

**Request for Proposal**

**552-9110**

**5-YEAR CONTRACT FOR INVESTMENT MANAGER SERVICES**

**Opens: November 12, 2004  
2:00 p.m.**



***City of Fort Lauderdale***

***Issued for FINANCE DEPARTMENT/TREASURY DIVISION  
By the Procurement Services Department***

**Linda R. Wilson, C.P.M., CPPB  
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***Visit us on the web at*** [www.fortlauderdale.gov/purchasing](http://www.fortlauderdale.gov/purchasing)

***(954) 828-5140***

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## **PART I - SPECIAL CONDITIONS**

**1. PURPOSE:** The City of Fort Lauderdale, Florida, is actively seeking proposals from qualified financial institutions to furnish Investment Manager Services, in accordance with this Request For Proposal (RFP) specifications.

**2. ADDITIONAL INFORMATION:** For information concerning procedures for responding to this RFP, contact the Procurement Specialist II, Linda Wilson, at (954) 828-5146. Technical questions may be referred to Director of Finance, Terry Sharp, at (954) 828-5165 or Dawn Johnson, Accountant II, (954) 828-5187. Material changes, if any, to the technical specifications or proposal procedures will only be transmitted by written addendum.

**3. INTENT:** It is the intent of the City to select one or two investment managers to provide innovative investment services for no less than \$50,000,000 or no more than \$100,000,000 of its operating and capital (exclusive of pension funds) funds pursuant to Florida Statutes and the City's Investment Policy (see Attachment). The City's objective is to obtain a net yield on its portfolio better than that which may be obtained through utilization of the Florida State Board of Administration while maintaining strict adherence to its adopted Investment Policy, to protect investment principal, and to maintain liquidity, while avoiding unreasonable risk.

**4. PRE-PROPOSAL CONFERENCE:** A pre-proposal conference will be held on **Friday, October 29, 2004 at 11:00 AM** in the **IT Conference Room, 2nd Floor**, City Hall, 100 N. Andrews Avenue, Fort Lauderdale, FL., to address any Proposer's questions or make any clarifications which may be necessary prior to submission of a proposal. **Proposers may fax their questions, prior to the Pre-Proposal Conference, if desired. Fax Questions should be marked with the RFP Number and title and be faxed to Linda Wilson. at (954) 828-5576, or they may be e-mailed to lwilson@fortlauderdale.gov**

A written addendum, if necessary, will be sent via email within three (3) days of the pre-proposal conference. No variation in price or service shall be permitted based upon a claim of ignorance. Submission of a proposal will be considered evidence that the Proposer has familiarized themselves with the nature and extent of the services required.

**5. CONTRACT TERM:** The contract will be for a base period of five (5) years. The City reserves the right to extend the contract for up to three (3), one year extension terms, providing: a) all terms, conditions and specifications remain the same, b) both parties agree to the extension, and c) such extension is approved by the City. **The anticipated contract starting date will be January 1, 2005, unless another date is determined by the City Commission to be more practical.**

**5.1. Modifications and Amendments:** During the period of the contract, or any extension thereof, the City reserves the right to restate and/or renegotiate with the manager/managers (hereinafter referred to as the Contractor) such additions, deletions, or changes as may be necessitated by law, changed circumstances, or changes in technology or available investments of which the City may wish to avail itself.

However, no increase in quoted fees will be permitted and no additional charges shall be added to items or services in the original proposal that remain unchanged.

**5.2 Pricing Adjustments:** Costs for any extension terms shall be subject to an adjustment only if increases or decreases occur in the industry. Such adjustment shall be based on the latest yearly percentage increase in the All Urban Consumers Price Index (CPI-U) as published by the Bureau of Labor Statistics, U.S. Department of Labor, and shall not exceed five percent (5%) or the CPI, whichever is less. The yearly increase or decrease in the CPI shall be that latest Index published and available for the quarter ending 6/30, prior to the end of the contract year then in effect, as compared to the index for the comparable month one-year prior.

Any requested adjustment shall be fully documented and submitted to the City at least ninety days (90) prior to the contract anniversary date. Any approved cost adjustments shall become effective on the effective date of the approved contract extension.

The City may, after examination, refuse to accept the adjusted costs if they are not properly documented, or are considered to be excessive, or if decreases are considered to be insufficient. In the event the City does not wish to accept the adjusted costs and the matter cannot be resolved to the satisfaction of the City, the contract will be considered cancelled on the scheduled expiration date.

**6. NON-DISCRIMINATION, MINORITY-WOMEN BUSINESS ENTERPRISE PARTICIPATION:**

There shall be no discrimination as to race, sex, color, creed, or national origin in the operations conducted under this contract.

It is the desire of the City of Fort Lauderdale to increase the participation of minority and women-owned businesses in its procurements. While the City does not have any preference or set aside programs in place, it is committed to a policy of equitable participation for these firms. Proposers are requested to include in their responses a narrative describing past accomplishments and intended actions in this area.

If it is the intention of the Proposer to subcontract any portion of the Contract, the City would encourage Proposer to consider the engagement of a qualified Minority Business Enterprise (MBE) or Women Business Enterprise (WBE) firm. Proposer must state any intended use of M/WBE in the performance of the Contract services, including the names of proposed subcontractors clearly identified in your RFP response. If Proposer is considered for award, he/she may be asked to meet with City staff so that the intended MBE/WBE participants can be formalized and included in the subsequent contract.

**6.1. Certification by Broward County, Florida:** If awarded a contract or purchase order as a result of this solicitation, and if the awarded contractor/Proposer is claiming minority status in accordance with Section 1.08 of the general Conditions, then said **awarded contractor/Proposer will apply for certification by Broward County, Florida, Division of Equal Employment and Small Business Opportunity.** Contractor/Proposer will provide documentation of application status, and once approved or disapproved by Broward County, will also provide that documentation to the Procurement Division of the City of Fort Lauderdale.

**Proposers are requested to include in their proposals a narrative describing their past accomplishments and intended actions in this area. If proposers are considering minority or women owned enterprise participation in their proposal, those firms, and their specific duties have to be identified in the proposal.**

See General Conditions, Section 1.08 for MBE and WBE definitions.

**7. SELLING, TRANSFERRING OR ASSIGNING CONTRACT:** No contract awarded under these terms, conditions and specifications shall be sold, transferred or assigned without the written approval of the City Manager, or designee.

**8. SUBSTITUTION OF PERSONNEL:** In the event the Consultant wishes to substitute any key personnel for those listed in his proposal, the City shall receive prior notice and shall have the right to review and approve such substitutions.

If the City has reasonable evidence to believe that an employee of the Consultant, working on City property, is incompetent, or has performed his or her employment in an objectionable manner, the City shall have the right to require the Consultant to resolve the situation to the City's satisfaction. However, the Consultant shall not be required to institute or pursue to completion any action if to do so would violate any law, statute, City ordinance, contract of employment, or union agreement.

**9. CONFLICT OF INTEREST:** Proposers are required to include a disclosure statement of any potential conflict of interest the firm may have due to other clients, current or former employees, contracts or interests associated with this project.

**10. GENERAL CONDITIONS:** Except as noted in the Special Conditions in the RFP, the terms and conditions of the General Conditions, FORM G-107, REV. 7/01, attached to the RFP, are included by reference.

**11. NO EXCLUSIVE CONTRACT/ADDITIONAL SERVICES:** Contractor agrees and understands that the contract shall not be construed as an exclusive arrangement and further agrees that the City may, at any time, secure similar or identical services at its sole option. While this contract is for services provided to the City's Risk Management Department, the City may require similar work for other City departments. Contractor agrees to take on perform such services as may be required under the same contract provisions, unless such work would not be considered reasonable or become an undue burden to the Contractor.

**12. SUBCONTRACTING:** If the Proposer intends to use a sub-contractor to provide any part of the services contained in the RFP, a listing of sub-contractors, and the portion of the contract they will perform must be specifically detailed in the proposal response. Sub-contractor(s) shall be responsible to confirm to the same requirements of the specifications as bind the Contractor. Sub-contractor cannot be changed after acceptance of the proposal, except with the written permission of the City Manager, or designee. The use of a sub-contractor shall not relieve the Contractor from the prime responsibility of full and complete, satisfactory and acceptable performance under the awarded Contract.

In the event subcontracting is permitted, the Proposer shall include all details regarding any sub-contractor in the RFP response, including credentials to support the experience and ability of the sub-contractor to perform the services outlined within the RFP specifications. The City reserves the right to accept or reject any proposed sub-contractor who does not meet the RFP requirements. If

during the Contract term any subsequent subcontractor candidate shall be proposed, the subcontractor candidate shall be promptly reported to the City with enough detail to allow the City to properly review the proposed candidate. The City reserves the right to approve or disapprove of any subcontractor candidate in its best interest.

**13. INDEPENDENT CONTRACTOR:** The Contractor ,including its employees, and any subcontractor(s) are considered an independent contractor under this Agreement. Personal services provided by the Contractor shall be by employees of the Contractor and subject to supervision by the Contractor, and not as officers, employees, or agents of the City. Personnel policies, tax responsibilities, social security, health insurance, employee benefits, purchasing policies and other similar administrative procedures applicable to services rendered under this Contract shall be those of the Contractor.

**14. INSURANCE:** The Contractor shall carry in force at all times during the contract term, and any extension terms, the following insurance coverage:

- **Worker's Compensation & Employer's Liability Insurance**  
Limits: Statutory, meeting all applicable state and federal laws.
- **Commercial General Liability:**  
Limits: Not less than one million dollars (\$1,000,000.00) per occurrence combined single limit for Bodily Injury and Property Damage, including coverage for contractual liability, personal injury, broad form property damage, products and completed operations..
- **Automobile Liability:** Comprehensive or Business Automobile Liability insurance with limits of not less than \$500,000 per occurrence combined single limit for Bodily Injury and Property Damage including coverage's for owned, hired, and non-owned vehicles and/or equipment as applicable.
- **Professional Liability :** Limits: \$1,000,000/per occurrence, \$2,000,000 aggregate with defense costs in addition to limits.

**Supplemental Provisions:**

1. **The insurance coverage and conditions afforded by this policy shall not be suspended, voided, cancelled or modified, except after thirty (30) days prior written notice by Certified Mail, Return Receipt Requested, has been given to the Finance Department of the City of Fort Lauderdale.**
2. **Liability policies shall be endorsed to provide the following:**
  - a. **Name as additional insured, the City of Fort Lauderdale, its Officers, Agents, Employees, and Commission Members.**
  - b. **Certificates of Insurance, in form and evidencing all required insurance and endorsements, shall be submitted with the Proposers Proposal Package response.**
  - c. **All insurance policies herein required of the successful Contractor shall be written by a company with an A.M. Best Rating of B++ VI or better, that is duly authorized and licensed to do business in the State of Florida, and shall be executed by agents, thereof that are duly licensed as agents in said State.**

All original certificates of insurance must be submitted to the Procurement Division and be approved by the City's Risk Manager prior to commencement of any work.

**No work can be started until the certificate is submitted and approved by the City's Risk Management Division.**

**15. UNCONTROLLABLE CIRCUMSTANCES ("Force Majeure")**

The City and Contractor will be excused from the performance of their respective obligations under this agreement when and to the extent that their performance is delayed or prevented by any circumstances beyond their control including, fire, flood, explosion, strikes or other labor disputes, act of God or public emergency, war, riot, civil commotion, malicious damage, act or omission of any governmental authority, delay or failure or shortage of any type of transportation, equipment, or service from a public utility needed for their performance, provided that:

- A. the non performing party gives the other party prompt written notice describing the particulars of the Force Majeure including, but not limited to, the nature of the occurrence and its expected duration, and continues to furnish timely reports with respect thereto during the period of the Force Majeure;
- B. the excuse of performance is of no greater scope and of no longer duration than is required by the Force Majeure;
- C. no obligations of either party that arose before the Force Majeure causing the excuse of performance are excused as a result of the Force Majeure; and
- D. the non performing party uses its best efforts to remedy its inability to perform.

Notwithstanding the above, performance shall not be excused under this Section for a period in excess of two (2) months, provided that in extenuating circumstances, the City may excuse performance for a longer term. Economic hardship of the Contractor will not constitute Force Majeure. The term of the agreement shall be extended by a period equal to that during which either party's performance is suspended under this Section.

**16. LOBBYING ACTIVITIES:** Any Proposer submitting a response to this solicitation must comply, if applicable, with the City of Fort Lauderdale Ordinance No. C-00-27, Lobbying Activities. Copies of Ordinance C-00-27 may be obtained from the City Clerk's office on the 7<sup>th</sup> Floor of City Hall, 100 North Andrews Avenue, Fort Lauderdale, FL 33301. The ordinance may also be viewed on the City's website at <http://fortlauderdale.gov/documents.htm>

**Part II RFP SCHEDULE**

**\*\*\*\*Tentative\*\*\*\***

Release of Notice of Proposal Availability	October 22, 2004
Pre-Proposal Conference <b>City Hall, 100 North Andrews Avenue</b> 2 <sup>nd</sup> Floor IT Conference Room Fort Lauderdale, FL 33301	October 29, 2004, 11:00 AM
Final Addendum mailed (if necessary).	November 1, 2004
Proposal OPENS	November 12, 2004, 2:00 PM
EVALUATION COMMITTEE REVIEW AND SHORT LISTING City Hall, 100 North Andrews Avenue 2 <sup>nd</sup> Floor IT Conference Room Fort Lauderdale, FL 33301	November 18, 2004 1:00 PM
Evaluation Committee Final Ranking/Orals, if needed City Hall, 100 North Andrews Avenue Engineering Large Conference Room Fort Lauderdale, FL 33301	November 29, 2004 2:00 PM
Anticipated City Commission Approval	December 21, 2004
Anticipated Contract Commencement Date	January 1, 2005

### **PART III SCOPE OF SERVICES/QUALIFICATIONS**

**1. Purpose:** The City is seeking to contract with one or two investment managers with the ability to actively manage for the City's benefit, core funds of no less than \$50,000,000 and no more than \$100,000,00 of its surplus operating and capital (exclusive of pension funds) funds pursuant to Florida Statutes and the City's Investment Policy (see Attachment) and Bond Funds as needed. The City's objective is to obtain a net yield on its portfolio better than that which may be obtained through utilization of the Florida State Board of Administration while maintaining strict adherence to its adopted Investment Policy, protect investment principal, maintain liquidity, while avoiding unreasonable risk.

**2. The Required Investment Process:** All investments will be delivered into a designated safekeeping Trust Account owned and maintained by the City of Fort Lauderdale. Funds for acquiring investments will be provided by the City on a DVP (Delivery vs. Payment) basis to the City's Trust Account. Physical investments requiring 'Free Delivery' will be coordinated with the City Treasurer and/or the Director of Finance for delivery to a New York Depository. Any and all proceeds (Principal and/or Interest payments) will go directly to an account specified by the City. Under no circumstances will the Investment Manager have custody of any City assets.

Initially the process will require close coordination with the City Treasurer, however once the portfolio is established and operating smoothly, it is expected that the Investment Manager will operate independently of the City Treasurer but keeping him informed of all activity via same day fax or email.

**3. Bond Proceeds:** The City at its sole determination may include bond proceeds in its investment pool. When such funds are included, the proposer must adhere to the investment restrictions that accompany the bond issue and create a separate segregated account that will allow for and facilitate the proper recognition and accounting of all bond proceeds and their accompanying earnings. At the end of each quarter the manager will certify to the City that all investments and transactions met the criteria outlined in the resolution applicable to the bond issue.

**4. City Investment Policy:** The City's Investment Policy, Revision Effective 10,1,2000 is included as **EXHIBIT "B"** to the RFP document.

**PART IV INSTRUCTIONS TO PROPOSERS/REQUIREMENTS OF THE PROPOSAL**

**INSTRUCTIONS TO PROPOSERS:**

**Submission of a Proposal:**

**I. Corporate Authorization/Registration:**

**(1) The proposal shall be signed by a representative who is authorized to contractually bind the Contractor. A copy of your Corporate By-Laws, or a letter signed by a corporate officer must be included, if proposal is signed by other than the President, Vice-President or Treasurer.**

**(2) Proposer shall include a current copy of your State of Florida Corporate Registration, or Certificate of Good Standing from the State in which you are corporately registered.**

(3) Proposers are required to return their proposals signed by a representative who is authorized to contractually bind the Consultant.

(4) Proposers shall submit their proposals to the Procurement Division on or before the date and time indicated in this RFP. **SEALED PROPOSALS SHALL BE DELIVERED TO:**

**City of Fort Lauderdale-Procurement Services Department  
100 North Andrews Avenue, Room #619  
Fort Lauderdale, FL 33301**

**All proposals shall be clearly marked with the RFP number, title and opening date and time, and the identification of the Proposer marked on the outside of the package.**

(5) Proposers shall submit all costs in the formats specified on the Proposal Summary Forms included with this RFP. **Proposals must be submitted on the Proposal Summary Forms attached to the Invitation to Proposal (RFP) specifications. All "Banking Service Fees" must be completed on Attachment 1, included in the RFP. Additional charges and services, if applicable may be provided as an appendix to this Attachment 1.** Individual banking services offered must meet or exceed the requirements as stated in the RFP specifications. This solicitation specifies the City's current service requirements as well as possible future requirements. Services that are not initially required, but may eventually be required, shall be at the cost quoted on the Proposal Summary Form. Proposers are encouraged to suggest any additional services which, in their opinion, would be in the best interest of the City.

(6) Proposal openings are open to the public. Proposer's confidential information, if applicable, should not be included in the proposal.

(7) The proposer shall examine this RFP carefully. Ignorance of the requirements will not relieve the Consultant from liability and obligations under the Contract.

(8) Each proposal shall be prepared simply and economically, providing a straightforward, concise delineation of the proposer's capabilities to satisfy the requirements of the RFP. Technical literature, if applicable, may be included. The emphasis in each proposal must be on completeness and clarity of content. In order to expedite the evaluation of proposals, it is essential that proposers follow the format and instructions contained herein.

(9) The City shall not be liable for any costs incurred by proposers in responding to this RFP.

**II. Requirements of the Proposal:**

All proposals must be submitted on the Proposal Pages included in the RFP. Any attachments must be clearly identified. To be considered the proposal must respond to all parts of the RFP. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an Appendix to the proposal.

**Proposals must include:**

- a. **Proposal Summary Pages, properly completed and signed; completed RFP Questionnaire and a narrative response that directly references the Scope of Work.**
- b. **Proposals must contain detailed cost information on Proposer's fee structure, in accordance with the RFP specifications, including, but not necessarily limited to, all travel and/or other expenses. If applicable, the proposal shall additionally contain a fixed fee schedule/per hour/per classification of Proposer's employee(s), including consultant.**
- c. **Summary of proposers experience providing these services to current and past clients during the past three (3) years; experience of proposer and staff members who will be assigned to this Contract, including resumes; and samples of other Consultant service contracts.**
- d. **Reference list of clients (including name, address, contact person and phone numbers). Proposer shall include information regarding the annual billings and number of hours of service/per client.**

**PROPOSER MUST PROVIDE THE CITY WITH AN ORIGINAL AND SIX (6) COPIES OF THE PROPOSAL AND ALL APPENDICES. THIS IS A TOTAL OF SEVEN (7) SETS OF ALL RFP DOCUMENTS AND RELATED BACK-UP.**

**Proposals Response Requirements:** Proposers must include as a part of the RFP response:

- 1. Proposal Summary Signature page, properly completed and signed:
- 2. All Proposal Summary pages
- 3. Proposals must be submitted on the RFP Proposal Summary Forms attached to the RFP specifications. Individual investment services that are offered must meet or exceed the requirements as stated in the RFP specifications. This solicitation specifies the City's current service requirements as well as possible future requirements. Services that are not initially required but may eventually be required shall be at the cost quoted on the proposal summary submitted by the Proposer. Proposers are encouraged to suggest any additional services, which, in their opinion, would be in the best interest of the City.

Unless otherwise specified in the Special Conditions, Proposers shall follow the order requested for proposal submission. Failure to do so may cause the proposal to be rejected.  
See Part V: Submission Requirements.

**All proposals shall be submitted in sealed envelopes, and either mailed or hand delivered to:  
Procurement Services Department - Room 619  
City of Fort Lauderdale  
100 N. Andrews Avenue  
Fort Lauderdale, Florida 33301**

**All Proposals shall be properly identified with the RFP NUMBER, DATE AND TITLE.**

It is the SOLE RESPONSIBILITY OF THE PROPOSER to ensure that their proposal reaches the Purchasing Division office before the closing hour and date specified in the RFP. The city will not accept or consider proposals submitted via facsimile transmission.

**Proposer MUST indicate any variances** from our specifications, terms, and/or conditions no matter how slight. If variations are not stated or referenced in the space provided on the Proposal Summary Signature Page of this document, it will be assumed that your proposal fully complies with our terms, conditions and specifications.

**The proposal must be signed on Page 1 of the RFP form, in the space provided. The signature must be that of an officer of the financial institution who can so bind that company by his signature. Any addendum should be noted in the space provided on this page.**

All attachments and appendices to the proposal shall be clearly identified as to the reference section to which they apply.

**PROPOSERS SHALL SUBMIT ONE (1) ORIGINAL AND SEVEN (7) COPIES OF THE RFP RESPONSE AND ALL ATTACHMENTS AND APPENDICES.**

**PART V AWARD & EVALUATION PROCEDURE**

**AWARD AND EVALUATION:** The city will review all proposals received for responsiveness and responsibility. Evaluation of the proposals shall be based on all the information submitted in the RFP response, including client references, experience, ability and capacity to perform all the services as contained in the RFP, sufficiency of financial resources, availability, convenience, and adaptability of the Proposer’s services to the City’s required uses.

The City reserves the right to accept or reject any or all proposals, part of proposals, and to waive minor irregularities or variations to specifications contained in proposals, and in the RFP process. The City reserves the right to make an award to the responsive and responsible proposer whose services meets the terms, conditions and specifications of the RFP and whose proposal is considered to best serve the City’s interest.

The City may ask questions or request a presentation with any or all proposers to clarify proposed plans and details as part of the review and evaluation process. Any and all expenses incurred by the proposer(s) with this presentation will be at the sole cost of the proposer.

**The award will be made to one or two managers, therefore, fees for all services/items as stated in the Proposal Summary will be one of the factors in the cost evaluation. Proposers agree that the quoted costs for service will be calculated utilizing a portfolio of \$50 Million to \$100 Million in order to arrive at the “TOTAL COST TO THE CITY”. Proposers must provide a listing of all fees, unit prices and any ancillary service fees that may apply to this contract.**

The City reserves the right to inspect the manager’s facilities, organization and financial condition, or to take any other action necessary to determine ability to perform in accordance with specifications, terms and conditions, prior to recommending any award.

In evaluation, the City will specifically consider the following:

<b><u>EVALUATION FACTORS</u></b>	<b><u>POINTS ASSIGNED</u></b>
a. Cost of services based on the proposer’s fee proposal. (The lowest cost shall receive maximum points) VALUE: 0-20 POINTS	20
b. Ability to provide the type and quantity and quality of services requested within this proposal. This includes: the responsiveness of the proposer in meeting the requirements. VALUE: 0-40 POINTS	40
c. Other Factors	40
1. Ability to excel within the fixed income environment. 2. Ability to produce meaningful reports on a monthly basis reflecting results for the month and year. 3. Ability to stay within the parameters of the City’s Investment Policy. 4. Ability to provide on-line computer access by authorized city representatives to the City’s portfolio. ITEMS 1- 4 TOTAL VALUE: 0-40 POINTS <b>TOTAL POINTS AVAILABLE:</b>	<hr style="width: 100%;"/> <b>100 POINTS</b>

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Proposers are requested to also include in their RFP response, information regarding their Equal Employment Opportunity Program, and Minority Purchasing Program, if applicable. This information will be for the City's information only.

**PROPOSAL SUMMARY SIGNATURE PAGES**

TO: The City of Fort Lauderdale

The below signed hereby agrees to furnish the following article(s) or services at the price(s) and terms stated subject to all instructions, conditions, specifications addenda, legal advertisement, and conditions contained in the RFP. I have read all attachments including the specifications and fully understand what is required. By submitting this signed proposal I will accept a contract if approved by the City and such acceptance covers all terms, conditions, and specifications of this proposal. I certify that I have not divulged to, discussed with, or compared this proposal with other proposer(s) and have not colluded with any other proposer(s) or parties to this RFP. I certify I am authorized to contractually bind the proposing firm.

Proposal submitted by:

Name (printed) \_\_\_\_\_ Title: \_\_\_\_\_

Signature/Title: \_\_\_\_\_ / \_\_\_\_\_

E-MAIL: \_\_\_\_\_

Date: \_\_\_\_\_

Principal Contact Person: \_\_\_\_\_  
(Printed name & title)

Telephone No. (\_\_\_\_\_) \_\_\_\_\_ FAX No. (\_\_\_\_\_) \_\_\_\_\_ E-Mail: \_\_\_\_\_

Company: (Legal Registered) \_\_\_\_\_

Address: \_\_\_\_\_

City \_\_\_\_\_ State: \_\_\_\_\_ Zip \_\_\_\_\_

Telephone No. (\_\_\_\_\_) \_\_\_\_\_ FAX No. (\_\_\_\_\_) \_\_\_\_\_

**ADDENDUM ACKNOWLEDGMENT** - Proposer acknowledges that the following addenda have been received and are included in his proposal:

Addendum No.

Date Issued

**VARIANCES:** State any variations to specifications, terms and conditions in the space provided below or reference in the space provided below all variances contained on other pages of RFP, attachments or proposal pages. No variations or exceptions by the Proposer will be deemed to be part of the proposal submitted unless such variation or exception is listed and contained within the proposal documents and referenced in the space provided below. If no statement is contained in the below space, it is hereby implied that your proposal complies with the full scope of this RFP.

Variences: \_\_\_\_\_

\_\_\_\_\_

**MINORITY/WOMAN OWNED BUSINESS:** If your company qualifies as a MBE or WBE, in accordance with the General Conditions for G-107, Rv. 7/01, please indicate that in the space provided. **If you mark one of these categories, please also provide a copy of your MBE/WBE Certification as documentation.**

MBE: \_\_\_\_\_ WBE: \_\_\_\_\_

**PROPOSAL SUMMARY REQUIREMENTS TO BE COMPLETED AND SUBMITTED AS FOLLOWS:**

**SUBMISSION REQUIREMENTS:**

In order to provide for proper evaluation of your firm and fairly compare it with other submittals, we request that you format your response in the following order:

1. Organization
  - A. Company Name
  - B. Principal Address
  - C. Telephone Numbers - Principal and Fax
  - D. Email Address (es)
  - E. Describe the organization, date founded and ownership of your firm and regulatory bodies your firm reports to. Has the firm experienced a significant change in organizational structure, ownership or management during the past three years and, if so, please describe.
  - F. Describe any other business affiliations (e.g. subsidiaries, joint ventures, "soft dollar" arrangements with brokers).
  - G. Identify the types of accounts primarily managed by your firm.
  - H. Does the firm have an office in the State of Florida?
  - I. Is your firm a registered advisor under the Investment Advisor's Act of 1940? Please attach Part II of your most recent Form ADV.
  - J. Describe any SEC, NASD or any other regulatory censure or litigation involving your firm during the past five (5) years.
  - K. Summarize fidelity bond coverage, errors and omissions, employee dishonesty, fiduciary liability insurance, or other fiduciary coverage your firm carries. Provide a Certificate of Insurance.
  - L. Provide a copy of your firm's most recent audited financial statement.
  - M. Does your firm adhere to the Code of Professional and Ethical Standards as described by AIMR (Association for Investment Management and Research)?
  
2. Experience
  - A. Describe your firm's experience in managing investment portfolios for public funds and governmental entities including any relevant experience managing public funds in Florida.
  
  - B. Describe your firm's experience in managing investment portfolios for bond funds.
  
  - C. Summarize your assets under management (institutional only) over the past five years by the following categories: short-term operating funds, medium-term operating funds, long-term operating funds. Also, please separate these asset totals by Government Institutions and Other Institutions

	Short-Term Operating	Medium-Term Operating Funds	Long-Term Operating Funds
Government Institutions			
Other Institutions			
Total			

- C. What is your firm's experience in developing investment policies and portfolio management guidelines for government operating funds?
- D. Does your firm act as a broker or as a primary dealer in securities or receive any other form of additional compensation (including soft dollars) for client transactions aside from the direct fee paid by clients?
- E. Provide five client references (public references, if possible) including 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. investment advisor, cash flow analysis, etc.)

3. Personnel

- 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 our funds. Include the following information; title, number of years at your firm, total number of years of experience, professional designations or licenses and SEC, NASD, or any other regulatory censures or actions or litigation, if any.
- C. Describe your firm's activities to keep portfolio managers informed of developments relevant to the management of local government funds.
- D. What is the largest number of accounts handled by any single manager/team (give size of team)?

4. Investment Management Approach and Discipline

- A. Briefly describe your firm's investment management philosophy.
- B. Describe the investment program you are proposing for us, including the type and mix of securities you propose to purchase, how the funds will be managed after the initial investments are made and how you will provide liquidity should it be necessary.
- C. What are the primary strategies employed by your firm for adding value to portfolios (e.g., market timing, credit research, etc.)?
- D. Describe how investment ideas are originated and how researched, and how the ultimate investment decision is made. Explain how investment decisions are then implemented, monitored and evaluated.
- E. Describe your firm's research capabilities and resources. Does your firm assign credit research to specialists?
- F. What suggestions do you have for changing the City's existing Investment Policy to increase yield without unduly sacrificing safety and liquidity.
- G. In one sentence, describe your firm's fixed income investment policy. When was it established?

5. Performance

A. Provide a breakdown of the total assets managed by your firm. Do not include figures for any subsidiaries, affiliates, or parent firms. As of December 31, 2003 or as of:      /      /     

B.

	<u># of accts</u>	<u>\$ value (in \$1,000)</u>
Tax Exempt Assets		
ERISA	_____	_____
Public		
Taft-Hartley	_____	_____
Endowment	_____	_____
Foundation	_____	_____
Other	_____	_____
Total Tax-Exempt	_____	_____
Taxable Assets		
Personal Trusts	_____	_____
Commingled	_____	_____
Total Taxable	_____	_____
Mutual Funds		
Equity	_____	_____
Fixed Income	_____	_____
Money Market	_____	_____
Total Mutual Funds	_____	_____
Overall Total	_____	_____

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B. For each of the last five years please indicate the number of fixed income accounts gained and lost in each category.

**ACCOUNTS GAINED**

	1999	2000	2001	2002	2003
PUBLIC					
ERISA					
TAFF-HARTLEY					
ENDOWMENT					
FOUNDATION					
OTHER					
TOTAL					

**ACCOUNTS LOST**

	1999	2000	2001	2002	2003
PUBLIC					
ERISA					
TAFF-HARTLEY					
ENDOWMENT					
FOUNDATION					
OTHER					
TOTAL					

C. Provide the rates of return indicated below by fund (limited to fixed income investments - exclude equity portfolios). If you have a fund, which would mirror the City’s authorized investments, please bring this to our attention as such. Where multi-products exist, simply duplicate the return tables listed below for each product submitted. Additionally, if available, submit return figures calculated by a third party performance firm. Be sure to indicate the asset value and number of accounts corresponding to the return figures.

Fixed Income Performance

YEAR ENDING	RETURN %	# OF ACCOUNTS	Market Value (\$)
1999			
2000			
2001			
2002			
2003			
Annualized 3 year thru 12/31			
Annualized 5 year thru 12/31			
1st Q 2003			
2nd Q 2003			
3rd Q 2003			
4th Q 2003			
1 <sup>st</sup> Q 2004			

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D. Is your Firm in compliance with AIMR Standards?

E. What is the average size of the five largest fixed income funds under current active management?

6. Accounting and Reporting

A. Describe the investment accounting and reporting system used by your firm and if it complies with AIMR standards.

B. Describe the frequency and format of reports that you would provide to us (including the methods and formulas used to calculate yield and performance). Sample reports must be included.

C. Describe the types of benchmarks that would be included with the performance.

D. Describe the process the firm would go through to assist in identifying appropriate industry benchmarks. What performance benchmark would you suggest for our portfolio given our current investment policy and a maximum average maturity of 7 years.

7. Fees

A. What are your fees (basis) and how often are they to be paid?

B. What expenses, not covered by the fees, is the city expected to pay?

C. Provide a sample of a proposed contract for your firm's services.

Fee quotes MUST be for a fixed monthly amount based on the average monthly balance within the following ranges:

\$47,500,000	-	\$52,500,000	_____
\$52,500,000	-	\$62,500,000	_____
\$62,500,000	-	\$72,500,000	_____
\$72,500,000	-	\$82,500,000	_____
\$82,500,000	-	\$92,500,000	_____
\$92,500,000	-	\$102,500,000	_____

8. Other

A. Provide a description of your firm's technological capabilities.

B. What makes your firm unique?

The proposer understands that the information contained in these Proposal Pages is to be relied upon by the City in awarding the proposed Agreement, and such information is warranted by the proposer to be true. The proposer agrees to furnish such additional information, prior to acceptance of any proposal, relating to the qualifications of the proposer, as may be required by the City.

**PROPOSER PLEASE INSURE THAT YOU HAVE SIGNED THE SIGNATURE PAGE OF THIS PROPOSAL. OMISSION OF A SIGNATURE ON THAT PAGE MAY RESULT IN REJECTION OF YOUR PROPOSAL**

**COMPLETE AND RETURN THE REQUIRED NUMBER OF PROPOSAL PAGES AND ATTACHMENTS.**

## EXHIBIT "A" - City of Fort Lauderdale GENERAL CONDITIONS

These instructions are standard for all contracts for commodities or services issued through the City of Fort Lauderdale Division of Procurement & Materials Management. The City may delete, supersede, or modify any of these standard instructions for a particular contract by indicating such change in the Invitation to Bid (ITB) Special Conditions, Technical Specifications, Instructions, Proposal Pages, Addenda, and Legal Advertisement.

### **PART I BIDDER PROPOSAL PAGE(S) CONDITIONS:**

- 1.01 BIDDER ADDRESS:** The City maintains automated vendor mailing lists for each specific Commodity Class Item. Invitation to Bid (ITB'S) will be mailed first to a selection of Bidders who have fully registered on our system. Requests will be mailed to unregistered Bidders within a reasonable time frame for that bid only. Neither the mailing of one ITB to the vendor, nor a bid in return, will register a vendor on our system. If you wish purchase orders sent to a different address, please so indicate. If you wish payments sent to a different address, please so indicate on your invoice.
- 1.02 DELIVERY:** Time will be of the essence for any orders placed as a result of this ITB. The City reserves the right to cancel any orders, or part thereof, without obligation if delivery is not made in accordance with the schedule specified by the Bidder and accepted by the City.
- 1.03 PAYMENT TERMS AND CASH DISCOUNTS:** Payment terms, unless otherwise stated in this ITB, will be considered to be net 30 days after the date of satisfactory delivery at the place of acceptance and receipt of correct invoice at the office specified, whichever occurs last. Bidder may offer cash discounts for prompt payment but they will not be considered in determination of award. If a Bidder offers a discount, it is understood that the discount time will be computed from the date of satisfactory delivery, at the place of acceptance, and receipt of correct invoice, at the office specified, whichever occurs last.
- 1.04 TOTAL BID DISCOUNT:** If Bidder offers a discount for award of all items listed in the bid, such discount shall be deducted from the total of the firm net unit prices bid and shall be considered in tabulation and award of bid.
- 1.05 BIDS FIRM FOR ACCEPTANCE:** Bidder warrants, by virtue of bidding, that his bid and the prices quoted in his bid will be firm for acceptance by the City for a period of ninety (90) days from the date of bid opening unless otherwise stated in the ITB.
- 1.06 VARIANCES:** For purposes of bid evaluation, Bidder's must indicate any variances, no matter how slight, from ITB General Conditions, Special Conditions, Specifications or Addenda in the space provided in the ITB. No variations or exceptions by a Bidder will be considered or deemed a part of the bid submitted unless such variances or exceptions are listed in the bid and referenced in the space provided on the bidder proposal pages. If variances are not stated, or referenced as required, it will be assumed that the product or service fully complies with the City's terms, conditions, and specifications.

By receiving a bid, City does not necessarily accept any variances contained in the bid. All variances submitted are subject to review and approval by the City. If any bid contains material variances that, in the City's sole opinion, make that bid conditional in nature, the City reserves the right to reject the bid or part of the bid that is declared, by the City as conditional.

- 1.07 NO BIDS:** If you do not intend to bid please indicate the reason, such as insufficient time to respond, do not offer product or service, unable to meet specifications, schedule would not permit, or any other reason, in the space provided in this ITB. Failure to bid or return no bid comments prior to the bid due and opening date and time, indicated in this ITB, may result in your firm being deleted from our Bidder's registration list for the Commodity Class Item requested in this ITB.
- 1.08 MINORITY AND WOMEN BUSINESS ENTERPRISE PARTICIPATION AND BUSINESS DEFINITIONS:** The City of Fort Lauderdale wants to increase the participation of Minority Business Enterprises (MBE), Women Business Enterprises (WBE), and Small Business Enterprises (SBE) in it's purchasing activities. If your firm qualifies in accordance with the below definitions please indicate in the space provided in this ITB.

Minority Business Enterprise (MBE) "A Minority Business" is a business enterprise that is owned or controlled by one or more socially or economically disadvantaged persons. Such disadvantage may arise from cultural, racial, chronic economic circumstances or background or other similar cause. Such persons include, but are not limited to: Blacks, Hispanics, Asian Americans, and Native Americans.

The term 'Minority Business Enterprise' means a business at least 51 percent of which is owned by minority group members or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by minority group members. For the purpose of the preceding sentence, minority group members are citizens of the United States who include, but are not limited to: Blacks, Hispanics, Asian Americans, and Native Americans.

Women Business Enterprise (WBE) a "Women Owned or Controlled Business is a business enterprise at least 51 percent of which is owned by females or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by females.

Small Business Enterprise (SBE) "Small Business" means a corporation, partnership, sole proprietorship, or other legal entity formed for the purpose of making a profit, which is independently owned and operated, has either fewer than 100 employees or less than \$1,000,000 in annual gross receipts.

BLACK, which includes persons having origins in any of the Black racial groups of Africa.

WHITE, which includes persons whose origins are Anglo-Saxon and Europeans and persons of Indo-European decent including Pakistani and East Indian.

HISPANIC, which includes persons of Mexican, Puerto Rican, Cuban, Central and South American, or other Spanish culture or origin, regardless of race.

NATIVE AMERICAN, which includes persons whose origins are American Indians, Eskimos, Aleuts, or Native Hawaiians.

ASIAN AMERICAN, which includes persons having origin in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands.

#### 1.09 MINORITY-WOMEN BUSINESS ENTERPRISE PARTICIPATION

It is the desire of the City of Fort Lauderdale to increase the participation of minority (MBE) and women-owned (WBE) businesses in its contracting and procurement programs. While the City does not have any preference or set aside programs in place, it is committed to a policy of equitable participation for these firms. Proposers are requested to include in their proposals a narrative describing their past accomplishments and intended actions in this area. If proposers are considering minority or women owned enterprise participation in their proposal, those firms, and their specific duties have to be identified in the proposal. If a proposer is considered for award, he will be asked to meet with City staff so that the intended MBE/WBE participation can be formalized and included in the subsequent contract.

- 1.09(a) **CERTIFICATION BY BROWARD COUNTY, FL:** If awarded a contract or purchase order as a result of this solicitation, and if the awarded contractor/vendor is claiming minority status in accordance with Section 1.08 of the General Conditions, then said awarded contractor/vendor shall apply for certification by Broward County, Florida, Division of Equal Employment and Small Business Opportunity. Contractor/vendor shall provide documentation of application status, and once approved or disapproved by Broward County, must also provide that documentation to the Purchasing Division of the City of Fort Lauderdale.

#### **Part II DEFINITIONS/ORDER OF PRECEDENCE:**

- 2.01 **BIDDING DEFINITIONS** The City will use the following definitions in its general conditions, special conditions, technical specifications, instructions to bidders, addenda and any other document used in the bidding process:  
 INVITATION TO BID (ITB) when the City is requesting bids from qualified Bidders.  
 REQUEST FOR PROPOSALS (RFP) when the City is requesting proposals from qualified Proposers.  
 BID – a price and terms quote received in response to an ITB.  
 PROPOSAL – a proposal received in response to an RFP.  
 BIDDER – Person or firm submitting a Bid.  
 PROPOSER – Person or firm submitting a Proposal.  
 RESPONSIVE BIDDER – A person whose bid conforms in all material respects to the terms and conditions included in the ITB.  
 RESPONSIBLE BIDDER – A person who has the capability in all respects to perform in full the contract requirements, as stated in the ITB, and the integrity and reliability that will assure good faith performance.  
 FIRST RANKED PROPOSER – That Proposer, responding to a City RFP, whose Proposal is deemed by the City, the most advantageous to the City after applying the evaluation criteria contained in the RFP.  
 SELLER – Successful Bidder or Proposer who is awarded a Purchase Order or Contract to provide goods or services to the City.  
 CONTRACTOR – Successful Bidder or Proposer who is awarded a Purchase Order, award Contract, Blanket Purchase Order agreement, or Term Contract to provide goods or services to the City.  
 CONTRACT – A deliberate verbal or written agreement between two or more competent parties to perform or not to perform a certain act or acts, including all types of agreements, regardless of what they may be called, for the procurement or disposal of equipment, materials, supplies, services or construction.  
 CONSULTANT – Successful Bidder or Proposer who is awarded a contract to provide professional services to the City.  
 The following terms may be used interchangeably by the City: ITB, or RFP; Bid or Proposal; Bidder, Proposer, or Seller; Contractor or Consultant; Contract, Award, Agreement or Purchase Order.
- 2.02 **SPECIAL CONDITIONS:** Any and all Special Conditions contained in this ITB that may be in variance or conflict with these General Conditions shall have precedence over these General Conditions. If no changes or deletions to General Conditions are made in the Special Conditions, then the General Conditions shall prevail in their entirety,

#### **PART III BIDDING AND AWARD PROCEDURES:**

- 3.01 **SUBMISSION AND RECEIPT OF BIDS:** To receive consideration, bids must be received prior to the bid opening date and time. Unless otherwise specified, Bidder's should use the proposal forms provided by the City. These forms may be duplicated, but failure to use the forms may cause the bid to be rejected. Any erasures or corrections on the bid must be made in ink and initialed by Bidder in ink. All information submitted by the Bidder shall be printed, typewritten or filled in with pen and ink. Bids shall be signed in ink. Separate bids must be submitted for each ITB issued by the City in separate sealed envelopes properly marked. When a particular ITB or RFP requires multiple copies of bids or proposals they may be included in a single envelope or package properly sealed and identified. Only send bids via facsimile transmission (FAX) if the ITB specifically states that bids sent via FAX will be considered. If such a statement is not included in the ITB, bids sent via FAX will be rejected. Bids will be publicly opened in the Procurement Office, or other designated area, in the presence of Bidder's, the public, and City staff. Bidders and the public are invited and encouraged to attend bid openings. Bids will be tabulated and made available for review by Bidder's and the public in accordance with applicable regulations.
- 3.02 **MODEL NUMBER CORRECTIONS:** If the model number for the make specified in this ITB is incorrect, or no longer available and replaced with an updated model with new specifications, the Bidder shall enter the correct model number on the bidder proposal page. In the case of an updated model with new specifications, Bidder shall provide adequate information to allow the City to determine if the model bid meets the City's requirements.
- 3.03 **PRICES QUOTED:** Deduct trade discounts, and quote firm net prices. Give both unit price and extended total. In the case of a discrepancy in computing the amount of the bid, the unit price quoted will govern. All prices quoted shall be F.O.B. destination, freight prepaid (Bidder pays and bears freight charges, Bidder owns goods in transit and files any claims), unless otherwise stated in Special Conditions. Each item must be bid separately. No attempt shall be made to tie any item or items contained in the ITB with any other business with the City.

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- 3.04 TAXES:** The City of Fort Lauderdale is exempt from Federal Excise and Florida Sales taxes on direct purchase of tangible property. Exemption number for Federal Excise taxes is 59-74-0111K, and State Sales tax exemption number is 16-03-196479-54C.
- 3.05 WARRANTIES OF USAGE:** Any quantities listed in this ITB as estimated or projected are provided for tabulation and information purposes only. No warranty or guarantee of quantities is given or implied. It is understood that the Contractor will furnish the City's needs as they arise.
- 3.06 APPROVED EQUAL:** When the technical specifications call for a brand name, manufacturer, make, model, or vendor catalog number with acceptance of APPROVED EQUAL, it shall be for the purpose of establishing a level of quality and features desired and acceptable to the City. In such cases, the City will be receptive to any unit that would be considered by qualified City personnel as an approved equal. In that the specified make and model represent a level of quality and features desired by the City, the Bidder must state clearly in his bid any variance from those specifications. It is the Bidder's responsibility to provide adequate information, in his bid, to enable the City to ensure that the bid meets the required criteria. If adequate information is not submitted with the bid, it may be rejected. The City will be the sole judge in determining if the item bid qualifies as an approved equal.
- 3.07 MINIMUM AND MANDATORY TECHNICAL SPECIFICATIONS:** The technical specifications may include items that are considered minimum, mandatory, or required. If any Bidder is unable to meet, or exceed these items, and feels that the technical specifications are overly restrictive, he must notify the Procurement Division immediately. Such notification must be received by the Procurement Division prior to the deadline contained in the ITB, for questions of a material nature, or prior to five (5) days before bid due and open date, whichever occurs first. If no such notification is received prior to that deadline, the City will consider the technical specifications to be acceptable to all bidders.
- 3.08 MISTAKES:** Bidders are cautioned to examine all terms, conditions, specifications, drawings, exhibits, addenda, delivery instructions and special conditions pertaining to the ITB. Failure of the Bidder to examine all pertinent documents shall not entitle him to any relief from the conditions imposed in the contract.
- 3.09 SAMPLES AND DEMONSTRATIONS:** Samples or inspection of product may be requested to determine suitability. Unless otherwise specified in Special Conditions, samples shall be requested after the date of bid opening, and if requested should be received by the City within seven (7) working days of request. Samples, when requested, must be furnished free of expense to the City and if not used in testing or destroyed, will upon request of the Bidder, be returned within thirty (30) days of bid award at Bidder's expense. When required, the City may request full demonstrations of units prior to award. When such demonstrations are requested, the Bidder shall respond promptly and arrange a demonstration at a convenient location. Failure to provide samples or demonstrations as specified by the City may result in rejection of a bid.
- 3.10 LIFE CYCLE COSTING:** If so specified in the ITB, the City may elect to evaluate equipment proposed on the basis of total cost of ownership. In using Life Cycle Costing, factors such as the following may be considered: estimated useful life, maintenance costs, cost of supplies, labor intensity, energy usage, environmental impact, and residual value. The City reserves the right to use those or other applicable criteria, in its sole opinion that will most accurately estimate total cost of use and ownership.
- 3.11 BIDDING ITEMS WITH RECYCLED CONTENT:** In addressing environmental concerns, the City of Fort Lauderdale encourages Bidders to submit bids or alternate bids containing items with recycled content. When submitting bids containing items with recycled content, Bidder shall provide documentation adequate for the City to verify the recycled content. The City prefers packaging consisting of materials that are degradable or able to be recycled. When specifically stated in the ITB, the City may give preference to bids containing items manufactured with recycled material or packaging that is able to be recycled.
- 3.12 USE OF OTHER GOVERNMENTAL CONTRACTS:** The City reserves the right to reject any part or all of any bids received and utilize other available governmental contracts, if such action is in its best interest.
- 3.13 QUALIFICATIONS/INSPECTION:** Bids will only be considered from firms normally engaged in providing the types of commodities/services specified herein. The City reserves the right to inspect the Bidder's facilities, equipment, personnel, and organization at any time, or to take any other action necessary to determine Bidder's ability to perform. The Procurement Manager reserves the right to reject bids where evidence or evaluation is determined to indicate inability to perform.
- 3.14 BID SURETY:** If Special Conditions require a bid security, it shall be submitted in the amount stated. A bid security can be in the form of a bid bond, postal money order, cashiers check, or irrevocable letter of credit. Bid security will be returned to the unsuccessful bidders as soon as practicable after opening of bids. Bid security will be returned to the successful bidder after acceptance of the performance bond or irrevocable letter of credit, if required; acceptance of insurance coverage, if required; and full execution of contract documents, if required; and full execution of contract documents, if required; or conditions as stated in Special Conditions.
- 3.15 PUBLIC RECORDS:** Florida law provides that municipal records shall at all times be open for personal inspection by any person. Section 119.01, F.S., The Public Records Law. Information and materials received by City in connection with an ITB response shall be deemed to be public records subject to public inspection upon award, recommendation for award, or 10 days after bid opening, whichever occurs first. However, certain exemptions to the public records law are statutorily provided for in Section 119.07, F.S. If the Proposer believes any of the information contained in his or her response is exempt from the Public Records Law, then the Proposer, must in his or her response, specifically identify the material which is deemed to be exempt and cite the legal authority for the exemption, otherwise, the City will treat all materials received as public records.
- 3.16 PROHIBITION OF INTEREST:** No contract will be awarded to a bidding firm who has City elected officials, officers or employees affiliated with it, unless the bidding firm has fully complied with current Florida State Statutes and City Ordinances relating to this issue. Bidders must disclose any such affiliation. Failure to disclose any such affiliation will result in disqualification of the Bidder and removal of the Bidder from the City's bidder lists and prohibition from engaging in any business with the City.

**3.17 RESERVATIONS FOR AWARD AND REJECTION OF BIDS:** The City reserves the right to accept or reject any or all bids, part of bids, and to waive minor irregularities or variations to specifications contained in bids, and minor irregularities in the bidding process. The City also reserves the right to award the contract on a split order basis, lump sum basis, individual item basis, or such combination as shall best serve the interest of the City. The City reserves the right to make an award to the responsive and responsible bidder whose product or service meets the terms, conditions, and specifications of the ITB and whose bid is considered to best serve the City's interest. In determining the responsiveness of the offer and the responsibility of the Bidder, the following shall be considered when applicable: the ability, capacity and skill of the Bidder to perform as required; whether the Bidder can perform promptly, or within the time specified, without

delay or interference; the character, integrity, reputation, judgment, experience and efficiency of the Bidder; the quality of past performance by the Bidder; the previous and existing compliance by the Bidder with related laws and ordinances; the sufficiency of the Bidder's financial resources; the availability, quality and adaptability of the Bidder's supplies or services to the required use; the ability of the Bidder to provide future maintenance, service or parts; the number and scope of conditions attached to the bid.

If the ITB provides for a contract trial period, the City reserves the right, in the event the selected bidder does not perform satisfactorily, to award a trial period to the next ranked bidder or to award a contract to the next ranked bidder, if that bidder has successfully provided services to the City in the past. This procedure to continue until a bidder is selected or the contract is re-bid, at the sole option of the City.

**3.18 LEGAL REQUIREMENTS:** Applicable provisions of all federal, state, county laws, and local ordinances, rules and regulations, shall govern development, submittal and evaluation of all bids received in response hereto and shall govern any and all claims and disputes which may arise between person(s) submitting a bid response hereto and the City by and through its officers, employees and authorized representatives, or any other person, natural or otherwise; and lack of knowledge by any bidder shall not constitute a cognizable defense against the legal effect thereof.

**PART IV BONDS AND INSURANCE**

**4.01 PERFORMANCE BOND/IRREVOCABLE LETTER OF CREDIT:** If a performance bond or irrevocable letter of credit is required in Special Conditions, the Contractor shall within fifteen (15) working days after notification of award, furnish to the City a Performance Bond or an Unconditional Irrevocable Letter of Credit payable to the City of Fort Lauderdale, Florida, in the face amount specified in Special Conditions as surety for faithful performance under the terms and conditions of the contract. If the bond is on an annual coverage basis, renewal for each succeeding year shall be submitted to the City thirty (30) days prior to the termination date of the existing Performance Bond. The Performance Bond must be executed by a surety company of recognized standing, authorized to do business in the State of Florida and having a resident agent. If a Letter of Credit is chosen, it must be in a form acceptable to the City, drawn on a local (Broward, Dade or Palm Beach Counties) bank acceptable to the City and issued in favor of the City of Fort Lauderdale, Florida. If a Bidder wishes to use a non-local bank, he must have prior City approval of the requirements to draw against the Letter of Credit.

Acknowledgement and agreement is given by both parties that the amount herein set for the Performance Bond or Irrevocable Letter of Credit is not intended to be nor shall be deemed to be in the nature of liquidated damages nor is it intended to limit the liability of the Contractor to the City in the event of a material breach of this Agreement by the Contractor.

**4.02 INSURANCE:** If the Contractor is required to go on to City property to perform work or services as a result of ITB award, the Contractor shall assume full responsibility and expense to obtain all necessary insurance as required by City or specified in Special Conditions.

The Contractor shall provide to the Purchasing Division original certificates of coverage and receive notification of approval of those certificates by the City's Risk Manager prior to engaging in any activities under this contract. The Contractor's insurance is subject to the approval of the City's Risk Manager. The certificates must list the City as an ADDITIONAL INSURED and shall have no less than thirty (30) days written notice of cancellation or material change. Further modification of the insurance requirements may be made at the sole discretion of the City's Risk Manager if circumstances change or adequate protection of the City is not presented. Bidder, by submitting his bid, agrees to abide by such modifications.

**PART V PURCHASE ORDER AND CONTRACT TERMS:**

**5.01 COMPLIANCE TO SPECIFICATIONS, LATE DELIVERIES/PENALTIES:** Items offered may be tested for compliance to bid specifications. Items delivered which do not conform to bid specifications may be rejected and returned at Contractor's expense. Any violation resulting in contract termination for cause or delivery of items not conforming to specifications, or late delivery may also result in:

- Bidder's name being removed from the City's bidder's mailing list for a specified period and Bidder will not be recommended for any award during that period.
- All City Departments being advised to refrain from doing business with the Bidder.
- All other remedies in law or equity.

**5.02 ACCEPTANCE, CONDITION, AND PACKAGING:** The material delivered in response to ITB award shall remain the property of the Seller until a physical inspection is made and the material accepted to the satisfaction of the City. The material must comply fully with the terms of the ITB, be of the required quality, new, and the latest model. All containers shall be suitable for storage and shipment by common carrier, and all prices shall include standard commercial packaging. The City will not accept substitutes of any kind. Any substitutes or material not meeting specifications will be returned at the Bidder's expense. Payment will be made only after City receipt and acceptance of materials or services.

**5.03 SAFETY STANDARDS:** All manufactured items and fabricated assemblies shall comply with applicable requirements of the Occupational Safety and Health Act of 1970 as amended, and be in compliance with Chapter 442, Florida Statutes. Any toxic substance listed in Section 38F-41.03 of the Florida Administrative Code delivered as a result of this order must be accompanied by a completed Material Safety Data Sheet (MSDS).

**5.04 ASBESTOS STATEMENT:** All material supplied must be 100% asbestos free. Bidder, by virtue of bidding, certifies that if awarded any portion of the ITB he will supply only material or equipment that is 100% asbestos free.

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- 5.05 OTHER GOVERNMENTAL ENTITIES:** If the Bidder is awarded a contract as a result of this ITB, he will, if he has sufficient capacity or quantities available, provide to other governmental agencies, so requesting, the products or services awarded in accordance with the terms and conditions of the ITB and resulting contract. Prices shall be F.O.B. delivered to the requesting agency.
- 5.06 VERBAL INSTRUCTIONS PROCEDURE:** No negotiations, decisions, or actions shall be initiated or executed by the Contractor as a result of any discussions with any City employee. Only those communications which are in writing from an authorized City representative may be considered. Only written communications from Contractors, which are assigned by a person designated as authorized to bind the Contractor, will be recognized by the City as duly authorized expressions on behalf of Contractors.
- 5.07 INDEPENDENT CONTRACTOR:** The Contractor is an independent contractor under this Agreement. Personal services provided by the Proposer shall be by employees of the Contractor and subject to supervision by the Contractor, and not as officers, employees, or agents of the City. Personnel policies, tax responsibilities, social security, health insurance, employee benefits, purchasing policies unless otherwise stated in this ITB, and other similar administrative procedures applicable to services rendered under this contract shall be those of the Contractor.
- 5.08 INDEMNITY/HOLD HARMLESS AGREEMENT:** The Contractor agrees to protect, defend, indemnify, and hold harmless the City of Fort Lauderdale and its officers, employees and agents from and against any and all losses, penalties, damages, settlements, claims, costs, charges for other expenses, or liabilities of every and any kind including attorney fees, in connection with or arising directly or indirectly out of the work agreed to or performed by Contractor under the terms of any agreement that may arise due to the bidding process. Without limiting the foregoing, any and all such claims, suits, or other actions relating to personal injury, death, damage to property, defects in materials or workmanship, actual or alleged violations of any applicable Statute, ordinance, administrative order, rule or regulation, or decree of any court shall be included in the indemnity hereunder.
- 5.09 TERMINATION FOR CAUSE:** If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if the Contractor shall violate any of the provisions of this Agreement, the City may upon written notice to the Contractor terminate the right of the Contractor to proceed under this Agreement, or with such part or parts of the Agreement as to which there has been default, and may hold the Contractor liable for any damages caused to the City by reason of such default and termination. In the event of such termination, any completed services performed by the Contractor under this Agreement shall, at the option of the City, become the City's property and the Contractor shall be entitled to receive equitable compensation for any work completed to the satisfaction of the City. The Contractor, however, shall not be relieved of liability to the City for damages sustained by the City by reason of any breach of the Agreement by the Contractor, and the City may withhold any payments to the Contractor for the purpose of setoff until such time as the amount of damages due to the City from the Contractor can be determined.
- 5.10 TERMINATION FOR CONVENIENCE:** The City reserves the right, in its best interest as determined by the City, to cancel contract by giving written notice to the Contractor thirty (30) days prior to the effective date of such cancellation.
- 5.11 CANCELLATION FOR UNAPPROPRIATED FUNDS:** The obligation of the City for payment to a Contractor is limited to the availability of funds appropriated in a current fiscal period, and continuation of the contract into a subsequent fiscal period is subject to appropriation of funds, unless otherwise authorized by law.
- 5.12 RECORDS/AUDIT:** The Contractor shall maintain during the term of the contract all books of account, reports and records in accordance with generally accepted accounting practices and standards for records directly related to this contract. The form of all records and reports shall be subject to the approval of the City's Internal Auditor. The Contractor agrees to make available to the City's Internal Auditor, during normal business hours and in Broward, Dade or Palm Beach Counties, all books of account, reports and records relating to this contract for the duration of the contract and retain them for a minimum period of one (1) year beyond the last day of the contract term.
- 5.13 PERMITS, TAXES, LICENSES:** The successful Contractor shall, at his own expense, obtain all necessary permits, pay all licenses, fees and taxes, required to comply with all local ordinances, state and federal laws, rules and regulations applicable to business to be carried on under this contract.
- 5.14 LAWS/ORDINANCES:** The Contractor shall observe and comply with all Federal, state, local and municipal laws, ordinances rules and regulations that would apply to this contract.
- 5.15 NON-DISCRIMINATION:** There shall be no discrimination as to race, sex, color, creed, age or national origin in the operations conducted under this contract.
- 5.16 UNUSUAL CIRCUMSTANCES:** If during a contract term where costs to the City are to remain firm or adjustments are restricted by a percentage or CPI cap, unusual circumstances that could not have been foreseen by either party to the contract occur, and those circumstances significantly affect the Contractor's cost in providing the required items or services, then the Contractor may request adjustments to the costs to the City to reflect the changed circumstances. The circumstances must be beyond the control of the Contractor, and the requested adjustments must be fully documented. The City may, after examination, refuse to accept the adjusted costs if they are not properly documented, increases are considered to be excessive, or decreases are considered to be insufficient. In the event the City does not wish to accept the adjusted costs and the matter cannot be resolved to the satisfaction of the City, the City will reserve the following options:
1. The contract can be canceled by the City upon giving thirty (30) days written notice to the Contractor with no penalty to the City or Contractor. The Contractor shall fill all City requirements submitted to the Contractor until the termination date contained in the notice.
  2. The City requires the Contractor to continue to provide the items and services at the firm fixed (non-adjusted) cost until the termination of the contract term then in effect.

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3. If the City, in its interest and in its sole opinion, determines that the Contractor in a capricious manner attempted to use this section of the contract to relieve themselves of a legitimate obligation under the contract, and no unusual circumstances had occurred, the City reserves the right to take any and all action under law or equity. Such action shall include, but not be limited to, declaring the Contractor in default and disqualifying him for receiving any business from the City for a state period of time.

If the City does agree to adjusted costs, these adjusted costs shall not be invoiced to the City until the Contractor receives notice in writing signed by a person authorized to bind the City in such matters.

- 5.17 **ELIGIBILITY:** If applicable, the Contractor must first register with the Department of State of the State of Florida, in accordance with Florida State Statutes, prior to entering into a contract with the City.
  
- 5.18 **PATENTS AND ROYALTIES:** The Contractor, without exception, shall indemnify and save harmless the City and its employees from liability of any nature and kind, including cost and expenses for or on account of any copyrighted, patented or un-patented invention, process, or article manufactured or used in the performance of the contract, including its use by the City. If the Contractor uses any design, device, or materials covered by letters, patent or copyright, it is mutually agreed and understood without exception that the bid prices shall include all royalties or costs arising from the use of such design, device, or materials in any way involved in the work.
  
- 5.19 **ASSIGNMENT:** Contractor shall not transfer or assign the performance required by this ITB without the prior written consent of the City. Any award issued pursuant to this ITB, and the monies, which may become due hereunder, are not assignable except with the prior written approval of the City Manager or selected designee.
  
- 5.20 **LITIGATION VENUE:** The parties waive the privilege of venue and agree that all litigation between them in the state courts shall take place in Broward County, Florida and that all litigation between them in the federal courts shall take place in the Southern District in and for the State of Florida.

**Form G-107, Rv. 7/01**

**EXHIBIT "B"**

**CITY'S INVESTMENT POLICY**

**ATTACHMENT**

**INVESTMENT POLICY**  
**REVISION EFFECTIVE - OCTOBER 1, 2000**



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ATTACHMENT: Glossary of Cash and Investment Management Terms

## ***Investment Policy***

### **City of Fort Lauderdale, Florida**

#### **I. PURPOSE**

The purpose of this policy is to set forth the investment objectives and parameters for the management of public funds of the City of Fort Lauderdale, Florida (hereinafter “City”). These policies are designed to safeguard the City’s funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

#### **II. SCOPE**

In accordance with Section 218.415, Florida Statutes, this investment policy applies to all cash and investments held or controlled by the City and shall be identified as “general operating funds” of the City with the exception of the City’s Pension Funds, Deferred Compensation & Section 401(a) Plans, and funds related to the issuance of debt where there are other existing policies or indentures in effect for such funds. Additionally, any future revenues, which have statutory investment requirements conflicting with this Investment Policy and funds held by state agencies (e.g., Department of Revenue), are not subject to the provisions of this policy.

#### **III. INVESTMENT OBJECTIVES**

##### **Safety of Principal**

The foremost objective of this investment program is the safety of the principal of those funds within the portfolios. Investment transactions shall seek to keep capital losses at a minimum, whether they are from securities defaults or erosion of market value. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

From time to time, securities may be traded for other similar securities to improve yield, maturity or credit risk. For these transactions, a loss may be incurred for accounting purposes, provided any of the following occurs with respect to the replacement security:

- A. Yield has been increased, or
- B. Maturity has been reduced, or
- C. Quality of the investment has been improved.

##### ***Maintenance of Liquidity***

**The portfolios shall be managed in such a manner that funds are available to meet reasonably anticipated cash flow requirements in an orderly manner. Periodical cash flow analyses will be completed in order to ensure that the portfolios are positioned to provide sufficient liquidity.**

##### Return on Investment

Investment portfolios shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and

liquidity needs. Return on investment is of least importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

#### IV. DELEGATION OF AUTHORITY

In accordance with the City's Administrative Policies, the responsibility for providing oversight and direction in regard to the management of the investment program resides with the City's Director of Finance. The management responsibility for all City funds in the investment program and investment transactions is delegated to the City's Treasurer. The Director of Finance shall establish written procedures for the operation of the investment portfolio and a system of internal accounting and administrative controls to regulate the activities of employees. The City may employ an Investment Manager to assist in managing some of the City's portfolios. Such Investment Manager must be registered under the Investment Advisors Act of 1940.

#### V. STANDARDS OF PRUDENCE

**The standard of prudence to be used by investment officials shall be the "Prudent Person" standard and shall be applied in the context of managing the overall investment program. Investment officers acting in accordance with written procedures and this 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 expectation are reported to the Director of Finance in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this policy. The "Prudent Person" rule states the following:**

**Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.**

While the standard of prudence to be used by investment officials who are officers or employees is the "Prudent Person" standard, any person or firm hired or retained to invest, monitor, or advise concerning these assets shall be held to the higher standard of "Prudent Expert". The standard shall be that in investing and reinvesting moneys and in acquiring, retaining, managing, and disposing of investments of these funds, the contractor shall exercise: the judgment, care, skill, prudence, and diligence under the circumstances then prevailing, which persons of prudence, discretion, and intelligence, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims by diversifying the investments of the funds, so as to minimize the risk, considering the probable income as well as the probable safety of their capital.

#### VI. ETHICS AND CONFLICTS OF INTEREST

**Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Also, employees involved in the investment process shall disclose to the Investment Committee any material financial interests in financial institutions that conduct business with the City, and they shall further disclose any material personal financial/investment positions that could be related to the performance of the City's investment program.**

**VII. INTERNAL CONTROLS AND INVESTMENT PROCEDURES**

The Director of Finance shall establish a system of internal controls and operational procedures that are in writing and made a part of the City’s operational procedures. The internal controls should be designed to prevent losses of funds, which might arise from fraud, employee error, and misrepresentation, by third parties, or imprudent actions by employees. The written procedures should include reference to safekeeping, repurchase agreements, separation of transaction authority from accounting and recordkeeping, wire transfer agreements, banking service contracts, collateral/depository agreements, and “delivery-vs-payment” procedures. No person may engage in an investment transaction except as authorized under the terms of this policy.

Independent auditors as a normal part of the annual financial audit to the City shall conduct a review of the system of internal controls to ensure compliance with policies and procedures.

**VIII. CONTINUING EDUCATION**

The Director of Finance, Treasurer, and appropriate staff shall annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

**IX. AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS**

Authorized City staff and Investment Advisors shall only purchase securities from the following financial and investment institutions

Investments purchased by the City may only be entities:

- A. Certificates of Deposit or Savings Accounts

These investments may only be purchased from public depositories qualified by the Treasurer of the State of Florida, in accordance with Chapter 280, Florida Statutes.

- B. Overnight Repurchase Agreement

Collateral for the City’s “Sweep Accounts” shall be held at City’s depository bank which must be a State Qualified Public Depository.

- C. All Other Investments

For purchases and sales of securities by the City, only dealers designated as “Primary Securities Dealers” by the Federal Reserve Bank of New York or from direct issuers of commercial paper and bankers’ acceptances will be utilized. Due to time limitations, practicality, and general business constraints, the number of broker relationships that can be managed on a regular basis are limited. In most cases, normal investment activity will be limited to no more than three dealer relationships, from which bids will be solicited for each

investment transaction. Each Dealer’s representative will be required to complete the “City’s Investment Firm Certification Form” prior to the City conducting any business with the Dealer or its representative (not including the City’s Investment Advisor’s dealer relationships). The City’s Investment Advisor will be responsible for operating within the guidelines of the policy and will maintain more than three dealer relationships.

**X. MATURITY AND LIQUIDITY REQUIREMENTS**

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements.

A. Maturity Guidelines

Securities purchased by or on behalf of the City shall have a final maturity of ten (10) years or less from the date of purchase. The overall weighted average duration of principal return for the portfolio shall be less than three (3) years. The maturities of the underlying securities of a repurchase agreement will follow the requirements of the Master Repurchase Agreement.

B. Liquidity Requirements

In order to meet the day-to-day expenditure needs of the City, \$3,000,000 will be the targeted cash balance in the City’s depository bank. All funds in the depository bank will be “swept” each night into a fully collateralized repurchase agreement account. In order to have an available source of funds to meet unexpected cash requirements, a minimum of \$10,000,000 will be invested with the Florida Local Government Surplus Funds Trust Fund (“SBA”). The balance of the City’s funds will be available for investment according to the guidelines incorporated within this policy.

**XI. COMPETITIVE SELECTION OF INVESTMENT INSTRUMENTS**

After the Treasurer or the Investment Advisor has determined the approximate maturity date based on cash flow needs and market conditions and has analyzed and selected one or more optimal types of investments, a minimum of three (3) qualified banks and/or approved broker/dealers must be contacted and asked to provide bids/offers on securities in questions. Bids will be held in confidence until the bid deemed to best meet the investment objectives is determined and selected.

However, if obtaining bids/offers are not feasible and appropriate, securities may be purchased utilizing the comparison to current market price method on an exception basis. Acceptable current market price providers include, but are not limited to:

- A. Telerate Information System
- B. Bloomberg Information Systems
- C. Wall Street Journal or a comparable nationally recognized financial publication providing daily market pricing

- D. Daily market pricing provided by the City’s custodian or their correspondent institutions

The Treasurer or the Investment Advisor shall utilize the competitive bid process to select the securities to be purchased or sold. Selection by comparison to a current market price, as indicated above, shall only be utilized when, in judgment of the Treasurer or the Investment Advisor, competitive bidding would inhibit the selection process.

Examples of when this method may be used include:

- A. When time constraints due to unusual circumstances preclude the use of the competitive bidding process
- B. When no active market exists for the issue being traded due to the age or depth of the issue
- C. When a security is unique to a single dealer, for example, a private placement
- D. When the transaction involves new issues or issues in the “when issued” market

Overnight sweep repurchase agreements will not be bid, but may be placed with the City’s depository bank relating to the demand account for which the repurchase agreement was purchased.

**XII. AUTHORIZED INVESTMENTS AND PORTFOLIO COMPOSITION**

Investments should be made subject to the cash flow needs and such cash flows are subject to revisions as market conditions and the City’s needs change. However, when the invested funds are needed in whole or in part for the purpose originally intended or for more optimal investments, the Treasurer may sell the investment at the then-prevailing market price and place the proceeds into the proper account at the City’s custodian.

The following are the investment requirements and allocation limits on security types, issuers, and maturities as established by the City. Diversification strategies within the established guidelines shall be reviewed and revised periodically as necessary by the Investment Committee. The Investment Committee, Director of Finance, Treasurer or the Treasurer’s designee shall have the option to further restrict investment percentages from time to time based on market conditions, risk and diversification investment strategies. The percentage allocations requirements for investment types and issuers are calculated based on the original cost of each investment. Investments not listed in this policy are prohibited.

- A. The Florida Local Government Surplus Funds Trust Fund (“SBA”)

- 1. Investment Authorization

The Treasurer may invest in the SBA.

- 2. Portfolio Composition

A maximum of 100% of available funds may be invested in the SBA.

B. United States Government Securities

1. Purchase Authorization

The Treasurer may invest in negotiable direct obligations, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government. Such securities will include, but not be limited to the following:

- Cash Management Bills
- Treasury Securities – State and Local Government Series (“SLGS”)
- Treasury Bills
- Treasury Notes
- Treasury Bonds
- Treasury Strips

2. Portfolio Composition

A maximum of 100% of available funds may be invested in the United States Government Securities with the exception of Treasury Strips are limited to 10% of available funds.

3. Maturity Limitations

The maximum length to maturity of any direct investment in the United States Government Securities is ten (10) years from the date of purchase.

C. United States Government Agencies

1. Purchase Authorization

The Treasurer may invest in bonds, debentures, notes or callables issued or guaranteed by the United States Governments agencies, provided such obligations are backed by the full faith and credit of the United States Government. Such securities will include, but not be limited to the following:

- United States Export – Import Bank
  - Direct obligations or fully guaranteed certificates of beneficial ownership
- Farmer Home Administration
  - Certificates of beneficial ownership
- Federal Financing Bank
  - Discount notes, notes and bonds
- Federal Housing Administration Debentures
- Government National Mortgage Association (GNMA)
  - GNMA guaranteed mortgage-backed bonds

- GNMA guaranteed pass-through obligations
- General Services Administration
- United States Maritime Administration Guaranteed
  - Title XI Financing
- New Communities Debentures
  - United States Government guaranteed debentures
- United States Public Housing Notes and Bonds
  - United States Government guaranteed public housing notes and bonds
- United States Department of Housing and Urban Development
  - Project notes and local authority bonds

2. Portfolio Composition

A maximum of 50% of available funds may be invested in United States Government agencies.

3. Limits on Individual Issuers

A maximum of 10% of available funds may be invested in individual United States Government agencies.

4. Maturity Limitations

The maximum length to maturity for an investment in any United States Government agency security is ten (10) years from the date of purchase.

D. Federal Instrumentalities (United States Government sponsored agencies)

1. Purchase Authorization

The Treasurer may invest in bonds, debentures, notes or callables issued or guaranteed by United States Government sponsored agencies (Federal Instrumentalities) which are non-full faith and credit agencies limited to the following:

- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank or its City banks (FHLB)
- Federal National Mortgage Association (FNMA)
- Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal - Home Loan Mortgage Corporation participation certificates

2. Portfolio Composition

A maximum of 100% of available funds may be invested in Federal Instrumentalities.

3. Limits on Individual Issuers

A maximum of 25% of available funds may be invested in any one issuer.

4. Maturity Limitations

The maximum length to maturity for an investment in any Federal Instrumentality security is ten (10) years from the date of purchase.

E. Interest Bearing Time Deposit or Saving Accounts

1. Purchase Authorization

The Treasurer may invest in non-negotiable interest bearing time certificates of deposit or savings accounts in banks organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in the State of Florida, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes. Additionally, the bank shall not be listed with any recognized credit watch information service.

2. Portfolio Composition

A maximum of 10% of available funds may be invested in non-negotiable interest bearing time certificates of deposit.

3. Limits on Individual Issuers

A maximum of 10% of available funds may be deposited with any one issuer.

4. The maximum maturity on any certificate shall be no greater than one (1) year from the date of purchase.

F. Repurchase Agreements

1. Purchase Authorization

a. The Treasurer may invest in repurchase agreements composed of only those investments authorized in Section XII.B, C, and D. All firms are required to sign the City's Master Repurchase Agreement prior to the execution of a repurchase agreement transaction.

b. A third party custodian with whom the City has a current custodial agreement shall hold the collateral for all repurchase agreements with a term longer than one (1) business day. A clearly marked receipt that shows evidence of ownership must be supplied to the Treasurer and retained.

c. Securities authorized for collateral must have maturities under ten (10) years and with market value for the principal and accrued interest of 102 percent of the value and for the term of the repurchase agreement. Immaterial short-term deviations from 102 percent requirement are permissible only upon the approval of the Treasurer.

d. The overnight sweep arrangement shall adhere to the agreement between the

City and the City's depository bank.

2. Portfolio Composition

A maximum of 20% of available funds may be invested in repurchase agreements excluding one (1) business day agreements and overnight sweep agreements.

3. Limits on Individual Issuers

A maximum of 10% of available funds may be invested with any one institution excluding one (1) business day agreements and overnight sweep agreements.

4. Limits on Maturities

The maximum length to maturity of any repurchase agreement is 90 days from the date of purchase.

G. Commercial Paper

1. Purchase Authorization

The Treasurer may invest in commercial paper of any United States company that is rated, at the time of purchase, "Prime-1" by Moody's and "A-1" by Standard & Poor's (prime commercial paper). If the commercial paper is backed by a letter of credit ("LOC"), the long-term debt of the LOC provider must be rated "A" or better by at least two nationally recognized rating agencies.

2. Portfolio Composition

A maximum of 25% of available funds may be directly invested in prime commercial paper.

3. Limits on Individual Issuers

A maximum of 5% of available funds may be invested with any one issuer.

4. Maturity Limitations

The maximum length to maturity for prime commercial paper shall be 180 days from the date of purchase.

H. Corporate Notes

1. Purchase Authorization

The Treasurer may invest in corporate notes issued by corporations organized and operating within the United States or by depository institutions licensed by the United States that have a long term debt rating, at the time of purchase, at a minimum “Aa” by Moody’s and a minimum long term debt rating of “AA” by Standard & Poor’s.

2. Portfolio Composition

A maximum of 25% of available funds may be directly invested in corporate notes.

3. Limits on Individual Issuers

A maximum of 5% of available funds may be invested with any one issuer.

4. Maturity Limitations

The maximum length to maturity for corporate notes shall be (10) ten years from the date of purchase.

I. Bankers’ Acceptances

1. Purchase Authorization

The Treasurer may invest in Bankers’ acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System, at the time of purchase, the short-term paper is rated, at a minimum, “P-1” by Moody’s Investors Services and “A-1” Standard & Poor’s.

2. Portfolio Composition

A maximum of 10% of available funds may be directly invested in Bankers’ acceptances

3. Limits on Individual Issuers

A maximum of 5% of available funds may be invested with any one issuer.

4. Maturity Limitations

The maximum length to maturity for Bankers’ acceptances shall be 180 days from the date of purchase.

J. State and/or Local Government Taxable and/or Tax-Exempt Debt

1. Purchase Authorization

The Treasurer may invest in state and/or local government taxable and/or tax-exempt debt, general obligation and/or revenue bonds, rated at least “Aa” by Moody’s and “AA” by Standard & Poor’s for long-term debt, or rated at least “MIG-2” by Moody’s and “SP-2” by Standard & Poor’s for short-term debt.

2. Portfolio Composition

A maximum of 25% of available funds may be invested in taxable and tax-exempt General Obligation bonds.

A maximum of 10% of available funds may be invested in taxable and tax-exempt Revenue and Excise tax bonds of the various municipalities of the State of Florida, provided none of such securities have been in default within five (5) years prior to the date of purchase.

3. Maturity Limitations

A maximum length to maturity for an investment in any state or local government debt security is ten (10) years from the date of purchase.

K. City of Fort Lauderdale Debt Obligations

1. Investment Authorization

City of Fort Lauderdale obligations, general obligations, revenue bonds, excise tax bonds or internal fund debt obligations.

2. Portfolio Composition and Maturity Limitations

Composition is based upon financial debt management requirements and internal fund asset and liabilities matching structuring requirements.

L. Registered Investment Companies (Money Market Mutual Funds)

1. Investment Authorization

The Treasurer may invest in shares in open-end, no-load provided such funds are registered under the Federal Investment Company Act of 1940 and operate in accordance with 17 C.F.R. § 270.2a-7, which stipulates that money market funds must have an average weighted maturity of 90 days or less. In addition, the share value of the money market funds must equal to \$1.00.

2. Portfolio Composition

A maximum of 20% of available funds may be invested in money market funds.

3. Limits of Individual Issuers

A maximum of 10% of available funds may be invested with any one money market fund.

4. Rating Requirements

The money market funds shall be rated “AAm” or “AAm-G” or better by Standard & Poor’s, or the equivalent by another rating agency.

5. Due Diligence Requirements

A thorough review of any money market fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Treasurer that will contain a list of questions that covers the major aspects of any investment pool/fund.

M. Intergovernmental Investment Pool

1. Investment Authorization

The Treasurer may invest in intergovernmental investment pools that are authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01, Florida Statutes and provided that said funds contain no derivatives.

2. Portfolio Composition

A maximum of 25% of available funds may be invested in intergovernmental investment pools.

3. Due Diligence Requirements

A thorough review of any investment pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed by the Treasurer that will contain a list of questions that covers the major aspects of any investment pool/fund.

**XIII. DERIVATIVES AND REVERSE REPURCHASE AGREEMENTS**

The City may invest in investment products that include the use of derivatives as long as the dollar amount invested by the investment product is minuscule to the total dollar amount invested by the investment product. The Treasurer shall develop sufficient understanding of the derivative products and have the expertise to manage them. A “derivative” is defined as a financial instrument the value of which depends on, or is derived from, the value of one or more underlying assets or indices or asset values. If the Finance Director approves the use of reverse repurchase agreements or other forms of leverage, the investment shall be limited to transactions in which the proceeds are intended to provide liquidity and for which the Treasurer has sufficient resources and expertise to manage them.

**XIV. PERFORMANCE MEASUREMENTS**

In order to assist in the evaluation of the portfolios’ performance, the City will use performance benchmarks for short-term and long-term portfolios. The use of benchmarks will allow the City to measure its returns against other investors in the same markets.

A. The short-term investment portfolio shall be designed with the annual objective of exceeding

the weighted average return (net book value rate of return) of the Florida Local Government Surplus Funds Trust Fund (SBA).

- B. The long-term investment portfolio shall be designed with the annual objective of exceeding the return of the Merrill Lynch 1-3 Year Treasury Index compared to the portfolio's total rate of return. The Merrill Lynch 1-3 Year Treasury Index represents all U.S. Treasury securities maturing over one year, but less than three years. This maturity range is an appropriate benchmark based on the objectives of the City.

**XV. REPORTING**

- A. Treasurer and/or Investment Advisor shall provide the Director of Finance with quarterly investment reports. Schedules in the quarterly report should include the following:

- 1. A listing of individual securities held at the end of the reporting period
- 2. Percentage of available funds represented by each investment type
- 3. Coupon, discount or earning rate
- 4. Average life or duration and final maturity of all investments
- 5. Par value, and market value

- B. Annual Investment Report

On an annual basis, the Treasurer shall prepare and submit to the City Commission a written report on all invested funds. The annual report shall provide all, but not limited to, the following: a complete list of all invested funds, name or type of security in which the funds are invested, the amount invested, the maturity date, earned income, the book value, the market value and the yield on each investment. The annual report will show performance on both a book value and total rate of return basis and will compare the results to the above-stated performance benchmarks. All investments shall be reported at fair value per GASB standards. Investment reports shall be available to the public.

- C. Investment Committee

The City shall have an investment committee comprised of the Director of Finance, an Assistant City Manager, and a Department Head appointed by the City Manager. The Treasurer shall report to this committee as often as requested. Reports shall be prepared and distributed to the committee quarterly.

**XVI. THIRD-PARTY CUSTODIAL AGREEMENTS**

Securities, with the exception of certificates of deposits, shall be held with a third party custodian; and all securities purchase by, and all collateral obtained by, the City should be properly designated as an asset of the City. The securities must be held in an account separate and apart from the assets of the financial institution. A third party custodian is defined as any bank depository chartered by the Federal Government, the State of Florida, or any other state or territory of the United States which has

a branch or principal place of business in the State of Florida as defined in Section 658.12, Florida Statutes, or by a national association organized and existing under the laws of the United States which is authorized to accept and execute trusts and which is doing business in the State of Florida. Certificates of deposits will be placed in the provider’s safekeeping department for the term of the deposit.

The custodian shall accept transaction instructions only from those persons who have been duly authorized by the Director of Finance and which authorization has been provided, in writing, to the custodian. No withdrawal of securities, in whole or in part, shall be made from safekeeping, shall be permitted unless by such a duly authorized person.

The custodian shall provide the Treasurer with safekeeping receipts that provide detail information on the securities held by the custodian. In addition, the custodian shall report at least quarterly and the Treasurer shall verify the reports. Security transactions between a broker/dealer and the custodian involving the purchase or sale of securities by transfer of money or securities must be made on a “delivery vs. payment” basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. Only after receiving written authorization from the Director of Finance shall the City Treasurer be authorized to deliver securities “free”. Securities held as collateral shall be held free and clear of any liens.

**XVII. INVESTMENT POLICY ADOPTION**

**The investment policy shall be adopted by City ordinance. The Director of Finance, Treasurer, and the Investment Committee shall review the policy annually and the City Commission shall approve any modification made thereto.**

**APPROVED AND ADOPTED BY THE CITY COMMISSION ON \_\_\_\_\_.**

\_\_\_\_\_  
City Mayor

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
City Clerk