

**NOTICE
SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG)
REQUEST FOR PROPOSALS**

CONTRACT NUMBER(S): 5000838

I. RFP SUMMARY

Service Requested:	Investment Management, Advisory, and Reporting Services
Contract Type:	Task Orders
Number of Contracts:	One (or more)
Amount:	\$3,000,000
Duration:	Four (4) years with up to three (3) additional two-year options to renew; ten (10) years maximum
Payment Method:	Annual/monthly retainer or fee per transaction basis, or other combinations and options may be considered.
Deadline for Questions Regarding this RFP:	July 24, 2009 (Friday)

**RFPs DUE:
4:00 p.m.
July 31, 2009 (Friday)**



401 B Street, Suite 800 • San Diego, CA 92101-4231 • (619) 699-1900

SANDAG
CONSULTANT/CONTRACTOR INFORMATION FORM

(PROPOSER TO COMPLETE AND RETURN FORM WITH PROPOSAL)

Name of Company: _____

Address: _____

Legal Status (i.e., Sole Proprietorship, Partnership, Corporation):

Federal Tax I.D. Number: _____

Consultant Authorized Signature for Agreement:

Contact Name: _____

Contact Title: _____

Phone: ____ (____) _____ Fax: ____ (____) _____

E-mail: _____

Consultant Point of Contact for SANDAG Project Manager:

Contact Name: _____

Contact Title: _____

Phone: ____ (____) _____ Fax: ____ (____) _____

E-mail: _____

Is your company a Certified Disadvantaged Business Enterprise (DBE)?:

☐ Yes ☐ No

Will your company be utilizing Certified Disadvantaged Business Enterprise (DBE) firm(s) under this agreement?

☐ Yes ☐ No

REQUEST FOR PROPOSALS FOR

INVESTMENT MANAGEMENT, ADVISORY, AND REPORTING SERVICES

I. INTRODUCTION

Thank you for your interest in contracting opportunities with the San Diego Association of Governments (SANDAG). SANDAG is a regional government agency, whose Board of Directors also serves as the governing body of the San Diego County Regional Transportation Commission (Commission), which receives a one half cent sales tax (*TransNet*), is seeking proposals from qualified firms to provide investment management, advisory and reporting services for its portfolio. In addition, SANDAG's non-profit public benefit corporation, SourcePoint, and the Automated Regional Justice Information System (ARJIS), for which SANDAG serves as the Administrator under a Joint Powers Agreement, are component units of SANDAG that also may need investment management, advisory and reporting services. This Request for Proposals (RFP) describes the project, the required scope of services, the consultant selection process, and the minimum information that must be included in the proposal. Failure to submit information in accordance with the RFP requirements and procedures may be cause for disqualification.

II. BACKGROUND

SANDAG is a legislatively created regional government agency that serves as a technical and informational resource for the area's 18 incorporated cities and the county government, who collectively are the "Association of Governments." Through this association, local governments work together to solve current problems and plan for the future. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, and provides information on a broad range of topics pertinent to the San Diego region's quality of life.

SANDAG is governed by a board of directors composed of mayors, councilmembers, and two county supervisors representing the region's 19 local governments. Current members include all the incorporated cities in the region – Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, and Vista – and the County of San Diego.

Supplementing the voting members are advisory representatives from Imperial County, the California Department of Transportation (Caltrans), the Metropolitan Transit System (MTS), the North County Transit District (NCTD), the U.S. Department of Defense, the San Diego Unified Port District, the San Diego County Water Authority, Tribal Governments, and Baja California, Mexico.

SANDAG conducts regional planning on matters such as growth management, transportation, environmental management, housing, open space, air quality, energy, fiscal management, economic development, and criminal justice. In addition, SANDAG is authorized to operate the FasTrak managed lane system on Interstate 15 and collect a half cent transaction and use tax in San Diego County that is used to construct highway, transit, and other types of transportation projects.

III. PROJECT SUMMARY

A. Project Background

As of March 31, 2009, the SANDAG portfolio balance was \$602,163,861, including debt issuance proceeds of \$348,669,283. The portfolio size fluctuates throughout the year primarily depending on the timing of *TransNet* receipts and *TransNet* expenditures, including payments to subrecipient agencies for projects and debt-service principal and interest payments. The major disbursements of SANDAG are *TransNet* payments to other governmental agencies in the San Diego region, distributions to public transportation operators for prepaid fare media collections, payments to vendors for services for Overall Work Program (OWP) and capital projects, and *TransNet* debt-service principal and interest payments. The major receipts are *TransNet* sales tax receipts, federal and state grant receipts, public transportation prepaid fare media sales, and Transportation Development Act receipts.

SANDAG's Comprehensive Annual Financial Report (CAFR) may be obtained at www.sandag.org/uploads/publicationid/publicationid_1410_9114.pdf. A listing of the portfolio as of March 31, 2009, is attached hereto as RFP Attachment 10. SANDAG's investment policy (Board Policy No. 003) is attached hereto as RFP Attachment 11.

B. Brief Project Description

SANDAG will select firm(s) (the "Investment Manager") most qualified to manage SANDAG's investment portfolio using a discretionary approach with the ability to execute investment strategies while being held accountable for adherence with SANDAG's investment goals of safety, liquidity, and return. Accordingly, the Manager will be expected to monitor and report on market conditions and react to changing SANDAG circumstances and/or objectives.

C. Fee Estimate

The estimated fee for the maximum 10-year term of this Agreement is up to \$3,000,000 and will vary with the percentage of investments managed. This project is not included in the annual Overall Work Program and Program Budget.

D. Duration of Agreement

1. The proposer(s) who is awarded the contract for this Project will be authorized to perform work pursuant to individually negotiated task orders issued in accordance with the terms of SANDAG's Standard Services Agreement – RFP Attachment 10. The contract awarded will consist of the base period of four (4) years, with the potential of up to three (3) additional two-year extensions. Based upon satisfactory

performance, availability of funds, and other factors, SANDAG may authorize Consultant(s) to perform services under the Agreement for a total of up to ten (10) years.

2. SANDAG may utilize the firm(s) selected to serve SANDAG in varying investment advisory needs. SANDAG makes no guarantee regarding the amount of work to be performed under the resulting contract.

E. Payment

In the past, the selected consultant was paid monthly, in arrears, based on the level of assets under management. The cost estimate provided by proposers will be used during contract and task order negotiation to determine the amount, timing, and method of payment.

IV. SCOPE OF REQUIRED SERVICES

A. Project Description

A detailed Scope of Work is included in RFP Attachment 2.

B. Project Schedule

The period of performance and delivery dates will be established with each task order.

V. GENERAL QUALIFICATION

The selected Manager shall be a Registered Investment Advisor as defined and regulated by the Securities and Exchange Commission (SEC) and be registered in the State of California. See Section VII for a description of required documentation.

VI. GENERAL PROPOSAL REQUIREMENTS

A. General

1. The proposal should be concise, well organized, and demonstrate the proposer's qualifications and experience applicable to the project. The proposal shall be limited to 25 one-sided pages (8.5 inches x 11 inches), inclusive of graphics, pictures, and photographs, exclusive of resumes, dividers, front and back covers, cover letter, and letters of commitment from subconsultants or DBE documentation. Resume for each of the key personnel should be limited to two (2) pages. Type size (minimum 10 point) and margins for text pages should be in keeping with accepted standard formats for desktop publishing and processing and should result in no more than five hundred (500) words per page.

2. The written proposal must include a discussion of the proposer's approach to the project, a breakdown and explanation of project tasks, an estimate of costs and documentation of the firm and consultant's qualifications for the scope of work. **All cost and pricing data, including documents showing indirect costs and direct labor rates, must be placed in a separate envelope.**
3. The proposer will be evaluated based upon the information submitted in accordance with Proposal Content Requirements in Section [VII], Evaluation Criteria in Section [XII], and compliance with all requirements of this RFP.

VII. PROPOSAL CONTENT REQUIREMENTS

A. Contents

Proposals submitted in response to this RFP shall be in the following order and shall include:

1. *Executive Summary*

Include a 1-2 page overview of the entire proposal describing the most important elements of the proposal.

2. *Identification of the Proposer and Establishment of Proposer's Fiscal Responsibility*

Please provide the following information:

- a. Legal name and address of proposer's company.
- b. Number of years proposer's company has been in business.
- c. Legal form of company (partnership, corporation, joint venture, etc.). If joint venture, identify the members of the joint venture and provide all information required within this section for each member. If a corporation, certify that the corporation is in good standing with the Secretary of State.
- d. If company is wholly-owned subsidiary of a "parent company," provide the legal name and form of the parent company.
- e. Tax Identification Number
- f. Address(es) of office(s) that will work on this project.
- g. If DBE certified, identify certifying agency, as well as gender and ethnicity.
- h. Name, title, address, e-mail address, and telephone number of the person to contact concerning the proposal.
- i. State whether the proposer has filed bankruptcy in the last ten (10) years and provide any other relevant information concerning whether the proposer is financially capable of completing this project.

3. *Organization Information*

Briefly describe your firm to include the following:

- a. Any subsidiary and affiliate relationships relevant to the account.
- b. Branch locations and their relationship to the main office.
- c. Licenses and liability coverage (amount of coverage in errors and omissions insurance. Investment advisor professional liability insurance and additional coverage through a fidelity bond and umbrella insurance).
- d. Number of employees engaged directly in providing public funds investment management and advisory services.
- e. Years in business (including years of experience in managing state/local government operating and bond funds).
- f. Principle revenue resources and comment on your firm's financial condition.
- g. Any SEC regulatory censure or litigation related to services the firm provides.
- h. Describe any pending agreements to merge or sell your company or any portion thereof.
- i. Describe any pending or anticipated plans to reorganize your company within itself or as part of the larger organization of which your company is a part.
- j. Have there been any judgments in the last 10 years against your firm? If yes, describe.

4. *Relevant Experience*

- a. Describe the proposer's experience in completing similar investment management and advisory consulting efforts. List **five (5)** comparable current public sector clients, emphasizing those assignments that best relate to the services required by SANDAG. Include **the name of the organization and a contact name, title, telephone number, e-mail address(es), portfolio size, type of relationship (discretionary or non-discretionary), average credit quality of the portfolio (if rated, report most recent credit rating), investment objectives, weighted average maturity ("WAM"), and length of time the firm has managed the assets in the following format:**

<Insert Type of Relationship and WAM into table below>

Reference	Name of the Organization	Reference Contact Person				Similar Projects			
		Name	Title	Telephone Number	E-mail Address(es)	Portfolio Size	Average Credit Quality or Rating	Investment Objectives	Length of Management
1									
2									
3									
4									
5									

- b. Describe the firm's experience in obtaining a rating for a portfolio like SANDAG's.
- c. Does your firm act as a broker or as a primary dealer in securities or receive any other form of additional compensation for the client transactions aside from the direct fee paid by clients?
- d. State the dollar value of the assets and the number of portfolios the firm has under direct, discretionary, and continuous management, categorized between commingled funds, individually managed public sector accounts, and other institutional accounts.

5. *Investment Management Approach and Discipline*

- a. Describe your investment management philosophies, strategies, processes, and procedures related to managing governmental portfolios, and the interaction you propose to have with SANDAG, its trustees and/or fiscal agents, and other interested parties.
- b. Describe technical and research capabilities and methodology used to recommend investment decisions. Are outside sources used by the firm on a regular basis? What percentage of your research is conducted in-house? What technical analysis (if any) do you use?
- c. Outline the steps that would be taken to ensure SANDAG's objectives of safety, liquidity, and return on investment are met.

- d. How frequently do you formulate and review fixed income strategy? How is that carried out and who is involved?
- e. Describe the primary strategies for adding value to portfolios (e.g., market timing, credit research, trading).
- f. How are portfolios managed (e.g., by team, individual manager)? What is the back-up process when the primary manager is away?
- g. What oversight is provided to portfolio managers?
- h. Describe your firm's training and education efforts to keep portfolio managers informed of developments relevant to government investment managers including communication methods and frequency.
- i. Describe the firm's approaches to managing relationships with the broker/dealer community and the firm's approach to developing and maintaining an approved broker/dealer list.
- j. Describe any assistance the firm would provide in reviewing custodial and safekeeping arrangements.
- k. Describe the firm's credit analysis process, including: development of the firm's approved issuer and counterparty lists; methods and frequency of credit monitoring for portfolio holdings; and response to changes in credit ratings for securities held in the portfolio.
- l. Describe your firm's ability to adjust to fluctuating cash flows, and your firm's cash forecasting process.
- m. Describe the ongoing daily investment procedures proposed for SANDAG.

6. *Reporting Capabilities*

- a. Describe the investment accounting and reporting system used by your firm.
- b. Describe in detail the investment management, advisory, and reporting services your firm will provide. Include sample reports and describe their frequency of distribution and format. Reports must be prepared in accordance with generally accepted accounting principles (GAAP) and in compliance with GASB pronouncements, including GASB Statement Nos. 31 and 40.
- c. Describe the firm's experience in making presentations to public entity governing bodies.

7. *Other Considerations*

- a. Describe the firm's experience in developing investment policies and internal procedures for public sector clients.

- b. Describe the nature and frequency of meetings, training, and education services the firm would recommend to keep SANDAG staff informed.
- c. For each similar project, include the client's name and telephone number. It is SANDAG's policy to interview proposers' references as well as references identified by SANDAG.
- d. How many accounts have you gained in the last 12 months? How many accounts have been lost in the last 12 months and why?

8. *Knowledge and Understanding of San Diego Region and Relevant Laws*

Describe the proposer's experience working in the San Diego region and proposed local presence for interfacing with SANDAG's Project Manager and staff. This includes, but is not limited to: knowledge of the regulations and policies applicable to SANDAG. Describe proposer's experience with and knowledge of relevant state and federal laws related to investment management.

9. *Project Organization and Key Personnel*

- a. Describe proposed project organization, including the following:
 - 1. Identification and responsibilities of key personnel that will be assigned to this engagement, their respective roles, and office location.
 - 2. Indicate the extent of the commitment of key personnel for the duration of the project and furnish brief resumes of key personnel. Resumes should include a description of relevant experience specifically with public sector cash management and investments, areas of expertise, professional certification, years of service to the firm, number of accounts managed, and percentage of time to be allocated to SANDAG per each key staff member.
 - 3. Indicate role and responsibility of prime consultants and all subconsultants, including DBE subconsultants.
 - 4. Provide an indication of the staffing level for the project.
 - 5. SANDAG's evaluation of the proposal will consider the proposer's entire team; therefore, no changes in the team composition will be allowed without prior written approval of SANDAG. **Subconsultant letters of commitment are required and must be submitted with the proposal.**
- b. How many credit analysts does your firm employ?
- c. Specify the average number of accounts handled by portfolio managers. Are there any established limits on accounts or assets under management?
- d. Describe any turnover of professional staff in the firm in the last three years assigned to public sector clients.

- e. Has your company undergone any change in senior management in the last five years? Is your company expecting any changes to senior management over the course of this contract? What is the average tenure (in years) of senior management? Describe all past and potential future changes in detail.
- f. What was the total staff turnover for 2008? (The one-year period ending 5/31/09 is also acceptable.) Include number of full-time employees and percent change.

10. *Previous Contracts and/or Experience with SANDAG*

The proposer shall submit a list which indicates all prime contracts and/or amendments awarded to the proposer by SANDAG and/or any previous experience with SANDAG as an employee, consultant and/or subconsultant for the last three (3) years. The list shall include a short description of the project, the project scope of work, award date, completion date, name of SANDAG's assigned Project Manager, and contract value.

11. *Exceptions to this Request for Proposals*

The proposer shall certify whether it takes no exception(s) to this RFP, including but not limited to SANDAG's Standard Services Agreement – RFP Attachment 9. If the proposer does take exception(s) to any portion of the RFP or contract, the specific portion to which exception(s) is taken must be identified and explained. Failure to make exceptions to the RFP or contract within the proposal will be deemed a waiver of any objection. Exceptions will be considered during the proposal evaluation process.

12. *Addenda to this Request for Proposals*

The proposer shall confirm in its proposal the receipt of all addenda issued to this RFP.

13. *Required Certifications*

As part of the proposal package, proposers must submit the signed certifications.

See RFP Attachment 1, Required Submittals.

14. *Please provide the following documentation regarding your firm's status as a Registered Investment Advisor:*

- a. A copy of the firm's Form ADV parts I & II filed with SEC.
- b. A copy of proof of State of California registration.
- c. A copy of the firm's most recent audited financial statement report.

15. *Statement of Impartiality*

The nature of this project requires an impartial unbiased approach on the part of the consultant team. This proposal shall include a statement declaring that the consultants and subconsultants are not currently, and will not, during the performance of these services, participate in any other similar work involving a third-party with interests currently in conflict or likely to be conflict with SANDAG's interests.

16. *Notice of Potential for Conflicts of Interest*

SANDAG has established a policy concerning potential conflict of interest in program management, design, and construction. This policy applies to all proposers and their proposed consultants/subconsultants. See Standard Services Agreement – RFP Attachment 9 for additional information and required certifications by consultants and their subconsultants. Persons providing investment advice to SANDAG under the Agreement will be required to submit a Disclosure Statement of Financial Interests (Form 700) to SANDAG on an annual basis.

All SANDAG procurements must be conducted within ethical standards approved by the SANDAG Board of Directors. These standards can be found in SANDAG Board Policies 4 and 16 at www.sandag.org/legal. In addition, for all purchases for SANDAG, any practices which might result in unlawful activity are prohibited including, but not limited to, rebates, kickbacks or other unlawful considerations. SANDAG staff are specifically prohibited from participating in the selection process when those staff have a close personal relationship, family relationship, or past (within the last 12 months), present, or potential business or employment relationship with a person or business entity seeking a contract. It is unlawful for any contract to be made by SANDAG if any individual Board member or staff has a prohibited financial interest in the contract.

Staff are also prohibited from soliciting or accepting gratuities from vendors or from representatives of any organization which provides, or is desirous of providing, services, material, or equipment to SANDAG. SANDAG's officers, employees, agents, and Board members shall not solicit or accept gifts, gratuities, favors, or anything of monetary value from contractors, potential contractors, or parties to subagreements. This prohibition applies to any gift, gratuity, favor, entertainment, or loan, and includes such items as liquor, lodging, travel, food, and tickets to public functions such as sports events, theater, etc. If a proposer has any reason to believe a conflict of interest exists with regard to a particular procurement, he/she should notify the SANDAG Office of General Counsel immediately.

17. *Organizational Conflicts*

A consultant is eligible for award of service contracts by SANDAG so long as the contract in question does not create an actual, potential, or apparent conflict of interest. A prohibited organizational conflict of interest exists when a firm is or may be unable to render impartial, objective assistance or advice to SANDAG or where a firm would receive an unfair competitive advantage. Examples of situations that would

create such a conflict of interest are listed in Section 7 of Board Policy 16. Proposers that have a conflict of interest due to performing work for SANDAG are ineligible to submit a proposal. A process for determining whether a proposer has a conflict is set forth in Section 7 of Board Policy 16. Ineligible firms include the prime consultant, its subconsultants and affiliates of either. An affiliate is a firm that is subject to the control of the same persons through joint ownership or otherwise.

18. Detailed Cost Estimate (RFP Attachment 8, 8-1, 8-2, and 8-3)

- a. Describe in detail all costs associated with providing your proposed scope of services assuming that the total investment portfolio will be \$568,000,000, comprised of \$193,000,000 working capital, \$17,000,000 bond reserves, \$348,000,000 bond project proceeds, and \$10,000,000 revolving bond debt service. For SANDAG's convenience, please express your proposed fee in terms of both (1) basis points multiplied by assets under management and (2) dollars.
- b. If dollar amounts are time-based, please provide (a) one aggregate hourly rate for all professionals (Partner, Project Manager, Associate, Clerical, etc.), (b) an estimate of annual hours required, (c) an annual fee cap, (d) subconsultant costs (itemized by subconsultant rates), and (e) other direct costs (not to exceed the rates stipulated in the current Caltrans Travel and Expense Guide). Fee proposals must be sufficiently specific to allow direct comparison among all proposals received.
- c. Identify any expenses that would not be covered through above fee structure and would be required to implement the firm's program.
- d. Identify adjustments in fees (upward or downward) that would occur in years four through ten if a contract were awarded and extended by SANDAG.

VIII. SUBMITTAL REQUIREMENTS

- A. **Seven (7) hardcopies (one original and six additional copies) and one (1) copy on a disc** as a pdf file of the proposal shall be submitted. Proposals submitted by facsimile or e-mail are not acceptable and will not be considered.
- B. The proposal and any required certifications shall be signed by an individual or individuals authorized to execute legal documents on behalf of the proposer.
- C. The proposal must be addressed to and received no later than 4 p.m., local time, on July 31, 2009, at the office of:

Janet Yeh, Contract Administrator
San Diego Association of Governments
401 B Street, Suite 800
San Diego, California 92101

Postmarks will not be accepted in lieu of this requirement.

- D. Proposals are to be submitted in sealed packages with the following information clearly marked on the outside of each package:
1. Name of proposer
 2. Project title
 3. Package Number (e.g., 1 of 8, 2 of 8)
 4. **Seven (7) hardcopies of detailed cost estimate** shall be submitted in a separate envelope. The name of the proposer, the project title, and the title "Cost Proposal" shall be clearly written on the envelope.
- E. Failure to comply with the requirements of the RFP may result in disqualification. SANDAG is not responsible for finding, correcting, or seeking clarification regarding ambiguities or errors in proposals. If a proposal is found to contain ambiguities or errors, it may receive a lower score during the evaluation process. SANDAG reserves the right to disqualify a proposal detailed cost estimate with mathematical or clerical errors, inconsistencies, or missing information which prevent SANDAG from fully evaluating the proposal. SANDAG may, but is not required to, seek clarification from a proposer regarding information in a proposal. Errors and ambiguities in proposals will be interpreted in favor of SANDAG.
- F. Proposals and/or modifications received subsequent to the hour and date specified above will not be considered.
- G. SANDAG reserves the right to waive inconsequential irregularities.

IX. PRE-SUBMITTAL ACTIVITIES

A. Questions Concerning Request for Proposals

All questions relating to the RFP must be received in writing via mail, facsimile, e-mail, or hand delivery no later than 4 p.m., on July 24, 2009, addressed to:

Janet Yeh, Contract Administrator
San Diego Association of Governments
401 B Street, Suite 800
San Diego, California 92101
Fax: (619) 699-4889
E-mail: jye@sandag.org

A Web page will be developed, maintained, and devoted to this RFP. It can be accessed from www.sandag.org/contracts.

Responses to all questions received concerning this RFP will be posted on the Web page devoted to this project (shown above) on an ongoing basis. All responses and all timely questions received concerning this RFP will be posted at least three (3) days prior to the

proposal due date or can be obtained by contacting the Contract Administrator. It is the responsibility of proposers to check the Web page for questions and responses related to this RFP.

B. Revision to the Request for Proposals

SANDAG reserves the right to revise the RFP prior to the date that proposals are due. Revisions to the RFP shall be posted on the Web page devoted to this RFP at least one full business day prior to the deadline for proposals. It is the responsibility of the proposer to check the Web site for any revisions related to this RFP.

X. SANDAG'S ANNUAL ANTICIPATED DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION LEVEL AND DISCRIMINATION POLICY

- A.** Bidders/Proposers are advised that, as required by federal law, SANDAG has established an overall Annual Anticipated DBE Participation Level (AADPL) and it is required to report on DBE participation for all Federal-aid contracts each year so that attainment efforts may be evaluated. The term 'Disadvantaged Business Enterprise' or 'DBE' means a for-profit small business concern as defined in Title 49, Part 26.5, Code of Federal Regulations (CFR). In this Section, the term 'bidder' also means 'proposer' or 'offerer.' The term 'Small Business' or 'SB' is as defined in 49 CFR 26.65.
- B.** In the event of any conflicts or inconsistencies between the CFR and SANDAG's DBE Program with respect to DOT-assisted contracts, the CFR shall prevail.
- C.** DBEs and other small businesses are strongly encouraged to participate in the performance of agreements financed in whole or in part with federal funds (See 49 CFR 26, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs"). The Consultant should ensure that DBEs and other SBs have the opportunity to participate in the performance of the work that is the subject of this solicitation and should take all necessary and reasonable steps for this assurance. The bidder/proposer shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of subcontracts. Bidders/Proposers also are encouraged to use services offered by financial institutions owned and controlled by DBEs.
- D.** It is SANDAG's policy to provide disadvantaged, minority, and women-owned business enterprises, as defined in Part 26, Title 49 CFR, an equitable opportunity to participate in all contracting opportunities. SANDAG's Disadvantaged Business Enterprise Race-Neutral Implementation Agreement, which includes minority and women-owned business enterprises, is designed to administer contracts, consultant selection, and all related procurement activities without regard to race, color, religion, disability, political beliefs, age, national origin, gender, or cultural background. Accordingly, no firm or individual shall be denied the opportunity to compete for SANDAG contracts by reasons so stated or implied. A copy of SANDAG's Disadvantaged Business Enterprise Race-Neutral Implementation Agreement is available on SANDAG's Web site at www.sandag.org/notices.

- E. SANDAG requires all potential SANDAG consultants to comply with Title VI and Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Age Discrimination in Employment Act, and the California Fair Employment and Housing Act, as amended, and all other applicable discrimination laws. SANDAG will not tolerate illegal discrimination or harassment by its consultants.
- F. Submit a Subconsultant List – RFP Attachment 3, which lists all subconsultants for this project, scope of work, and approximate percentage of the work (as a percentage of the total award to the prime consultant).
- G. Submit a Bidders List – RFP Attachment 4 SANDAG is required by Regulations to create and maintain a "Bidders List" of firms for both the prime and subconsultants that are bidding, proposing, offering or quoting on SANDAG's DOT-assisted contracts, for use in SANDAG's establishment of an AADPL. Therefore, SANDAG will require all proposers (DBEs and non-DBEs) to provide the following information for all firms who submitted a bid, quote or offer/proposal, including firms/subconsultants who were contacted by the proposer but did not respond or declined to participate:
- Firm Name.
 - Firm Address.
 - Firm DBE Certification Status (if applicable).
 - Age of the Firm.
 - Type of services provided by the firm.
 - Range of annual gross receipts for the last year.
- H. SANDAG is participating as a Non-Certifying Member in the California Unified Certification Program (CUCP). Therefore, SANDAG will accept DBE certification from the certifying member agencies, which certify eligibility of DBEs in accordance with 49 CFR Part 26, under the CA CUCP. Listings of certifying member agencies is available in the Department of Transportation, Civil Rights, Business Enterprise Program Web site at:
- www.dot.ca.gov/hq/bep/.
- I. The CUCP database includes the DBEs certified from all certifying agencies participating in the CUCP. If you believe a firm is certified that cannot be located on the database, please contact the Caltrans Office of Certification toll free number (866-810-6346) for assistance. Bidders/Proposers may call (916) 440-0539 for Web or download assistance.
- J. Information regarding SANDAG's Disadvantaged Business Enterprise Race-Neutral Implementation Agreement is available on its Web site at www.sandag.org/notices. Additionally, interested parties may access the CUCP database from the Department of Transportation, Civil Rights, Business Enterprise Program Web site at www.dot.ca.gov/hq/bep/.
- K. If you do not have Internet access, you may contact SANDAG's Contracts and Procurement group at (619) 699-1900. Caltrans also publishes a directory of certified DBE firms extracted from the on-line database. A copy of the directory of certified DBEs may be ordered from the Caltrans' Division of Procurement and Contracts/Material and Distribution Branch/Publication Unit, 1900 Royal Oaks Drive, Sacramento, CA 95815, Telephone: (916) 445-3520.

- L. The DBE Information – Standard Services Agreement Exhibit C form shall be completed and executed by the successful consultant. The form shall be included in the Agreement documents. The purpose of the form is to collect data required under 49 CPR Part 26. Even if no DBE participation will be reported, the successful consultant must execute and return the form.

XI. CONSULTANT EVALUATION AND SELECTION PROCESS

- A. Proposals will be evaluated, negotiated, selected and any award made in accordance with the criteria and procedures described below. The approach and procedures are those which are applicable to a competitive negotiated procurement whereby proposals are evaluated to determine which proposals are within a competitive range. Discussions and negotiations may then be carried out with proposer(s) within the competitive range, after which Best and Final Offers (BAFOs) may be requested. However, SANDAG may select a proposal for award without any discussions or negotiations or request for any BAFO(s). Subject to SANDAG's right to reject any or all proposals, the proposer will be selected whose proposal is found to be most advantageous to SANDAG.
- B. Proposals will not be publicly opened. All detailed cost estimates ("cost proposals") and evaluations related to costs will be kept strictly confidential throughout the evaluation, negotiation and selection process. Only the members of the Evaluation Committee and SANDAG officials, employees and agents having a legitimate interest will be provided access to the cost proposals and cost evaluation results during this period.
- C. Proposals will be evaluated to determine the responsibility of proposers. Any proposals from proposers whom SANDAG finds not to be responsible and finds cannot be made to be responsible within timelines set by SANDAG may not be considered for the competitive range. Final determination of a proposer's responsibility will be made upon the basis of initial information submitted in the proposal, any information submitted upon request by SANDAG, information submitted in a BAFO and information resulting from SANDAG's inquiry of proposer's references and its own knowledge of the proposer.
- D. Each proposal will be evaluated for responsiveness. The following are the minimum requirements that must be met for a proposal to be considered for the competitive range. All of these requirements must be met; therefore, they are not listed by any particular order of importance. Any proposal that SANDAG finds not to meet these requirements, and may not be made to meet these requirements within timelines set by SANDAG, may be determined by SANDAG to not be considered for the competitive range. The requirements are as follows:
 - 1. Proposer is initially evaluated as responsible. Final determination of responsibility will be made with final evaluations.
 - 2. Proposer has followed the instructions of the RFP and included sufficient detail information, such that the proposal can be evaluated. Any deficiencies in this regard must be determined by SANDAG to be either a defect that SANDAG will waive or that the proposal can be sufficiently modified to meet these requirements.

3. Proposal price would not render this procurement financially infeasible, or it is reasonable that such proposal price might be reduced to render the procurement financially feasible.
- E. Proposers of any proposals that have been determined by SANDAG as not in the competitive range, and cannot be reasonably made to be within the competitive range, will be notified in writing that they were not shortlisted.
- F. Proposers whose proposals are found by SANDAG to be within the competitive range, or may be reasonably made to be within the competitive range, will be notified and any questions and/or requests for clarifications provided to them. Each such proposer may be invited for a private interview(s) and discussions with SANDAG to discuss answers to written or oral questions, clarifications, and any facet of its proposal.
- G. In the event that a proposal, which has been included in the competitive range, contains conditions, exceptions, reservations or understandings to any Agreement requirements, said conditions, exceptions, reservations or understandings may be negotiated during these meetings. However, SANDAG shall have the right to reject any and all such conditions and/or exceptions, and instruct the proposer to amend its proposal and remove said conditions and/or exceptions; and any proposer failing to do so may cause SANDAG to find such proposal to be outside the competitive range.
- H. SANDAG reserves the right to conduct visits to proposers' facilities or to inspect the facilities.
- I. After all interviews have been completed, each of the proposers in the competitive range will be afforded the opportunity to amend its proposal and make its BAFO. SANDAG will then choose that proposal which it finds to be most advantageous to SANDAG based upon the evaluation criteria. SANDAG reserves the right to make an award to a proposer whose proposal it judges to be most advantageous to SANDAG based upon the evaluation criteria, without conducting any written or oral discussions with any proposers or solicitation of any BAFOS.
- J. SANDAG will establish one or more consultant evaluation committee(s) ("Committee(s)") for this project and will include representatives from SANDAG, and when deemed in SANDAG's best interest, representatives of its member agencies, the general public, or individuals with experience and expertise in the related discipline(s).
- K. Based upon the written proposal, interview, and reference scores, and other appropriate evaluation factors, the Evaluation Committee(s) will rank the qualified finalists.
- L. The Committee(s) will recommend the top-ranked proposer to SANDAG's Executive Director and/or designee, and will request authority to enter into negotiations with one or more firms in the competitive range. The Executive Director and/or designee has final authority for selection. The proposer(s) selected for negotiations will be sent a Notice of Intent to Award or Notice of Intent to Negotiate. Proposers who are not selected for negotiations will be sent a Notice of Intent to Enter Negotiations With Another Proposer.

- M. Upon receipt of the Executive Director's and/or designee's authorization to negotiate, the Project Manager will establish a negotiating team and enter into negotiations with the firm(s) in the competitive range. The negotiations may cover: scope of work, contract schedule, contract terms and conditions, technical specifications, level of effort, and price. If the negotiating team is unable to reach an acceptable agreement with the preferred firm, the negotiating team will recommend to the Executive Director that negotiations be terminated and that negotiations with one or more other firms be initiated. The Executive Director has final authority to terminate negotiations and begin negotiations with another proposer.

XII. EVALUATION CRITERIA

- A. Proposers will be evaluated on the criteria as per attached Consultant Short List Evaluation Form – RFP Attachment 5. If an interview is utilized, proposers will be evaluated per the criteria as defined in attached Consultant Interview Evaluation Form – RFP Attachment 6. SANDAG reserves the right to independently score the Short List Evaluation and the Interview Evaluation or combine the scores. The criteria in the Short List Evaluation worksheet is the basis for the initial evaluation, scoring and ranking of consultant's proposals to establish a short-list of firms to be interviewed. Each panel member will convert the weighted scores to ranks, with the highest weighted score ranked one, the next highest score ranked two, and so on. All panel members' ranks will be combined and the lowest combined rank score will be the top-ranked firm for the short list and interview evaluations.
- B. SANDAG may or may not conduct interviews. If SANDAG elects to eliminate the interview, the Consultant Short List Evaluation with No Interviews Form – RFP Attachment 7 shall be utilized for final evaluation.
- C. The basis for ranking the cost proposal shall be as shown in RFP Attachment 8, Cost Proposal. If additional task orders are executed, they will be negotiated on the level of effort based on the rates shown in the Proposer's Cost Proposal.
- D. It is SANDAG's policy to conduct reference interviews for proposers. Reference interview results will be considered during the evaluation and selection process. Only responsible proposers submitting responsive proposals will be considered.
- E. Proposers' detailed cost estimates and/or a determination of which proposal offers the best value to SANDAG will be part of the evaluation process. Cost may be the deciding factor if there is no clearly superior candidate. Proposers' detailed cost estimate will have the value assigned below in the evaluation criteria descriptions (RFP Attachments 6 and 7).

XIII. SCHEDULE FOR NOMINATION, SELECTION, AND AWARD

SANDAG anticipates the process for nominating and selecting a consultant and awarding the contract will be according to the following tentative schedule:

- A. Advertise and Issue RFP June 23, 2009
- B. Last Day to Submit Questions Regarding RFP July 24, 2009

- C. Proposal Due Date July 31, 2009
- D. Short List MeetingWeek of August 17, 2009
- E. Oral Interviews (if utilized) Week of August 31, 2009
- F. Selection and Notification of Intent to Award or Intent to Negotiate September 9, 2009
- G. Contract Negotiations Complete Week of September 21, 2009
- H. Approval of Contract by October 15, 2009
- I. Execution of Contract /Notice to Proceed by October 30, 2009

XIV. SPECIAL CONDITIONS

A. Reservations

This RFP does not commit SANDAG to award a contract, to defray any costs incurred in the preparation of a proposal pursuant to this RFP, or to procure or contract for work. SANDAG may reject bids without providing the reason(s) underlying the declination. A failure to award a contract to the lowest bidder will not result in a cause of action against SANDAG.

B. Public Records

All proposals submitted in response to this RFP become the property of SANDAG and public records and, as such, may be subject to public review. Documents protected by law from public disclosure will not be disclosed by SANDAG if clearly marked with the word "confidential" on each applicable page. Trade secrets may be marked as confidential only to the extent they meet the requirements of California Government Code section 6254.7. Only information claimed to be a trade secret at the time of submittal to SANDAG and marked as "confidential" will be treated as a trade secret. Please see SANDAG's Public Records Request Guidelines, which are available at www.sandag/legal, for information regarding SANDAG's treatment of documents designated as confidential.

C. Right to Cancel

SANDAG reserves the right to cancel or revise, for any or no reason, in part or in its entirety, this RFP. If SANDAG cancels the RFP prior to the deadline for proposals or revises the RFP, notification will be placed on SANDAG's Web site.

D. Additional Information

SANDAG reserves the right to request additional information and/or clarification from any or all proposers to this RFP, but is under no obligation to do so.

E. Public Information

Consultants who wish to release information to the public regarding consultant selection, contract award, or data provided by SANDAG must receive prior written approval from SANDAG before disclosing such information to the public.

F. Contract for Services

The selected consultants will be required to sign a customized version of the attached Standard Services Agreement – RFP Attachment 9 and to provide the insurance certificates and all other required documentation within fifteen (15) calendar days of issuance of the Notice of Intent to Award.

G. Insurance Requirements

SANDAG requires consultants doing business with it to obtain insurance, as shown in the attached Standard Agreement for Services. The required insurance certificates must comply with all requirements of the standards as shown in the contract and must be provided within fifteen (15) days of issuance of the Notice of Intent to Award and prior to the commencement of any work on the project.

XV. PROTESTS

Pursuant to the requirements set forth in FTA Circular 4220.1F, "Third-party Contracting Requirements," the following procedures shall be used by SANDAG to fairly and promptly respond to any protests received regarding third-party contracts or the contracting process. SANDAG will consider all protests or objections regarding the contracting process or the award of a contract received by SANDAG by 4 p.m. on the deadlines discussed below. SANDAG will review only protests submitted by an actual or prospective proposer or someone else whose direct economic interest would be affected by the award of a contract or by failure to award a contract. A protest by any adversely affected person must be made in writing and must be mailed or hand delivered to SANDAG. A protest which does not strictly comply with SANDAG's protest procedures will be rejected.

A. Protests Before Bid/Proposal Opening

Protests relating to the content of the solicitation (i.e., RFP, IFB, RFQ) must be filed within five (5) business days after the date the solicitation is released to the public by SANDAG. Failure to file a protest concerning the content of the solicitation prior to this deadline constitutes a waiver of any protest on these grounds.

B. Protests after Bid/Proposal Opening

After opening proposals, bids, or best and final offers, a Notice of Intent to Award will be mailed to all bidders/proposers. Protests relating to the intent to make an award must be filed within five (5) business days following protester's receipt of the Notice of Intent to Award issue date. The date of filing shall be the date SANDAG receives the protest. Untimely protests will be rejected. If deemed necessary, SANDAG shall notify all bidders/proposers of record that a protest has been filed and the award has been postponed until further notice. If necessary, bidders/proposers will be asked to extend the time for acceptance of their bid/proposal in order to avoid the need for readvertisement of the solicitation.

C. Protests Contents

A letter of protest must set forth detailed grounds for the protest and be fully supported with technical data, documentary evidence, names of witnesses, and other pertinent information related to the subject being protested. The protest also must state the law, rule, regulation, or policy upon which the protest is based. Protests concerning the relative weight of the evaluation criteria or the formula used in assigning points to make an award determination will be rejected. The protester must demonstrate or establish a clear violation of a specific law, rule, regulation or policy. If the protester considers that the protest contains proprietary material which should be withheld, a statement advising of this fact must be affixed to the front page of the protest document, and alleged proprietary information shall be so identified wherever it appears.

Protests shall be addressed to:

Protest Administrator
SANDAG Contract Solicitation No. 5000838
San Diego Association of Governments
401 B Street, Suite 800
San Diego, California 92101

D. Role Of The SANDAG Protest Administrator

The Protest Administrator, his/her designee, or the Office of General Counsel will appoint individuals to participate on a Protest Committee from an established list of potential Protest Committee members. At least one of the persons selected must be from an outside agency and no one may sit on the Protest Committee that has a known direct connection to the procurement that is the subject of the protest. The Protest Administrator also will appoint a chairperson for the Protest Committee. The Protest Administrator will gather the documents that the Protest Committee will need for its investigation and prepare a memo to the Protest Committee containing background information regarding the protest. **Any communication regarding the protest between the protester and SANDAG shall be through the Protest Administrator during the protest proceedings. Protesters may not contact anyone at SANDAG other than the Protest Administrator or Office of General Counsel during the protest process.**

E. Protest Committee

The Protest Committee shall ensure the protest was received within the timeline specified and review the protest to determine if it itemizes in appropriate detail each matter contested as well as any factual reason(s) for the requested protest. The Committee chairperson shall schedule the date of the Protest Committee meeting, contact the Committee panel members, and distribute all protest documentation.

F. Reply To Protest

The Protest Committee will review all protests in a timely manner and may hold an informal hearing if deemed necessary in order to complete its investigation. The Protest Committee will prepare a recommendation regarding the protest, in writing, to SANDAG's Chief Deputy

Executive Director within ten (10) business days. All materials included with the original protest at time of submittal will be considered. Supplemental materials filed by a protester after the protest deadline will not be considered unless there are extenuating circumstances in the opinion of the Protest Committee. Protest documents will not be withheld from any interested party outside of SANDAG, with the exception that information will be withheld when required by law or regulation. The Chief Deputy Executive Director or his/her designee will either sustain or reject the protest in writing based upon the recommendation of the Protest Committee and the best interests of SANDAG.

G. Request For Protest Reconsideration

Upon receipt of an adverse decision by the Chief Deputy Executive Director, the protester may file a request for protest reconsideration. A request for protest reconsideration must be directed to the Executive Director in writing and received within five (5) full business days from the date the protester receives the reply from SANDAG. The Executive Director will respond to the request for protest reconsideration within ten (10) full business days of its receipt. The decision of the Executive Director will be in writing and final. No further protests will be heard by SANDAG.

H. Results Of The Protest

If the protest is sustained, the original Notice of Intent to Award may be withdrawn after the deadline for protest reconsideration has passed. SANDAG then may issue a new Notice of Intent to Award to a different bidder/proposer and a new protest period will commence using the same timelines discussed above. If the protest is rejected, the original Notice of Intent to Award will stand and SANDAG will continue with contract negotiations with the awardee.

XVI. INCORPORATION OF ATTACHMENTS

The following documents are attached and incorporated by reference if the box next to document title is marked. Wherever the word "contractor" appears in the attachments, it should be read as the equivalent to the word "consultant." Wherever the words "bid" or "bidder" appear in the attachments, they should be read as the equivalent to the words "proposal" or "proposer."

- ☒ RFP Attachment 1 – Required Submittals (RFP Checklist)
- ☒ RFP Attachment 2 – Scope of Work
- ☒ RFP Attachment 3 – Subconsultant List
- ☒ RFP Attachment 4 – Bidders List
- ☒ RFP Attachment 5 – Consultant Short List Evaluation Form
- ☒ RFP Attachment 6 – Consultant Interview Evaluation Form
- ☒ RFP Attachment 7 – Consultant Short List Evaluation With No Interviews Form
- ☒ RFP Attachment 8 – Cost Estimate Form (Attachments 8, 8-1, 8-2, and 8-3)
- ☒ RFP Attachment 9 – Standard Services Agreement for (with exhibits)
- ☒ RFP Attachment 10– SANDAG's Investment Portfolio (as of March 31, 2009)
- ☒ RFP Attachment 11– SANDAG's Investment Policy (Board Policy No. 003)

REQUIRED SUBMITTALS (RFP CHECKLIST) – RFP ATTACHMENT 1

The documents below marked by a checked box are required as part of your proposal submittal. All of the below referenced documents and any required certifications shall be signed by an individual or individuals authorized to execute legal documents on behalf of the proposer.

- ☒ Seven (7) hardcopies (one (1) original and six (6) additional copies) of the proposal
- ☒ One (1) copy of a CD-ROM proposal in its entirety, excluding the Cost Proposal
Adobe Acrobat (PDF) format
- ☒ Seven (7) hardcopies of the cost proposal in a separate envelope marked "Cost Proposal"
- ☒ Consultant/Contractor Information Form
- ☒ Subconsultant List
- ☒ Bidders List
- ☒ Noncollusion Affidavit
- ☒ Debarment and Suspension Certificate
- ☒ Subconsultant's Statement of Eligibility (required for each subconsultant)
- ☒ A copy of the firm's Form ADV, Parts I and II
- ☒ Proof of State of California registration
- ☒ A copy of the firm's most recent audited financial report

Subconsultant List

The proposal shall include a complete list of all proposed subconsultants. All subconsultants listed must be provided a meaningful element of work within the defined scope of work. Changes to this Subconsultant List will not be allowed without prior written approval from SANDAG.

PROPOSED SUBCONSULTANTS

Subconsultant Firm Name and Address	Scope of Work	Dollar Amount of Work

Name of Firm

Printed Name and Title of Signatory

Signature

Date

Bidders List

Bidder/Proposer: _____

IFB/RFP Number: _____

The U.S. Department of Transportation (DOT) requires SANDAG to create and maintain a "Bidders List" containing information about all firms (DBE and non-DBE) that bid, propose, or quote on SANDAG's DOT-assisted contracts, in accordance with 49 CFR Part 26.11. The Bidder/Proposer is to complete all requested information for every firm who bid, proposed, or submitted a quote, including the Prime and all Subconsultants. The Prime will submit the "Bidders List" with their bid/proposal or within the timeline specified in the bid/proposal documents. SANDAG will utilize this information to assist in the Overall Annual DBE goal setting process or establishment of an overall AADPL. ***The "Bidders List" content will not be considered in evaluating the bid/proposal or determining award of any contract.***

Prime Bidder/Proposer Information:	
Name of Prime's Firm:	Phone: ()
Firm Address:	Fax: ()
Number of years in business:	Type of work/services/materials provided:
Contact Person: Title:	
Is the firm currently certified as a DBE under 49 CFR Part 26? ☐ Yes ☐ No	Check the box below for your firm's annual gross receipts last year:
	☐ Less than \$1 million
	☐ Less than \$5 million
	☐ Less than \$10 million
	☐ Less than \$15 million
	☐ More than \$15 million

Subconsultant Information:

Provide the following information for every firm (DBE and non-DBE) that bid, proposed or submitted a quote on this DOT-assisted project, whether successful or unsuccessful in their attempt to obtain a contract:

Firm Name:	Phone: ()
Firm Address:	Fax: ()
	Type of work/services/materials provided:
Number of years in business:	
Contact Person:	Title:
Is the firm currently certified as a DBE under 49 CFR Part 26? ☐ Yes ☐ No	Check the box below for your firm's annual gross receipts last year:
	☐ Less than \$1 million
	☐ Less than \$5 million
	☐ Less than \$10 million
	☐ Less than \$15 million
	☐ More than \$15 million

If necessary, this “Bidders List” can be duplicated to include all firms (DBE and non-DBE) that have submitted a bid, proposal, or quote on this DOT-assisted project, whether successful or unsuccessful in their attempt to obtain a contract.

Failure of the Bidder/Proposer to submit the required DBE forms may cause SANDAG to deem the Bidder/Proposer non-responsive.

Noncollusion Affidavit

(Title 23 United States Code Section 112 and
Public Contract Code Section 7106)

In accordance with Title 23, United States Code Section 112, and Public Contract Code 7106, Contractor declares that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the Contractor has not, directly or indirectly, induced or solicited any other bidder to put in a false or sham bid; and has not, directly or indirectly, colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the Contractor has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the Contractor or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the Contractor has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Contractors are cautioned that making a false certification may subject the certifier to criminal prosecution.

Name of Contractor

Printed name and Title of Signatory

Signature

Date

Debarment and Suspension Certificate
Title 49, Code of Federal Regulations, Part 29

Contractor, under penalty of perjury, certifies that, except as noted below, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, manager:

- is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any federal agency;
- has not been suspended, debarred, voluntarily excluded or determined ineligible by any federal agency within the past three (3) years;
- does not have a proposed debarment pending; and
- has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessarily result in denial of award, but will be considered in determining Contractor's responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Name of Firm

Printed Name and Title of Signatory

Signature

Date

SUBCONSULTANT'S STATEMENT OF ELIGIBILITY

_____ certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any federal project by any federal department or agency.

Where the Subconsultant is unable to certify any of the statements in the certification, such Subconsultant shall attach an explanation with this form.

The Subconsultant certifies or affirms the truthfulness and accuracy of the contents of the statements submitted on or with this certification and understands that the provisions of 31 USC Section 3801, et. seq., are applicable.

Name of Firm

Printed Name and Title of Signatory

Signature

Date

SCOPE OF WORK – RFP ATTACHMENT 2

The firm selected will report to the SANDAG Finance Department in providing the following required services:

1. Investment Management and Advice

- a. Annually review SANDAG's Investment Policy to ensure compliance with applicable law and consistency with all investment objectives. This policy will be submitted to the SANDAG Board of Directors for approval on an annual basis.
- b. Define and identify one or more sub-sets of SANDAG's investments that, based on their unique characteristics, should be considered distinct "portfolios" for investment advisory and management purposes. SANDAG's investments may also include those of the Commission, ARJIS, and SourcePoint.
- c. In consultation with SANDAG staff, prepare investment strategies for each portfolio that take into account (1) short and long-term goals, (2) receipt and disbursement expectations, and (3) the potential for changing circumstances.
- d. Using a discretionary portfolio management approach, execute the ongoing purchase and sale of specific securities that best address SANDAG's investment objectives in accordance with SANDAG investment policy and under prevailing circumstances and market conditions.
- e. Coordinate with a SANDAG-provided third-party trustee for the safekeeping of securities.
- f. Perform broker/dealer due diligence and maintain relations with the broker/dealer community.
- g. Continually monitor market conditions and circumstances and report on any recommended changes to policies, strategies, and specific positions.
- h. Provide consultation and advisory services related to managed funds on an as-needed basis.
- i. Provide training and educate SANDAG staff as necessary to understand SANDAG's investment operations.
- j. Attend meetings of SANDAG Board of Directors as necessary.

2. Trades

- a. Execute all approved trades through competitive bidding processes when possible.
- b. Coordinate settlement among involved parties.

3. Reporting

- a. Provide regular management and compliance reports for each portfolio, including the following:
 - (i) Description of each security, including applicable information in accordance with the Governmental Accounting Standards Board (GASB) Statement Nos. 31 and 40, including but not limited to: purchase date, maturity date, purchase price, book value, market value, unrealized gain or loss, yield to maturity, days to maturity, the assignment of the rating by a nationally recognized statistical rating organization (NRSRO) (monthly).
 - (ii) Other key indicators, events, market conditions, and information relevant to SANDAG's managed portfolio (quarterly).

SUBCONSULTANT LIST – RFP ATTACHMENT 3

The proposal shall include a complete list of all proposed subconsultants. All subconsultants listed must be provided a meaningful element of work within the defined scope of work. Changes to this Subconsultant List will not be allowed without prior written approval from SANDAG.

PROPOSED SUBCONSULTANTS

Subconsultant Firm Name and Address	Scope of Work	Dollar Amount of Work

Name of Firm

Printed Name and Title of Signatory

Signature

Date

BIDDERS LIST – RFP ATTACHMENT 4

Bidder/Proposer: _____

IFB/RFP Number: _____

The U.S. Department of Transportation (DOT) requires SANDAG to create and maintain a "Bidders List" containing information about all firms (DBE and non-DBE) that bid, propose, or quote on SANDAG's DOT-assisted contracts, in accordance with 49 CFR Part 26.11. The Bidder/Proposer is to complete all requested information for every firm who bid, proposed, or submitted a quote, including the primary Bidder/Proposer, and submit the "Bidders List" with their bid/proposal or within the timeline specified in the bid/proposal documents. SANDAG will utilize this information to assist in the Overall Annual DBE goal setting process or establishment of an overall AADPL. ***The "Bidders List" content will not be considered in evaluating the bid/proposal or determining award of any contract.***

Prime Bidder/Proposer Information:

Name of Prime's Firm:	Phone: ()
Firm Address:	Fax: ()
Number of years in business:	Type of work/services/materials provided:
Contact Person: Title:	
Is the firm currently certified as a DBE under 49 CFR Part 26? ☐ Yes ☐ No	Check the box below for your firm's annual gross receipts last year:
	☐ Less than \$1 million
	☐ Less than \$5 million
	☐ Less than \$10 million
	☐ Less than \$15 million
	☐ More than \$15 million

<i>Provide the following information for every firm (DBE and non-DBE) that bid, proposed or submitted a quote on this DOT-assisted project, whether successful or unsuccessful in their attempt to obtain a contract:</i>	
Firm Name:	Phone: ()
Firm Address:	Fax: ()
	Type of work/services/materials provided:
Number of years in business:	
Contact Person:	Title:
Is the firm currently certified as a DBE under 49 CFR Part 26? ☐ Yes ☐ No	Check the box below for your firm's annual gross receipts last year:
	☐ Less than \$1 million
	☐ Less than \$5 million
	☐ Less than \$10 million
	☐ Less than \$15 million
	☐ More than \$15 million

If necessary, this "Bidders List" can be duplicated to include all firms (DBE and non-DBE) that have submitted a bid, proposal, or quote on this DOT-assisted project, whether successful or unsuccessful in their attempt to obtain a contract.

Failure of the Bidder/Proposer to submit the required form will deem the Bidder/Proposer non-responsive.

CONSULTANT SHORT LIST EVALUATION FORM – RFP ATTACHMENT 5

(Next Page)

SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG)
CONSULTANT INTERVIEW EVALUATION FORM

Consultant: _____

Contract No.: 5000838 Description: Investment Management, Advisory, and Reporting Services

Criteria	(a) Weight	(b) Score (0-10)	(a) x (b) Weighted Score
1. PROJECT TEAM - Specialized experience and technical competence of the personnel assigned to this engagement I - Time commitment of key members - Organization Chart	2.0		
2. PROJECT EXPERIENCE - Strength of the firm's supporting resources and its proven ability to perform in the capacity of investment manager/advisor/reporter to public sector entities - Management and scheduling abilities - Quality and cost control - Staff availability	3.0		
3. PROPOSED METHODOLOGY AND APPROACH TO WORK - Proposed methods and overall strategic plan to accomplish the work in a timely and competent manner - Demonstrated knowledge of the work required - Explanation of the project or services required	2.0		
4. REPORTING CAPABILITIES Samples of reports	2.0		
5. LEVELS OF CONFORMANCE - Responsiveness to the understanding of the services requested, organization, presentation, and overall clarity of the proposal - Outline submitted in accordance with Proposal Requirements	1.0		
Total			

Comments (continue on reverse if necessary):

I certify that I have performed an independent evaluation of the above named consultant. I further certify that I have not engaged in discussions within the last year with the above-named consultant regarding my future employment with said consultant and that neither I nor anyone in my household has received income from any of the bidders/proposers during the last 12 months.

Signature of Evaluator: _____ Date: _____

Printed Name of Evaluator: _____

Checked by: _____ Date: _____

CONSULTANT INTERVIEW EVALUATION FORM – RFP ATTACHMENT 6

(Next Page)

SAN DIEGO ASSOCIATION OF GOVERNMENTS (SANDAG)
CONSULTANT INTERVIEW EVALUATION FORM

Consultant: _____

Contract No.: 5000838 Description: Investment Management, Advisory, and Reporting Services

Criteria	(a) Weight	(b) Score (0-10)	(a) x (b) Weighted Score
1. PROJECT TEAM - Specialized experience and technical competence of the personnel assigned to this engagement - Time commitment of key members - Organization Chart	2.0		
2. PROJECT EXPERIENCE - Strength of the firm's supporting resources and its proven ability to perform in the capacity of investment advisor/manager/reporter to public sector entities - Management and scheduling abilities - Quality and cost control - Staff availability	2.0		
3. PROPOSED METHODOLOGY AND APPROACH TO WORK - Proposed methods and overall strategic plan to accomplish the work in a timely and competent manner - Demonstrated knowledge of the work required - Explanation of the project or services required	1.5		
4. COST OR BEST VALUE - Competitive fee and expense structure - Value for services offered	2.0		
5. INTERVIEW QUESTIONS - Demonstrated knowledge of the work required - Appropriate responses to questions	1.5		
6. REFERENCES* Record of producing a quality product on similar projects on time and within budget	1.0		
*All panel members must enter a zero (0) for all interviewed Consultants if time did not allow for reference checks or if the reference checks were not completed on <u>all</u> the Consultants.			Total

Comments (continue on reverse if necessary):

I certify that I have performed an independent evaluation of the above named consultant. I further certify that I have not engaged in discussions within the last year with the above-named consultant regarding my future employment with said consultant and that neither I nor anyone in my household has received income from any of the bidders/proposers during the last 12 months.

Signature of Evaluator: _____ Date: _____

Printed Name of Evaluator _____

Checked by: _____ Date: _____

**CONSULTANT SHORT LIST EVALUATION WITH NO INTERVIEWS FORM –
RFP ATTACHMENT 7**

(Next Page)

CONSULTANT SHORT LIST EVALUATION WITH NO INTERVIEWS FORM

Consultant: _____

Contract No.: 5000838Description: Investment Management, Advisory, and Reporting Services

Criteria	(a) Weight	(b) Score (0-10)	(a) x (b) Weighted Score
1. PROJECT TEAM - Specialized experience and technical competence of the personnel assigned to this engagement - Time commitment of key members - Organization Chart	1.5		
2. PROJECT EXPERIENCE - Strength of the firm's supporting resources and its proven ability to perform in the capacity of investment advisor/manager/reporter to public sector entities - Management and scheduling abilities - Quality and cost control - Staff availability	2.0		
3. PROPOSED METHODOLOGY AND APPROACH TO WORK - Proposed methods and overall strategic plan to accomplish the work in a timely and competent manner - Demonstrated knowledge of the work required - Explanation of the project or services required	1.5		
4. LEVELS OF CONFORMANCE - Responsiveness to the understanding of the services requested, organization, presentation, and overall clarity of the proposal - Outline submitted in accordance with Proposal Requirements	1.0		
5. COST OR BEST VALUE - Competitive fee and expense structure - Value for services offered	1.5		
6. REPORTING CAPABILITIES Samples of reports	1.5		
7. REFERENCES* Record of producing a quality product on similar projects on time and within budget	1.0		
<i>*All panel members must enter a zero (0) for all interviewed Consultants if time did not allow for reference checks or if the reference checks were not completed on <u>all</u> the Consultants.</i>		Total	

CONSULTANT SHORT LIST EVALUATION WITH NO INTERVIEWS FORM

Comments (continue on reverse if necessary):

I certify that I have performed an independent evaluation of the above named consultant. I further certify that I have not engaged in discussions within the last year with the above-named consultant regarding my future employment with said consultant and that neither I nor anyone in my household has received income from any of the bidders/proposers during the last 12 months.

Signature of Evaluator: _____ Date: _____

Printed Name of Evaluator _____

Checked by: _____ Date: _____

COST ESTIMATE FORM – RFP ATTACHMENT 8

Investment Management, Advisory, and Reporting Services	Annual or ()	Per Activity	Portfolio Balance					
			Base \$568,000,000	Next \$ (, ,)	Next \$ (, ,)	Next \$ (, ,)	Next \$ (, ,)	Subsequent Amounts
Investment Advisory Fees								
Trade Transaction Fees								
Portfolio Management Service Fees (Percentage of the value of the portfolio per year)			()%	()%	()%	()%	()%	()%

**COST ESTIMATE FORM – RFP ATTACHMENT 8-1 (STAFF HOURLY RATES) – FOR
PRIME FIRM AND SUBCONSULTANTS**

NORMAL	(3) Fringe Benefit %	+	Overhead %	+	General	=	Combined %
	0.00%		0.00%		0.00%		(4a) 0.00%
OVERTIME	0.00%	+	0.00%	+	0.00%	=	(4b) 0.00%

	(5) Fee%	(6) Multiplier
	0.00%	1.0000

STAFF RATES

(7) Name/Com	(8) Contract	(9)		(10)		(11)	(12)		(12)		Average Hourly
		Min	Max	From	To	Escalation	Loaded Hourly Billing		Loaded Hourly Billing		
	Partner	0.00	0.00	01/01/2009	06/30/2009	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2009	06/30/2010	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2010	06/30/2011	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2011	06/30/2012	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2012	06/30/2013	0%	0.00	0.00	0.00	0.00	0.00
	Project Manager	0.00	0.00	01/01/2009	06/30/2009	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2009	06/30/2010	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2010	06/30/2011	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2011	06/30/2012	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2012	06/30/2013	0%	0.00	0.00	0.00	0.00	0.00
	Planner	0.00	0.00	01/01/2009	06/30/2009	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2009	06/30/2010	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2010	06/30/2011	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2011	06/30/2012	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2012	06/30/2013	0%	0.00	0.00	0.00	0.00	0.00
	Associate	0.00	0.00	01/01/2009	06/30/2009	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2009	06/30/2010	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2010	06/30/2011	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2011	06/30/2012	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2012	06/30/2013	0%	0.00	0.00	0.00	0.00	0.00
	Clerical	0.00	0.00	01/01/2009	06/30/2009	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2009	06/30/2010	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2010	06/30/2011	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2011	06/30/2012	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2012	06/30/2013	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	01/01/2009	06/30/2009	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2009	06/30/2010	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2010	06/30/2011	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2011	06/30/2012	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2012	06/30/2013	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	01/01/2009	06/30/2009	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2009	06/30/2010	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2010	06/30/2011	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2011	06/30/2012	0%	0.00	0.00	0.00	0.00	0.00
		0.00	0.00	07/01/2012	06/30/2013	0%	0.00	0.00	0.00	0.00	0.00

COST ESTIMATE FORM – RFP ATTACHMENT 8-2 – STAFF HOURLY RATES (INSTRUCTIONS)

SANDAG's Contracts and Procurement Department will only work directly with the Prime Consultant concerning the Agreement and the Cost Proposal Instructions. The Prime Consultant must work with its subconsultant(s) to develop the Cost Proposal. The Prime Consultant is responsible for obtaining valid cost proposal information and/or forms from its subconsultant(s). These instructions are guidelines to complete the Cost Proposal.

Audit Review of Cost Proposal - The Consultant's Cost proposal may be subject to an audit review by a SANDAG approved auditor.

- To assist audit personnel, the Prime Consultant will provide a contact person's name, telephone number, fax number, and e-mail address for itself and each subconsultant.
- For each subconsultant the Prime will provide the estimated total percentage(s) of the work anticipated to be performed by the subconsultant.
- When submitting the Cost Proposal, the subconsultant information may be submitted in a "cover letter" and/or on a separate page.
- If a revised cost proposal is required of the Prime and subconsultants as a result of audit findings or cost negotiations, the Consultant will provide a new cost proposal with all requested revision(s) and a revised date. The revised cost proposal date will be the same for the prime and subconsultants and the revised date will be on each page of the revised cost proposal.

Instructions for completing the Cost Proposal are enumerated on the Sample Cost Proposal (#) as follows:

1. The Prime and subconsultants' Cost Proposal must be submitted in the format of the Sample Cost Proposal, RFP Attachment 10-2.
2. On the right-hand side of the page indicate the contract number(s), the attachment letter, the firm's name, date prepared, and page number of numbers (i.e., 1 of 6, 2 of 6, 3 of 6, etc.).
3. In the middle, center of the page, indicate the firm's percentages for the fringe benefits, overhead, and general administration for normal and overtime percentages. The firm's fringe benefits, overhead, and general administration percentages are subject to audit review/approval.
4. **Combined %** - The combined percentage is the addition of the fringe benefit, overhead, and general administration percentage for both Normal and Overtime percentages. Provide combined percentages rates separately for "Normal" and Overtime" hours.

The combined percentage figures for "Normal" and "Overtime" hours may remain the same if the firm's business practice does not accumulate overhead costs separately for "Normal" and "Overtime" hours.
5. **Fee (%)** - As a separate line item, indicate the fee percentage proposed. It should be noted that the fee percentage is subject to negotiation.

6. **Multiplier** – Consultant will list their Normal Multiplier based on their combined overhead and fee.
7. **Name and Company Classification** - For each key team member that is listed on the Prime Consultant's organization chart and all senior level staff, list their name, company title, and corresponding contract title.
8. **Contract Classification/Title** - The contract classification or title should be descriptive of the function the team member will perform for the Project.

For the Cost Proposal Billing Information – Schedule B only – For all other employees (i.e., support staff, non-professional) list their name, company classification, and the contract classification. When the Consultant has a “pool” of employees that can perform the necessary tasks and will randomly select individuals to perform the work, the “contract classification” and “hourly range for class” may be utilized. In addition, the Consultant may separate these contract classifications to a maximum of two to three experience levels. See Appendix A for examples of the contract titles, contract classifications, and classification experience levels.

The listing of specifically “named individuals” versus “classification only” is an issue that may be discussed and decided at the cost negotiation meeting. Employees/classifications that are subject to prevailing wage requirements should be annotated with an asterisk (*).
9. **Actual Hourly Rate (or Range)** - Where a specific employee is named, provide the “Actual Hourly Rate” and the effective dates of the rate. The Consultant should use the advertisement date for the employee's actual hourly rate to begin the first year (initial) effective date.

Where contract classifications are shown, list the low (minimum) and high (maximum) end of the range.
10. **Effective Dates of Hourly Rates** - The “Effective Date of Hourly Rates” should cover the period of the contract. If the contract is for three (3) year duration, the Consultant should list each year on a separate line for each named individual and/or classification (see sample cost proposal). The effective dates may have to be revised depending on when the contract is actually executed.
11. **Escalation Increase** - If escalations are anticipated during the contract period, provide the estimated escalations percentage. If the contract period will be for more than one (1)-year, the Prime and its subconsultant(s) should indicate the anticipated escalation percentage for each individual/classification listed. Escalation increases are subject to negotiation and Caltrans audit review/approval or as listed in the solicitation.
12. **Loaded Hourly Billing Rates** - Under “Loaded Hourly Billing Rates,” the firm will list the “Straight” and “Overtime” rates for all named and/or unnamed contract classifications. To complete the “Loaded Hourly Billing Rates” section combines the applicable hourly wage rate with the combined overhead and fixed fee percentages. Consultant will use Multiplier one (1) to calculate the loaded hourly billing rates. Below is the formula for calculating the “loaded rate” (with example figures):

$$\begin{array}{rcl}
 \text{Actual/Average Hourly Rate} & \times & \text{Combined \%} & = & (A) \\
 \$30.75 & \times & 1.6754 & = & \$51.518 (\$51.52) \\
 \\
 \text{Actual/Average Hourly Rate} & + & (A) & = & (B) \\
 \$30.75 & + & \$51.52 & = & \$82.27 \\
 \\
 (B) & \times & \text{Fee \%} & = & (C) \\
 \$82.27 & \times & 0.09 & = & \$7.404 (\$7.40) \\
 \\
 (B) & + & (C) & = & \text{Loaded Rate} \\
 \$82.27 & + & \$7.40 & = & \$89.67
 \end{array}$$

Overtime may be “not applicable” (N/A) for some of the classifications. Typically those classifications are Executive, Administrative, Professional, out-side Sales Personnel, Owners, Owner’s Parents, Spouses, and their Children, etc. Overtime is completed with a “N/A” for exempt employees and with a figure for employee(s) subject to the Fair Labor Standards Act.

13. **Average Hourly Billing Rate** - With specifically named employee, the “Average Hourly Range for Class” should indicate “not applicable” (N/A). With the contract classification only, provide the “Average Hourly Range for Class” rate for that classification.

Where only the contract classification is listed, provide the “Average Hourly Rate” for the general classification. The “Average Hourly Rate” is calculated by adding the actual hourly salaries for the individuals in the “pool” and then dividing by the number of individuals in the pool. If the Consultant’s “employee pool” has five individuals that the firm will be utilizing, the five actual hourly salaries would be added and divided by five to obtain the “Average Hourly Rate.” The actual range limits is an issue that may be discussed and decided at the cost negotiation meeting.

Consultant will list the employee's actual salary and years of experience on the Consultants' Cost Proposal Billing Information – Schedule B. These rates will be used to determine the contract level and range. For the Task Orders and Invoices, the Contract Manager will pay the “actual salary rate” for the individual that is utilized from the “employee pool” but not higher than the maximum of the contract classification range.

14. **Other Direct Costs** - Utilizing the format of the sample “Schedule of Other Direct Cost Items” (RFP Attachment 8-3) attached, indicate any anticipated “Other Direct Cost” (ODC) items, including in-house billing rates. Each Consultant is responsible for billing SANDAG for their ODCs at “actual” cost, without any additional markup or profit. ODCs are subject to Caltrans audit review/approval.
 - In-house billing rates are generally for those services provided by the Consultant rather than by an outside vendor. For example, a Consultant may perform all of its reprographic work in-house and bill at an established per page billing rate. The established in-house billing rate should be supported and based on actual costs incurred by the Consultant. Or, a Consultant may send out their reprographic work and pay an outside vendor. ODC items are expenditures that are directly related to the contract/Project, which are not captured in the Consultant’s Overhead Percentages.
 - If part of the contracted work is to be subcontracted, the Consultant will submit ODCs for each subconsultant.

- Only one ODC sheet should be included with the Prime Consultant's cost proposal that combines the Prime's and subconsultants' ODC items. Normally, ODC items will vary from Consultant to Consultant depending on the Accounting method utilized by the Consultant; the ODC items listed on the "sample" form may vary from one Consultant to another. If an item listed on the ODC sample form is captured in the Consultant's Overhead Percentages, the Consultant should note "not applicable" (N/A) in that section.
- Reimbursement for transportation and subsistence costs will not exceed the rates to be paid nonrepresented/excluded State of California employees under current State Department of Personnel Administration rules detailed in the Caltrans Travel and Expense Guide.

COST ESTIMATE FORM – RFP ATTACHMENT 8-3
OTHER DIRECT COSTS – FOR PRIME FIRM AND SUBCONSULTANTS

OTHER DIRECT COST ITEMS

DESCRIPTION OF ITEMS	UNIT	COST
Cost of Supplies and Materials; Transportation Costs Etc.		

Other Direct Costs (ODCs) Notes:

1. Actual Costs per lease/access/purchase. Prior approval required.
Receipt required.
2. Per current Caltrans Travel & Expense Guide for Non-Represented Employees.
Prior written approval required for any travel or per diem expense reimbursement.
3. Other Direct Costs must be explicitly listed in each Work Order or Task Order.

STANDARD SERVICES AGREEMENT – RFP ATTACHMENT 9

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STANDARD SERVICES AGREEMENT

5000838
CONTRACT NUMBER
Various
PROJECT NUMBER(S)

THIS AGREEMENT is effective as of this day day of month, year, in the State of California by and between San Diego Association of Governments (SANDAG), and the following contractor, hereinafter referred to as "Consultant." The term of this Agreement is four (4) years with three (3) additional two (2) year options. This Agreement will terminate on date unless an option is exercised. If all the options are exercised, the maximum duration of this Agreement shall not exceed ten (10) years.

Name _____ Address _____
Form of Business _____ City _____
(corporation, partnership, sole proprietor, etc.) State _____ Zip _____
Tax ID Number _____
Phone: () _____ Email: _____
Fax: () _____ Is Consultant a ☐ YES ☐ NO
DBE?

Authorized person to sign contracts: _____
Name Title

The attached Standard Conditions are part of this Agreement. The Consultant agrees to furnish to SANDAG services and materials, summarized as follows (the "Project"):

Investment Management, Advisory, and Reporting Services

THE TOTAL CONTRACT VALUE SHALL NOT EXCEED \$ U.S. DOLLARS.

SAN DIEGO ASSOCIATION OF GOVERNMENTS	CONTRACTOR AUTHORIZATION
By: _____ Executive Director (or designee)	Firm: _____
Approved as to form:	By: _____ Signature
By: _____ Office of General Counsel	Title: _____

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR(S)
\$ _____		
By: _____ Director of Finance		Date _____

STANDARD CONDITIONS

1. AUTHORIZATION TO PROCEED

Specific authorization to proceed (Notice to Proceed) with all or a portion of the work described in the Scope of Work, Standard Services Agreement – Exhibit A, shall be granted in writing by SANDAG via a Task Order or a Notice to Proceed. Consultant shall not proceed with the work unless it is authorized. Consultant's proposal and SANDAG's request for proposals concerning the Project are hereby incorporated by reference as part of the Scope of Work, Standard Services Agreement – Exhibit A. The Notice to Proceed or each Task Order shall set forth the date of commencement of work. This Agreement shall terminate on or before the date shown on the cover page of the Agreement, unless extended by amendment. Consultant is advised that any recommendation for contract award or notice of intent to contract is not binding on SANDAG until the Agreement is fully executed by all authorized parties.

2. CONSIDERATION

- A. The Consultant agrees to complete, to the full satisfaction of SANDAG, all of the services described herein. Consultant will be reimbursed in accordance with the attached Fee Schedule, Standard Services Agreement – Exhibit B Fees shall be paid in arrears to Consultant [insert timing and methodology], however, in no event shall Consultant be paid more than \$ _____ in the first year of the Agreement. The Maximum Amount of this Agreement, including any potential Task Orders, Work Orders, or amendments, shall be \$ _____. It is understood and agreed that the actual amount of work requested by SANDAG may be less than the Maximum Amount. There is no guarantee, either expressed or implied, as to the actual dollar amount that will be authorized under this Agreement.

As tasks are identified, SANDAG may issue Task Orders to Consultant. Consultant is not authorized to perform services for SANDAG beyond the termination date set forth in each Task Order. The parties have agreed to the Fee Schedule attached to this Agreement as Standard Services Agreement – Exhibit B. For any Task Orders that may be issued subsequent to Task Order 1, the parties will negotiate the amount of payment due based on the amounts in the Fee Schedule in Standard Services Agreement – Exhibit B. Under no circumstances should Consultant presume that additional Task Orders beyond the current Task Order will be issued or that it will receive more than the maximum amount agreed to by the parties for any currently issued Task Order(s). Issuance of Task Orders under this Agreement shall be contingent on funding, budget approval, Consultant's performance, and other relevant factors. SANDAG reserves the right to increase or decrease the amount of estimated funds allocated to each Task Order. Should Consultant perform work for SANDAG in advance of issuance of a fully executed Task Order for such work, Consultant shall be performing the work as an unpaid helper for SANDAG.

- B. If Consultant's billable hourly rates are specified, the rates are not adjustable for the performance period set forth in this Agreement except when there is a change in an applicable prevailing wage position and Consultant is not being paid on a fixed fee basis. Consultant must provide notice to SANDAG at least thirty (30) days prior to effective date of applicable prevailing rate change, or rate change shall be delayed until the next annual rate revision date.
- C. Consultant shall be responsible for any future adjustments to prevailing wage rates, including, but not limited to, changes to wage orders, base hourly rates, and employer payments as determined by the Division of Industrial Relations (DIR), or any new classification or modification that may be added by the DIR or a collective bargaining agreement. A mistake, inadvertence, or neglect by the Consultant in failing to pay the correct rates of prevailing wage will be remedied solely by the Consultant and will not, under any circumstances, be considered as the basis of a claim against SANDAG.
- D. Premium Time or Overtime shall not be allowed under this Agreement without the express written approval of SANDAG.
- E. Transportation and subsistence costs to be reimbursed shall be the actual costs incurred, but shall not exceed the rates stipulated in the Caltrans Travel and Expense Guide for Non-Represented Employees (see www.dot.ca.gov/hq/asc/travel/nr.htm).
- F. In determining allowable incurred subcontractor costs that are eligible for reimbursement, in addition to reimbursement for actual costs that are incurred by reason of payment, SANDAG will allow subcontractor costs that are treated by the Consultant as accrued due to such costs having been billed to the Consultant and recognized by the Consultant as valid, undisputed, due, and payable.
- G. By submitting accrued but unpaid subcontractor costs for reimbursement, Consultant agrees that, within thirty (30) days of receipt of reimbursement, the full amount submitted as a reimbursable accrued subcontractor cost shall be paid to the subcontractor.
- H. If Consultant fails to satisfactorily complete a deliverable or portion thereof according to the schedule set forth in the Agreement or a Task Order, no payment will be made until the relevant deliverable or portion thereof has been satisfactorily completed.
- I. Any Task Order, Work Order, or Amendment issued under this Agreement is of no force or effect until returned to SANDAG and signed by an authorized representative of SANDAG. No expenditures are authorized on a project, and work shall not commence, until a Notice to Proceed, Task Order, or Work Order for those tasks has been executed by SANDAG.
- J. The period of performance for any Task Order or Work Order issued under this Agreement shall be in accordance with the Agreement performance period. No Task Order or Work Order can be written which extends beyond the expiration date of this Agreement.
- K. Invoices shall reference the Agreement number, Project title, and any applicable Task Order or Work Order number. Invoices shall be submitted no later than forty-five (45) calendar days after completion of each billing period or upon completion of a Task Order or Work Order. SANDAG agrees to pay invoice thirty (30) days after receipt of invoice or approval of

service (as should be specified in the Task Order or Work Order), whichever occurs last, and payment shall be deemed made upon mailing by SANDAG. Credits due SANDAG, including any equipment purchased under the provisions of this Agreement, must be reimbursed by Consultant prior to the expiration or termination of this Agreement.

- L. Upon completion of all deliverables and work tasks to the satisfaction of SANDAG, Consultant shall submit a final invoice showing the cumulative costs incurred by Consultant, not to exceed maximum amount of the Agreement. Final payment of retained amounts shall be made following Consultant's submittal of all required documentation and completion of the Project. Notwithstanding the foregoing, all payments are subject to the conditions set forth elsewhere in this Agreement or which are otherwise required by law. SANDAG may withhold all payments to Consultant if Consultant fails to comply with the requirements of the Agreement. Payments shall be subject to review by SANDAG for compliance with the requirements of this Agreement, and payment may be withheld if Consultant is not in compliance with the Agreement. Payments shall be subject to an audit upon completion of all services. No other compensation will be paid except for work done under an amended agreement approved pursuant to the Section in this Agreement entitled, "Changes in Work."

3. INDEPENDENT CONTRACTOR

- A. Consultant hereby declares that it is engaged in an independent business and agrees that, in the performance of this Agreement, it shall act as an independent contractor and not as an employee of the San Diego Association of Governments (SANDAG). Consultant has and hereby retains full control of all the employment, compensation, and discharge of all employees of Consultant assisting in its performance hereunder. Consultant shall be fully responsible for all matters relating to payment of its employees, including compliance with Social Security, withholding tax, and all other laws and regulations governing such matters. Consultant shall be responsible for its own acts and those of its agents and employees during the term of this Agreement. Except as otherwise specifically provided, as an independent contractor, Consultant will be solely responsible for determining means and methods for performing the services described in the Scope of Work.
- B. The payment made to Consultant pursuant to this Agreement shall be the full and complete compensation to which Consultant is entitled. SANDAG shall not make any federal or state tax withholdings on behalf of Consultant. SANDAG shall not be required to pay any workers' compensation insurance on behalf of Consultant. Consultant agrees to indemnify SANDAG for any tax, retirement contribution, social security, overtime payment, or workers' compensation payment which SANDAG may be required to make on behalf of Consultant or any employee of Consultant for work done under this Agreement.
- C. Except as SANDAG may specify in writing, Consultant shall have no authority, express or implied, to act on behalf of SANDAG in any capacity whatsoever, as an agent or otherwise. Consultant shall have no authority, express or implied, to bind SANDAG or its members, agents, or employees to any obligation whatsoever, unless expressly provided in this Agreement.

4. INSURANCE

Consultant shall procure and maintain for the duration of this contract, insurance against claims for injuries to persons, or damages to property, which may arise from or in connection with the performance of the work hereunder by Consultant, its agents, representatives, or employees. With respect to Professional Liability, coverage must be maintained, and evidence provided, for two years following the termination of this Agreement. Consultant will include the contract number on all insurance-related correspondence, i.e., the insurance certificate itself. All policies required shall be issued by companies who hold a current policyholder's alphabetic and financial-size category rating of not less than A-VI, in accordance with A.M. Best. Carriers must be qualified to do business in California and maintain an agent for service of process within California.

A. COVERAGE REQUIRED – ALL CONTRACTS

(1) MINIMUM SCOPE OF INSURANCE

Coverage shall be at least as broad as:

- Insurance Services Office Commercial (occurrence form CG001), or most recent edition General Liability coverage, and shall not contain the "X, C and U" (explosion, collapse and underground) exclusions.
- Insurance Services Office form number CA0001 (Ed. 1/87), or most recent edition covering Automobile Liability, code 1 (any auto).
- Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
- Professional Liability (Errors and Omissions) insurance appropriate to Consultant's profession.

(2) LIABILITY

Consultant agrees that all general liability coverages required under this insurance section are PRIMARY insurance and that any insurance of SANDAG shall be excess and noncontributory.

(a) Commercial General Liability

At all times during this contract and, with respect to Products and Completed Operations Liability, for twenty-four (24) months following the acceptance of the work by SANDAG, Consultant agrees to maintain Commercial General Liability Insurance for bodily injury and property damage in an occurrence form and with insurance companies acceptable to SANDAG. Commercial General Liability Insurance must include coverage for the following:

- Premises/Operations Liability
- Products/Completed Operations Liability
- Contractual Liability, with respect to this Agreement

- Personal Injury Liability
- Broad Form Property Damage
- Independent Consultants.

All such policies shall name SANDAG, its directors, officers, agents, and employees as additional insureds as their interests may appear. Consultant waives any rights of subrogation against SANDAG, and the policy form must permit and accept such waiver.

(b) Automobile Liability

At all times during this contract, Consultant agrees to maintain Automobile Liability Insurance for bodily injury and property damage, including coverage for owned, non-owned, and hired vehicles.

(c) Workers' Compensation/Employer Liability

At all times during this contract, Consultant agrees to maintain Workers' Compensation and Employer's Liability Insurance in compliance with the applicable statutory requirements. Consultant waives any rights of subrogation against SANDAG, its respective officers, employees, agents, and representatives, and the policy form must permit and accept such waiver.

B. ADDITIONAL COVERAGES REQUIRED (AS INDICATED BY A MARKED BOX)

☐ **(1) Garagekeeper's Legal Liability Insurance**

Consultant will operate a parking lot, owns a garage, and/or will accept another's property for repair or keeping and therefore become a bailee. Insurance must provide coverage against liability for damage to vehicles in Consultant's care, custody, or control. These responsibilities normally are excluded by General Liability policies under the care, custody, and control exclusion. Therefore, this coverage is needed.

☐ **(2) Railroad Protective or Equivalent**

Consultant shall furnish, with respect to the operations of the Consultant or any of the Consultant's subconsultants performing within the railroad right of way, broad form Railroad Protective Liability Insurance covering all work performed under this Agreement. Any exclusions relating to performance of services within the vicinity of any railroad, bridge, trestle, track, roadbed, tunnel, underpass, or crossing must be deleted. Option: purchase separate Railroad Protective Liability Policy as required.

☒ **(3) Professional Liability**

At all times during the term of this Agreement, Consultant agrees to maintain Professional Liability Insurance in the amount of ten million dollars (\$10,000,000) to cover losses arising from negligent acts, errors, or omissions whenever committed for services or operations performed under this Agreement. The Consultant shall ensure both that (1) this policy

retroactive date is on or before the date of commencement of the Project; and (2) this policy has a reporting period of two years after the date of completion or termination of this Agreement. The Consultant agrees that, for the time period defined above, there will be no changes or endorsements to the policy that increase SANDAG's exposure to loss.

☐ **(4) Pollution Legal Liability**

At all times during this contract, and for twenty-four (24) months following, Consultant agrees to maintain Pollution Legal Liability Insurance with respect to services or operations under this Agreement. The extended discovery period must be no less than twenty-four (24) months.

☐ **(5) Consultant Equipment**

At all times during this contract, Consultant agrees to maintain Consultant's Equipment Insurance on a special form basis covering equipment owned, leased, or used by Consultant. Consultant waives any rights of subrogation against SANDAG, and the policy form must permit and accept such waiver. Consultant hereby releases and holds harmless SANDAG for any loss or damage to its equipment.

☐ **(6) Installation Floater**

At all times during this contract, Consultant agrees to maintain Installation Floater Insurance on a special form basis covering property owned or provided by Consultant. Consultant waives any rights of subrogation against SANDAG, and the policy form must permit and accept such waiver. Consultant hereby releases and holds harmless these entities for any loss or damage to its property.

C. MINIMUM POLICY LIMITS REQUIRED

Combined Single Limit (CSL)

Commercial General Liability (Per Occurrence)	\$ 1,000,000
Commercial General Liability (Aggregate)	\$ 2,000,000
Automobile Liability	\$ 1,000,000
Workers' Compensation Employer's Liability	\$ 1,000,000

Additional Coverages (as indicated under Section B, Additional Coverages Required):

☐ B. (1) Garagekeepers	\$ _____
☐ B. (2) Railroad Protective	\$ _____
☒ B. (3) Professional Liability	\$ 10,000,000
☐ B. (4) Pollution Liability	\$ _____
☐ B. (5) Consultant Equipment	Replacement Cost
☐ B. (6) Installation Floater	Replacement Cost

D. POLICY PROVISION REQUIRED

All policies and coverages shall contain a provision for thirty (30) days' written notice by the Insurer(s) to the SANDAG Executive Director of any cancellation or material reduction of coverage - except ten (10) days for non-payment of premium. Notice of cancellation sent by registered mail, postage prepaid, with a return receipt of addresses requested shall be sufficient notice.

E. GENERAL REQUIREMENTS

The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by SANDAG, or their insurance Consultant(s) are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Consultant pursuant to this Agreement, including, but not limited to, the provisions concerning indemnification.

SANDAG reserves the right to withhold payments to Consultant in the event of material noncompliance with the insurance requirements outlined above.

Consultant shall procure and maintain the foregoing insurance coverage during the period of performance of this Agreement, and for twenty-four (24) months following completion of all work under this Agreement, from companies authorized to do business in California. Failure to provide and continue in force any insurance as described in the Insurance section shall be deemed a material breach of this Agreement, which shall be deemed at SANDAG's option to constitute cause for immediate termination hereof.

Consultant is responsible for ensuring that its carrier(s) send SANDAG updated certificates of insurance throughout the term of the Agreement. The general liability and property damage insurance, as well as automobile liability insurance, shall include SANDAG as an additional insured. Consultant's automobile, general, and professional liability policies shall be primary insurance as to SANDAG so that any other coverage held by SANDAG shall not contribute to any loss under Consultant's insurance. Said policies must contain a provision that provides the insurance provided by the policy shall be primary and non-contributory to the full limits stated in the declarations, and if SANDAG, its Board of Directors, officers, employees, or agents have other valid and collectible insurance for a loss covered by this policy, that other insurance shall be excess only.

Insurance required of the Consultant shall be provided by or in behalf of all subcontractors to cover their operations performed under this Agreement. Consultant shall be held responsible for all modifications, deviations, or omissions in these insurance requirements as they apply to subcontractors.

The policy limit requirements set forth in this Agreement do not constitute a limit on Consultant's liability.

F. ADDITIONAL INSURED

The following persons must be named as additional insureds on all relevant certificates of insurance: SANDAG, its Board of Directors, officers, employees, and agents. SANDAG may require additional entities to be named as additional insureds if work will be performed on the property of a third-party or SANDAG member agency. Consultant is not required to have SANDAG named as an additional insured on workers' compensation or automobile liability policies.

5. TERMINATION OF AGREEMENT

- A.** SANDAG reserves the right to terminate this Agreement immediately in the event of breach or failure of performance by the Consultant, or upon thirty (30) calendar days' written notice to the Consultant if terminated for the convenience of SANDAG.

B. TERMINATION FOR CAUSE

SANDAG may terminate this Agreement and be relieved of any payments should the Consultant fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event SANDAG determines sufficient cause exists, SANDAG will send a notice to cure to the address set forth in this Agreement for Consultant. If Consultant fails to satisfactorily cure the problem(s) within ten (10) days of receiving written notice from SANDAG specifying the nature of the cause, SANDAG may immediately cancel and/or terminate this Agreement and every right of the Consultant and any person claiming any right by or through the Consultant under this Agreement.

Termination for cause also shall be merited in the event of a material breach of this Agreement. Events of material breach shall include, but not be limited to, failure to adhere to the Project time schedule, failure to maintain required insurance; bankruptcy; failure to pay any subcontractor or other company or person retained by Consultant in connection with this Agreement; Consultant refuses or negligently fails, except in cases for which extension of time is provided by SANDAG, to supply sufficient properly skilled staff or proper materials to perform as required by this Agreement; or

Consultant negligently or intentionally disregards laws, ordinances, rules, regulations, or orders of any public authority having jurisdiction.

- (1) In the event of such termination, SANDAG may proceed with the work in any manner deemed proper by SANDAG. All actual and reasonable costs to SANDAG in the event of termination for cause ("termination costs") shall be deducted from any sum due the Consultant under this Agreement and the balance, if any, shall be paid to the Consultant upon demand. Termination costs include, but are not limited to, the cost of soliciting a new contractor and any increase in the fees that must be paid to the new contractor.
- (2) Consultant shall notify subcontractors and service or supply vendors providing services under this contract of the early termination date of this contract. Failure to notify any subcontractor and service or supply vendor shall result in the Consultant

being liable for the termination costs incurred by any subcontractor and service or supply vendor for work performed under this contract, except those specifically agreed to in the termination notice to the Consultant.

C. EARLY TERMINATION OF THIS AGREEMENT OR TASK ORDER(S) OR WORK ORDER(S), OR SUSPENSION OF THIS AGREEMENT FOR CONVENIENCE

(1) General Conditions

SANDAG may terminate this Agreement, in whole or in part, at any time by written notice to the Consultant when it is in SANDAG's best interest. Consultant shall be paid its costs, including contract closeout costs and profit on work performed up to the time of termination. Consultant shall promptly submit its termination claim to SANDAG to be paid to Consultant. If Consultant has any property in its possession belonging to SANDAG, Consultant will account for the same and dispose of it in the manner that SANDAG directs. No billable costs will be considered payable during suspension.

(2) Consultant's Deliverables Under Early Termination

Consultant shall provide all Project-related documents and correspondence required as part of the Scope of Work/Deliverables or included in Task Orders or Work Orders. Project-related documents shall be described, listed, and identified as part of the final revised cost proposal. Project-related documents shall include all documents that are in complete and final form and which have been accepted as complete by SANDAG, or documents in draft and/or incomplete form for those deliverables which are in progress by the Consultant and have not been accepted as complete. All documents must be received and accepted before the settlement cost invoice is paid.

(3) Invoice Submittal Under Early Termination

Separate final invoices for Project-related costs and termination settlement costs shall be submitted no later than thirty (30) calendar days after the date Consultant is notified of acceptance of the final cost proposals by the Executive Director. The invoice for termination settlement costs shall include the following, to the extent they are applicable: Lease termination costs for equipment and facilities approved under the terms of the contract; equipment salvage costs for equipment valued over \$500; rental costs for unexpired leases, less the residual value of the lease; cost of alterations and reasonable restorations required by the lease; settlement expenses, e.g., accounting, legal, clerical, storage, transportation, protection and disposition of property acquired or produced under the contract, indirect costs, such as payroll taxes, fringe benefits, occupancy costs, and immediate supervision costs related to wages and salaries, incurred as settlement costs.

(4) Cost Principles Under Early Termination

Termination settlement expenses will be reimbursed in accordance with 48 CFR, Federal Acquisition Regulations System, Part 31, except on negotiated contracts procured under a Request for Proposals, which shall instead be governed by 48 CFR, Part 15.

(5) Consultant Claims Under Early Termination

Consultant agrees to release SANDAG from any and all further claims for services performed arising out of this Agreement or its early termination, upon acceptance by Consultant of payment in the total amount agreed upon as full and final payment of its costs from performance and early termination of this Agreement or Task Order(s) or Work Order(s).

6. INDEMNIFICATION

- A. With regard to the Consultant's performance in connection with or incidental to the Project, but excluding its performance of professional services and the indemnification and hold harmless aspects thereto as set forth below, the Consultant agrees to defend, indemnify, protect and hold SANDAG and its Directors, officers, and employees as well as any additional insured identified in the Special Provisions for Service and/or Equipment Agreements, harmless from and against any and all claims asserted or liability established for damages or injuries to any person or property, including injury to the Consultant's or its subcontractors' employees, agents, or officers, which arise from or are connected with or are caused or claimed to be caused by the negligent, reckless, or willful acts or omissions of the Consultant and its subcontractors and their agents, officers, or employees, in performing the work or services herein, and all expenses of investigating and defending against same, including attorney's fees and costs; provided, however, that the Consultant's duty to indemnify and hold harmless shall not include any claims or liability arising from the established sole negligence or willful misconduct of SANDAG, its Directors, agents, officers, or employees.
- B. With regard to the Consultant's performance of professional services, the Consultant agrees to defend, indemnify, and hold harmless SANDAG, its Directors, officers, and employees, as well as any additional insured identified in the Special Provisions for Service and/or Equipment Agreements (if attached), from and against any and all claims, costs, suits, and damages, including, but not limited to, attorney's fees and losses or payments for injury to any person or property arising from the willful misconduct or negligent acts, errors, or omissions of the Consultant and/or its subcontractors associated with the Project.
- C. In addition to any other remedy authorized by law, so much of the money due Consultant under this Agreement as shall be considered necessary by SANDAG may be retained until disposition has been made of any claim for damages.
- D. This Section of the Agreement shall apply to all liability, regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Consultant. This Section of the Agreement shall survive in perpetuity.

7. ASSIGNMENT AND SUBCONTRACTING

- A. Consultant shall not assign, sublet, or transfer (whether by assignment or novation) this Agreement, or any rights under or interest in this Agreement, without the written consent of SANDAG, which may be withheld for any reason, provided however, that claims for money due to Consultant from SANDAG under this Agreement may be assigned to a bank, trust company, or other financial institution without such approval. Notice of such assignment or transfer shall be furnished promptly to SANDAG in writing.
- B. Nothing contained herein shall prevent Consultant from employing independent professional associates, subcontractors, and consultants as Consultant may deem appropriate to assist in the performance of services hereunder. Consultant shall not, however, enter into any agreement to assign subcontracted work in connection with this Agreement without first obtaining SANDAG's written approval as to the Scope of Work and the subcontractor.
- C. If Consultant subcontracts any of the work to be performed under this Agreement, Consultant shall be as fully responsible to SANDAG for the acts, errors, or omissions of Consultant's subcontractor and of the persons employed by the subcontractor as Consultant is for the acts and omissions of persons directly employed by Consultant. Nothing contained in this Agreement shall create any contractual relationship between any subcontractor of Consultant and SANDAG. Any subcontract in excess of \$25,000, entered into as a result of this Agreement, shall contain all of the provisions stipulated in this Agreement to be applicable to the subcontractor, including, but not limited to, provisions pertaining to costs, records, and payment methods. Consultant shall bind every subcontractor and every subcontractor of a subcontractor to the terms of this Agreement, unless specifically noted to the contrary in the subcontract in question, approved in writing by SANDAG.
- D. All or part of the specified deliverables or Scope of Work in this Agreement may be assigned to the entities affected by California Senate Bill 1703 (2002 legislation), including the Metropolitan Transit System (MTS) of San Diego, and the North County Transit District (NCTD). When services included in the Scope of Work of the Agreement are required by one of the transportation agencies in the region affected by SB 1703, the Agreement could be assigned in whole or in part to that agency upon mutual written agreement between SANDAG, the respective parties (assignee), and Consultant.

8. STANDARD OF CARE

- A. Consultant's services shall be performed in accordance with generally-accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions. All services shall be performed to SANDAG's reasonable satisfaction.
- B. SANDAG's review, approval, or acceptance of, nor payment for, any of the services required under this Agreement shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance thereof; and the Consultant shall be, and remain liable to, SANDAG in accordance with applicable law for all damages to SANDAG by Consultant's errors or omissions deemed to be negligent

performance of any of the services furnished under this Agreement. Errors or omissions identified in the Consultant's work product and deemed to be negligent shall be corrected upon written notification by the Project Manager, and no additional payment shall be made for said corrections. Corrections of errors or omissions to the Consultant's work product shall not limit enforcement of any other provision of this Agreement.

- C. Consultant acknowledges and understands that the data and/or information it collects and/or provides to SANDAG will be relied upon by SANDAG and other persons or entities that are now or will in the future be under contract with SANDAG. Should information derived and provided by Consultant be inaccurate and cause SANDAG to incur damages or additional expenses, SANDAG shall notify Consultant and Consultant shall immediately place any applicable insurance carrier on notice of a potential claim.
- D. Consultant shall comply with OSHA and CalOSHA regulations applicable to the Consultant regarding necessary safety equipment or procedures. Consultant shall comply with safety instructions issued by SANDAG or other government representatives.
- E. Consultant's performance will be evaluated by SANDAG. A copy of the evaluation will be sent to Consultant for comments. The evaluation, together with the comments, shall be retained by SANDAG. Interim or yearly evaluations may be performed by SANDAG; however, only the Final Consultant Evaluation at Contract Closeout will be kept by SANDAG.

9. NOTICES

All notices or other communications to either party by the other shall be deemed given when made in writing and deposited in the United States Post Office, addressed as follows:

To SANDAG:

San Diego Association of Governments (SANDAG)
Attention: Project Manager
401 B Street, Suite 800
San Diego, CA 92101

To Consultant:

As shown on front page.

10. EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

- A. Consultants doing business with SANDAG must be equal opportunity employers who achieve or attempt to achieve parity in the representation of women and minorities in their work force. A signed Certificate of Compliance and a Workforce Report form signed by the Consultant must be attached to this Agreement as a condition for award to Consultant.
- B. Consultant shall ensure equal employment opportunity for all persons. Consultant and its subcontractors shall not discriminate against any employee or applicant for employment because of race, color, religion, creed, sex, sexual orientation, national origin, ancestry, age,

medical condition, physical or mental disability, Vietnam-era veteran or special disabled veteran status, marital status, or citizenship, within the limits imposed by law. These principles are to be applied by the Consultant in all employment practices, including recruiting, hiring, transfers, promotions, training, compensation, benefits, layoffs, and terminations.

- C. During the performance of this Agreement, Consultant agrees to comply with all the requirements imposed by Title VI and Title VII of the Civil Rights Act of 1964, as amended, and the regulations issued thereunder (Executive Order 11246), the California Fair Employment Practices Act, the Americans with Disabilities Act of 1990, and any other applicable federal and state laws and regulations subsequently enacted.

11. CONFORMITY TO LEGAL REQUIREMENTS

- A. Consultant shall comply with all federal, state, and local laws and ordinances applicable to this Agreement. This includes compliance with prevailing wage rates and their payment in accordance with California Labor Code Section 1775 when applicable. Consultant shall cause all completed deliverables to conform to all applicable requirements of law: federal, state, and local.
- B. Consultant shall be aware of the requirements of the Immigration Reform and Control Act of 1986 and shall comply with those requirements, including, but not limited to, verifying the eligibility for employment of all agents, employees, consultants, and subcontractors that are included in this Agreement.
- C. Consultant represents and warrants to SANDAG that it has all necessary licenses, permits, qualifications and approvals, of whatever nature, that are legally required for Consultant to practice its profession. Consultant further represents and warrants to SANDAG that it, at its sole cost and expense, shall keep in effect at all times during the term of this Agreement any licenses, permits, and approvals that are required for Consultant to practice its profession and/or perform services under this Agreement.

12. NOTICE OF POTENTIAL CLAIM FOR OUT-OF-SCOPE WORK

Consultant shall not be entitled to additional compensation for out-of-scope work unless it has given SANDAG a written notice of potential claim for any such work. The written notice of potential claim shall set forth the reasons for which the Consultant believes additional compensation will or may be due, the nature of the out-of-scope work involved, and, insofar as possible, the amount of the potential claim. The notice must be given to SANDAG prior to the time Consultant shall have performed the work if based upon an act or failure to act by SANDAG or, in all other cases, within fifteen (15) days after the happening of the event, thing, occurrence, or other cause giving rise to the potential claim.

It is the intention of this Section that any claim for out-of-scope work be brought to the attention of SANDAG at the earliest possible time in order that matters related to any such work can be settled in a prompt manner. Consultant hereby agrees that it shall have no right to additional compensation for any claim for out-of-scope work for which no written notice of potential claim as herein required was filed.

13. DISPUTES

- A. This Agreement shall be interpreted in accordance with the laws of the State of California.
- B. In the event Consultant has a dispute with SANDAG during the performance of this Agreement, Consultant shall continue to perform unless SANDAG informs Consultant in writing to cease performance. Consultant shall submit a statement of the grounds for the dispute, including all pertinent dates, names of persons involved, and supporting documentation to SANDAG's Project Manager. The Project Manager and other appropriate SANDAG staff will review the documentation in a timely manner and reply to Consultant within twenty (20) days. Upon receipt of an adverse decision by SANDAG, Consultant may submit a request for reconsideration to SANDAG's Executive Director. The request for reconsideration must be received within ten (10) days from the postmark date of SANDAG's reply. The Executive Director will respond to the request for reconsideration within ten (10) working days. The decision of the Executive Director will be final and in writing.
- C. If Consultant is dissatisfied with the results following exhaustion of the above dispute resolution procedures, Consultant shall make a written request to SANDAG for mediation. SANDAG shall respond to a request for mediation within thirty (30) calendar days. If SANDAG agrees mediation is appropriate, a mutually-acceptable mediator shall be selected by the parties, and the parties will proceed to mediation of the dispute.
- D. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Diego, State of California. In the event of any such litigation between the parties, the prevailing party shall be entitled to recover all reasonable costs incurred, including reasonable attorney's fees, litigation and collection expenses, witness fees, and court costs as determined by the court.

14. LIMITATIONS ON USE

- A. The services hereunder are provided for the exclusive use of SANDAG, and such services, data, recommendations, proposals, reports, design criteria, and similar information provided by Consultant are not to be used or relied upon by other parties except as authorized by SANDAG.
- B. Consultant shall not use for personal gain or make other improper use of privileged information that is acquired in connection with this Agreement. For purposes of this Agreement, "privileged information" includes, but is not limited to, trade secret information, medical records, personnel records, home addresses and phone numbers of any person, social security numbers, and knowledge of selections of contractors or subcontractors in advance of an official announcement by SANDAG.
- C. All financial, statistical, personal, technical, or other data and information relative to SANDAG's operations, which are designated confidential by SANDAG and made available to the Consultant in order to carry out this Agreement, shall be protected by Consultant from unauthorized use and disclosure.

- D. Permission to disclose information on one occasion or public hearing relating to the Agreement shall not authorize the Consultant to further disclose such information or disseminate the same on any other occasion.
- E. Consultant shall not comment publicly to the press or any other media regarding the Agreement, or SANDAG's actions on the same, without SANDAG's prior permission, except to SANDAG's staff, Consultant's own personnel involved in the performance of this Agreement, or at public hearings.
- F. Consultant shall not issue any news release or public relations item of any nature whatsoever regarding work performed or to be performed under this Agreement without prior review of the contents thereof by SANDAG and receipt of SANDAG's written permission.
- G. Any subcontract entered into as a result of this Agreement shall contain all of the provisions of this Section.

15. DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

- A. The Consultant, subrecipient, or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The Consultant shall carry out applicable requirements of 49 CFR, Part 26, in the award and administration of U.S. Department of Transportation-assisted contracts. Failure by the Consultant to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as SANDAG deems appropriate.
- B. The Consultant shall include the above assurance in each subcontract it signs with a subcontractor.

16. RETENTION AND PROMPT PAYMENT

- A. The Consultant shall pay its subconsultants within ten (10) calendar days from receipt of each payment made to the Consultant by SANDAG. The ten (10) days is applicable unless a longer period is agreed in writing. Any delay or postponement of payment over thirty (30) days may take place only for good cause and with SANDAG's prior written approval.
- B. SANDAG shall hold a ten percent (10%) retention from all payments due to Consultant. SANDAG shall promptly pay retention amounts to Consultant based upon acceptance of all work under this Agreement and receipt of a final invoice and all required documentation from Consultant. Consultant or subcontractor shall return all monies withheld in retention from a subcontractor within thirty (30) days after receiving payment for work satisfactorily completed and accepted by SANDAG, including incremental acceptances of portions of the contract work. Federal Regulation 49 CFR 26.29 requires that any delay or postponements of payment over thirty (30) days may take place only for good cause and with SANDAG's prior written approval. Any violation of this provision shall subject the violating prime contractor or subcontractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. These requirements shall not be construed to

limit or impair any contractual, administrative, or judicial remedies otherwise available to the prime contractor or subcontractor for deficient subcontractor performance or noncompliance by a subcontractor.

- C. This Section applies to both DBE and non-DBE prime contractors and subcontractors.

17. RECORDS RETENTION

Consultant shall maintain complete and accurate records with respect to actual time and allowable costs incurred under this Agreement. All such records shall be maintained on a generally-accepted accounting basis and shall be clearly identified. Consultant shall provide reasonable access to the representatives of SANDAG, or its designees, including representatives of the applicable government agencies if this Agreement is funded in whole or in part with state or federal funds, to such books and records and any other books, documents, papers, or records of the Consultant that are related to this Agreement. SANDAG, the State, the State Auditor, FHWA, FTA, or any duly authorized representative of the federal government having jurisdiction under federal laws or regulations shall have the right to examine and audit such books and records and to make transcripts or copies from them as necessary. Consultant shall allow inspection of all work data, documents, proceedings, and activities related to this Agreement for a period of five (5) years from the date of final payment under this Agreement. This Section must be included in any subcontract entered into as a result of this Agreement.

18. COVENANT AGAINST CONTINGENT FEES

- A. No elected official(s) of SANDAG or any of its member agencies, the State of California, or the United States Government shall become directly or indirectly interested in or personally benefit from the financial proceeds of this Agreement or in any part of it. No officer or employee of SANDAG shall become directly or indirectly interested in or benefit from the financial proceeds of this Agreement or any part of it.
- B. Consultant warrants that its firm has not employed, retained, paid, or agreed to pay any company or person, other than a bona fide employee working for Consultant, to solicit or secure this Agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration contingent upon or resulting from the award or formation of this Agreement. For breach or violation of this warranty, SANDAG shall have the right to annul this Agreement without liability or, at its discretion, to deduct from the Agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

19. OWNERSHIP OF DOCUMENTS AND OTHER WORK PRODUCT

- A. Tracings, plans, specifications, and maps prepared or obtained under the terms of this Agreement shall be delivered to and become the property of SANDAG. Basic survey notes and sketches, charts, computations, and other data prepared or obtained under this Agreement shall be made available, upon request, to SANDAG without restriction or limitation on its use.

- B. Consultant agrees that any and all property rights, including intellectual property rights such as copyrights or patents that arise from creation of deliverables or other work products required by this Agreement shall be vested in SANDAG and hereby agrees to relinquish all claims to such property rights in favor of SANDAG.
- C. The term "deliverables" includes, but is not limited to, all original drawings, reports, and other documents, including detailed calculations, digital/electronic databases, source code, data sets, analyses, maps, and other work products developed for the Project. Digital or electronic data is required as a deliverable under this Agreement. Consultant must submit deliverables in a format identified by SANDAG as one it can decipher. Documentation and metadata must accompany the data in order for the deliverable to be accepted by SANDAG.
- D. Consultant shall have the right to make a copy of the deliverables solely for the purpose of recordkeeping. Consultant may not sell, reuse, or distribute deliverables prepared under this Agreement in any form without SANDAG's express written permission.
- E. SANDAG agrees to hold consultant harmless from any claims or damages caused by any use of such deliverables other than stipulated in the scope of services.

20. TIME

Consultant acknowledges that timely performance is an important element of this Agreement. Accordingly, the Consultant shall put forth its best efforts to complete its services in accordance with the agreed-upon schedule. It shall be the responsibility of Consultant to provide SANDAG a monthly statement of financial activity. Consultant shall document the progress and results of work performed under this Agreement to the satisfaction of SANDAG and, if applicable, to the satisfaction of any government agency as directed by SANDAG. This may include progress and final reports, plans, specifications, estimates, or other evidence of attainment of the Agreement objectives.

21. CHANGES IN WORK

If changes in the work seem merited by Consultant or SANDAG, and informal consultations with the other party indicate that a change is warranted, it shall be processed by SANDAG in the following manner: A letter outlining the changes shall be forwarded to SANDAG by Consultant, with a statement of estimated changes in fee or time schedule. If SANDAG determines the change is merited, is due to an unexpected circumstance, and was caused through no fault of the Consultant, an amendment to the Agreement may be prepared by SANDAG. SANDAG will not be required to pay for the changes in work unless the amendment is executed by both parties before performance of such services commences. Consultant is expressly put on notice that no employee of SANDAG has authority to authorize, in writing or otherwise, any additional work which would increase the cost of this Agreement or an issued Task Order without SANDAG Executive Director approval. Such amended agreement shall not render ineffective or invalidate unaffected portions of this Agreement.

22. FORCE MAJEURE

Either party is excused from performance hereunder if such non-performance results from acts of God, war, riots, acts of governmental authorities, or any other cause that could not have been overcome by the exercise of due diligence or planning by the non-performing party. In the event of the occurrence of a force majeure event, the party unable to perform shall promptly notify the other party. It shall further pursue its best efforts to resume performance as quickly as possible and shall suspend performance only for such period of time as is necessary as a result of the force majeure event.

23. ENTIRE AGREEMENT

This Agreement represents the entire understanding of SANDAG and Consultant as to those matters contained in it. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by SANDAG and Consultant.

24. INCORPORATION OF EXHIBITS

- A. SANDAG's Request for Proposals (RFP) and Consultant's proposal concerning the Project are hereby incorporated by reference except to the extent they may conflict with the terms of the Agreement. The following documents also are attached and incorporated by reference if the box next to document title is marked:
- ☐ Scope of Work (Standard Services Agreement Exhibit A)
 - ☐ Schedule (Standard Services Agreement Exhibit A-1)
 - ☐ Fee or Payment Schedule (Standard Services Agreement Exhibit B)
 - ☐ DBE Information (Standard Services Agreement Exhibit C)
 - ☐ Certificate of Compliance with SANDAG Equal Employment Opportunity Program and Equal Employment Opportunity Certificate (Standard Services Agreement Exhibit D)
 - ☐ Equal Employment Opportunity Certificate Exhibit D-1)
 - ☐ Special Provisions for Service and/or Equipment Agreements (Standard Services Agreement Exhibit E)
- B. In the event of conflicting provisions, the following order of precedence will apply: 1) Special Provisions for Service and/or Equipment Agreements, 2) the Standard Services Agreement, 3) the RFP, and 4) Consultant's proposal.
- C. Wherever the word "contractor" appears in the exhibits, it should be read as the equivalent to the word "consultant." Wherever the words "bid" or "bidder" appear in the exhibits, they should be read as the equivalent to the words "proposal" or "proposer."

25. ADMINISTRATION

Consultant proposes to assign name of person as its Project Manager to provide supervision and have overall responsibility for this Agreement for Consultant. The Project Manager shall not be removed from the Project or reassigned without prior approval of SANDAG. Consultant must obtain approval from SANDAG in writing before assigning a new Project Manager to the Project. No subcontracting of these professional services shall be made without prior approval of SANDAG.

26. HEADINGS

Section headings in this Agreement shall not be used to alter the plain meaning of the text in this Agreement.

27. PRESERVATION OF AGREEMENT

Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall be severable and enforceable.

28. SUCCESSORS OR ASSIGNS

All terms, conditions, and provisions hereof shall inure to and shall bind each of the parties hereto, and each of their respective heirs, executors, administrators, successors, and assigns.

29. SIGNATURES

The individuals executing this Agreement represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities. This Agreement may be executed in any number of separate counterparts, each of which shall be deemed an original but all of which when taken together shall constitute one and the same instrument.

**STANDARD SERVICES AGREEMENT – EXHIBIT A
SCOPE OF WORK**

(See RFP Attachment 2 for draft Scope of Work, the final Scope of Work for the Agreement will be inserted prior to contract execution.)

**STANDARD SERVICES AGREEMENT – EXHIBIT A-1
SCHEDULE**

(If Applicable)

STANDARD SERVICES AGREEMENT – EXHIBIT B
[FEE OR PAYMENT] SCHEDULE

(The final Payment Schedule for the Agreement will be inserted prior to contract execution.)

STANDARD SERVICES AGREEMENT – EXHIBIT C DBE INFORMATION

☐ Preliminary Engineering ☐ Studies ☐ Environmental Document ☐ Preliminary Design ☐ Final Design Right-of-Way ☐ Right-of-Way Engineering ☐ Right-of-Way Utility Relocation ☐ Construction ☐ Construction Engineering ☐ Construction Management Agency: _____ Location: _____ Project Description: _____ Contract Number: _____ Federal Aid Project Number: _____ Total Contract Amount: \$_____ Federal Share (for local agency to complete): \$_____ Proposal/Bid Date: _____ Proposer's/Bidder's Name: _____				
Contract Item Number	Item of Work and Description or Services to be Subcontracted or Materials to be Provided ²	DBE Certification Number and Expiration Date	Name of DBEs ¹ (Must be certified on the date bids are opened - include DBE address and phone number)	Dollar Amount DBE
IMPORTANT: Identify all DBE firms being claimed for credit, regardless of tier. Copies of the DBE quotes are helpful. Names of the First-Tier DBE Subcontractors and their respective item(s) of work listed above shall be consistent with the names and items of work in the "List of Subcontractors" submitted with your bid pursuant to the Subcontractors Listing Law and the Special Provisions. 1. Enter DBE prime and subcontractors certification number. Prime contractors shall indicate all work to be performed by DBEs including work performed by its own DBE forces. 2. If 100% of item is not to be performed or furnished by DBE, describe exact portion of item to be performed or furnished by DBE.			Total Claimed Participation	\$_____ _____ %
1. Enter DBE prime and subcontractors certification number. Prime contractors shall indicate all work to be performed by DBEs including work performed by its own DBE forces. 2. If 100% of item is not to be performed or furnished by DBE, describe exact portion of item to be performed or furnished by DBE.			_____ Signature of Proposer/Bidder _____ Date (Area Code) Tel. No. _____ Person to Contact (Please Type or Print)	

**STANDARD SERVICES AGREEMENT – EXHIBIT D
CERTIFICATE OF COMPLIANCE WITH
SANDAG EQUAL EMPLOYMENT OPPORTUNITY PROGRAM**

I hereby certify that, in performing under contract(s) or purchase order(s) awarded by the San Diego Association of Governments (SANDAG), I will comply with the provisions of the SANDAG Equal Employment Opportunity Program, and rules and regulations adopted pursuant thereto, Title VI of the Civil Rights Act of 1964, the California Fair Employment Practices Act, and any other applicable federal and state laws and regulations relating to equal employment opportunity, including laws and regulations hereinafter enacted.

I agree to make a good faith effort to meet the goals of this plan as part of my contractual obligations to SANDAG.

Name of Firm

Printed Name and Title of Signatory

Signature

Date

**STANDARD SERVICES AGREEMENT – EXHIBIT D-1
EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATE**

The Consultant hereby certifies that the company has ☐ has not ☐ been found, adjudicated, or determined to have violated any laws of Executive Orders relating to employment discrimination or affirmative action including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended, (42 U.S.C. Sections 2000e et seq.); the Equal Pay Act (29 U.S.C. Section 206(d); Executive Order 10925, 11114, or 11246; or the California Fair Employment and Housing Act (Government Code 12460 et seq.); by any federal or California court or agency, including but not limited to the Equal Employment Opportunity Commission, the Office of Federal Contract compliance Programs, and the California Fair Employment and Housing Commission.

If yes, please explain the circumstance.

Name of Firm

Printed Name and Title of Signatory

Signature

Date

**STANDARD SERVICES AGREEMENT – EXHIBIT E
SPECIAL PROVISIONS FOR SERVICE AND/OR EQUIPMENT AGREEMENTS**

THE SPECIAL PROVISIONS BELOW ARE INCORPORATED INTO THE AGREEMENT

I. OPTION TO EXTEND

Option To Extend For One To Six Additional Months At End Of Agreement. SANDAG shall have the option to extend the term of this Agreement in one or more increments for a total of no less than one (1) and no more than six (6) calendar months at the discretion of SANDAG. Each extension shall be effected by written unilateral Agreement amendment delivered to Contractor no less than fifteen (15) calendar days prior to expiration of any Agreement term. The rates set forth in the Agreement shall apply to any option exercised pursuant to this option clause unless provision for appropriate price adjustment has been made elsewhere in this Agreement or by Agreement amendment. All payments are subject to "availability of funds."

II. CONFLICT OF INTEREST

- A. Contractor shall file a Conflict of Interest Statement with SANDAG's Executive Director if it is required by SANDAG's Conflict of Interest Code. Contractor is responsible for determining it is a "Consultant" for purposes of the Political Reform Act and such code, and for compliance with any applicable financial disclosure requirements. Contractor represents that, to its knowledge, entry into this Agreement will not result in a conflict of interest prohibited by California Government Code Section 1090 for SANDAG's employees or Board of Directors.
- B. Contractor shall not make or participate in making or in any way attempt to use Contractor's position to influence a governmental decision in which Contractor knows or has reason to know Contractor has a financial interest other than the compensation promised by this Agreement. Contractor represents that Contractor has diligently conducted a search and inventory of Contractor's economic interests, as defined in the regulations promulgated by the Fair Political Practices Commission, and has determined that Contractor does not, to the best of Contractor's knowledge, have an economic interest which would conflict with Contractor's duties under this Agreement. Contractor agrees to scrupulously avoid performing services for any person or entity or entering into any contractual or other relationship with any person or entity which might create a conflict with the rendering of services under this Agreement. Contractor will immediately advise the General Counsel of SANDAG if Contractor learns of an economic interest or other prohibited conflict of interest of Contractor's during the term of this Agreement.

III. PROMPT PAYMENT

Section 17 of the Standard Conditions is hereby superseded, and the following provision will apply in its stead: No retainage will be withheld by SANDAG from progress payments due to Contractor. Any retainage held by Contractor or subcontractors from progress payments due subcontractors shall be

promptly paid in full to subcontractors within thirty (30) days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment over the thirty (30) days may take place only for good cause and with SANDAG's prior written approval. Any violation of this provision shall subject the violating Contractor or subcontractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the prime contractor or subcontractor for deficient subcontractor performance or noncompliance by a subcontractor. This Section applies to both DBE and non-DBE prime contractors and subcontractors.

Consultant shall pay its subconsultants within ten (10) calendar days from receipt of each payment made to the Consultant by SANDAG.

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**SANDAG
SUMMARY OF PORTFOLIO BALANCES (by Institution)
as of March 31, 2009**

	BOOK VALUE	PERCENT OF PORTFOLIO	MARKET VALUE	MARKET PRICE	UNREALIZED GAIN/(LOSS)	YIELD ON COST	WTD. AVG. DAYS TO MATURITY
BANK OF AMERICA	\$ 1,066,096	0.18%	\$ 1,066,096	100.00%	\$ -	0.20%	1
STATE OF CALIF. LOCAL AGENCY INVEST. FUND (LAIF)	50,759,081	8.46%	50,759,081	100.00%	-	1.87%	205
CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP)	508,376,983	84.75%	510,717,168	100.46%	2,340,185	1.86%	543
US BANK	37,609,753	6.27%	37,609,753	100.00%	-	1.47%	6
SAN DIEGO COUNTY POOLED FUND	1,369,778	0.23%	1,369,778	100.00%	-	1.69%	1
COLUMBIA FUNDS	286,108	0.05%	286,108	100.00%	-	0.14%	38
DWS SCUDDER INSTITUTIONAL MANAGEMENT FUNDS	298,040	0.05%	298,040	100.00%	-	0.53%	58
CALIFORNIA BANK AND TRUST	57,837	0.01%	57,837	100.00%	-	N/A	1
TOTAL	<u>\$ 599,823,676</u>	<u>100.00%</u>	<u>\$ 602,163,861</u>	<u>100.39%</u>	<u>\$ 2,340,185</u>	<u>1.83%</u>	<u>478</u>

** Although average days to maturity is greater than one day, funds are available at par the same day.

SUMMARY OF PORTFOLIO BALANCES (by Agency)

	BOOK VALUE	PERCENT OF PORTFOLIO	MARKET VALUE	MARKET PRICE	UNREALIZED GAIN/(LOSS)	YIELD ON COST	WTD. AVG. DAYS TO MATURITY
SANDAG FUNDS	\$ 13,835,978	2.31%	\$ 13,835,978	100.00%	\$ -	1.71%	215
ARJIS FUNDS	12,771,841	2.13%	12,771,841	100.00%	-	0.89%	392
SOURCEPOINT FUNDS	228,168	0.04%	228,168	100.00%	-	0.20%	1
CORONADO BRIDGE TOLL FUNDS	286,108	0.05%	286,108	100.00%	-	0.14%	38
RTC FUNDS	572,701,581	95.48%	575,041,766	100.41%	2,340,185	1.85%	487
TOTAL	<u>\$ 599,823,676</u>	<u>100.00%</u>	<u>\$ 602,163,861</u>	<u>100.39%</u>	<u>\$ 2,340,185</u>	<u>1.83%</u>	<u>478</u>

Legend:

Automated Regional Justice Information System (ARJIS)
San Diego County Regional Transportation Commission (RTC)

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SANDAG
Detail of Portfolio Balances (by Account)
as of March 31, 2009

	BOOK VALUE	PERCENT OF PORTFOLIO	MARKET VALUE	MARKET PRICE	UNREALIZED GAIN/(LOSS)	YIELD ON COST	WTD. AVG. DAYS TO MATURITY
BANK OF AMERICA:							
Checking - <i>TransNet</i> Sales Tax (RTC)	\$ 170,821	0.03%	\$ 170,821	100.00%	\$ -	N/A	1
Checking - SANDAG General	463,112	0.08%	463,112	100.00%	-	N/A	1
Checking - SANDAG Interstate 15 (I-15) Fastrak®	176,200	0.03%	176,200	100.00%	-	N/A	1
Checking - SourcePoint	20	0.00%	20	100.00%	-	N/A	1
Checking - ARJIS	27,795	0.00%	27,795	100.00%	-	N/A	1
Money Market - SourcePoint	228,148	0.04%	228,148	100.00%	-	0.20%	1
TOTAL BANK OF AMERICA	\$ 1,066,096	0.18%	\$ 1,066,096	100.00%	\$ -	0.20%	1
STATE OF CA LOCAL AGENCY INVESTMENT FUND (LAIF):							
<i>TransNet</i> Sales Tax (RTC)	\$ 39,644,810	6.61%	\$ 39,644,810	100.00%	\$ -	1.87%	205
SANDAG (General)	11,114,271	1.85%	11,114,271	100.00%	-	1.87%	205
TOTAL LAIF	\$ 50,759,081	8.46%	\$ 50,759,081	100.00%	\$ -	1.87%	205
SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND:							
<i>TransNet</i> 2008 Bond Proceeds (RTC)	\$ 1,369,778	0.23%	\$ 1,369,778	100.00%	\$ -	1.69%	1
TOTAL SAN DIEGO COUNTY TREASURER'S POOLED MONEY FUND	\$ 1,369,778	0.23%	\$ 1,369,778	100.00%	\$ -	1.69%	1
CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP):							
INDIVIDUAL PORTFOLIO:							
<i>TransNet</i> 2008 Bond Proceeds (RTC)	\$ 246,523,774	41.10%	\$ 248,863,959	100.95%	\$ 2,340,185	2.89%	700
TOTAL INDIVIDUAL PORTFOLIO	\$ 246,523,774	41.10%	\$ 248,863,959	100.95%	\$ 2,340,185	2.89%	700
CASH RESERVE PORTFOLIO:							
I-15 Fastrak	\$ 512,835	0.09%	\$ 512,835	100.00%	\$ -	0.89%	393
ARJIS	12,744,046	2.12%	12,744,046	100.00%	-	0.89%	393
California Coastal Commission	1,213,683	0.20%	1,213,683	100.00%	-	0.89%	393
<i>TransNet</i> Sales Tax (RTC)	46,780,276	7.80%	46,780,276	100.00%	-	0.89%	393
2008 Bond Series A Interest (RTC)	1,927	0.00%	1,927	100.00%	-	0.89%	393
2008 Bond Series B Interest (RTC)	2,182	0.00%	2,182	100.00%	-	0.89%	393
2008 Bond Series C Interest (RTC)	1,907	0.00%	1,907	100.00%	-	0.89%	393
2008 Bond Series D Interest (RTC)	1,899	0.00%	1,899	100.00%	-	0.89%	393
2008 Bond Series A/B/C/D Project Fund (RTC)	92,368,401	15.40%	92,368,401	100.00%	-	0.89%	393
2008 Bond Series A/B/C/D Reserve Fund (RTC)	17,525,305	2.92%	17,525,305	100.00%	-	0.89%	393
2008 Bond Series A - Principal (RTC)	2,489,946	0.42%	2,489,946	100.00%	-	0.89%	393
2008 Bond Series B - Principal (RTC)	2,489,945	0.42%	2,489,945	100.00%	-	0.89%	393
2008 Bond Series C - Principal (RTC)	2,489,945	0.42%	2,489,945	100.00%	-	0.89%	393
2008 Bond Series D - Principal (RTC)	2,489,945	0.42%	2,489,945	100.00%	-	0.89%	393
2008 Sales Tax Account - <i>TransNet</i> Extension (RTC)	79,582,622	13.27%	79,582,622	100.00%	-	0.89%	393
Wetland Mitigation <i>TransNet</i> Sales Tax (RTC)	287,755	0.05%	287,755	100.00%	-	0.89%	393
Sage Hill Endowment (RTC)	870,590	0.15%	870,590	100.00%	-	0.89%	393
TOTAL CASH RESERVE PORTFOLIO	\$ 261,853,209	43.66%	\$ 261,853,209	100.00%	\$ -	0.89%	393
TOTAL CAMP	\$ 508,376,983	84.75%	\$ 510,717,168	100.46%	\$ 2,340,185	1.86%	543

US BANK:

2008 Bond Series A/B/C/D Revenue Fund (RTC)	\$ 8	0.00%	\$ 8	100.00%	\$ -	0.19%	1
2008 Bond Series A Principal Account (RTC)	211,891	0.04%	211,891	100.00%	-	0.19%	1
2008 Bond Series B Principal Account (RTC)	211,891	0.04%	211,891	100.00%	-	0.19%	1
2008 Bond Series C Principal Account (RTC)	211,893	0.04%	211,893	100.00%	-	0.19%	1
2008 Bond Series D Principal Account (RTC)	211,893	0.04%	211,893	100.00%	-	0.19%	1
2008 Bond Series A/B/C/D Reserve Fund (RTC)	5,952	0.00%	5,952	100.00%	-	0.19%	1
2008 Bond Series A/B/C/D Project Fund (RTC)	18	0.00%	18	100.00%	-	0.19%	1
2008 Bond Series A/B/C/D Main Interest (RTC)	2,457,084	0.41%	2,457,084	100.00%	-	0.19%	1
2008 Bond Series B Revenue CP (RTC)	174,602	0.03%	174,602	100.00%	-	0.19%	1
NCTD Certificates of Participation	25,579,870	4.26%	25,579,870	100.00%	-	1.60%	6
NCTD Certificates of Participation	8,527,461	1.42%	8,527,461	100.00%	-	1.60%	7
Subordinate Sales Tax Revenue CP Notes Series B Project (RTC)	17,099	0.00%	17,099	100.00%	-	0.02%	1
Subordinate Sales Tax Revenue CP Notes Series B Interest (RTC)	91	0.00%	91	100.00%	-	0.02%	1
TOTAL US BANK	\$ 37,609,753	6.27%	\$ 37,609,753	100.00%	\$ -	1.47%	6

COLUMBIA FUNDS (BANK OF AMERICA):**TREASURY RESERVES CAPITAL SHARES FUND:**

Coronado Bridge Toll Funds	\$ 286,108	0.05%	\$ 286,108	100.00%	\$ -	0.14%	38
TOTAL COLUMBIA FUNDS (BANK OF AMERICA)	\$ 286,108	0.05%	\$ 286,108	100.00%	\$ -	0.14%	38

DWS SCUDDER INSTITUTIONAL MANAGEMENT FUNDS:

California Boating & Waterways	\$ 298,040	0.05%	\$ 298,040	100.00%	\$ -	0.53%	58
TOTAL DWS SCUDDER INSTITUTIONAL MANAGEMENT FUNDS	\$ 298,040	0.05%	\$ 298,040	100.00%	\$ -	0.53%	58

CALIFORNIA BANK AND TRUST

Capital Project Retention Accounts	\$ 57,837	0.01%	\$ 57,837	100.00%	\$ -	N/A	1
TOTAL OF CALIFORNIA BANK AND TRUST	\$ 57,837	0.01%	\$ 57,837	100.00%	\$ -	N/A	1

TOTAL

\$ 599,823,676	100.00%	\$ 602,163,861	100.39%	\$ 2,340,185	1.83%	478
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Legend:

Automated Regional Justice Information System (ARJIS)
Commercial Paper (CP)
State of California Local Agency Investment Fund (LAIF)
North County Transit District (NCTD)
San Diego County Regional Transportation Commission (RTC)

SANDAG
Detail of Portfolio Balances (by Investment Type)
as of March 31, 2009

Investment	Purchase Date	Maturity Date	Book Value	Market Value	Unrealized Gain / (Loss)	Par Value	Yield on Cost	Weighted Average Days to Maturity
Cash and cash equivalents:								
Demand deposits:								
Checking - TransNet (RTC)	N/A	N/A	\$ 170,821	\$ 170,821	\$ -	N/A	N/A	1
Checking - SANDAG General	N/A	N/A	463,112	463,112	-	N/A	N/A	1
Checking - SANDAG Interstate 15 (I-15) FasTrak®	N/A	N/A	176,200	176,200	-	N/A	N/A	1
Checking - SourcePoint	N/A	N/A	20	20	-	N/A	N/A	1
Checking - ARJIS	N/A	N/A	27,795	27,795	-	N/A	N/A	1
CA Bank and Trust - Capital Project Retention Acct	N/A	N/A	10,000	10,000	-	N/A	N/A	1
CA Bank and Trust - Capital Project Retention Acct	N/A	N/A	47,837	47,837	-	N/A	N/A	1
Total demand deposits			\$ 895,785	\$ 895,785	\$ -	N/A	N/A	1
Money market accounts and funds:								
First Amer Govt Obligation - RTC	N/A	N/A	\$ 8	\$ 8	\$ -	N/A	0.19%	1
First Amer Govt Obligation - RTC	N/A	N/A	211,891	211,891	-	N/A	0.19%	1
First Amer Govt Obligation - RTC	N/A	N/A	211,891	211,891	-	N/A	0.19%	1
First Amer Govt Obligation - RTC	N/A	N/A	211,893	211,893	-	N/A	0.19%	1
First Amer Govt Obligation - RTC	N/A	N/A	211,893	211,893	-	N/A	0.19%	1
First Amer Govt Obligation - RTC	N/A	N/A	5,952	5,952	-	N/A	0.19%	1
First Amer Govt Obligation - RTC	N/A	N/A	18	18	-	N/A	0.19%	1
San Diego County Treasurer's Pooled Fund	N/A	N/A	1,369,778	1,369,778	-	N/A	1.69%	1
First Amer Govt Obligation - RTC	N/A	N/A	2,457,084	2,457,084	-	N/A	0.19%	1
First Amer Govt Obligation - RTC	N/A	N/A	174,602	174,602	-	N/A	0.19%	1
First Amer Govt Obligation - RTC	N/A	N/A	17,099	17,099	-	N/A	0.02%	1
First Amer Govt Obligation - RTC	N/A	N/A	91	91	-	N/A	0.02%	1
Money Market - SourcePoint	N/A	N/A	228,148	228,148	-	N/A	0.20%	1
Columbia Treasury Res Cap Shares - Coronado Toll	N/A	N/A	286,108	286,108	-	N/A	0.14%	38
DWS Money Mkt Srs Institution	N/A	N/A	298,040	298,040	-	N/A	0.53%	58
CAMP Cash Reserve Portf - ARJIS	N/A	N/A	12,744,046	12,744,046	-	N/A	0.89%	393
CAMP Cash Res Portf - CA Coastal Commission	N/A	N/A	1,213,683	1,213,683	-	N/A	0.89%	393
CAMP Cash Reserve Portf - I-15 FasTrak	N/A	N/A	512,835	512,835	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	46,780,276	46,780,276	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	1,927	1,927	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	2,182	2,182	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	1,907	1,907	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	1,899	1,899	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	92,368,401	92,368,401	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	17,525,305	17,525,305	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	2,489,946	2,489,946	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	2,489,945	2,489,945	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	2,489,945	2,489,945	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	2,489,945	2,489,945	-	N/A	0.89%	393
CAMP Cash Reserve Portf - RTC	N/A	N/A	79,582,622	79,582,622	-	N/A	0.89%	393
CAMP Cash Reserve Portf - Wetland Mitigation - RTC	N/A	N/A	287,755	287,755	-	N/A	0.89%	393
CAMP Cash Reserve Portf - Sage Hill Endowment - RTC	N/A	N/A	870,590	870,590	-	N/A	0.89%	393
Total money market accounts and funds			\$ 267,537,705	\$ 267,537,705	\$ -	N/A	0.88%	385
Total cash and cash equivalents			\$ 268,433,490	\$ 268,433,490	\$ -	N/A	N/A	383

Investments:**State of CA Local Agency Investment Fund:**

LAIF - TransNet - RTC	N/A	N/A	\$ 39,644,810	\$ 39,644,810	\$ -	N/A	1.87%	205
LAIF - SANDAG	N/A	N/A	11,114,271	11,114,271	-	N/A	1.87%	205

Total State of CA Local Agency Investment Fund

\$ 50,759,081	\$ 50,759,081	\$ -	N/A	1.87%	205
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U.S. Agencies:

FNMA Global Bonds	04/07/2008	12/15/2009	\$ 6,421,377	\$ 6,360,813	\$ (60,565)	\$ 6,200,000	2.45%	259
FNMA Global Benchmark Notes	04/07/2008	01/15/2010	2,623,520	2,543,219	(80,301)	2,425,000	2.50%	290
FHLMC Global Bonds	04/07/2008	02/09/2010	2,329,509	2,309,733	(19,776)	2,235,000	2.51%	315
FNMA Global Notes	04/07/2008	03/12/2010	6,456,823	6,417,000	(39,823)	6,200,000	2.54%	346
FNMA Global Notes	06/11/2008	03/12/2010	2,043,710	2,070,000	26,290	2,000,000	3.45%	346
FHLB Global Unsecured	04/07/2008	04/30/2010	2,193,899	2,232,313	38,414	2,200,000	2.51%	395
FHLMC Global Notes	04/07/2008	05/28/2010	6,174,537	6,294,938	120,401	6,200,000	2.57%	423
FHLB Tap Bonds	04/07/2008	06/11/2010	6,542,029	6,508,063	(33,966)	6,200,000	2.63%	437
FHLMC Global Reference Notes	04/07/2008	07/12/2010	6,405,394	6,453,813	48,419	6,200,000	2.61%	468
FHLMC Global Reference Notes	04/18/2008	07/12/2010	2,056,214	2,081,875	25,661	2,000,000	2.82%	468
FHLB Tap Bonds	04/07/2008	09/10/2010	6,545,594	6,570,063	24,469	6,200,000	2.73%	528
FHLMC Global Reference Notes	04/07/2008	10/18/2010	6,416,076	6,496,438	80,362	6,200,000	2.69%	566
FHLMC Global Reference Notes	06/11/2008	10/18/2010	2,025,406	2,095,625	70,219	2,000,000	3.56%	566
FHLB Global Bonds	09/26/2008	10/20/2010	2,138,309	2,210,219	71,910	2,140,000	3.41%	568
FHLB Bonds	04/07/2008	11/02/2010	6,426,771	6,482,875	56,104	6,200,000	2.76%	581
FNMA Global Benchmark Notes	04/21/2008	11/15/2010	2,074,078	2,068,711	(5,367)	1,905,000	3.00%	594
FNMA Global Benchmark Notes	04/07/2008	12/15/2010	6,527,056	6,572,000	44,944	6,200,000	2.70%	624
FHLB Bonds	04/21/2008	12/27/2010	2,166,780	2,215,313	48,533	2,125,000	3.05%	636
FHLMC Global Reference Notes	04/07/2008	01/18/2011	16,211,364	16,328,813	117,449	15,400,000	2.77%	658
FHLMC Global Reference Notes	04/21/2008	01/18/2011	4,915,554	4,994,072	78,518	4,710,000	3.08%	658
FNMA Global Benchmark Notes	04/07/2008	02/15/2011	16,110,263	16,285,500	175,237	15,400,000	2.81%	686
FHLB Tap Bonds	04/07/2008	03/11/2011	16,276,291	16,372,125	95,834	15,400,000	2.96%	696
FNMA Global Benchmark Notes	04/07/2008	04/15/2011	16,374,065	16,492,438	118,373	15,400,000	2.92%	745
FNMA Global Benchmark Notes	04/07/2008	05/15/2011	16,762,099	16,887,063	124,964	15,400,000	2.99%	775
FHLMC Global Reference Notes	04/07/2008	07/18/2011	16,451,882	16,670,500	218,618	15,400,000	3.04%	839
FHLB Global Bonds	04/07/2008	08/19/2011	16,559,173	16,670,500	111,327	15,400,000	3.01%	871
FHLMC Global Reference Notes	04/07/2008	09/15/2011	16,612,827	16,829,313	216,486	15,400,000	3.07%	898
FHLB Global Bonds	04/07/2008	11/18/2011	32,683,174	33,350,625	667,451	30,800,000	3.07%	962

Total U.S. Agencies

\$ 246,523,774	\$ 248,863,959	\$ 2,340,185	\$ 233,540,000	2.89%	700
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Certificates of Participation:

NCTD Certificates of Participation	12/30/2008	01/05/2009	\$ 25,579,870	\$ 25,579,870	\$ -	\$ 25,500,000	1.60%	6
NCTD Certificates of Participation	12/30/2008	01/06/2009	8,527,461	8,527,461	-	8,500,000	1.60%	7

Total Certificates of Participation

\$ 34,107,331	\$ 34,107,331	\$ -	\$ 34,000,000	1.60%	6
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Total investments

\$ 331,390,186	\$ 333,730,371	\$ 2,340,185	N/A	2.60%	554
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Total Portfolio:

\$ 599,823,676	\$ 602,163,861	\$ 2,340,185	N/A	1.83%	478
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Legend:

Automated Regional Justice Information System (ARJIS)
Commercial Paper (CP)
State of California Local Agency Investment Fund (LAIF)
North County Transit District (NCTD)
San Diego County Regional Transportation Commission (RTC)

SANDAG BOARD POLICY NO. 003 – RFP ATTACHMENT 11

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**BOARD POLICY NO. 003****INVESTMENT POLICY****1. Introduction**

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy, and to organize and formalize investment-related activities.

The investment policies and practices of the San Diego Association of Governments (SANDAG) are based upon state law and prudent money management. All funds will be invested in accordance with the SANDAG Investment Policy and California Government Code Sections 53600 et seq. The investment of bond proceeds will be further governed by the provisions of relevant bond documents.

2. Scope

It is intended that this policy cover all funds and investment activities, with the exception of bond proceeds, under the direction or care of SANDAG, including funds of the San Diego County Regional Transportation Commission, SourcePoint, the SANDAG chartered nonprofit corporation, and the Automated Regional Justice Information System (ARJIS). Investment of bond proceeds shall be subject to the conditions and restrictions of bond documents and Treasury regulations related to arbitrage restrictions on tax-exempt bonds.

3. Prudence

All persons authorized to make investment decisions on behalf of SANDAG are trustees and therefore fiduciaries subject to the prudent investor standard: "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency."

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. Objectives

The primary objectives, in priority order, of SANDAG investment activities are:

- 4.1. *Safety.* Safety of principal is the foremost objective of the investment program. Investments of SANDAG shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio.
- 4.2. *Liquidity.* The investment portfolio of SANDAG will remain sufficiently liquid to enable SANDAG to meet its cash flow requirements.
- 4.3. *Return on Investment.* The investment portfolio of SANDAG shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

5. Delegation of Authority

5.1 The Board of Directors delegates the authority to invest or to reinvest funds, or to sell or exchange securities so purchased, to the Executive Director for a one-year period. The Executive Director is charged with the responsibility for carrying out the policies of the Board of Directors and shall assume full responsibility for investment transactions until the delegation of authority is revoked or expires. In accordance with the SANDAG established system for internal control, all financial transactions of SANDAG require the signature of at least two individuals authorized by the Executive Director.

5.2 For the purposes of carrying out this investment policy, any two of the following individuals are hereby authorized to make investment decisions, in strict accordance with this investment policy, on behalf of SANDAG:

Executive Director
Deputy Executive Director
Director of Finance
Finance Manager
Manager of Financial Programming and Project Control
Such other individuals authorized, in writing, by the Executive Director.

5.3 All accounts established for the purpose of investing SANDAG funds shall require the written authorization of the Executive Director.

5.4 No single individual, acting alone, may engage in an investment activity.

5.5 The Executive Director may delegate investment management and decision authority, via written agreement, to one or more professional investment advisors/managers who are duly qualified and registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940. All agents engaged in this capacity shall make all investment decisions and transactions in strict accordance with state law and this investment policy.

5.6 The daily management responsibility for the investment program is assigned to the Director of Finance, who shall monitor and review all investments for consistency with this investment policy.

6. Ethics (Conflict of Interest)

Officers, employees and agents thereof involved in the investment process shall comply with state law and refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

7. Selection of Financial Institutions and Broker/Dealers

7.1 SANDAG shall transact business only with banks, savings and loan associations, and registered investment securities dealers. The purchase by SANDAG of any investment other than those purchased directly from the issuer shall be either from an institution licensed by the State as a broker/dealer, as defined in Section 25004 of the Corporation Code, who is a member of the Financial Industry Regulatory Authority, or a member of a federally regulated securities exchange, a National or State-Chartered Bank, a Federal or State Association (as defined by Section 5102 of the Financial Code), or a brokerage firm designated as a Primary Government Dealer by the Federal Reserve Bank. The Director of Finance shall investigate all institutions that wish to do business with SANDAG, in order to determine if they are adequately capitalized, make markets in securities appropriate to the needs of SANDAG, and agree to abide by the conditions set forth in the SANDAG Investment Policy.

7.2 The Director of Finance shall maintain a list of authorized broker/dealers and financial institutions which are approved for investment purposes, and it shall be the policy of SANDAG to purchase securities only from those authorized institutions and firms. If SANDAG has contracted investment advisors/managers, the Director of Finance may approve and use a list of authorized broker/dealers provided by the investment advisor/manager.

8. Permitted Investment Instruments

8.1 The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. Government Code §53601 states that when there is a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase.

8.2 **Treasury Obligations:** Government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest.

8.3 **Federal Agencies and U.S. Government Sponsored Enterprises:** Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

8.4 **State of California Obligations:** Registered treasury notes or bonds of any of the 50 United States, including bonds payable solely out of revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency or authority of any of the states. Such obligations must be rated A-1/P-1, or equivalent or better short-term; or Aa/AA or better long-term by at least one of the nationally recognized statistical-rating organizations.

8.5 Local Agency Obligations: Bonds, notes, warrants, or other evidences of indebtedness issued by any local agency within the State, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency. Such obligations must be rated A-1/P-1, or equivalent or better short-term; or Aa/AA or better long-term by one of the nationally recognized statistical-rating organizations.

8.6 Repurchase Agreements: Repurchase Agreements used solely as short-term investments not to exceed 90 days.

8.6.1 The following collateral restrictions will be observed: Only U.S. Treasury securities or Federal Agency securities will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to SANDAG's custodian bank or handled under a properly executed tri-party repurchase agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value plus accrued interest, 102 percent of the total dollar value of the money invested by SANDAG for the term of the investment. Since the market value of the underlying securities is subject to daily fluctuation, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

8.6.2 Market value must be calculated each time there is a substitution of collateral.

8.6.3 SANDAG or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.

8.6.4 SANDAG may enter into Repurchase Agreements with (1) primary dealers in U.S. Government securities who are eligible to transact business with, and who report to, the Federal Reserve Bank of New York, and (2) California and non-California banking institutions having assets in excess of \$1 billion and in the highest short-term rating category, as provided by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

8.6.5 SANDAG will have properly executed a Securities Industry and Financial Markets Association (SIFMA) agreement with each firm with which it enters into Repurchase Agreements.

8.7 Bankers' Acceptances: Bankers' Acceptances issued by domestic banks or domestic branches or foreign banks, which are eligible for purchase by the Federal Reserve System, the short-term paper of which is rated in the highest rating category by Moody's Investors Services or by Standard & Poor's Corporation. Purchases of Bankers' Acceptances may not exceed 180 days maturity or 40 percent of SANDAG surplus money. No more than 10 percent of SANDAG surplus funds may be invested in the Bankers' Acceptances of any one commercial bank.

8.8 Commercial Paper: Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (a) or paragraph (b):

(a) The entity meets the following criteria: (i) Is organized and operating in the United States as a general corporation. (ii) Has total assets in excess of five hundred million dollars (\$500,000,000). (iii) Has debt other than commercial paper, if any, that is rated "A" or higher by a nationally recognized statistical-rating organization.

(b) The entity meets the following criteria: (i) is organized within the United States as a special purpose corporation, trust, or limited liability company. (ii) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond. (iii) Has commercial paper that is rated "A-1" or higher, or the equivalent, by a nationally recognized statistical-rating organization.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation. No more than 10 percent of SANDAG surplus funds may be invested in Commercial Paper of any one U.S. corporation.

Purchases of commercial paper may not exceed 25 percent of SANDAG surplus money which may be invested.

8.9 Medium-Term Notes: Medium-term notes, defined as all corporate and depository institution securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or depository institutions licensed by the United States or any state and operating within the United States. Medium-term notes shall be rated in a rating category of "A" or better by a nationally recognized statistical-rating organization.

Purchase of medium-term corporate notes may not exceed 30 percent of the agency's surplus money. No more than 10 percent of SANDAG surplus funds may be invested in the Medium-Term Notes of any one corporation.

8.10 Certificates of Deposit: The maximum term for certificates of deposit shall be one-year. The combined amount invested in negotiable certificates of deposit and certificates of deposit shall not exceed 30 percent of SANDAG surplus money.

8.10.1 Negotiable Certificates of Deposit: Negotiable certificates of deposit issued by a nationally- or state-chartered bank or a state or federal savings and loan association or by a state-licensed branch of a foreign bank; provided that the senior debt obligations of the issuing institution are rated "AA" or better by Moody's or Standard & Poor's.

8.10.2 Nonnegotiable Certificates of Deposit: Nonnegotiable certificates of deposit shall meet the conditions in either paragraph (a) or paragraph (b):

a. Certificates of deposit shall meet the requirements for deposit under Government Code Section 53635 et. seq. To be eligible to receive SANDAG deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The Director of Finance, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal

deposit insurance. SANDAG shall have a signed agreement with the depository per Government Code Section 53649.

- b. Certificates of deposit placed through a deposit placement service shall meet the requirements of Government Code Section 53601.8. The full amount of the principal and the interest that may be accrued during the maximum term of each certificate of deposit shall at all times be insured by federal deposit insurance.

8.11 State of California's Local Agency Investment Fund: State of California's Local Agency Investment Fund (LAIF) may be invested in for the benefit of local agencies up to \$40 million. For ongoing due diligence, the Director of Finance shall maintain on file a copy of LAIF's current investment policy and its requirements for participation, including limitations on deposits or withdrawals.

8.12 San Diego County Treasurer's Pooled Investment Fund: Deposits in the County pooled investment fund shall be limited to the dollar maximums of the State LAIF. For ongoing due diligence, the Director of Finance shall maintain on file a copy of the County pool's current investment policy and its requirements for participation, including limitations on deposits or withdrawals.

8.13 Savings/Money Market Accounts: Savings/Money Market Accounts deposits placed with commercial banks and savings and loans. The amount on deposit shall not exceed the shareholder's equity in the financial institution. To be eligible to receive SANDAG deposits, the financial institution must have received a minimum overall satisfactory rating for meeting the credit needs of California Communities in its most recent evaluation, as provided in Government Code Section 53635.2. Deposits are required to be collateralized as specified under Government Code Section 53630 et. seq. The Director of Finance, at his or her discretion, may waive the collateralization requirements for any portion that is covered by federal insurance. SANDAG shall have a signed agreement with the depository per Government Code Section 53649.

8.14 California Asset Management Program: Shares in a portfolio of the California Asset Management Program, so long as the portfolio is rated among the top two rating categories by one of the nationally recognized statistical-rating organizations. For ongoing due diligence, the Director of Finance shall maintain on file a copy of the Program's current information statement to include its requirements for participation, including limitations on deposits or withdrawals.

8.15 Money Market Funds: Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.). To be eligible for investment pursuant to this subdivision, these companies shall either: (1) attain the highest ranking letter or numerical rating provided by not less than two of the three largest nationally-recognized statistical-rating organizations, or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years experience managing money market mutual funds with assets under management in excess of \$500,000,000.

The purchase price of shares shall not include any commission that the companies may charge. The purchase of shares may not exceed 20 percent of SANDAG surplus money. For

ongoing due diligence, the Director of Finance shall maintain on file a copy of the money market fund's current information statement to include its requirements for participation, including limitations on deposits or withdrawals.

8.16 Mortgage and Asset-Backed Obligations: Any mortgage pass-through security collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable-pass-through certificate, or consumer receivable-backed bond of a maximum of 5 years maturity. Such obligations must be rated Aa/AA or higher by two national rating agencies and the issuer of such obligations must be rated Aa/AA or higher by two of the national rating agencies as well. Purchases of securities authorized by this section may not exceed 20 percent of SANDAG surplus funds that may be invested pursuant to this section.

8.17 Ineligible Investments: Security types which are thereby prohibited include, but are not restricted to:

- (a) Reverse repurchase agreements.
- (b) "Complex" derivative securities such as range notes, dual index notes, inverse floating-rate notes, leveraged or deleveraged floating-rate notes, or any other complex variable-rate or structured note.
- (c) Interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.
- (d) Securities lending.

In the event that SANDAG possesses ineligible investments purchased prior to the adoption of this policy, SANDAG may hold these investments to their maturity dates. The limitation in this section shall not apply to SANDAG investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940.

9. Maximum Maturity

9.1 Investment maturities shall be based upon a review of cash flow forecasts. Maturities will be scheduled so as to permit SANDAG to meet all projected obligations.

9.2 The maximum maturity will be no more than five years from purchase date to maturity date.

10. Performance Standards

The investment performance of the SANDAG portfolio shall be evaluated and compared to appropriate indices in order to assess the success of the investment program. The comparable benchmarks should be consistent with the SANDAG portfolio in terms of maturity and composition, which includes credit quality and security type.

11. Reporting Requirements

11.1 The Director of Finance shall submit to the Board annually a statement of investment policy, which the Board shall consider at a public meeting.

11.2 A monthly report of all investment transactions shall be submitted to the Board Members.

11.3 Quarterly investment reports shall be submitted to the Board Members. The reports should include information in accordance with Section 56346(b) of the California Government Code.

12. Safekeeping and Custody

12.1 All security transactions, including collateral for repurchase agreements, entered into by SANDAG shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third party custodian and evidenced by safekeeping receipts.

12.2 The only exception to the foregoing shall be securities purchases made with: (i) local government investment pools; and, (ii) money market mutual funds, since the purchased securities are not deliverable.

Adopted January 2003
Amended November 2004
Amended September 2005
Amended December 2007
Amended July 2008