December 21, 2007

SOLICITATION FOR PROPOSALS
For a Real Estate/Real Assets Fund of Funds

You are invited to submit proposals in accordance with the requirements of this solicitation, contained herein, to provide a diversified Real Asset Fund of Funds to the Oklahoma Firefighters Pension and Retirement System (the System). The System is seeking a strategy that invests primarily in value added and opportunistic real estate funds and other real asset funds; this portfolio will be a component of the System's Real Estate Allocation. Respondents to this proposal are required to comply with the bid procedures as set forth in this solicitation pursuant to the Competitive Bid Standards attached hereto as Appendix A. Failure to comply with the bid procedures may render the bid invalid. Proposals 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

This solicitation does not commit the System or the State of Oklahoma to award a contract, or contracts, to pay any costs incurred in the preparation of a proposal, or to procure or contract for goods or services. The System reserves the right to accept or reject any or all proposals received as a result of this solicitation, to negotiate with all qualified respondents, to cancel in part or in its entirety this proposal if it is in the best interest of the System to do so, or to award all, part or none of this contract or contracts. The contract or contracts will be awarded by the Oklahoma Firefighters' Pension and Retirement Board (the State Board) from a list of qualified respondents.

The System will not hold a pre-bid conference. The System will respond to questions that are presented in writing. These questions will be consolidated into a single Q & A document, which will be distributed upon written request. Potential respondents do not have to submit questions to receive the completed Q & A sheet. Questions are due on the date specified on Appendix C, and may be faxed to 405-522-4643. The Q & A sheet will be returned on or about the date specified in Appendix C. Responses received after this date and time will not be considered. Three ring binders are discouraged. **In addition, please transmit an electronic version of the response to this solicitation to Joe Nugent of Asset Consulting Group at joe.nugent@acgnet.com** Failure to transmit an electronic version of the response to this solicitation will cause the response to not be considered in the awarding of a contract or contracts. The System hopes to have an engagement date prior to June 1, 2008. A timeline is discussed in Appendix C. The timeline set forth in Appendix C is subject to change at the sole option of the State Board. **An electronic version of the questionnaire may be requested by e-mail at dmichael@oklaosf.state.ok.us**. A PDF version of this solicitation will be posted on the System's website at www.okfirepen.state.ok.us.

SECTION I - INTRODUCTION AND BACKGROUND

A. Legal Authorization The System 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. The System's statutory investment authority is set forth in 11 0. S. Section 49-100.9.

B. State Board The System is administered by the State Board. The State Board is comprised of thirteen (13) members including the 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 member (1) appointed by the Speaker of the House of Representatives, one (1) member appointed by the President Pro Tempore of the Senate, and two (2) members appointed by the President of the Oklahoma Municipal League. **The members of the State Board shall not be contacted directly by respondents (see Paragraph 9 of the Competitive Bid Standards in Appendix A)**.

C. Administrative Support The System 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 the System. The Executive Director reports transactions and investment developments to the Investment Committee of the State Board as directed by the State Board. The Executive Director is Robert Jones, and the Assistant Executive Director is Herb Bradshaw.

The current master custodian is State Street Bank and Trust Company, Boston, Massachusetts. The investment consultant is Asset Consulting Group, St. Louis, Missouri.

D. Actuarial Condition The System's actuary is Buck Consultants, Dallas, Texas. The July 1, 2007 actuarial valuation reported the actuarial value of assets at $1.717 billion and actuarial accrued liability of $2.785 billion. Actuarial assets as a percent of actuarial accrued liabilities are calculated at 61.6%.

E. Investments The System is charged with the duty of administering the investment of approximately $1.9 billion, which represents the total pension funds of all the eligible firefighters in the State of Oklahoma. The System currently uses only external fund managers. The current asset allocation target is 30% domestic large cap equity, 10% long/short equity, 12.5% domestic small cap equity, 12.5% international equity, 20% domestic fixed income, 7.5% low volatility hedge funds, and 7.5% real estate.

SECTION II - QUALIFICATIONS OF THE BIDDER

A. It is desirable, but not a minimum requirement, that the investment firm have in excess of $100 million invested in Real Estate.

B. It is expected that the investment management firm be a Registered Investment Advisor with the Securities and Exchange Commission.

SECTION III - DUTIES AND RESTRICTIONS ON THE MANAGER

A. The selected Manager will provide, at a minimum, the following services:

1. Quarterly reports for the most recent quarter. Reports will be furnished in quantity sufficient for the needs of the State Board and staff. Portfolio performance will be shown both gross and net of the investment manager fees.

2. The investment manager will attend two regularly scheduled monthly meetings of the State Board a year. The selected investment manager will be notified of the dates they are to attend.

3. The investment manager will report directly to the State Board and the Executive Director of the System. However, the investment manager will also be responsible for maintaining direct communication with the System's staff, investment consultant, and master custodian.

SECTION IV - PERIOD OF CONTRACT

The contract or contracts to be awarded are anticipated to be for the fiscal year beginning July 1, 2007. The contract or contracts will further provide for four additional annual renewals upon mutual agreement between the System and the investment management firm. The State Board and the investment manager reserve the right to terminate the contract or contracts upon 30 days notice, with or without cause.

SECTION V - SUMMARY

A. The amount to be allocated to the selected manager is expected to be between $20,000,000 and $50,000,000.

B. Please complete and submit the attached questionnaire (Appendix B).

C. Please submit a sample copy of your contract.

D. Any firm selected to make a formal presentation to the State Board should have the person lead the presentation that will be the primary investment manager contact to the System. Responsible persons who will be assigned to the System's account are encouraged to attend the presentation.

E. The State Board reserves the right to request additional information from any respondent and to accept or reject any or all bids without specifying the reasons for its actions. The State Board reserves the right to request additional bids. The selection of investment managers for state retirement systems is specifically exempt from the Oklahoma Competitive Bidding Act. Further, the State Board specifically reserves the right to negotiate for lower fees at any time with any respondent.

F. The State Board also reserves the right to award all, part or none of this contract or contracts. The State Board may elect to select more than one investment manager and to divide the duties set forth herein between the selected investment managers. The State Board has the discretion and may select an investment manager(s) for any other authorized asset allocation or investment category, as the State Board deems necessary.

G. This solicitation and the response to this solicitation by the successful firm or firms will become a part of the investment manager contract or contracts with the System.

H. Please submit three (3) copies of your response to the accounting firm of Finley & Cook, at the return address listed on page one (1) of this solicitation. In addition, please submit one (1) copy of all materials to our investment consultant, Asset Consulting Group, Inc. Materials should be submitted via e-mail to Joe Nugent of Asset Consulting Group at joe.nugent@acgnet.com.

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 of Trustees shall approve all solicitations of proposals issued by the Oklahoma Firefighters' Pension and Retirement System (the System).

2. Respondents to a proposal shall comply with the bid procedures set forth in the solicitation of 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 the System's independent certified public accountant that will verify to the Board of Trustees whether the solicitation is in compliance with these standards.

5. A solicitation does not commit the Board of Trustees 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 of Trustees 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 of Trustees, or to cancel in part or in its entirety a solicitation if it is in the best interest of the System to do so.

7. The Board of Trustees 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 of Trustee, as determined by the Chairmen of the Board of Trustees. The Executive Director and other persons or organizations shall present the evaluations and recommendations to the Board of Trustees.

9. a. During the process leading to an award of any contract by the System, no member of the Board of Trustees 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 request for proposal or other solicitation invitation, or (2) part of a noticed board meeting, or (3) as provided in subsection c. of this section. Any bidder 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 solicitation of 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 of Trustees 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 of Trustees 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 of Trustees, prior to the Board's action on the proposal. The Board of Trustees 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 of Trustees 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 of Trustees 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 the System or its business, or the Board of Trustees or staff member's role as a System official.
(2) Communications that do not involve the System or its business and are within the scope of the Board or staff member's private business or public office wholly unrelated to the System.

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

a. Bidder'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 bidder'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 bidder's ability to commit capable staff to support the project requested by the proposal.

d. Cost effectiveness and reasonableness of bidder's fees.

Appendix B
Real Assets Fund-of-Funds Manager Questionnaire

Company Name: _____
Product Name: _____
Contact: _____
Address: _____
Telephone: _____
Fax: _____
Email Address: _____

Please answer all the questions below. IN ADDITION - PLEASE COMPLETE EACH TAB IN THE ATTACHED EXCEL SPREADSHEET.

Real Estate RFI - FoF.xls

SECTION I: ORGANIZATION
Organization and Investment Experience

1. **Please provide a brief history of your organization including how long your firm has been in business under its present name and principal ownership. The description should concentrate on the management of tax-exempt funds for U.S. clients. Include date of SEC registration and an explanation of the ownership structure of your firm and that of the parent or joint venture partner, if applicable.**

2. **Describe any changes in the structure of the firm over the past ten years.**

   a. **Are there any structural changes contemplated?**

   b. **Briefly outline your business plans including succession plans.**

   c. **Identify specific owners who own more than 15 percent of your firm.**

3. **Is your firm considered a minority or woman-owned business? If yes, please explain.**

4. **Is the firm registered with any regulatory agency, such as the SEC, CFTC or any foreign regulatory authority?**

   a. **Provide a copy of the most recent disclosure statement (e.g. ADV Part I and Part II) required by any regulatory agency (or agencies) with which the firm is registered, such as the SEC, CFTC or state agencies.**

   b. **Provide a summary of any regulatory issue, investigation, sanction or similar matter the firm had during the last five years.**

c. **State whether, during the last five years, any regulatory 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. Please describe the actions taken to correct any deficiencies.**

5. **Provide a description of any material litigation involving the firm or any of its principals during the last five years, including the nature of the litigation, the parties, the court, cause number and the current status.**

6. **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.**

7. **Do you have a disaster recovery plan or contingency plan in place for unforeseen operational or personnel emergencies? If yes, please provide a copy of such plan.**

8. **Please provide a representative client list for clients invested in the proposed strategy/vehicle and at least five client references.**

9. **List all other directly related offices, the opening date of the office(s), and indicate whether the office(s) is used for portfolio management, research, marketing and/or client servicing.**

10. **Describe the levels of coverage for SEC-required (17g-1) fidelity bonds, errors and omissions coverage and any other fiduciary coverage that your firm carries. List the insurance carriers supplying the coverage and the coverage amount.**

11. **Type of Firm: (Check one.)**

____ Bank/Trust Co.
____ Bank Affiliate
____ Merchant Bank Affiliate
____ Investment Bank Affiliate
____ Broker
____ Broker Affiliate
____ Joint Venture
____ Limited Partnership
____ Group Trust
____ Insurance Company
____ Insurance Company Affiliate
____

12. **Month/Year: (Complete all that apply.)**

Founded Firm	Founded Parent	Began Managing Real Estate Commingled Funds	Began Managing Real Estate Separate Accounts	Began Managing Real Estate Assets

13. **Ownership Structure: (Check one.)**

_____ Publicly Owned
_____ Partnership
_____ Employee-Owned
_____ Other:

14. What percent of the investment professionals are owners or partners?

a. Who owns the balance of the firm?

b. Have there been any changes in the ownership structure of your firm in the last ten years?

_____ Yes _____ No

If yes, in which year did this change occur? Describe the nature of the change.

c. If your firm is an affiliate/subsidiary of a larger organization, what percent of the parent's total revenue was generated by your organization?

2007: 2006: 2005: 2004:

15. If your firm is an affiliate/subsidiary of a larger organization or a joint venture partner with another organization, describe the method of communication and quality control between the two organizations. Define the specific responsibilities of each of the parties.

16. Does your firm or parent company run or have an interest in a securities brokerage firm?

_____ Yes _____ No

17. Does your firm or parent company run or have an interest in a real estate brokerage firm?

_____ Yes _____ No

18. Describe your firm's business plan for the next three years; please be very specific.

a. What product(s) is your firm emphasizing?

b. How will new and existing resources be allocated?

c. Will a limit be placed on the total value of assets managed, employee count and/or the number of accounts for the total firm, individual portfolio manager or the commingled fund products?

d. How is growth being managed at the firm so as not to impair your ability to provide performance results, portfolio administration and client servicing?

19. Describe any potential conflicts of interest your firm may have in the management of this account.

SECTION II: PERSONNEL

1. List all key individuals responsible for the investment management process of the proposed product (see attached Excel spreadsheet Exhibit A). Indicate their names, titles, number of years with the company, number of years in the position and the total number of years in the investment management industry. Also include a brief biography on the portfolio managers. *Specifically identify the key manager(s) who are dedicated to the proposed product*

2. Are investment professionals and/or other firm employees allowed to invest in this strategy? If so, please provide the total amount invested by the firm and/or its employees in this strategy.

3. Indicate the turnover (number of people) that occurred in your total investment staff during the past five years. (See attached Excel spreadsheet Exhibit A)

4. What is your firm doing to ensure organizational stability of investment professionals? Please be specific and include a discussion of compensation structure.

5. What is the total number of investment professionals dedicated exclusively to managing the proposed product?

6. What is the total number of research professionals dedicated exclusively to the proposed product?

7. What is the total number of employees dedicated exclusively to the proposed product?

SECTION III: INVESTMENT OPERATIONS/ASSETS UNDER MANAGEMENT

1. Please indicate the number of Open-ended vs. Close-ended funds your firm has under management as of the date of the most recent quarter-end. (See Excel Attachment Exhibit B)

2. Provide a breakdown of <u>all</u> Separately-Managed Accounts under management as of the most recent quarter-end. (See Excel Attachment Exhibit B)

3. Provide a breakdown of all Commingled Funded Accounts under management as of the most recent quarter-end. (See Excel Attachment Exhibit B)

SECTION IV: PROPOSED FUND(S)

1. For the responding fund please complete all parts of Section IV. If you are proposing more than one fund, please complete an entire section IV for each proposed fund. Please indicate for what type of clients this product is suitable (ie. taxable individuals, non-taxable institutional, etc).

Size of Fund	_____	Inception Date	_____
Gross Market Value	_____	Number of Participants	_____
Net Market Value	_____	Number of Investments	_____
Cash & Short-term Investments	_____	Avg. Annual Asset Turnover Ratio: 3-Year	_____
Uninvested Commitments	_____	5-Year	_____
	_____		
Return Target	_____		_____
Since Inception Return: Gross	_____	Net	_____
Suitable Client Type(s)	_____		

2. **Please indicate the diversification ranges for this fund and the most recent prior fund. Targets for each section should total 100%. (Please use Excel Attachment provided - Exhibit C)**

3. **Please attach a summary of your investment strategy and philosophy.**

4. **Describe your firm's back-up procedures in the event the key investment professional assigned to this account should leave the firm or be transferred to other accounts or duties.**

5. **Portfolios are managed by a(n): (Check only one)**

   ___ Team ___ Dedicated Team ___ Individual portfolio manager ___ Portfolio mgr. W/back-up

6. **Specifically address the following as they relate to this strategy's construction process:**

   a. **<u>Research Process</u>: Include a discussion of the sources of your research (internal and external), the number of professionals dedicated to real estate research at the firm, where research is conducted and biographies of the key research professionals.**

   b. **<u>Key Decision-Makers</u>: Detail at each stage of your decision making/portfolio construction process who the key professionals are. Specifically identify all members of the investment committee, the frequency with which they meet and whether or not decisions are made by majority vote, unanimous consent, etc.**

   c. **<u>Risk Management</u>: Give a detailed explanation of how your firm defines, monitors and controls risk?**

   d. **<u>Competing Strategies & Allocation Process</u>: How does your firm deal with competing strategies from other separate accounts or vehicles with a similar strategy? Detail the allocation process your firm has in place.**

   f. **<u>Sell Discipline</u>: What is your firm's hold/sell policy?**

g. Valuation and Appraisal Process: Describe the valuation policy and process for this account. Also, include a written copy of the official valuation policy for the proposed strategy.

h. Economic Diversification: How does your firm view economic diversification as it relates to this account? Please attach any supporting analysis as it relates to the diversification of this account.

i. Asset Management: Please detail your asset management process.

j. Availability: Is the fund able to accept new investments at this time? If not, when would you expect to be able to accept funds?

k. Sourcing: Please provide an overview of your deal sourcing capabilities including a specific discussion of historical deal sources (brokers, firm network, auction vs. non-auction, etc.) and any proactive sourcing efforts that you pursue.

7. Please describe the liquidity of this fund. Is there a lock-up period? How much notice is required for an exit from this fund? Is there a current queue to enter or exit the fund? If applicable, please describe the longest queue to enter or exit the strategy since inception. What were the causes?

8. Please indicate sources used in determining your recommendations including research, your firm's market access networks and any competitive advantages your firm may enjoy.

9. What is the maximum leverage you can employ in this strategy? What is the present leverage employed in this strategy? What is the target leverage employed in this strategy? What has been the historical leverage employed since inception? What is (are) the purpose(s) of leverage in this strategy?

10. Has the strategy employed or is the strategy allowed to employ currency hedging or derivatives transactions? If so please describe the policy in detail.

SECTION V: PERFORMANCE

1. Please provide historical rate of return information by quarter for each fund detailed in Section IV. Be sure to include a hard copy and an electronic file using the format in the provided Excel File. (Exhibit D).

SECTION VI: FEES

1. Please provide the fee structure for the proposed fund(s).

   a. Management Fee:

   d. Incentive Fee:

   e. Other Fees (Describe):

SECTION VII: REFERENCES

1. **Please provide three (3) U.S. tax-exempt plan sponsors your firm provides real estate management services to. Please provide the name, addresses, telephone number, size of the account, and dates the accounts commenced.**

2. **Please provide three (3) U.S. tax-exempt plan sponsors that terminated your firm's proposed strategy or fund. Please provide the name, addresses, telephone number, size of the account, and dates the accounts commenced and ended.**

Appendix C

Timeline for Receipt of Proposals

1.	State Board approves solicitation for proposals	December 21, 2007
2.	Solicitation for proposals mailed	January 3, 2008
3.	Questions submitted by potential respondents	January 17, 2008
4.	Q&A sheet mailed	January 24, 2008
5.	Responses received	February 21, 2008
6.	Finalists selected by State Board	March 21, 2008
7.	Selection by State Board	April 18, 2008