



Hallandale Beach
PROGRESS. INNOVATION. OPPORTUNITY.

**REQUEST FOR PROPOSAL
(RFP) # FY 2014-2015-015**

INVESTMENT ADVISORY SERVICES

EXHIBIT I SCOPE OF WORK

**PREPARED BY:
CITY OF HALLANDALE BEACH
FINANCE DEPARTMENT AND
PROCUREMENT DEPARTMENT**

PURPOSE AND SCOPE:

The City of Hallandale Beach is soliciting interest firms with experience and capabilities to provide investment advisory services for a firm to provide portfolio management services for approximately \$60,000,000 in operating and capital funds (non-pension funds) based on the current Commission approved Investment Policy.

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

- A. Manage on a daily basis the City's separate investment portfolios pursuant to the specific, stated investment objectives. Place all orders for the purchase and sale of securities, communicate settlement information to the City staff and assist in coordinating security settlement with the custodian.
- B. Work with City's staff to develop a detailed cash flow analysis and projections, on a monthly basis to ensure that the investment strategy is consistent with cash requirements.
- C. Serve as a general resource to the City staff for information, advice and training regarding fixed income securities, investments, and Treasury operations.
- D. Provide monthly statements on investment activity, earnings and the value of the investment portfolio. These reports must include a market-to-market valuation as required by Governmental Accounting Standards Board (GASB) 31 and 40. The selected Investment Advisor must maintain accurate reports of investments including the diversity of investments and compliance with applicable investment policies of the City and State of Florida Statutes.
- E. Provide quarterly investment reports including a description of market conditions, investment strategies employed performance and suggested changes to investment strategy. The performance numbers shall be prepared and presented in compliance with the Global Investment Performance Standards (GIPS®).
- F. The Investment Advisor WILL NOT provide custodial services or security safekeeping.
- G. Meet with City, at a minimum, on a quarterly basis. Make Commission presentations as requested.

MINIMUM QUALIFICATION REQUIREMENT YEARS OF EXPERIENCE:

All firms responding to this RFP, in order to be eligible to respond to this RFP, must demonstrate and submit with firm's response all of the Minimum Qualification Requirements stated below. Proposing firm must meet the Minimum Qualification Requirements (MRQs) stated below in order to be eligible for evaluation of their submittal.

Firm must provide a section, with your firm's response, labeled "Minimum Qualification Requirements" addressing all items stated below by #.

Your firm's non-compliance to the outline below will hinder the Evaluation Committee's ability to find the responses of the MQRs to the RFP and could cost your firm to be determined non-responsive and disqualified from being further evaluated. Ensure the MQRs below are easily found and clearly addressed within your firm's response.

1. Years' in Business:

Firm must have ten (10) years' experience having provided the scope of work as outlined in this RFP. Proof of ten years' experience may be provided by firm's incorporation for the required ten (10) years' as reflected on Sunbiz.org. The ten (10) years' experience shall be counted from June 1, 2005. The Sunbiz website is www.sunbiz.org. Your firm must provide a copy of your firm's Sunbiz with the firm's submittal.

2. Experience for the Firm and the Account Manager:

- a. Firm must have a minimum of ten (10) year demonstrated experience in managing fixed income assets for State and Local Governments.
- b. Firm must be currently managing at least \$10 billion of assets for a public organization. The Firm's own funds will not count as a public funds.
- c. Account Manager that will be assigned must have a minimum of ten (10) years' experience in public funds investment management in the State of Florida.
- d. Firm must be knowledgeable with all applicable Florida Statutes with regard to qualified investments for public entities.
- e. Firm must be registered with the Securities and Exchange Commission under the Investment Adviser's Act of 1940.
- f. Firm must be financially solvent and appropriately capitalized to be able to service the City for the duration of the Contract.

Your firm must provide responses that addresses each item a-f above stating how your firm meets these requirements.

3. Licenses:

All firms listed as part of the RFP must be licensed under the appropriate State and Local laws and provide proof with submission of proposal.

- **All firms that are submitting a response to this RFP, either through Joint Venture, a Joint Collaborative Proposal, etc., must submit a single response proposal. If the Proposal/Response is from more than one (1) firm, firms responding must meet all requirements as detailed in the RFP.**

All proposals must be submitted in accordance with the Request for Proposals (RFP) document which may be obtained online at www.cohb.org/bidnotifications.

ADDITIONAL BACKGROUND INFORMATION

The City of Hallandale Beach is a City Manager/City Commission form of government. It serves an area of approximately 4.4 square miles with a population of approximately 37,000 off-season with an increase in population to approximately 50,000 during season. The City's fiscal year begins October 1st and ends September 30th.

CONTRACT TERMS

The term of the Agreement is for three (3) years with the option to renew for an additional two (2), one (1) year renewals. The submittal responses shall be valid until such time as City Commission awards a contract as a result of this RFP.

CONFLICT OF INTEREST

If you are an employee, board member, elected official(s) or an immediate family member of any such person, please indicate the relationship in the form provided in the Form's Section. Pursuant to the City of Hallandale Beach Standards of ethics any potential conflict of interest must be disclosed and if requested, obtain a conflict of interest opinion or waiver from the City Commission prior to entering into a contract with the City of Hallandale Beach.

INSTRUCTIONS FOR SUBMITTAL OF RESPONSES

Firms are to submit responses only on a thumb drive that is searchable in adobe format. No hardcopy (paper) submittals nor CDs will be accepted. In order to ascertain that the proposal information provided on the thumb drive contains data that allows the reviewer to perform an “edit” “find” search your firm must test each thumb drive before it is submitted. **Firms must make sure that the thumb drive is tested before submission. Do not place password on the thumb drives. Provide five (5) thumb drives with your firm’s submittal.**

Section below, Submission of Proposals, outlines the format to be followed for responses to this RFP.

REFERENCES:

The City will conduct reference checks as a component of due diligence to determine the capability of firms to be able to perform the requirements of the project. The reference questions will be sent via email; therefore, please make sure that the references your firm provides are aware that they will be receiving a Reference Form from the City of Hallandale Beach to be completed by a deadline date.

Each firm responding to this RFP must provide three (3) verifiable references with knowledge of your firm’s performance. Two (2) of the references must be from governmental entity experience which has been performed within the last ten (10) years, from 2005 to 2015.

Each firm must provide the following information for the references provided and ensure that the contact information provided is up to date and accessible via the email provided.

- a) Name of company/agency for which work was provided.
- b) Name of specific reference contact (Project Manager) charged with managing said project. References shall be employees in senior level management positions.
- c) Type of project. Year project started and was completed.
- d) Dollar amount of contract.
- e) Phone # for Reference (Project Manager). Updated email address for Project Manager.

The references provided will be sent, via email, a Reference Form to complete. Please make sure that the references your firm provides are aware they will be receiving a Reference Form via email from the City of Hallandale Beach to complete by a deadline date.

I. DEFINITIONS

- **Award** means the acceptance of a bid, offer or proposal by the proper authorized designee. The City Commission must approve all awards over the authority of the City Manager, with the exception of emergency purchases.
- **City** means the City of Hallandale Beach or the City Commission, a municipal corporation of the State of Florida.
- **City's Contract Administrator** means the City's representative duly authorized by the City Commission and/or City Manager, to provide direction to the Consultant regarding services provided pursuant to this RFP and the Contract.
- **Contract and Contract Documents** means the agreement for Agreement for this Project to be entered into between the City and the Successful Proposer/Consultant.
- **Consultant** the individual(s) or firm(s) to whom the award is made and who executes the Contract Documents.
- **Local City of Hallandale Beach Vendor** pursuant to Chapter 23, Procurement, Section 23-6 of the Code of Ordinances of the City of Hallandale Beach, Florida.
- **Project Manager** means the Consultant's representative authorized to make and execute decisions on behalf of the Consultant.
- **Proposal** means the proposal or submission submitted by a Proposer. The terms Proposal and Bid are used interchangeably and have the same meaning.
- **Proposer** means one who submits a Proposal in response to a solicitation. The terms Proposer and Bidder are used interchangeably and have the same meaning.
- **Proposal Documents** the Request for Proposals, Instructions to Proposers, Technical Specifications, plans and attachments and the proposed Contract Documents (including all Addenda issued prior to the opening of Proposals).
- **Successful Proposer** means the qualified, responsible and responsive Proposer to whom City (on the basis of City's evaluation as hereinafter provided) makes an award.

II. PROPOSAL FORMAT: The following format must be followed by firms submitting responses to the RFP.

The outline for items # 1 through # 14 below must be followed. Your firm's non-compliance to the outline below will hinder the Evaluation Committee's ability to find the responses to the RFP and could cost your firm points for information that is not easily found.

The purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the firms seeking to undertake the work for the City in conformity with the requirements of the specifications in the RFP. As such, the substance of the proposals will carry more weight than their form or manner of presentation.

The proposal must address all points outlined in the specifications of this RFP. The proposal should be prepared simply and economically, providing straightforward, concise description of the proposer's capability to satisfy the requirements of the RFP.

While additional data may be presented, the information requested in items 1 through 14, must be included. Items 5 through 14, represent the criteria against which proposals will be evaluated.

1. Title Page

Provide the RFP # and title, the firm's name; the name, address, telephone number and email of the contact person; and the date of the proposal. The City will only contact one (1) person for this RFP. Therefore, if your firm is providing a response which is made up of more than one (1) firm, the contact person provided must be able to answer all questions/clarifications requested from the City for all firms.

2. Table of Contents

Include clear identification of the material by section and by page number.

3. Transmittal Letter (limit 3 pages)

A letter of transmittal, signed by an authorized officer of your company, briefly stating the proposer's understanding of the work to be done, the commitment to perform the work within the time period, a statement why the firm believes itself to be best qualified to perform the work, and a statement that the proposal is a firm and irrevocable offer until such time as City Commission awards a contract as a result of this RFP.

Provide the names of the person who will be authorized to make representation for the Proposer, their titles, emails, addresses and telephone numbers.

4. Professional Licenses and Certifications

An affirmative statement and submission of evidence must be included with the firm's response indicating that firm and all assigned key professional staff possess all licenses and certifications required to undertake and complete the project.

5. Firm's Background:

1. Describe the organization, date founded and ownership of your firm. Has the firm experienced a significant change in organizational structure, ownership or management during the past three years and, if so, please describe. What is the firm's current assets under management?
2. Describe any other business affiliations (e.g., subsidiaries, joint ventures, "soft dollar" arrangements with brokers).
3. Describe any potential conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organization, brokerage activities, or investment banking activities.
4. Identify the types of accounts primarily managed by your firm.
5. Does your firm have an office(s) in the State of Florida, for how long, and describe the staff in the Florida office?
6. Is your firm a registered investment advisor under the Investment Adviser's Act of 1940? Please attach Part 2a & 2b of your most recent Form ADV.
7. Briefly describe the firm's Code of Professional and Ethical Standards. Does the firm employ individuals with the Chartered Financial Analyst (CFA) designation? Is so, how many? Do they adhere to the Code of Professional and Ethical Standards as described by the CFA Institute?
8. Describe any Security Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA) or any other regulatory censure or litigation involving your firm during the past five (5) years.
9. Summarize general liability, fidelity bond coverage, errors and omissions, or other fiduciary coverage your firm carries.
10. Provide a copy of your firm's most recent audited financial statement.

6. Firm's Qualifications and Experience – ability to meet the service requirements (limit 5 pages)

1. Describe your firm's experience in managing investment portfolios for public funds and governmental entities including any relevant experience managing public funds in Florida.
2. Summarize your discretionary fixed income assets under management for Florida governmental entities over the past five years.
3. What is your firm's experience in developing investment policies and portfolio management guidelines for government funds?
4. 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?
5. Provide five Florida public client references for which your firm currently manages public funds. Include client name, contact personnel, address, phone number, email address, length of time you have managed their assets and a list of any other related services provided (e.g. cash flow analysis, etc.).

7. Qualification of Staff (limit 5 pages)

1. 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.
2. Provide detailed resumes for all key investment professionals who will be directly responsible for the investment of the City's funds. Include the following information; title, number of years at your firm, total number of years of experience, professional designations or licenses.
3. Describe your firm's activities to keep portfolio managers informed of developments relevant to the management of local government funds.

8. Investment Management Approach and Discipline (limit 5 pages)

1. Describe your firm's investment management philosophy.
2. Describe the investment program you are proposing for the City, including the type of securities you propose to purchase, how the funds will be managed after the initial investments are made and how you will provide liquidity based on the existing Investment Policy.
3. Which benchmark do you suggest for the City's investment program?
4. What are the primary strategies employed by your firm for adding value to portfolios (e.g., market timing, credit research, etc.)?
5. 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.
6. Describe how your firm will review the credit of financial institutions it utilizes and securities to be purchased from these institutions.
7. Please provide a performance composite showing performance for the past five years. The composite should consist of a minimum of five (5) current accounts. The duration of the composite should be comparable to the Bank of America Merrill Lynch 1-3 Year U.S. Treasury Index Benchmark. Provide information about the composition and duration of the data used, including the number of portfolios and amount of assets making up the composite, for your presentation of performance history. The composite should be prepared and presented in compliance with the CFA Institute's Global Investment Performance Standards (GIPS). Please show quarterly returns, gross of all management fees.
8. Outline the procedures for portfolio review and client contact.
9. Outline your process to monitor investment policy compliance.
10. Briefly describe any additional feature, attributes or conditions, which should consider in selecting your firm.

9. Accounting and Reporting

1. Describe the investment accounting and reporting system used by your firm.
2. Describe your firm's knowledge of and ability to assist in the implementation and compliance of GASB 31 and GASB 40.
3. Describe the frequency and format of reports that you would provide to the City. Are you able to provide the required information in the monthly and quarterly reports? Sample reports should be included.
4. Describe the firm's online capabilities.
5. Provide monthly statements on investment activity. Provide a quarterly investment reports including a description of current and forecasted market conditions, investment strategies and a chart reflecting that each investments falls within the set Investment Policy by the Commission.
6. Assist in the process of evaluating Safekeeping, Custodian or Trustee services. Interface with City staff and any agent or trustee to assure the coordination of investments, delivery of securities and availability of funds as needed.

10. Past Performance (References)

The City will conduct reference checks as component of due diligence to determine the capability of firms to be able to perform the requirements of the project. The reference questions will be sent via email, therefore, please make sure that your firm's references are aware that they will be receiving a Reference Form from the City of Hallandale Beach which must be completed by a deadline date.

Each firm responding to this RFP must provide three (3) verifiable references with knowledge of your firm's performance. Two (2) of the references must be from governmental entity experience which has been performed and completed within the last ten (10) years, from 2005 to 2015.

Each firm must provide the following information for the references listed in the proposal. Please ensure that the contact information provided is up-to-date and accessible.

- a) Name of company/agency for which work was provided.
- b) Name of specific Reference contact (Project Manager) charged with managing said project. References shall be employees in senior level management positions.
- c) Type of project. Year project started and was completed.
- d) Dollar amount of contract.
- e) Phone # for Reference (Project Manager). Updated email address for Project Manager.

The reference contacts provided in your proposal will receive, via email, a *Reference Form* to complete. Please make sure that the references listed in your firm's proposal are aware they will be receiving a Reference Form from the City of Hallandale Beach to complete by a deadline date.

11. Financial Resources

Submit audited **financial statements** for the past two (2) years, including an income statement, a profit and loss statement, a balance sheet and a cash flow statement. In lieu of audited financial statements, proposers may submit other evidence of financial responsibility. Such evidence may include, but is not limited to, letter(s) of credit with a financial institution indicating the proposer's line of credit and the level of financing the institution will offer the proposer for capital procurement, and certified copy(ies) of federal income tax return(s) or acceptable equivalents. This submittal is not an evaluation criteria, but rather will be used to verify that the proposer is financially responsible and may, thus, be considered.

12. Fee Proposal

The proposed fees will be evaluated by each of the criteria listed under Proposal Evaluations.

13. Local City of Hallandale Beach Vendor Preference (LVP): See Exhibit III for further details.

14. Community Benefit Plan – BONUS POINTS See Exhibit III for further details.

III. PROPOSAL EVALUATIONS:

Criteria. Proposal packages will be evaluated as stated below.

The recommendation(s) for award shall be made to the City Commission, by the City Manager, to the responsible Proposer(s) whose proposal is determined to be the most advantageous to City.

NUMBER	CRITERIA LISTED	POTENTIAL POINTS
1.	Firm's Background	10
2.	Firm's Qualifications and Experience	10
3.	Qualification of Staff	10
4.	Investment Management Approach and Discipline	15
5.	Accounting and Reporting	10
6.	Past Performance (References)	10
7.	Financial Resources	10
8.	Fee Proposal	15
9.	Local City of Hallandale Beach Vendor Preference*	(2.5-10)
	TOTAL POINTS **	100
BONUS	Community Benefit Plan Bonus Points	(2.5-10)

*depending on tier level of the Local City of Hallandale Beach Vendor Preference the points may be 2.5, 5 or 10. (See Exhibit III)

**Total points may be less than 100 points depending on the applicable Tier criteria for the Local City of Hallandale Beach Vendor Preference. (See Exhibit III)

The criteria stated above will be utilized to rank proposer(s).

Oral interviews may be scheduled with the firms the Evaluation Committee determines be invited to this process. The oral presentations are exempted from the public meeting requirements of s. 286.011 F.S., however will be recorded for public record purposes in accordance with sec. 119.07(1) F.S. as amended.

FEE PROPOSAL:

I, _____, _____
Name of authorized Officer per Sunbiz Title

of _____
Name of Firm as it appears on Sunbiz

hereby attest that I have the authority to sign this notarized certification and certify that the above referenced information is true, complete and correct.

Signature

Print Name

SUBMITTAL DUE DATE:

Responses are due: June 12, 2015 by no later than 11:00 am.

RESPONSES MUST BE SUBMITTED IN SEALED ENVELOPES AND MUST BE MAILED OR HAND DELIVERED TO AND LABELED AS FOLLOWS:

CITY OF HALLANDALE BEACH
The name of your firm here
CITY CLERK'S DEPARTMENT – EXECUTIVE OFFICES
400 SOUTH FEDERAL HIGHWAY – 2ND FLOOR
HALLANDALE BEACH, FL 33009
TITLED: RFP # FY 2014-2015-015
INVESTMENT SERVICES

LAST DAY FOR QUESTIONS:

Any questions are to be submitted via email to alues@cohb.org by no later than **May 28, 2015**
by no later than 11:00 A.M.

REQUEST FOR PROPOSAL (RFP) TENTATIVE SCHEDULE

THE DATES SHOWN BELOW ARE TENTATIVE AND ARE NOT BINDING AND MAY BE SUBJECT TO CHANGE.

RFP ADVERTISING DATE	5-26-2015
RFP DOCUMENT RELEASED	5-26-2015
QUESTIONS	ALL QUESTIONS MUST BE EMAILED BY NO LATER THAN BY NO LATER THAN MAY 28, 2015 11 AM
RFP DEADLINE FOR RECEIPT OF PROPOSALS	<u>JUNE 12, 2015</u> <u>BY NO LATER THAN 11 AM</u>
EVALUATION OF PROPOSAL/SELECTION OF FIRMS	JUNE 15 THROUGH JUNE 25, 2015
ORAL INTERVIEWS – (IF REQUIRED)	JUNE 16 THROUGH JUNE 25 , 2015
RFP AWARD BY CITY COMMISSION – ESTIMATED	TO BE DETERMINED
AWARD OF CONTRACT BY CITY COMMISSION	TBD
PROJECT START DATE – ESTIMATED	TO BE DETERMINED

QUESTIONS REGARDING RFP:

For information pertaining to this Request for Proposals (RFP), contact the Procurement Department (954) 457-1333. Such contact shall be for clarification purposes only. Changes, if any, to the scope of the services or proposal procedures will be transmitted only by written addendum.

INSURANCE REQUIREMENTS:

The Consultant will be required to obtain and maintain the following insurance requirements for the life of the contract. The Certificate of Insurance will be required to be provided within the time specified in the notification provided by the Procurement Department after award of contract by the Commission for the project.

Consultant agrees to maintain, on a primary basis and at its sole expense, at all times during the life of any resulting contract the following insurance coverage's, limits, including endorsements described herein. The requirements contained herein, as well as City's review or acceptance of insurance maintained by Consultant is not intended to and shall not in any manner limit or qualify the liabilities or obligations *assumed* by Consultant under any resulting contract.

Commercial General Liability: Proposer agrees to maintain Commercial General Liability at a limit of liability not less than **\$10,000,000.00** Each Occurrence, **\$10,000,000** Annual Aggregate Coverage shall not contain any endorsement(s) excluding nor limiting Product/Completed Operations, Contractual Liability or Cross Liability.

Worker's Compensation Insurance & Employers Liability: Proposer agrees to maintain Worker's Compensation Insurance & Employers Liability in accordance with Florida Statute Chapter 440.

Additional Insured: Proposer agrees to endorse the City as an Additional Insured on the Commercial General Liability with the following, or similar endorsement providing equal or broader Additional Insured coverage, the CG 2026 07 04 Additional Insured – Designated Person or Organization endorsement; or the CG2010 10 01 Additional Insured – Owners, Lessees, or Contractors or GC2010 07 04 Owners, Lessees, or Contractors endorsement, including the additional endorsement of GC2037 10 01 Additional Insured – Owners, Lessees, or Contractors – Completed Operations shall be required to provide back coverage for the contractor's "your work" as defined in the policy and liability arising out of the products-completed operations hazard. The Additional Insured shall read: "City of Hallandale Beach."

Financial Institution Fidelity Bond Contractor agrees to furnish a Financial Institution Fidelity Bond for employee dishonesty on a Blanket Basis with a minimum limit of **\$10,000,000**. The bond shall be endorsed to cover "Third-Party" liability including a third-party beneficiary clause in favor of the "City of Hallandale Beach". The bond shall include a minimum twelve (12) month "Discovery Period" when written on a Loss Sustained basis.

Waiver of Subrogation: Proposer agrees by entering into any resulting contract to a Waiver of Subrogation for each required policy herein. When required by the insurer, or should a policy condition not permit Proposer to enter into a pre-loss agreement to waive subrogation without an endorsement, then Proposer agrees to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which includes a condition specifically prohibiting such an endorsement, or voids coverage should Proposer enter into such an agreement on a pre-loss basis.

Certificate(s) of Insurance: Proposer agrees to provide City a Certificate(s) of Insurance evidencing that all coverages, limits and endorsements required herein are maintained and in full force and effect. Said Certificate(s) of Insurance shall include a minimum thirty (30) day endeavor to notify due to cancellation or non-renewal of coverage.

The Certificate Holder address shall read:

City of Hallandale Beach
Attn: Risk Management
400 S. Federal Highway
Hallandale Beach, FL 33009

Umbrella or Excess Liability: Proposer may satisfy the minimum liability limits required above for Commercial General Liability or Business Auto Liability under an Umbrella or Excess Liability policy. There is no minimum Per Occurrence limit of liability under the Umbrella or Excess Liability; however, the Annual Aggregate limit shall not be less than the highest "Each Occurrence" limit for either Commercial General Liability or Business Auto Liability. Proposer agrees to endorse City as an "Additional Insured" on the Umbrella or Excess Liability, unless the Certificate of Insurance states the Umbrella or Excess Liability provides coverage on a "Follow-Form" basis.

Right to Revise or Reject: City reserves the right, but not the obligation, to revise any insurance requirement, not limited to limits, coverages and endorsements, or to reject any insurance policies which fail to meet the criteria stated herein. Additionally, City reserves the right, but not the obligation, to review and reject any insurer providing coverage due of its poor financial condition or failure to operating legally.