



CITY OF TARPON SPRINGS, FL

PURCHASING DEPARTMENT

324 East Pine Street
P.O. Box 5004
Tarpon Springs, Florida 34688-5004
(727) 942-5615
Fax (727) 937-1766

REQUEST FOR PROPOSALS

INVESTMENT MANAGEMENT AND ADVISORY SERVICES FOR BOND PROCEEDS

Date: April 21, 2009

Proposal No.: 090057P

Sealed proposals will be received by the City of Tarpon Springs, Purchasing Department, 324 East Pine Street, Tarpon Springs, FL 34689 (mailing address: City of Tarpon Springs, Purchasing Department, P.O. Box 5004, Tarpon Springs, Florida 34688-5004), until:

3:00 p.m., Wednesday, May 13, 2009

at which time proposals will be opened for:

Investment Management and Advisory Services for Bond Proceeds

Said proposals must conform to the requirements outlined in the Request for Proposal. The City reserves the right to reject any and all proposals and to waive minor informalities.

Enclosed as part of the Request for Proposals are:

- Section I Introduction, Background, Scope of Services and Qualifications
- Section II Instructions to Offerors and General Provisions
- Section III Proposal Requirements

Appendices

- Appendix A Preference to Businesses with Drug Free Workplace Programs
- Appendix B Insurance Requirements

If you elect to respond to this Request for Proposals, **provide one (1) bound original, four (4) bound copies and one (1) unbound copy of your proposal to this office by the date indicated.** Please mark the original.

Proposals and all addenda shall be available only through Onvia/DemandStar (www.demandstar.com). All questions or requests for additional information are required to be in writing and may be faxed to 727-937-1766 or e-mailed to cmorgan@ci.tarpon-springs.fl.us.

Questions must be submitted, in writing, not later than Monday, May 4, 2009. Any verbal responses to questions or changes or additions to the Scope of Services or any part of this Request for Proposal will not be binding on the City or its representatives. Only changes or additions made by Addenda issued by the City of Tarpon Springs through Demand Star (www.demandstar.com) should be considered for your proposal submittal.

The outside of your package must be clearly labeled with the proposal number, title, and the opening date and time. PLEASE NOTE: The Post Office does not deliver mail to the Purchasing Department's physical location. City staff picks the mail up once a day. If a Proposal package is sent via USPS EXPRESS MAIL, it may not be received in the Purchasing

Department on time. Receipt by the Post Office prior to the deadline does not meet the City's deadline requirements.

Ex-Parte Communication. In order to ensure fair evaluation of proposals, ex parte communication initiated by offerors is prohibited from the time the responses are opened until a final decision has been made. No offeror may initiate communication with any City Commissioner or any City official, staff, or employee who is participating in the evaluation process. Any and all communication initiated by an offeror after the responses are opened must be in writing to:

Jay Jackus, CPPO, CPPB
Purchasing Administrator
City of Tarpon Springs
Purchasing Department
PO Box 5004
Tarpon Springs, FL 34688-5004
727-937-1766 Fax
jjackus@ci.tarpon-springs.fl.us.

The City may, however, initiate communication with any offeror in order to obtain additional information or clarification necessary for fair evaluation of their proposal. Ex parte communication initiated by an offeror may disqualify that offeror from consideration for this or future Request for Proposals.

The City will not pay any costs incurred by offerors in the preparation of its proposal or presentations. Proposals may not be withdrawn for 90 days after bid opening. The City reserves the right to reject any and all proposals and to waive minor informalities.

Late proposals will be rejected.

Jay Jackus, CPPO, CPPB
Purchasing Administrator

JJ:CM
Attachments

Table of Contents

Section I – Introduction, Background, Scope of Services and Qualifications

1. Introduction.....	1
2. Background	1
3. Scope of Services.....	1
4. Qualifications.....	2
5. Agreement Period.....	2
6. Extension of Agreement	2

Section II – Instructions to Offerors and General Provisions

1. Intent	3
2. Preparation of the RFP	3
3. Submission or Receipt of Proposals	3
4. Insurance	4
5. Right to Reject Proposal	4
6. Explanations.....	4
7. Omissions.....	4
8. Acceptance of Offer	4
9. Evaluation Criteria	4
10. Proposal Evaluation Procedure	5
11. Tentative Schedule	5
12. Award Without Discussion	5
13. Award of Agreement.....	5
14. Modification or Withdrawal of Offer	5
15. Discrepancies, Errors, and Omissions	5
16. Disqualification	6
17. Mistakes	6
18. Taxes	6
19. Governmental Restrictions	6
20. Advertising.....	6
21. Excess Reprocurement Liability.....	6
22. Waiver of Breach	6
23. Entire Agreement.....	6
24. Execution of Agreement	7
25. Public Records Law.....	7
26. Compliance with Laws.....	7
27. Assignment and Sub-Letting.....	7
28. Governing Law; Consent to Jurisdiction.....	7
29. Non-budgeted Funds.....	7
30 Attorney's Fees.....	8
31. Force Majeure	8
32. Hold Harmless.....	8
33. Termination of Contract	8
34. Drug-Free Workplace	8
35. Public Entity Crimes	9
36. Disputes and Complaints.....	9

Section III – Proposal Requirements

Required Format	10
1. Title Page	10
2. Table of Contents	10
3. Transmittal Letter.....	10

4. Firm's Background.....	11
5. Experience	12
6. Personnel	12
7. Investment Management Approach and Discipline	12
8. Approach to the Project	13
9. Accounting and Reporting	13
10. Proposed Fee/Compensation	13
11. References.....	14
12 Acceptance of Terms and Conditions	14
13. Submittals and Others	14

Appendices

Appendix A – Drug Free Workplace Program.....	15
Appendix B – Insurance Requirements.....	16

Section I

Introduction, Background, Scope of Services and Qualifications

1. Introduction

The City of Tarpon Springs is seeking a qualified Investment Advisor interested in providing investment management and advisory service for bond proceeds of \$30 to \$40 million. Independence is of the highest priority. As such, the City will accept proposals from firms only which can establish independence from transactions with the City that could be construed to, or actually create, a conflict of interest under Florida Law. In no case shall the firm selected as the Advisor and its affiliates sell to the City, or buy from the City, any securities to or from that firm's own inventory account. The Advisor will also be restricted from placing into the City portfolio any securities for which it, or an affiliate, is the issuer (i.e., CD's, commercial paper, etc). The Advisor will follow the rules of the City's investment policy. The Advisor shall act solely in a fiduciary capacity and shall not receive any fee or compensation based upon the purchase or sale of securities but, rather, the Advisor will be compensated pursuant to the provision of its contract with the City.

2. Background

The City of Tarpon Springs is a municipal corporation originally chartered by the State of Florida in 1887. The current City Charter was approved by referendum vote and was adopted in 1983. Tarpon Springs is located on Florida's West Coast 28 miles northwest of Tampa and 35 miles north of St. Petersburg. The City of Tarpon Springs currently occupies a land area of 8.5 square miles and serves a population of 24,694.

The City operates under a commission-manager form of government. Policy-making and legislative authority are vested in the Mayor and Board of Commissioners consisting of four commissioners. The Mayor and Board of Commissioners are elected on a non-partisan basis and may serve up to two three-year terms.

3. Scope of Services

Specific responsibilities of the selected investment manager will include, but not be limited to the following:

- A. Manage, on a daily basis, the City's separate bond proceed investment portfolios pursuant to the specific, stated investment objectives. Evaluate orders and recommend purchase and sale of securities, subject to the approval of the City and communicate settlement information to the City staff.
- B. Serve as a general resource to the City staff for information, advice and training regarding fixed income securities, investments, and treasury operations.
- C. Work with the City staff to develop cash flow projections to ensure that the investment strategy is consistent with the City's cash requirements.
- D. Provide monthly statements on investment activity, earnings and the value of the investment portfolio. These reports must include a mark-to-market valuation as required by GASB 31 and 40. The selected investment manager must maintain accurate reports of investments, including the diversity of investments.
- E. Provide quarterly investment reports to the City's designated representative including, but not limited to, a description of market conditions, investment strategies employed, performance and suggested changes to investment strategy. The performance numbers shall be presented as required by the CFA Institute.
- F. Provide an annual investment report to the City's designated representative including,

but not limited to, a complete list of all investments, amount invested, maturity date, earned income, book value, market value, and yield. This report shall show performance on a book value and total return basis and compare the results to the stated performance benchmarks. All investments shall be reported as required by GASB 31 and 40.

- G. Attend meetings and make presentations to the City's Commission as needed, to present investment reports and support recommendations relating to investment strategy.
- H. Assist in risk control to ensure the ongoing safety of the city's bond proceeds.
- I. The Advisors WILL NOT provide custodial services or security safekeeping.

4. Qualifications

To be considered by the City, proposing Advisor must:

- A. Have a minimum of five (5) years of experience in managing fixed income assets for state and local governments
- B. Currently manage at least \$40 million of investment assets for public organizations. The firm's own funds will not count as public funds.
- C. Have at least one office in the State of Florida.
- D. Assign an account manager to the City who has a minimum of ten (10) years' experience in public funds investment management in Florida. Be familiar with all applicable Federal or State of Florida laws, rules, regulations, codes, directives, or guidelines with regard to qualified investments for public entities.
- E. Be registered with the Securities and Exchange Commission under the Investment Advisor's Act of 1940.
- F. Be financially solvent and appropriately capitalized to be able to service the City for the duration of the contract.
- G. Have Errors & Omissions and Fiduciary Liability Insurance coverage of at least \$10 million. This insurance must be written by an insurer who possesses an A.M. Best rating of at least an "A".
- H. Adhere to the Code of Professional and Ethical Standards as described by Association for Investment Management Research "AIMR" (CFA Institute).

5. Agreement Period

Duration of the agreement shall be for a period of three (3) years from the date of contract execution and any extension thereof.

6. Extension of Agreement

The City reserves the right to extend this Agreement under the same terms and conditions for two (2) one-year periods from date of expiration provided such extension is mutually agreeable to both the City and the Offeror.

Section II

Instructions to Offerors and General Provisions

1. Intent

The intent of this Request for Proposals ("RFP") is to solicit proposals for a qualified Investment Advisor interested in providing investment management and advisory service for bond proceeds of \$30 to \$40 million for the City of Tarpon Springs, Florida.

2. Preparation of the RFP

Offerors are expected to examine this RFP and all related documents. Failure to do so is at the Offeror's risk. Each Offeror shall furnish the information required by the RFP. The Offeror shall print or type the Offeror's name, address and telephone number on the face page, and each continuation sheet must be identified with Offeror's name.

The Offerors shall retain a copy of all documents for future reference. All proposals must be signed with the company or firm's legal name and by an officer or employee having authority to bind the company or firm by his or her signature.

The City of Tarpon Springs will not be held liable for any costs incurred by a firm in the preparation and submission of a proposal relative to this RFP, presentations, or any costs incurred by firms prior to execution of a contract agreement.

3. Submission or Receipt of Proposals

One (1) bound original, four (4) bound copies and one (1) unbound copy of your proposal shall be enclosed in a sealed envelope or carton clearly marked:

RFP #090057P
Investment Management and Advisory Services for Bond Proceeds
3:00 p.m., Wednesday, May 13, 2009

and delivered in person, by messenger, or by U.S. Mail to:

Physical Address

City of Tarpon Springs
Purchasing Department
324 E. Pine Street
2nd Floor
Tarpon Springs, FL 34689

Mailing Address

City of Tarpon Springs
Purchasing Department
PO Box 5004
Tarpon Springs, FL 34688-
5004

Late proposals shall not be accepted.

Proposals not so marked may be routed as routine mail and may not be delivered to the Purchasing Department on time.

Facsimile or e-mail proposals will not be considered; however, proposals may be modified by facsimile notice provided such notices are received prior to the hour and date specified in the RFP.

Late proposals and modifications will not be considered. Failure to follow the instructions in the RFP is cause for rejection of offer.

4. Insurance

The successful Offerer must provide a Certificate of Insurance in accordance with Insurance Requirements (Appendix B) prior to execution of the Contract.

5. Right to Reject Proposal

Right is reserved to reject any or all proposals for any reason and to disregard typographical, mathematical, or obvious errors. The City will not pay any costs incurred by any Offerors in the preparation of proposals or presentations.

6. Explanations

Explanations or instructions shall not materially alter the RFP unless they are in writing. Oral explanations or instructions given before the award of the Agreement will not be binding. If necessary, a written addendum to the RFP will be issued by the City of Tarpon Springs through DemandStar/Onvia (www.demandstar.com). All questions or requests for additional information are required to be in writing and may be faxed to 727-937-1766 or e-mailed to cmorgan@ci.tarpon-springs.fl.us. **Questions must be submitted, in writing, not later than Monday, May 4, 2009.**

7. Omissions

Failure or omission of any responder to receive or examine any form, instrument, or other documents shall in no way relieve any offeror from any obligation with respect to this proposal or the evidence of compliance with this proposal.

8. Acceptance of Offer

The signed proposal shall be considered an offer on the part of the Offeror. Such offer shall be deemed accepted upon execution of the Agreement.

9. Evaluation Criteria

Proposals will be evaluated on the following criteria:

Criteria	Points
Expertise and Experience. The firm's relevant experience and performance in managing similar local government funds, and the experience, resources and qualification of the investment managers and individuals assigned to this account.	30%
Approach and Discipline. Investment philosophy and strategy and demonstrated investment performance. Ability to provide necessary portfolio accounting services. Understanding the scope of services required by the City and ability to provide these services.	20%
Approach to sample proposed portfolio	20%
Accounting and Reporting. The firm's accounting and reporting system, frequency, and format of reports, and online reporting capabilities.	10%
References.	5%
Price. Proposed fees and compensation.	15%
Total	100%

10. Proposal Evaluation Procedure

The proposals will be evaluated based on the factors set forth in the RFP and may be reduced to three or fewer Offerors. Discussions may be conducted with these Offerors to further clarify the City's requirements and the Offeror's. Offerors may be required to make presentations.

Fee Evaluation Formula

The points awarded for the "price" portion of the Request for Proposal shall be based on the following formula:

$$\frac{\text{Lowest Price Proposal}}{\text{Other Offeror's Price}} \times \text{Maximum Points Given to Price} = \text{Score}$$

(varies according to proposal being scored)

11. Tentative Schedule

Solicitation April 21, 2009
Deadline for Questions May 4, 2009
Proposal Opening May 13, 2009
Presentations To Be Determined (if needed)
Best and Final Offers To Be Determined (if needed)

12. Award Without Discussion

The City may award the Agreement on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the Offeror's best terms from a cost or price and technical standpoint.

13. Award of Agreement

An award shall be made to the responsible Offeror whose proposal is determined, in writing, to be the most advantageous to the City, taking into consideration price and the evaluation factors set forth in the RFP.

14. Modification or Withdrawal of Offer

An offer may not be modified, withdrawn, or canceled by the Offeror for 90 days following the time and date designated for the opening of proposals (except when requested by the City for clarification, presentation or best and final offers) and the Offeror so agrees by submitting its proposal.

15. Discrepancies, Errors, and Omissions

Any discrepancies, errors, or ambiguities in the RFP or addenda (if any) should be reported in writing to the City's Purchasing Department. Should it be found necessary, a written addendum will be incorporated in the RFP and will become part of the Agreement. The City will not be responsible for any oral instructions, clarifications, or other communications.

16. Disqualification

The City reserves the right to disqualify offers before or after opening, upon evidence of collusion with intent to defraud or other illegal practices on the part of the Offerors.

17. Mistakes

Due care and diligence has been used in preparing these specifications and related information. However, no warranties are made as to the accuracy and completeness of the required information. It is the responsibility of the offeror to ensure that they have all the information necessary to effect their proposal. The City will not be responsible for the failure on the part of the offeror to determine the full extent of the risk exposure and scope of work required to effectively perform under contract. Offerors are expected to examine the conditions, scope of work, special conditions, technical specifications, and all instructions pertaining to services involved. Failure to do so will be at offeror's risk.

18. Taxes

The City does not pay Federal Excise and Sales Taxes or State Excise and Use Taxes. Tax Exemption Number is provided on the Acknowledgment Form.

19. Governmental Restrictions

In the event any governmental restrictions may be imposed which would necessitate alteration of the services offered in this proposal prior to their beginning of work, it shall be the responsibility of the successful offeror to notify the City of Tarpon Springs at once, indicating in writing the specific regulation which required an alteration. City reserves the right to accept any such alteration, including any price adjustments occasioned thereby, or to cancel the contract at no expense to City.

20. Advertising

In submitting a proposal, offeror agrees not to use the results as a part of any advertising.

21. Excess Reprocurement Liability

Contractor shall be liable to City for all expenses incurred by City in re-procuring elsewhere the same or similar services offered by Contractor hereunder, should contractor fail to perform. Such re-procurement expense obligation by contractor shall be limited to the excess over the agreed upon price.

22. Waiver of Breach

No waiver of any breach of this agreement shall be held to be a waiver of any subsequent breach of this agreement.

23. Entire Agreement

This agreement contains the entire understanding of the parties and supersedes all previous verbal and written agreements; there are no other agreements, representations or warranties not set forth herein. In the event any portion of this agreement shall be declared by any court of competent jurisdiction to be invalid or unenforceable, the parties agree that such invalid or unenforceable portion shall be severable, and the contract shall be treated as though that portion had never been part of this agreement.

24. Execution of Agreement

The individual, firm, or corporation to which the Agreement has been awarded shall sign the necessary Agreement entering into a contract with the City, and return it to the City within ten (10) business days from the date the final approved Agreement has been received by the successful Contractor. The Agreement shall not be considered binding upon the City until it has been properly executed.

25. Public Records Law

Offeror shall treat all documents concerning its contractual obligations under this Agreement as public records and abide by the Florida Laws governing public records.

26. Compliance with Laws

Offeror shall comply with all applicable federal, state, and local laws, ordinances, rules and regulations, the federal and state constitutions, and orders and decrees of any lawful authorities having jurisdiction over the matter at issue (collectively, "Laws"), including but not limited to Laws relating to nondiscrimination in employment, the furnishing of equal employment opportunity and environmental Laws. Contractor shall also comply with City policies and procedures including but not limited to policies and procedures related to security and internet access.

27. Assignment and Sub-Letting

No assignment of the contract or any right occurring under this contract shall be made in whole or part by the Contractor without the express written consent of the Board of Commissioners. In the event of any assignment, the assignee shall assume the liability of the Contractor.

28. Governing Law; Consent to Jurisdiction

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Florida. Each of the parties hereto:

- (a) Irrevocably submits itself to the exclusive jurisdiction of the Circuit Court of the State of Florida, Pinellas County, and the jurisdiction of the United States District Court for the Middle District of Florida, for the purposes of any suit, action, or other proceeding arising out of, or relating to, this Agreement;
- (b) Waives and agrees not to assert against any party hereto, by way of motion, as a defense or otherwise, in any suit, action, or other proceeding, (1) any claim that is not personally subject to the jurisdiction of the above-named courts for any reason whatsoever or that its property is exempt or immune from setoff, execution, or attachment, either prior to judgment or in aid of execution, for any reason whatsoever; and (2) to the extent permitted by applicable law, any claim that such suit, action or proceeding by any party hereto is brought in an inconvenient forum or that the venue of such suit, action, or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such courts.

29. Non-budgeted Funds

In the event that sufficient budgeted funds are not available for a new fiscal period, the City shall notify the provider of such occurrence and the contract shall terminate on the last day of the current fiscal year without penalty or expense to the City.

30. Attorney's Fees

In the event either party employs an attorney to enforce any of the conditions of this agreement or to enforce any covenants hereunder or to enforce any of the rights, remedies, privileges, or options at law or in equity; the prevailing party shall be entitled to reimbursement from the non-prevailing party of all legal costs and expenses incurred or paid by the prevailing party in so doing, including without limitation, all attorney and paralegal fees and costs if the matter is settled by legal action at the trial court level and at any and all appellate court levels in all matters of collection, enforcement, construction, and interpretation, as well as appearances in and connected with any bankruptcy proceedings or creditors' reorganization or similar proceedings.

31. Force Majeure

In the event that either party hereto shall be delayed or hindered in or prevented from the performance required hereunder by reason of strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of the party delayed in performing work or doing acts ("Permitted Delay"), such party shall be excused for the period of time equivalent to the delay caused by such Permitted Delay. Notwithstanding the foregoing, any extension of time for a Permitted Delay shall be conditioned upon the party seeking an extension of time delivering written notice of such Permitted Delay to the other party within ten (10) days of the event causing the Permitted Delay.

32. Hold Harmless

The Contractor agrees to indemnify, hold harmless, and defend City of, from, and against all liability and expense, including reasonable attorney's fees, in connection with any and all claims whatsoever for personal injuries or property damage caused by the negligent or deliberate act or omission of the Contractor, its agents, officers, employees, and all other persons as a result of the performance of the services. This includes claims made by the employees of the Contractor against the City of Tarpon Springs and Contractor hereby waives its entitlement, if any, to immunity under Section 440.11, Florida Statutes. This shall not be construed in any way as a waiving of any immunity the City may have under the Doctrine of Sovereign Immunity or of 768.28, Florida Statutes.

33. Termination of Contract

The City of Tarpon Springs reserves the right to terminate this Agreement with 30 days written notice if:

- a. Contractor is determined by the City to be in breach of any of the terms and conditions of this Agreement;
- b. The City has determined that such termination will be in the best interest of the City to terminate this Agreement for its own convenience; or
- c. Funds are not available for this service. The City's obligation is contingent upon the availability of appropriated funds.

34. Drug-Free Workplace

Preference shall be given to businesses with drug-free workplace programs in accordance with Section 287.087, Florida Statutes. Whenever two or more proposals which are equal with respect to price, quality, and service are received by the City for the

procurement of commodities or contractual services; a proposal received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. Established procedures for processing tie proposals will be followed if none of the tied offerors have a drug-free workplace program.

35. Public Entity Crimes

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list.

34. Disputes and Complaints

All complaints or grievances shall be in accordance with the City of Tarpon Springs Ordinance No. 2008-15.

Section III

Proposal Requirements

Required Format

To ensure consistency, all proposals must conform to the format outlined herein:

Title Page
Table of Contents
Transmittal Letter
Firm's Background
Experience
Personnel
Investment Management Approach and Discipline
Approach to the Project
Accounting and Reporting
Proposed Fee/Compensation
References
Acceptance of Terms and Conditions
Submittals and Others

1. Title Page

Response limited to one page. Title page stating the RFP's subject, the firm's name; the name, address and telephone number of a contact person, the name, address, principal place of business and telephone number of legal entity with whom the contract is to be written and the date of the proposal.

Responses limited to two pages. Each proposal should be accompanied by a letter of transmittal, including the full legal name of the firm; a brief summary of the proposing firm; a statement of the Offeror's understanding of the scope of services to be provided; the address of the office conducting the service and of the office administering the Agreement, the names of the person(s) who will be authorized to make representations for the Contractor, their titles, addresses, telephone numbers, and e-mail addresses. The letter of transmittal must be signed by an authorized official of the company.

2. Table of Contents

The table of contents must include a clear identification of the material, by section and by page number.

3. Transmittal Letter

Responses limited to two pages. Each proposal should be accompanied by a letter of transmittal, including the full legal name of the firm; a brief summary of the proposing firm; a statement of the Offeror's understanding of the scope of services to be provided; the address of the office conducting the service and of the office administering the Agreement, the names of the person(s) who will be authorized to make representations

for the Contractor, their titles, addresses, telephone numbers, and e-mail addresses. Include a statement why you believe your firm to be the best qualified to provide the services

The letter of transmittal must be signed by an authorized official of the company.

Confirm that your firm will not take possession of City monies or investment securities, nor have access to or control over such monies and/or securities.

Confirm that your firm adheres to the Code of Professional and Ethical Standards as described by AIMR.

Confirm that your firm is completely independent of any financial institution or securities brokerage firm; or fully and continuously disclose any relationships with such financial institution(s) and/or securities brokerage firm(s), and further disclose any commissions, bonuses, or soft-dollar payments resulting from the firm's relationship with the City.

4. Firm's Background

Please limit this section to three pages. This section must contain information on each of the following:

- a.** Describe the organization, date founded and ownership of your firm. Identify and explain if the firm experienced a significant change in organization structure, ownership or management during the past five (5) years.
- b.** Describe any potential conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organization, brokerage activities, or investment banking activities. Include any other pertinent activities, actions, or relationships not specifically outlined in this question, such as soft dollar arrangements with brokers.
- c.** Identify the types of accounts primarily managed by your firm.
- d.** Identify locations of the firm's office(s) in the State of Florida, including the length of time there and the staff, and which office will service the City.
- e.** Include Part II of your most recent Form ADV. If you are exempt from registering with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940, please document your reasons.
- f.** Describe any SEC, NASD or any other regulatory censure or litigation involving your firm or the individual that will be providing investment service to the City during the past five (5) years. Please provide information beginning with closed cases and their resolution, followed by pending cases and expected outcome.
- g.** Summarize fidelity bond coverage, errors and omissions, employee dishonesty, fiduciary liability insurance, or other fiduciary coverage your firm carries.

- h. Provide a copy of your firm's most recent audited financial statement by a Certified Public Accountant licensed in the State of Florida.**

5. Experience

Please limit this section to two pages. This section must contain information on each of the following

- a. Describe your firm's experience in managing investment portfolios for public funds and governmental entities specifically any relevant experience managing public funds in Florida.
- b. Summarize your assets under management (public funds only) over the past five (5) years by the following categories: short and medium term operating funds and bond proceed funds. Please include public funds only.
- c. Describe your firm's experience in developing and portfolio management guidelines for government funds.
- d. Clarify whether your firm acts as a broker or as a primary dealer in securities or receives any other form of additional compensation (including soft dollars) for client transactions aside from the direct fee paid by clients.

6. Personnel

Please limit this section to two pages (excluding resumes). This section must contain information on each of the following:

- a. Provide a summary organizational chart showing your proposed project team including analytical investment and research staff, other decision support and back office support. Identify the primary contact and describe the roles of each key person.
- b. Provide detailed resumes for all key investment professionals who will be directly responsible for the investment of the City's funds. Include the following information: title, number of years at your firm, total number of years of experience, professional designations or licenses.
- c. Describe your firm's efforts to keep portfolio managers informed of developments relevant to the management of local government funds.

7. Investment Management Approach and Discipline

Please limit this section to two pages. This section must contain information on each of the following:

- a. Briefly describe your firm's investment management philosophy.
- b. Describe the investment program you are proposing for the City, including the type of securities you propose to purchase, how the funds will be managed after the initial investments are made and how you will provide liquidity.
- c. What are the primary strategies employed by your firm for adding value to portfolios (e.g. market timing, credit research, etc.)?
- d. What performance benchmarks would you suggest for the portfolio?
- e. Describe the daily procedures for portfolio review and client contact.

- f. Provide your firm's intermediate-term investment (0-3 year) performance for the most recent five years. Please show annualized quarterly returns, gross of all management fees. All performance numbers must be presented in accordance with the CFA Institute.
- g. Describe your firm's process for ensuring investment policy compliance, preventing and correcting investment policy exceptions and report of such compliance issues to the City.
- h. What audit process does your firm employ?
- i. Describe your firm's experience in investment management of bond proceed funds.
- j. Related to bond proceeds, describe your firm's knowledge related to arbitrage and rebate requirements.

8. Approach to the Project

This proposal shall include a description of the proposed service, with any exhibits or documentation deemed essential, and addressing the following portfolio example:

Provide an example of a proposed portfolio. Use a hypothetical \$10,000,000 portfolio which can provide liquidity within 30 days. The investment portfolio should provide yields greater than money market returns but less than traditional short term bond funds. Please provide information on the yield on the sample proposed portfolio as of February 28, 2009.

Also, include the following information in response to the proposal:

- Overall approach and methods
- Describe involvement of City staff
- Methodology intended to implement the portfolio
- All fees and charges
- Please provide your recommendation for additional services.

9. Accounting and Reporting

- a. Describe the investment accounting and reporting system used by your firm, and confirm that it complies with AIMR and CFA Institute standards.
- b. Describe your firm's knowledge of and ability to assist in the compliance with GASB 31 and GASB 40.
- c. Describe the frequency and format of reports that you would provide to City (including the methods and formulas used to calculate yield and performance). Sample reports should be included.
- d. Describe your firm's online reporting capabilities.
- e. What performance benchmark would you suggest for the proposed portfolio?

10. Proposed Fee/Compensation

- a. Provide the fee schedule that would apply to this account for the initial three year term of the contract, broken down by year.
- b. Provide the fee schedule for the renewal period, broken down by year 4 and 5.

- c. What expenses, not covered by the fees, are expected to be paid by the City.

11. References

Provide a list of five (5) Florida public client references for which your firm currently manages public funds. Include client name, contact personnel, address, phone number, length of time you have managed their assets and a list of any other related services provided (e.g. cash flow analysis, arbitrage rebate calculations, etc.).

12. Acceptance of Terms and Conditions

In this section, list any exceptions taken to the terms, conditions, specifications, or other requirements listed in this RFP. You must reference the RFP section where exception is taken, a description of the exception, and the proposed alternative, if any. All terms, conditions, specifications and other requirements of this RFP shall be deemed accepted by the Contractor unless excepted to in accordance with this Section.

10. Submittals and Others

This section should include current insurance coverages and Preferences to Businesses with Drug Free Workplace Program form. Provide documentation that your firm is registered with the Florida Division of Corporations to do business within the state of Florida.

Also, include any other information, not previously requested, you believe is pertinent in the evaluation of your firm's capability to provide the services specified. Also include information regarding any additional and/or value added services your firm can offer that would be advantageous and provide a competitive advantage to the City.

APPENDIX A
PREFERENCES TO BUSINESSES WITH DRUG-FREE WORKPLACE PROGRAMS
UNDER SECTION 287.087, FLORIDA STATUTES.

1. This statement is submitted with the attached Proposal.
2. Preference shall be given to businesses with drug-free workplace programs. Whenever two or more bids which are equal with respect to price, quality, and service are received by the City for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a drug-free workplace program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a drug-free workplace program. In order to have a drug-free workplace program, a business shall:
 - A.) Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for specifying the actions that will be taken against employees for violations of such prohibition.
 - B.) Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
 - C.) Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (A).
 - D.) In the statement specified in subsection (A), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, violation of Chapter 893 or of any controlled substance law of the United States or any state for a violation occurring in the workplace no later than five (5) days after such conviction.
 - E.) Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program, if such is available in the employee's community, by any employee who is so convicted.
 - F.) Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

AS THE PERSON AUTHORIZED TO SIGN THE STATEMENT, I CERTIFY THAT THIS FIRM COMPLIES FULLY WITH THE ABOVE REQUIREMENTS.

VENDOR'S SIGNATURE_____

PRINTED NAME_____

APPENDIX B

MINIMUM INSURANCE REQUIREMENTS

1. Insurance

Consultant shall carry the following minimum types and amounts of insurance at its own expense, for the contract period:

- A. Prior to the time Consultant is entitled to commence any part of the project, work, or services under this contract, Consultant shall procure, pay for, and maintain at least the following insurance coverage's and limits. Said insurance shall be evidenced by delivery to the Purchasing Department of the City of Tarpon Springs of a Certificate of Insurance executed on a standard ACORD form, listing all coverage and limits, expiration dates and terms of policies, and all endorsements whether or not required by the City. The insurance requirements shall remain in effect throughout the term of this Contract, or any contract extension.
- 1). Worker's Compensation limits as required by law; Employers' Liability Insurance of not less than \$1,000,000 for each accident.
 - 2). Comprehensive General Liability Insurance including, but not limited to, Independent Contractor, Contractual, Premises/Operations, Products/Completed Operations and Personal Injury covering the liability assumed under indemnification provisions, with limits of liability for personal injury and/or bodily injury, including death, of not less than \$1,000,000, each occurrence; and property damage of not less than \$100,000, each occurrence. (Combined Single Limits of not less than \$1,000,000, each occurrence, will be acceptable unless otherwise stated). Coverage shall be on an occurrence basis, and the policy shall include Broad Form Property Damage coverage, and Fire Legal Liability of not less than \$50,000 per occurrence, unless otherwise stated by exception herein.
 - 3). Professional liability (errors and omissions) insurance with a limit of not less than \$2,000,000 per occurrence.
 - 4) Errors and Omissions and Fiduciary Liability Insurance coverage of not less than \$10 million.
- B. Each Insurance Policy shall include the following conditions by endorsement to the policy:
- 1). Each policy shall require that thirty (30) days prior to expiration, cancellation, non-renewal, or any material change in coverage's or limits, a notice thereof shall be given to the City by certified mail to: City of Tarpon Springs, %Purchasing Department, P.O. Box 5004, Tarpon Springs, Florida, 34688-5004. Consultant shall also notify City, in a like manner, within twenty-four (24) hours after receipt, of any notices of expiration, cancellation, non-renewal, or material change in coverage received by said Consultant from its insurer; and nothing contained herein shall absolve Consultant of this requirement to provide notice.
 - 2). Companies issuing the insurance policy, or policies, shall have no recourse against City for payment of premiums or assessments for any deductibles which all are at the sole assessments for any deductibles which all are at the sole responsibility and risk of Contractor.

3). The term "CITY" shall include all Authorities, Boards, Commissions, Divisions, Departments, and offices of City and individual members, employees thereof in their official capacities, and/or while acting on behalf of the City.

4). **CITY OF TARPON SPRINGS SHALL BE ENDORSED TO THE REQUIRED POLICY OR POLICIES AS AN ADDITIONAL INSURED OR ADDITIONAL NAMED INSURED.**

5). The policy clause "Other Insurance" shall not apply to any insurance coverage currently held by City to any such future coverage, or to City's Self-Insured Retentions of whatever nature.