Discrimination Act, and the Illinois Human Rights Act. **42 USC 12101 et seq., 775 ILCS 5, 775 ILCS 10.**
- w) **Discriminatory Club:** Contractor does not pay dues or fees, or subsidize or otherwise reimburse its employees or agents for any dues or fees to any discriminatory club. **775 ILCS 25.**

Compliance with Law: Contractor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, federal circulars, and all license and permit requirements in the performance of this Agreement. Contractor shall, at all times during the term of this Agreement, maintain compliance with all applicable tax requirements and be current in payment of such taxes.

Confidential Data and Information: Contractor, including its personnel, agents, and subcontractors, may have access to, collect, or receive confidential data, member records, or other information owned or maintained by the System in the course of carrying out its responsibilities under this Agreement. The System hereby designates all information received or accessed pursuant to this Agreement as confidential unless otherwise designated in writing by the System. Contractor shall not unnecessarily communicate such data or information within Contractor's operations. No such data or information shall be used for competitive purposes nor disclosed or disseminated except as authorized by law and with the written consent of the System, either during the period of this Agreement or thereafter. Contractor must return all such data and information, in whatever form it is maintained, promptly at the end of the Agreement or earlier at the request of the System, or shall notify the System in writing of its destruction. The foregoing obligations do not apply to confidential data or information lawfully in the receiving party's possession prior to acquisition under this Agreement, received in good faith from a third party not subject to any confidentiality obligation, that is or becomes publicly known through no breach of confidentiality obligation, or that is independently developed by the receiving party without the use or benefit of the System's data or information.

Contact Person: Contractor's principal contact person for all services rendered hereunder shall be *.

Employment Status:

- a) Contractor, and all professionals who provide services pursuant to this Agreement, are not employees of the System and amounts paid pursuant to this Agreement do not constitute compensation paid to an employee of the System. The System assumes no liability for actions of Contractor or the professionals who provide services under this Agreement and this Agreement is not subject to the State Employee Indemnification Act, as amended, 5 ILCS 350.
- b) Contractor represents, warrants, and agrees that all professionals who provide services pursuant to this Agreement are partners or employees of Contractor, are treated as partners or employees of Contractor for tax reporting purposes, and are provided all benefits of such partnership or employment that are provided or accrue to Contractor's partners and employees, including, without limitation, health insurance, life insurance, disability insurance, workers' compensation, vacation, paid holidays, sick leave, and the like.

Entire Agreement: This Agreement, together with any exhibits or attachments hereto, constitutes the entire agreement between the parties concerning the subject matter of this Agreement, and supersedes all prior proposals and contracts between the parties concerning the subject matter of this Agreement. Any provision of this Agreement officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of a conflict between the System's and Contractor's terms, conditions, and attachments, the System's terms, conditions, and attachments shall prevail.

Execution of Originals: This Agreement may be executed in two or more counterparts, any one of which shall be an original without reference to the others.

FEIN Certification: Under penalties of perjury, Contractor certifies that the legal name of business, taxpayer identification number, and legal status listed below are correct.

Contractor's legal name of business: _____

Taxpayer Identification Number: _____

Legal status of business: _____

Tax classification: D = Disregarded Entity
[Check only if legal status is C = Corporation
a limited liability company] P = Partnership

Fiduciary: In addition to, but not in lieu of any and all applicable fiduciary standards imposed under federal or state law, Contractor is a fiduciary with respect to the System and Contractor shall perform its duties under this Agreement with the care, skill, prudence and diligence under the

circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in an enterprise of like character and with like aims.

Finder's Fee: Contractor certifies that no finder's fee or finder's commission, third-party placement, marketing, solicitor's, consulting, contingency fee, or any other consideration has been paid or shall be paid to any individual or organization, other than a bona fide employee working solely for Contractor, resulting from or related to this Agreement.

Inability to Perform: Contractor agrees that if, due to death, illness, departure, or any other occurrence, any principal or principals of Contractor become unable to perform the services set forth in this Agreement, neither Contractor nor the surviving principals shall be relieved of their obligations to complete performance hereunder. Contractor may substitute other professionals to perform such services only upon approval of the System. Contractor shall immediately notify the System of any occurrence resulting in the inability of any principal or principals of Contractor to perform the services set forth in this Agreement, in which event the System, at its own option, may immediately terminate this Agreement upon written notice to Contractor.

Indemnification and Liability: Contractor agrees to indemnify, defend, and hold harmless the System, its board members, trustees, officers, agents and employees, in both individual and official capacities, from and against any and all costs, demands, expenses, losses, claims, suits, damages, liabilities, settlements, and judgments, including in-house and contracted attorney fees and all expenses, arising out of (a) any breach or violation by Contractor of any of its representations, warranties, covenants, or agreements set forth herein, (b) any actual or alleged death or injury to any person, damage to any property, or any other damage or loss by whomsoever suffered, claimed to have resulted in whole or in part from performance hereunder, (c) any act, activity, or omission of Contractor or any of its employees, representatives, subcontractors, or agents. Neither party shall be liable for incidental, special, consequential, or punitive damages.

Independent Contractor: Contractor is an independent contractor in the performance of this Agreement, and is not an agent, employee, partner, or in joint venture with the System. All payments by the System shall be made on that basis. Contractor and its employees are not employees of the System and amounts paid pursuant to this Agreement do not constitute compensation paid to an employee of the System. All personnel performing services pursuant to this Agreement are employees of Contractor, are treated as employees of Contractor for tax reporting purposes, and are provided all benefits of such employment that are provided or accrue to Contractor's employees, including, without limitation, health insurance, life insurance, disability insurance, workers' compensation, vacation, paid holidays, sick leave, and the like. The System assumes no liability for actions of Contractor or its employees under this Agreement and this Agreement is not subject to the State Employee Indemnification Act, 5 ILCS 350.

Insurance: Contractor shall, during the term of this Agreement, maintain attorney malpractice insurance coverage sufficient to protect the interests of the System in its capacity as a client of Contractor. Such insurance coverage shall be applicable to Contractor and its partners, officers, and employees. When requested by the System, Contractor shall furnish the System with proof of its attorney malpractice insurance coverage.

License to Appear: Contractor, by signing this Agreement, warrants that all attorneys performing services pursuant to this Agreement shall be duly licensed to practice before any state or federal administrative or judicial forum, court or tribunal before which Contractor appears on behalf of the System. Contractor further represents and warrants that all attorneys performing services on behalf of the System that require a license to practice law, do now hold, and will continue to hold, at all times during the term of this Agreement, valid and active licenses to practice law as required under all applicable laws, rules, and regulations of the State of Illinois. Contractor further represents and warrants that neither Contractor, nor any attorneys performing services pursuant to this Agreement, are involved in any disciplinary action concerning their licensure to practice law. Contractor shall, during the term of this Agreement, immediately notify the System of any change in the status of the licensure of any attorneys performing services under this Agreement, or of the initiation of any disciplinary action concerning any attorneys performing services under this Agreement.

Nonexclusive Agreement: Contractor understands, acknowledges, and agrees that Contractor does not have an exclusive agreement with the System to provide the professional services hereunder, and that the System may engage others to provide the same or similar goods and/or services without any obligation to Contractor.

Notices: Notices and any other communication provided for herein shall be given in writing to the contacts designated below by registered or certified mail, return receipt requested, by receipted hand delivery, by courier (UPS, Federal Express, or other similar and reliable carrier), by email, or by fax showing the date and time of successful receipt. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either party may change the following contact information:

Contractor: Company Name
 Attention:
 Mailing Address
 City, State, Zip Code
 Phone:
 Fax:
 Email:

TRS: Teachers' Retirement System of the State of Illinois
 Attention: Heidi Darow, Purchasing Officer
 2815 W. Washington St., P.O. Box 19253
 Springfield, Illinois 62794-9253
 Phone: 217-814-2049
 Fax: 217-753-0969
 Email: purchasing@trsil.org

No Waiver: Except as specifically waived in writing, failure by either party to exercise or enforce a right or obligation under this Agreement shall not affect any subsequent ability to exercise or enforce a right or obligation.

Other Representation:

- a) Contractor agrees that it shall not represent any labor union, labor organization, professional association, collective bargaining unit, or any individual members or officers of such entities, in any dispute with the System, including, without limitation, any administrative review or court proceeding. Contractor is not precluded from representing such entities and/or any members or officers of such entities in matters concerning benefits administered by the System, so long as such matter does not concern a dispute with the System. In the event that such matter should evolve into a dispute with the System, Contractor agrees to immediately withdraw its representation of the entity and/or any affected member or officer of such entity.
- b) Contractor shall caution its partners not to take positions publicly that disparage public education generally or teachers' unions specifically.
- c) Contractor certifies that this certification shall remain true and accurate throughout the term of this Agreement. Should any portion of this certification become untrue or facts or circumstances about Contractor change so as to create an actual, potential, or apparent conflict of interest or appearance of impropriety, Contractor shall immediately disclose such to the System in writing, and will take steps to address the concerns of the system. Contractor also agrees to disclose all conflicts and potential conflicts as required by the relevant standards of professional conduct governing attorneys in the jurisdiction where Contractor is located.

Ownership of Documents:

- a) All written or electronic documents, data and records produced by Contractor specifically and exclusively for the System in carrying out Contractor's obligations and services hereunder, without limitation and whether preliminary or final, shall become and remain the property of the System.
- b) The System shall have the right to use all such documents, data and records without restriction or limitation and without compensation to Contractor and Contractor shall have no right or interest therein.
- c) Upon completion or termination of this Agreement, all such documents, data, and records shall, at the option of the System, be appropriately arranged, indexed and delivered to the System by Contractor.
- d) Any written or electronic documents, data and records given to or prepared by Contractor under this Agreement shall not be made available to any individual or organization by Contractor without prior written approval of the System. Any information secured by Contractor from the System in connection with carrying out the services provided under this Agreement shall be kept confidential unless disclosure of such information is approved in writing by the System.

Record Retention – Right to Audit: Contractor and its subcontractors agree to comply with Section 20-65 of the Illinois Procurement Code, 30 ILCS 500/20-65, and shall maintain adequate books and records relating to the performance of this Agreement and necessary to support amounts charged to the System under this Agreement. Books and records, including information stored in databases or other computer systems, shall be maintained by Contractor and its subcontractors for a period of three years from the later of the date of final payment under the Agreement or completion of the Agreement. Such three-year period shall be extended for the duration of any audit in progress at the time of that period's expiration. Such books and records shall be available for review or audit by the Auditor General, other governmental entities with monitoring authority, and the System, upon reasonable notice and during normal business hours. Contractor and its subcontractors shall cooperate fully with any such review or audit. Failure to maintain such books and records shall establish a presumption in favor of the System for the recovery of any funds paid by the System under this Agreement for which adequate books and records are not available. Contractor shall not impose a charge or pass on fees or costs for review or audit of such books and records. Contractor shall take reasonable steps to ensure that its subcontractors are in compliance with this section.

Severability: Any provision, covenant, or condition of this Agreement which is held by a court of competent jurisdiction to be invalid or not enforceable in any jurisdiction, shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Subcontracting and Assignment:

- a) This Agreement may not be assigned or transferred in whole or in part without a written amendment duly executed by both parties.
- b) If Contractor intends to utilize one or more subcontractors in performance of this Agreement, Contractor shall provide prior written notice to the System identifying the names and addresses of all such subcontractors to be utilized by Contractor in the performance of this Agreement, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor will receive from Contractor for such work. This Agreement shall apply to and bind all subcontractors utilized by Contractor in the performance of this Agreement as fully and completely as Contractor is hereby bound and obligated. For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the Agreement.

Termination:

- a) This Agreement may be terminated at any time by the mutual consent of the System and Contractor.

- b) Either party may, without the consent of the other party, terminate this Agreement upon 15 days' prior written notice to the other party.
- c) Notwithstanding any contrary provision in this Agreement, this Agreement may be terminated at the option of the System whenever the System determines that such termination is in its best interests, upon 15 days' prior written notice to Contractor.
- d) Upon notice of termination, Contractor shall cease work under this Agreement except work that TRS directs in writing to be completed, and take all necessary or appropriate steps to limit disbursements and minimize costs, and cooperate in good faith with TRS during the transition period between notification of termination and substitution of any replacement contractor. Contractor shall be entitled to payment for satisfactory supplies, equipment and/or services provided under the Agreement. In the event the System and Contractor cannot agree to the amount of payment due Contractor, Contractor will receive a percentage of payment provided under the Agreement equal to the percentage of work completed prior to termination of the Agreement. Contractor shall immediately return to TRS any payments for supplies, equipment, or services that were not rendered by Contractor.
- e) Termination of this Agreement shall not relieve either party of any obligations hereunder which were incurred prior to the date upon which the termination is effective.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the dates below.

[SIGNATURE BLOCK]

Billing Policy for Outside Legal Counsel

This policy applies to outside counsel providing legal services to the Teachers' Retirement System of the State of Illinois (TRS or the System).

1. The attorney or law firm (the Firm) will perform work only as authorized by the TRS Executive Director of Office of the General Counsel. Authorization may be written or oral.
2. To the extent possible, all charges incurred in a given month should be reflected in the Firm's bill for that month. The bill must be itemized, and all work charged to the appropriate matter or matters in increments of 1/10th of an hour. All matters should be billed according to the following categories:
 - General
 - Litigation (designated by case name for pending lawsuits)
 - Real estate
 - Private market
 - General investment
 - Employment
 - Tax/benefits
3. No billing rate or fees will be charged that exceed the rates or fees agreed to in the Agreement for Legal Services between the System and the Firm. The Firm will not raise its billing rates or fees for at least the term of the Agreement for Legal Services, absent express prior written authorization from the System's Executive Director.
4. The Firm will assign to each matter or discrete assignment within a matter those attorneys or professionals having the requisite skill and experience to perform the assigned tasks. The Firm will assign the attorney or other professional who has the lowest hourly billing rate consistent with the System's needs. The Firm should avoid billing TRS for time required for an attorney to become competent in a subject area, but should also avoid billing TRS at a higher rate for a senior attorney to perform the same work that could competently be performed by a more junior attorney.
5. The Office of the General Counsel will be kept apprised of all TRS-related work that the Firm is performing. Upon request, the Firm will provide the Office of the General Counsel semi-annually with a written status report regarding all System matters handled by the firm during the past six months. The Firm may also be requested to provide periodic oral or written status reports as needed.
6. The Firm will provide the Office of the General Counsel with copies of work plans, status reports, and budgets provided to the System's real estate managers in connection with work that the Firm is performing pursuant to the centralized legal counsel arrangement as established in the Legal Service Policy of the System's Investment Management Agreement with its real estate investment managers. However, the Office of the General Counsel does

not wish to receive copies of routine documentation exchanged with the investment managers.

7. The Firm may be requested to provide a general work plan regarding a particular matter as to:
 - The desired outcome or, where applicable, the nature and extent of ongoing services
 - The likelihood of achieving, compromising, or losing the desired outcome
 - The type of anticipated work product
 - Expert consultant or witness services, and the fees for such services
 - Estimated budget
8. Travel will not be undertaken without pre-approval, except in cases of urgent necessity where advance consultation is not feasible. In such cases the Firm will give the Office of the General Counsel a report and explanation of the circumstances necessitating the travel.
9. TRS will not be billed for administrative expenses that are part of the Firm's normal operation. An exception may be made if the nature or time constraints of the assignment have actually obliged the Firm to incur above-normal costs. In such cases the reason for adding the administrative expense to the legal bill will be identified on the bill.
10. TRS will not be billed for overtime or expenses related to working overtime.
11. TRS will not be billed on a cost-plus basis but rather will be billed for the actual cost of charges such as expert witness or consultant fees, outside vendor copy costs, court reporter services, Internet connections, messenger services, computer-aided legal research, and similar charges.
12. TRS will not be billed for any unsolicited legal services or for time spent in preparing any proposal for legal services.