



AGREEMENT COVER MEMORANDUM

To: Barbara Torres, City Clerk's Office	From: Dominique Rojas, Contracts	Date: 05/16/2019
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Please route the two (2) attached agreements, as described below, for execution and please return one (1) executed copy to me.

Company:	PFM Management, LLC
Contract Purpose:	FN-18-02 Investment Management Services
Contract Description:	To provide investment management services.

Contract Group:	Services (Professional)	Effective Date:	06/01/2019
Agreement Type:	Master	Expiration Date:	05/31/2024
Contract Type:	Expense	Renewal Options:	Two (2) additional five (5) year terms.
Location:	City Clerk's Office (Routing)	Notice Period:	150
Contract Value:	\$25,250.00	Notice Date:	02/03/2024
Contract Value Description:	The Contract Value of \$25,250.00 is the amount the City is estimated to pay based on the current portfolio of \$35 Million. However, fees are dependent on the amount of funds under management and therefore subject to change.		

Department:	Finance	For Commission Review:	Yes
Contract Manager:	Lisa Chong	Approved by Commission:	Passed
Procurement Method:	Formal Solicitation (RFQ, RFP, IFB, RLI, etc.)	Commission Date (if Approved or Pending):	05/15/2019
Procurement Summary:	RFP # FN-18-02 See Commission Approval.	Final Motion:	Motion to Approve...
Account Coding(s):	Investment management fees are currently netted against investment income, which is budget in account 361084 - Interest on investments.	Reason For Commission Review:	Contract value exceeds \$25,000
		Insurance Required:	Yes Approved by Risk Dept.: Yes
		Bonds Required:	N/A N/A
Procurement Approval:	Approved by Commission.		
Additional Notes:	MOTION TO APPROVE THE AGREEMENT WITH PFM ASSET MANAGEMENT LLC FOR INVESTMENT MANAGEMENT SERVICES.		

5-16-19



Attachments

(2) Originals, Signed/Notarized/Witnessed by Vendor

- Exhibit A – RFP #FN-18-02 – (Electronically Sent)
- Exhibit B – Contractor’s Fee Schedule
- Exhibit C – Investment Policy
- Commission Approval
- Certificate of Liability Insurance

INVESTMENT MANAGEMENT AGREEMENT

May **THIS IS AN AGREEMENT** (“**Agreement**”), dated the 15th day of _____, 2019, by and between:

THE CITY OF PEMBROKE PINES, a municipal corporation of the State of Florida with a business address of 601 City Center Way, Pembroke Pines, Florida 33025 hereinafter referred to as "CITY",

and

PFM ASSET MANAGEMENT LLC, a company authorized to do business in the State of Florida, with a business address of **213 Market Street, Harrisburg, PA 17101**, hereinafter referred to as "MANAGER". Hereafter, CITY and MANAGER may collectively be referred to as the “Parties”.

WITNESSETH:

In consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, CITY and MANAGER agree as follows:

ARTICLE 1 **PREAMBLE**

In order to establish the background, context and form of reference for this Agreement, and to generally express the objectives and intentions of the respective Parties herein, the following statements, representations, and explanations shall be accepted as predicates for the undertakings and commitments included within the provisions which follow, and may be relied upon by the Parties as essential elements of the mutual considerations upon which this Agreement is based.

1.1 On **August 28, 2018**, the CITY advertised its notice to bidders of the CITY's desire to hire a firm to perform investment management services, as more particularly described in **Exhibit "A"** (Request for Proposals) attached hereto and by this reference made a part hereof, for the said bid entitled:

RFP # FN-18-02 **INVESTMENT MANAGEMENT SERVICES**

1.2 On **October 9, 2018**, the bids were opened at the offices of the City Clerk.

1.3 On **February 11, 2019**, the CITY awarded the **Investment Management Services** to MANAGER and authorized the proper CITY officials to negotiate and enter into an agreement with MANAGER to render the services more particularly described herein below.

1.4 Negotiations pertaining to the services to be performed by the MANAGER were undertaken and this Agreement incorporates the results of such negotiation.

ARTICLE 2

SERVICES AND RESPONSIBILITIES

2.1. The CITY hereby appoints the MANAGER as the investment MANAGER with power to invest and manage the assets specified by CITY from time to time (hereinafter referred to as the "Account"). The MANAGER hereby accepts its appointment as investment MANAGER for the Account and recognizes that the CITY is relying upon the MANAGER's professional experience and judgment in managing the Account.

2.2 The CITY hereby grants to the MANAGER discretion and authority to direct the investment of the assets in the Account, in accordance with the Investment Policy attached hereto as **Exhibit "C"** (as such policy may be amended from time to time, the "Policy"), and incorporated herein. Subject to the Policy, MANAGER's authority hereunder includes, but is not limited to, the authority to:

- (1) purchase, sell, exchange, convert and trade, in the name of and for the account of the CITY, investments of any kind, including, without limitation, common or preferred stocks, bonds, mortgages, notes, commercial paper or other securities, securities of regulated investment companies, business trusts and money market funds, or to hold any part of the assets in the Account in cash;
- (2) open, establish and maintain accounts on behalf of the Account with brokers, dealers and other financial intermediaries, to issue to such brokers, dealers and intermediaries instructions for the purchase and sale of securities for the Account, and to instruct any trustee or custodian of any security or other asset of the Account to deliver securities sold, exchanged, or otherwise disposed of from the Account;
- (3) vote any proxies or other similar solicitations in respect of securities held in the Account;
- (4) determine and direct the voting with respect to any tender, exchange or similar offer;
- (5) enter into agreements relating to the purchase and sale of securities and make representations on behalf of the CITY in connection therewith; and
- (6) generally to perform any other act necessary or proper to enable the MANAGER to carry out its responsibilities under this Agreement.

2.3. If not prohibited by the Policy, CITY hereby consents to MANAGER investing the assets in the Account in a registered investment company or other collective fund for which

MANAGER or an affiliate of MANAGER serves as investment adviser (a “Proprietary Fund”). Average daily net assets subject to the fees described in Exhibit “C” hereto shall not take into account any funds invested in a Proprietary Fund. Expenses of the Proprietary Fund, including compensation for MANAGER and the Proprietary Fund custodian, are described in the relevant prospectus or information statement and are paid from the Proprietary Fund.

2.4. The CITY shall promptly notify MANAGER of any additions or removal of assets from the Account.

2.5. CITY shall appoint a custodian to maintain and have possession of the assets of the Account. The CITY shall cause such custodian to segregate the assets of the Account from all other custodial assets in its possession, including any assets of the CITY that are not assets of the Account. The CITY shall instruct the Custodian to comply with instructions from the MANAGER given under this Agreement, and will cause the Custodian to provide read-only access to the account via electronic interface, website access, or hard copy no later than the anticipated funding date. The MANAGER shall not be the custodian, except to the extent it may be deemed to be a custodian under Rule 206(4)-2 under the Investment Advisers Act of 1940 (the “Act”).

2.6. (a) The MANAGER shall have authority and discretion to place orders for the purchase and sale of securities on behalf of the Account, with such brokers and in such a manner as, in its reasonable judgment, offers the best price and execution of each transaction. In determining best price and execution, the MANAGER may consider, among other things, the quality and value of brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) provided by the broker to the MANAGER or its affiliates in connection with the management of the Account or other accounts managed by the MANAGER or its affiliates, and may cause the Account to pay a higher commission than another broker might have charged for the same transaction in consideration of such brokerage and research services.

(b) The CITY hereby authorizes MANAGER to use an affiliated broker, where appropriate, assuming MANAGER reasonably determines that such affiliate will provide the best combination of price and execution on the transaction. CITY may terminate MANAGER’s authority to use an affiliated broker dealer at any time without penalty. MANAGER’s authority to use an affiliated broker dealer for the Account will continue unless and until MANAGER is notified by CITY of such termination. Investments in shares of MANAGER or its affiliates and securities transactions in which MANAGER or any of its affiliates acts as principal, shall not be made unless otherwise permitted by law.

2.7. The CITY authorizes MANAGER, in its discretion, to aggregate purchases and sales of securities for the Account with purchases and sales of securities of the same issuer for its other clients and for clients of MANAGER’s affiliates. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the Account and the accounts of other participating clients will be deemed to have

purchased or sold their proportionate share of the securities involved at the average price so obtained.

2.8. The CITY recognizes that the MANAGER and its affiliates act as adviser to other clients and may give advice, and take action, with respect to any of those clients which may differ from the advice given, or the timing or nature of action taken, with respect to the Account. The MANAGER shall have no obligation to purchase or sell for the Account, or to recommend for purchase or sale by the Account, any security that MANAGER, its principals, affiliates or employees may purchase or sell for themselves or for any other client. The CITY further recognizes that transactions in a specific security may not be accomplished for all client accounts at the same time or at the same price.

2.9. Unless the CITY notifies the MANAGER in writing otherwise, the MANAGER shall take all required action and render necessary advice with respect to the voting of proxies with respect to the issuers of securities in which assets of the Account may be invested.

2.10. MANAGER shall provide the CITY with valuations and other data and reports as may be mutually agreed upon after the end of each monthly period.

2.11. CITY hereby represents and warrants that it is not subject to the Employee Retirement Income Security Act of 1974, as amended.

2.13. All information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except as may be required by law (including, without limitation, the full disclosure requirements of Florida Statutes Chapter 119) or as may be necessary or appropriate in the performance by the MANAGER of its obligations under this Agreement, provided that the MANAGER may (i) refer to the CITY and the Account in connection with its marketing activities, and (ii) provide information regarding the Account to its affiliates.

ARTICLE 3

TERM AND TERMINATION

3.1 MANAGER shall perform the investment management services as identified herein and in **Exhibit "A"** attached hereto and made part hereof, for an initial five (5) year period commencing on **June 1, 2019** and ending on **May 31, 2024**.

3.2 This Agreement may be renewed for two (2) additional five (5) year terms upon mutual written consent, evidenced by a written Amendment to this Agreement extending the term thereof.

3.3 *Termination for Convenience:* This Agreement may be terminated by either party for convenience, upon thirty (30) business days of written notice by the terminating party to the other party for such termination in which event MANAGER shall be paid its compensation for services performed to termination date, including services reasonably related to termination.

3.4 *Default by a Party:* In addition to all other remedies available to a party, this Agreement shall be subject to cancellation by either party for cause, should the defaulting party neglect or fail to perform or observe any of the terms, provisions, conditions, or requirements herein contained, if such neglect or failure shall continue for a period of thirty (30) days after receipt by the defaulting party of written notice of such neglect or failure.

ARTICLE 4 **COMPENSATION AND METHOD OF PAYMENT**

4.1 The CITY hereby agrees to compensate MANAGER for all services performed by MANAGER pursuant to the provisions of this Agreement and in accordance with the fee schedule attached hereto as **Exhibit "B"**.

4.2 All payments shall be governed by the Florida Prompt Payment Act, as set forth in Part VII, Chapter 218, Florida Statutes.

ARTICLE 5 **CHANGES IN SCOPE OF WORK**

5.1 CITY or MANAGER may request changes that would increase, decrease, or otherwise modify the Scope of Services, as described in **Exhibit "A,"** to be provided under this Agreement as described in Article 2 of this Agreement. Such changes or additional services must be in accordance with the provisions of the Code of Ordinances of the CITY, and must be contained in a written amendment, executed by the Parties hereto, with the same formality, equality and dignity herewith prior to any deviation from the terms of this Agreement, including the initiation of any additional or extra work.

5.2 In no event will the MANAGER be compensated for any work which has not been described either herein or in a separate written agreement executed by the Parties hereto.

ARTICLE 6 **INDEMNIFICATION**

6.1 MANAGER shall defend, indemnify and hold the CITY, its trustees, elected and appointed officers, employees, agents, servants and assigns, from and against any and all lawsuits, claims, demands, penalties, losses, fines, liabilities, damages, and expenses including attorney's fees of any kind, without limitation, arising out of the negligent actions and omissions, or intentionally malicious actions or omissions of MANAGER or its partners, employees, and agents, directly associated with this Agreement. This Article shall not apply to the extent that any lawsuits, claims, demands, penalties, losses, fines, liabilities, damages,

and expenses are caused by the negligence or willful misconduct on the part of the CITY. This Article shall survive termination of this Agreement indefinitely.

6.2 Upon completion of all Services, obligations and duties provided for in this Agreement, or in the event of termination of this Agreement for any reason, the terms and conditions of this Article shall survive indefinitely.

6.3 CITY reserves the right to select its own legal counsel to conduct any defense in any such proceeding and all costs and fees associated therewith shall be the responsibility of MANAGER.

6.4 Nothing contained herein is intended nor shall be construed to waive City's rights and immunities under the common law or §768.28, Florida Statutes, as may be amended from time to time.

6.5 Notwithstanding anything herein to the contrary, in no event shall the Manager be responsible or liable for indirect, special or consequential losses or damages.

ARTICLE 7 **INSURANCE**

7.1. MANAGER shall not commence performance hereunder until it has obtained all insurance required under this paragraph and such insurance has been approved by the Risk Manager of the CITY nor shall the MANAGER allow any sub- MANAGER to commence work on any subcontract until all similar such insurance required of the sub- MANAGER has been obtained and similarly approved.

7.2. Certificates of Insurance reflecting evidence of the required insurance shall be filed with the CITY's Risk Manager prior to the commencement of this Agreement. Policies shall be issued by companies authorized to do business under the laws of the State of Florida. Financial Ratings must be not less than "A-VI" in the latest edition of "Best Key Rating Guide", published by A.M. Best Guide. Policies shall be endorsed to provide the CITY forty-five (45) days' notice of cancellation or the MANAGER shall obtain written agreement from its agent to provide the CITY thirty (30) days' notice of cancellation.

7.3. Insurance shall be in force until the obligations required to be fulfilled under the terms of the Agreement are satisfied. In the event the insurance certificate provided indicates that the insurance shall terminate and lapse during the period of this Agreement, then in that event, the MANAGER shall furnish, at least forty-five (45) days prior to the expiration of the date of such insurance, a renewed certificate of insurance as proof that equal and like coverage for the balance of the period of the Agreement and extension thereunder is in effect. The MANAGER shall not commence nor continue to provide any services pursuant to this Agreement unless all required insurance remains in full force and effect. MANAGER shall be liable to CITY for any lapses in service resulting from a gap in insurance coverage.

7.4. REQUIRED INSURANCE

(a) **COMPREHENSIVE GENERAL LIABILITY INSURANCE** written on an occurrence basis including, but not limited to: coverage for bodily injury and property damage, personal & advertising injury, products & completed operations, and contractual liability. Coverage must be written on an occurrence basis, with limits of liability no less than:

1. Each Occurrence Limit - \$1,000,000
2. Fire Damage Limit (Damage to rented premises) - \$100,000
3. Personal & Advertising Injury Limit - \$1,000,000
4. General Aggregate Limit - \$5,000,000
5. Products & Completed Operations Aggregate Limit shall be maintained for two (2) years after the final payment under this contract.

Products & Completed Operations Coverage shall be maintained for two (2) years after the final payment under this contract.

(b) Worker's Compensation Insurance shall be maintained during the life of this contract to comply with statutory limits for all employees. The following limits must be maintained:

- | | | |
|------|-----------------------|--|
| (i) | Worker's Compensation | Statutory |
| (ii) | Employer's Liability | \$500,000 each accident
\$500,000 Disease-policy limit
\$500,000 Disease-each employee |

If MANAGER claims to be exempt from this requirement, MANAGER shall provide CITY proof of such exemption along with a written request for CITY to exempt MANAGER, written on MANAGER letterhead.

(c) MANAGER shall maintain investment adviser Errors and Omissions Liability insurance in an amount not less than \$5,000,000 (five million dollars) per wrongful act. This coverage shall be maintained for a period of no less than three (3) years after final payment of the Agreement.

Required Endorsements

- (a) The CITY shall be named as an Additional Insured on each of the Liability policies required herein, except Worker's Compensation and Errors and Omissions.
- (b) Waiver of all Rights of Subrogation against the CITY, except for Errors and Omissions.
- (c) 30 Day Notice of Cancellation or Non-Renewal to the CITY

- (d) MANAGER's policies shall be Primary & Non-Contributory
- (e) All policies shall contain a "severability of interest" or "cross liability" liability clause without obligation for premium payment of the CITY.

(d) **CYBER LIABILITY** including Network Security and Privacy Liability when applicable, with a limit of liability no less than \$1,000,000 per loss. Coverage shall include liability arising from: theft, dissemination and/or use of confidential information stored or transmitted in electronic form, unauthorized access to, use of, or tampering with computer systems, including hacker attacks or inability of an authorized third party to gain access to your services, including denial of service, and the introduction of a computer virus into, or otherwise causing damage to, a customer's or third person's computer, computer system, network, or similar computer-related property and the data, software and programs thereon. This coverage shall be maintained for a period of no less than three (3) years after final payment of the contract. The City of Pembroke Pines must be shown as an additional insured with respect to this coverage. Furthermore, the CITY'S Additional Insured status shall extend to any coverage beyond the minimum requirements for limits of liability found herein.

(e) **CRIME COVERAGE/ EMPLOYEE FIDELITY BOND**, Manager shall maintain employee fidelity bonds in an amount of \$10,000,000. Crime coverage, then applicable, shall include employee dishonesty, forgery or alteration, and computer fraud in an amount of no less than \$1,000,000 per loss. If MANAGER is physically located on the CITY's premises, a third-party fidelity coverage extension shall apply.

(f) **FIDUCIARY LIABILITY INSURANCE COVERAGE**, of at least a \$1,000,000 coverage

7.5. MANAGER shall, in addition to naming the CITY as an additional insured on each of the general liability policies required herein, shall hold the CITY, its agents, officers and employees harmless on account of claims for damages to persons, property or premises arising out of the services provided hereunder.

7.6. Any insurance required of MANAGER pursuant to this Agreement must also be required by any Sub- MANAGER in the same limits and with all requirements as provided herein, including naming the CITY as an additional insured, in any work that is subcontracted unless such Sub- MANAGER is covered by the protection afforded by the MANAGER and provided proof of such coverage is provided to CITY. The MANAGER and any Sub-MANAGERS shall maintain such policies during the term of this Agreement.

7.7. In addition to the insurance requirements set forth in this section, MANAGER shall obtain any other insurance coverage as deemed necessary by CITY. The CITY reserves the right to require any other insurance coverage and/or higher limits that it deems necessary depending upon the exposures.

ARTICLE 8
NON-DISCRIMINATION & EQUAL OPPORTUNITY EMPLOYMENT

8.1 During the performance of the Agreement, neither MANAGER nor its subMANAGERS shall discriminate against any employee or applicant for employment because of race, religion, color, gender, national origin, sex, age, marital status, political affiliation, familial status, sexual orientation, or disability if qualified. MANAGER will take affirmative action to ensure that employees are treated during employment, without regard to their race, religion, color, gender, national origin, sex, age, marital status, political affiliation, familial status, sexual orientation, or disability if qualified. Such actions must include, but not be limited to, the following: employment, promotion; demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. MANAGER shall agree to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. MANAGER further agrees that he/she/it will ensure that subMANAGERS, if any, will be made aware of and will comply with this nondiscrimination clause.

ARTICLE 9
INDEPENDENT CONTRACTOR

9.1 This Agreement does not create an employee/employer relationship between the Parties. It is the intent of the Parties that the MANAGER is an independent contractor under this Agreement and not the CITY's employee for all purposes, including but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, the State Workers' Compensation Act, and the State unemployment insurance law. The MANAGER shall retain sole and absolute discretion in the judgment of the manner and means of carrying out MANAGER's activities and responsibilities hereunder provided, further that administrative procedures applicable to services rendered under this Agreement shall be those of MANAGER, which policies of MANAGER shall not conflict with CITY, State, H.U.D., or United States policies, rules or regulations relating to the use of MANAGER's Funds provided for herein. The MANAGER agrees that it is a separate and independent enterprise from the CITY, that it has full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Agreement shall not be construed as creating any joint employment relationship between the MANAGER and the CITY and the CITY will not be liable for any obligation incurred by MANAGER, including but not limited to unpaid minimum wages and/or overtime premiums.

ARTICLE 10
AGREEMENT SUBJECT TO FUNDING

This Agreement shall remain in full force and effect only as long as the expenditures provided for in the Agreement have been appropriated by the City Commission of the City of Pembroke Pines in the annual budget for each fiscal year of this Agreement, and is subject to termination based on lack of funding. CITY agrees to provide MANAGER with prompt written notice any event of non-appropriation.

ARTICLE 11
SIGNATORY AUTHORITY

MANAGER shall provide CITY with copies of requisite documentation evidencing that the signator for MANAGER has the authority to enter into this Agreement.

ARTICLE 12
MERGER; AMENDMENT

This Agreement constitutes the entire Agreement between MANAGER and CITY, and negotiations and oral understandings between the Parties are merged herein. This Agreement can be supplemented or amended only by a written document executed by both MANAGER and CITY with the same formality and equal dignity herewith.

ARTICLE 13
DEFAULT OF CONTRACT & REMEDIES

Damages. CITY reserves the right to recover any ascertainable actual damages incurred as a direct result of the failure of MANAGER to perform in accordance with the requirements of this Agreement, or for losses sustained by CITY directly resultant from MANAGER's failure to perform in accordance with the requirements of this Agreement.

ARTICLE 14
BANKRUPTCY

It is agreed that if MANAGER is adjudged bankrupt, either voluntarily or involuntarily, then this Agreement shall terminate effective on the date and at the time the bankruptcy petition is filed.

ARTICLE 15
DISPUTE RESOLUTION

15.1 In addition to any other remedy provided hereunder, the Parties, at their mutual option, may use arbitration to resolve any controversy or claim arising out of or relating to this Agreement if arbitration is elected by the Parties. Any controversy or claim arising out of or relating to this Agreement, or breach thereof, may be settled by arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award rendered by

the arbitrators may be entered into by any court having jurisdiction thereof. In the event arbitration is elected by the Parties, such controversy or claim shall be submitted to one arbitrator selected from the National Panel of The American Arbitration Association.

15.2 **Operations During Dispute.**

15.2.1 In the event that a dispute, if any, arises between CITY and MANAGER relating to this Agreement, performance or compensation hereunder, MANAGER shall continue to render service in full compliance with all terms and conditions of this Agreement as interpreted by CITY regardless of such dispute.

15.2.6 Notwithstanding the other provisions in this Section, CITY reserves the right to terminate the Agreement at any time, whenever the service provided by MANAGER fails to meet reasonable standards of the trade after CITY gives written notice to the MANAGER of the deficiencies as set forth in the written notice within fourteen calendar (14) days of the receipt by MANAGER of such notice from CITY.

ARTICLE 16 **MISCELLANEOUS**

16.1 **Ownership of Documents.** Reports, surveys, studies, and other data provided in connection with this Agreement are and shall remain the property of CITY, whether or not the project for which they are made is completed.

16.2 **Legal Representation.** It is acknowledged that each party to this Agreement had the opportunity to be represented by counsel in the preparation of this Agreement, and accordingly, the rule that a contract shall be interpreted strictly against the party preparing same shall not apply herein due to the joint contributions of both parties.

16.3 **Records.** MANAGER shall keep such records and accounts and require any and all subMANAGERs to keep records and accounts as may be necessary in order to record complete and correct entries as to personnel hours charged to this engagement, and any expenses for which MANAGER expects to be reimbursed. Such books and records will be available at all reasonable times for examination and audit by CITY and shall be kept for a period of seven (7) years after the completion of all work to be performed pursuant to this Agreement, or as otherwise required by Florida law. Materially incomplete or incorrect entries in such books and records will be grounds for disallowance by CITY of any fees or expenses based upon such entries.

16.4 **Assignments; Amendments.** This Agreement, and any interests herein, shall not be assigned, transferred or otherwise encumbered, under any circumstances, by MANAGER without the prior written consent of CITY. For purposes of this Agreement, any change of ownership of MANAGER shall constitute an assignment which requires CITY approval. However, this Agreement shall run to the benefit of CITY and its successors and assigns.

It is further agreed that no modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith.

16.5 **No Contingent Fees.** MANAGER warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for MANAGER to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for MANAGER any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For the breach or violation of this provision, CITY shall have the right to terminate the Agreement without liability at its discretion, to deduct from the contract price, or otherwise recover the full amount of such fee, commission, percentage, gift or consideration.

16.6 **Notice.** Whenever any party desires to give notice unto any other party, it must be given by written notice, sent by certified United States mail, with return receipt requested, addressed to the party for whom it is intended and the remaining party, at the places last specified, and the places for giving of notice shall remain such until they shall have been changed by written notice in compliance with the provisions of this section. For the present, MANAGER and CITY designate the following as the respective places for giving of notice:

CITY Charles F. Dodge, City Manager
City of Pembroke Pines
601 City Center Way
Pembroke Pines, Florida 33025
Telephone No. (954) 431-4884
Facsimile No. (954) 437-1149

Copy To: Samuel S. Goren, City Attorney
Goren, Cherof, Doody & Ezrol, P.A.
3099 East Commercial Boulevard, Suite 200
Fort Lauderdale, Florida 33308
Telephone No. (954) 771-4900
Facsimile No. (954) 771-4923

MANAGER PFM Asset Management LLC
Attn: Richard Pengelly, CFA, CTP, Director
300 South Orange Avenue, Suite 1170
Orlando, FL 32801
Telephone No. 407-648-2208
Facsimile No. 407-648-1323

16.7 **Binding Authority.** Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.

16.8 **Headings.** Headings herein are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

16.9 **Exhibits.** Each Exhibit referred to in this Agreement forms an essential part of this Agreement. The exhibits if not physically attached should be treated as part of this Agreement and are incorporated herein by reference.

16.10 **Severability.** If any provision of this Agreement or application thereof to any person or situation shall to any extent, be held invalid or unenforceable, the remainder of this Agreement, and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected thereby, and shall continue in full force and effect, and be enforced to the fullest extent permitted by law.

16.11 **Extent of Agreement and Conflicts.** This Agreement represents the entire and integrated agreement between CITY and MANAGER and supersedes all prior negotiations, representations or agreements, either written or oral. In the event of any conflicts between this Agreement and **Exhibit "A"**, the terms and provisions of **Exhibit "A"** shall govern.

16.12 **Waiver.** Failure of CITY to insist upon strict performance of any provision or condition of this Agreement, or to execute any right therein contained, shall not be constructed as a waiver or relinquishment for the future of any such provision, condition, or right, but the same shall remain in full force and effect.

16.13 **Governing Law & Venue.** This Agreement shall be governed by and construed in accordance with Florida law. Venue for any claim, objection, or dispute arising out of or related to the terms of this Agreement shall be in Broward County, Florida.

16.14 **Attorney's Fees.** In the event that either party brings suit for enforcement of this Agreement, each party shall bear its own attorney's fees and court costs, except as otherwise provided under the indemnification provisions set forth herein above.

16.15 **Scrutinized Companies.** CONTRACTOR, its principals or owners, certify that they are not listed on the Scrutinized Companies that Boycott Israel List, Scrutinized Companies with Activities in Sudan List, Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or is engaged in business operations with Syria. In accordance with Florida Statute 287.135, as amended, a company is ineligible to, and may not, bid on, submit a proposal for, or enter into or renew a contract with any agency or local governmental entity for goods or services if:

16.15.1 Any amount of, at the time bidding on, submitting a proposal for, or entering into or renewing such contract, the company is on the Scrutinized Companies that Boycott Israel List, created pursuant to s. 215.4725 or is engaged in a boycott of Israel; or

16.15.2 One million dollars or more if, at the time of bidding on, submitting a proposal for, or entering into or renewing such contract, the company:

16.15.2.1 Is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to s. 215.473; or

16.15.2.2 Is engaged in business operations in Syria.

16.16 **Public Records.** The City of Pembroke Pines is a public agency subject to Chapter 119, Florida Statutes. The MANAGER shall comply with Florida's Public Records Law. Specifically, the MANAGER shall:

16.16.1 Keep and maintain public records required by the CITY to perform the service;

16.16.2 Upon request from the CITY's custodian of public records, provide the CITY with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in chapter 119, Fla. Stat., or as otherwise provided by law;

16.16.3 Ensure that public records that are exempt or that are confidential and exempt from public record disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and, following completion of the Agreement, MANAGER shall destroy all copies of such confidential and exempt records remaining in its possession after the MANAGER transfers the records in its possession to the CITY; and

16.16.4 Upon completion of the Agreement, MANAGER shall transfer to the CITY, at no cost to the CITY, all public records in MANAGER's possession. All records stored electronically by the MANAGER must be provided to the CITY upon request from the CITY's custodian of public records, in a format that is compatible with the information technology systems of the CITY. The foregoing notwithstanding, MANAGER may retain a copy to the extent required by law or regulation or automatically saved electronically as part of a computer disaster recovery or similar back-up system or internal document retention and business continuity policies and procedures.

16.16.5 The failure of MANAGER to comply with the provisions set forth in this Article shall constitute a Default and Breach of this Agreement, for which, the CITY may terminate the Agreement.

**IF THE MANAGER HAS QUESTIONS REGARDING THE
APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO
THE MANAGER'S DUTY TO PROVIDE PUBLIC RECORDS
RELATING TO THIS AGREEMENT, CONTACT THE
CUSTODIAN OF PUBLIC RECORDS AT:**

**CITY CLERK
601 CITY CENTER WAY, 4TH FLOOR
PEMBROKE PINES, FL 33025
(954) 450-1050
MGRAHAM@PPINES.COM**

16.17 **Domestic Partnerships.**

16.17.1 CONTRACTOR certifies that it is aware of the requirements of Section 35.39 of the CITY's Code of Ordinances and certifies that (**check only one box below**):

- CONTRACTOR currently complies with the requirements of Section 35.39 of the CITY's Code of Ordinances; or
- CONTRACTOR will comply with the conditions of Section 35.39 of the CITY's Code of Ordinances; or
- CONTRACTOR will not comply with the conditions of Section 35.39 of the CITY's Code of Ordinances; or
- CONTRACTOR does not comply with the conditions of Section 35.39 of the CITY's Code of Ordinances because of the following allowable exemption (**check only box below**):
 - CONTRACTOR does not provide benefits to employees' spouses in traditional marriages; or
 - CONTRACTOR provides an employee the cash equivalent of benefits because CONTRACTOR is unable to provide benefits to employees' Domestic Partners or spouses despite making reasonable efforts to provide them. To meet this exception, CONTRACTOR shall provide a notarized affidavit that it has made reasonable efforts to provide such benefits. The affidavit shall state the efforts taken to provide such benefits and the amount of the cash equivalent. Case equivalent means the amount of money paid to an employee with a Domestic Partner or spouse rather than providing benefits to the employee's Domestic Partner or spouse. The case equivalent is equal to the employer's direct expense of providing benefits to an employee's spouse; or
 - CONTRACTOR is a religious organization, association, society, or any non-profit charitable or educational institution or organization

- operated, supervised, or controlled by or in conjunction with a religious organization, association, or society; or
- CONTRACTOR is a governmental agency.

16.17.2 Except where federal or state law mandates to the contrary, a contractor awarded a contract pursuant to a competitive solicitation shall provide benefits to Domestic Partners and spouses of its employees, irrespective of gender, on the same basis as it provides benefits to employees' spouses in traditional marriages.

16.17.3 CONTRACTOR shall provide the CITY Manager and his/her designee, access to its records for the purpose of audits and/or investigations to ascertain compliance with the provisions of this Article, and upon request shall provide evidence that the CONTRACTOR is in compliance with the provisions of this Article upon the renewal of this AGREEMENT or when the CITY Manager or his/her designee receives a complaint or has reason to believe CONTRACTOR may not be in compliance with the provisions of this Article. Records shall include but not be limited to providing the CITY Manager and his/her designee with certified copies of CONTRACTOR's records pertaining to its benefits policies and its employment policies and practices.

16.17.4 CONTRACTOR must conspicuously make available to all employees and applicants for employment the following statement:

“During the performance of a contract with the City of Pembroke Pines, Florida, the Contractor will provide Equal Benefits to its employees with spouses, as defined by Section 35.39 of the City of Pembroke Pines Code of Ordinances, and its employees with Domestic Partners and all Married Couples”.

The above statement must also include a contact telephone number and email address for the CITY which will be provided to each contractor when a covered contract is executed.

16.17.5 By executing this Agreement, CONTRACTOR certifies that it agrees to comply with the above and Section 35.39 of the City Of Pembroke Pines Code of Ordinances, as may be amended from time to time.

ARTICLE 17.

INVESTMENT ADVISOR PROVISIONS

17.1 If and to the extent that CITY shall request MANAGER to render services other than those to be rendered by MANAGER under this Agreement, such additional services shall be compensated separately on terms to be agreed upon between MANAGER and CITY.

17.2 MANAGER shall furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, and executive and supervisory personnel for managing the Account. Except as expressly provided otherwise herein, CITY shall pay all of its own expenses including, without limitation, taxes, commissions, fees and expenses of CITY's independent auditors and legal counsel, if any, brokerage and other expenses connected with the execution of portfolio security transactions, insurance premiums, and fees and expenses of the Custodian.

17.3 MANAGER hereby represents it is a registered investment advisor under the Investment Advisers Act of 1940. MANAGER shall immediately notify CITY if at any time during the term of this Agreement it is not so registered or if its registration is suspended. MANAGER agrees to perform its duties and responsibilities under this Agreement with reasonable care. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights which CITY may have under any federal securities laws. CITY hereby authorizes MANAGER to sign I.R.S. Form W-9 on behalf of CITY and to deliver such form to broker-dealers or others from time to time as required in connection with securities transactions pursuant to this Agreement.

17.4 MANAGER shall have no liability for any losses arising out of the delays in performing or inability to perform the services which it renders under this Agreement which result from events beyond its control, including interruption of the business activities of MANAGER or other financial institutions due to acts of God, acts of governmental authority, acts of war, terrorism, civil insurrection, riots, labor difficulties, or any action or inaction of any carrier or utility, or mechanical or other malfunction.

17.5 MANAGER shall promptly give notice to CITY if MANAGER shall have been found to have violated any state or federal securities law or regulation in any final and unappealable judgment in any criminal action or civil suit in any state or federal court or in any disciplinary proceeding before the Securities and Exchange Commission ("SEC") or any other agency or department of the United States, any registered securities exchange, FINRA, or any regulatory authority of any State based upon the performance of services as an investment advisor.

17.6 MANAGER warrants that it has delivered to CITY prior to the execution of this Agreement MANAGER's current SEC Form ADV, Part 2A (brochure) and Part 2B (brochure supplement). CITY acknowledges receipt of such brochure and brochure supplement prior to the execution of this Agreement.

IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first written above.

ATTEST:

[Signature]

MARLENE GRAHAM,
CITY CLERK

CITY

BY: [Signature]

CHARLES F. DODGE
CITY MANAGER

APPROVED AS TO FORM
[Signature] 5/16/19
OFFICE OF THE CITY ATTORNEY



MANAGER

Witnesses:

[Signature]

Lesley Allison
Print Name

[Signature]

Leslie A. Bell
Print Name

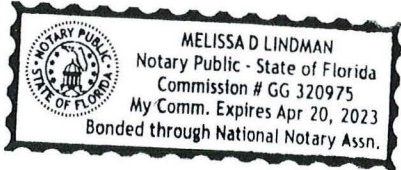
MANAGER
[Signature]

BY: [Signature]
Print Name: STEVEN ALEXANDER
Title: Managing Director

STATE OF Florida)
COUNTY OF Orange)

BEFORE ME, an officer duly authorized by law to administer oaths and take acknowledgments, personally appeared Steven Alexander as Managing Director of **PFM Asset Management, LLC**, a company authorized to conduct business in the State of Florida, and acknowledged execution of the foregoing Agreement as the proper official of **PFM Asset Management, LLC**, for the use and purposes mentioned in it and affixed the official seal of the corporation, and that the instrument is the act and deed of that corporation.

IN WITNESS OF THE FOREGOING, I have set my hand and official seal at in the State and County aforesaid on this 30 day of April, 2019.



[Signature]
NOTARY PUBLIC

Melissa D. Lindman
(Name of Notary Typed, Printed or Stamped)

EXHIBIT “A” – REQUEST FOR PROPOSALS

Exhibit "A"



Investment Management Services

Request for Proposals # FN-18-02

General Information		
Project Timeline	This contract shall be for an initial three year with two additional two-year renewal terms.	See Section 1.7
Evaluation of Proposals	Evaluation Committee	See Section 1.6
Question Due Date	September 10, 2018	See Section 1.7
Proposals will be accepted until	2:00 p.m. on September 25, 2018	See Section 1.7
Proposal Security / Bid Bond	Not Applicable	N/A
Payment and Performance Bonds	Not Applicable	N/A

**THE CITY OF PEMBROKE PINES
PURCHASING DIVISION
8300 SOUTH PALM DRIVE
PEMBROKE PINES, FLORIDA 33025
(954) 518-9020**



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- Attachment C: Non-Collusive Affidavit
- Attachment D: Sworn Statement on Public Entity Crimes Form
- Attachment E: Local Vendor Preference Certification
- Attachment F: Veteran Owned Small Business Preference Certification



- Attachment G: Equal Benefits Certification Form
- Attachment H: Vendor Drug-Free Workplace Certification Form
- Attachment I: Vendor Certification Regarding Scrutinized Companies List
- Attachment J: Proposer's Completed Qualification Statement
- Attachment K: Sample Insurance Certificate
- Attachment L: Specimen Contract (**Investment Management Services Agreement**)
- Attachment M: References Form
- Attachment N: Cash and Investment Report - May 31, 2018
- Attachment O: Firm's Experience Form
- Attachment P: Personnel Form
- Attachment Q: Fee Structure
- Attachment R: City's Investment Operating Policy



SECTION 1 - INSTRUCTIONS

1.1 NOTICE

Notice is hereby given that the City Commission of the City of Pembroke Pines is seeking sealed proposals for:

RFP # FN-18-02 “Investment Management Services”

Solicitations may be obtained from the City of Pembroke Pines website at <http://www.ppines.com/index.aspx?NID=667> and on the www.BidSync.com website.

If you have any problems downloading the solicitation, please contact the BidSync Support line at 1-800-990-9339.

If additional information help is needed with downloading the solicitation package please contact the Purchasing Office at (954) 518-9020 or by email at purchasing@ppines.com. The Purchasing Office hours are between 7:00 a.m. - 6:00 p.m. on Monday through Thursday and is located at 8300 South Palm Drive, Pembroke Pines, Florida 33025.

The City requires all questions relating to the solicitation be entered through the “Ask a Question” option tab available on the BidSync website. Responses to the questions will be provided online at www.bidsync.com. Such request must be received by the “Question Due Date” stated in the solicitation. The issuance of a response via BidSync is considered an Addendum and shall be the only official method whereby such an interpretation or clarification will be made.

Proposals will be accepted until 2:00 p.m., Tuesday, September 25, 2018. Proposals must be **submitted electronically at www.BidSync.com**. The sealed electronic proposals will be publicly opened at 2:30 p.m. by the City Clerk’s Office, in the City Hall Administration Building, 4th Floor Conference Room located at 601 City Center Way, Pembroke Pines, Florida, 33025.

1.2 PURPOSE

The City of Pembroke Pines is seeking proposals from qualified firms, hereinafter referred to as the Contractor, to provide investment management services, in accordance with the terms, conditions, and specifications contained in this solicitation.

1.3 GENERAL INFORMATION

The City’s discretionary operating investment portfolio, managed accounts, are listed below. The final allocation among the different investments will be determined by the City.



Investments	Approximately Invested Amount
FLOC – 0-2 Year High Quality Bond Fund	\$24,000,000
FLOC - 1-3 Year High Quality Bond Fund	\$3,000,000
State Board of Administration	\$116,000,000
Wells Capital Management	\$33,000,000
Certificate of Deposits	\$7,500,000

The Investment Manager will provide recommendations for the City to revise its current investments and investment policy if necessary to maximize yield while ensuring liquidity and preservation of principal.

The City’s investment program is currently managed under the direction of an Investment Committee who reports to the City Manager. The City desires to contract for investment management services from firms registered with the Securities and Exchange Commission (SEC) under the Investment Advisor’s Act of 1940 who will serve in a fiduciary capacity for the City and present performance numbers in accordance with the CFA Institute.

The Firm will be required to recommend, investment selection and disposition in accordance with the City’s adopted investment policy and the laws promulgated by the State of Florida as well as investment policy changes.

- A copy of the City’s current Investment Operating Policy has been incorporated herein (see **Attachment R**), as well as the City’s Cash and Investment Report as of **May 31, 2018** (see **Attachment N**).
- A copy of the City Interim and Audited Financial Statements can be found at <http://www.ppines.com/220/Finance-Department>.

The City encourages all prospective Firms to examine this Request for Proposal (RFP) carefully to ensure that the minimum qualifications as defined in this document are met. Firms and personnel to be assigned to the City’s account must be highly experienced, a leader and innovator in the management of investments and able to provide comprehensive cash management and investment management services.

All proposals submitted will be evaluated by a selection committee. At the discretion of the committee, selected proposers may be requested to make oral presentations. Those proposers will be notified to arrange specific times. The City will not be responsible for any cost associated with the preparation of this RFP or the proposers’ presentation.

The firm selected and its affiliates will be restricted from selling to the City, or buying from the City any securities to or from that firm’s own inventory account. The Investment Manager or Managers assigned to the City’s account will follow the rules of the City’s investment policy. The Investment Managers will also be restricted from placing into the City’s portfolio any securities for which it, or an affiliate, is the issuer (i.e. CD’s, commercial paper etc.). The Investment



Manager shall act solely in a fiduciary capacity and shall not receive any fee or compensation based upon the purchase or sale of securities but, rather, the Firm will be compensated pursuant to the provision of its contract with the City.

Any violation of the terms outlined herein will constitute a breach of contract subject to immediate termination.

The City reserves the right to award any part of this proposal to one or more investment managers.

1.4 SCOPE OF WORK

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

- a. Manage on a daily basis, the City's investment portfolio pursuant to the specific, stated investment objectives. Evaluate orders and recommend purchase and/or sale of securities and communicate settlement information to the City and assist in coordinating security settlement.
- b. Maintain and provide documentation to City staff for at least three (3) bids obtained where securities are purchased on a secondary market.
- 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 consultations to the City on the best investment options while in compliance with the investment policy.
- e. Ensure that the investment strategy is consistent with the City's cash requirements and provide recommendations for change.
- f. Provide monthly statements and annual reports on investment activity, earnings and the value of the investment portfolio. These reports must be in compliance with Governmental Accounting Standard Board (GASB) 31, 40, 72, or subsequent statements. The selected investment manager must maintain accurate reports of investments and ensure compliance with the investment policy of the City.
- g. Provide quarterly investment reports to the City, including a description of market conditions, investment strategies employed performance and suggested changes to investment strategy.
- h. Make presentations to the City or City Commission as requested.
- i. Assist in risk control to ensure the ongoing safety of the City's assets not related to market risk.



- j. The Investment Management Firm will not provide custodial services or security safekeeping.
- k. Although the Investment Management Services Firm will not provide custodial services or security safekeeping, they will obtain the services of a Custodian and agree that the Custodian Services fee will be included in the Investment Management Services' fee.

1.5 PROPOSAL REQUIREMENTS

The following documents will need to be completed, scanned and submitted through www.bidsync.com as part of the bidder's submittal. The proposer interested in responding to this solicitation must provide the information requested below. Submittals that do not respond completely to all requirements specified herein may be considered non-responsive and eliminated from the process.

All proposals shall address and be tabbed/indexed as outlined below:

Title Page:

List the following:

Subject: **RFP # FN-18-02 "Investment Management Services"**

- 1. Date
- 2. Name of the Firm
- 3. Contact Person (including title) authorized to represent your firm
 - i. Note: This contact person shall also be listed on **Attachment A: Contact Information Form**
- 4. Telephone Number
- 5. Email Address

Tab 1 - Table of Contents:

Include a clear identification of the material included in the proposal by tab number and page number.

Tab 2 - Letter of Understanding:

Limit to two (2) pages.

- 1) Transmittal letter 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 the best qualified to perform the work within the time period, a statement that the proposal is a firm and irrevocable offer for the engagement period.



Include the signature of an authorized official of the firm who has been designated to submit the proposal on behalf of their firm.

- 2) Confirm that your firm is completely independent of any financial institution or securities brokerage firm; or fully and continuously disclose any relationships with such financial institution(s) and/or securities brokerage firm(s), and further disclose any commissions, bonuses, or soft-dollar payments resulting from the firm's relationship with the City.
- 3) Confirm that your firm will not take possession of City monies or investment securities, nor have access to or control over such monies and/or securities.

Tab 3 – Firms Background

- 1) Describe the organization, date founded and ownership of your firm. Identify and explain if the firm experienced a significant change in organizational structure, ownership or management during the past three (3) years.
- 2) Describe any potential conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organization, brokerage activities, or investment banking activities. Include any other pertinent activities, actions, or relationships not specifically outlined in this question, such as soft dollar arrangements with brokers.
- 3) Identify locations of the firm's office(s), including the length of time there and the staff, and which office will service the City.
- 4) Include Part I and Part II of your most recent Form ADV. If you are exempt from registering with the Securities and Exchange Commission (SEC) under the Investment Advisor's Act of 1940, please document your reasons.
- 5) Identify the types of accounts primarily managed by your firm.
- 6) Does your firm have an office(s) in the State of Florida, for how long, and describe the staff in the Florida office?
- 7) Describe any SEC, NASD or any other regulatory censure or litigation involving your firm or the individual that will be providing investment services to the City during the past five (5) years. Please provide information beginning with closed cases and their resolution, followed by pending cases and expected outcome.
- 8) Provide a list of government clients that terminated your services in the past five (5) years and the reason for the termination. If not applicable, please provide a statement to that effect.



- 9) Provide a Certificate of Insurance (Please refer to the Insurance Requirements section of this solicitation)

Tab 4 - Personnel

- 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 (license number).
- 3) Describe any additions or departures in the last 3 years of the team that would be directly responsible for the investment of the City's funds.
- 4) What is the number of accounts and volume (in \$) that is handled by this team.
- 5) Describe your firm's efforts to keep portfolio managers informed of developments relevant to the management of local government funds.
- 6) Describe training requirements and frequency.
- 7) Complete **Attachment P - Personnel Form**

Tab 5 – Other Experience

- 1) Describe the measures your firm takes to ensure that all investments are executed in compliance with the IRS's Fair Market Rules.
- 2) Describe how your firm stays informed of the latest interpretations and guidelines issued by the U.S. Treasury Department.
- 3) Describe your firms' experience in developing or working within the investment policies of Florida governmental agencies.

Tab 6 - Previous Experience

- 1) Describe your firm's experience in providing investment management services for public funds and governmental entities. Specify any relevant experience managing public funds in Florida.
- 2) Describe your firm's experience in developing investment policies and portfolio management guidelines for government funds.



- 3) Summarize your fixed income assets under management (public funds only) over the past five years by the following categories: Discretionary, non-Discretionary and Bond Proceeds. Also, please distinguish between public funds and non-public funds.
- 4) What is your firm's experience in developing investment policies and portfolio management guidelines for government funds?
- 5) Clarify whether your firm acts 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.
- 6) To summarize the assets under your management, complete **Attachment O - Firm's Experience Form**. Be sure to show the number of accounts and dollar value in millions.
- 7) Complete **Attachment M - References Form**.

Tab 7 – Investment Management Approach and Performance

- 1) Briefly describe your firm's fixed income investment management philosophy. Include how buy and sell decisions are made.
- 2) Describe the types of securities you propose to purchase, and how you will provide liquidity.
- 3) Describe the primary strategies employed by your firm for adding value to portfolios (e.g. market timing, credit research, etc.).
- 4) 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.
- 5) Describe how your firm will review the credit of financial institutions it utilizes and securities to be purchased from these institutions.
- 6) Describe which performance benchmarks you would suggest given the City's current investment policy. Would your firm be willing to manage to a customized benchmark?
- 7) Discuss general recommendations would you make to the City for modifying its current investment policy keeping in mind Chapter 218.415 of Florida Statutes, safety of principal, liquidity, yield maximization and managing interest rate risk.
- 8) Discuss general recommendations you would make to the City's current investment portfolios, keeping in mind Chapter 218.415 of Florida Statutes, safety of principal, liquidity, yield maximization and managing interest rate risk.



- 9) Describe the daily procedures for portfolio review and client contact. How often will you contact the City, and what will be the format? If the City calls, when can we expect you to return the call?
- 10) Describe your firm's process for ensuring investment policy compliance, preventing and correcting investment policy exceptions and reporting of such compliance issues to the City.
- 11) Describe training opportunities for City staff.
- 12) Briefly describe any additional feature, attributes or conditions, which the City should consider in selecting your firm.
- 13) Provide the last five years of your firm's portfolio performance. Portfolio should be similar to what the City's portfolio is currently comprise of.

Tab 8 – Accounting and Reporting

- 1) Describe the investment accounting and reporting system used by your firm, and confirm that it complies with the Global Investment Performance Standards (GIPS) as developed by the CFA Institute.
- 2) Describe your firm's knowledge of and ability to assist in the compliance with GASB 31, 40, 72, and any other statements related to investment.
- 3) Describe the frequency and format of reports that you would provide to City (including the methods and formulas used to calculate yield and performance). Sample reports should be included as exhibits to your proposal.
- 4) Describe your firm's online reporting capabilities

Tab 9 – Fee Structure

- 1) Provide the fee schedule that would apply to this account for seven (7) years. Investment manager will provide recommendations to the City on the best investment options; however, the fee should be based on the actual managed portfolio. **This information must be provided utilizing Attachment Q – Fee Structure. Fees must also include the custodial fees for the account.**
 - a. **Although the Investment Management Services Firm will not provide custodial services or security safekeeping, they will obtain the services of a Custodian and agree that the Custodian Services fee will be included in the Investment Management Services' fee.**
- 2) Please also provide a copy of the Agreement for Custodial Services with the selected Custodian. Note – The City has provided a Template Agreement for the Investment Management Services.



Tab 10 – Other Completed Documents:

1. Attachment A: Contact Information Form
(Vendor must select the option from the Minimum Qualification Checklist)
2. Attachment B: Vendor Information Form and a W-9
 - a. In addition to the Vendor Information Form, please ensure that you provide the completed W-9 (Rev. November 2017), as previously dated versions of this form will delay the processing of any payments to the awarded vendor.
3. Attachment C: Non-Collusive Affidavit
4. Attachment D: Sworn Statement on Public Entity Crimes Form
5. Attachment E: Local Vendor Preference Certification
 - a. If claiming Local Pembroke Pines Vendor Preference, business must attach a current business tax receipt from the City of Pembroke Pines
 - b. If claiming Local Broward County Vendor Preference, business must attach a current business tax receipt from Broward County or the city within Broward County where the business resides.
 - c. The Local Vendor Preference Certification form must be completed by/for the proposer; the proposer **WILL NOT** qualify for Local Vendor Preference based on their sub-contractors' qualifications.
6. Attachment F: Veteran Owned Small Business Preference Certification
 - a. If claiming Veteran Owned Small Business Preference Certification, business must attach the "Determination Letter" from the United States Department of Veteran Affairs Center for Verification and Evaluation notifying the business that they have been approved as a Veteran Owned Small Business (VOSB).
 - b. The Veteran Owned Small Business Preference Certification form must be completed by/for the proposer; the proposer **WILL NOT** qualify for Veteran Owned Small Business Preference based on their sub-contractors' qualifications.
7. Attachment G: Equal Benefits Certification Form
8. Attachment H: Vendor Drug-Free Workplace Certification Form
9. Attachment I: Vendor Certification Regarding Scrutinized Companies List
10. Attachment J: Proposer's Completed Qualification Statement

Tab 11 - Additional Information:

Please provide any additional information that you deem necessary to complete your proposal in this section, if it has not been requested in another section.

1.6 EVALUATION OF PROPOSALS & PROCESS OF SELECTION

- A. Staff will evaluate all responsive proposals received from proposers who meet or exceed the bid requirements contained in the RFP. Evaluations shall be based upon the information and references contained in the proposals as submitted. **As such, the**



Proposal should be as comprehensive as possible; clearly describing the details of services that the Proposer intends to provide.

- B. The City will convene an Evaluation Committee and brief its members on the scope of the project and the services required. The Evaluation Committee will evaluate proposals based on the following criteria

Criteria	Points
Firms Background, Personnel & Other Experience	25 points
Previous Experience	10 points
Investment Management Approach and Performance	30 points
Accounting and Reporting	10 points
Fee Structure	20 points
Local Vendor Preference/ Veteran Owned Small Business Preference*	5 points
Total Points	100 points

**Please note that the Local Vendor Preference is used to evaluate the submittals received from proposers and are assigned point totals, a preference of five (5) points of the total evaluation point shall be given to the Local Pembroke Pines Vendor(s); a preference of two and a half (2.5) points of the total evaluation point shall be given to the Local Broward County Vendor(s), all other vendors shall receive zero (0) points. Vendors must submit the attached Local Vendor Preference Certification Form in order to qualify for these evaluation points.*

Veteran Owned Small Business (VOSB) is also used to evaluate the submittals received from proposers and are assigned point totals, a preference of two and a half (2.5) points of the total evaluation point shall be given to the Veteran Owned Small Businesses. Vendors must submit the attached Veteran Owned Small Business Preference Certification Form in order to qualify for these evaluation points.

All other vendors shall receive zero (0) points.

- C. The Evaluation Committee shall have the option to short-list the proposers based on the criteria listed above. The Evaluation Committee shall also have the option to schedule meeting(s) for the firms to make presentations and answer questions of clarification as part of its evaluation. As part of this process, the firms shall have officials of the appropriate management level present and representing the firm. The project manager should be available. The firm shall be prepared to present an overall briefing regarding the manner in which the contractual obligations will be accomplished.
- D. The Evaluation Committee will make a recommendation to the City Commission for award of contract. The contract shall be awarded to the most responsive/responsible proposer(s) whose proposal(s) is/are determined to be the most advantageous to the City taking into consideration the evaluation criteria.



1.6.1 SCORING FOR FEE STRUCTURE CRITERIA

The Evaluation Committee will utilize the following in calculating the weighted score of each vendor related to the criteria.

The Fee Structure for each proposer will be multiplied against the City’s estimated amount, to determine the Proposal amounts for each proposer.

Then the **Lowest Proposal** will be divided by **Proposer “X” Cost Proposal** times the **Maximum Available Points for the Pricing Criteria = Proposer “X” Cost Score.**

Example:

Firm “A” cost proposal is \$10,000 and is the lowest cost proposal

Firm “B” cost proposal is \$15,000

Firm “C” cost proposal is \$20,000

Maximum Points Available for the “Project Cost” criteria: 25

Calculation:

Firm “A”: Lowest price and receives 25 points

Firm “B”: \$10,000/\$15,000 x 25 points = 16.67 points

Firm “C”: \$10,000/\$20,000 x 25 points = 12.50 points

1.7 TENTATIVE SCHEDULE OF EVENTS

Event	Time &/or Date
Issuance of Solicitation (Posting Date)	August 28, 2018
Question Due Date	September 10, 2018
Anticipated Date of Issuance for the Addenda with Questions and Answers	September 13, 2018
Proposals will be accepted until	2:00 p.m. on September 25, 2018
Proposals will be opened at	2:30 p.m. on September 25, 2018
Evaluation of Proposals by Evaluation Committee	TBD
Recommendation of Contractor to City Commission award	November 21, 2018
Contract Term	This contract shall be for an initial three year with two additional two-year renewal terms.

1.8 SUBMISSION REQUIREMENTS



Bids/proposals **must be submitted electronically** at www.bidsync.com **on or before 2:00 p.m. on September 25, 2018.**

Please note vendors should be registered on BidSync under the name of the organization that they are operating as and it should match the organization name on the documents that they are submitting and utilizing when responding to the solicitation.

The vendor must provide their pricing through the designated lines items listed on the BidSync website. In addition, the vendor must complete any webforms on the BidSync website and provide any additional information requested throughout this solicitation. Any additional information requested in the solicitation should be scanned and uploaded. **Unless otherwise specified, the City requests for vendors to upload their documents as one (1) PDF document in the order that is outline in the bid package.**

The City recommends for proposers to submit their proposals as soon as they are ready to do so. Please allow ample time to submit your proposals on the BidSync website. Proposals may be modified or withdrawn prior to the deadline for submitting Proposals. BidSync Support is happy to help you with submitting your proposal and to ensure that you are submitting your proposals correctly, but we ask that you contact their support line at 1-800-990-9339 with ample time before the bid closing date and time.

PLEASE DO NOT SUBMIT ANY PROPOSALS VIA MAIL, E-MAIL OR FAX.



SECTION 2 - INSURANCE REQUIREMENTS

The CONTRACTOR shall indemnify and hold harmless the CITY and its officers, employees, agents and instrumentalities from any and all liability, losses or damages, including attorneys' fees and costs of defense, which the CITY or its officers, employees, agents or instrumentalities may incur as a result of claims, demands, suits, causes of actions or proceedings of any kind or nature arising out of, relating to or resulting from the performance of this Agreement by the CONTRACTOR or its employees, agents, servants, partners principals or subcontractors. The CONTRACTOR shall pay all claims and losses in connection therewith and shall investigate and defend all claims, suits or actions of any kind or nature in the name of the CITY, where applicable, including appellate proceedings, and shall pay all costs, judgments, and attorney's fees which may issue thereon. The CONTRACTOR expressly understands and agrees that any insurance protection required by this Agreement or otherwise provided by the CONTRACTOR shall in no way limit the responsibility to indemnify, keep and save harmless and defend the CITY or its officers, employees, agents and instrumentalities as herein provided.

CONTRACTOR shall not commence work under this Agreement until it has obtained all insurance required under this paragraph and such insurance has been approved by the Risk Manager of the CITY nor shall the CONTRACTOR allow any subcontractor to commence work on his subcontract until all similar such insurance required of the subcontractor has been obtained and similarly approved.

CERTIFICATES OF INSURANCE, reflecting evidence of the required insurance, shall be filed with the City's Risk Manager prior to the commencement of this Agreement. Policies shall be issued by companies authorized to do business under the laws of the State of Florida. The insurance company shall be rated no less than "A" as to management, and no less than "Class VI" as to financial strength according to the latest edition of Best's Insurance Guide published by A.M. Best Company.

Policies shall be endorsed to provide the CITY thirty (30) days notice of cancellation, material change or non-renewal of policies required under the contract. If the carrier will not agree to this notification, the CONTRACTOR or its insurance broker shall notify the CITY of any cancellation or reduction in coverage within seven days of receipt of insurer's notification of cancellation or reduction in coverage.

Insurance shall be in force until all obligations required to be fulfilled under the terms of the Agreement are satisfactorily completed as evidenced by the formal acceptance by the CITY. In the event the insurance certificate provided indicates that the insurance shall terminate and lapse during the period of this Agreement, then in that event, the CONTRACTOR shall furnish, at least fifteen (15) days prior to the expiration of the date of such insurance, a renewed certificate of insurance as proof that equal and like coverage for the balance of the period of the Agreement and extension thereunder is in effect. The CONTRACTOR shall not commence nor continue to provide any services pursuant to this Agreement unless all required insurance remains in full force and effect. CONTRACTOR shall be liable to CITY for any lapses in service resulting from a gap in insurance coverage.

The insurance requirements specified in this Agreement are minimum requirements and in no way reduce any liability the CONTRACTOR has assumed in the indemnification/hold harmless section(s) of this Agreement.



2.1 REQUIRED INSURANCE

A. COMMERCIAL GENERAL LIABILITY INSURANCE including, but not limited to: coverage for premises & operations, personal & advertising injury, products & completed operations, Liability assumed under an Insured Contract (including tort liability of another assumed in a business contract), and independent contractors. Coverage must be written on an occurrence basis, with limits of liability no less than:

1. Each Occurrence Limit - \$1,000,000
2. Fire Damage Limit (Damage to rented premises) - \$100,000
3. Personal & Advertising Injury Limit - \$1,000,000
4. General Aggregate Limit - \$5,000,000

Products & Completed Operations Coverage shall be maintained for two (2) years after the final payment under this contract. (Increase to 10 years for construction projects) (For construction projects also include: Designated Construction Project(s) General Aggregate Limit)

The City of Pembroke Pines must be shown as an additional insured with respect to this coverage. City's Additional Insured status shall extend to any coverage beyond the minimum requirements for limits of liability found herein.

B. WORKERS' COMPENSATION AND EMPLOYERS LIABILITY INSURANCE covering all employees, and/or volunteers of the CONTRACTOR engaged in the performance of the scope of work associated with this Agreement. In the case any work is sublet, the CONTRACTOR shall require the subcontractors similarly to provide Workers Compensation Insurance for all the latter's employees unless such employees are covered by the protection afforded by the CONTRACTOR. Coverage for the CONTRACTOR and his subcontractors shall be in accordance with applicable state and/or federal laws that may apply to Workers' Compensation Insurance with limits of liability no less than:

1. Workers' Compensation : Coverage A – Statutory
2. Employers Liability: Coverage B \$500,000 Each Accident
\$500,000 Disease – Policy Limit
\$500,000 Disease – Each Employee

If CONTRACTOR claims to be exempt from this requirement, CONTRACTOR shall provide CITY proof of such exemption along with a written request for CITY to exempt CONTRACTOR, written on CONTRACTOR letterhead.

Coverage shall be included for injuries or claims under the USL&H or Jones Act, when applicable.

C. PROFESSIONAL LIABILITY/ERRORS & OMISSIONS INSURANCE, when applicable, with a limit of liability no less than \$5,000,000 per wrongful act. This coverage shall be maintained for a period of no less than three (3) years after final payment of the contract. (Increase to 10 years for construction projects)



- D. CYBER LIABILITY including Network Security and Privacy Liability** when applicable, with a limit of liability no less than \$1,000,000 per loss. Coverage shall include liability arising from: theft, dissemination and/or use of confidential information stored or transmitted in electronic form, unauthorized access to, use of, or tampering with computer systems, including hacker attacks or inability of an authorized third party to gain access to your services, including denial of service, and the introduction of a computer virus into, or otherwise causing damage to, a customer's or third person's computer, computer system, network, or similar computer-related property and the data, software and programs thereon. This coverage shall be maintained for a period of no less than three (3) years after final payment of the contract. **The City of Pembroke Pines must be shown as an additional insured with respect to this coverage.** Furthermore, the CITY'S Additional Insured status shall extend to any coverage beyond the minimum requirements for limits of liability found herein.
- E. CRIME COVERAGE** when applicable, shall include employee dishonesty, forgery or alteration, and computer fraud in an amount of no less than \$1,000,000 per loss. If Contractor is physically located on the City's premises, a third-party fidelity coverage extension shall apply.

2.2 REQUIRED ENDORSEMENTS

1. The City of Pembroke Pines shall be named as an Additional Insured on each of the Liability policies required herein
2. Waiver of all Rights of Subrogation against the CITY
3. 30 Day Notice of Cancellation or Non-Renewal to the CITY
4. CONTRACTORS' policies shall be Primary & Non-Contributory
5. All policies shall contain a "severability of interest" or "cross liability" liability clause without obligation for premium payment of the CITY

CONTRACTOR shall name the CITY, as an additional insured on each of the General Liability policies required herein and shall hold the CITY, its agents, officers and employees harmless on account of claims for damages to persons, property or premises arising out of the services provided hereunder. Any insurance required of the CONTRACTOR pursuant to this Agreement must also be required by any subcontractor in the same limits and with all requirements as provided herein, including naming the CITY as an additional insured, in any work is subcontracted unless such subcontractor is covered by the protection afforded by the CONTRACTOR and provided proof of such coverage is provided to CITY. The CONTRACTOR and any subcontractors shall maintain such policies during the term of this Agreement.

The CITY reserves the right to require any other additional types of insurance coverage and/or higher limits of liability it deems necessary based on the nature of work being performed under this Contract.



SECTION 3 - GENERAL TERMS & CONDITIONS

3.1 EXAMINATION OF CONTRACT DOCUMENTS

Before submitting a Proposal, each Proposer should (a) consider federal, state and local laws, ordinances, rules and regulations that may in any manner affect cost or performance of the work, (b) study and carefully correlate the Proposer's observations with the Proposal Documents; and (c) notify the Purchasing Manager of all conflicts, errors and discrepancies, if any, in the Proposal Documents.

The Proposer, by and through the submission of a Proposal, agrees that Proposer shall be held responsible for having familiarized themselves with the nature and extent of the work and any local conditions that may affect the work to be done and the services, equipment, materials, parts and labor required.

3.2 CONFLICT OF INSTRUCTIONS

If a conflict exists between the General Conditions and Instructions stated herein and specific conditions and instructions contained in specifications, the specifications shall govern.

3.3 ADDENDA or ADDENDUM

A formal solicitation may require an Addendum to be issued. An addendum in some way may clarify, correct or change the original solicitation (i.e. due date/time, specifications, terms, conditions, line item). Vendors submitting a proposal should check the BidSync website for any addenda issued. Vendors are cautioned not to consider verbal modifications to the solicitation, as the addendum issued through BidSync will be the only official method whereby changes will be made.

3.4 INTERPRETATIONS AND QUESTIONS

If the Proposer is in doubt as to the meaning of any of the Proposal Documents, is of the opinion that the Conditions and Specifications contain errors or contradictions or reflect omissions, or has any question concerning the conditions and specifications, the Proposer shall submit a question for interpretation or clarification. The City requires all questions relating to the solicitation be entered through the “**Ask a Question**” option tab available on the BidSync website. Responses to the questions will be provided online at www.bidsync.com. Such request must be received by the “**Question Due Date**” stated in the solicitation. Questions received after “**Question Due Date**” shall not be answered. Interpretations or clarifications in response to such questions will be issued via BidSync. The issuance of a response via BidSync is considered an Addendum and shall be the only official method whereby such an interpretation or clarification will be made.

BidSync Support is also available to assist proposers with submitting their proposal and to ensure that proposers are submitting their proposals correctly. Proposers should ensure that they contact their BidSync support line at 1-800-990-9339 with ample time before the bid closing date and time.

For all other questions related to this solicitation, please contact the Purchasing Division at purchasing@ppines.com.

3.5 RULES, REGULATIONS, LAWS, ORDINANCES and LICENSES

The awarded contractor shall observe and obey all laws, ordinances, rules, and regulations of the federal, state, and CITY, which may be applicable to the service being provided. The awarded firm shall have or be responsible for obtaining all necessary permits or licenses required, if necessary, in order to provide this service.



Bidder warrants by submittal that prices quoted here are in conformity with the latest federal price guidelines, if any.

3.6 WARRANTIES FOR USAGE

Whenever a bid is sought, seeking a source of supply for a specified time for materials or service, the quantities or usage shown are estimated only. No guarantee or warranty is given or implied by the City as to the total amount that may or may not be purchased from any resulting contracts. These quantities are for bidders information only and will be used for tabulation and presentation of bid.

3.7 BRAND NAMES

If and wherever in the specifications a brand name, make, name of manufacturer, trade name, or vendor catalog number is mentioned, it is for the purpose of establishing a grade or quality of material only. Since the City does not wish to rule out other competition and equal brands or makes, the phrase "OR EQUAL" is added. However, if a product other than that specified is bid, Bidders shall indicate on their proposal and clearly state the proposed substitution and deviation. It is the **vendor's responsibility** to provide any necessary documentation and samples within their bid submittal to prove that the product is equal to that specified. Such samples are to be furnished before the date of bid opening, unless otherwise specified. Additional evidence in the form of documentation and samples may be requested if the proposed brand is other than that specified. The City retains the right to determine if the proposed brand shall be considered as an approved equivalent or not.

3.8 QUALITY

All materials used for the manufacture or construction of any supplies, materials, or equipment covered by this bid shall be new, the latest model, of the best quality, and

highest grade workmanship, unless otherwise noted.

3.9 SAMPLES

Samples, when requested, must be furnished before, or at the bid opening, unless otherwise specified, and delivered free of expense to the City and if not used in testing or destroyed, will upon request within thirty (30) days of bid award be returned at the bidders expense.

3.10 DEVELOPMENT COSTS

Neither the City nor its representatives shall be liable for any expenses incurred in connection with the preparation, submission or presentation of a Bid in response to this solicitation. All information in the Bid shall be provided at no cost to the City.

3.11 PRICING

Prices should be stated in units of quantity specified in the bidding specifications. In case of discrepancy in computing the amount of the bid, the unit prices quoted will govern.

Bidder warrants by virtue of bidding that prices, terms, and conditions quoted in his bid will be firm for acceptance for a period of ninety (90) days from date of bid opening unless otherwise stated by the City or bidder.

3.12 DELIVERY POINT

All items shall be delivered F.O.B. destination, and delivery cost and charges included in the bid price. Failure to do so may be cause for rejection of bid.

3.13 TAX EXEMPT STATUS

The City is exempt from Florida Sales and Federal Excise taxes on direct purchase of tangible property.

3.14 CONTRACT TIME

By virtue of the submission of the Proposal, Proposer agrees and fully understands that



the completion time of the work of the Contract is an essential and material condition of the Contract and that time is of the essence. The Successful Proposer agrees that all work shall be prosecuted regularly, diligently and uninterrupted at such rate of progress as will ensure full completion thereof within the time specified. Failure to complete the work within the time period specified shall be considered a default.

In addition, time will be of the essence for any orders placed as a result of this bid. Purchaser reserves the right to cancel such orders, or part thereof, without obligation if delivery is not made at the time(s) or place(s) specified.

3.15 COPYRIGHT OR PATENT RIGHTS

Bidder warrants that there have been no violations of copyrights or patent rights in manufacturing, producing, or selling other goods shipped or ordered as a result of this bid, and seller agrees to hold the purchaser harmless from any and all liability, loss or expense occasioned by such violation.

3.16 PUBLIC ENTITY CRIMES

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

The Public Entity Crime Affidavit Form, attached to this solicitation, includes

documentation that shall be executed by an individual authorized to bind the Proposer. The Proposer further understands and accepts that any contract issued as a result of this solicitation shall be either voidable or subject to immediate termination by the City. In the event there is any misrepresentation or lack of compliance with the mandates of Section 287.133 or Section 287.134, respectively, Florida Statutes. The City in the event in such termination, shall not incur any liability to the Bidder for any goods, services or materials furnished.

3.17 CONFLICT OF INTEREST

The award of any contract hereunder is subject to the provisions of Chapter 112, Florida Statutes. Proposers must disclose with their Proposal the name of any officer, director, partner, proprietor, associate or agent who is also an officer or employee of CITY or any of its agencies. Further, all Proposers must disclose the name of any officer or employee of CITY who owns, directly or indirectly, an interest of five percent (5%) or more in the Proposer 's firm or any of its branches or affiliate companies.

3.18 FACILITIES

The City reserves the right to inspect the Bidder's facilities at any time with prior notice.

3.19 ENVIRONMENTAL REGULATIONS

CITY reserves the right to consider Proposer's history of citations and/or violations of environmental regulations in determining a Proposer's responsibility, and further reserves the right to declare a Proposer not responsible if the history of violations warrant such determination. Proposer shall submit with the Proposal, a complete history of all citations and/or violations, notices and dispositions thereof. The non-submission of any such documentation shall be deemed to be an affirmation by the Proposer that there are no citations or violations. Proposer shall notify



CITY immediately of notice of any citation or violation that Proposer may receive after the Proposal opening date and during the time of performance of any contract awarded to Proposers.

3.20 SIGNATURE REQUIRED

All proposals must be signed with the firm name and by an officer or employee having authority to bind the company or firm by his signature. FAILURE TO PROPERLY SIGN PROPOSAL SHALL INVALIDATE SAME, AND IT MAY NOT BE CONSIDERED FOR AWARD.

The individual executing this Bid on behalf of the Company warrant to the City that the Company is authorized to do business in the State of Florida, is in good standing and that Company possesses all of the required licenses and certificates of competency required by the State of Florida and Broward County to provide the goods or perform the services herein described.

The signed bid shall be considered an offer on the part of the bidder or contractor, which offer shall be deemed accepted upon approval by the City Commission of the City of Pembroke Pines and in case of default on the part of the bidder or contractor after such acceptance, the City of Pembroke Pines may take such action as it deems appropriate including legal action for damages or specific performance.

3.21 MANUFACTURER'S CERTIFICATION

The City of Pembroke Pines reserves the right to request from bidder separate manufacturer certification of all statements made in the proposal.

3.22 MODIFICATION OR WITHDRAWAL OF PROPOSAL

The City recommends for proposers to submit their proposals as soon as they are ready to do so. Please allow ample time to submit your proposals on the BidSync

website. Proposals may be modified or withdrawn prior to the deadline for submitting Proposals.

3.23 PUBLIC BID; BID OPENING AND GENERAL EXEMPTIONS

All submittals received by the deadline will be recorded, and will subsequently be publicly opened on the same business day at 2:30 p.m. at the office of the City Clerk, 601 City Center way, Pembroke Pines, FL.

All Proposals received from Proposers in response to the solicitation will become the property of CITY and will not be returned to the Proposers. In the event of Contract award, all documentation produced as part of the Contract shall become the exclusive property of CITY. Proposers are requested to identify specifically any information contained in their Proposals which they consider confidential and/or proprietary and which they believe to be exempt from disclosure, citing specifically the applicable exempting law.

Pursuant to Section 119.071 of the Florida Statutes, sealed bids, proposals, or replies received by a Florida public agency shall remain exempt from disclosure until an intended decision is announced or until 30 days from the opening, whichever is earlier.

Therefore, bidders will not be able to procure a copy of their competitor's bids until an intended decision is reached or 30 days has elapsed since the time of the bid opening.

However, pursuant to Section 255.0518 of the Florida Statutes, when opening sealed bids that are received pursuant to a competitive solicitation for **construction or repairs on a public building or public work**, the entity shall:

- (a) Open the sealed bids at a public meeting.
- (b) Announce at that meeting the name of each bidder and the price submitted in the bid.



- (c) Make available upon request the name of each bidder and the price submitted in the bid.

For solicitations that are **not** for “**construction or repairs on a public building or public work**” the City shall not reveal the prices submitted in the bids until an intended decision is announced or until 30 days from the opening, whichever is earlier.

3.24 RESERVATIONS FOR REJECTION AND AWARD

The City of Pembroke Pines reserves the right to accept or reject any and all bids or parts of bids, to waive irregularities and technicalities, and to request rebids. The City also reserves the right to award a contract on such items(s) or service(s) the City deems will best serve its interests. All bids shall be awarded to the most responsive/responsible bidder, provided the (City) may for good cause reject any bid or part thereof. It further reserves the right to award a contract on a split order basis, or such combinations as shall best serve the interests of the City unless otherwise specified. No premiums, rebates or gratuities permitted, either with, prior to, or after award. This practice shall result in the cancellation of said award and/or return of items (as applicable) and the recommended removal of bidder from bid list(s).

3.25 BID PROTEST

Any protests or challenges to this competitive procurement shall be governed by Section 35.38 of the City’s Code of Ordinances.

3.26 INDEMNIFICATION

The Successful Proposer shall pay all claims, losses, liens, settlements or judgments of any nature whatsoever in connection with the subsequent indemnifications including, but not limited to, reasonable attorney’s fees (including appellate attorney’s fees) and costs.

CITY reserves the right to select its own legal counsel to conduct any defense in any such proceeding and all costs and fees associated therewith shall be the responsibility of Successful Proposer under the indemnification agreement. Nothing contained herein is intended nor shall it be construed to waive City’s rights and immunities under the common law or Florida Statute 768.28 as amended from time to time.

Additional indemnification requirements may be included under Special Terms and Conditions and/or as part of a specimen contract included in the solicitation package.

General Indemnification: To the fullest extent permitted by laws and regulations, Successful Proposer shall indemnify, defend, save and hold harmless the CITY, its officers, agents and employees, harmless from any and all claims, damages, losses, liabilities and expenses, direct, indirect or consequential arising out of or in consequential arising out of or alleged to have arisen out of or in consequence of the products, goods or services furnished by or operations of the Successful Proposer or his subcontractors, agents, officers, employees or independent contractors pursuant to or in the performance of the Contract.

Patent and Copyright Indemnification: Successful Proposer agrees to indemnify, defend, save and hold harmless the CITY, its officers, agents and employees, from all claims, damages, losses, liabilities and expenses arising out of any alleged infringement of copyrights, patent rights and/or the unauthorized or unlicensed use of any invention, process, material, property or other work manufactured or used in connection with the performance of the Contract, including its use by CITY.

3.27 DEFAULT PROVISION

In the case of default by the bidder or contractor, the City of Pembroke Pines may procure the articles or services from any



other sources and hold the bidder or contractor responsible for any excess costs occasioned or incurred thereby.

The City shall be the sole judge of nonperformance, which shall include any failure on the part of the successful Bidder to accept the Award, to furnish required documents, and/or to fulfill any portion of the contract within the time stipulated. Upon default by the successful Bidder to meet any terms of this agreement, the City will notify the Bidder five (5) days (weekends and holidays excluded) to remedy the default. Failure on the Contractor's part to correct the default within the required five (5) days shall result in the contract being terminated and upon the City notifying in writing the Contractor of its intentions and the effective date of the termination. The following shall constitute default:

- A. Failure to perform the Work required under the contract and/or within the time required or failing to use the subcontractor, entities and personnel as identified and set forth, and to the degree specified in the contract.
- B. Failure to begin the Work under this Bid within the time specified.
- C. Failure to perform the Work with sufficient Workers and equipment or with sufficient materials to ensure timely completion.
- D. Neglecting or refusing to remove materials or perform new Work where prior Work has been rejected as non-conforming with the terms of the contract.
- E. Becoming insolvent, being declared bankrupt, or committing act of bankruptcy or insolvency, or making an assignment renders the successful Bidder incapable of performing the Work in accordance with and as required by the contract.
- F. Failure to comply with any of the terms of the contract in any material respect.

In the event of default of a contract, the successful Bidder shall pay all attorney's fees and court costs incurred in collecting any damages. The successful Bidder shall pay the City for any and all costs incurred in ensuing the completion of the project.

Additional provisions may be included in the specimen contract.

3.28 ACCEPTANCE OF MATERIAL

The material delivered under this proposal shall remain the property of the seller until a physical inspection and actual usage of this material and/or services is made and thereafter accepted to the satisfaction of the City and must comply with the terms herein, and be fully in accord with specifications and of the highest quality. In the event the material and/or services supplied to the City are found to be defective or do not conform to specifications, the City reserves the right to cancel the order upon written notice to the seller and return product to seller at the sellers expense.

3.29 LOCAL GOVERNMENT PROMPT PAYMENT ACT

The City complies with Florida Statute 218.70, Florida Prompt Payment Act.



SECTION 4 - SPECIAL TERMS & CONDITIONS

4.1 PROPOSAL SECURITY

Proposal Security Requirements: Each Proposal must be accompanied by a certified or cashier's check or by a Bid Bond made payable to the City of Pembroke Pines on an approved form, duly executed by the Proposer as principal and having as surety thereon a surety company acceptable to CITY and authorized to write such Bond under the laws of the State of Florida, in an amount not less than five percent (5%) of the amount of the base Proposal price. **Note: Contingency is not to be counted in the total amount the proposal security is based on.**

Proposers must submit a scanned copy of their bid security (bid bond form or cashier's check) with their bid submittal through BidSync. Proposers must also submit their original bid security (bid bond form or cashier's check) at time of the bid due date, or they may be deemed as non-responsive. The original Bid Bond or Cashier's Check should be in a sealed envelope, plainly marked "**BID SECURITY - RFP # FN-18-02 "Investment Management Services"**" and sent to the:

City of Pembroke Pines,
City Clerk's Office, 4th Floor,
601 City Center Way,
Pembroke Pines, FL 33025.

Successful Proposer: The Proposal Security of the Successful Proposer will be retained until such Proposer has executed the Contract and furnished the required insurance, payment and performance bonds, whereupon the Proposal Security will be returned. If the Successful Proposer fails to execute and deliver the Contract and furnish the required insurance and bonds within fifteen (15) calendar days of the Notice of Award, CITY may annul the Notice of Award

and the entire sum of the Proposal Security shall be forfeited.

Three Lowest Proposers: The Proposal Security of the three (3) lowest Proposers will be returned within seven (7) calendar days after CITY and the Successful Proposer have executed the written Contract or if no such written Contract is executed within ninety (90) calendar days after the date of the Proposal opening, upon the demand of any Proposer at any time thereafter, provided that he has not been notified of the acceptance of his Proposal.

All Other Proposers: Proposal Security of all other Proposer will be returned within seven (7) calendar days after the proposal opening. The agent or attorney in fact or other officer who signs a Bid Bond for a surety company must file with such bond a certified copy of his power of attorney authorizing him to do so.

4.2 PAYMENT AND PERFORMANCE BONDS

Within fifteen (15) calendar days after Notice of Award and in any event prior to commencing work, the Contractor shall execute and furnish to City a performance bond and a payment bond, each written by a corporate surety, having a resident agent in the State of Florida and having been in business with a record of successful continuous operation for at least five (5) years. The surety shall hold a current certificate of authority from the Secretary of Treasury of the United States as an acceptable surety on federal bonds in accordance with United States Department of Treasury Circular No. 570. If the amount of the Bond exceeds the underwriting limitation set forth in the circular, in order to qualify, the net retention of the surety company shall not exceed the underwriting limitation in the circular and the excess risks must be protected by coinsurance, reinsurance, or other methods, in accordance with Treasury Circular 297,



revised September 1, 1978 (31DFR, Section 223.10, Section 223.11). Further, the surety company shall provide City with evidence satisfactory to City, that such excess risk has been protected in an acceptable manner. The surety company shall have at least the following minimum qualification in accordance with the latest edition of A.M. Best's Insurance Guide, published by Alfred M. Best Company, Inc., Ambest Road, Oldwick, New Jersey 08858:

B+ to A+

Two (2) separate bonds are required and both must be approved by the City. **The penal sum stated in each bond shall be 110% of the contract price, not including contingency.** The performance bond shall be conditioned that the Contractor performs the contract in the time and manner prescribed in the contract. The payment bond shall be conditioned that the Contractor promptly make payments to all persons who supply the Contractor with labor, materials and supplies used directly or indirectly by the Contractor in the prosecution of the work provided for in the Contract and shall provide that the surety shall pay the same in the amount not exceeding the sum provided in such bonds, together with interest at the maximum rate allowed by law; and that they shall indemnify and save harmless the City to the extent of any and all payments in connection with the carrying out of said Contract which the City may be required to make under the law.

Pursuant to the requirements of Section 255.05(1)(a), Florida Statutes, it shall be the duty of the Contractor to record the aforesaid payment and performance bonds in the public records of Broward County, with the Contractor to pay all recording costs.

4.3 OWNER'S CONTINGENCY

While the specifications contained in this solicitation and any ensuing Purchase Orders or contracts have incorporated all

anticipated work to be accomplished, there may be unanticipated work required of the vendor in conjunction with a specific project. For this reason, the City Commission may award a project with an "Owner's Contingency". This contingency or allowance authorizes the City execute change orders up to the amount of the contingency without the need to obtain additional Commission approval. The Owner's Contingency is usually based on a specified percent of the proposed project amount and is established for the specific project being performed under the contract. This dollar amount shall be shown on the specific project purchase order as a distinct item from the vendor's overall offer to determine the total potential dollar value of the contract. It is hereby understood and agreed that the vendor shall not expend any dollars in connection with the Owner's Contingency without the expressed prior approval of the City's authorized representative. Any Owner's Contingency funds that have not been utilized at the end of the project will remain with the Owner, the contractor shall only be paid for the proposed project cost as approved by the City Commission along with any Owner Contingency expenses that were approved by the City's authorized representative.

4.4 TAX SAVER PROGRAM

The Contractor shall cooperate on certain projects to allow the City to avail itself of a sales tax savings program.

4.5 DAVIS-BACON & RELATED ACTS

If construction, alternation or repair of public buildings or public works project is **funded or assisted under one or more Federal statute**, the Davis-Bacon prevailing wage provisions may apply to the project if any of the applicable statutes requires payment of Davis-Bacon wage rates.

The Davis-Bacon Act requires that each contract over \$2,000 to which the United



States or the District of Columbia is a party for the construction, alteration, or repair of public buildings or public works shall contain a clause setting forth the minimum wages to be paid to various classes of laborers and mechanics employed under the contract. Under the provisions of the Act, contractors or their subcontractors are to pay workers employed directly upon the site of the work no less than the locally prevailing wages and fringe benefits paid on projects of a similar character.

In addition to the Davis-Bacon Act itself, Congress has added prevailing wage provisions to approximately 60 statutes which assist construction projects through grants, loans, loan guarantees, and insurance. These "related Acts" involve construction in such areas as transportation, housing, air and water pollution reduction, and health. Davis-Bacon wage determinations are to be used in accordance with the provisions of Regulations, 29 CFR Part 1, Part 3, and Part 5.

4.6 RELEASE OF LIEN

Contractor must provide an executed Partial/Final Release of Lien utilizing the City's standard Release of Lien Form in order for the City to release any payments to the Contractor.

CONTACT INFORMATION FORM

IN ACCORDANCE WITH “RFP # FN-18-02” dated August 7, 2018 titled “Investment Management Services” attached hereto as a part hereof, the undersigned submits the following:

A) Contact Information

The Contact information form shall be electronically signed by one duly authorized to do so, and in case signed by a deputy or subordinate, the principal's properly written authority to such deputy or subordinate must accompany the proposal. This form must be completed and submitted through www.bidsync.com as part of the bidder's submittal. The vendor must provide their pricing through the designated lines items listed on the BidSync website.

COMPANY INFORMATION:COMPANY: STREET ADDRESS: CITY, STATE & ZIP CODE: **PRIMARY CONTACT FOR THE PROJECT:**NAME: TITLE: E-MAIL: TELEPHONE: FAX: **AUTHORIZED APPROVER:**NAME: TITLE: E-MAIL: TELEPHONE: FAX: SIGNATURE: **B) MINIMUM QUALIFICATION CHECKLIST**

The following sample price proposal is for information only. The vendor must provide their pricing through the designated lines items listed on the BidSync website.

	MINIMUM QUALIFICATION CHECKLIST	YES	NO
1	Have a minimum of five (5) years of experience in managing fixed income assets to include, but not limited to, corporate obligations such as loan participations, commercial paper, asset backed securities, collateralized mortgage obligations, corporate notes, variable rate demand notes and		

	guaranteed investment contracts for at least five (5) governmental agencies or units.	<input type="checkbox"/>	<input type="checkbox"/>
2	Be familiar with all applicable Florida Statutes with regard to qualified investments for public entities.	<input type="checkbox"/>	<input type="checkbox"/>
3	Assign an account manager to the City's account with a minimum of five (5) years of experience in public funds investment management, who is familiar with all applicable Florida statutes with regard to qualified investments for public entities.	<input type="checkbox"/>	<input type="checkbox"/>
4	Be registered with the Securities and Exchange Commission under the Investment Advisor's Act of 1940.	<input type="checkbox"/>	<input type="checkbox"/>
5	Be financially solvent and appropriately capitalized to be able to service the City for the duration of the contract.	<input type="checkbox"/>	<input type="checkbox"/>
6	Have Professional Liability/Errors & Omissions Insurance coverage of at least \$5 million.	<input type="checkbox"/>	<input type="checkbox"/>
7	Adhere to the Code of Professional and Ethical Standards as described CFA Institute.	<input type="checkbox"/>	<input type="checkbox"/>



(OFFICE USE ONLY) Vendor number:

Please entirely complete this vendor information form along with the IRS Form W-9, and upload it to the BidSync website with your submittal.

Vendor Information Form

Operating Name (Payee)			
Legal Name (as filed with IRS)			
Remit-to Address (For Payments)			
Remit-to Contact Name:			Title:
Email Address:			
Phone #:		Fax #	
Order-from Address (For purchase orders)			
Order-from Contact Name:		Title:	
Email Address:			
Phone #:		Fax #	
Return-to Address (For product returns)			
Return-to Contact Name		Title:	
Email Address:			
Phone #:		Fax #	
Payment Terms:			

Type of Business (please check one and provide Federal Tax identification or social security Number)

Corporation

Federal ID Number:

Sole Proprietorship/Individual

Social Security No.:

Partnership

Health Care Service Provider

LLC – C (C corporation) – S (S corporation) – P (partnership)

Other (Specify):

Name & Title of Applicant _____

Signature of Applicant _____ **Date** _____

Form **W-9**
(Rev. November 2017)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

**Give Form to the
requester. Do not
send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	<p>1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.</p>	
	<p>2 Business name/disregarded entity name, if different from above</p>	
	<p>3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes.</p> <p><input type="checkbox"/> Individual/sole proprietor or single-member LLC</p> <p><input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____</p> <p>Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner.</p> <p><input type="checkbox"/> Other (see instructions) ▶ _____</p>	<p>4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):</p> <p>Exempt payee code (if any) _____</p> <p>Exemption from FATCA reporting code (if any) _____</p> <p><small>(Applies to accounts maintained outside the U.S.)</small></p>
	<p>5 Address (number, street, and apt. or suite no.) See instructions.</p>	<p>Requester's name and address (optional)</p>
	<p>6 City, state, and ZIP code</p>	
	<p>7 List account number(s) here (optional)</p>	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number											
				-			-				
or											
Employer identification number											
				-							

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (dividends, including those from stocks or mutual funds)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.

You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.

You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor*
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



NON-COLLUSIVE AFFIDAVIT

BIDDER is the ,

(Owner, Partner, Officer, Representative or Agent)

BIDDER is fully informed respecting the preparation and contents of the attached Bid and of all pertinent circumstances respecting such Bid;

Such Bid is genuine and is not a collusive or sham Bid;

Neither the said BIDDER nor any of its officers, partners, owners, agents, representative, employees or parties in interest, including this affidavit, have in any way colluded, conspired, connived or agreed, directly or indirectly, with any other BIDDER, firm or person to submit a collusive or sham Bid in connection with the Contract for which the attached Bid has been submitted; or to refrain from bidding in connection with such Contract; or have in any manner, directly or indirectly, sought by agreement or collusion, or communications, or conference with any BIDDER, firm, or person to fix the price or prices in the attached Bid or any other BIDDER, or to fix any overhead, profit, or cost element of the Bid Price or the Bid Price of any other BIDDER, or to secure through any collusion conspiracy, connivance, or unlawful agreement any advantage against (Recipient), or any person interested in the proposed Contract;

The price of items quoted in the attached Bid are fair and proper and are not tainted by collusion, conspiracy, connivance, or unlawful agreement on the part of the BIDDER or any other of its agents, representatives, owners, employees or parties in interest, including this affidavit.

Printed Name/Signature

Title

Name of Company



**SWORN STATEMENT
ON PUBLIC ENTITY CRIMES
UNDER FLORIDA STATUTES CHAPTER 287.133(3)(a).**

1. This sworn statement is submitted (name of entity submitting sworn statement) whose business address is and (if applicable) its Federal Employer Identification Number (FEIN) is . (If the entity has no FEIN, include the Social Security Number of the individual signing this sworn statement: .)

2. My name is and my
(Please print name of individual signing)
relationship to the entity named above is .

3. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or with the United States, including, but not limited to, any bid, proposal, reply, or contract for goods or services, any lease for real property, or any contract for the construction or repair of a public building or public work, involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

4. I understand that a "convicted" or "conviction" as defined in Paragraph 287.133(1)(b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.

5. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
 1. A predecessor or successor of a person convicted of a public entity crime: or
 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The Cityship by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

6. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or any entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts let by a public entity, or which otherwise transacts or applies to transact business with a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.

7. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. **(Please indicate which statement applies.)**

A) Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity have been charged with and convicted of a public entity crime subsequent to July 1, 1989.

B) The entity submitting this sworn statement, or one or more of the officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989, AND **(Please indicate which additional statement applies.)**

B1) There has been a proceeding concerning the conviction before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer did not place the person or affiliate on the convicted vendor list. **(Please attach a copy of the final order.)**

B2) The person or affiliate was placed on the convicted vendor list. There has been a subsequent proceeding before a hearing officer of the State of Florida, Division of Administrative Hearings. The final order entered by the hearing officer determined that it was in the public interest to remove the person or affiliate from the convicted vendor list. **(Please attach a copy of the final order.)**

B3) The person or affiliate has not been placed on the convicted vendor list. **(Please describe any action taken by or pending with the Department of General Services.)**

Bidder's Name/Signature

Company

Date



LOCAL VENDOR PREFERENCE CERTIFICATION

SECTION 1 GENERAL TERM

LOCAL PREFERENCE

The evaluation of competitive bids is subject to section 35.36 of the City's Procurement Procedures which, except where contrary to federal and state law, or any other funding source requirements, provides that preference be given to local businesses. To satisfy this requirement, the vendor shall affirm in writing its compliance with either of the following objective criteria as of the bid or proposal submission date stated in the solicitation. A local business shall be defined as:

1. "Local Pembroke Pines Vendor" shall mean a business entity which has maintained a permanent place of business with full-time employees within the City limits for a minimum of one (1) year prior to the date of issuance of a bid or proposal solicitation. The permanent place of business may not be a post office box. The business location must actually distribute goods or services from that location. In addition, the business must have a current business tax receipt from the City of Pembroke Pines.

OR;

2. "Local Broward County Vendor" shall mean or business entity which has maintained a permanent place of business with full-time employees within the Broward County limits for a minimum of one (1) year prior to the date of issuance of a bid or proposal solicitation. The permanent place of business may not be a post office box. The business location must actually distribute goods or services from that location. In addition, the business must have a current business tax receipt from the Broward County or the city within Broward County where the business resides.

A preference of five percent (5%) of the total evaluation point, or five percent (5%) of the total price, shall be given to the **Local Pembroke Pines Vendor(s)**; A preference of two and a half percent (2.5%) of the total evaluation point for local, or two and a half percent (2.5%) of the total price, shall be given to the **Local Broward County Vendor(s)**.

COMPARISON OF QUALIFICATIONS

The preferences established in no way prohibit the right of the City to compare quality of supplies or services for purchase and to compare qualifications, character, responsibility and fitness of all persons, firms or corporations submitting bids or proposals. Further, the preference established in no way prohibit the right of the city from giving any other preference permitted by law instead of the preferences granted, nor prohibit the city to select the bid or proposal which is the most responsible and in the best interests of the city.

SECTION 2 AFFIRMATION

LOCAL PREFERENCE CERTIFICATION:

- Place a check mark here only if affirming bidder meets requirements above as a Local Pembroke Pines Vendor.
In addition, the business must attach a current business tax receipt from the City of Pembroke Pines along with any previous business tax receipts to indicate that the business entity has maintained a permanent place of business for a minimum of one (1) year.
- Place a check mark here only if affirming bidder meets requirements above as a Local Broward County Vendor.
In addition, the business must attach a current business tax receipt from the Broward County or the city within Broward County where the business resides along with any previous business tax receipts to indicate that the business entity has maintained a permanent place of business for a minimum of one (1) year.
- Place a check mark here only if affirming bidder does not meet the requirements above as a Local Vendor.

Failure to complete this certification at this time (by checking either of the boxes above) shall render the vendor ineligible for Local Preference. This form must be completed by/for the proposer; the proposer WILL NOT qualify for Local Vendor Preference based on their sub-contractors' qualifications.

COMPANY NAME:

PRINTED NAME / AUTHORIZED SIGNATURE:



VETERAN OWNED SMALL BUSINESS (VOSB) PREFERENCE CERTIFICATION

SECTION 1 GENERAL TERM

VETERAN OWNED SMALL BUSINESS (VOSB) PREFERENCE

The evaluation of competitive bids is subject to section 35.37 of the City's Procurement Procedures which, except where contrary to federal and state law, or any other funding source requirements, provides that preference be given to veteran owned small businesses. To satisfy this requirement, the vendor shall affirm in writing its compliance with the following objective criteria as of the bid or proposal submission date stated in the solicitation. A veteran owned small business shall be defined as:

1. "Veteran Owned Small Business" shall mean a business entity which has received a "Determination Letter" from the United States Department of Veteran Affairs Center for Verification and Evaluation notifying the business that they have been approved as a Veteran Owned Small Business (VOSB).

A preference of two and a half percent (2.5%) of the total evaluation point, or two and a half percent (2.5%) of the total price, shall be given to the **Veteran Owned Small Business (VOSB)**. This shall mean that if a **VOSB** submits a bid/quote that is within 2.5% of the lowest price submitted by any vendor, the **VOSB** shall have an option to submit another bid which is at least 1% lower than the lowest responsive bid/quote. If the **VOSB** submits a bid which is at least 1% lower than that lowest responsive bid/quote, then the award will go to the **VOSB**. If not, the award will be made to the vendor that submits the lowest responsive bid/quote. If the lowest responsive and responsible bidder IS a "**Local Pembroke Pines Vendor**" (**LPPV**) or a "**Local Broward County Vendor**" (**LBCV**) as established in Section 35.36 of the City's Code of Ordinances, entitled "Local Vendor Preference", then the award will be made to that vendor and no other bidders will be given an opportunity to submit additional bids as described herein.

If there is a **LPPV**, a **LBCV**, and a **VOSB** participating in the same bid solicitation and all three vendors qualify to submit a second bid, the **LPPV** will be given first option. If the **LPPV** cannot beat the lowest bid received by at least 1%, an opportunity will be given to the **LBCV**. If the **LBCV** cannot beat the lowest bid by at least 1%, an opportunity will be given to the **VOSB**. If the **VOSB** cannot beat the lowest bid by at least 1%, then the bid will be awarded to the lowest bidder.

If multiple **VOSBs** submit bids/quotes which are within 2.5% of the lowest bid/quote and there are no **LPPV** or **LBCV** as described in Section 35.36 of the City's Code of Ordinance, entitled "Local Vendor Preference", then all **VOSBs** will be asked to submit a **Best and Final Offer (BAFO)**. The award will be made to the **VOSB** submitting the lowest **BAFO** providing that that **BAFO** is at least 1% lower than the lowest bid/quote received in the original solicitation. If no **VOSB** can beat the lowest bid/quote by at least 1%, then the award will be made to the lowest responsive bidder.

COMPARISON OF QUALIFICATIONS

The preferences established in no way prohibit the right of the City to compare quality of supplies or services for purchase and to compare qualifications, character, responsibility and fitness of all persons, firms or corporations submitting bids or proposals. Further, the preference established in no way prohibit the right of the city from giving any other preference permitted by law instead of the preferences granted, nor prohibit the city to select the bid or proposal which is the most responsible and in the best interests of the city.

SECTION 2 AFFIRMATION

VETERAN OWNED SMALL BUSINESS (VOSB) PREFERENCE CERTIFICATION:

- Place a check mark here only if affirming bidder meets requirements above as a Veteran Owned Small Business.
In addition, the bidder must attach the "Determination Letter" from the U.S. Dept. of Veteran Affairs Center.

- Place a check mark here only if affirming bidder does not meet the requirements above as a VOSB.

Failure to complete this certification at this time (by checking either of the boxes above) shall render the vendor ineligible for VOSB Preference. This form must be completed by/for the proposer; the proposer WILL NOT qualify for VOSB Preference based on their sub-contractors' qualifications.

COMPANY NAME:

PRINTED NAME / AUTHORIZED SIGNATURE:



EQUAL BENEFITS CERTIFICATION FORM FOR DOMESTIC PARTNERS AND ALL MARRIED COUPLES

Except where federal or state law mandates to the contrary, a Contractor awarded a Contract pursuant to a competitive solicitation shall provide benefits to Domestic Partners and spouses of its employees, irrespective of gender, on the same basis as it provides benefits to employees' spouses in traditional marriages.

The Contractor shall provide the City and/or the City Manager or his/her designee, access to its records for the purpose of audits and/or investigations to ascertain compliance with the provisions of this section, and upon request shall provide evidence that the Contractor is in compliance with the provisions of this section upon each new bid, contract renewal, or when the City Manager has received a complaint or has reason to believe the Contractor may not be in compliance with the provisions of this section. Records shall include but not be limited to providing the City and/or the City Manager or his/her designee with certified copies of the Contractor's records pertaining to its benefits policies and its employment policies and practices.

The Contractor must conspicuously make available to all employees and applicants for employment the following statement:

“During the performance of a contract with the City of Pembroke Pines, Florida, the Contractor will provide Equal Benefits to its employees with spouses, as defined by Section 35.39 of the City’s Code of Ordinances, and its employees with Domestic Partners and all Married Couples”.

The posted statement must also include a City contact telephone number and email address which will be provided to each contractor when a covered contract is executed.

SECTION 1 DEFINITIONS

1. **Benefits** means the following plan, program or policy provided or offered by a contractor to its employees as part of the employer's total compensation package which may include but is not limited to sick leave, bereavement leave, family medical leave, and health benefits.
2. **Cash Equivalent** mean the amount of money paid to an employee with a domestic partner or spouse in lieu of providing benefits to the employee's domestic partner or spouse. The cash equivalent is equal to the employer's direct expense of providing benefits to an employee for his or her spouse from a traditional marriage.
3. **Covered Contract** means a contract between the City and a contractor awarded subsequent to the date when this section becomes effective valued at over \$25,000 or the threshold amount required for competitive bids as required in section 35.18(A) of the Procurement Code.
4. **Domestic Partner** shall mean any two (2) adults of the same or different sex who have registered as domestic partners with a governmental body pursuant to state or local law authorizing such registration, or with an internal registry maintained by the employer of at least one of the domestic partners. A contractor may institute an internal registry to allow for the provision of equal benefits to employees with domestic partners who do not register their partnerships pursuant to a governmental body authorizing such registration, or who are located in a jurisdiction where no such governmental domestic partnership registry exists. A contractor that institutes such registry shall not impose criteria for registration that are more stringent than those required for domestic partnership registration by the City of Pembroke Pines.
5. **Equal benefits** means the equality of benefits between employees with spouses and/or dependents of spouses and employees with domestic partners and/or dependents of domestic partners, and/or between spouses of employees and/or dependents of spouses and domestic partners of employees and/or dependents of domestic partners.

6. **Spouse** means one member of a married pair legally married under the laws of any state within the United States of America or any other jurisdiction under which such marriage is legally recognized, irrespective of gender.

7. **Traditional marriage** means a marriage between one man and one woman.

SECTION 2 CERTIFICATION OF CONTRACTOR

The firm providing a response, by virtue of the signature below, certifies that it is aware of the requirements of Section 35.39 "City Contractors providing Equal Benefits for Domestic Partners and all Married Couples" of the City's Code of Ordinances, and certifies the following (**Check only one box below**):

- A. Contractor currently complies with the requirements of this section; or
- B. Contractor will comply with the conditions of this section at the time of contract award; or
- C. Contractor will not comply with the conditions of this section at the time of contract award: or
- D. Contractor does not comply with the conditions of this section because of the following allowable exemption (**Check only one box below**):

1. The Contractor does not provide benefits to employees' spouses in traditional marriages;

2. The Contractor provides an employee the cash equivalent of benefits because the Contractor is unable to provide benefits to employees' Domestic Partners or spouses despite making reasonable efforts to provide them. To meet this exception, the Contractor shall provide a notarized affidavit that it has made reasonable efforts to provide such benefits. The affidavit shall state the efforts taken to provide such benefits and the amount of the cash equivalent. Cash equivalent means the amount of money paid to an employee with a Domestic Partner or spouse rather than providing benefits to the employee's Domestic Partner or spouse. The cash equivalent is equal to the employer's direct expense of providing benefits to an employee's spouse;

3. The Contractor is a religious organization, association, society, or any non-profit charitable or educational institution or organization operated supervised or controlled by or in conjunction with a religious organization, association, or society;

4. The Contractor is a governmental agency;

The certification shall be signed by an authorized officer of the Contractor. Failure to provide such certification (by checking the appropriate boxes above along with completing the information below) shall result in a Contractor being deemed non-responsive.

COMPANY NAME:

AUTHORIZED OFFICER NAME / SIGNATURE:



VENDOR DRUG-FREE WORKPLACE CERTIFICATION FORM

SECTION 1 GENERAL TERM

Preference may be given to vendors submitting a certification with their bid/proposal certifying they have a drug-free workplace in accordance with Section 287.087, Florida Statutes. This requirement affects all public entities of the State and becomes effective January 1, 1991. The special condition is as follows:

IDENTICAL TIE BIDS - Preference may be given to businesses with drug-free workplace programs. Whenever two or more bids that are equal with respect to price, quality, and service are received by the State or by any political subdivision for the procurement of commodities or contractual services, a bid received from a business that certifies that it has implemented a drugfree workplace program shall be given preference in the award process. Established procedures for processing tie bids will be followed if none of the tied vendors have a drug-free workplace program. In order to have a drug-free workplace program, a business shall:

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of chapter 893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after each conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

SECTION 2 AFFIRMATION

Place a check mark here only if affirming bidder **complies fully** with the above requirements for a Drug-Free Workplace.

Place a check mark here only if affirming bidder **does not** meet the requirements for a Drug-Free Workplace.

Failure to complete this certification at this time (by checking either of the boxes above) shall render the vendor ineligible for Drug-Free Workplace Preference. This form must be completed by/for the proposer; the proposer WILL NOT qualify for Drug-Free Workplace Preference based on their sub-contractors' qualifications.

Authorized Signature

Authorized Signer Name

Company Name



City of Pembroke Pines

Attachment I

**SCRUTINIZED COMPANY CERTIFICATION
PURSUANT TO FLORIDA STATUTE § 287.135.**

I, , on behalf of ,

Print Name and Title

Company Name

certify that :

Company Name

1. Does not participate in a boycott of Israel; and
2. Is not on the Scrutinized Companies that Boycott Israel list; and
3. Is not on the Scrutinized Companies with Activities in Sudan List; and
4. Is not on the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List; and
5. Has not engaged in business operations in Syria.

Submitting a false certification shall be deemed a material breach of contract. The City shall provide notice, in writing, to the Contractor of the City's determination concerning the false certification. The Contractor shall have ninety (90) days following receipt of the notice to respond in writing and demonstrate that the determination of false certification was made in error. If the Contractor does not demonstrate that the City's determination of false certification was made in error then the City shall have the right to terminate the contract and seek civil remedies pursuant to Florida Statute § 287.135.

Section 287.135, Florida Statutes, prohibits the City from: 1) Contracting with companies for goods or services in any amount if at the time of bidding on, submitting a proposal for, or entering into or renewing a contract if the company is on the Scrutinized Companies that Boycott Israel List, created pursuant to Section 215.4725, F.S. or is engaged in a boycott of Israel; and 2) Contracting with companies, for goods or services over \$1,000,000.00 that are on either the Scrutinized Companies with activities in the Iran Petroleum Energy Sector list, created pursuant to s. 215.473, or are engaged in business operations in Syria.

As the person authorized to sign on behalf of the Contractor, I hereby certify that the company identified above in the section entitled "Contractor Name" does not participate in any boycott of Israel, is not listed on the Scrutinized Companies that Boycott Israel List, is not listed on either the Scrutinized Companies with activities in the Iran Petroleum Energy Sector List, and is not engaged in business operations in Syria. I understand that pursuant to section 287.135, Florida Statutes, the submission of a false certification may subject the company to civil penalties, attorney's fees, and/or costs. I further understand that any contract with the City for goods or services may be terminated at the option of the City if the company is found to have submitted a false certification or has been placed on the Scrutinized Companies with Activities in Sudan list or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List.

Company Name

Print Name/Signature

Title



City of Pembroke Pines

Attachment J

PROPOSER'S QUALIFICATIONS STATEMENT

PROPOSER shall furnish the following information. Failure to comply with this requirement will render Bid non responsive and shall cause its rejection. Additional sheets shall be attached as required.

PROPOSER'S Name and Principal Address:

Contact Person's Name and Title:

Contact Person's E-mail Address:

PROPOSER'S Telephone and Fax Number:

PROPOSER'S License Number:

(Please attach certificate of status, competency, and/or state registration.)

PROPOSER'S Federal Identification Number:

Number of years your organization has been in business

State the number of years your firm has been in business under your present business name

State the number of years your firm has been in business in the work specific to this solicitation:

Names and titles of all officers, partners or individuals doing business under trade name:

The business is a:

Sole Proprietorship

Partnership

Corporation

IF USING A FICTITIOUS NAME, SUBMIT EVIDENCE OF COMPLIANCE WITH FLORIDA FICTITIOUS NAME STATUTE.

Under what former name has your business operated? Include a description of the business. Failure to include such information shall be deemed to be intentional misrepresentation by the City and shall render the proposer non-responsive.

At what address was that business located?

Name, address, and telephone number of surety company and agent who will provide the required bonds on this contract:

Have you ever failed to complete work awarded to you. If so, when, where and why?

Have you personally inspected the proposed WORK and do you have a complete plan for its performance?

Will you subcontract any part of this WORK? If so, give details including a list of each sub-contractor(s) that will perform work in excess of ten percent (10%) of the contract amount and the work that will be performed by each subcontractor(s).

The foregoing list of subcontractor(s) may not be amended after award of the contract without the prior written

approval of the Contract Administrator, whose approval shall not be reasonably withheld.

List and describe all bankruptcy petitions (voluntary or involuntary) which have been filed by or against the Proposer, its parent or subsidiaries or predecessor organizations during the past five (5) years. Include in the description the disposition of each such petition.

List and describe all successful Bond claims made to your surety (ies) during the last five (5) years. The list and descriptions should include claims against the bond of the Proposer and its predecessor organization(s).

List all claims, arbitrations, administrative hearings and lawsuits brought by or against the Proposer or its predecessor organizations(s) during the last (10) years. The list shall include all case names; case, arbitration or hearing identification numbers; the name of the project over which the dispute arose; and a description of the subject matter of the dispute.

List and describe all criminal proceedings or hearings concerning business related offenses in which the Proposer, its principals or officers or predecessor organization(s) were defendants.

Has the Proposer, its principals, officers or predecessor organization(s) been CONVICTED OF A Public Entity Crime, debarred or suspended from bidding by any government entity? If so, provide details.

Are you an Original provider sales representative distributor, broker, manufacturer other, of the commodities/services proposed upon? If other than the original provider, explain below.

Have you ever been debarred or suspended from doing business with any governmental agency? If yes, please explain:

Describe the firm's local experience/nature of service with contracts of similar size and complexity, in the previous three (3) years:

The PROPOSER acknowledges and understands that the information contained in response to this Qualification Statement shall be relied upon by CITY in awarding the contract and such information is warranted by PROPOSER to be true. The discovery of any omission or misstatement that materially affects the PROPOSER's qualifications to perform under the contract shall cause the CITY to reject the Bid, and if after the award, to cancel and terminate the award and/or contract.

(Company Name)

(Printed Name/Signature)

ACORD CERTIFICATE OF LIABILITY INSURANCE DATE (MM/DD[YY])

PRODUCER INSURED <div style="border: 1px solid black; padding: 10px; text-align: center; font-size: 24px; font-weight: bold;"> YOUR COMPANY NAME HERE </div>	THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. <div style="text-align: center; border: 1px solid black; padding: 5px; font-weight: bold;"> INSURERS AFFORDING COVERAGE </div> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; border: 1px solid black;"> INSURER A: INSURER B. INSURER C. INSURER D. INSURER E. </td> <td style="width: 60%; border: 1px solid black; text-align: center; vertical-align: middle;"> <div style="border: 1px solid black; padding: 10px; font-weight: bold; text-align: center;"> Companies providing coverage </div> </td> </tr> </table>	INSURER A: INSURER B. INSURER C. INSURER D. INSURER E.	<div style="border: 1px solid black; padding: 10px; font-weight: bold; text-align: center;"> Companies providing coverage </div>
INSURER A: INSURER B. INSURER C. INSURER D. INSURER E.	<div style="border: 1px solid black; padding: 10px; font-weight: bold; text-align: center;"> Companies providing coverage </div>		

COVERAGES
 THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DDIYY)	POLICY EXPIRATION DATE (MM/DDIYY)	LIMITS								
	GENERAL LIABILITY <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input checked="" type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> policy <input type="checkbox"/> project <input type="checkbox"/> loc	Must Include General Liability			EACH OCCURRENCE \$ FIRE DAMAGE (Any one fire) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$								
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS	SAMPLE CERTIFICATE											
	GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$								
	EXCESS LIABILITY OCCUR <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$								
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">WC STATUTORY LIMITS</td> <td style="width: 40%;">OTHER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$</td> </tr> </table>	WC STATUTORY LIMITS	OTHER	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA EMPLOYEE	\$	E.L. DISEASE - POLICY LIMIT	\$
WC STATUTORY LIMITS	OTHER												
E.L. EACH ACCIDENT	\$												
E.L. DISEASE - EA EMPLOYEE	\$												
E.L. DISEASE - POLICY LIMIT	\$												
	OTHER												

Certificate must contain wording similar to what appears below

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCL

"THE CERTIFICATE HOLDER IS NAMED AS ADDITIONALLY INSURED WITH REGARD TO GENERAL LIABILITY"

CERTIFICATE HOLDER <div style="border: 1px solid black; padding: 5px; font-weight: bold;"> City of Pembroke Pines 601 City Center Way Pembroke Pines FL 33025 </div>	ADDITIONAL INSURED; INSURER LETTER:	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE, THIS CERTIFICATE SHALL BE VOID AND THE POLICY CANCELLED WITH <u>30</u> DAYS WRITTEN NOTICE. AUTHORIZED REPRESENTATIVE
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City Must Be Named as Certificate Holder



INVESTMENT MANAGEMENT AGREEMENT

THIS IS AN AGREEMENT, dated the _____ day of _____, 20__, by and between:

THE CITY OF PEMBROKE PINES, a municipal corporation of the State of Florida with a business address of 601 City Center Way, Pembroke Pines, Florida 33025 hereinafter referred to as "CITY",

and

_____, a company authorized to do business in the State of Florida, with a business address of _____, hereinafter referred to as "MANAGER".

WITNESSETH:

In consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, CITY and MANAGER agree as follows:

ARTICLE 1
PREAMBLE

In order to establish the background, context and form of reference for this Agreement, and to generally express the objectives and intentions of the respective parties herein, the following statements, representations, and explanations shall be accepted as predicates for the undertakings and commitments included within the provisions which follow, and may be relied upon by the parties as essential elements of the mutual considerations upon which this Agreement is based.

1.1 On _____, the CITY advertised its notice to bidders of the CITY's desire to hire a firm to perform investment management services, as more particularly described in **Exhibit "A"** (Request for Proposals) attached hereto and by this reference made a part hereof, for the said bid entitled:

RFP #
INVESTMENT MANAGEMENT SERVICES

1.2 On _____, the bids were opened at the offices of the City Clerk.

1.3 On _____, the CITY awarded the **Investment Management Services** to MANAGER and authorized the proper CITY officials to negotiate and enter into an agreement with MANAGER to render the services more particularly described herein below.

1.4 Negotiations pertaining to the services to be performed by the MANAGER were undertaken and this Agreement incorporates the results of such negotiation.



ARTICLE 2
SERVICES AND RESPONSIBILITIES

2.1. The CITY hereby appoints the MANAGER as the investment MANAGER with power to invest and manage the assets specified by CITY from time to time (hereinafter referred to as the “Account”). The MANAGER hereby accepts its appointment as investment MANAGER for the Account and recognizes that the CITY is relying upon the MANAGER’s professional experience and judgment in managing the Account.

2.2 The CITY hereby grants to the MANAGER discretion and authority to direct the investment of the assets in the Account, in accordance with the Investment Policy attached hereto as **Exhibit “B”** (as such policy are amended from time to time, the “Policy”), and incorporated herein. Subject to the Policy, MANAGER’s authority hereunder includes, but is not limited to, the authority to:

- (1) purchase, sell, exchange, convert and trade, in the name of and for the account of the CITY, investments of any kind, including, without limitation, common or preferred stocks, bonds, mortgages, notes, commercial paper or other securities, securities of regulated investment companies, business trusts and money market funds, or to hold any part of the assets in the Account in cash;
- (2) open, establish and maintain accounts on behalf of the Account with brokers, dealers and other financial intermediaries, to issue to such brokers, dealers and intermediaries instructions for the purchase and sale of securities for the Account, and to instruct any trustee or custodian of any security or other asset of the Account to deliver securities sold, exchanged, or otherwise disposed of from the Account;
- (3) vote any proxies or other similar solicitations in respect of securities held in the Account;
- (4) determine and direct the voting with respect to any tender, exchange or similar offer;
- (5) enter into agreements relating to the purchase and sale of securities and make representations on behalf of the CITY in connection therewith; and
- (6) generally to perform any other act necessary or proper to enable the MANAGER to carry out its responsibilities under this Agreement.

2.3. If not prohibited by the Policy, CITY hereby consents to MANAGER investing the assets in the Account in a registered investment company or other collective fund for which



MANAGER or an affiliate of MANAGER serves as investment adviser (a “Proprietary Fund”).

2.4. The CITY shall promptly notify MANAGER of any additions or removal of assets from the Account.

2.5. CITY shall appoint a custodian to maintain and have possession of the assets of the Account. The CITY shall cause such custodian to segregate the assets of the Account from all other custodial assets in its possession, including any assets of the CITY that are not assets of the Account. The CITY shall instruct the Custodian to comply with instructions from the MANAGER given under this Agreement, and will cause the Custodian to provide read-only access to the account via electronic interface, website access, or hard copy no later than the anticipated funding date. The MANAGER shall not be the custodian, except to the extent it may be deemed to be a custodian under Rule 206(4)-2 under the Investment Advisers Act of 1940 (the “Act”).

2.6. (a) The MANAGER shall have authority and discretion to place orders for the purchase and sale of securities on behalf of the Account, with such brokers and in such a manner as, in its reasonable judgment, offers the best price and execution of each transaction. In determining best price and execution, the MANAGER may consider, among other things, the quality and value of brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) provided by the broker to the MANAGER or its affiliates in connection with the management of the Account or other accounts managed by the MANAGER or its affiliates, and may cause the Account to pay a higher commission than another broker might have charged for the same transaction in consideration of such brokerage and research services.

(b) The CITY hereby authorizes MANAGER to use an affiliated broker, where appropriate, assuming MANAGER reasonably determines that such affiliate will provide the best combination of price and execution on the transaction. CITY may terminate MANAGER’s authority to use an affiliated broker dealer at any time without penalty. MANAGER’s authority to use an affiliated broker dealer for the Account will continue unless and until MANAGER is notified by CITY of such termination. Investments in shares of MANAGER or its affiliates and securities transactions in which MANAGER or any of its affiliates acts as principal, shall not be made unless otherwise permitted by law.

2.7. The CITY authorizes MANAGER, in its discretion, to aggregate purchases and sales of securities for the Account with purchases and sales of securities of the same issuer for its other clients and for clients of MANAGER’s affiliates. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the Account and the accounts of other participating clients will be deemed to have purchased or sold their proportionate share of the securities involved at the average price so obtained.

2.8. The CITY recognizes that the MANAGER and its affiliates act as adviser to other client and may give advice, and take action, with respect to any of those clients which may



differ from the advice given, or the timing or nature of action taken, with respect to the Account. The MANAGER shall have no obligation to purchase or sell for the Account, or to recommend for purchase or sale by the Account, any security that MANAGER, its principals, affiliates or employees may purchase or sell for themselves or for any other client. The CITY further recognizes that transactions in a specific security may not be accomplished for all client accounts at the same time or at the same price.

2.9. Unless the CITY notifies the MANAGER in writing otherwise, the MANAGER shall take all required action and render necessary advice with respect to the voting of proxies with respect to the issuers of securities in which assets of the Account may be invested.

2.10. MANAGER shall provide the CITY with valuations and other data and reports as may be mutually agreed upon after the end of each monthly period.

2.11. CITY hereby represents and warrants that it is not subject to the Employee Retirement Income Security Act of 1974, as amended.

2.13. All information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except as may be required by law (including, without limitation, the full disclosure requirements of Florida Statutes Chapter 119) or as may be necessary or appropriate in the performance by the MANAGER of its obligations under this Agreement, provided that the MANAGER may (i) refer to the CITY and the Account in connection with its marketing activities, and (ii) provide information regarding the Account to its affiliates.

ARTICLE 3 **TERM AND TERMINATION**

3.1 MANAGER shall perform the investment management services as identified herein and in **Exhibit "A"** attached hereto and made part hereof, for an initial five (5) year period commencing on _____ and ending on _____.

3.2 This Agreement may be renewed for two (2) additional five (5) year terms upon mutual written consent, evidenced by a written Amendment to this Agreement extending the term thereof.

3.3 *Termination for Convenience:* This Agreement may be terminated by either party for convenience, upon thirty (30) business days of written notice by the terminating party to the other party for such termination in which event MANAGER shall be paid its compensation for services performed to termination date, including services reasonably related to termination.

3.4 *Default by MANAGER:* In addition to all other remedies available to CITY, this Agreement shall be subject to cancellation by CITY for cause, should MANAGER neglect or fail to perform or observe any of the terms, provisions, conditions, or requirements herein contained, if such neglect or failure shall continue for a period of thirty (30) days



after receipt by MANAGER of written notice of such neglect or failure.

ARTICLE 4
COMPENSATION AND METHOD OF PAYMENT

4.1 The CITY hereby agrees to compensate MANAGER for all services performed by MANAGER pursuant to the provisions of this Agreement and in accordance with the fee schedule attached hereto as **Exhibit "C"**.

4.2 All payments shall be governed by the Florida Prompt Payment Act, as set forth in Part VII, Chapter 218, Florida Statutes.

ARTICLE 5
CHANGES IN SCOPE OF WORK

5.1 CITY or MANAGER may request changes that would increase, decrease, or otherwise modify the Scope of Services, as described in **Exhibit "A,"** to be provided under this Agreement as described in Article 2 of this Agreement. Such changes or additional services must be in accordance with the provisions of the Code of Ordinances of the CITY, and must be contained in a written amendment, executed by the parties hereto, with the same formality, equality and dignity herewith prior to any deviation from the terms of this Agreement, including the initiation of any additional or extra work.

5.2 In no event will the MANAGER be compensated for any work which has not been described in a separate written agreement executed by the parties hereto.

ARTICLE 6
INDEMNIFICATION

6.1 The MANAGER shall indemnify and hold harmless the CITY, its trustees, elected and appointed officers, agents, servants, assigns and employees, from and against any and all claims, demands, or causes of action whatsoever, and the resulting losses, costs, expenses, reasonable attorneys' fees, including paralegal expenses, liabilities, damages, orders, judgments, or decrees, sustained by the CITY directly arising out of, by reason of, or resulting from the MANAGER's negligent acts, errors, or omissions or the failure of the MANAGER to take out and maintain insurance as required under this Agreement.

6.2 Upon completion of all Services, obligations and duties provided for in this Agreement, or in the event of termination of this Agreement for any reason, the terms and conditions of this Article shall survive indefinitely.

6.3 CITY reserves the right to select its own legal counsel to conduct any defense in any such proceeding and all costs and fees associated therewith shall be the responsibility of MANAGER.

6.4 Nothing contained herein is intended nor shall be construed to waive City's rights and immunities under the common law or §768.28, Florida Statutes, as may be amended



from time to time.

6.5 Notwithstanding anything herein to the contrary, in no event shall the Manager be responsible or liable for indirect, special or consequential losses or damages.

ARTICLE 7
INSURANCE

7.1. Manager shall not commence performance hereunder until it has obtained all insurance required under this paragraph and such insurance has been approved by the Risk Manager of the Client nor shall the Manager allow any sub-Manager to commence work on his subcontract until all similar such insurance required of the sub-Manager has been obtained and similarly approved.

7.2. Certificates of Insurance reflecting evidence of the required insurance shall be filed with the Client's Risk Manager prior to the commencement of this Agreement. Policies shall be issued by companies authorized to do business under the laws of the State of Florida. Financial Ratings must be not less than "A-VI" in the latest edition of "Best Key Rating Guide", published by A.M. Best Guide. Policies shall be endorsed to provide the Client forty-five (45) days' notice of cancellation or the Manager shall obtain written agreement from its agent to provide the Client thirty (30) days' notice of cancellation.

7.3. Insurance shall be in force until the obligations required to be fulfilled under the terms of the Agreement are satisfied. In the event the insurance certificate provided indicates that the insurance shall terminate and lapse during the period of this Agreement, then in that event, the Manager shall furnish, at least forty-five (45) days prior to the expiration of the date of such insurance, a renewed certificate of insurance as proof that equal and like coverage for the balance of the period of the Agreement and extension thereunder is in effect. The Manager shall not commence nor continue to provide any services pursuant to this Agreement unless all required insurance remains in full force and effect. Manager shall be liable to Client for any lapses in service resulting from a gap in insurance coverage.

7.4. **REQUIRED INSURANCE**

(a) **COMPREHENSIVE GENERAL LIABILITY INSURANCE** written on an occurrence basis including, but not limited to: coverage for bodily injury and property damage, personal & advertising injury, products & completed operations, and contractual liability. Coverage must be written on an occurrence basis, with limits of liability no less than:

1. Each Occurrence Limit - \$1,000,000
2. Fire Damage Limit (Damage to rented premises) - \$100,000
3. Personal & Advertising Injury Limit - \$1,000,000
4. General Aggregate Limit - \$1,000,000
5. Products & Completed Operations Aggregate Limit - \$1,000,000



Products & Completed Operations Coverage shall be maintained for two (2) years after the final payment under this contract.

(b) Worker's Compensation Insurance shall be maintained during the life of this contract to comply with statutory limits for all employees. The following limits must be maintained:

- | | | |
|------|-----------------------|--|
| (i) | Worker's Compensation | Statutory |
| (ii) | Employer's Liability | \$100,000 each accident
\$500,000 Disease-policy limit
\$100,000 Disease-each employee |

If Manager claims to be exempt from this requirement, Manager shall provide Client proof of such exemption along with a written request for Client to exempt Manager, written on Manager letterhead.

(c) Comprehensive Auto Liability – coverage shall include owned, hired and non-owned vehicles with a combined single limit of liability for bodily injury and property damage no less than:

- | | |
|-------|---|
| (i) | Any Auto (Symbol 1)
Combined Single Limit (Each Accident) - \$1,000,000 |
| (ii) | Hired Autos (Symbol 8)
Combined Single Limit (Each Accident) - \$1,000,000 |
| (iii) | Non-Owned Autos (Symbol 9)
Combined Single Limit (Each Accident) - \$1,000,000 |

(d) Employee Fidelity Bond - Manager shall maintain employee fidelity bonds in an amount of 10% (ten percent) of the Account, with a minimum of \$500,000 (five hundred thousand dollars).

(e) Manager shall maintain investment adviser Errors and Omissions Liability insurance in an amount not less than \$10,000,000 (ten million dollars) per wrongful act. This coverage shall be maintained for a period of no less than two (2) years after final payment of the Agreement.

Required Endorsements

- | | |
|-----|--|
| (a) | The Client shall be named as an Additional Insured on each of the General Liability policies required herein. |
| (b) | Waiver of all Rights of Subrogation against the Client. |
| (c) | 30 Day Notice of Cancellation or Non-Renewal to the Client |
| (d) | Manager's policies shall be Primary & Non-Contributory |
| (e) | All policies shall contain a "severability of interest" or "cross liability" liability clause without obligation for premium payment of the Client |



7.5. Manager shall, in addition to naming the Client as an additional insured on each of the general liability policies required herein, shall hold the Client, its agents, officers and employees harmless on account of claims for damages to persons, property or premises arising out of the services provided hereunder.

7.6. Any insurance required of Manager pursuant to this Agreement must also be required by any Sub-manager in the same limits and with all requirements as provided herein, including naming the Client as an additional insured, in any work that is subcontracted unless such Sub-manager is covered by the protection afforded by the Manager and provided proof of such coverage is provided to Client. The Manager and any Sub-managers shall maintain such policies during the term of this Agreement.

7.7. In addition to the insurance requirements set forth in this section, Manager shall obtain any other insurance coverage as deemed necessary by Client. The Client reserves the right to require any other insurance coverage and/or higher limits that it deems necessary depending upon the exposures.

ARTICLE 8

NON-DISCRIMINATION & EQUAL OPPORTUNITY EMPLOYMENT

8.1 During the performance of the Agreement, neither MANAGER nor its subMANAGERS shall discriminate against any employee or applicant for employment because of race, religion, color, gender, national origin, sex, age, marital status, political affiliation, familial status, sexual orientation, or disability if qualified. MANAGER will take affirmative action to ensure that employees are treated during employment, without regard to their race, religion, color, gender, national origin, sex, age, marital status, political affiliation, familial status, sexual orientation, or disability if qualified. Such actions must include, but not be limited to, the following: employment, promotion; demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. MANAGER shall agree to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. MANAGER further agrees that he/she/it will ensure that subMANAGERS, if any, will be made aware of and will comply with this nondiscrimination clause.

ARTICLE 9

INDEPENDENT CONTRACTOR

9.1 This Agreement does not create an employee/employer relationship between the parties. It is the intent of the parties that the MANAGER is an independent contractor under this Agreement and not the CITY's employee for all purposes, including but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, the State Workers' Compensation Act, and the State unemployment insurance law. The MANAGER shall retain sole and absolute



discretion in the judgment of the manner and means of carrying out MANAGER's activities and responsibilities hereunder provided, further that administrative procedures applicable to services rendered under this Agreement shall be those of MANAGER, which policies of MANAGER shall not conflict with CITY, State, H.U.D., or United States policies, rules or regulations relating to the use of MANAGER's Funds provided for herein. The MANAGER agrees that it is a separate and independent enterprise from the CITY, that it has full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Agreement shall not be construed as creating any joint employment relationship between the MANAGER and the CITY and the CITY will not be liable for any obligation incurred by MANAGER, including but not limited to unpaid minimum wages and/or overtime premiums.

ARTICLE 10
AGREEMENT SUBJECT TO FUNDING

This agreement shall remain in full force and effect only as long as the expenditures provided for in the Agreement have been appropriated by the City Commission of the City of Pembroke Pines in the annual budget for each fiscal year of this Agreement, and is subject to termination based on lack of funding.

ARTICLE 11
SIGNATORY AUTHORITY

MANAGER shall provide CITY with copies of requisite documentation evidencing that the signator for MANAGER has the authority to enter into this Agreement.

ARTICLE 12
MERGER; AMENDMENT

This Agreement constitutes the entire Agreement between MANAGER and CITY, and negotiations and oral understandings between the parties are merged herein. This Agreement can be supplemented or amended only by a written document executed by both MANAGER and CITY with the same formality and equal dignity herewith.

ARTICLE 13
DEFAULT OF CONTRACT & REMEDIES

Damages. CITY reserves the right to recover any ascertainable actual damages incurred as a direct result of the failure of MANAGER to perform in accordance with the requirements of this Agreement, or for losses sustained by CITY directly resultant from MANAGER's failure to perform in accordance with the requirements of this Agreement.

ARTICLE 14
BANKRUPTCY



It is agreed that if MANAGER is adjudged bankrupt, either voluntarily or involuntarily, then this Agreement shall terminate effective on the date and at the time the bankruptcy petition is filed.

ARTICLE 15
DISPUTE RESOLUTION

15.1 In addition to any other remedy provided hereunder, CITY, at its option, may use arbitration to resolve any controversy or claim arising out of or relating to this Agreement if arbitration is elected by CITY. Any controversy or claim arising out of or relating to this Agreement, or breach thereof, may be settled by arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award rendered by the arbitrators may be entered into by any court having jurisdiction thereof. In the event arbitration is elected by CITY, such controversy or claim shall be submitted to one arbitrator selected from the National Panel of The American Arbitration Association.

15.2 Operations During Dispute.

15.2.1 In the event that a dispute, if any, arises between CITY and MANAGER relating to this Agreement, performance or compensation hereunder, MANAGER shall continue to render service in full compliance with all terms and conditions of this Agreement as interpreted by CITY regardless of such dispute.

15.2.6 Notwithstanding the other provisions in this Section, CITY reserves the right to terminate the Agreement at any time, whenever the service provided by MANAGER fails to meet reasonable standards of the trade after CITY gives written notice to the MANAGER of the deficiencies as set forth in the written notice within fourteen calendar (14) days of the receipt by MANAGER of such notice from CITY.

ARTICLE 16
PUBLIC RECORDS

16.1 The City of Pembroke Pines is public agency subject to Chapter 119, Florida Statutes. The Contractor shall comply with Florida's Public Records Law. Specifically, the Contractor shall:

16.1.1 Keep and maintain public records required by the CITY to perform the service;

16.1.2 Upon request from the CITY's custodian of public records, provide the CITY with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in chapter 119, Fla. Stat., or as otherwise provided by law;

16.1.3 Ensure that public records that are exempt or that are confidential and exempt from public record disclosure requirements are not disclosed except as authorized by



law for the duration of the contract term and, following completion of the contract, CONTRACTOR shall destroy all copies of such confidential and exempt records remaining in its possession after the CONTRACTOR transfers the records in its possession to the CITY; and

16.1.4 Upon completion of the contract, CONTRACTOR shall transfer to the CITY, at no cost to the CITY, all public records in CONTRACTOR's possession. All records stored electronically by the CONTRACTOR must be provided to the CITY, upon request from the CITY's custodian of public records, in a format that is compatible with the information technology systems of the CITY.

16.2 The failure of Contractor to comply with the provisions set forth in this Article shall constitute a Default and Breach of this Agreement and the CITY shall enforce the Default in accordance with the provisions set forth in **Article 13**.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT

**CITY CLERK
601 CITY CENTER WAY, 4th FLOOR
PEMBROKE PINES, FL 33026
(954) 450-1050
mgraham@ppines.com**

**ARTICLE 16
MISCELLANEOUS**

17.1 **Ownership of Documents.** Reports, surveys, studies, and other data provided in connection with this Agreement are and shall remain the property of CITY, whether or not the project for which they are made is completed.

17.2 **Legal Representation.** It is acknowledged that each party to this Agreement had the opportunity to be represented by counsel in the preparation of this Agreement, and accordingly, the rule that a contract shall be interpreted strictly against the party preparing same shall not apply herein due to the joint contributions of both parties.

17.3 **Records.** MANAGER shall keep such records and accounts and require any and all subMANAGERs to keep records and accounts as may be necessary in order to record complete and correct entries as to personnel hours charged to this engagement, and any expenses for which MANAGER expects to be reimbursed. Such books and records will be



available at all reasonable times for examination and audit by CITY and shall be kept for a period of seven (7) years after the completion of all work to be performed pursuant to this Agreement, or as otherwise required by Florida law. Materially incomplete or incorrect entries in such books and records will be grounds for disallowance by CITY of any fees or expenses based upon such entries.

17.4 **Assignments; Amendments.** This Agreement, and any interests herein, shall not be assigned, transferred or otherwise encumbered, under any circumstances, by MANAGER without the prior written consent of CITY. For purposes of this Agreement, any change of ownership of MANAGER shall constitute an assignment which requires CITY approval. However, this Agreement shall run to the benefit of CITY and its successors and assigns.

It is further agreed that no modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith.

17.5 **No Contingent Fees.** MANAGER warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for MANAGER to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for MANAGER any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For the breach or violation of this provision, CITY shall have the right to terminate the Agreement without liability at its discretion, to deduct from the contract price, or otherwise recover the full amount of such fee, commission, percentage, gift or consideration.

17.6 **Notice.** Whenever any party desires to give notice unto any other party, it must be given by written notice, sent by certified United States mail, with return receipt requested, addressed to the party for whom it is intended and the remaining party, at the places last specified, and the places for giving of notice shall remain such until they shall have been changed by written notice in compliance with the provisions of this section. For the present, MANAGER and CITY designate the following as the respective places for giving of notice:

CITY	Charles F. Dodge, City MANAGER
	City of Pembroke Pines
	601 City Center Way
	Pembroke Pines, Florida 33025
	Telephone No. (954) 431-4884
	Facsimile No. (954) 437-1149



Copy To: Samuel S. Goren, City Attorney
 Goren, Cherof, Doody & Ezrol, P.A.
 3099 East Commercial Boulevard, Suite 200
 Fort Lauderdale, Florida 33308
 Telephone No. (954) 771-4900
 Facsimile No. (954) 771-4923

MANAGER _____

 Telephone No. _____
 Facsimile No. _____

17.7 **Binding Authority.** Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.

17.8 **Headings.** Headings herein are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

17.9 **Exhibits.** Each Exhibit referred to in this Agreement forms an essential part of this Agreement. The exhibits if not physically attached should be treated as part of this Agreement and are incorporated herein by reference.

17.10 **Severability.** If any provision of this Agreement or application thereof to any person or situation shall to any extent, be held invalid or unenforceable, the remainder of this Agreement, and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected thereby, and shall continue in full force and effect, and be enforced to the fullest extent permitted by law.

17.11 **Extent of Agreement and Conflicts.** This Agreement represents the entire and integrated agreement between CITY and MANAGER and supersedes all prior negotiations, representations or agreements, either written or oral. In the event of any conflicts between this Agreement and **Exhibit "A"**, the terms and provisions of **Exhibit "A"** shall govern.

17.12 **Waiver.** Failure of CITY to insist upon strict performance of any provision or condition of this Agreement, or to execute any right therein contained, shall not be constructed as a waiver or relinquishment for the future of any such provision, condition, or right, but the same shall remain in full force and effect.

17.13 **Disputes.** Any claim, objection, or dispute arising out of the terms of this Agreement shall be litigated in the Seventeenth Judicial Circuit Court in and for Broward County.



17.14 **Attorney's Fees.** In the event that either party brings suit for enforcement of this Agreement, each party shall bear its own attorney's fees and court costs, except as otherwise provided under the indemnification provisions set forth herein above.

IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first written above.

ATTEST:

CITY

MARLENE GRAHAM,
CITY CLERK

BY: _____
CHARLES F. DODGE
CITY MANAGER

APPROVED AS TO FORM.

OFFICE OF THE CITY ATTORNEY

MANAGER

Witnesses:

Print Name

BY: _____
Print Name: _____
Title: _____

Print Name

STATE OF _____)
COUNTY OF _____)

BEFORE ME, an officer duly authorized by law to administer oaths and take acknowledgments, personally appeared _____ as _____ of _____, a company authorized to conduct business in the State of Florida, and acknowledged execution of the foregoing Agreement as the proper official of _____, for the use and purposes mentioned in it and affixed the official seal of the corporation, and that the instrument is the act and deed of that corporation.

IN WITNESS OF THE FOREGOING, I have set my hand and official seal at in the State and County aforesaid on this _____ day of _____, 20__.

NOTARY PUBLIC

(Name of Notary Typed, Printed or Stamped)



EXHIBIT "A" – REQUEST FOR PROPOSALS



EXHIBIT "B" – INVESTMENT POLICY



EXHIBIT "C" – FEE SCHEDULE

**REFERENCES FORM**

Provide specific examples of similar contracts. References should be should be capable of explaining and confirming your firm's capacity to successfully complete the scope of work outlined herein. **This form should be duplicated for each reference and any additional information that would be helpful can be attached.**

Reference Contact Information:Name of Firm, City, County or Agency: Address: City/State/Zip: Contact Name: Title: E-Mail Address: Telephone: Fax: **Project Information:**Name of Contractor Performing the work: Name and location of the project:

Nature of the firm's responsibility on the project:

Project duration: Completion (Anticipated) Date: Size of project: Cost of project:

Work for which staff was responsible:

Contract Type:

The results/deliverables of the project:

REFERENCES FORM

Provide specific examples of similar contracts. References should be should be capable of explaining and confirming your firm's capacity to successfully complete the scope of work outlined herein. **This form should be duplicated for each reference and any additional information that would be helpful can be attached.**

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Telephone: Fax:

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Name and location of the project:

Nature of the firm's responsibility on the project:

Project duration: Completion (Anticipated) Date:

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Contact Name: Title:

E-Mail Address:

Telephone: Fax:

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Nature of the firm's responsibility on the project:

Project duration: Completion (Anticipated) Date: Size of project: Cost of project:

Work for which staff was responsible:

Contract Type:

The results/deliverables of the project:

UNAUDITED**Cash and Investment Report
As of May 31, 2018**

	Balance	Fiscal Year-to-Date			Last 12 Months Ending	
		Interest	Fees	Net Interest	Average	Rate of
		5/31/2018	Earned	Charged	Income	Balance
<u>Checking Accounts (1) (2)</u>						
TD Bank Commercial Checking - Regular	\$ 5,952,283	\$ 15,432	\$ (12,651)	\$ 2,781	\$ 6,594,187	0.41%
TD Bank Commercial Checking - Depository	15,748,613	29,737	(14,168)	15,569	11,433,379	0.36%
TD Bank Commercial Checking - Health Claims	124,159	604	(485)	119	279,732	0.41%
TD Bank Commercial Checking - Senior Housing	795,344	1,156	(116)	1,040	670,056	0.26%
TD Bank Commercial Checking - Utility Payments	242,836	398	(142)	256	191,503	0.32%
TD Bank Commercial Checking - ACH Debits	-	476	(156)	320	306,938	0.29%
TD Bank Lockbox Account	943,497	2,254	(1,967)	287	774,868	0.47%
subtotal	<u>23,806,732</u>	<u>50,057</u>	<u>(29,685)</u>	<u>20,372</u>	<u>20,250,664</u>	<u>0.38%</u>
<u>Investment Accounts</u>						
State Board of Administration (SBA)	127,952,970	1,307,668	-	1,307,668	129,015,004	0.89%
FLOC - 1-3 Year High Quality Bond Fund (1) (3)	3,187,141	(2,918)	(3,907)	(6,825)	3,189,928	-0.21%
FLOC - 0-2 Year High Quality Bond Fund (1) (3)	24,406,047	144,405	(32,664)	111,741	24,290,244	0.85%
FLOC - Intermediate High Quality Bond Fund (1) (3)	144,683	(1,686)	(189)	(1,875)	146,070	-0.85%
Wells Capital Management (US Bank)	33,000,145	20,234	(9,672)	10,562	32,924,536	0.39%
(Wetland) Mitigation Trust - SBA	494,820	5,519	-	5,519	499,132	1.54%
subtotal	<u>189,185,806</u>	<u>1,473,222</u>	<u>(46,432)</u>	<u>1,426,790</u>	<u>168,432,770</u>	<u>1.15%</u>
Total Cash and Marketable Investments	<u>212,992,538</u>	<u>1,523,279</u>	<u>(76,117)</u>	<u>1,447,162</u>	<u>188,683,434</u>	
<u>Other Investments</u>						
Investment in Real Estate (City Center)	9,377,447	-	-	-	-	
Investment in Real Estate (USPS)	11,962,400	-	-	-	-	
Investment in Real Estate (20710 SW 54th Place)	410,287	-	-	-	-	
Investment in Real Estate (Vardaman)	800,444	-	-	-	-	
Investment in Real Estate (Pando 5400 SW 208 Ln)	5,574,117	-	-	-	-	
Investment in Real Estate (Canyon Creek Estate)	557	-	-	-	-	
Total Cash and Investments	<u>\$ 241,117,789</u>	<u>\$ 1,523,279</u>	<u>\$ (76,117)</u>	<u>\$ 1,447,162</u>	<u>\$ 188,683,434</u>	

Notes:

1. Balances are as of the current month. Average Balances and ROR are the prior twelve months as current Statements are not available.
2. The Rate of Return reflects the earnings credit allowed to offset the bank service charges.
3. Estimated fees charged @ 21-23 basis points annually.
4. Fees charged to the Checking Accounts are operation cost. Therefore, they are not deducted when calculating the ROR.



Attachment O:

Firm's Experience Form

	2018		2019		2020		2021		JUNE 30 TH 2022	
TOTAL ASSETS UNDER MANAGEMENT	# OF ACCTS	\$ VALUE	# OF ACCTS	\$ VALUE	# OF ACCTS	\$ VALUE	# OF ACCTS	\$ VALUE	# OF ACCTS	\$ VALUE
PUBLIC FUNDS:										
ENHANCED CASH PORTFOLIO	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
1-3 YEAR BOND PORTFOLIO	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
INTERMEDIATE BOND PORTFOLIO	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
ALL OTHER PUBLIC FUNDS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
TOTAL PUBLIC FUNDS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
TOTAL NON- PUBLIC ASSETS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
MUTUAL FUNDS:	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
EQUITY	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
FIXED INCOME	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
MONEY MRK	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
TOTAL MUTUAL FUNDS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
OVERALL TOTAL	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>



Attachment P: Personnel Form

IN THE TABLE BELOW, INDICATE THE APPROPRIATE NUMBER OF EMPLOYEES EMPLOYED IN EACH CATEGORY					
	2018	2019	2020	2021	JUNE 30 TH 2022
EQUITY PORTFOLIO MANAGERS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
BOND PORTFOLIO MANAGERS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
BALANCED FUND MANAGERS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
EQUITY RESEARCH ANALYSTS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
BOND RESEARCH ANALYSTS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
ECONOMISTS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
MANAGEMENT AND ADMINISTRATIVE (COMPLIANCE, OPERATIONS)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
COMPUTER PROFESSIONALS	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
CLERICAL	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
OTHER (MARKETING, CLIENT)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

PROPOSAL FORM

SERVICE, TRADING)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
TOTAL	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>



Attachment Q:

Fees Structure

1. Please provide fee charge for services provided.

__ BPS ON 1ST \$ MM
__ BPS ON NEXT \$ MM
__ BPS ON NEXT \$ MM
__ BPS ON BALANCE

2. What is the minimum account size or fee for separate accounts?

3. Please discuss any liquidity constraints included in your proposal.

CITY OF PEMBROKE PINES
INVESTMENT OPERATING POLICY



**PREPARED BY THE
Investment Committee**

**Ordinance No. 1793
Adopted: October 1, 2014**

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CITY OF PEMBROKE PINES
INVESTMENT/PORTFOLIO POLICY

PURPOSE

It is the intent of this policy to provide the Finance Director or Investment Manager sufficient latitude to effectively manage the City's financial assets so as to protect the principal, provide sufficient liquidity and maximize the return on investments within an acceptable exposure to risk. In an effort to accomplish the aforementioned, this policy identifies various portfolio parameters addressing investment instruments, issuer diversification, maturity/duration constraints, investment ratings, and liquidity.

SCOPE

This investment policy applies to all financial assets held or controlled by the City of Pembroke Pines, except for pension and deferred compensation funds, which are organized and administered separately and depository for defeased debt or assets under Bond Trust Indenture when held by a third party custodians.

All financial assets held or controlled by the City, not otherwise classified as restricted assets requiring separate investing, shall be identified as "funds" of the City for the purpose of this policy, and shall be invested under the guidelines as herein set forth. The guidelines, provided herein are the general operating procedures.

Funds groups included:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects
- Permanent Funds
- Enterprise Funds
- Internal Service Funds
- Agency Funds
- Any new fund group created by the City, unless specifically exempted by the City Commission.

INVESTMENT OBJECTIVES

The following investment objectives will be applied in the management of City funds.

- The investment objective order of priority shall be safety of capital, liquidity of funds, and investment income, in that order.
- Safety of capital will be ensured by establishing minimally acceptable credit ratings and limiting any exception thereto, limiting the portfolio's maximum and average duration, setting maximum exposure by market sector, and requiring a minimum basket of securities either fully guaranteed by the U.S. Government or issued by an Agency or Instrumentality of the U.S. Government. The City will maintain sufficient liquidity in the SBA or other short-term investment portfolio to enable the City to meet operating requirements, which might be reasonably anticipated.
- The City will strive to maximize the return on the portfolio and to preserve the purchasing power but will avoid assuming unreasonable investment risk.
- Funds of the City will be invested in accordance with Florida State Statutes 280, 218.415, these policies and written administrative procedures.

PERFORMANCE MEASUREMENT

The performance of the investment manager will be measured over three and five year periods. These periods are considered sufficient to accommodate the different market cycles commonly experienced with fixed income investments, given the City's risk tolerance level. The Investment Manager is expected to perform in the top 40% of an appropriate peer group universe of managers using the LIPPER Analytical Services or other similar service. The appropriate peer group universe will be determined based on the fund's actual time-weighted average allocation.

In addition, the total return of this portfolio is expected to exceed the return of the benchmark. The investment committee will select the benchmark for the prior quarter, based on the time-weighted average of the fund's actual allocation mix.

DELEGATION OF AUTHORITY

The Finance Director is responsible for investment decisions and activities, under the direction of the City Manager. The day-to-day administration of the cash management program is handled by the City's Chief Accountant or designee of the Finance Director. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures so established.

Positions authorized as investment signatories are the Mayor, City Manager, Vice Mayor, City Clerk, Finance Director and the Investment Adviser/Manager. The persons holding these positions are also authorized to initiate or approve a wire transfer transaction in accordance with applicable policies and procedures.

PRUDENCE AND ETHICAL STANDARDS

The standard of prudence to be applied by the Finance Director or Investment Manager shall be the "Prudent Person" rule, which states: "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. "The Prudent Person" rule can be applied in the context of managing the overall portfolio.

The Finance Director or Investment Manager and staff, acting in accordance with the written procedures and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported immediately and that appropriate action is taken to control adverse developments.

LISTING OF AUTHORIZED INVESTMENTS

Although investments may be on the authorized list, only those securities with an active secondary market may be purchased from the list.

The Finance Director or the investment adviser/manager may purchase/sell investment securities, at prevailing market rates, in the following authorized investment vehicles:

- (a) The Local Government Surplus Funds Trust Fund and any other investment plan or investment trust developed by the Florida League of Cities, the Florida Association of Counties, the Florida Association of Court Clerks, or similar state or national associations, approved by the City.
- (b) Negotiable direct obligations of, or obligations the principal and interest of which are unconditionally guaranteed by the United States Government or its agencies, including but not limited to, U.S. Government Treasury Securities, and Government National Mortgage Associations (GNMAs).
- (c) Non-negotiable interest-bearing time certificates of deposits or savings accounts in state or federal banks, state or federal savings and loan associations as permitted and/or prescribed by Chapter 280 of the Florida Statutes.
- (d) Government Sponsored Enterprises including but not limited to Federal Farm Credit Banks, Federal Home Loan Bank or its district banks, Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, and Student Loan Marketing Association.
- (e) Prime commercial paper. Commercial Paper having a maturity of 90 days or less shall require one of the following three minimum ratings: A-1, P-1 or F-1, or better as rated by Standard & Poors, Moody's, and/or Fitch Investors Service rating services. Prime commercial paper of U.S. Corporations having a maturity in excess of 90 days shall require two of the three above-mentioned ratings.

- (f) Repurchase agreements comprised of only those investment instruments as otherwise authorized herein.
- (g) State or local government taxable and tax exempt debt, general obligation and/or revenue bonds rated at least "A3" by Moody's or "A-" by Standard & Poor's for long-term debt or rated at least MIG-2 by Moody's or SP-2 Standard & Poor's for short-term debt.
- (h) Securities or, other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, provided the portfolio meets the City's investment policy.
- (i) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency. The funds must be in compliance with Title 17, Part 270, Section 2a-7 of the Federal Code of Regulations (Appendix B).
- (j) U.S dollar denominated debt obligations of domestic or foreign corporations, or foreign sovereignties issued in the U.S. or in foreign markets having two of the following three minimum ratings: BBB, Baa2, or BBB, as rated by Standard and Poor's, and/or Moody's, and/or Fitch Investors Service rating services. However, if such obligations are rated by only one rating service, then such rating shall be at least A-, A3, or A- by Standard & Poor's, or Moody's or Fitch.
- (k) Real estate, so long as the acquisition and sale complies with applicable federal and state laws and regulations in addition to applicable City Charter provisions, if any, and the City Code of Ordinances.
- (l) Real Estate Investment Trusts ("REIT") which are properly registered pursuant to applicable Federal and State laws, provided the ("REIT") portfolio meets the City's Investment Policy.
- (m) Land Trusts or Title Trusts as described in Sections 689.07 or 689.071, Florida Statutes, so long as the Land Trust complies with any applicable Federal and State laws and regulations, applicable City Charter provisions, if any, and the City's Code of Ordinances.
- (n) Mortgage-Backed Securities. Securities collateralized by mortgages on residential property or commercial (industrial, office, retail etc.) property ("commercial Mortgage-Backed Securities"). The securities may be issued by a Federal Instrumentality or by a private corporation and may be structured as collateralized mortgage obligations or unstructured pass-through securities.
- (o) Asset-Backed Securities. Securities collateralized by pools of assets (credit cards, autos, home equity loans, etc.) The securities may be structured or unstructured pass-through securities.

MATURITY, DURATION AND LIQUIDITY REQUIREMENTS

To meet the day-to-day operating needs of the City and to provide the ready cash to meet unforeseen temporary cash requirements, the City shall maintain a minimum of \$10,000,000 in liquid investments defined as repurchase agreements purchased under the terms of the City's depository contract, open repurchase agreements, negotiable certificates of deposit, banker's acceptances, commercial paper, U.S. Treasury direct and agency obligations all having a maturity of 90 days or less, and/or the SBA Local Government Pool, all as purchased under the dictates of this policy.

To the extent possible, the City will attempt to match its investments with overall anticipated cash flow requirements. The average duration of the portfolio as a whole may not exceed five (5) years. This calculation excludes maturities of the underlying securities of a repurchase agreement. This calculation also applies to the expected average life of asset-backed securities and mortgage-backed securities (rather than the stated final maturity). Limitation percentages of the portfolio are measured from the date the securities are acquired. Unless matched to a specific cash flow requirement, the City will not directly invest in securities with an expected duration of more than twenty (20) years from the date of purchase. No more than 30% of the City's total investment portfolio shall be placed in securities with an expected duration of more than five (5) years. This calculation excludes maturities of the underlying securities of a repurchase agreement.

PORTFOLIO COMPOSITION

The following are the authorities for investments and limits on security issues, issuers, duration and maturities as established within this policy. The Finance Director or the investment adviser/manager shall have the option to further restrict investment in selected instruments, to conform to then-present market conditions.

A. Investment Plans and Trusts

1. Authority to Invest

The Finance Director or the investment adviser/manager may invest in the following:

- a. Local Government Surplus Trust Fund "Trust Fund"
- b. Any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act as provided in s. 163.01.
- c. Any other investment plan or investment trust developed by the Florida League of Cities, the Florida Association of Counties, the Florida Association of Court Clerks, the State Board of Administration or similar state or national associations, approved by the City.

2. Portfolio Composition

A maximum of 100% of the portfolio may be invested in the "Trust Fund". Bond proceeds may be deposited in the "Trust Fund" until alternative investments have been purchased.

B. Government Securities

1. Authority to Purchase

The Finance Director or the investment adviser/manager may invest in negotiable direct obligations of the U.S. Government. Such securities will include the following:

Direct Obligations:

- Treasury Bills
- Treasury Notes
- Treasury Bonds
- Treasury Inflation Protected Bonds (TIPs)

2. Portfolio Composition

The portfolio may be comprised of 100% direct government obligations including the securities held under overnight repurchase agreements. At least 30% of the portfolio shall be invested in securities backed by the U.S. Government, Federal Agencies, and Government Sponsored Enterprises.

3. Limits on Individual Issuers

A maximum of 100% of the portfolio may be invested in any one Federal Agency.

4. Duration Limitations

The maximum duration of any direct investment in government obligations is ten (10) years, except for the underlying securities of repurchase agreements (see Repurchase Agreements Limits on Maturities).

C. Federal Agencies

1. Authority to Purchase

The Finance Director or the investment adviser/manager may invest in obligations the principal and interest of which are unconditionally guaranteed by the U.S. Government and issued through Federal agencies. Such securities will include but not be limited to:

- Government National Mortgage Association (GNMA)

2. Portfolio Composition

Federal Agencies may comprise 100% of the portfolio.

3. Limits on Individual Issuers

A maximum of 100% of the portfolio may be invested in any one Federal Agency.

4. Maturity Limitations

The maximum duration for an investment in Federal Agency securities is ten (10) years.

D. Non-negotiable Interest Bearing Time Certificates of Deposit (CDs)

1. Authority to Purchase

The Finance Director or the investment adviser/manager may invest in non-negotiable interest-bearing time certificates of deposit or savings accounts in state or federal banks, state or federal savings and loan associations as permitted and/or prescribed by Chapter 280 of the Florida Statute.

2. Portfolio Composition

A maximum of 50% of the portfolio may be invested in non-negotiable CDs.

3. Limits on Individual Issuers

- a. All issuers must be approved as "Qualified Public Depositories" by the State of Florida, as required by the Florida Security for Public Deposits Act Chapter 280, Florida Statutes.
- b. A maximum of 50% of the portfolio may be deposited with any one issuer.

4. Duration Limitations

A maximum of 50% of the portfolio may be invested with a maximum maturity of 5 years from date of purchase.

E. Government Sponsored Enterprises

1. Authority to Purchase

Securities include but are not limited to obligations of the:

- Federal National Mortgage Association (FNMA)
- Federal Farm Credit Banks (FFCB)
- Federal Home Loan Bank or its District Banks (FHLB)
- Federal Home Loan Mortgage Corporation (Freddie-Macs)
-
- Student Loan Marketing Association

2. Portfolio Composition

The portfolio may be comprised of 100% Government Sponsored Enterprises Federal Instruments.

3. Limits on Individual Issuers

A maximum of 40% of the portfolio may be invested in any one issuer.

4. Duration Limitations

The maximum duration for an investment in any Government Sponsored Enterprise is ten (10) years for fixed rate securities and twenty (20) year for variable rate securities.

F. Commercial Paper

1. Authority to Purchase

The Finance Director or the investment adviser/manager may invest in commercial notes provided that such notes are rated "Prime" (A-1, P-1, F-1) by Standard and Poor's and/or Moody's and/or Fitch Investors Service rating services.

2. Portfolio Composition

A maximum of 50% of the portfolio may be directly invested in the combined categories of "Prime" Commercial Paper and Corporate Obligations and a maximum of 10% of the portfolio may be invested in the combined categories of "Prime" Commercial Paper and Corporate Obligations rated in the BBB ratings category.

3. Limits on Individual Issuers

A maximum of 5% of the portfolio may be invested with any one issuer and a maximum of 1% in any issuer rated in the BBB category.

4. Maturity Limitations

The maximum length to maturity for an investment in "Prime" Commercial Paper is 270 days.

G. Corporate Obligations

1. Authority to Purchase

The Finance Director or the investment advisor/manager may invest in U.S dollar denominated debt obligations of domestic or foreign corporations, or foreign sovereignties issued in the U.S. or in foreign markets provided that such obligations/notes have the same ratings as found in the LISTING OF AUTHORIZED INVESTMENTS, paragraph J.

2. Portfolio Composition

A maximum of 50% of the portfolio may be directly invested in the combined categories of "Prime" Commercial Paper and Corporate Obligations and a maximum of 10% of the portfolio may be invested in the combined categories of "Prime" Commercial Paper and Corporate Obligations rated in the BBB ratings category.

3. Limits on Individual Issuers

A maximum of 5% of the portfolio may be invested with any one issuer and a maximum of 1% in any issuer rated in the BBB ratings category.

4. Duration Limitations

The maximum duration for a Corporate Obligation is five (5) years for both fixed rate and variable rate securities.

H. Master Repurchase Agreements

1. Authority to Purchase

The Finance Director or the investment adviser/manager may invest in repurchase agreements comprised of only those investment instruments as otherwise authorized in sub section e. below.

All firms with whom the City enters into repurchase agreements will have in place and executed a Master Repurchase Agreement with the City. (Appendix A)

Such an agreement will address at a minimum the following issues:

- a. Source of policies allowing repurchase agreements such as state law, local ordinance, written policies, and/or unwritten management practices.
- b. The securities underlying the repurchase agreements must be periodically valued (market-to-market), as prescribed in the Investment Procedures which shall apply to Repurchase Agreements.
- c. Independent third parties acting, as custodians shall hold securities underlying term repurchase agreements separate from its assets as well as from the Seller's assets. "Term" is understood to be defined as a period greater than overnight. Overnight repurchase agreements and their underlying securities will be treated as discussed in Third Party Custodial Agreements.
- d. Each party's rights in repurchase agreements and the significant conditions of those rights. Significant conditions could include:
 - (1) Specifications for the delivery and custody of the underlying securities
 - (2) The rights of the purchaser to liquidate the underlying securities in the event of default by the seller
 - (3) The required margin of market value of the securities over the cost of the agreements
 - (4) Specifications for review (re-pricing) of market value of the underlying securities, as necessary, depending on the term of the repurchase agreement
 - (5) The purchaser's rights to additional securities or a return of cash if the market value of the underlying securities falls below the required amount
 - (6) Rights and/or specifications regarding substitution of securities
 - (7) Remedial action should violation of agreement provisions occur.

e. Securities authorized for purchase are:

Negotiable direct obligations of the U.S. Government, Federal Agencies, and Federal Instruments to include only the following securities:

- US Treasury Bills, Notes and Bonds
- Government National Mortgage Association Notes
- Federal National Mortgage Association Notes
- Federal Home Loan Bank Notes

2. Portfolio Composition

A maximum of 30% of the portfolio may be directly invested in Repurchase Agreements (with exception to agreements of five (5) days or less which are directly related to the restructuring of the City's debt portfolio and backed up with Treasury Bills or Treasury Notes.)

3. Limits on Individual Sellers

A maximum of 5% of the portfolio may be invested in repurchase agreements of any one institution, with the exception of overnight repurchase agreements. A maximum of 10% of the portfolio may be invested in overnight repurchase agreements.

4. Limits on Transaction Maturities

The maximum length to maturity of any repurchase agreement is 270 days from date of purchase.

5. Limits on Maturities of Underlying Securities

The maximum expected length to maturity for securities underlying these agreements is ten (10) years for U.S. Treasury securities, seven (7) years for Federal Agency securities and five (5) years for Government Sponsored Enterprises securities.

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

1. Authority to Purchase

The Finance Director or the investment adviser/manager may invest in debt obligations of non-profit taxing entities such as states, counties, cities or other taxing authorities. These may be taxable or tax-exempt and may be General Obligation (GO's) and/or Revenue Bonds and must be rated at least A- by Standard & Poor's or A3 by Moody's.

2. Portfolio Composition

A maximum of 25% of the portfolio may be invested in taxable and/or tax exempt debt.

Purchases of tax-exempt state and local government debt will be used to address specific bond covenant or legal investment opportunities as applicable; as such limits on portfolio composition cannot be reasonably determined.

3. Limits on Individual Issuers

A maximum of 2% of the portfolio may be invested with any one issuer.

4. Duration Limitations

The maximum duration for an investment in any state and local government debt security is five (5) years. The Weighted average duration shall not exceed five (5) years.

J. Fixed Income Mutual/Money Market Funds

1. Authority to Purchase

The Finance Director or the investment adviser/manager may invest in fixed income mutual/money market funds, either taxable or tax-exempt. The mutual fund must follow Title 17, Part 270, Section 2a-7 of the Code of Federal Regulations (Appendix B).

2. Portfolio Composition

A maximum of 50% of the portfolio may be invested in fixed-income mutual/money market funds.

3. Limits of Individual Issuers

A maximum of 50% of the portfolio may be invested with any one fund.

4. Maturity Limitations

The maximum weighted average expected maturity of all securities in the funds shall be ten (10) years.

K. Real Estate

1. Authority to Invest

The City Commission has the authority to acquire real estate so long as the acquisition complies with applicable federal and state rules and regulations, and, to the extent applicable, the City's Charter and Code of Ordinances. The City Commission may authorize the investment or acquisition of real estate in the City's name, or through a REIT, Land Trust, or Title Trust authorized through this investment policy.

2. Portfolio Composition

The City Finance Director or the investment advisor shall set a maximum percentage of the portfolio that may be invested in Real Estate.

3. Maturity Limitation

Real estate shall only be held so long as necessary in order to provide the City an opportunity to either effectuate a transfer of the real estate to a person, corporation, or other entity that will develop the real estate for a public purpose, or develop the real estate in accordance with master development plans as adopted by the City, from time to time, or to permit the City the opportunity to develop the property for a public purpose pursuant to master development plans as adopted by the City, from time to time.

L. Real Estate Investment Trust ("REIT")

1. Authority to Invest

The Finance Director or the investment advisor has the authority to acquire any real estate through a REIT. The REIT must be legally established in conformance with applicable state and federal laws and regulations, and must be approved by the City Commission.

2. Portfolio Composition

The City Finance Director or the investment advisor shall set a maximum percentage of the portfolio that may be invested in an REIT.

3. Maturity Limitation

The City Commission may provide for the acquisition and retention of the real estate through a REIT for only that amount of time that is necessary in order to provide the City an opportunity to either effectuate a transfer of the real estate to a person, corporation, or other entity that will develop the real estate for a public purpose, or develop the real estate in accordance with master development plans as adopted by the City, from time to time, or to permit the City the opportunity to develop the property for a public purpose pursuant to master development plans as adopted by the City, from time to time.

M. Land Trust

1. Authority to Invest

The Finance Director or the investment advisor has the authority to acquire any real estate through a Land Trust. The Land Trust must be legally established in conformance with applicable state and federal laws and regulations, and must be approved by the City Commission.

2. Portfolio Composition

The City Finance Director or the investment advisor shall set a maximum percentage of the portfolio that may be invested in a Land Trust.

3. Maturity Limitation

The City Commission may provide for the acquisition and retention of any real estate through a Land Trust for only that amount of time that is necessary in order to provide the City an opportunity to either effectuate a transfer of the real estate to a person, corporation, or other entity that will develop the real estate for a public purpose, or develop the real estate in accordance with master development plans as adopted by the City, from time to time, or to permit the City the opportunity to develop the property for a public purpose pursuant to master development plans as adopted by the City, from time to time.

N. Mortgage Backed Securities

1. Authority to Invest

The Finance Director or the investment advisor/manager may invest in securities collateralized by mortgages on residential property or commercial (industrial, office, retail etc.) property (“commercial Mortgage-Backed Securities”). The securities may be issued by a Federal Instrumentality or by a private corporation and may be structured as collateralized mortgage obligations or unstructured pass-through securities.

2. Portfolio Composition

A maximum of 30% of the portfolio may be invested in mortgage- backed securities.

3. Limits on Individual Issuers

A maximum of 5% of the portfolio may be invested with any one issuer.

4. Duration Limitations

The maximum effective duration for an investment in any mortgage-backed security issued by a Federal Instrumentality is 10 years. The maximum effective duration for an investment in any mortgage-backed security issued by a private corporation is 5 years.

O. Asset-backed Securities

1. Authority to Invest

The Finance Director or the investment advisor/manager may invest in securities collateralized by pools of assets (credit cards, autos, home equity loans, etc.) The securities may be structured or unstructured pass-through securities.

2. Portfolio Composition

A maximum of 25% of the portfolio may be invested in asset-backed securities.

3. Limits on Individual Issuers

A maximum of 5% of the portfolio may be invested with any one issuer.

4. Duration Limitations

The maximum effective duration for an investment in any asset-backed security is 5 years.

INTERFUND LOANS OR TRANSFERS

Nothing in the Investment Policy prohibits any interfund transfers or loans to the extent otherwise permitted by law. Such interfund transfers or loans shall not be governed by this Investment Policy.

RISK AND DIVERSIFICATION

It is the policy of the City of Pembroke Pines to diversify its investment portfolio. Assets held shall be diversified to control the risk of loss resulting from over concentration of assets in a specific maturity/duration, a specific issuer, a specific instrument, a class of instruments, and a dealer or bank through whom these investments are bought and sold. Diversification strategy's shall be reviewed and revised periodically as deemed necessary by the appropriate management staff.

AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

Certificates of Deposit shall be placed only with financial institutions, which qualify under Chapter 280 of the Florida Statutes. Other securities shall be purchased only 1) through the "primary government securities dealer" as designated by the Federal Reserve Bank, 2) regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (Uniform Net Capital Rule) 3) through the Florida State Board of Administration (SBA), 4) through a money manager appointed by the City. These institutions, dealers and issuers must meet capital adequacy guidelines as determined by their respective regulatory agencies and certify that no material adverse events have occurred since the issue of their most recent financial statements. They must also agree to notify the City in the event of material adverse events affecting their capital adequacy. All securities purchased shall be only those securities of authorized issuers of the various security types.

Criteria for addition to or deletion from the lists will be based on the following: 1), State Law, City's Code of Ordinances, or investment policy requirements where applicable; 2) financial condition; 3) consistent lack of competitiveness; 4) experience or familiarity of the account representative in providing service to large institutional accounts; and/or 5) when deemed in the best interest of the City.

Repurchase agreements shall be negotiated only with "primary securities dealers" (as designated by the Federal Reserve Bank) or financial institutions. The City will have negotiated a Master Repurchase Agreement with any institution with which it enters into a specific repurchase agreement.

Before engaging in investment transactions with an institution, the Finance Director shall receive a signed certification form attesting that the individual responsible for the City's account with that firm has reviewed the City's investment policy and that they agree to undertake reasonable efforts to preclude imprudent transactions involving City funds.

SELECTION OF INVESTMENT MANAGERS

- 1) Request for Proposal (RFP)
- 2) Rank the RFP's
- 3) Interview the respondents
- 4) The City Commission approves the selection and authorizes a contract be signed.

THIRD-PARTY CUSTODIAL AGREEMENTS

All securities purchased by the City under this section shall be properly designated as an asset of the City of Pembroke Pines and held in safekeeping by a third party custodial bank or other third party custodial institution. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery versus payment" (D.V.P.) basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction. The only exception to this will be for overnight repurchase agreements whose underlying securities are held by a third party custodian.

No withdrawal of such securities, in whole or in part, shall be made from safekeeping except with the written approval of two (2) authorized signers of the City. The Finance director or the investment adviser/manager shall be authorized to execute the sale of securities pursuant to this section and "Sales of Securities" section of this policy.

The City will execute third party custodial agreement(s) with its bank(s) and depository institution(s). Such agreements may include letters of authority from the City, details as to responsibilities of each party, method of notification of security purchases, sales, delivery, procedures related to repurchase agreements and wire transfers, safekeeping and transactions costs, procedures in case of wire failure or other unforeseen mishaps and describing the liability of each party.

MASTER REPURCHASE AGREEMENT

All approved institutions and dealers transacting repurchase agreements shall execute the Master Repurchase Agreement (Attachment A). All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

BID REQUIREMENT

When purchasing or selling securities, the Finance Director or the investment adviser/manager shall select the security which provides the highest rate of return within the parameters of this policy (see Investment Objectives) and given the current objectives and needs of the City's portfolio. These selections shall be made utilizing one of the following methods:

1. Competitive bids, wherein the City or its agent, solicits quotes from a minimum of three firms, shall be used when feasible and appropriate.
2. Comparison to the current market price as indicated by one of the market pricing resources available to the City (such as the City's financial advisors, the Wall Street Journal, or a comparable nationally recognized financial publication providing daily market pricing.)

In most situations, the City shall utilize the competitive bid process to select the securities to be purchased. Selection by comparison to current market prices, as indicated above, shall be utilized when, in the judgment of the investment staff, competitive bidding would inhibit the selection process. Examples of when this might occur are:

- A. When time constraints due to unusual circumstances preclude use of the competitive bidding process.
- B. When a security is unique to a single dealer, for example, a private placement.
- C. When the transaction involves new issues or issues in the "when issued" market.

When using the competitive bid process, all bids shall become part of the record of the specific security involved. When selection is made based on comparison to current market price, the following information shall become part of the record of the security involved:

- A. Reason for use of this method.
- B. Source of the current market value used.
- C. Price and/or interest rate quoted by said source.

INTERNAL CONTROLS

The Finance Director shall establish and monitor a set of written internal controls and operational procedures designed to protect the City's assets and ensure proper accounting and reporting of the transactions related thereto. The aforementioned internal controls and operating procedures shall be reviewed by independent auditors as part of the annual audit.

1. Establishment of Internal Controls

The internal controls shall address the following points:

- a. Separation of functions-
By separating key functions and having different people perform each function, each person can perform a "check and balance" review of the other people in the same area.
- b. Separation of transaction authority from accounting and record keeping-
By separating the person who authorizes or performs the transaction, from the people who record or otherwise account for the transaction, a good separation of duties is achieved.
- c. Custodial safekeeping-
Securities purchased from any bank or dealer, including appropriate collateral, should be placed into a third party bank for custodial safekeeping.
- d. Avoidance of bearer-form securities-
Bearer-form of securities are much easier to convert to personal use, than are securities registered in the name of the custodian in trust for the City of Pembroke Pines.
- e. Avoidance of physical delivery securities-
Book entry securities are much easier to transfer and account for, since actual delivery is never taken. Physical delivery securities must be properly safeguarded, as are any valuable documents. The potential for fraud and loss increases with physical delivery securities.

- f. Clear delegation of authority to subordinate staff members-
Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid any improper actions. Clear delegation of authority also preserves the internal control structure that is built around the various staff positions and their respective responsibilities.
- g. Specific limitations regarding security losses and remedial action-
Security losses may be necessary to implement this Investment Policy. These losses should be restricted to specified purposes and proper documentation, and the required approval should be clearly defined for each staff person.
- h. Written confirmation of telephone transactions for investments and wire transfers-
Reduce the potential for error and improprieties by written confirmation and approval by the appropriate person.
- i. Documentation of transactions and strategies-
All transactions and the strategies that may have been used to develop the transactions should be documented in writing and approved by the appropriate person.
- j. Supervising control of employee actions.

CONTINUING EDUCATION

It is the policy of the City to provide periodic training in investments for the investment officials responsible for making investment decisions and the Finance Director or his designee through courses and seminars offered by the Government Finance Officers Association and other organizations. These officials must annually complete 8 hours of continuing education in subjects or courses of study related to investment practices and products.

REPORTING

The Finance Director shall generate quarterly reports for management purposes, and an annual report to the City Commission. The reports shall include securities in the portfolio by class or type, book value, income earned, and market value as of the report date. Such reports shall be available to the public.

If special circumstances (i.e., large losses or liquidity problems) occur, a timely report should be brought to the attention of the City Commission.

DISPOSITION OF SECURITIES

1. Every security purchased must be properly earmarked and:
 - a. If registered with the issuer or its agents, must be immediately placed for safekeeping in a location that protects the City's interest in the security.
 - b. If in book entry form, must be held for the credit of the City by a 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 s. 658.12, 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, and must be kept by the depository in an account separate and apart from the assets of the financial institution; or
 - c. If physically issued to the holders but not registered with the issuer or its agents, must be immediately placed for safekeeping in a secured vault.
2. The Finance Director or investment adviser/manager is authorized to accept on the behalf of and in the name of the City of Pembroke Pines, bank trust receipts, bank safe keeping receipts or confirmations in return for investment of temporarily idle funds as evidence of actual delivery of the obligations or securities. Any such trust receipt or confirmation shall fully describe the various obligations or securities held, together with the specific identification number of each obligation or security held, and that they are held for the City of Pembroke Pines. The actual obligations or securities, whether in book entry or physical form, on which trust receipts or confirmations are issued may be held by a third party custodial bank and/or institution or a designated corresponding bank or custodian institution which has a correspondent relationship to the City's third party custodian or its designated correspondent institution, who is acting on behalf of and under the same obligations as the City's third party custodian. The above shall apply to all investments with the exception of securities underlying overnight repurchase agreements; the custodial relationship for these instruments is described in Third-Party Custodial Agreements.

POLICIES TO ENHANCE RETURN ON INVESTMENT

The following specific policies are set forth below to provide additional guidance in implementing Return on Investment objectives.

1. Portfolio Management

The investment portfolio shall be actively managed on a total return basis consistent with the directives and objectives established by this Investment Policy.

2. Portfolio Duration Management

When structuring the duration composition of the investment portfolio, it is the policy of the City to evaluate current economic conditions, relative interest rate levels and the general direction of interest rates. During periods where economic conditions demonstrate considerable potential for interest rate increases in the near future, the City will consider appropriate actions to shorten durations. Similarly, during periods where economic conditions demonstrate considerable potential for interest rate decreases in the near future, the City will consider appropriate actions to lengthen durations.

3. Bond Swaps

It shall be the policy of the City to pursue bond swaps as they may present themselves over the term of any investment. All swaps should adequately compensate the City for administrative costs, reinvestment risk, and quality considerations. The following categories of bond swaps are considered appropriate for the City:

a. Swaps to Increase Yield:

Market aberrations are often caused by supply and demand conditions for particular securities. For example, if a short supply exists for a particular security or duration range, then it may be advantageous to swap out of a security in short supply and into another similar security.

b. Swaps between Different Issuers:

Interest rate differentials commonly exist between U.S. Treasury and agency securities. Periodically, these relationships may become distorted and thereby present advantageous swap opportunities. At times it may be difficult to isolate the swap opportunities that are attributable to this factor or (a) above.

c. Swaps to Reduce Duration:

Market aberrations occasionally create a situation where longer duration securities are yielding the same or less than securities with a shorter duration. Portfolio quality can be improved by switching from the longer duration security to the shorter duration with little or no interest rate penalty.

INVESTMENT COMMITTEE

The City Manager will establish an Investment Committee for the purpose of formulating alternative investment strategies and short-range direction within the guidelines herein set forth and for monitoring the performance and structure of the City's investment portfolio. Members of the committee shall include the Finance Director and other members as designated by the City Manager.

A designee of the Finance Director will provide the committee members with current market information, an updated portfolio listing and analysis. The Committee, or quorum of the committee, shall meet quarterly, or as often as deemed necessary, under the given conditions, to review, discuss, and affirm or alter the current investment strategy and perform various other functions as herein provided.

The Investment Committee activities shall include but not be limited to review and setting investment strategies; review and establish written investment policies and procedures, review and establish target benchmarks and monitor the risk and performance of each portfolio. Review and approve documentation regarding issuers, institutions, Broker/dealers, and money managers, and any other function consistent with this policy.

AUDITS

Certified Public Accountants conducting audits of the City pursuant to s.11.45 shall report, as part of the audit, whether or not the City has complied with Chapter 218.415 of the Florida Statutes.

EXISTING INVESTMENTS

Any investments currently held that do not meet the guidelines of the policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies so invested shall be reinvested only as provided for in this policy.

The Finance Director or Investment Manager may take a sufficient period of time to adjust the existing portfolio to the provisions of the policy so as not to require the premature liquidation of any investment.

EFFECTIVE DATE

This policy shall become effective immediately upon its adoption by the City Commission.

APPENDIX A
MASTER REPURCHASE AGREEMENT

City of Pembroke Pines
10100 Pines Boulevard
Pembroke Pines, Florida 33026

MASTER REPURCHASE AGREEMENT

Dated as of

Between:

And:

1. **Applicability**

From time to time the parties hereto may enter into transactions in which one party ("Seller") agrees to transfer to the other ("Buyer") securities or financial instruments ("Securities") against the transfer of funds by Buyer, with a simultaneous agreement by Buyer to transfer to Seller such Securities at a date certain or on demand, against the transfer of funds by Seller. Each such transaction shall be referred to herein as a "Transaction" and shall be governed by this Agreement, including any supplemental terms or conditions, unless otherwise agreed in writing.

2. **Definitions**

- (a) "Act of Insolvency", with respect to any party (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law or such party seeking the appointment of a receiver, trustee, custodian or similar official for such party or any substantial part of its property, or (ii) the commencement of any such case or proceeding against such party, or another seeking such an appointment, or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (A) is consented to or not timely contested by such party, (B) results in the entry of an order for relief, such an appointment, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within 15 days, (iii) the making by a party of a general assignment for the benefit of creditors, or (iv) the admission in writing by a party of such party's inability to pay such party's debts as they become due;

- (b) "Additional Purchased Securities", Securities provided by Seller to Buyer pursuant to Paragraph 4(a) hereof;
- (c) Unless otherwise agreed upon by the parties to the transaction, for the purposes of calculating the margin amount, the following ratios shall be applied daily to the market value of Purchased Securities, depending on their maturity.

Maturity of Security -----	U.S. Treasury Securities -----	U.S. Agency Securities -----	Federal Instruments -----
5 years or less		102%	102% 103%
Over 5 years		103%	104% 105%

- (d) "Confirmation", the meaning specified in Paragraph 3(b) hereof;
- (e) "Income", with respect to any Security at any time, any principal thereof then payable and all interest, dividends or other distributions thereon;
- (f) "Margin Deficit", the meaning specified in Paragraph 4(a) hereof;
- (g) "Margin Excess", the meaning specified in Paragraph 4(b) hereof;
- (h) "Market Value", with respect to any Securities as of any date, the price for such Securities on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation from such a source, plus accrued Income to the extent not included therein (other than any income credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) as of such date (unless contrary to market practice for such Securities);
- (i) "Price Differential", with respect to any Transaction hereunder as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such Transaction on a 360 day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of determination (reduced by any amount of such Price Differential previously paid by Seller to Buyer with respect to such Transaction);
- (j) "Pricing Rate", the per annum percentage rate for determination of the Price Differential;

- (k) "Prime Rate", the prime rate of U.S. money center commercial banks as published in The Wall Street Journal.
- (l) "Purchase Date", the date on which Purchased Securities are transferred by Seller to Buyer;
- (m) "Purchase Price", (i) on the Purchase Date, the price at which Purchased Securities are transferred by Seller to Buyer, and (ii) thereafter, such price increased by the amount of any cash transferred by Buyer to Seller pursuant to Paragraph 4(b) hereof and decreased by the amount of any cash transferred by Seller to Buyer pursuant to Paragraph 4(a) hereof or applied to reduce Seller's obligations under clause (ii) of Paragraph 5 hereof;
- (n) "Purchased Securities", the Securities transferred by Seller to Buyer in a Transaction hereunder, and any Securities substituted therefor in accordance with Paragraph 9 hereof. The term "Purchased Securities" with respect to any Transaction at any time also shall include Additional Purchased Securities delivered pursuant to Paragraph 4(a) and shall exclude Securities returned pursuant to Paragraph 4(b);
- (o) "Repurchase Date", the date on which Seller is to repurchase the Purchased Securities from Buyer, including any date determined by application of the provisions of Paragraphs 3(c) or 11 hereof;
- (p) "Repurchase Price", the price at which Purchased Securities are to be transferred from Buyer to Seller upon termination of a Transaction, which will be determined in each case (including Transactions terminable upon demand) as the sum of the Purchase Price and the Price Differential as of the date of such determination, increased by any amount determined by the application of the provisions of Paragraph 11 hereof;

3. **Initiation; Confirmation; Termination**

- (a) An agreement to enter into a Transaction may be made orally or in writing at the initiation of either Buyer or Seller. On the Purchase Date for the Transaction, the Purchased Securities shall be transferred to Buyer or its agent against the transfer of the Purchase Price to an account of Seller.

- (b) Upon agreeing to enter into a Transaction hereunder, Buyer or Seller (or both), as shall be agreed, shall promptly deliver to the other party a written confirmation of each Transaction (a "Confirmation"). The Confirmation shall describe the Purchased Securities (including CUSIP number, if any), identify Buyer and Seller and set forth (i) the Purchase Date, (ii) the Purchase Price, (iii) the Repurchase Date, unless the Transaction is to be terminable on demand, (iv) the Pricing Rate or Repurchase Price applicable to the Transaction, and (v) any additional terms or conditions of the Transaction not inconsistent with this Agreement. The Confirmation, together with this Agreement, shall constitute conclusive evidence of the terms agreed between Buyer and Seller with respect to the Transaction to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, this Agreement shall prevail.
- (c) In the case of Transactions terminable upon demand, such demand shall be made by Buyer or Seller, no later than such time as is customary in accordance with market practice, by telephone or otherwise on or prior to the business day on which such termination will be effective. On the date specified in such demand, or on the date fixed for termination in the case of Transactions having a fixed term, termination of the Transaction will be effected by transfer to Seller or its agent of the Purchased Securities and any Income in respect thereof received by Buyer (and not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof against the transfer of the Repurchase Price to an account of Buyer.
- (d) Seller shall maintain compliance with applicable federal regulatory standards and guidelines regarding capital adequacy and net capitalization.
- (e) Any transaction undertaken pursuant to this agreement shall proceed only if Seller furnished or has furnished to Buyer its most recent available audited statement of financial condition and its most recent subsequent unaudited statements of financial condition.

4. Margin Maintenance

- (a) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Buyer is less than the aggregate Buyer's Margin Amount for all such Transactions (a "Margin Deficit"), then Buyer may by notice to Seller require Seller in such Transactions, at Seller's option, to transfer to Buyer cash or additional Securities reasonably acceptable to Buyer ("Additional Purchased Securities"), so that the cash and aggregate Market Value of the Purchased Securities, including any such Additional Purchased Securities, will thereupon equal or exceed such aggregate Margin Amount.

- (b) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Seller exceeds the aggregate Seller's Margin Amount for all such Transactions at such time (a "Margin Excess"), then Seller may by notice to Buyer require Buyer in such Transactions, at buyer's option, to transfer cash or Purchased Securities to Seller, so that the aggregate Market Value of the Purchased Securities, after deduction of any such cash or any Purchased Securities so transferred, will thereupon not exceed such aggregate Margin Amount.
- (c) Any cash transferred pursuant to this Paragraph shall be attributed to such Transactions as shall be agreed upon by Buyer and Seller.
- (d) Seller and Buyer may agree with respect to any or all Transactions hereunder, that the respective rights of Buyer or Seller (or both) under subparagraphs (a) and (b) of this Paragraph may be exercised only where a Margin Deficit or Margin Excess exceeds a specified dollar amount or a specified percentage of the Repurchase Prices for such Transactions (which amount or percentage shall be agreed to by Buyer and Seller prior to entering into any such Transactions).
- (e) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer and Seller under subparagraphs (a) and (b) of this Paragraph to require the elimination of a Margin Deficit or a Margin Excess, as the case may be, may be exercised whenever such a Margin Deficit or Margin Excess exists with respect to any single Transaction hereunder (calculated without regard to any other Transaction outstanding under this Agreement).

5. **Income Payments**

Where a particular Transaction's term extends over an Income payment date on the Securities subject to that Transaction, Buyer shall, as the parties may agree with respect to such Transaction (or, in the absence of any agreement, as Buyer shall reasonably determine in its discretion), on the date such Income is payable either (i) transfer to or credit to the account of Seller an amount equal to such Income payment or payments with respect to any Purchased Securities subject to such Transaction or (ii) apply the Income payment or payments to reduce the amount to be transferred to Buyer by Seller upon termination of the Transaction. Buyer shall not be obligated to take any action pursuant to the preceding sentence to the extent that such action would result in the creation of a Margin Deficit, unless prior thereto or simultaneously therewith Seller transfers to Buyer cash or Additional Purchased Securities sufficient to eliminate such Margin Deficit.

6. Security Interest

Although the parties intend that all Transactions hereunder be sales and purchases and not loans, in the event any such Transactions are deemed to be loans, Seller shall be deemed to have

pledged to Buyer as security for the performance by Seller of its obligations under each such Transaction, and shall be deemed to have granted to Buyer a security interest in, all of the Purchased Securities with respect to all Transactions hereunder and all proceeds thereof.

7. Payment and Transfer

Unless otherwise mutually agreed, all transactions shall be accomplished through "delivery versus payment", and all transfers of funds hereunder shall be in immediately available funds. All Securities transferred by one party hereto to the other party (i) shall be in suitable form for transfer or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other documentation as the party receiving possession may reasonably request, (ii) shall be transferred on the book-entry system of a Federal Reserve Bank, or (iii) shall be transferred by any other method mutually acceptable to Seller and Buyer. As used herein with respect to Securities, "transfer" is intended to have the same meaning as when used in Section 8-313 of the New York Uniform Commercial Code or, where applicable, in any federal regulation governing transfers of the Securities.

8. Permissible Purchased Securities

Only the following securities, which are authorized in the City of Pembroke Pines Investment Policy, may be purchased through this agreement. These securities include:

- 1) U.S. Treasury bills, notes, and bonds.
- 2) FNMA, GNMA and Federal Home Loan Mortgage Association

(Zero-coupon instruments are not acceptable due to excessive volatility)

Unless the parties shall agree to the use of a third-party custodian responsible for margin maintenance, all Purchased Securities should be marketable instruments for which price information is regularly available in The Wall Street Journal, or in other media suitable to the Buyer.

9. Substitution

If Buyer consents to substitution of Purchased Securities, such substituted securities shall consist exclusively of U.S. Treasury bills, and the Seller shall absorb all costs associated with accomplishing such substitutions. Buyer must be provided "same day" written notice of substitution.

10. Representations

Each of Buyer and Seller represents and warrants to the other that (i) it is duly authorized to execute and deliver this Agreement, to enter into the Transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance, (ii) it will engage in such Transactions as principal (or, if agreed in writing in advance of any Transaction by the other party hereto, as agent for a disclosed principal), (iii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf (or on behalf of any such disclosed principal), (iv) it has obtained all authorizations of any governmental body required in connection with this Agreement and the Transactions hereunder and such authorizations are in full force and effect and (v) the execution, delivery and performance of this Agreement and the Transactions hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected

11. Events of Default

In the event that (i) Seller fails to repurchase or Buyer fails to transfer Purchased Securities upon the applicable Repurchase Date, (ii) Seller or Buyer fails, after one business day's notice, to comply with Paragraph 4 hereof, (iii) Buyer fails to comply with Paragraph 5 hereof, (iv) an Act of Insolvency occurs with respect to Seller, or Buyer, (v) any representation made by Seller or Buyer shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, or (vi) Seller or Buyer shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder (each an "Event of Default"):

- (a) At the option of the non-defaulting party, exercised by written notice to the defaulting party (which option shall be deemed to have been exercised, even if no notice is given, immediately upon the occurrence of an Act of Insolvency), the Repurchase Date for each Transaction hereunder shall be deemed immediately to occur.
- (b) In all Transactions in which the defaulting party is acting as Seller, if the non-defaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this Paragraph, (i) the defaulting party's obligations hereunder to repurchase all Purchased Securities in such Transactions shall thereupon become immediately due and payable, (ii) to the extent permitted by applicable law, the Repurchase Price with respect to each such Transaction shall be increased by the aggregate amount obtained by daily application of (x) the greater of the Pricing

Rate for such Transaction or the Prime Rate to (y) the Repurchase Price for such Transaction as of the Repurchase Date as determined pursuant to subparagraph (a) of this Paragraph (decreased as of any day by (A) any amounts retained by the non-defaulting party with respect to such Repurchase Price pursuant to clause (iii) of this subparagraph, (B) any proceeds from the sale of Purchased Securities pursuant to subparagraph (d)(i) of this Paragraph, and (C) any amounts credited to the account of the defaulting party pursuant to subparagraph (e) of this Paragraph) on a 360 day per year basis for the actual number of days during the period from and including the date of the Event of Default giving rise to such option to but excluding the date of payment of the Repurchase Price as so increased, (iii) all Income paid after such exercise or deemed exercise shall be retained by the non-defaulting party and applied to the aggregate unpaid Repurchase Prices owed by the defaulting party, and (iv) the defaulting party shall immediately deliver to the non-defaulting Party any purchased Securities subject to such Transactions then in the defaulting party's possession.

- (c) In all Transactions in which the defaulting party is acting as Buyer, upon tender by the non-defaulting party of payment of the aggregate Repurchase Prices for all such Transactions, the defaulting party's right, title and interest in all Purchased Securities subject to such Transactions shall be deemed transferred to the non-defaulting party, and the defaulting party shall deliver all such Purchased Securities to the non-defaulting party.
- (d) After one business day's notice to the defaulting party (which notice need not be given if an Act of Insolvency shall have occurred, and which may be the notice given under subparagraph (a) of this Paragraph or the notice referred to in clause (ii) of the first sentence of this Paragraph), the non-defaulting party may:
 - (i) as to Transactions in which the defaulting party is acting as Seller, (A) immediately sell, in a recognized market at such price or prices as the non-defaulting party may reasonably deem satisfactory, any or all Purchased securities subject to such Transactions and apply the proceeds thereof to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Securities, to give the defaulting party credit for such Purchased Securities in an amount equal to the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source, against the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder; and

- (ii) as to Transactions in which the defaulting party is acting as Buyer, (A) purchase securities ("Replacement Securities") of the same class and amount as any Purchased Securities that are not delivered by the defaulting party to the non-defaulting party as required hereunder or (B) in its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source.
- (e) As to Transactions in which the defaulting party is acting as Buyer, the defaulting party shall be liable to the non-defaulting party (i) with respect to Purchased Securities (other than Additional Purchased Securities), for any excess of the price paid (or deemed paid) by the non-defaulting party for Replacement Securities therefor over the Repurchase Price for such Purchased Securities and (ii) with respect to Additional Purchased Securities, for the price paid (or deemed paid) by the non-defaulting party for the Replacement Securities, therefore. In addition, the defaulting party shall be liable to the non-defaulting party for interest on such remaining liability with respect to each such purchase (or deemed purchase) of Replacement Securities from the date of such purchase (or deemed purchase) until paid in full by Buyer. Such interest shall be at a rate equal to the greater of the Pricing Rate for such Transaction or the Prime Rate.
- (f) For purposes of this Paragraph 11, the Repurchase Price for each Transaction hereunder in respect of which the defaulting party is acting as Buyer shall not increase above the amount of such Repurchase Price for such Transaction determined as of the date of the exercise or deemed exercise by the non-defaulting party of its option under subparagraph (a) of this Paragraph.
- (g) The defaulting party shall be liable to the non-defaulting party for the amount of all reasonable legal or other expenses incurred by the non-defaulting party in connection with or as a consequence of an Event of Default, together with interest thereon at a rate equal to the greater of the Pricing Rate for the relevant Transaction or the Prime Rate.
- (h) The non-defaulting party shall have, in addition to its rights hereunder; any rights otherwise available to it under any other agreement or applicable law.

12. **Single Agreement**

Buyer and Seller acknowledge that, and have entered hereunto and will enter into each Transaction hereunder in consideration of and in reliance upon the fact that; all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that default in the performance of any such obligations shall constitute default by it in respect of all transactions hereunder. (ii) that each of them shall be entitled to set off claims and apply property held by them in respect of any Transaction against obligations owing to them in respect of any other Transactions hereunder and (iii) that payments, deliveries and other transfers made by either of them in respect of any Transaction shall be deemed to have been made in consideration of payments, deliveries and other transfers in respect of any other Transactions hereunder. The obligations to make any such payments, deliveries and other transfers may be applied against each other and netted.

13. **Notices and Other Communications**

Unless another address is specified in writing by the respective party to whom any notice or other communication is to be given hereunder, all such notices or communications shall be in writing or confirmed in writing and delivered at the respective addresses set forth in Annex 11 attached hereto.

14. **Entire Agreement; Severability**

This Agreement shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions. Each provision and agreement herein shall be treated as separate and independent from any other provision or agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

15. **Non-assignability; Termination**

The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by either party without the prior written consent of the other party. Subject to the foregoing, this Agreement and any Transactions shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement may be canceled by either party upon giving written notice to the other except that this Agreement shall, notwithstanding such notice remain applicable to any Transactions then outstanding.

16. **Governing Law**

The laws of the State of Florida shall govern all transactions pursuant to this agreement. The parties acknowledge that all Purchased Securities shall be lawful for the purpose of governmental investment by the buyer.

Because buyer is a governmental entity and is prohibited by applicable law from making loans, the parties hereby (i) agree that all transactions conducted pursuant to this agreement must be interpreted as purchases and sales of securities and (ii) expressly reconfirm the provisions of Paragraph 6 of the Agreement.

17. **No Waivers, Etc.**

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom

shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the failure to give a notice pursuant to subparagraphs 4(a) or 4(b) hereof will not constitute a waiver of any right to do so at a later date.

18. **Use of Employee Plan Assets**

If assets of an employee benefit plan subject to any provision of the Employee Retirement Income Security Act of 1974 ("ERISA") are intended to be used by either party hereto (the "Plan Party") in a Transaction, the Plan Party shall so notify the other party prior to the Transaction. The Plan Party shall represent in writing to the other party that the Transaction does not constitute a prohibited transaction under ERISA or is otherwise exempt therefrom, and the other party may proceed in reliance thereon but shall not be required so to proceed.

19. **Intent**

- (a) The parties recognize that each Transaction is a "repurchase agreement" as that term is defined in Section 101 of Title 11 of the United States Code, as amended (except insofar as the type of Securities subject to such Transaction or the term of such Transaction would render such definition inapplicable), and a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Code, as amended.
- (b) It is understood that either party's right to liquidate Securities delivered to it in connection with transactions or to exercise any other remedies pursuant to Paragraph 11 hereof, is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title 11 of the United States Code, as amended.

20. Disclosure Relating to Certain Federal Protections

The parties acknowledge that they have been advised that:

- (a) in the case of Transactions in which one of the parties is a broker or dealer registered with the Securities and Exchange Commission ("SEC") under Section 15 of the Securities Exchange Act of 1934 ("1934 Act"), the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 ("SIPA") do not protect the other party with respect to any Transaction hereunder;
- (b) in the case of Transactions in which one of the parties is a government securities broker or a government securities dealer registered with the SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Transaction hereunder; and
- (c) in the case of Transactions in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Transaction hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation or the National Credit Union Share Insurance Fund, as applicable.

21. Authorized Personnel

Only those persons identified below may execute transactions pursuant to this agreement. These signatories are those who are legally authorized to sign by resolution of the appropriate governing body or by corporate ordinance.

Seller

Buyer

APPENDIX B

17 CFR 270.2A-7

MONEY MARKET FUNDS

§ 270.2a-4**17 CFR Ch. II (4-1-01 Edition)****§ 270.2a-4 Definition of “current net asset value” for use in computing periodically the current price of redeemable security.**

(a) The current net asset value of any redeemable security issued by a registered investment company used in computing periodically the current price for the purpose of distribution, redemption, and repurchase means an amount which reflects calculations, whether or not recorded in the books of account, made substantially in accordance with the following, with estimates used where necessary or appropriate.

(1) Portfolio securities with respect to which market quotations are readily available shall be valued at current market value, and other securities and assets shall be valued at fair value as determined in good faith by the board of directors of the registered company.

(2) Changes in holdings of portfolio securities shall be reflected no later than in the first calculation on the first business day following the trade date.

(3) Changes in the number of outstanding shares of the registered company resulting from distributions, redemptions, and repurchases shall be reflected no later than in the first calculation on the first business day following such change.

(4) Expenses, including any investment advisory fees, shall be included to date of calculation. Appropriate provision shall be made for Federal income taxes if required. Investment companies which retain realized capital gains designated as a distribution to shareholders shall comply with paragraph (h) of § 210.6-03 of Regulation S-X.

(5) Dividends receivable shall be included to date of calculation either at ex-dividend dates or record dates, as appropriate.

(6) Interest income and other income shall be included to date of calculation.

(b) The items which would otherwise be required to be reflected by paragraphs (a) (4) and (6) of this section need not be so reflected if cumulatively, when netted, they do not amount to as much as one cent per outstanding share.

(c) Notwithstanding the requirements of paragraph (a) of this section, any interim determination of current

net asset value between calculations made as of the close of the New York Stock Exchange on the preceding business day and the current business day may be estimated so as to reflect any change in current net asset value since the closing calculation on the preceding business day.

(Secs. 7, 19(a), 48 Stat. 78, 85, 908, 15 U.S.C. 77g, 77s(a); secs. 12, 13, 15(d), 23(a), 48 Stat. 892, 894, 895, 901; secs. 3, 8, 49 Stat. 1377, 1379, secs. 3, 4, 78 Stat. 569, 570, secs. 1, 2, 82 Stat. 454, 15 U.S.C. 78l, 78m, 78o(d), 78w(a); secs. 8, 22, 30, 31(c), 38(a), 54 Stat. 803, 823, 836, 838, 841, 15 U.S.C. 80a-8, 80a-22, 80a-29, 80a-30(c))

[29 FR 19101, Dec. 30, 1964, as amended at 35 FR 314, Jan. 8, 1970; 47 FR 56844, Dec. 21, 1982]

§ 270.2a-6 Certain transactions not deemed assignments.

A transaction which does not result in a change of actual control or management of the investment adviser to, or principal underwriter of, an investment company is not an assignment for purposes of section 15(a)(4) or section 15(b)(2) of the act, respectively.

(Secs. 6(c) and 38(a) (15 U.S.C. 80a-6(c) and 80a-37(a)))

[45 FR 1861, Jan. 9, 1980]

§ 270.2a-7 Money market funds.*(a) Definitions.*

(1) *Acquisition* (or *Acquire*) means any purchase or subsequent rollover (but does not include the failure to exercise a Demand Feature).

(2) *Amortized Cost Method* of valuation means the method of calculating an investment company's net asset value whereby portfolio securities are valued at the fund's Acquisition cost as adjusted for amortization of premium or accretion of discount rather than at their value based on current market factors.

(3) *Asset Backed Security* means a fixed income security (other than a Government security) issued by a Special Purpose Entity (as defined in this paragraph), substantially all of the assets which consist of Qualifying Assets (as defined in this paragraph). *Special Purpose Entity* means a trust, corporation, partnership or other entity organized for the sole purpose of issuing securities that entitle their holders to receive payments that depend primarily

on the cash flow from Qualifying Assets, but does not include a registered investment company. *Qualifying Assets* means financial assets, either fixed or revolving, that by their terms convert into cash within a finite time period, plus any rights or other assets designed to assure the servicing or timely distribution of proceeds to security holders.

(4) *Business Day* means any day, other than Saturday, Sunday, or any customary business holiday.

(5) *Collateralized Fully* in the case of a repurchase agreement means that:

(i) The value of the securities collateralizing the repurchase agreement (reduced by the transaction costs (including loss of interest) that the money market fund reasonably could expect to incur if the seller defaults) is, and during the entire term of the repurchase agreement remains, at least equal to the Resale Price (as defined in paragraph (a)(5)(v) of this section) provided in the agreement;

(ii) The money market fund or its custodian either has actual physical possession of the collateral or, in the case of a security registered on a book entry system, the book entry is maintained in the name of the money market fund or its custodian;

(iii) The collateral consists entirely of cash items, Government Securities or other securities that at the time the repurchase agreement is entered into are rated in the highest rating category by the Requisite NRSROs; and

(iv) Upon an Event of Insolvency with respect to the seller, the repurchase agreement would qualify under a provision of applicable insolvency law providing an exclusion from any automatic stay of creditors' rights against the seller.

(v) *Resale Price* means the Acquisition price paid to the seller of the securities plus the accrued resale premium on such Acquisition price. The accrued resale premium shall be the amount specified in the repurchase agreement or the daily amortization of the difference between the Acquisition price and the resale price specified in the repurchase agreement.

(6) *Conditional Demand Feature* means a Demand Feature that is not an Unconditional Demand Feature. A Condi-

tional Demand Feature is not a Guarantee.

(7) *Conduit Security* means a security issued by a Municipal Issuer (as defined in this paragraph) involving an arrangement or agreement entered into, directly or indirectly, with a person other than a Municipal Issuer, which arrangement or agreement provides for or secures repayment of the security. *Municipal Issuer* means a state or territory of the United States (including the District of Columbia), or any political subdivision or public instrumentality of a state or territory of the United States. A Conduit Security *does not* include a security that is:

(i) Fully and unconditionally guaranteed by a Municipal Issuer; or

(ii) Payable from the general revenues of the Municipal Issuer or other Municipal Issuers (other than those revenues derived from an agreement or arrangement with a person who is not a Municipal Issuer that provides for or secures repayment of the security issued by the Municipal Issuer); or

(iii) Related to a project owned and operated by a Municipal Issuer; or

(iv) Related to a facility leased to and under the control of an industrial or commercial enterprise that is part of a public project which, as a whole, is owned and under the control of a Municipal Issuer.

(8) *Demand Feature* means:

(i) A feature permitting the holder of a security to sell the security at an exercise price equal to the approximate amortized cost of the security plus accrued interest, if any, at the time of exercise. A Demand Feature must be exercisable either:

(A) At any time on no more than 30 calendar days' notice; or

(B) At specified intervals not exceeding 397 calendar days and upon no more than 30 calendar days' notice; or

(ii) A feature permitting the holder of an Asset Backed Security unconditionally to receive principal and interest within 397 calendar days of making demand.

(9) *Demand Feature Issued By A Non-Controlled Person* means a Demand Feature issued by:

(i) A person that, directly or indirectly, does not control, and is not controlled by or under common control

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with the issuer of the security subject to the Demand Feature (*control* means "control" as defined in section 2(a)(9) of the Act (15 U.S.C. 80a-2(a)(9)); or

(ii) A sponsor of a Special Purpose Entity with respect to an Asset Backed Security.

(10) *Eligible Security* means:

(i) A Rated Security with a remaining maturity of 397 calendar days or less that has received a rating from the Requisite NRSROs in one of the two highest short-term rating categories (within which there may be sub-categories or gradations indicating relative standing); or

(ii) An Unrated Security that is of comparable quality to a security meeting the requirements for a Rated Security in paragraph (a)(10)(i) of this section, as determined by the money market fund's board of directors; *Provided, however, that:*

(A) A security that at the time of issuance had a remaining maturity of more than 397 calendar days but that has a remaining maturity of 397 calendar days or less and that is an Unrated Security is not an Eligible Security if the security has received a long-term rating from any NRSRO that is not within the NRSRO's three highest long-term ratings categories (within which there may be sub-categories or gradations indicating relative standing), unless the security has received a long-term rating from the Requisite NRSROs in one of the three highest rating categories;

(B) An Asset Backed Security (other than an Asset Backed Security substantially all of whose Qualifying Assets consist of obligations of one or more Municipal Issuers, as that term is defined in paragraph (a)(7) of this section) shall not be an Eligible Security unless it has received a rating from an NRSRO.

(iii) In addition, in the case of a security that is subject to a Demand Feature or Guarantee:

(A) The Guarantee has received a rating from an NRSRO or the Guarantee is issued by a guarantor that has received a rating from an NRSRO with respect to a class of debt obligations (or any debt obligation within that class) that is comparable in priority and security to the Guarantee, *unless:*

(1) The Guarantee is issued by a person that, directly or indirectly, controls, is controlled by or is under common control with the issuer of the security subject to the Guarantee (other than a sponsor of a Special Purpose Entity with respect to an Asset Backed Security);

(2) The security subject to the Guarantee is a repurchase agreement that is Collateralized Fully; or

(3) The Guarantee is itself a Government Security; and

(B) The issuer of the Demand Feature or Guarantee, or another institution, has undertaken promptly to notify the holder of the security in the event the Demand Feature or Guarantee is substituted with another Demand Feature or Guarantee (if such substitution is permissible under the terms of the Demand Feature or Guarantee).

(11) *Event of Insolvency* means, with respect to a person:

(i) An admission of insolvency, the application by the person for the appointment of a trustee, receiver, rehabilitator, or similar officer for all or substantially all of its assets, a general assignment for the benefit of creditors, the filing by the person of a voluntary petition in bankruptcy or application for reorganization or an arrangement with creditors; or

(ii) The institution of similar proceedings by another person which proceedings are not contested by the person; or

(iii) The institution of similar proceedings by a government agency responsible for regulating the activities of the person, whether or not contested by the person.

(12) *First Tier Security* means any Eligible Security that:

(i) Is a Rated Security that has received a short-term rating from the Requisite NRSROs in the highest short-term rating category for debt obligations (within which there may be sub-categories or gradations indicating relative standing); or

(ii) Is an Unrated Security that is of comparable quality to a security meeting the requirements for a Rated Security in paragraph (a)(12)(i) of this section, as determined by the fund's board of directors; or

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(iii) Is a security issued by a registered investment company that is a money market fund; or

(iv) Is a Government Security.

(13) *Floating Rate Security* means a security the terms of which provide for the adjustment of its interest rate whenever a specified interest rate changes and that, at any time until the final maturity of the instrument or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a market value that approximates its amortized cost.

(14) *Government Security* means any "Government security" as defined in section 2(a)(16) of the Act (15 U.S.C. 80a-2(a)(16)).

(15) *Guarantee* means an unconditional obligation of a person other than the issuer of the security to undertake to pay, upon presentment by the holder of the Guarantee (if required), the principal amount of the underlying security plus accrued interest when due or upon default, or, in the case of an Unconditional Demand Feature, an obligation that entitles the holder to receive upon exercise the approximate amortized cost of the underlying security or securities, plus accrued interest, if any. A Guarantee includes a letter of credit, financial guaranty (bond) insurance, and an Unconditional Demand Feature (other than an Unconditional Demand Feature provided by the issuer of the security).

(16) *Guarantee Issued By A Non-Controlled Person* means a Guarantee issued by:

(i) A person that, directly or indirectly, does *not* control, and is not controlled by or under common control with the issuer of the security subject to the Guarantee (*control* means "control" as defined in section 2(a)(9) of the Act (15 U.S.C. 80a-2(a)(9)); or

(ii) A sponsor of a Special Purpose Entity with respect to an Asset Backed Security.

(17) *NRSRO* means any nationally recognized statistical rating organization, as that term is used in paragraphs (c)(2)(vi)(E), (F) and (H) of §240.15c3-1 of this Chapter, that is not an "affiliated person," as defined in section 2(a)(3)(C) of the Act (15 U.S.C. 80a-2(a)(3)(C)), of

the issuer of, or any insurer or provider of credit support for, the security.

(18) *Penny-Rounding Method* of pricing means the method of computing an investment company's price per share for purposes of distribution, redemption and repurchase whereby the current net asset value per share is rounded to the nearest one percent.

(19) *Rated Security* means a security that meets the requirements of paragraphs (a)(19)(i) or (ii) of this section, in each case subject to paragraph (a)(19)(iii) of this section:

(i) The security has received a short-term rating from an NRSRO, or has been issued by an issuer that has received a short-term rating from an NRSRO with respect to a class of debt obligations (or any debt obligation within that class) that is comparable in priority and security with the security; or

(ii) The security is subject to a Guarantee that has received a short-term rating from an NRSRO, or a Guarantee issued by a guarantor that has received a short-term rating from an NRSRO with respect to a class of debt obligations (or any debt obligation within that class) that is comparable in priority and security with the Guarantee; but

(iii) A security is not a Rated Security if it is subject to an external credit support agreement (including an arrangement by which the security has become a Refunded Security) that was not in effect when the security was assigned its rating, unless the security has received a short-term rating reflecting the existence of the credit support agreement as provided in paragraph (a)(19)(i) of this section, or the credit support agreement with respect to the security has received a short-term rating as provided in paragraph (a)(19)(ii) of this section.

(20) *Refunded Security* means a debt security the principal and interest payments of which are to be paid by Government Securities ("deposited securities") that have been irrevocably placed in an escrow account pursuant to agreement between the issuer of the debt security and an escrow agent that is not an "affiliated person," as defined in section 2(a)(3)(C) of the Act (15 U.S.C. 80a-2(a)(3)(C)), of the issuer of

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the debt security, and, in accordance with such escrow agreement, are pledged only to the payment of the debt security and, to the extent that excess proceeds are available after all payments of principal, interest, and applicable premiums on the Refunded Securities, the expenses of the escrow agent and, thereafter, to the issuer or another party; *provided* that:

(i) The deposited securities shall not be redeemable prior to their final maturity;

(ii) The escrow agreement shall prohibit the substitution of the deposited securities unless the substituted securities are Government Securities; and

(iii) At the time the deposited securities are placed in the escrow account, or at the time a substitution of the deposited securities is made, an independent certified public accountant shall have certified to the escrow agent that the deposited securities will satisfy all scheduled payments of principal, interest and applicable premiums on the Refunded Securities; *Provided, however*, an independent public accountant need not have provided the certification described in this paragraph (a)(20)(iii) if the security, as a Refunded Security, has received a rating from an NRSRO in the highest category for debt obligations (within which there may be sub-categories or gradations including relative standing).

(21) *Requisite NRSROs* means:

(i) Any two NRSROs that have issued a rating with respect to a security or class of debt obligations of an issuer; or

(ii) If only one NRSRO has issued a rating with respect to such security or class of debt obligations of an issuer at the time the fund acquires the security, that NRSRO.

(22) *Second Tier Security* means any Eligible Security that is not a First Tier Security. *Second Tier Conduit Security* means any Conduit Security that is an Eligible Security that is not a First Tier Security.

(23) *Single State Fund* means a Tax Exempt Fund that holds itself out as seeking to maximize the amount of its distributed income that is exempt from the income taxes or other taxes on investments of a particular state and, where applicable, subdivisions thereof.

(24) *Tax Exempt Fund* means any money market fund that holds itself out as distributing income exempt from regular federal income tax.

(25) *Total Assets* means, with respect to a money market fund using the Amortized Cost Method, the total amortized cost of its assets and, with respect to any other money market fund, the total market-based value of its assets.

(26) *Unconditional Demand Feature* means a Demand Feature that by its terms would be readily exercisable in the event of a default in payment of principal or interest on the underlying security or securities.

(27) *United States Dollar-Denominated* means, with reference to a security, that all principal and interest payments on such security are payable to security holders in United States dollars under all circumstances and that the interest rate of, the principal amount to be repaid, and the timing of payments related to such security do not vary or float with the value of a foreign currency, the rate of interest payable on foreign currency borrowings, or with any other interest rate or index expressed in a currency other than United States dollars.

(28) *Unrated Security* means a security that is not a Rated Security.

(29) *Variable Rate Security* means a security the terms of which provide for the adjustment of its interest rate on set dates (such as the last day of a month or calendar quarter) and that, upon each adjustment until the final maturity of the instrument or the period remaining until the principal amount can be recovered through demand, can reasonably be expected to have a market value that approximates its amortized cost.

(b) *Holding Out and Use of Names and Titles.* (1) It shall be an untrue statement of material fact within the meaning of section 34(b) of the Act (15 U.S.C. 80a-33(b)) for a registered investment company, in any registration statement, application, report, account, record, or other document filed or transmitted pursuant to the Act, including any advertisement, pamphlet, circular, form letter, or other sales literature addressed to or intended for distribution to prospective investors

that is required to be filed with the Commission by section 24(b) of the Act (15 U.S.C. 80a-24(b)), to hold itself out to investors as a money market fund or the equivalent of a money market fund, unless such registered investment company meets the conditions of paragraphs (c)(2), (c)(3) and (c)(4) of this section.

(2) It shall constitute the use of a materially deceptive or misleading name or title within the meaning of section 35(d) of the Act (15 U.S.C. 80a-34(d)) for a registered investment company to adopt the term "money market" as part of its name or title or the name or title of any redeemable securities of which it is the issuer, or to adopt a name that suggests that it is a money market fund or the equivalent of a money market fund, unless such registered investment company meets the conditions of paragraphs (c)(2), (c)(3), and (c)(4) of this section.

(3) For purposes of this paragraph, a name that suggests that a registered investment company is a money market fund or the equivalent thereof shall include one that uses such terms as "cash," "liquid," "money," "ready assets" or similar terms.

(c) *Share Price Calculations.* The current price per share, for purposes of distribution, redemption and repurchase, of any redeemable security issued by any registered investment company ("money market fund" or "fund"), notwithstanding the requirements of section 2(a)(41) of the Act (15 U.S.C. 80a-2(a)(41)) and of §§ 270.2a-4 and 270.22c-1 thereunder, may be computed by use of the Amortized Cost Method or the Penny-Rounding Method; *Provided, however,* that:

(1) *Board Findings.* The board of directors of the money market fund shall determine, in good faith, that it is in the best interests of the fund and its shareholders to maintain a stable net asset value per share or stable price per share, by virtue of either the Amortized Cost Method or the Penny-Rounding Method, and that the money market fund will continue to use such method only so long as the board of directors believes that it fairly reflects the market-based net asset value per share.

(2) *Portfolio Maturity.* The money market fund shall maintain a dollar-weighted average portfolio maturity appropriate to its objective of maintaining a stable net asset value per share or price per share; *Provided, however,* that the money market fund will not:

(i) Except as provided in paragraph (c)(2)(ii) of this section, Acquire any instrument with a remaining maturity of greater than 397 calendar days; or

(ii) In the case of a money market fund not using the Amortized Cost Method, Acquire a Government Security with a remaining maturity of greater than 762 calendar days; or

(iii) Maintain a dollar-weighted average portfolio maturity that exceeds ninety days.

(3) *Portfolio Quality—(i) General.* The money market fund shall limit its portfolio investments to those United States Dollar-Denominated securities that the fund's board of directors determines present minimal credit risks (which determination must be based on factors pertaining to credit quality in addition to any rating assigned to such securities by an NRSRO) and that are at the time of Acquisition Eligible Securities.

(ii) *Second Tier Securities.* Immediately after the Acquisition of any Second Tier Security:

(A) *Taxable Funds.* A money market fund that is not a Tax Exempt Fund shall not have invested more than five percent of its Total Assets in securities that are Second Tier Securities; and

(B) *Tax Exempt Funds.* A money market fund that is a Tax Exempt Fund shall not have invested more than five percent of its Total Assets in Conduit Securities that are Second Tier Conduit Securities.

(iii) *Securities Subject to Guarantees.* A security that is subject to a Guarantee may be determined to be an Eligible Security or a First Tier Security based solely on whether the Guarantee is an Eligible Security or First Tier Security, as the case may be.

(iv) *Securities Subject to Conditional Demand Features.* A security that is subject to a Conditional Demand Feature ("Underlying Security") may be determined to be an Eligible Security or a First Tier Security only if:

(A) The Conditional Demand Feature is an Eligible Security or First Tier Security, as the case may be;

(B) At the time of the Acquisition of the Underlying Security, the money market fund's board of directors has determined that there is minimal risk that the circumstances that would result in the Conditional Demand Feature not being exercisable will occur; and

(1) The conditions limiting exercise either can be monitored readily by the fund, or relate to the taxability, under federal, state or local law, of the interest payments on the security; or

(2) The terms of the Conditional Demand Feature require that the fund will receive notice of the occurrence of the condition and the opportunity to exercise the Demand Feature in accordance with its terms; and

(C) The Underlying Security or any Guarantee of such security (or the debt securities of the issuer of the Underlying Security or Guarantee that are comparable in priority and security with the Underlying Security or Guarantee) has received either a short-term rating or a long-term rating, as the case may be, from the Requisite NRSROs within the NRSROs' two highest short-term or long-term rating categories (within which there may be sub-categories or gradations indicating relative standing) or, if unrated, is determined to be of comparable quality by the money market fund's board of directors to a security that has received a rating from the Requisite NRSROs within the NRSROs' two highest short-term or long-term rating categories, as the case may be.

(4) *Portfolio Diversification*—(i) *Issuer Diversification*. The money market fund shall be diversified with respect to issuers of securities Acquired by the fund as provided in paragraphs (c)(4)(i) and (c)(4)(ii) of this section, other than with respect to Government Securities and securities subject to a Guarantee Issued By A Non-Controlled Person.

(A) *Taxable and National Funds*. Immediately after the Acquisition of any security, a money market fund other than a Single State Fund shall not have invested more than five percent of its Total Assets in securities issued by the issuer of the security; *Provided*,

however, that such a fund may invest up to twenty-five percent of its Total Assets in the First Tier Securities of a single issuer for a period of up to three Business Days after the Acquisition thereof; *Provided, further*, that the fund may not invest in the securities of more than one issuer in accordance with the foregoing proviso in this paragraph at any time.

(B) *Single State Funds*. With respect to seventy-five percent of its Total Assets, immediately after the Acquisition of any security, a Single State Fund shall not have invested more than five percent of its Total Assets in securities issued by the issuer of the security; *Provided, however*, that a Single State Fund shall not invest more than five percent of its Total Assets in securities issued by the issuer of the security unless the securities are First Tier Securities.

(C) *Second Tier Securities*—(1) *Taxable Funds*. Immediately after the Acquisition of any Second Tier Security, a money market fund that is not a Tax Exempt Fund shall not have invested more than the greater of one percent of its Total Assets or one million dollars in securities issued by that issuer that are Second Tier Securities.

(2) *Tax Exempt Funds*. Immediately after the Acquisition of any Second Tier Conduit Security, a money market fund that is a Tax Exempt Fund shall not have invested more than the greater of one percent of its Total Assets or one million dollars in securities issued by that issuer that are Second Tier Conduit Securities.

(ii) *Issuer Diversification Calculations*. For purposes of making calculations under paragraph (c)(4)(i) of this section:

(A) *Repurchase Agreements*. The Acquisition of a repurchase agreement may be deemed to be an Acquisition of the underlying securities, provided the obligation of the seller to repurchase the securities from the money market fund is Collateralized Fully.

(B) *Refunded Securities*. The Acquisition of a Refunded Security shall be deemed to be an Acquisition of the escrowed Government Securities.

(C) *Conduit Securities*. A Conduit Security shall be deemed to be issued by the person (other than the Municipal

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Issuer) ultimately responsible for payments of interest and principal on the security.

(D) *Asset Backed Securities—(1) General.* An Asset Backed Security Acquired by a fund (“Primary ABS”) shall be deemed to be issued by the Special Purpose Entity that issued the Asset Backed Security, *Provided, however:*

(i) *Holdings of Primary ABS.* Any person whose obligations constitute ten percent or more of the principal amount of the Qualifying Assets of the Primary ABS (“Ten Percent Obligor”) shall be deemed to be an issuer of the portion of the Primary ABS such obligations represent; and

(ii) *Holdings of Secondary ABS.* If a Ten Percent Obligor of a Primary ABS is itself a Special Purpose Entity issuing Asset Backed Securities (“Secondary ABS”), any Ten Percent Obligor of such Secondary ABS also shall be deemed to be an issuer of the portion of the Primary ABS that such Ten Percent Obligor represents.

(2) *Restricted Special Purpose Entities.* A Ten Percent Obligor with respect to a Primary or Secondary ABS shall not be deemed to have issued any portion of the assets of a Primary ABS as provided in paragraph (c)(4)(ii)(D)(1) of this section if that Ten Percent Obligor is itself a Special Purpose Entity issuing Asset Backed Securities (“Restricted Special Purpose Entity”), and the securities that it issues (other than securities issued to a company that controls, or is controlled by or under common control with, the Restricted Special Purpose Entity and which is not itself a Special Purpose Entity issuing Asset Backed Securities) are held by only one other Special Purpose Entity.

(3) *Demand Features and Guarantees.* In the case of a Ten Percent Obligor deemed to be an issuer, the fund shall satisfy the diversification requirements of paragraph (c)(4)(iii) of this section with respect to any Demand Feature or Guarantee to which the Ten Percent Obligor’s obligations are subject.

(E) *Shares of Other Money Market Funds.* A money market fund that Acquires shares issued by another money market fund in an amount that would

otherwise be prohibited by paragraph (c)(4)(i) of this section shall nonetheless be deemed in compliance with this section if the board of directors of the Acquiring money market fund reasonably believes that the fund in which it has invested is in compliance with this section.

(iii) *Diversification Rules for Demand Features and Guarantees.* The money market fund shall be diversified with respect to Demand Features and Guarantees Acquired by the fund as provided in paragraphs (c)(4)(iii) and (c)(4)(iv) of this section, *other than* with respect to a Demand Feature issued by the same institution that issued the underlying security, or with respect to a Guarantee or Demand Feature that is itself a Government Security.

(A) *General.* Immediately after the Acquisition of any Demand Feature or Guarantee or security subject to a Demand Feature or Guarantee, a money market fund, with respect to seventy-five percent of its Total Assets, shall not have invested more than ten percent of its Total Assets in securities issued by or subject to Demand Features or Guarantees from the institution that issued the Demand Feature or Guarantee, subject to paragraphs (c)(4)(iii) (B) and (C) of this section.

(B) *Second Tier Demand Features or Guarantees.* Immediately after the Acquisition of any Demand Feature or Guarantee (or a security after giving effect to the Demand Feature or Guarantee) that is a Second Tier Security, a money market fund shall not have invested more than five percent of its Total Assets in securities issued by or subject to Demand Features or Guarantees from the institution that issued the Demand Feature or Guarantee.

(C) *Demand Features or Guarantees Issued by Non-Controlled Persons.* Immediately after the Acquisition of any security subject to a Demand Feature or Guarantee, a money market fund shall not have invested more than ten percent of its Total Assets in securities issued by, or subject to Demand Features or Guarantees from the institution that issued the Demand Feature or Guarantee, unless, with respect to any security subject to Demand Features or Guarantees from that institution (other than securities issued by

such institution), the Demand Feature or Guarantee is a Demand Feature or Guarantee Issued By A Non-Controlled Person.

(iv) *Demand Feature and Guarantee Diversification Calculations*—(A) *Fractional Demand Features or Guarantees*. In the case of a security subject to a Demand Feature or Guarantee from an institution by which the institution guarantees a specified portion of the value of the security, the institution shall be deemed to guarantee the specified portion thereof.

(B) *Layered Demand Features or Guarantees*. In the case of a security subject to Demand Features or Guarantees from multiple institutions that have not limited the extent of their obligations as described in paragraph (c)(4)(iv)(A) of this section, each institution shall be deemed to have provided the Demand Feature or Guarantee with respect to the entire principal amount of the security.

(v) *Diversification Safe Harbor*. A money market fund that satisfies the applicable diversification requirements of paragraphs (c)(4) and (c)(5) of this section shall be deemed to have satisfied the diversification requirements of section 5(b)(1) of the Act (15 U.S.C. 80a-5(b)(1)) and the rules adopted thereunder.

(5) *Demand Features and Guarantees Not Relied Upon*. If the fund's board of directors has determined that the fund is not relying on a Demand Feature or Guarantee to determine the quality (pursuant to paragraph (c)(3) of this section), or maturity (pursuant to paragraph (d) of this section), or liquidity of a portfolio security, and maintains a record of this determination (pursuant to paragraphs (c)(9)(ii) and (c)(10)(vi) of this section), then the fund may disregard such Demand Feature or Guarantee for all purposes of this section.

(6) *Downgrades, Defaults and Other Events*—(i) *Downgrades*—(A) *General*. Upon the occurrence of either of the events specified in paragraphs (c)(6)(i)(A) (1) and (2) of this section with respect to a portfolio security, the board of directors of the money market fund shall reassess promptly whether such security continues to present minimal credit risks and shall cause

the fund to take such action as the board of directors determines is in the best interests of the money market fund and its shareholders:

(1) A portfolio security of a money market fund ceases to be a First Tier Security (either because it no longer has the highest rating from the Requisite NRSROs or, in the case of an Unrated Security, the board of directors of the money market fund determines that it is no longer of comparable quality to a First Tier Security); and

(2) The money market fund's investment adviser (or any person to whom the fund's board of directors has delegated portfolio management responsibilities) becomes aware that any Unrated Security or Second Tier Security held by the money market fund has, since the security was Acquired by the fund, been given a rating by any NRSRO below the NRSRO's second highest short-term rating category.

(B) *Securities to Be Disposed Of*. The reassessments required by paragraph (c)(6)(i)(A) of this section shall not be required if, in accordance with the procedures adopted by the board of directors, the security is disposed of (or matures) within five Business Days of the specified event and, in the case of events specified in paragraph (c)(6)(i)(A)(2) of this section, the board is subsequently notified of the adviser's actions.

(C) *Special Rule for Certain Securities Subject to Demand Features*. In the event that after giving effect to a rating downgrade, more than five percent of the fund's Total Assets are invested in securities issued by or subject to Demand Features from a single institution that are Second Tier Securities, the fund shall reduce its investment in securities issued by or subject to Demand Features from that institution to no more than five percent of its Total Assets by exercising the Demand Features at the next succeeding exercise date(s), absent a finding by the board of directors that disposal of the portfolio security would not be in the best interests of the money market fund.

(ii) *Defaults and Other Events*. Upon the occurrence of any of the events specified in paragraphs (c)(6)(ii)(A) through (D) of this section with respect

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to a portfolio security, the money market fund shall dispose of such security as soon as practicable consistent with achieving an orderly disposition of the security, by sale, exercise of any Demand Feature or otherwise, absent a finding by the board of directors that disposal of the portfolio security would not be in the best interests of the money market fund (which determination may take into account, among other factors, market conditions that could affect the orderly disposition of the portfolio security):

(A) The default with respect to a portfolio security (other than an immaterial default unrelated to the financial condition of the issuer);

(B) A portfolio security ceases to be an Eligible Security;

(C) A portfolio security has been determined to no longer present minimal credit risks; or

(D) An Event of Insolvency occurs with respect to the issuer of a portfolio security or the provider of any Demand Feature or Guarantee.

(iii) *Notice to the Commission.* In the event of a default with respect to one or more portfolio securities (other than an immaterial default unrelated to the financial condition of the issuer) or an Event of Insolvency with respect to the issuer of the security or any Demand Feature or Guarantee to which it is subject, where immediately before default the securities (or the securities subject to the Demand Feature or Guarantee) accounted for $\frac{1}{2}$ of 1 percent or more of a money market fund's Total Assets, the money market fund shall promptly notify the Commission of such fact and the actions the money market fund intends to take in response to such situation. Notification under this paragraph shall be made telephonically, or by means of a facsimile transmission or electronic mail, followed by letter sent by first class mail, directed to the attention of the Director of the Division of Investment Management.

(iv) *Defaults for Purposes of Paragraphs (c)(6) (ii) and (iii).* For purposes of paragraphs (c)(6) (ii) and (iii) of this section, an instrument subject to a Demand Feature or Guarantee shall not be deemed to be in default (and an Event of Insolvency with respect to the

security shall not be deemed to have occurred) if:

(A) In the case of an instrument subject to a Demand Feature, the Demand Feature has been exercised and the fund has recovered either the principal amount or the amortized cost of the instrument, plus accrued interest; or

(B) The provider of the Guarantee is continuing, without protest, to make payments as due on the instrument.

(7) *Required Procedures: Amortized Cost Method.* In the case of a money market fund using the Amortized Cost Method:

(i) *General.* In supervising the money market fund's operations and delegating special responsibilities involving portfolio management to the money market fund's investment adviser, the money market fund's board of directors, as a particular responsibility within the overall duty of care owed to its shareholders, shall establish written procedures reasonably designed, taking into account current market conditions and the money market fund's investment objectives, to stabilize the money market fund's net asset value per share, as computed for the purpose of distribution, redemption and repurchase, at a single value.

(ii) *Specific Procedures.* Included within the procedures adopted by the board of directors shall be the following:

(A) *Shadow Pricing.* Written procedures shall provide:

(1) That the extent of deviation, if any, of the current net asset value per share calculated using available market quotations (or an appropriate substitute that reflects current market conditions) from the money market fund's amortized cost price per share, shall be calculated at such intervals as the board of directors determines appropriate and reasonable in light of current market conditions;

(2) For the periodic review by the board of directors of the amount of the deviation as well as the methods used to calculate the deviation; and

(3) For the maintenance of records of the determination of deviation and the board's review thereof.

(B) *Prompt Consideration of Deviation.* In the event such deviation from the money market fund's amortized cost price per share exceeds $\frac{1}{2}$ of 1 percent, the board of directors shall promptly

consider what action, if any, should be initiated by the board of directors.

(C) *Material Dilution or Unfair Results.* Where the board of directors believes the extent of any deviation from the money market fund's amortized cost price per share may result in material dilution or other unfair results to investors or existing shareholders, it shall cause the fund to take such action as it deems appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results.

(8) *Required Procedures: Penny-Rounding Method.* In the case of a money market fund using the Penny-Rounding Method, in supervising the money market fund's operations and delegating special responsibilities involving portfolio management to the money market fund's investment adviser, the money market fund's board of directors undertakes, as a particular responsibility within the overall duty of care owed to its shareholders, to assure to the extent reasonably practicable, taking into account current market conditions affecting the money market fund's investment objectives, that the money market fund's price per share as computed for the purpose of distribution, redemption and repurchase, rounded to the nearest one percent, will not deviate from the single price established by the board of directors.

(9) *Specific Procedures: Amortized Cost and Penny-Rounding Methods.* Included within the procedures adopted by the board of directors for money market funds using either the Amortized Cost or Penny-Rounding Methods shall be the following:

(i) *Securities for Which Maturity is Determined by Reference to Demand Features.* In the case of a security for which maturity is determined by reference to a Demand Feature, written procedures shall require ongoing review of the security's continued minimal credit risks, and that review must be based on, among other things, financial data for the most recent fiscal year of the issuer of the Demand Feature and, in the case of a security subject to a Conditional Demand Feature, the issuer of the security whose financial condition must be monitored under paragraph (c)(3)(iv) of this section,

whether such data is publicly available or provided under the terms of the security's governing documentation.

(ii) *Securities Subject to Demand Features or Guarantees.* In the case of a security subject to one or more Demand Features or Guarantees that the fund's board of directors has determined that the fund is not relying on to determine the quality (pursuant to paragraph (c)(3) of this section), maturity (pursuant to paragraph (d) of this section) or liquidity of the security subject to the Demand Feature or Guarantee, written procedures shall require periodic evaluation of such determination.

(iii) *Adjustable Rate Securities Without Demand Features.* In the case of a Variable Rate or Floating Rate Security that is not subject to a Demand Feature and for which maturity is determined pursuant to paragraphs (d)(1), (d)(2) or (d)(4) of this section, written procedures shall require periodic review of whether the interest rate formula, upon readjustment of its interest rate, can reasonably be expected to cause the security to have a market value that approximates its amortized cost value.

(iv) *Asset Backed Securities.* In the case of an Asset Backed Security, written procedures shall require the fund to periodically determine the number of Ten Percent Obligors (as that term is used in paragraph (c)(4)(ii)(D) of this section) deemed to be the issuers of all or a portion of the Asset Backed Security for purposes of paragraph (c)(4)(ii)(D) of this section; *Provided, however,* written procedures need not require periodic determinations with respect to any Asset Backed Security that a fund's board of directors has determined, at the time of Acquisition, will not have, or is unlikely to have, Ten Percent Obligors that are deemed to be issuers of all or a portion of that Asset Backed Security for purposes of paragraph (c)(4)(ii)(D) of this section, and maintains a record of this determination.

(10) *Record Keeping and Reporting—(i) Written Procedures.* For a period of not less than six years following the replacement of such procedures with new procedures (the first two years in an easily accessible place), a written copy

Securities and Exchange Commission

of the procedures (and any modifications thereto) described in paragraphs (c)(6) through (c)(9) and (e) of this section shall be maintained and preserved.

(ii) *Board Considerations and Actions.* For a period of not less than six years (the first two years in an easily accessible place) a written record shall be maintained and preserved of the board of directors' considerations and actions taken in connection with the discharge of its responsibilities, as set forth in this section, to be included in the minutes of the board of directors' meetings.

(iii) *Credit Risk Analysis.* For a period of not less than three years from the date that the credit risks of a portfolio security were most recently reviewed, a written record of the determination that a portfolio security presents minimal credit risks and the NRSRO ratings (if any) used to determine the status of the security as an Eligible Security, First Tier Security or Second Tier Security shall be maintained and preserved in an easily accessible place.

(iv) *Determinations With Respect to Adjustable Rate Securities.* For a period of not less than three years from the date when the determination was most recently made, a written record shall be preserved and maintained, in an easily accessible place, of the determination required by paragraph (c)(9)(iii) of this section (that a Variable Rate or Floating Rate Security that is not subject to a Demand Feature and for which maturity is determined pursuant to paragraphs (d)(1), (d)(2) or (d)(4) of this section can reasonably be expected, upon readjustment of its interest rate at all times during the life of the instrument, to have a market value that approximates its amortized cost).

(v) *Determinations with Respect to Asset Backed Securities.* For a period of not less than three years from the date when the determination was most recently made, a written record shall be preserved and maintained, in an easily accessible place, of the determinations required by paragraph (c)(9)(iv) of this section (the number of Ten Percent Obligor (as that term is used in paragraph (c)(4)(ii)(D) of this section) deemed to be the issuers of all or a portion of the Asset Backed Security for purposes of paragraph (c)(4)(ii)(D) of

this section). The written record shall include:

(A) The identities of the Ten Percent Obligor (as that term is used in paragraph (c)(4)(ii)(D) of this section), the percentage of the Qualifying Assets constituted by the securities of each Ten Percent Obligor and the percentage of the fund's Total Assets that are invested in securities of each Ten Percent Obligor; and

(B) Any determination that an Asset Backed Security will not have, or is unlikely to have, Ten Percent Obligor deemed to be issuers of all or a portion of that Asset Backed Security for purposes of paragraph (c)(4)(ii)(D) of this section.

(vi) *Evaluations with Respect to Securities Subject to Demand Features or Guarantees.* For a period of not less than three years from the date when the evaluation was most recently made, a written record shall be preserved and maintained, in an easily accessible place, of the evaluation required by paragraph (c)(9)(ii) (regarding securities subject to one or more Demand Features or Guarantees) of this section.

(vii) *Inspection of Records.* The documents preserved pursuant to this paragraph (c)(10) shall be subject to inspection by the Commission in accordance with section 31(b) of the Act (15 U.S.C. 80a-30(b)) as if such documents were records required to be maintained pursuant to rules adopted under section 31(a) of the Act (15 U.S.C. 80a-30(a)). If any action was taken under paragraphs (c)(6)(ii) (with respect to defaulted securities and events of insolvency) or (c)(7)(ii) (with respect to a deviation from the fund's share price of more than 1/2 of 1 percent) of this section, the money market fund will file an exhibit to the Form N-SAR (17 CFR 274.101) filed for the period in which the action was taken describing with specificity the nature and circumstances of such action. The money market fund will report in an exhibit to such Form any securities it holds on the final day of the reporting period that are not Eligible Securities.

(d) *Maturity of Portfolio Securities.* For purposes of this section, the maturity of a portfolio security shall be deemed to be the period remaining (calculated

from the trade date or such other date on which the fund's interest in the security is subject to market action) until the date on which, in accordance with the terms of the security, the principal amount must unconditionally be paid, or in the case of a security called for redemption, the date on which the redemption payment must be made, except as provided in paragraphs (d)(1) through (d)(8) of this section:

(1) *Adjustable Rate Government Securities.* A Government Security that is a Variable Rate Security where the variable rate of interest is readjusted no less frequently than every 762 calendar days shall be deemed to have a maturity equal to the period remaining until the next readjustment of the interest rate. A Government Security that is a Floating Rate Security shall be deemed to have a remaining maturity of one day.

(2) *Short-Term Variable Rate Securities.* A Variable Rate Security, the principal amount of which, in accordance with the terms of the security, must unconditionally be paid in 397 calendar days or less shall be deemed to have a maturity equal to the earlier of the period remaining until the next readjustment of the interest rate or the period remaining until the principal amount can be recovered through demand.

(3) *Long-Term Variable Rate Securities.* A Variable Rate Security, the principal amount of which is scheduled to be paid in more than 397 calendar days, that is subject to a Demand Feature, shall be deemed to have a maturity equal to the longer of the period remaining until the next readjustment of the interest rate or the period remaining until the principal amount can be recovered through demand.

(4) *Short-Term Floating Rate Securities.* A Floating Rate Security, the principal amount of which, in accordance with the terms of the security, must unconditionally be paid in 397 calendar days or less shall be deemed to have a maturity of one day.

(5) *Long-Term Floating Rate Securities.* A Floating Rate Security, the principal amount of which is scheduled to be paid in more than 397 calendar days, that is subject to a Demand Feature, shall be deemed to have a maturity

equal to the period remaining until the principal amount can be recovered through demand.

(6) *Repurchase Agreements.* A repurchase agreement shall be deemed to have a maturity equal to the period remaining until the date on which the repurchase of the underlying securities is scheduled to occur, or, where the agreement is subject to demand, the notice period applicable to a demand for the repurchase of the securities.

(7) *Portfolio Lending Agreements.* A portfolio lending agreement shall be treated as having a maturity equal to the period remaining until the date on which the loaned securities are scheduled to be returned, or where the agreement is subject to demand, the notice period applicable to a demand for the return of the loaned securities.

(8) *Money Market Fund Securities.* An investment in a money market fund shall be treated as having a maturity equal to the period of time within which the Acquired money market fund is required to make payment upon redemption, unless the Acquired money market fund has agreed in writing to provide redemption proceeds to the investing money market fund within a shorter time period, in which case the maturity of such investment shall be deemed to be the shorter period.

(e) *Delegation.* The money market fund's board of directors may delegate to the fund's investment adviser or officers the responsibility to make any determination required to be made by the board of directors under this section (other than the determinations required by paragraphs (c)(1) (board findings); (c)(6)(i)(C) (rule for certain securities subject to second tier Demand Features); (c)(6)(ii) (defaults and other events); (c)(7)(i) (general required procedures: Amortized Cost Method); (c)(7)(ii)(A) (shadow pricing), (B) (prompt consideration of deviation), and (C) (material dilution or unfair results); and (c)(8) (required procedures: Penny Rounding Method) of this section) provided:

(1) *Written Guidelines.* The Board shall establish and periodically review written guidelines (including guidelines for determining whether securities present minimal credit risks as required in paragraph (c)(3) of this section) and

procedures under which the delegate makes such determinations:

(2) *Oversight.* The Board shall take any measures reasonably necessary (through periodic reviews of fund investments and the delegate's procedures in connection with investment decisions and prompt review of the adviser's actions in the event of the default of a security or Event of Insolvency with respect to the issuer of the security or any Guarantee to which it is subject that requires notification of the Commission under paragraph (c)(6)(iii) of this section) to assure that the guidelines and procedures are being followed.

[62 FR 64978, Dec. 9, 1997]

§ 270.2a19-1 Certain investment company directors not considered interested persons.

(a) A director of a registered investment company will not be considered an interested person, as defined by section 2(a)(19) of the Act, of such company or of any investment adviser of or principal underwriter for such company solely because that director is a broker or dealer registered under the Securities Exchange Act of 1934 or an affiliated person of a registered broker or dealer, *Provided*, That:

(1) The broker or dealer does not execute any portfolio transactions for the company's complex, engage in any principal transactions with the complex or distribute shares for the complex for at least six months prior to the time that the director is to be considered not to be an interested person and for the period during which the director continues to be considered not to be an interested person;

(2) The company's board of directors determines that the company and its shareholders will not be adversely affected if the broker or dealer does not execute any portfolio transactions for the company, engage in any principal transactions with the company or distribute any shares of the company; and

(3) No more than a minority of the directors of the company who are not interested persons of the company are registered brokers or dealers or affiliated persons of registered brokers or dealers.

(b) For purposes of this rule, *complex* shall mean the registered investment company, its investment adviser (including all accounts over which the adviser has brokerage placement discretion), its principal underwriter and all other investment companies having the same investment adviser or principal underwriter.

[49 FR 40572, Oct. 17, 1984]

EFFECTIVE DATE NOTE: At 66 FR 3758, Jan. 16, 2001, §270.2a19-1 was removed effective May 12, 2001.

§ 270.2a19-2 Investment company general partners not deemed interested persons.

PRELIMINARY NOTE TO § 270.2A19-2

This § 270.2a19-2 conditionally excepts from the definition of interested person in section 2(a)(19) (15 U.S.C. 80a-2(a)(19)) general partners of investment companies organized in limited partnership form. Compliance with the conditions of this § 270.2a19-2 does not relieve an investment company of any other requirement of this Act, or except a general partner that is an interested person by virtue of any other provision.

(a) *Director General Partners Not Deemed Interested Persons.* A general partner serving as a director of a limited partnership investment company shall not be deemed to be an interested person of such company, or of any investment adviser of, or principal underwriter for, such company, solely by reason of being a partner of the limited partnership investment company, or a copartner in the limited partnership investment company with any investment adviser of, or principal underwriter for, the company, *provided* that the Limited Partnership Agreement contains in substance the following:

(1) Only general partners who are natural persons shall serve as, and perform the functions of, directors of the limited partnership investment company, except that any general partner may act as provided in paragraph (a)(2)(iii) of this section.

(2) A general partner shall not have the authority to act individually on behalf of, or to bind, the Limited Partnership Investment Company, except:

(i) In such person's capacity as investment adviser, principal underwriter, or administrator;

APPENDIX C

GLOSSARY

GLOSSARY

AGENCIES: Federal agency securities

ASKED: The price at which securities are offered.

BANKERS' ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.) See Offer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR): The official annual report for the City of Pembroke Pines. It includes five combined statements for each individual fund and account group prepared in conformity with GAAP. It also includes supporting schedules necessary to demonstrate compliance with finance related legal and contractual provisions, extensive introductory material, and a detailed Statistical Section.

COUPON: (a) The annual rate of interest that a bond's issuer promises to pay the bondholder on the bond's face value. (b) A certificate attached to a bond evidencing interest due on a payment date.

DEALER: A dealer as opposed to a broker acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSES PAYMENT: **There** are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g. U.S. Treasury Bills.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

DURATION: The weighted average maturity of the security's cash flows, where the present value of the cash flows serve as the weights. The greater the duration of a security, the greater its percentage price volatility.

EFFECTIVE DURATION: Adjusts the security's expected cash flows based on changes in interest rates to calculate the weighted average maturity of the cash flows, where the present value of the cash flows serve as the weights. The greater the effective duration of a security, the greater its percentage price volatility.

FEDERAL CREDIT AGENCIES: Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives, and exporters.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A Federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL HOME LOAN BANKS (FHLB): The institutions that regulate and lend to savings and loan associations. The Federal Home Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA): FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by Congress and consisting of seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA): Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holder is protected by full faith and credit of the U.S. Government. GNMA securities are backed by the FHA, VA or FMHM mortgages. The term "passthroughs" is often used to describe GNMA.

LAND TRUST: Any written instrument as provided in either Section 689.07 or 689.071, Florida Statutes, as may be amended from time to time, which provides for the holding of title to any interest in real property by any person, corporation, bank, trust company, or other entity qualified to act as a fiduciary in the State of Florida, in which the instrument, regardless of whether recorded in the public records of Broward County or filed in the official records of the City, provides that the person, corporation, bank, trust company, or other entity is designated "trustee," or "as trustee," provided the trust instrument confers on the trustee the power and authority to either to protect and conserve, or to sell, or to lease, or to encumber, or otherwise to manage and dispose of the real property described in the trust instrument.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract covering all future transactions between the parties to repurchase--reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET: The market in which short-term debt instruments (bills, commercial paper, bankers' acceptances, etc.) are issued and traded.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain securities in the open market by the New York Federal Reserve Bank as directed by FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC) - registered securities broker-dealers, banks, and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state; the so-called legal list. In other states the trustee may invest in a security if it is one, which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: Any bank, savings bank, or savings association that: (a) is organized and exists under the laws of the United States, the laws of this state or any other state or territory of the United States; (b) has its principal place of business in this state or has a branch office in this state which is authorized under the laws of this state or of the United States to receive deposits in this state; (c) has deposit insurance under the provision of the Federal Deposit Insurance Act, as amended, 12 U.S.C. ss. 1811 et seq.; (d) has procedures and practices for accurate identification, classification, reporting, and collateralization of public deposits; (e) meets all the requirements of Florida Statute Chapter 280; and (f) has been designated by the Treasurer as a qualified public depository.

RATE OF RETURN: The yield obtainable on a security based on its purchase price, its current market price and other cash flows

REAL ESTATE: Real property, either developed or undeveloped, located within the corporate limits of the City of Pembroke Pines, as may be amended from time to time.

REAL ESTATE INVESTMENT TRUST ("REIT"): An entity that owns, and operates income-producing real estate such as apartments, shopping centers, offices, hotels and warehouses. A REIT must be properly established and authorized to operate pursuant to applicable Federal and State laws and regulations, as may be amended from time to time.

REPURCHASE AGREEMENT (RP OR REPO): A holder of securities sells the securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement, and the terms of the agreement are structured to compensate him for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money that is, increasing bank reserves.



SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables and descriptions are held in the bank's vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

[Vendor view of bid](#)

[Chat](#) | [Description](#) | [Attachments](#)

Bid #RFP FN-18-02 - Investment Management Services     

Time Left	closed	# of offers	7
Bid Started	Aug 28, 2018 5:17:02 PM EDT	Notifications	Report (Bidder Activity)
Bid Ended	This bid closed on Oct 9, 2018 2:00:00 PM EDT	# of suppliers viewed	97  (View)
Agency Information	City of Pembroke Pines, FL (view agency's bids)	Q & A	Questions & Answers Questions: 9
Bid Classifications	Classification Codes		
Bid Regions	Regions		
Bid Contact	see contact information		
Delivery Location	One or more of the following locations City of Pembroke Pines No Location Specified		
	Qty 1		
	Expected Expenditure n/a		
View Rules	Click here to change the rules for this bid.		
Bid Packet	 Packet for Bid RFP FN-18-02 [download]		
Best and Final Offer:	Create		

Approval

View Approval Flow [View Approval Flow](#)
Approval Status Approved

Description

Bid Number	RFP FN-18-02
Title	Please submit documents here.
Contract Duration	3 years
Contract Renewal	See Specifications
Prices Good for	90 days
Budgeted Amount	\$0.00 (change)
Standard Disclaimer	Bids/proposals must be submitted electronically

Please note vendors should be registered on BidSync under the name of the organization that they are operating as and it should match the organization name on the documents that they are submitting and utilizing when responding to the solicitation. The vendor must provide the necessary information on the BidSync website and upload all of the requested documents listed in the PROPOSAL REQUIREMENTS section of this solicitation. Unless otherwise specified, the City requests for vendors to upload their documents as one (1) PDF document in the order that is outline in the bid package.

The City recommends for proposers to submit their proposals as soon as they are ready to do so. Please allow ample time to submit your proposals on the BidSync website. Proposals may be modified or withdrawn prior to the deadline for submitting Proposals. BidSync Support is happy to help you with submitting your proposal and to ensure that you are submitting your proposals correctly, but we ask that you contact their support line at 1-800-990-9339 with ample time before the bid closing date and time.

PLEASE DO NOT SUBMIT ANY PROPOSALS VIA MAIL, E-MAIL OR FAX.

However, please note that any required Bid Bond or Cashier's Check should be in a sealed envelope, plainly marked "BID SECURITY" (with the

Solicitation Number and Title) and sent to the City of Pembroke Pines, City Clerk's Office, 4th Floor, 601 City Center Way, Pembroke Pines, FL 33025.

Bid Comments




















The City of Pembroke Pines is seeking proposals from qualified firms to provide investment management services.


Description

Please submit documents here.

Documents

Select All | Select None | Download Selected

- 1.  [FN-18-02 Investment Management Services.pdf](#) [download]
- 2.  [Attachment A- Contact Information Form.docx](#) [download]
- 3.  [Attachment B - Vendor Information Form and a W-9 Rev 2017-11.pdf](#) [download]
- 4.  [Attachment C - Non-Collusive Affidavit](#) [download]
- 5.  [Attachment D - Sworn Statement on Public Entity Crimes](#) [download]
- 6.  [Attachment E - Local Vendor Preference Certification](#) [download]
- 7.  [Attachment F - Veteran Owned Small Business \(VOSB\) Preference Certification](#) [download]
- 8.  [Attachment G - Equal Benefits Certification Form](#) [download]
- 9.  [Attachment H - Vendor Drug-Free Workplace Certification Form](#) [download]
- 10.  [Attachment I - Scrutinized Company Certification](#) [download]
- 11.  [Attachment J - Proposers Qualifications Statement](#) [download]
- 12.  [Attachment K - Sample Insurance Certificate.pdf](#) [download]
- 13.  [Attachment L - Specimen Contract - Investment Management Services Agreement.pdf](#) [download]
- 14.  [Attachment M - References Form](#) [download]
- 15.  [Attachment N -Cash Investment Report -May 31 2018.pdf](#) [download]
- 16.  [Attachment O- EXPERIENCE.doc](#) [download]
- 17.  [Attachment P- PERSONNEL.doc](#) [download]
- 18.  [Attachment Q- FEE STRUCTURE.doc](#) [download]
- 19.  [Attachment R - Operating Funds -Investment Policy 2014.pdf](#) [download]

 Addendum # 1 (6 documents)

 Addendum # 2 (2 documents)

 = Included in Bid Packet  = Excluded from Bid Packet

Addendum #1 - Made On Sep 19, 2018 9:48:52 AM EDT

- New Documents**
- Attachment O - Experience Revised.docx
 - Attachment P - Personnel Revised.docx
 - Attachment Q - Fee Structure Revised.docx
 - Addendum 1.pdf
 - Attachment S - Wells Capital Management Quarter Ended June 30 Report.pdf
 - Attachment T - Cash Investment Report - August 31 2018.pdf.pdf

Addendum #2 - Made On Oct 2, 2018 12:03:47 PM EDT

- New Documents**
- Addendum 2.pdf
 - Attachment L - Specimen Contract - Investment Management Services Agreement Revised.pdf

Change Made On Sep 20, 2018 8:54:30 AM EDT

Previous End Date Sep 25, 2018 2:00:00 PM EDT

New End Date Oct 2, 2018 2:00:00 PM EDT

Change Made On Sep 27, 2018 11:30:14 AM EDT

Previous End Date Oct 2, 2018 2:00:00 PM EDT

New End Date Oct 9, 2018 2:00:00 PM EDT

Contractor Advertisements

[View All Ads](#)

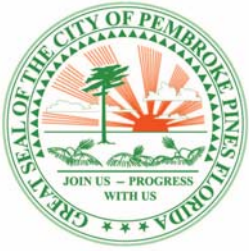
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September 18, 2018

RFP # FN-18-02

Addendum # 1
City of Pembroke Pines
RFP # FN-18-02
Investment Management Services

NEW AND UPDATED ATTACHMENTS

Please see new and updated attachments:

Attachment O - Experience (Revised)

Attachment P - Personnel (Revised)

Attachment Q - Fee Structure (Revised)

Attachment S - Wells Capital Management Quarter Ended June 30 Report

Attachment T - Cash Investment Report - August 31 2018



Attachment O:

Firm's Experience Form

	2014		2015		2016		2017		JUNE 30 TH 2018	
TOTAL ASSETS UNDER MANAGEMENT	# OF ACCTS	\$ VALUE	# OF ACCTS	\$ VALUE	# OF ACCTS	\$ VALUE	# OF ACCTS	\$ VALUE	# OF ACCTS	\$ VALUE
PUBLIC FUNDS:										
ENHANCED CASH PORTFOLIO										
1-3 YEAR BOND PORTFOLIO										
INTERMEDIATE BOND PORTFOLIO										
ALL OTHER PUBLIC FUNDS										
TOTAL PUBLIC FUNDS										
TOTAL NON-PUBLIC ASSETS										
MUTUAL FUNDS:										
EQUITY										
FIXED INCOME										
MONEY MRK										
TOTAL MUTUAL FUNDS										
OVERALL TOTAL										



Attachment P:

Personnel Form

IN THE TABLE BELOW, INDICATE THE APPROPRIATE NUMBER OF EMPLOYEES EMPLOYED IN EACH CATEGORY					
	2014	2015	2016	2017	JUNE 30TH 2018
EQUITY PORTFOLIO MANAGERS					
BOND PORTFOLIO MANAGERS					
BALANCED FUND MANAGERS					
EQUITY RESEARCH ANALYSTS					
BOND RESEARCH ANALYSTS					
ECONOMISTS					
MANAGEMENT AND ADMINISTRATIVE (COMPLIANCE, OPERATIONS)					
COMPUTER PROFESSIONALS					
CLERICAL					
OTHER (MARKETING, CLIENT SERVICE, TRADING)					
TOTAL					



Attachment Q:

Fees Structure

1. Please provide fee charge for services provided.

_____ Basis Points (BPS) on 1st \$_____ Million (MM)
_____ Basis Points (BPS) on next \$_____ Million (MM)
_____ Basis Points (BPS) on next \$_____ Million (MM)
_____ Basis Points (BPS) on balance

2. What is the minimum account size or fee for separate accounts?

3. Please discuss any liquidity constraints included in your proposal.

Wells Capital Management | Second Quarter 2018

Investment Review

City of Pembroke Pines

Karen DiMeglio
Client Relationship Director, Balance Sheet Assets



Table of contents

I. Firm and team overview

II. Market review

III. Portfolio review

IV. Holdings

V. Strategy review

VI. Economic review

Separate attachment: Investment guidelines

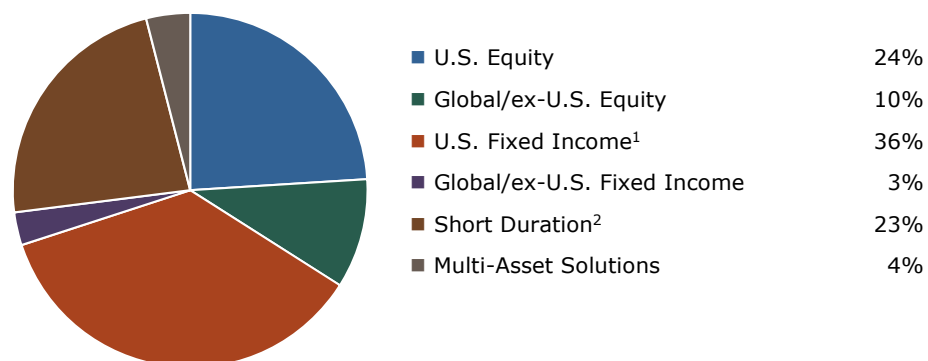
Wells Capital Management

Wells Capital Management

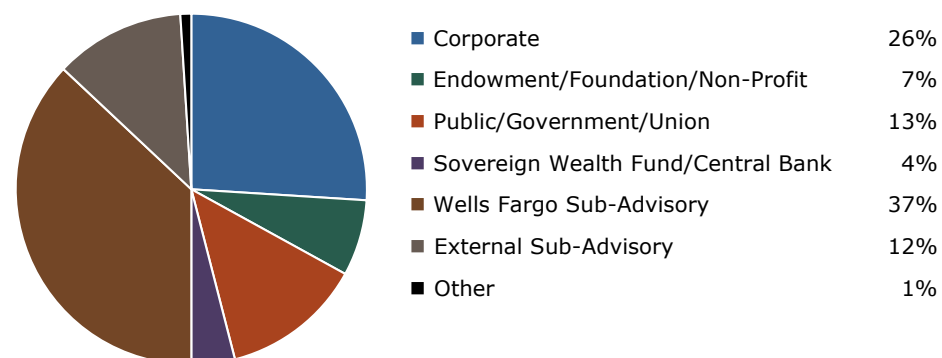
WellsCap profile

- Established in 1996
- AUM in excess of \$384 billion
- 28 independent investment teams
- Over 1,000 clients in more than 47 countries worldwide
- 485 investment professionals with an average firm tenure of 10 years
- Signatory to the Principles for Responsible Investment

Assets under management



Assets by clients



As of June 30, 2018. Total firm assets under management are in excess of \$384B. All figures shown are in USD. The charts above excludes \$109B in Money Market Mutual Funds and other Wells Fargo Affiliated Money Market Accounts. Assets under management, excluding Money Market Mutual Funds and other Wells Fargo Affiliated Money Market accounts total \$275B. Total firm assets under management includes \$5B in Non-Discretionary AUM and Notional AUM.

¹ Includes accounts with durations over 1-5 year benchmarks.

² Includes accounts with durations up to 1-5 year benchmarks, excluding Money Market Funds.

Source: Wells Capital Management.

Investment teams

U.S. equity	
Analytic Investors	Factor-based Benchmark-oriented, Low Volatility
Fundamental Growth Equity	Small, SMID, Mid, Large, All Cap Growth
Golden Capital Management	Quant-driven, Enhanced Index, Dividend Yield
Heritage Growth Equity	Small, Large, All, Large/Mid Cap Growth
MetWest Capital Equity	Large Cap Intrinsic Value
PMV Equity	Small, SMID, All Cap, REIT, Small Cap Value
Select Equity	Small Cap
Special Global Equity	Small, Mid Cap Value
Stageline Value Equity	Small Cap Value
Value Equity	Small Cap Value

Global/international equity	
Analytic Investors	Factor-based Global, Emerging markets, Low volatility
Berkeley Street Emerging Markets Equity	All, Large/Mid, Small Cap
Closed-End Fund Strategies	International, Emerging Markets CEF
EverKey Global Equity	Global, International
Golden Capital Management	Quant-driven, Enhanced Index, Dividend Yield International and Global Markets
MetWest Capital Equity	International, Global
Precious Metals	Precious Metals
SF Global Emerging Markets Equity	Emerging Markets Equity Income/Total Return, Asia Pacific, China Equity
Special Global Equity	International, Global Small Cap

WFAM Global Fixed Income platform	
Money Market Funds	Taxable, Tax-Exempt
Montgomery Fixed Income	Core, Short Duration, Long Credit
WFAM Credit Europe	Multi-Sector Credit, Sub-Investment Grade, Investment Grade, Financials
WFAM Global Fixed Income	Global, International, Emerging Markets
WFAM Multi Sector Fixed Income – Investment Grade	Credit Focused, Intermediate, Structured
WFAM Multi Sector Fixed Income – Plus	Core, Core Plus, Enhanced Core, Intermediate, Long Duration, Medium Quality, Mortgage-Focused, Short, TIPS
WFAM Municipal Fixed Income	Tax-Exempt Short, Intermediate, Long Duration, High Yield
WFAM Short Duration Fixed Income	Taxable and Tax-Exempt with durations of 3 months to 1-5 years
WFAM U.S. High Yield Fixed Income	High Yield, Bank Loans, Short-Term High Yield

Investment solutions	
Liability Driven Investment	Analytics, LDI Design, Glidepathing
Multi-Asset Solutions	Outcome Oriented Solutions: Increase Wealth, Protect Wealth, Generate Income from Wealth, e.g. Target Date, Conservative/Moderate Growth, Absolute Return, Total Return, Alternative Risk Premia, Risk Hedging, and Income Solutions

Alternatives	
Analytic Investors	Factor-based Long Short and Market Neutral Equities, Derivatives-based strategies

As of June 30, 2018.

Short duration team overview

Short Duration Fixed Income assets under management

Customized solutions

Our team manages to numerous short duration benchmarks, and is also capable of creating customized portfolios to accommodate specific liquidity needs, gain/loss sensitivity, financial statement implications, and tax concerns.

Taxable AUM¹

As of June 30, 2018

Benchmark Duration	Target Duration	Amount (\$MM)
U.S. Taxable Cash	0 to 0.25	\$2,325.77
U.S. Taxable 3-Month	0.25	\$6,046.55
U.S. Taxable 6-Month	0.50	\$10,141.07
U.S. Ultra Short Plus	0.50	\$1,015.62
U.S. Taxable 1 Year	1.00	\$5,862.46
U.S. Taxable 1-3 Year	1.90	\$11,174.56
U.S. Short-Term Plus	1.90	\$824.46
U.S. Taxable 1-5 Year	2.70	\$2,318.47
Total:		\$39,708.96^{2*}

Tax-Advantaged AUM¹

As of June 30, 2018

Benchmark Duration	Target Duration	Amount (\$MM)
U.S. Cash Tax-Advantaged	0.25	\$554.44
U.S. Enhanced Cash Tax-Advantaged	0.50	\$368.57
Municipal Ultra Short	0.75	\$1,753.68
Municipal Ultra Short Plus	0.75	\$2,920.77
U.S. Limited Duration Tax-Advantaged	1.40	\$3,792.99
Municipal Short-Term	2.10	\$1,175.96
Municipal Short-Term Plus	2.00	\$4,953.22
Total:		\$15,519.65^{3*}

Money Market Fund solutions

Prime, Government and Municipal Money Fund strategies totaling \$109B.

Short-Term Mutual Fund solutions

Adjustable Rate Government Fund	Short-Duration Government Bond Fund	Conservative Income Fund
Short-Term Bond Fund	Ultra-Short Term Income Fund	
Short-Term Municipal Bond Fund	Ultra-Short Municipal Income Fund	

¹ Short Duration AUM managed by Short Duration, Municipal, and Customized Fixed Income teams.

² WellsCap has \$39,708.96 million in Taxable Assets Under Management with \$37,882.42 million in Separate Accounts and \$1,826.54 million in Funds.

³ WellsCap has \$15,519.65 million in Tax-Advantaged Assets Under Management with \$7,870.03 million in Separate Accounts and \$7,649.61 million in Funds

* Includes exposure to money market fund sweep vehicles

WFAM Short Duration Fixed Income investment team

Investment team



Jeffrey L. Weaver, CFA
Senior Portfolio Manager
Head of Money Funds &
Short Duration
Entered industry: 1991
Joined firm: 1994



Andrew Greenberg, CFA
Senior Portfolio Manager
Short Duration Team Lead
Entered industry: 1986
Joined firm: 2002



Anthony J. Melville, CFA
Senior Portfolio Manager
Corporates
Entered industry: 1993
Joined firm: 1994



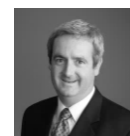
Dean Meddaugh, CFA
Senior Portfolio Manager
ABS, MBS & CMBS
Entered industry: 1994
Joined firm: 2004



Raymond M. Wong
Senior Portfolio Manager
Municipals
Entered industry: 1980
Joined firm: 2002



James Rutzen, CFA, FRM
Senior Portfolio Manager
Municipals/Crossover
Entered industry: 1986
Joined firm: 1996



Travis Dugan, CFA
Senior Portfolio Manager
Governments & Corporates
Entered industry: 1997
Joined firm: 2011



Janat Ibraev, CFA
Portfolio Manager
Corporates
Entered industry: 1994
Joined firm: 2015



Jonathan Buenaventura
Portfolio Manager
Money Market Securities
Entered industry: 2004
Joined firm: 2011



Henri Proutt
Associate Portfolio Manager
Corporates
Entered industry: 2008
Joined firm: 2011



George Hoch
Associate Portfolio Manager
Corporates
Entered industry: 2011
Joined firm: 2015



Samuel Arocha
Repo Trader
Entered industry: 1989
Joined firm: 1989

Fixed Income portfolio specialists



Michael Rodgers
Senior Portfolio Specialist
Entered industry: 1992
Joined firm: 1992



Daniel Sarnowski
Portfolio Specialist
Entered industry: 2002
Joined firm: 2002



Tammy Ho
Portfolio Analyst
Entered industry in 2017
Joined firm: 2017

Firm-Wide Credit Research

Money Market Research



Matthew Grimes, CFA
Head of Money Markets
Credit Research
Team of 10 Analysts

Global Credit Research Platform Resources



Jamie Newton, CFA
Co-Head of Global Credit
Research
Team of 11 Analysts



Duncan Warwick-Champion
Co-Head of Global Credit
Research
Team of 10 Analysts

Municipal Credit Research



Thomas Stoeckmann
Head of Municipal
Credit Research
Team of 12 Analysts

Additional firm-wide fixed income resources

U.S. High Yield

Non-U.S. High Yield

Structured Products Research

Quantitative & Applied

Macro / Economic

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WellsCap Fixed Income research resources

Global Credit Research –74 Investment professionals

Corporate Research Analysts – 45 Total

Ambreesh Bansal, CFA Capital Goods, Transportation	Brian Barry, CFA Lodging, Retail	Alex Basman, CFA Chemicals, Healthcare	Marianne Beyer, CFA Capital Goods, European, Paper, Packaging	James Brown, CFA Cable/Satellite TV, Technology, Telecom, REITS	Matthew Cox, CFA Healthcare, Insurance, Pharmaceuticals
Henry Craik-White Industrials	Paul Davey, CFA Energy, Infrastructure, Transportation, Utilities	Dominic Delia Utilities	Scott Dreier, CFA Environmental, Utilities	James Fitzpatrick, CFA Media, Telecom, Technology	Stephane Fievee Industrials
Ali Gardo, CFA Chemicals, Consumer Products, Tobacco	Matthew Grimes, CFA Head of MM Credit Research	Donald Henken, CFA Banking, Financials	Heidi Hermann, CFA Energy, Metals & Mining	Kelly Hunter, CFA Banks, Sovereign	Brian Keller, CFA Building Products, Energy, Homebuilders
Kevin Maas, CFA Autos, Banks & Thrifts, Healthcare	Michael Mallardi Air & Rail, Commodities, Specialty Finance	Jodi McGlynn Lodging, REITs, Retailers	Robert McHenry Consumer Products, Food & Drug, Retail	Cristiano Mela Construction, Metals & Mining	Nashat Moin ESG
Robert Montague Financials	David Moon, CFA Autos, Food	Mike Murphy TMT, HY Industrials	Henry Naah Cable/Satellite TV, Technology, Telecom	Jamie Newton, CFA Co-Head of Credit Research	Cheryl Ngo Capital Goods, Environmental, Leisure, Restaurants, Services
Oscar Olivas, CFA Energy, Insurance	Manola Perrone Infrastructure, Utilities	Steve Pfeiffer Gaming, Hotels, Media, Utilities	Bridget Powers Banks, Brokers, Energy, Utilities	Satish Pulle Financials	Maya Sarda Consumer Products, Food & Drug, Retail
Mike Shinnars, CFA Banks, Sovereigns	Anna Tabor Sovereigns	Kirstin Thomas Banks, Sovereigns	Lauren Van Biljon, CFA Sovereigns	Duncan Warwick-Champion Co-Head of Credit Research	Beatrice Woo Financials
Michie Yana, CFA Chemicals, Pharmaceuticals	Daniel Zaczekiewicz, CFA Banks, Sovereigns	Marcus Zahn Banks, Insurance			

Municipal Research Analysts – 15 Total

Elizabeth Alm, CFA Education, Special Tax	Jed Bruss, CFA Education, GOs	Ed Clayton Money Markets	Dennis Derby GOs, High Yield, Resource Recovery	Luke Hammer GOs, Transportation, Water	Ladson Hart Money Markets
Kerry Laurin, CFA Electric, GOs, IDR, PCR	Kim Nakahara Education, GOs, Water	Brandon Pae GOs, Healthcare, Tobacco	Michi Rives GOs, Leasing, Water	Francisco San emeterio GOs, Water	Todd Sisson GOs, Healthcare
Gilbert Southwell Housing, Special Tax, Structured	David Statham Money Markets	Thomas Stoeckmann Charter Schools, Transportation			

Structured Products – 14 Total

Sasha Bessonova, CFA, FRM Structured Products	Joseph Christensen, CFA Structured Products	Andy Greenberg, CFA Short Duration MBS	Mark Hsu, CFA ABS, CLO, CMBS	Jin Im Structured Products	Chris Kauffman, CFA Agency MBS, ARMs
Brian Krum ABS, Asset-Backed CP	Dean Meddaugh, CFA Short Duration ABS, CMBS	Mira Park, CFA Structured Products	Brian Prucyk, Ph.D. Structured Products	Anant Ramgarhia ABS, CMBS	Maddi Rowlett ABS
Mike Shinnars, CFA Structured Products	Grace Wu CMBS				

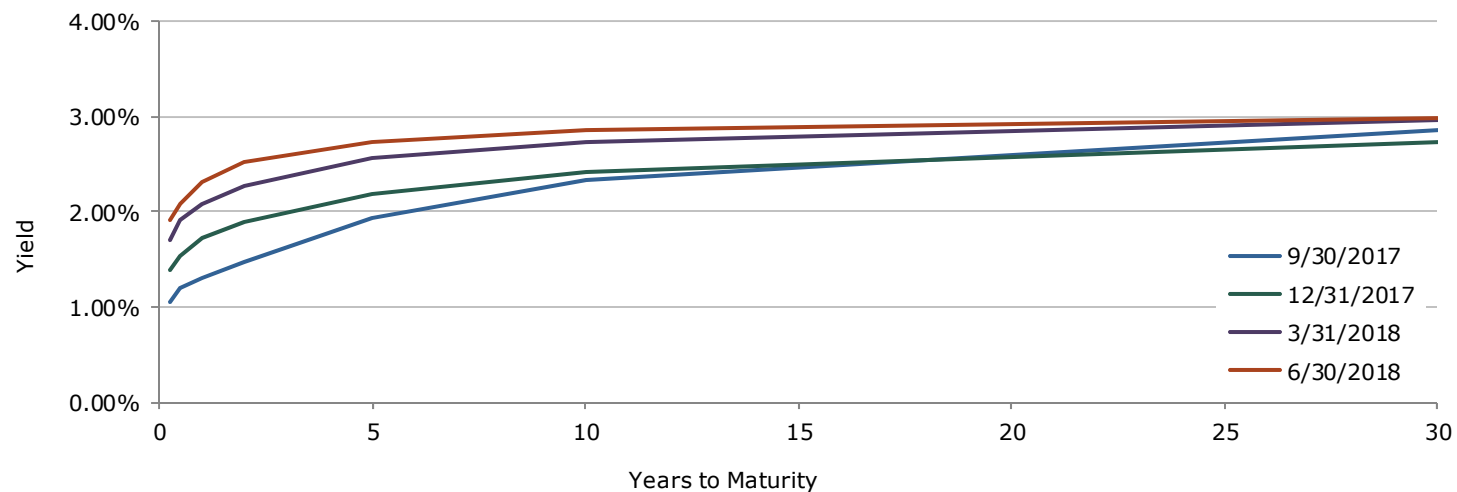
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Market review

Short duration review

June 30, 2018

Treasury Yield Curve



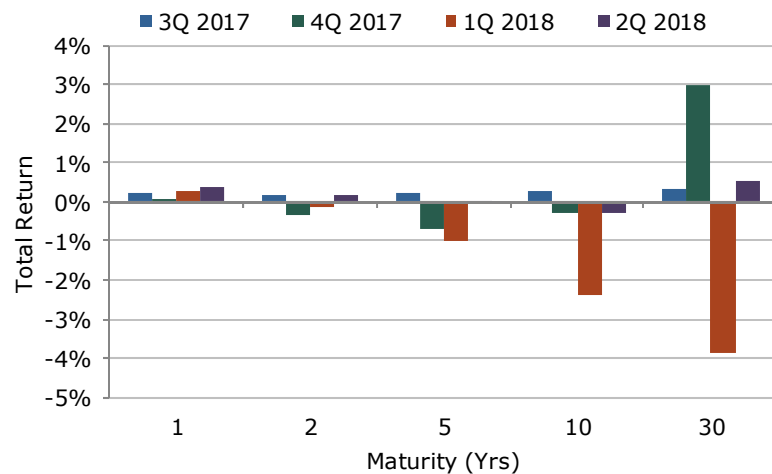
Treasury Yield Curve	6/30/2017	9/30/2017	12/31/2017	3/31/2018	6/30/2018
3 Month	1.02%	1.05%	1.39%	1.71%	1.92%
6 Month	1.14%	1.19%	1.53%	1.92%	2.08%
1 Year	1.23%	1.30%	1.73%	2.08%	2.32%
2 Year	1.38%	1.48%	1.89%	2.27%	2.53%
5 Year	1.88%	1.93%	2.19%	2.57%	2.73%
10 Year	2.30%	2.33%	2.41%	2.74%	2.85%
30 Year	2.84%	2.86%	2.74%	2.97%	2.98%

Source: Bloomberg Barclays

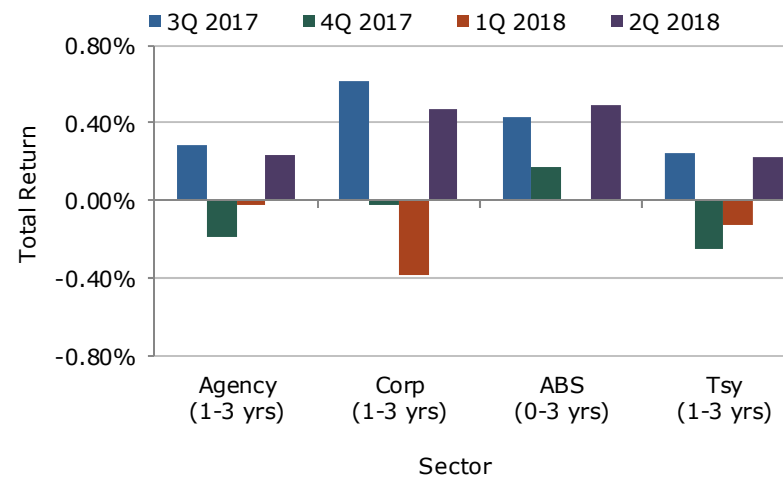
Short duration review

June 30, 2018

Total Return by Maturity



Total Return by Sector



Total Return by Maturity	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
1	0.14%	0.25%	0.01%	0.25%	0.40%
2	0.12%	0.18%	-0.34%	-0.14%	0.18%
5	0.72%	0.25%	-0.71%	-1.03%	-0.05%
10	1.29%	0.27%	-0.28%	-2.39%	-0.29%
30	4.21%	0.32%	3.00%	-3.89%	0.52%

Total Return by Sector	2Q 2017	3Q 2017	4Q 2017	1Q 2018	2Q 2018
Agency (1-3 yrs)	0.26%	0.29%	-0.19%	-0.02%	0.23%
Corporate (1-3 yrs)	0.60%	0.61%	-0.02%	-0.38%	0.47%
Asset Backed (0-3 yrs)	0.46%	0.43%	0.18%	0.01%	0.50%
Treasury (1-3 yrs)	0.18%	0.24%	-0.25%	-0.12%	0.23%

Source: Bloomberg Barclays, ICE BofAML

Portfolio review

Portfolio Overview

US Dollar

01 April 2018 to 30 June 2018

City of Pembroke Pines

Account: XXXX8300

Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

Investment Strategy: Short Duration Fixed Income

WELLS
FARGO

ASSET
MANAGEMENT

Change in Portfolio Value	
Beginning Market Value + Accrued	32,876,050.10
Net Contributions/Withdrawals + Expenses	-8,185.06
Realized Gain/Loss	-94,175.91
Unrealized Gains/Losses	60,176.70
Income Received	170,127.19
Ending Market Value + Accrued	33,003,993.02

Asset Class	Market Value + Accrued	% of Assets
Cash and Cash Equivalents	116,881.65	0.35
Fixed Income	32,887,111.37	99.65
Total	33,003,993.02	100.00

*As of 30-Jun-2018

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement. Source: Clearwater

Portfolio Positioning

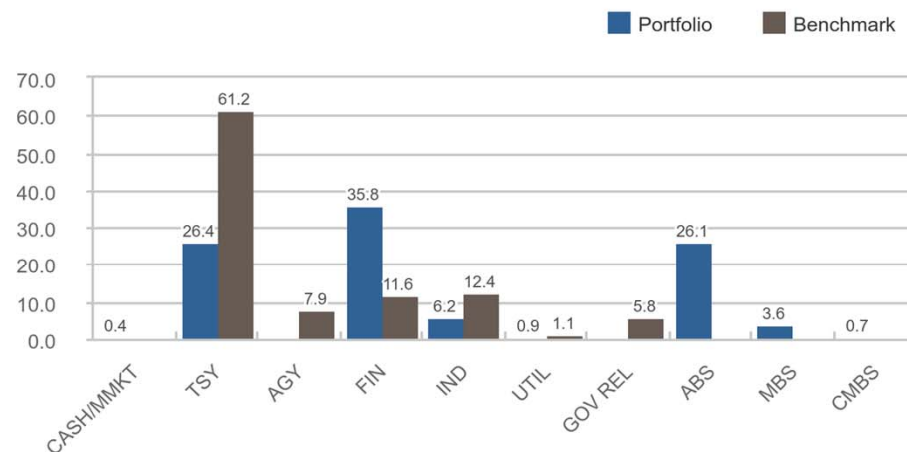
US Dollar
30 June 2018

City of Pembroke Pines
Account: XXXX8300
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

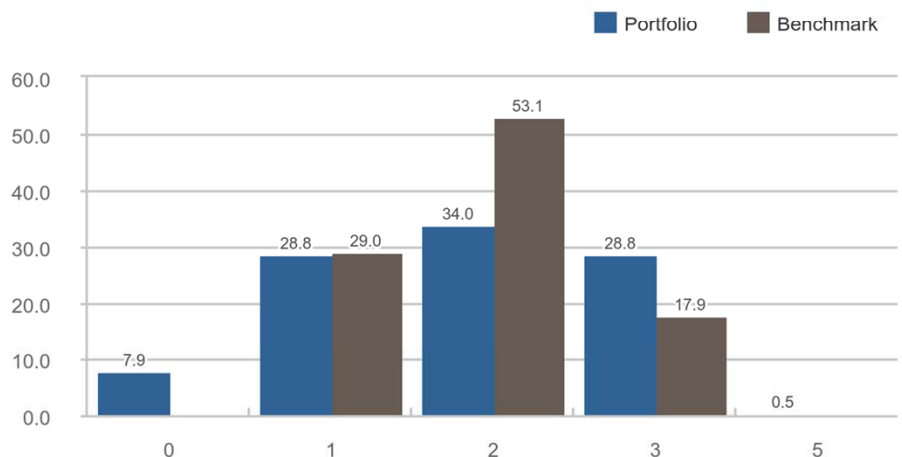


Portfolio characteristics	Portfolio	Benchmark
Market Value + Accrued	33,003,993.02	--
Years to Effective Maturity	1.69	1.97
Effective Duration	1.79	1.89
Average Credit Rating	AA	AA+
Yield to Worst (%)	2.89	2.74
Book Yield (%)	2.23	--

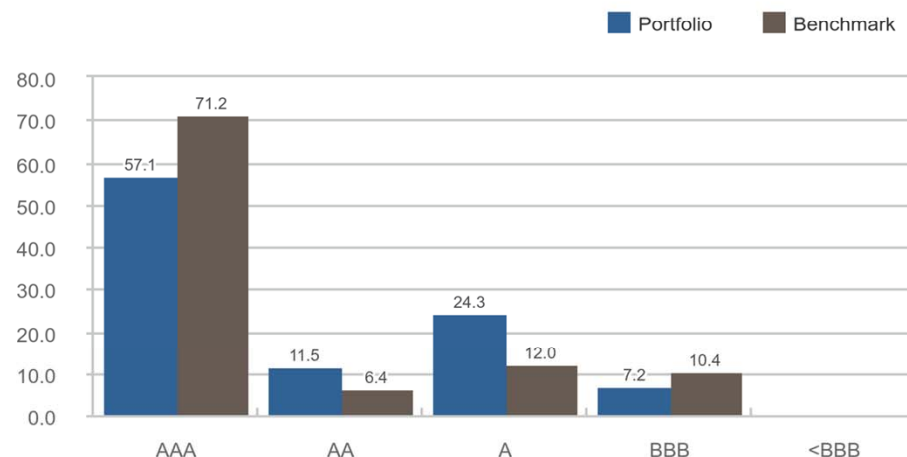
Sector Distribution (%)



Duration Distribution (%)



Quality Distribution (%)



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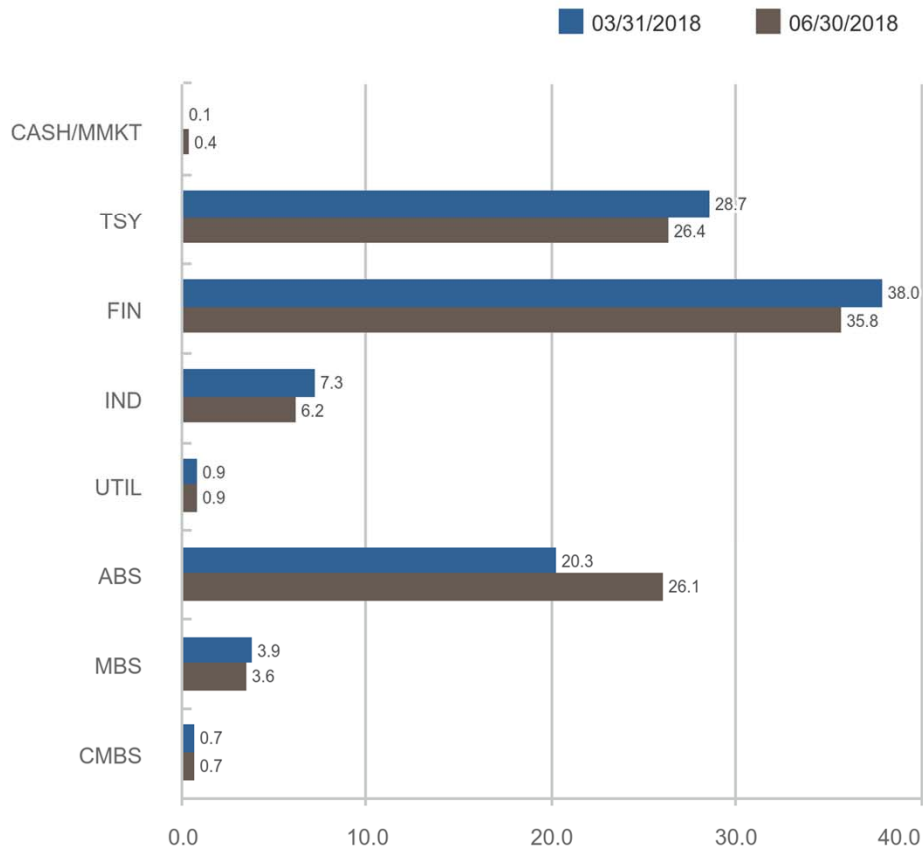
Portfolio Positioning

US Dollar
30 June 2018

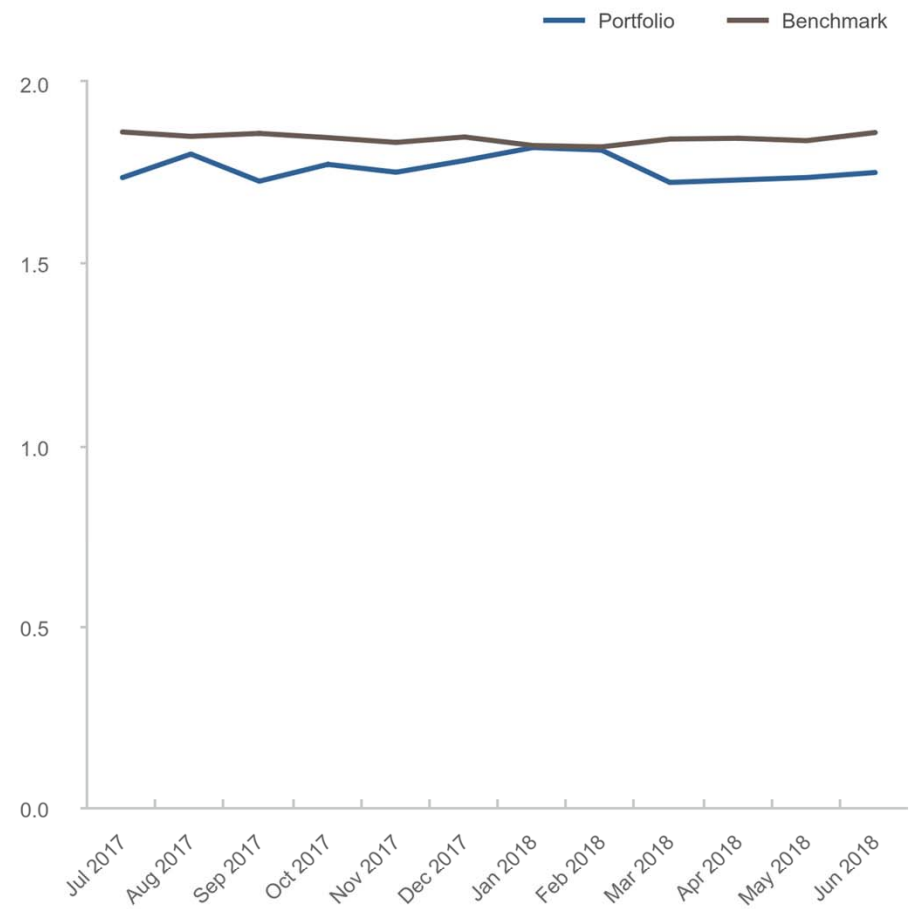
City of Pembroke Pines
Account: XXXX8300
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs



Allocation Over Time (%)



Portfolio Duration



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Performance Overview

US Dollar

30 June 2018

City of Pembroke Pines

Account: XXXX8300

Investment Strategy: Short Duration Fixed Income

Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

WELLS
FARGO

ASSET
MANAGEMENT

Performance History (%)	Quarter To Date	6 Months	1 Year	3 Years	5 Years	Since Inception (10/31/1998)
Total Return (Gross of Fees)	0.414	0.164	0.477	0.955	0.988	3.034
Total Return (Net of Fees)	0.393	0.121	0.392	0.864	0.893	2.968
Benchmark Total Return	0.291	0.105	0.265	0.725	0.864	---



Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

Footnotes:

- 1: Gross of Fees (includes trading). Net of Fees (includes management and trading). 2: All returns greater than one year are annualized. 3: No Tax Adjustment.
 4: Note that data will not exist prior to the performance inception date. 5: Reported Benchmark Return is always Total Return.

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement. Source: Clearwater

"BBB" Holdings

WC-City of Pembroke Pines

Account: XXXX8300

Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

Investment Strategy: Short Duration Fixed Income

Base Currency: USD

As of 30 June 2018

BBB+

Identifier	Description	Base Market Value + Accrued	% of Base Market Value + Accrued	Rating	Security Type	Industry Group
172967KS9	CITIGROUP INC	298,006.40	12.60%	BBB+	CORP	Banks
17401QAG6	CITIZENS BANK NA	257,681.97	10.89%	BBB+	CORP	Banks
225433AD3	CREDIT SUISSE GROUP FUNDING (GUERNSEY) LTD	318,823.98	13.48%	BBB+	CORP	Diversified Finan Serv
49326EED1	KEYCORP	306,769.73	12.97%	BBB+	CORP	Banks
539830BJ7	LOCKHEED MARTIN CORP	174,811.49	7.39%	BBB+	CORP	Aerospace/Defense
69362BAZ5	PSEG POWER LLC	305,619.62	12.92%	BBB+	CORP	Electric
---	---	1,661,713.20	70.24%	BBB+	CORP	---

BBB

Identifier	Description	Base Market Value + Accrued	% of Base Market Value + Accrued	Rating	Security Type	Industry Group
126650CH1	CVS HEALTH CORP	302,486.17	12.79%	BBB	CORP	Retail
345397YE7	FORD MOTOR CREDIT COMPANY LLC	200,686.04	8.48%	BBB	CORP	Auto Manufacturers
501044DA6	KROGER CO	200,887.64	8.49%	BBB	CORP	Retail
---	---	704,059.86	29.76%	BBB	CORP	---

Summary

Identifier	Description	Base Market Value + Accrued	% of Base Market Value + Accrued	Rating	Security Type	Industry Group
---	---	2,365,773.05	100.00%	BBB+	CORP	---

* Grouped by: Rating. * Groups Sorted by: Rating. * Filtered By: Rating = BBB+ or Rating = BBB or Rating = BBB-. * Weighted by: Base Market Value + Accrued.

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement.

CREDIT_EVENTS

WC-City of Pembroke Pines

Account: XXXX8300

Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

Investment Strategy: Short Duration Fixed Income

Base Currency: USD

01 April 2018 to 30 June 2018

Identifier	Description	Effective Date	Agency	Old Value	New Value	Event Type
830505AV5	SKANDINAVISKA ENSKILDA BANKEN AB	04/20/2018	Moodys	Aa3	Aa2	Upgrade
446438RU9	HUNTINGTON NATIONAL BANK	04/27/2018	S&P	BBB+	A-	Upgrade
46625HHS2	JPMORGAN CHASE & CO	06/21/2018	Fitch	A+	AA-	Upgrade

* Filtered By: Old Value ≠ "NA" and (Event Type = Upgrade or Event Type = Downgrade) and New Value ≠ "Withdrawn".

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement.

Performance contribution by sector – 2Q18

Performance contribution by sector (04/01/18 - 06/30/18)

	Average market weight		Returns by sector		Contribution		
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Excess
Agency	0.0%	6.2%	0.00%	0.26%	0.00%	0.02%	-0.02%
Asset Backed	20.0%	0.0%	0.50%	0.00%	0.10%	0.00%	0.10%
Cash	0.0%	0.1%	0.00%	0.00%	0.00%	0.00%	0.00%
Financial	35.5%	10.7%	0.43%	0.47%	0.15%	0.05%	0.10%
Government	28.6%	67.8%	0.27%	0.22%	0.07%	0.15%	-0.08%
Industrial	8.5%	13.6%	0.61%	0.48%	0.05%	0.07%	-0.01%
Mortgage Backed	6.6%	0.0%	0.10%	0.00%	0.01%	0.00%	0.01%
Municipal	0.0%	0.6%	0.00%	0.34%	0.00%	0.00%	0.00%
Utility	0.9%	1.1%	0.71%	0.43%	0.01%	0.00%	0.00%
Total	100.0%	100.0%	0.39%	0.29%	0.39%	0.29%	0.10%

Portfolio returns are net of management fees. Benchmark: ICE BofA Merrill Lynch U.S. Corporate & Government 1-3 Yrs Index

Performance contribution by rating – 2Q18

Performance contribution by rating (04/01/18 - 06/30/18)

	Average market weight		Returns by rating		Contribution		
	Portfolio	Benchmark	Portfolio	Benchmark	Portfolio	Benchmark	Excess
AAA	56.0%	70.2%	0.28%	0.22%	0.16%	0.16%	0.00%
AA+	0.0%	2.6%	0.00%	0.27%	0.00%	0.01%	-0.01%
AA	1.7%	1.0%	0.74%	0.37%	0.01%	0.00%	0.01%
AA-	9.4%	3.7%	0.50%	0.45%	0.05%	0.02%	0.03%
A+	10.1%	4.1%	0.61%	0.45%	0.06%	0.02%	0.04%
A	9.0%	4.6%	0.39%	0.49%	0.03%	0.02%	0.01%
A-	6.4%	3.7%	0.40%	0.49%	0.03%	0.02%	0.01%
BBB+	5.0%	3.3%	0.54%	0.46%	0.03%	0.02%	0.01%
BBB	2.3%	3.9%	0.73%	0.42%	0.02%	0.02%	0.00%
BBB-	0.0%	2.8%	0.00%	0.53%	0.00%	0.02%	-0.02%
Total	100.0%	100.0%	0.39%	0.29%	0.39%	0.29%	0.10%

Portfolio returns are net of management fees. Benchmark: ICE BofA Merrill Lynch U.S. Corporate & Government 1-3 Yrs Index

Interest rate scenario analysis

City of Pembroke Pines

Pricing Date: 6/30/2018
Reinvestment Rate: 2.89%
Duration: 1.79

Horizon Months: 12

Scenario Analysis Assumptions

- Yield curve shift is parallel and immediate
- Duration of the portfolio is maintained throughout the period
- This analysis best represents an ongoing strategy where maturities are reinvested "out the curve" in order to maintain duration
- Monthly yield curve "roll-down" effect is included
- Reinvestment rate is equal to the beginning market YTM of the respective portfolio plus change in rates
- Total Return is equal to the sum of Income Return and Price Return

Yield Change (bps)	Total Return	Income Return	Price Return	Ending YTW
100	1.44	3.03	-1.59	3.88
75	1.86	3.00	-1.14	3.63
50	2.29	2.98	-0.69	3.38
25	2.72	2.95	-0.23	3.13
0	3.15	2.92	0.23	2.88
-25	3.59	2.90	0.69	2.63
-50	4.02	2.87	1.16	2.38
-75	4.46	2.84	1.62	2.13
-100	4.90	2.81	2.09	1.88

Horizon Months: 3

Yield Change (bps)	Total Return*	Income Return	Price Return	Ending YTW
75	1.86	3.00	-1.14	3.63
50	2.29	2.98	-0.69	3.38
25	2.72	2.95	-0.23	3.13
0	3.15	2.92	0.23	2.88
-25	3.59	2.90	0.69	2.63
-50	4.02	2.87	1.16	2.38
-75	4.46	2.84	1.62	2.13

* Total return for 3-month scenario is not annualized

This chart is for illustration only and does not predict or guarantee the performance of any Wells Fargo Account.

Holdings

Portfolio Appraisal

US Dollar
30 June 2018

City of Pembroke Pines
Account: XXXX8300
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

WELLS
FARGO

ASSET
MANAGEMENT

Cusip	Current Units	Description	S&P Rating	Moodys Rating	Fitch Rating	Coupon	Final Maturity	Effective Maturity	WAL	Eff Dur	Book Yield	Yield to Worst	Market Price	Unrealized Gain Loss	Market Value + Accrued	% MV
Currency																
CCYUSD	73,536	US DOLLAR	AAA	Aaa	AAA	0.000	--	--	0.00	0.00	0.00	0.00	1.00	0.00	73,536.48	0.22
									0.00	0.00	0.00	0.00		0.00	73,536.48	0.22
MM Fund																
949917397	43,332	WELLSFARGO:HTGE MM;I	AAA	Aaa	--	2.010	--	--	0.00	0.00	1.11	1.11	1.00	-3.56	43,345.17	0.13
									0.00	0.00	1.11	1.11		-3.56	43,345.17	0.13
Agency CMO																
31394BBQ6	2,352	FNR 0481C AC - CMO/R	AA+	Aaa	AAA	4.000	11/25/19	06/30/18	0.00	0.19	1.02	2.20	100.09	-9.12	2,361.47	0.01
31394PPQ0	137,721	FSPC T059 1A1 - CMO/	AA+	Aaa	AAA	6.500	10/25/43	12/25/23	5.49	4.58	6.37	3.45	114.77	19,548.97	158,806.36	0.48
31398JAZ6	263,888	FHR 3558D JC - CMO/R	AA+	Aaa	AAA	4.500	08/15/24	05/27/20	1.91	1.78	2.22	3.19	102.42	-5,143.35	271,260.62	0.82
3137A5M35	797,873	FHR 3795F B - CMO/RM	AA+	Aaa	AAA	3.500	01/15/26	06/30/18	0.00	2.59	2.88	3.25	100.58	-6,944.66	804,841.54	2.44
									1.12	2.67	3.12	3.26		7,451.84	1,237,269.99	3.75
Agency MBS																
3128H7GN6	1,780	FH E99205 - RMBS	AA+	Aaa	AAA	4.500	09/01/18	06/30/18	0.00	0.13	3.39	-3.05	100.78	13.89	1,800.72	0.01
31406US90	21,429	FN 820544 - RMBS	AA+	Aaa	AAA	4.045	05/01/35	12/03/21	3.43	0.49	3.95	3.58	103.65	661.04	22,283.23	0.07
3128MEHP9	237,839	FH G15438 - RMBS	AA+	Aaa	AAA	4.000	09/01/27	06/30/18	0.00	2.40	2.71	2.83	102.82	-679.04	245,346.13	0.74
31294MMC2	621,242	FH E03055 - RMBS	AA+	Aaa	AAA	2.500	03/01/27	06/30/18	0.00	3.00	1.54	3.19	97.89	-31,833.16	609,410.37	1.85
31307BB25	313,637	FH J22757 - RMBS	AA+	Aaa	AAA	2.500	03/01/28	06/30/18	0.00	3.03	1.60	3.20	97.85	-15,623.21	307,545.46	0.93

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Portfolio Appraisal

US Dollar
30 June 2018

City of Pembroke Pines
Account: XXXX8300
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

WELLS
FARGO

ASSET
MANAGEMENT

Cusip	Current Units	Description	S&P Rating	Moodys Rating	Fitch Rating	Coupon	Final Maturity	Effective Maturity	WAL	Eff Dur	Book Yield	Yield to Worst	Market Price	Unrealized Gain Loss	Market Value + Accrued	% MV
									0.06	2.83	1.83	3.11		-47,460.48	1,186,385.91	3.59
Asset Backed																
83190UAD1	39,263	SMAT 153US A3A - ABS	--	Aaa	AAA	1.660	08/14/19	07/14/18	0.06	0.06	0.75	2.89	99.93	-27.02	39,267.22	0.12
13057YAC4	74,744	CRART 162 A3 - ABS	AAA	--	--	1.560	07/15/20	09/18/18	0.22	0.22	1.58	2.50	99.79	-152.49	74,641.98	0.23
380881DN9	300,000	GCCT 165A A - ABS	--	Aaa	AAA	1.600	09/16/19	09/14/19	1.21	1.18	1.92	2.93	98.44	-3,427.40	295,547.31	0.90
92348MAA7	500,000	VZOT 162 A - ABS	AAA	--	AAA	1.680	05/20/21	06/22/19	0.98	0.95	1.69	2.77	98.97	-5,128.20	495,106.97	1.50
34531EAD8	145,000	FORDO 17A A3 - ABS	--	Aaa	AAA	1.670	06/15/21	04/25/19	0.82	0.80	1.68	3.11	98.85	-1,666.99	143,440.31	0.43
17305EGA7	500,000	CCCIT 17A2 A2 - ABS	AAA	Aaa	--	1.740	01/17/19	01/16/19	0.55	0.54	1.75	2.52	99.58	-2,078.69	501,858.08	1.52
576339BF1	500,000	MCCT 171 A - ABS	--	Aaa	AAA	2.260	01/21/20	01/20/20	1.56	1.51	2.96	3.02	98.88	-424.90	494,694.34	1.50
98162KAC7	500,000	WOLS 17A A3 - ABS	--	Aaa	AAA	2.130	03/16/20	11/08/19	1.36	1.32	2.14	2.74	99.21	-3,929.25	496,534.63	1.50
055657AC4	150,000	BMWLT 171 A3 - ABS	--	Aaa	AAA	1.980	05/20/20	04/07/19	0.77	0.75	2.00	2.77	99.42	-869.15	149,213.82	0.45
02007HAC5	600,000	ALLYA 172 A3 - ABS	--	Aaa	AAA	1.780	08/16/21	07/03/19	1.01	0.98	1.79	2.69	99.11	-5,306.67	595,122.91	1.80
65479AAD4	375,000	NALT 17A A3 - ABS	--	Aaa	AAA	1.910	04/15/20	06/15/19	0.96	0.94	1.93	2.80	99.17	-3,067.86	372,213.82	1.13
44932GAD7	410,000	HART 17B A3 - ABS	AAA	Aaa	--	1.770	01/18/22	01/05/20	1.52	1.48	1.78	2.95	98.27	-7,023.96	403,245.69	1.22
65478GAD2	150,000	NAROT 17B A3 - ABS	--	Aaa	AAA	1.750	10/15/21	11/08/19	1.36	1.32	1.76	2.96	98.41	-2,384.51	147,725.70	0.45
38013BAD2	120,000	GMALT 173 A3 - ABS	--	Aaa	AAA	2.010	11/20/20	09/18/19	1.22	1.19	2.02	3.01	98.83	-1,405.62	118,664.26	0.36
31679RAD7	200,000	FITAT 171 A3 - ABS	AAA	Aaa	--	1.800	02/15/22	11/12/19	1.37	1.33	1.81	2.86	98.60	-2,792.55	197,363.46	0.60
81376NAD7	300,000	SSTRT 172 A3 - ABS	AAA	Aaa	--	2.040	04/26/21	06/30/18	0.00	1.32	2.05	3.12	98.59	-4,215.24	295,886.76	0.90

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Portfolio Appraisal

US Dollar
30 June 2018

City of Pembroke Pines
Account: XXXX8300
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

WELLS
FARGO

ASSET
MANAGEMENT

Cusip	Current Units	Description	S&P Rating	Moody's Rating	Fitch Rating	Coupon	Final Maturity	Effective Maturity	WAL	Eff Dur	Book Yield	Yield to Worst	Market Price	Unrealized Gain Loss	Market Value + Accrued	% MV
92348RAA6	100,000	VZOT 173 A1A - ABS	AAA	--	AAA	2.060	04/20/22	04/09/20	1.78	1.72	2.08	3.07	98.29	-1,698.11	98,349.93	0.30
80285AAG0	450,000	SRT 17A A3 - ABS	AAA	Aaa	--	2.220	01/20/21	01/31/20	1.59	1.53	2.24	2.94	98.92	-4,801.10	445,438.91	1.35
36255PAD2	350,000	GMCAR 181 A3 - ABS	--	Aaa	AAA	2.320	07/16/22	06/18/20	1.97	1.89	2.34	3.00	98.73	-4,373.66	345,895.78	1.05
68784CAB8	250,000	OSCAR 181 A2A - ABS	--	Aaa	AAA	2.910	04/12/21	05/28/19	0.91	0.88	2.92	3.28	99.69	-755.69	249,654.38	0.76
30023JAS7	490,000	EVGRN 181 A - ABS	AAA	--	AAA	2.950	03/15/21	03/15/21	2.71	2.56	2.97	3.13	99.59	-1,952.50	488,641.58	1.48
14161GBU3	500,000	CARD2 182A A - ABS	--	Aaa	AAA	3.047	04/17/23	04/13/20	1.79	1.72	3.02	3.00	100.12	600.00	501,277.11	1.52
92868LAD3	400,000	VALET 181 A3 - ABS	AAA	--	--	3.020	11/21/22	01/09/21	2.52	2.38	3.02	3.33	99.98	0.00	399,942.28	1.21
									1.36	1.37	2.23	2.92		-56,881.55	7,349,727.24	22.27
Corporate																
46625HHS2	460,000	JPMORGAN CHASE & CO	A-	A3	AA-	4.400	07/22/20	07/22/20	2.06	1.93	1.94	3.17	102.43	-11,384.21	480,137.57	1.45
05567LT31	540,000	BNP PARIBAS SA	A	Aa3	--	5.000	01/15/21	01/15/21	2.54	2.33	2.22	3.35	103.99	-14,979.12	573,990.06	1.74
49326EED1	290,000	KEYCORP	BBB+	Baa1	A-	5.100	03/24/21	03/24/21	2.74	2.52	2.28	3.40	104.41	-8,568.92	306,769.73	0.93
63946BAE0	300,000	NBCUNIVERSAL MEDIA L	A-	A3	A-	4.375	04/01/21	04/01/21	2.76	2.56	2.10	3.38	102.59	-10,218.80	311,059.35	0.94
40428HPJ5	250,000	HSBC USA INC (NEW)	A	A2	AA-	2.625	09/24/18	09/24/18	0.24	0.23	1.94	2.56	100.01	-361.32	251,794.23	0.76
69362BAZ5	305,000	PSEG POWER LLC	BBB+	Baa1	BBB+	2.450	11/15/18	11/15/18	0.38	0.37	2.31	2.74	99.89	-454.66	305,619.62	0.93
60688XAS9	340,000	MIZUHO BANK LTD	A	A1	--	2.400	03/26/20	03/26/20	1.74	1.68	2.03	3.27	98.54	-7,061.40	337,189.33	1.02
61761JB32	180,000	MORGAN STANLEY	BBB+	A3	A	2.800	06/16/20	06/16/20	1.96	1.89	2.03	3.23	99.19	-4,083.67	178,757.58	0.54
126650CH1	300,000	CVS HEALTH CORP	BBB	Baa1	--	1.900	07/20/18	07/20/18	0.06	0.06	1.92	2.24	99.98	-59.36	302,486.17	0.92

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Portfolio Appraisal

US Dollar
30 June 2018

City of Pembroke Pines
Account: XXXX8300
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

WELLS
FARGO

ASSET
MANAGEMENT

Cusip	Current Units	Description	S&P Rating	Moody's Rating	Fitch Rating	Coupon	Final Maturity	Effective Maturity	WAL	Eff Dur	Book Yield	Yield to Worst	Market Price	Unrealized Gain Loss	Market Value + Accrued	% MV
05253JA0	640,000	AUSTRALIA AND NEW ZE	AA-	Aa3	AA-	2.000	11/16/18	11/16/18	0.38	0.38	1.95	2.69	99.74	-1,778.61	639,926.40	1.94
539830BJ7	175,000	LOCKHEED MARTIN CORP	BBB+	Baa1	BBB+	1.850	11/23/18	11/23/18	0.40	0.40	1.91	2.61	99.70	-490.66	174,811.49	0.53
63254AAN8	420,000	NATIONAL AUSTRALIA B	AA-	Aa3	AA-	2.625	01/14/21	01/14/21	0.00	2.40	2.29	3.35	98.25	-10,785.19	417,776.55	1.27
501044DA6	200,000	KROGER CO	BBB	Baa1	BBB	2.000	01/15/19	01/15/19	0.54	0.53	2.04	2.89	99.52	-914.89	200,887.64	0.61
225433AD3	320,000	CREDIT SUISSE GROUP	BBB+	Baa2	A-	2.750	03/26/20	03/26/20	1.74	1.67	2.15	3.40	98.91	-6,744.32	318,823.98	0.97
61746BDX1	140,000	MORGAN STANLEY	BBB+	A3	A	2.450	02/01/19	02/01/19	0.59	0.57	2.47	2.74	99.83	-218.98	141,191.87	0.43
606822AA2	236,000	MITSUBISHI UFJ FINAN	A-	A1	A	2.950	03/01/21	03/01/21	2.67	2.52	2.39	3.38	98.92	-5,913.25	235,773.28	0.71
05565EAD7	400,000	BMW US CAPITAL LLC	A+	A1	--	1.500	04/11/19	04/11/19	0.78	0.77	1.28	2.51	99.22	-3,761.97	398,226.93	1.21
74256LAR0	300,000	PRINCIPAL LIFE GLOBA	A+	A1	--	1.500	04/18/19	04/18/19	0.80	0.79	1.57	2.72	99.03	-2,727.66	298,014.50	0.90
8672EMAE4	445,000	SUNCORP-METWAY LTD	A+	A1	A+	2.100	05/03/19	05/03/19	0.84	0.83	1.79	2.94	99.31	-4,201.92	443,412.83	1.34
172967KS9	300,000	CITIGROUP INC	BBB+	Baa1	A	2.050	06/07/19	06/07/19	0.94	0.92	2.07	2.92	99.20	-2,354.93	298,006.40	0.90
449786BH4	400,000	ING BANK NV	A+	Aa3	A+	1.650	08/15/19	08/15/19	0.00	1.10	1.64	3.01	98.50	-6,055.04	396,494.53	1.20
13607RAB6	300,000	CANADIAN IMPERIAL BA	A+	A1	AA-	1.600	09/06/19	09/06/19	1.19	1.16	1.61	2.87	98.53	-4,392.60	297,119.43	0.90
89114QBN7	500,000	TORONTO-DOMINION BAN	AA-	Aa2	AA-	1.450	09/06/18	09/06/18	0.19	0.18	1.46	2.44	99.82	-915.74	501,391.97	1.52
86960BAN2	500,000	SVENSKA HANDELSBANKE	AA-	Aa2	AA	1.500	09/06/19	09/06/19	1.19	1.16	1.59	2.91	98.37	-7,642.58	494,245.83	1.50
00913RAA4	350,000	AIR LIQUIDE FINANCE	A-	A3	--	1.375	09/27/19	09/27/19	1.24	1.22	1.46	2.89	98.16	-6,097.39	344,811.70	1.04
233851CM4	500,000	DAIMLER FINANCE NORT	A	A2	A-	1.750	10/30/19	10/30/19	1.34	1.30	1.80	3.10	98.25	-8,458.09	492,709.14	1.49
345397YE7	200,000	FORD MOTOR CREDIT CO	BBB	Baa2	BBB	2.681	01/09/20	01/09/20	1.53	1.46	2.68	3.31	99.06	-1,875.80	200,686.04	0.61

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Portfolio Appraisal

US Dollar
30 June 2018

City of Pembroke Pines
Account: XXXX8300
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

WELLS
FARGO

ASSET
MANAGEMENT

Cusip	Current Units	Description	S&P Rating	Moodys Rating	Fitch Rating	Coupon	Final Maturity	Effective Maturity	WAL	Eff Dur	Book Yield	Yield to Worst	Market Price	Unrealized Gain Loss	Market Value + Accrued	% MV
07330NAN5	240,000	BRANCH BANKING AND T	A	A1	A+	2.100	01/15/20	01/15/20	1.54	1.48	1.69	3.10	98.50	-4,986.98	238,731.44	0.72
17401QAG6	260,000	CITIZENS BANK NA	A-	Baa1	BBB+	2.250	03/02/20	03/02/20	0.00	1.61	2.08	3.26	98.36	-4,930.15	257,681.97	0.78
830505AV5	400,000	SKANDINAVISKA ENSKIL	A+	Aa2	AA-	2.300	03/11/20	03/11/20	1.70	1.64	2.32	3.16	98.59	-5,481.29	397,173.51	1.20
446438RU9	250,000	HUNTINGTON NATIONAL	A-	A3	A-	2.375	03/10/20	03/10/20	1.70	1.63	2.38	3.17	98.69	-3,275.54	248,546.73	0.75
17325FAE8	290,000	CITIBANK NA	A+	A1	A+	2.100	06/12/20	06/12/20	1.95	1.88	2.02	3.20	97.94	-6,408.85	284,341.62	0.86
38141GWP5	300,000	GOLDMAN SACHS GROUP	BBB+	A3	A	1.950	07/23/19	07/23/19	1.07	1.04	1.96	2.90	99.00	-2,965.89	299,582.50	0.91
74368CAJ3	500,000	PROTECTIVE LIFE GLOB	AA-	A1	--	2.161	09/25/20	09/25/20	2.24	2.15	2.16	3.25	97.66	-11,710.00	491,171.33	1.49
136069VX6	330,000	CANADIAN IMPERIAL BA	A+	A1	AA-	2.100	10/05/20	10/05/20	2.27	2.18	2.13	3.21	97.58	-7,782.66	323,671.15	0.98
865622CH5	425,000	SUMITOMO MITSUI BANK	A	A1	--	2.092	10/18/19	10/18/19	1.30	1.27	2.09	3.08	98.74	-5,352.45	421,450.45	1.28
80283LAR4	550,000	SANTANDER UK PLC	A	Aa3	A	2.500	01/05/21	01/05/21	2.52	2.38	2.54	3.47	97.67	-12,281.43	543,924.27	1.65
90331HNJ8	500,000	US BANK NA	AA-	A1	AA-	2.350	01/23/20	01/23/20	1.57	1.51	2.37	2.95	99.09	-4,356.51	500,624.44	1.52
91127KAA0	330,000	UNITED OVERSEAS BANK	AA-	Aa1	AA-	3.200	04/23/21	04/23/21	2.82	2.66	3.24	3.29	99.76	-436.23	331,190.46	1.00
931142EG4	500,000	WALMART INC	AA	Aa2	AA	2.850	06/23/20	06/23/20	1.98	1.92	2.87	2.71	100.26	1,469.15	501,473.33	1.52
									1.37	1.44	2.06	3.02		-200,999.91	14,181,677.39	42.97
Mortgage Backed																
12630DAV6	58,414	COMM 14CR14 A2 - CMB	--	Aaa	AAA	3.147	02/10/47	12/07/18	0.44	0.43	-0.32	2.78	100.09	-878.87	58,619.15	0.18
46641JAT3	97,296	JPMBB 14C18 A2 - CMB	--	Aaa	AAA	2.878	02/15/47	12/11/18	0.45	0.44	1.83	2.65	99.99	-464.58	97,520.25	0.30
61690AAA2	66,559	MSBAM 15C27 A1 - CMB	--	Aaa	--	1.980	12/15/47	10/06/19	1.27	1.23	1.93	2.89	98.82	-787.68	65,880.98	0.20

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement. Source: Clearwater

Portfolio Appraisal

US Dollar
30 June 2018

City of Pembroke Pines
Account: XXXX8300
Investment Strategy: Short Duration Fixed Income
Primary Benchmark: ICE BofAML U.S. Corporate & Government 1-3 Yrs

WELLS
FARGO

ASSET
MANAGEMENT

Cusip	Current Units	Description	S&P Rating	Moodys Rating	Fitch Rating	Coupon	Final Maturity	Effective Maturity	WAL	Eff Dur	Book Yield	Yield to Worst	Market Price	Unrealized Gain Loss	Market Value + Accrued	% MV
									0.69	0.67	1.29	2.75		-2,131.13	222,020.38	0.67
US Gov																
9128283Q1	1,000,000	UNITED STATES TREASU	AA+	Aaa	AAA	2.000	01/15/21	01/15/21	2.54	2.44	2.23	2.60	98.54	-8,960.46	994,617.52	3.01
9128283Y4	1,300,000	UNITED STATES TREASU	AA+	Aaa	AAA	2.250	02/29/20	02/29/20	1.67	1.61	2.25	2.50	99.59	-5,246.81	1,304,443.89	3.95
9128284B3	1,800,000	UNITED STATES TREASU	AA+	Aaa	AAA	2.375	03/15/21	03/15/21	2.71	2.59	2.49	2.61	99.39	-5,382.29	1,801,647.20	5.46
9128284G2	200,000	UNITED STATES TREASU	AA+	Aaa	AAA	2.375	04/15/21	04/15/21	2.79	2.67	2.64	2.61	99.36	150.14	199,718.12	0.61
9128284J6	300,000	UNITED STATES TREASU	AA+	Aaa	AAA	2.375	04/30/20	04/30/20	1.84	1.78	2.54	2.52	99.74	101.34	300,427.01	0.91
9128284P2	1,800,000	UNITED STATES TREASU	AA+	Aaa	AAA	2.625	05/15/21	05/15/21	2.88	2.75	2.64	2.62	100.01	1,129.78	1,806,175.05	5.47
9128284T4	2,300,000	UNITED STATES TREASU	AA+	Aaa	AAA	2.625	06/15/21	06/15/21	2.96	2.83	2.64	2.62	100.01	1,451.12	2,303,001.68	6.98
									2.61	2.50	2.50	2.59		-16,757.18	8,710,030.46	26.39
Total Portfolio									1.48	1.62	2.03	2.62		-316,781.97	33,003,993.02	100.00

The information contained in this report represents estimated trade date investment calculations. Certain calculations may not be available for all time periods. Please refer to your custody statement for official portfolio holdings and transactions. Note that certain accounting methods may cause differences between this investment report and your custody statement. Source: Clearwater

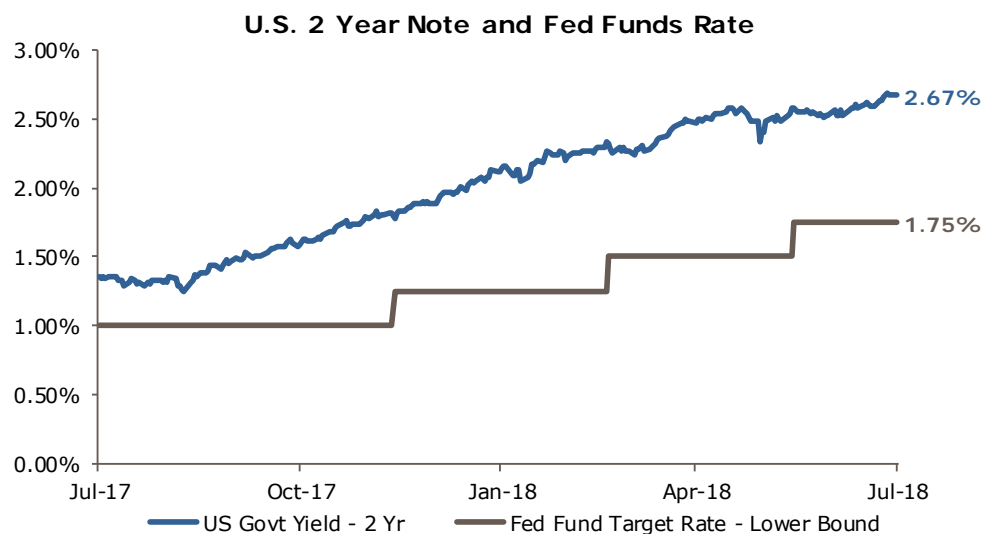
Strategy review

Market summary & outlook – Limited duration

Market summary & outlook

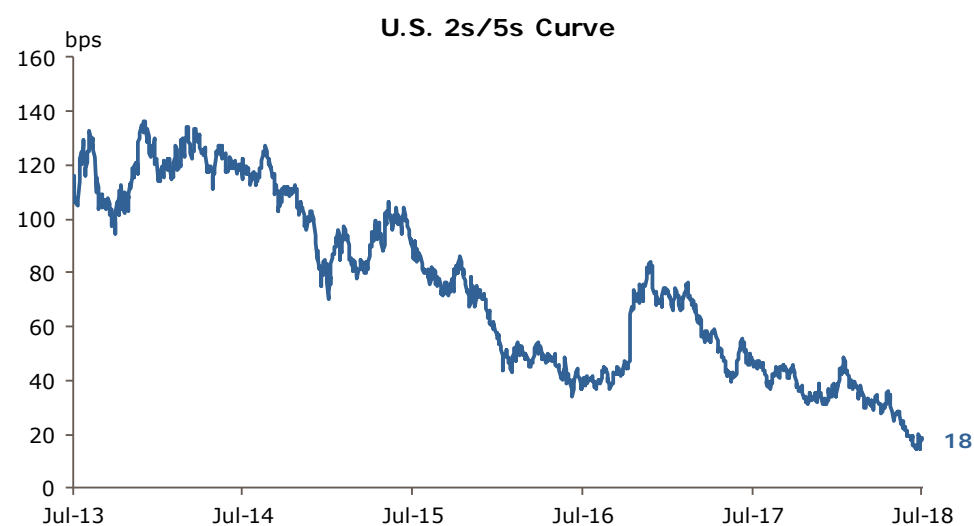
Sector	Underweight	Neutral	Overweight	Comments:
Duration and Yield Curve				Portfolios in the 1-3 year and 1-5 year strategies remain neutral to modestly short (-0.10 years) their benchmark durations. Our base case is two additional hikes in 2018. Fed Funds Futures are not fully pricing in two hikes for the remainder of the year.
Government related				Sovereign, Supranational and Foreign Agencies (SSAs) continue to offer value for high quality or constrained accounts. Agencies are fair, but bid/ask spreads remain wide for smaller issues. Limit investments to large, benchmark issues.
Corporate				The consumer is strong and supportive of corporate earnings but we are cautious on companies stretching their borrowing capacity at this point in the economic cycle.
Agency CMO/MBS				With the Federal Reserve reducing mortgage reinvestments by \$12bn per month in the second quarter, this tapering should put pressure on mortgage spreads. Concerns over extension risk have led to a focus on 15-year sequential CMOs and seasoned 10- and 15-year mortgage pass-throughs.
ABS				ABS remains an attractive, high-quality, low-risk asset class with good liquidity. For portfolios with a lower risk tolerance, stay in the more liquid sectors such as bank credit cards and prime auto loans/leases and stay up in the credit structure. For those portfolios with a higher risk tolerance, consider subordinate tranches of prime auto deals, foreign credit card bank deals and select benchmark subprime issuers. The primary market offers new issue concessions of 5-10 bps.
CMBS				We recommend staying higher up in the capital structure particularly when purchasing CMBS 2.0 and 3.0 deals to mitigate any credit and liquidity concerns. New issue supply in the front end will continue to be very limited.
Municipals				Municipals are attractive for the highest tax-bracket individuals and expensive for corporate taxpayers. Taxable securities are more attractive for cross-over investors at current yield ratios. The supply-demand imbalance remain supportive for tax-exempt notes during the summer months.

Treasury and duration



Review & Commentary

- The 2 year Treasury Note grinded higher by 14 bps in July. Currently, the 2 year Treasury Note yields 2.67%. The 2s/5s curve has steepened 4 bps from its recent lows of +14 and is currently at +18.
- The FOMC met on August 1 and, as expected, did not change the Fed Funds rate range of 1.75% - 2.00%. Fed Funds futures implied probabilities are pricing-in approximately 40 bps of rate hikes by the December 19th meeting.
- The Fed's balance sheet normalization program continues and holdings of both U.S Treasury and Agency Mortgage securities are gradually being reduced. As 2018 progresses, the impact of this program will increase.

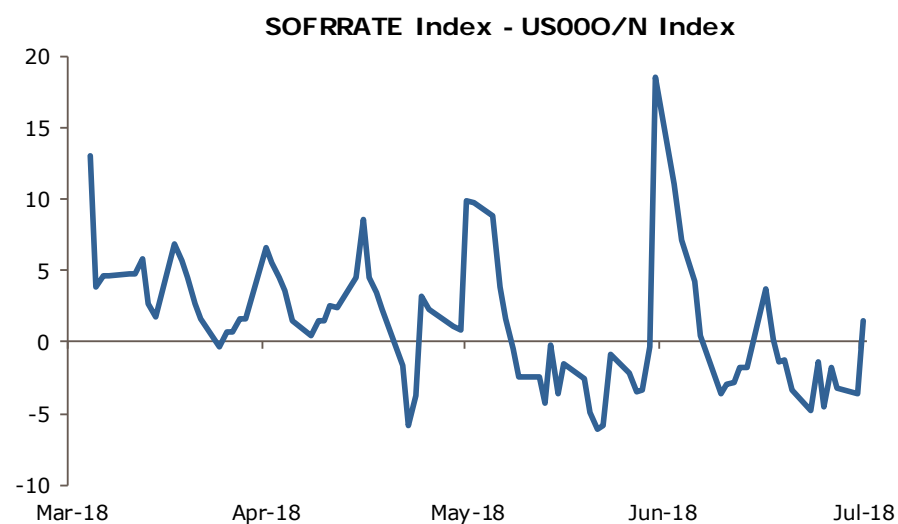
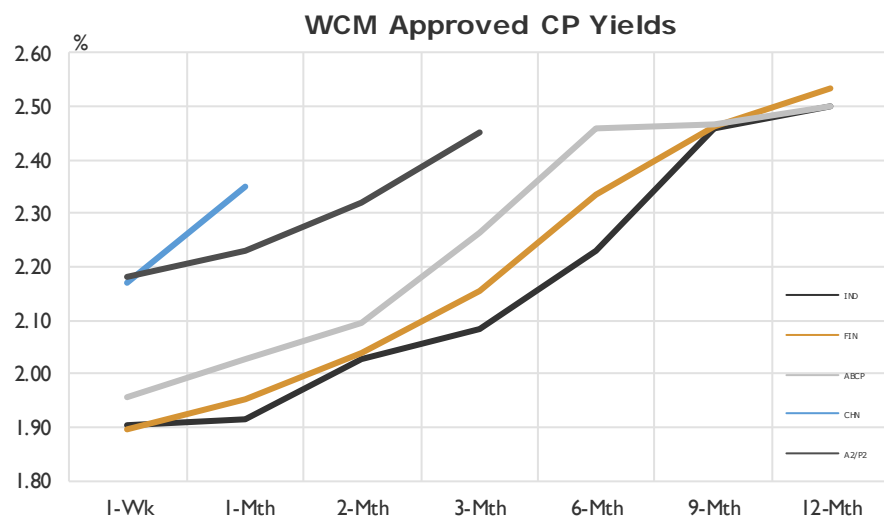


Strategy

- Portfolios in the 1-3 year and 1-5 year strategies remain neutral to modestly short (-0.10 years) their benchmark durations. Our base case is two additional hikes in 2018. Fed Funds Futures are pricing in approximately two hikes for the remainder of year.
- Enhanced cash strategies are positioned neutral to benchmarks given the attractiveness of the front-end of the yield curve.
- In the short-term, we believe the curve can re-steepen from these levels if rates move higher. Ultimately, however, the curve will remain relatively flat as the Fed tightens monetary policy.

Source: Factset, Wells Capital Management

Money market instruments



Source: Bloomberg, Wells Capital Management

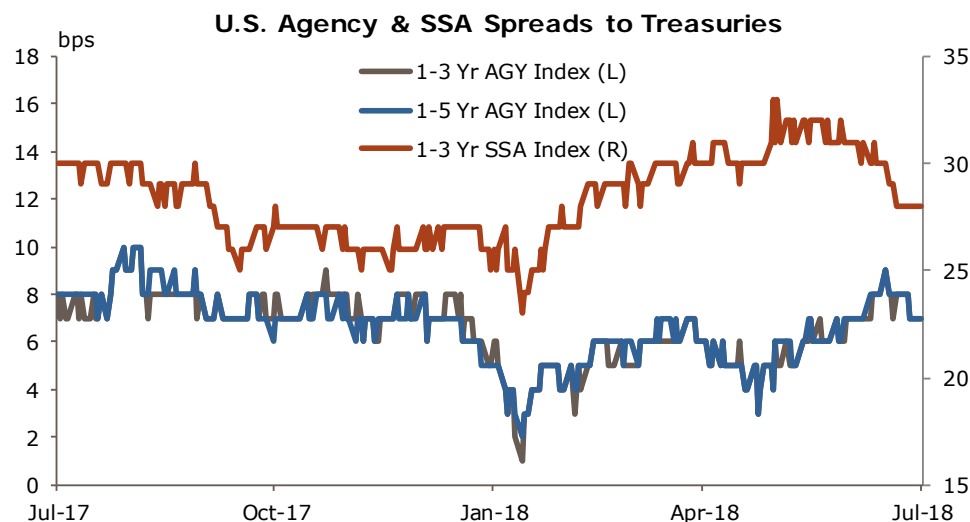
Review & Commentary

- Going back to mid-April, bank CP/CD have traded an average of 5 bps below 3 month LIBOR. Yields remained low despite the sizeable amount issued in June and July which was absorbed by the market and aided by an influx into prime MMFs; also many issuers found opportunities in alternate currencies and other funding sources.
- According to the Association of Financial Professionals (AFP) annual Liquidity Survey, corporates have been moving their cash assets from bank deposits to MMFs and Treasury bills, with MMFs and Treasury bills as a share at their highest levels in 6 years.
- SOFR has exhibited greater volatility than LIBOR since LIBOR is a survey rate and not based on true market activity, though SOFR derivatives are trading in a more stable range similar to other short-rate futures. After the June rate hike, SOFR has started to set below overnight LIBOR, as expected, since it is based on secured transactions.

Strategy

- A relatively flat curve in very short CP tenors makes investing to or just beyond the next expected Fed rate hike in September more attractive in the short term; there may be opportunities in Q4 with an expected increase in T-Bill supply which should put pressure on yields.
- With the continued rise of short-term rates and bear flattening of the yield curve, short corporate bonds offer good value, particularly FRNs which have exhibited better total return with less volatility than fixed rate.
- Select A-2/P-2 rated issuers with stable short-term credit outlooks in shorter tenors provide incremental yield over A-1/P-1 rated issuers. A-2/P-2 rated issuers are skewed toward industrial issuers.

U.S. agencies and sovereign, supranational, and foreign agencies (SSAs)



Review & Commentary

- SSAs have richened some since last month but continue to represent value for high quality and constrained accounts. SSA yield spreads over Treasuries and Agencies are still attractive versus some industrial corporate bond issuers. Yield spreads over Treasuries can be 20-30 bps.
- U.S. Agency excess returns in July were 0 and -1 bp for the ICE BAML 1-3 year index and 1-5 year indices, respectively.
- Agencies are fairly valued. Bid/ask spreads remain wide for smaller issues.
- FNMA issued the first floating rate bond deal linked to the Secured Overnight Funding Rate (SOFR). FNMA issued \$6bn across 3 tranches: 6 months at SOFR +8bps, 12 months at SOFR +12bps and 18 months at SOFR +16bps. SOFR will eventually replace LIBOR. SOFR +16 is roughly equivalent to 3 month LIBOR -30.

Recent Sovereign, Supranational and Foreign Agency Trades

Description	Rating	Guarantee	Spread vs. TSY
ONT 1.65 9/27/19	Aa2/A+/AA-	Implicit - Prov of On	+31
SEK 1.875 6/17/19	NR/AA+	Implicit - Sweden	+32
JBIC 1.75 5/29/19	A1/A+	Explicit - Japan	+35

Recent U.S. Agency Trades

Description	Rating	Spread vs. TSY
FNMA 0 10/09/19	NR/AA/AA-	+22

*new issue purchases

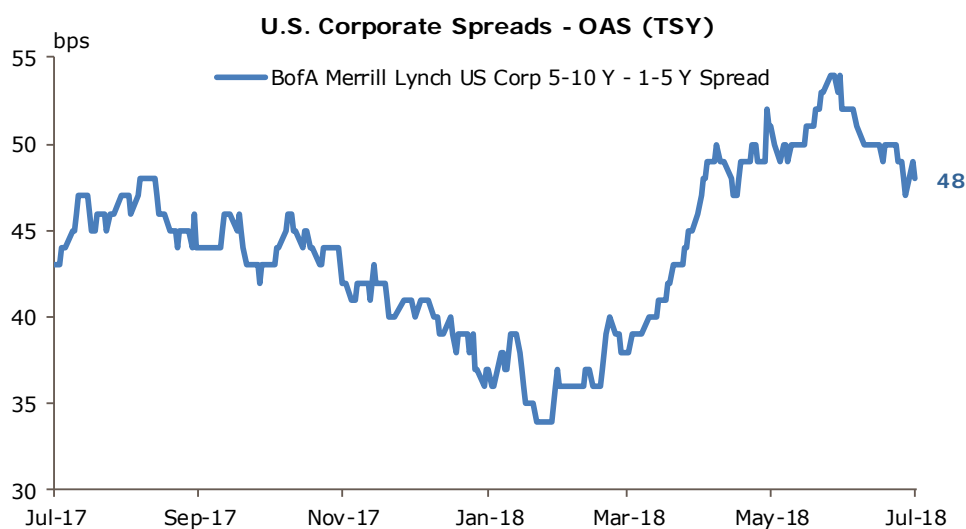
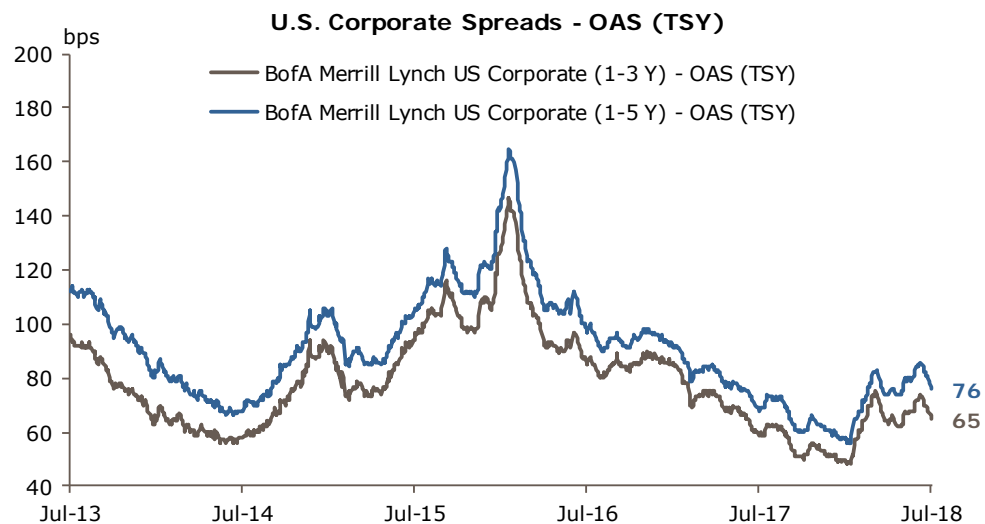
**secondary callable purchase

Strategy

- U.S. Agency valuations range from fair to rich. Bid/ask spreads for off-the-run issues can be as wide as 6 bps. Limit investments to large, benchmark issues.
- FNMA sub-debt is still attractive at spreads of 18-22 bps over Treasuries.
- Implicitly guaranteed issuers are favored over explicitly guaranteed issuers for the additional yield advantage over Treasuries.
- SSAs shorter than 3 years do not benefit from roll-down in yield spreads to Treasuries. Index managers typically sell 1-year bonds, which makes 1-year and shorter secondary offerings the most attractive.

Source: Factset, ICE BofA Merrill Lynch, Wells Capital Management

Corporates



Source: Factset, ICE BofA Merrill Lynch, Wells Capital Management

Review & Commentary

- The ICE BAML 1-3 year and 1-5 year U.S. Corporate indices outperformed duration-matched Treasuries by 23 bps and 37 bps, respectively, for the month. YTD excess returns in the 1-3 year index are 26 bps; 1-5 year excess return are 14 bps YTD.
- The corporate bond market is both technically and fundamentally strong. Supply in July disappointed expectations, is lower YTD vs 2017, and expected to remain so for the balance of the year. Through the end of June supply was -7.95% YTD vs 2017, per Barclays.
- Tariffs are creating one-off situations that are affecting the equity market, but have yet to impact corporate bond prices.
- Demand from corporations with cash on their balance sheet is starting to come back into the market, mostly buying very short-tenored corporates.

Strategy

- More than any other point in this recovery, we feel that this is a market where fundamental analysis is imperative and superior credit picking will drive performance.
- A strong consumer continues to be a driver of good fundamentals for corporation earnings, however we are concerned about non-financial companies which are stretching their borrowing capacity at this point in the economic recovery. Higher yields will make refinancing rates challenging.
- Yankee banks have strong fundamentals but market pricing is being driven by political headlines.
- Floating rate structures provide attractive yields and protect portfolios in a rising rate environment. Despite the decline in LIBOR from the May peak, FRNs trade tight relative to fixed rate notes.

Mortgage-backed securities

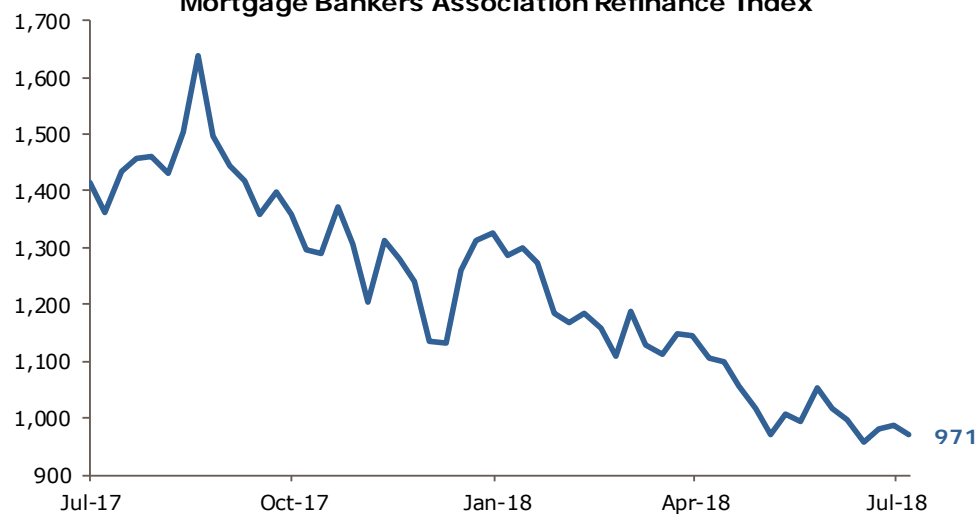
Freddie Mac US 30 Year Mortgage Commitment Rate



Review & Commentary

- The Federal Reserve started tapering in October 2017. With the Fed tapering mortgage reinvestments at \$12bn per month in June, this reduction in demand should put increasing pressure on mortgage spreads. Tapering will ramp up by an additional \$4bn in July.
- Expectations of rising rates have led to caution over extension risk.

Mortgage Bankers Association Refinance Index

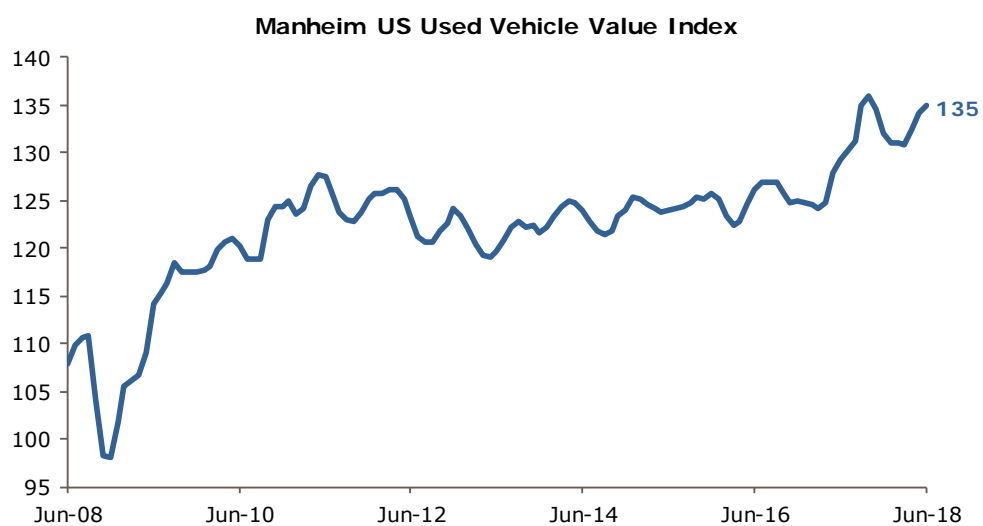
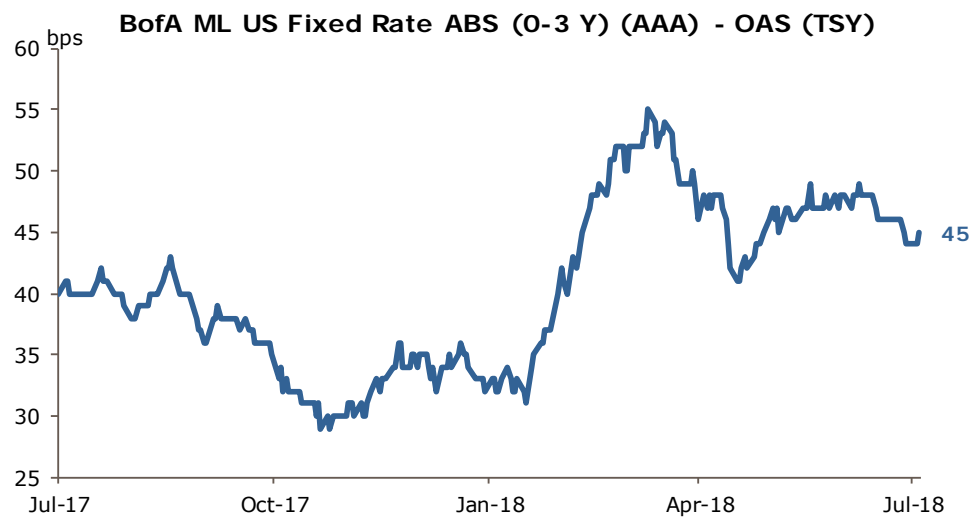


Strategy

- Concerns over extension risk led to a focus on 15-year sequential CMOs and seasoned 10- and 15-year mortgage pass-throughs. 10- and 15-year pass-throughs offer better liquidity than CMOs.
- Agency mortgages look attractive relative to agency debentures.
- Reverse mortgages are attractive alternatives to agency debentures.
- Suggested MBS allocation is 5%.

Source: Bloomberg, Wells Capital Management

Asset-backed securities



Source: Bloomberg, Factset, ICE BofA Merrill Lynch, Wells Capital Management

Review & commentary

- 2018 YTD issuance stands at \$157bn vs \$136bn YTD 2017. Auto ABS and Non-Flow ABS continue to dominate the calendar while Credit Card issuance is lagging. Auto ABS issuance and Non-Flow ABS issuance are up \$13bn and \$10bn respectively while Credit Card issuance is down \$6bn.
- Manheim Used Vehicle Index for June 2018 came in at 134.9, just below the all-time high of 136.3. The latest reading is well above the 20 year long-term average of 116.9 and the recession low of 98.0 in December 2008.
- Prime and subprime ABS cumulative net loss indices for 2017 vintages are closely tracking 2016 vintages.
- Walmart is considering a bid from Capital One for their private-label credit card portfolio. Synchrony Financial is the current lender for that line of business.
- Fundamentals remain strong in credit card ABS for July 2018.

Strategy

- Prime auto lease deals are the most attractive sub-sector in consumer ABS with an additional 10 bps in yield over prime auto loan deals. Residual risk is manageable given the latest Manheim Used Vehicle Index as well as the structural protections in deals.
- Canadian, UK, and US bank credit card issuers offer good value versus on-the-run prime auto loan issuers.
- Select benchmark subprime issuers provide incremental yield pickup with plenty of credit support and structural enhancements for protection against losses.
- Subordinated tranches offer value over the nearest weighted average life AAA senior bonds when picking 15-25 bps of incremental yield.
- The primary market offers good relative value versus the secondary market with new issue concessions of 5-10 bps.

Economic review

Economic summary

July 31, 2018

Growth: Stronger growth in Q2 reflects solid consumer sector

Employment: Labor market continues to tighten

Inflation: Expectations have risen; core ticking higher

Monetary: Upside risk to the tightening path

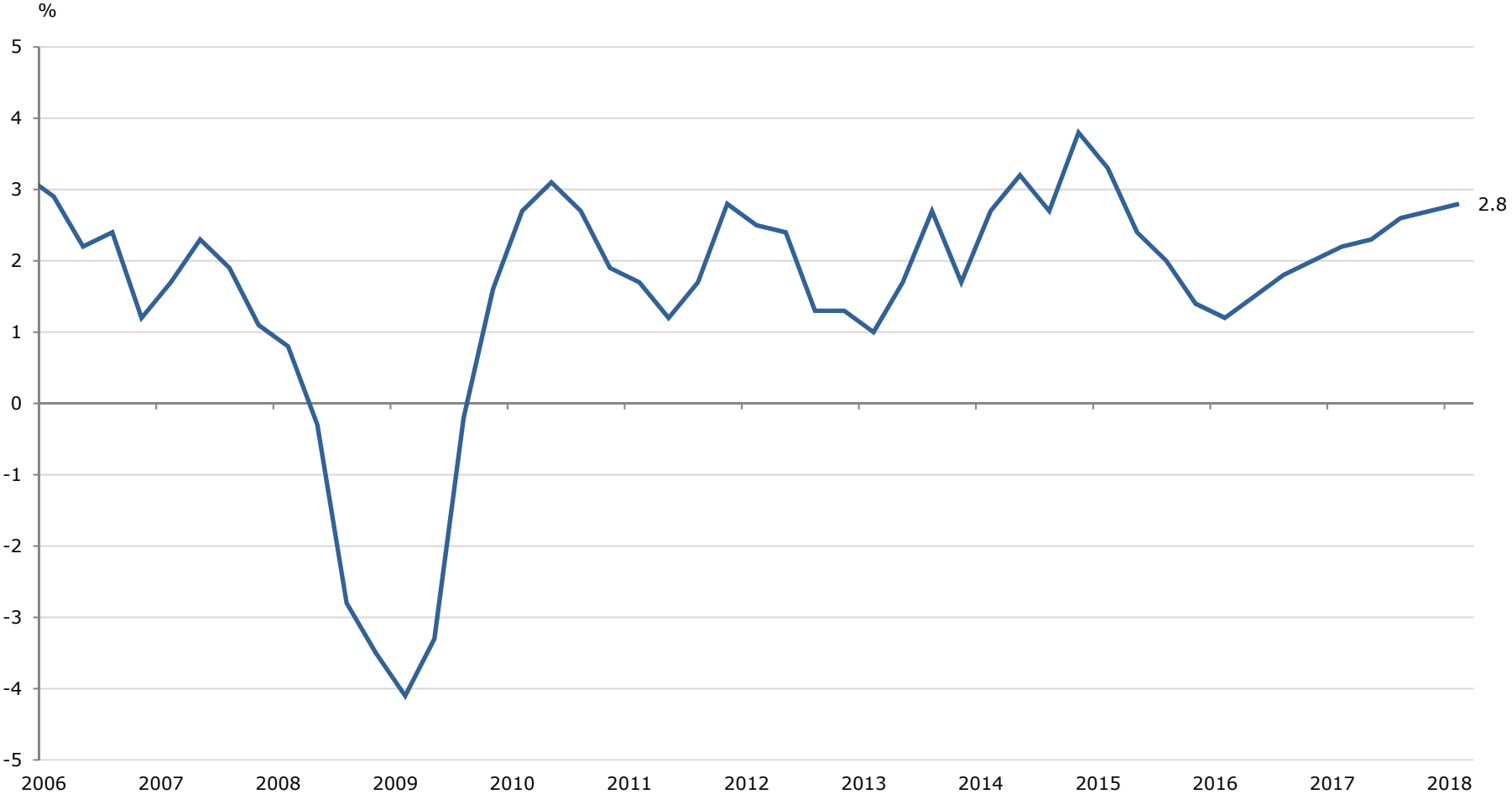
Fiscal: Trade war disruption and uncertainty

International: European political angst; US dollar strengthens

U.S. GDP: growth rate %YoY

July 31, 2018

Fastest y/y pace in three years



Source: Bloomberg, Wells Capital Management. GDP CYOY Index – GDPUS Chain YoY, quarterly | Last: 06/30/2018, 2.8

Unemployment rate (U-3)

July 31, 2018

Just above a five-decade low

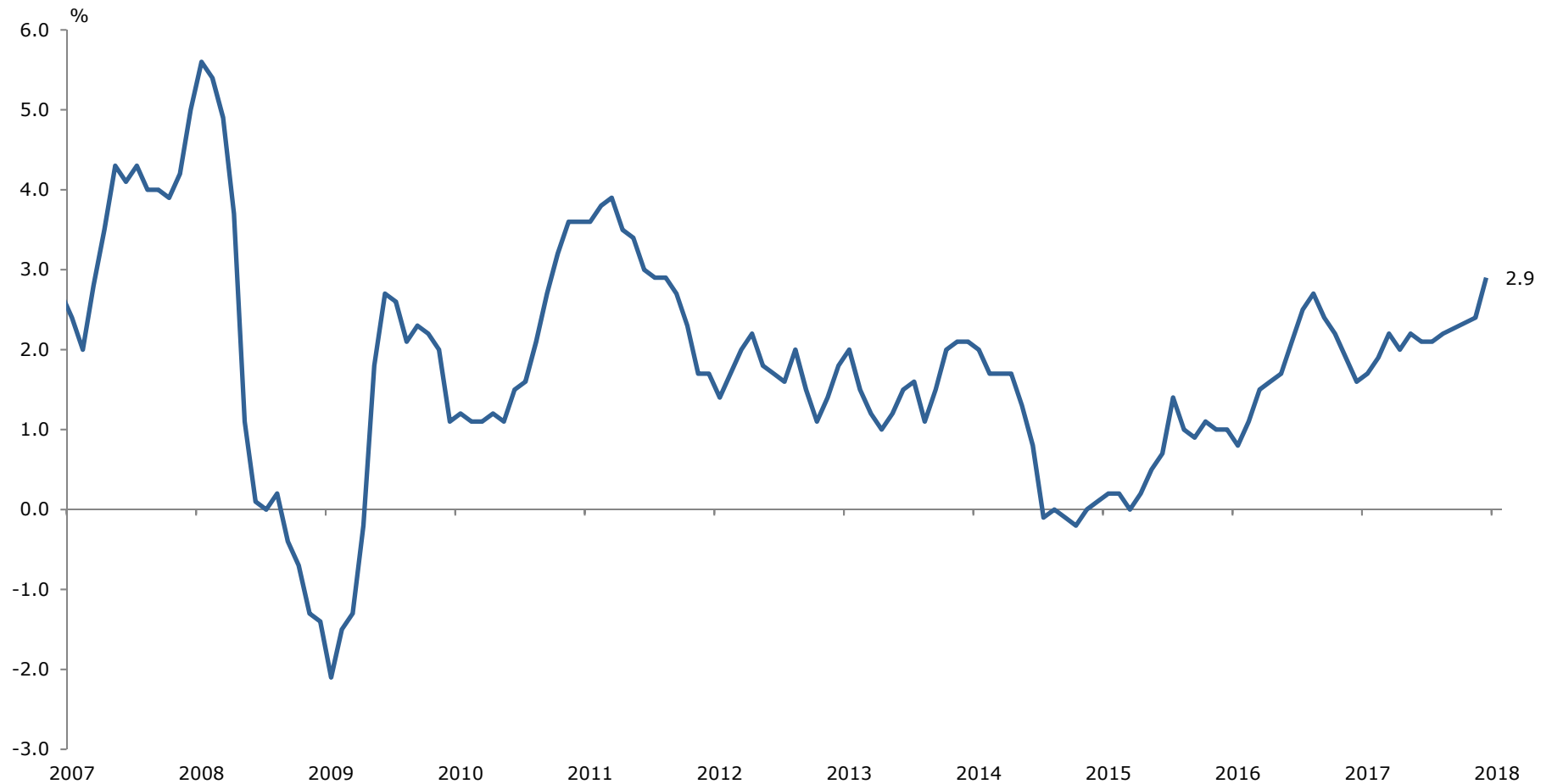


Source: Bloomberg, Wells Capital Management. USURTOT Index – U.S. Unemployment Rate Total S.A., monthly | Last: 07/31/2018, 3.9

CPI %YoY

July 31, 2018

Uptrend since 2015 oil bust

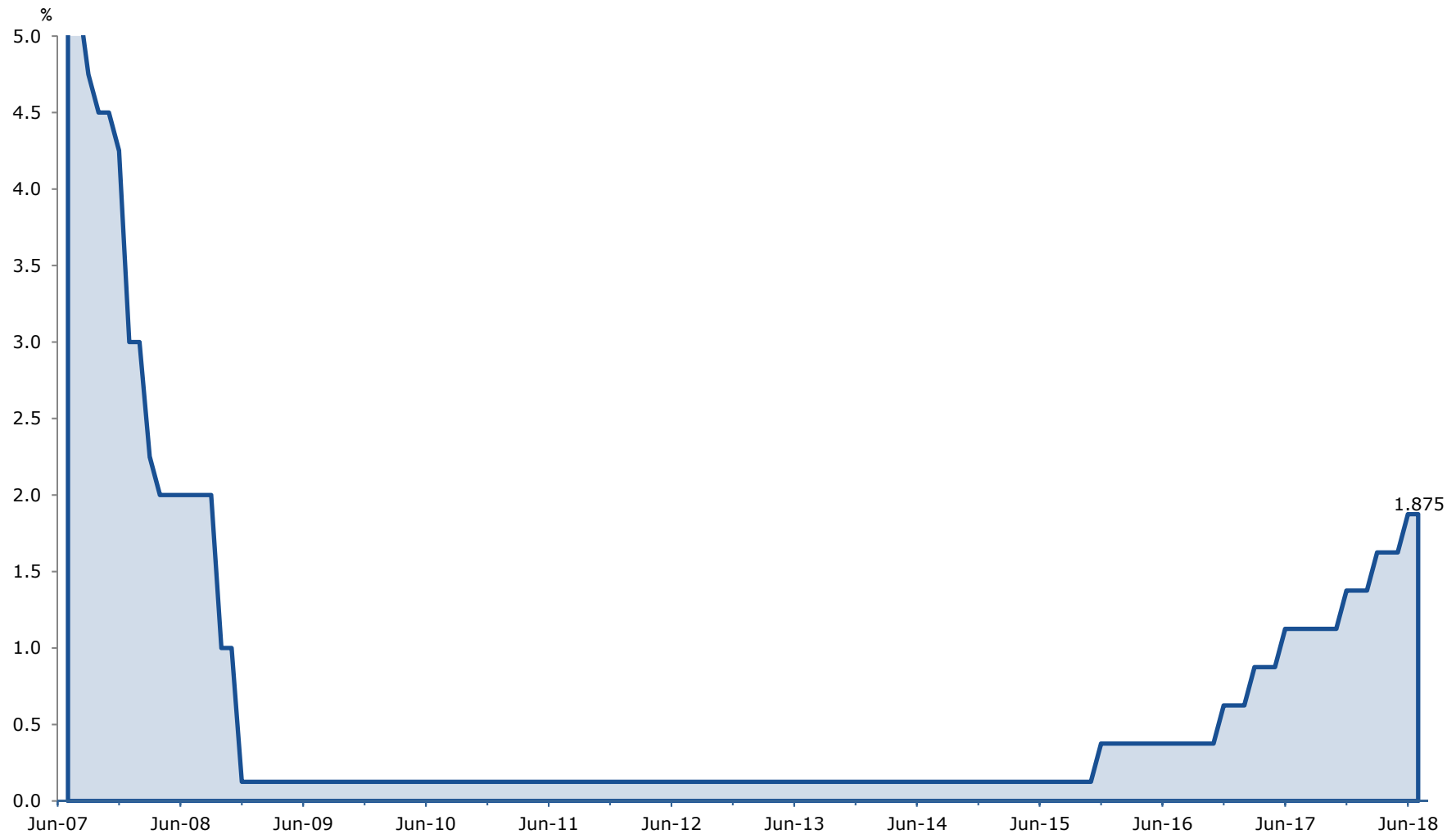


Source: Bloomberg, Wells Capital Management. CPI YoY Index - CPI - All Items YoY N.S.A., monthly | Last: 06/30/2018, 2.9

Federal funds target rate

July 31, 2018

Two rate hike in the books for 2018; two more likely to follow

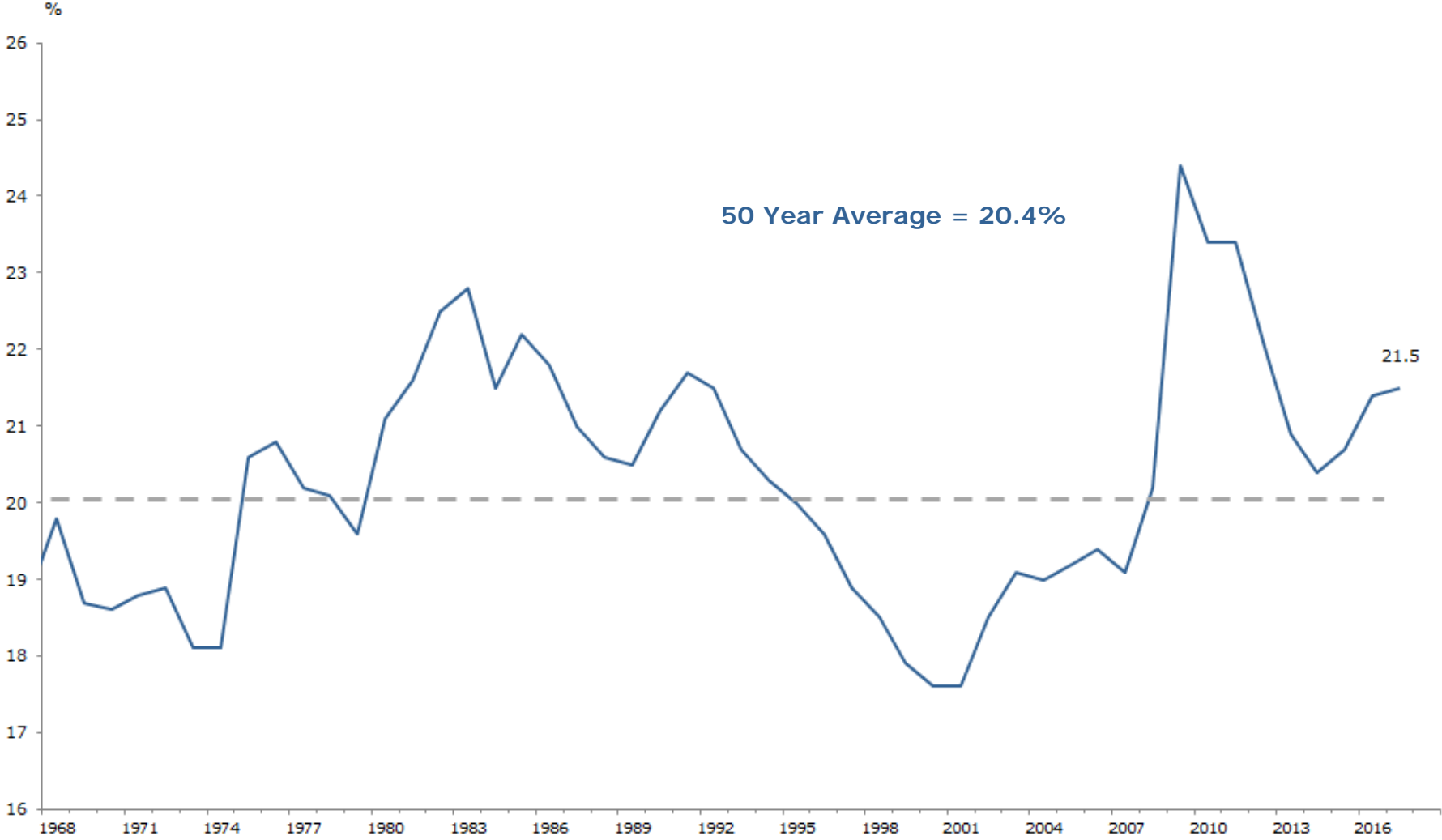


Source: Bloomberg, Wells Capital Management. FDTRMID Index – Federal Funds Target Rate Mid Point of Range, U.S. monthly | Last: 07/31/2018, 1.875

U.S. federal expenditure as a % of GDP

July 31, 2018

Federal spending rising again as share of GDP



Source: Bloomberg, Wells Capital Management

Global data cross section

July 31, 2018

	GDP YoY	Core CPI YoY	Unemployment	IP YoY
Eurozone	2.1%	1.1%	8.3%	2.4%
USA	2.8%	2.3%	3.9%	3.8%
China	6.7%	1.9%*	3.8%	6.0%
Japan	1.1%	0.0%	2.4%	-1.2%
UK	1.2%	1.9%	4.2%	0.88%
Brazil	1.2%	4.4%*	12.4%	3.5%

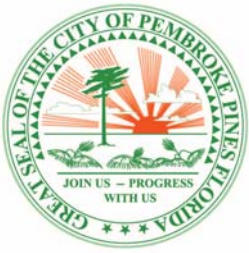
*Headline CPI. Source: Bloomberg, Wells Capital Management.

UNAUDITED**Cash and Investment Report
As of August 31, 2018**

	Balance	Fiscal Year-to-Date			Last 12 Months Ending	
		Interest	Fees	Net Interest	Average	Rate of
		8/31/2018	Earned	Charged	Income	Balance
<u>Checking Accounts (1) (2)</u>						
TD Bank Commercial Checking - Regular	\$ 9,624,222	\$ 22,340	\$ (17,854)	\$ 4,486	\$ 5,968,353	0.45%
TD Bank Commercial Checking - Depository	11,288,801	46,879	(20,035)	26,844	13,118,308	0.40%
TD Bank Commercial Checking - Health Claims	119,840	1,017	(740)	277	268,905	0.46%
TD Bank Commercial Checking - Senior Housing	843,850	2,079	(171)	1,908	688,941	0.34%
TD Bank Commercial Checking - Utility Payments	255,241	683	(201)	482	203,281	0.38%
TD Bank Commercial Checking - ACH Debits	-	769	(214)	555	306,481	0.33%
TD Bank Lockbox Account	965,564	3,403	(2,790)	613	803,836	0.49%
subtotal	23,097,518	77,170	(42,005)	35,165	21,358,106	0.41%
<u>Certificate of Deposit</u>						
Florida Community Bank 6 mos - Ending 8/31/18	2,519,091	2,394	-	2,394	2,511,107	1.53%
Florida Community Bank 12 mos- Ending 2/28/19	2,525,312	3,177	-	3,177	2,514,721	2.02%
Florida Community Bank 24 mos- Ending 2/28/20	2,527,854	3,498	-	3,498	2,516,198	2.23%
subtotal	7,572,257	9,069	-	9,069	7,542,027	1.93%
<u>Investment Accounts</u>						
State Board of Administration (SBA)	117,605,245	1,959,943	-	1,959,943	110,798,711	1.82%
FLOC - 1-3 Year High Quality Bond Fund (1) (3)	3,202,177	13,797	(5,586)	8,211	8,761,333	1.00%
FLOC - 0-2 Year High Quality Bond Fund (1) (3)	24,526,735	279,173	(46,744)	232,429	24,347,970	1.13%
FLOC - Intermediate High Quality Bond Fund (1) (3)	145,452	(836)	(270)	(1,106)	145,894	-0.62%
Wells Capital Management (US Bank)	33,158,286	193,419	(24,715)	168,704	32,952,555	0.41%
(Wetland) Mitigation Trust - SBA	492,568	8,220	-	8,220	496,798	1.77%
subtotal	179,130,464	2,453,716	(77,315)	2,376,401	175,655,068	1.37%
Total Cash and Marketable Investments	209,800,238	2,539,955	(119,320)	2,420,635	204,555,201	
<u>Other Investments</u>						
Investment in Real Estate (City Center)	9,377,447	-	-	-	-	
Investment in Real Estate (USPS)	11,962,400	-	-	-	-	
Investment in Real Estate (20710 SW 54th Place)	410,287	-	-	-	-	
Investment in Real Estate (Vardaman)	800,608	-	-	-	-	
Investment in Real Estate (Pando 5400 SW 208 Ln)	5,574,117	-	-	-	-	
Investment in Real Estate (Canyon Creek Estate)	557	-	-	-	-	
Total Cash and Investments	\$ 237,925,654	\$ 2,539,955	\$ (119,320)	\$ 2,420,635	\$ 204,555,201	

Notes:

1. Balances are as of the current month. Average Balances and ROR are the prior twelve months as current Statements are not available.
2. The Rate of Return reflects the earnings credit allowed to offset the bank service charges.
3. Estimated fees charged @ 21-23 basis points annually.
4. Fees charged to the Checking Accounts are operation cost. Therefore, they are not deducted when calculating the ROR.



PEMBROKE PINES
CITY COMMISSION

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Angelo Castillo
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Charles F. Dodge
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October 2, 2018

RFP # FN-18-02

Addendum # 2
City of Pembroke Pines
RFP # FN-18-02
Investment Management Services

NEW AND UPDATED ATTACHMENTS

Please see new and updated attachments:

**Attachment L - Specimen Contract - Investment Management Services
Agreement (Revised)**

INVESTMENT MANAGEMENT AGREEMENT

THIS IS AN AGREEMENT, dated the _____ day of _____, 20___, by and between:

THE CITY OF PEMBROKE PINES, a municipal corporation of the State of Florida with a business address of 601 City Center Way, Pembroke Pines, Florida 33025 hereinafter referred to as "CITY",

and

_____, a company authorized to do business in the State of Florida, with a business address of _____, hereinafter referred to as "MANAGER".

WITNESSETH:

In consideration of the mutual terms and conditions, promises, covenants and payments hereinafter set forth, CITY and MANAGER agree as follows:

ARTICLE 1
PREAMBLE

In order to establish the background, context and form of reference for this Agreement, and to generally express the objectives and intentions of the respective parties herein, the following statements, representations, and explanations shall be accepted as predicates for the undertakings and commitments included within the provisions which follow, and may be relied upon by the parties as essential elements of the mutual considerations upon which this Agreement is based.

1.1 On _____, the CITY advertised its notice to bidders of the CITY's desire to hire a firm to perform investment management services, as more particularly described in **Exhibit "A"** (Request for Proposals) attached hereto and by this reference made a part hereof, for the said bid entitled:

RFP #
INVESTMENT MANAGEMENT SERVICES

1.2 On _____, the bids were opened at the offices of the City Clerk.

1.3 On _____, the CITY awarded the **Investment Management Services** to MANAGER and authorized the proper CITY officials to negotiate and enter into an agreement with MANAGER to render the services more particularly described herein below.

1.4 Negotiations pertaining to the services to be performed by the MANAGER were undertaken and this Agreement incorporates the results of such negotiation.

ARTICLE 2
SERVICES AND RESPONSIBILITIES

2.1. The CITY hereby appoints the MANAGER as the investment MANAGER with power to invest and manage the assets specified by CITY from time to time (hereinafter referred to as the “Account”). The MANAGER hereby accepts its appointment as investment MANAGER for the Account and recognizes that the CITY is relying upon the MANAGER’s professional experience and judgment in managing the Account.

2.2 The CITY hereby grants to the MANAGER discretion and authority to direct the investment of the assets in the Account, in accordance with the Investment Policy attached hereto as **Exhibit “B”** (as such policy are amended from time to time, the “Policy”), and incorporated herein. Subject to the Policy, MANAGER’s authority hereunder includes, but is not limited to, the authority to:

- (1) purchase, sell, exchange, convert and trade, in the name of and for the account of the CITY, investments of any kind, including, without limitation, common or preferred stocks, bonds, mortgages, notes, commercial paper or other securities, securities of regulated investment companies, business trusts and money market funds, or to hold any part of the assets in the Account in cash;
- (2) open, establish and maintain accounts on behalf of the Account with brokers, dealers and other financial intermediaries, to issue to such brokers, dealers and intermediaries instructions for the purchase and sale of securities for the Account, and to instruct any trustee or custodian of any security or other asset of the Account to deliver securities sold, exchanged, or otherwise disposed of from the Account;
- (3) vote any proxies or other similar solicitations in respect of securities held in the Account;
- (4) determine and direct the voting with respect to any tender, exchange or similar offer;
- (5) enter into agreements relating to the purchase and sale of securities and make representations on behalf of the CITY in connection therewith; and
- (6) generally to perform any other act necessary or proper to enable the MANAGER to carry out its responsibilities under this Agreement.

2.3. If not prohibited by the Policy, CITY hereby consents to MANAGER investing the assets in the Account in a registered investment company or other collective fund for which

MANAGER or an affiliate of MANAGER serves as investment adviser (a “Proprietary Fund”).

2.4. The CITY shall promptly notify MANAGER of any additions or removal of assets from the Account.

2.5. CITY shall appoint a custodian to maintain and have possession of the assets of the Account. The CITY shall cause such custodian to segregate the assets of the Account from all other custodial assets in its possession, including any assets of the CITY that are not assets of the Account. The CITY shall instruct the Custodian to comply with instructions from the MANAGER given under this Agreement, and will cause the Custodian to provide read-only access to the account via electronic interface, website access, or hard copy no later than the anticipated funding date. The MANAGER shall not be the custodian, except to the extent it may be deemed to be a custodian under Rule 206(4)-2 under the Investment Advisers Act of 1940 (the “Act”).

2.6. (a) The MANAGER shall have authority and discretion to place orders for the purchase and sale of securities on behalf of the Account, with such brokers and in such a manner as, in its reasonable judgment, offers the best price and execution of each transaction. In determining best price and execution, the MANAGER may consider, among other things, the quality and value of brokerage and research services (as those terms are defined in Section 28(e) of the Securities Exchange Act of 1934) provided by the broker to the MANAGER or its affiliates in connection with the management of the Account or other accounts managed by the MANAGER or its affiliates, and may cause the Account to pay a higher commission than another broker might have charged for the same transaction in consideration of such brokerage and research services.

(b) The CITY hereby authorizes MANAGER to use an affiliated broker, where appropriate, assuming MANAGER reasonably determines that such affiliate will provide the best combination of price and execution on the transaction. CITY may terminate MANAGER’s authority to use an affiliated broker dealer at any time without penalty. MANAGER’s authority to use an affiliated broker dealer for the Account will continue unless and until MANAGER is notified by CITY of such termination. Investments in shares of MANAGER or its affiliates and securities transactions in which MANAGER or any of its affiliates acts as principal, shall not be made unless otherwise permitted by law.

2.7. The CITY authorizes MANAGER, in its discretion, to aggregate purchases and sales of securities for the Account with purchases and sales of securities of the same issuer for its other clients and for clients of MANAGER’s affiliates. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the Account and the accounts of other participating clients will be deemed to have purchased or sold their proportionate share of the securities involved at the average price so obtained.

2.8. The CITY recognizes that the MANAGER and its affiliates act as adviser to other client and may give advice, and take action, with respect to any of those clients which may

differ from the advice given, or the timing or nature of action taken, with respect to the Account. The MANAGER shall have no obligation to purchase or sell for the Account, or to recommend for purchase or sale by the Account, any security that MANAGER, its principals, affiliates or employees may purchase or sell for themselves or for any other client. The CITY further recognizes that transactions in a specific security may not be accomplished for all client accounts at the same time or at the same price.

2.9. Unless the CITY notifies the MANAGER in writing otherwise, the MANAGER shall take all required action and render necessary advice with respect to the voting of proxies with respect to the issuers of securities in which assets of the Account may be invested.

2.10. MANAGER shall provide the CITY with valuations and other data and reports as may be mutually agreed upon after the end of each monthly period.

2.11. CITY hereby represents and warrants that it is not subject to the Employee Retirement Income Security Act of 1974, as amended.

2.13. All information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except as may be required by law (including, without limitation, the full disclosure requirements of Florida Statutes Chapter 119) or as may be necessary or appropriate in the performance by the MANAGER of its obligations under this Agreement, provided that the MANAGER may (i) refer to the CITY and the Account in connection with its marketing activities, and (ii) provide information regarding the Account to its affiliates.

ARTICLE 3 **TERM AND TERMINATION**

3.1 MANAGER shall perform the investment management services as identified herein and in **Exhibit "A"** attached hereto and made part hereof, for an initial five (5) year period commencing on _____ and ending on _____.

3.2 This Agreement may be renewed for two (2) additional five (5) year terms upon mutual written consent, evidenced by a written Amendment to this Agreement extending the term thereof.

3.3 *Termination for Convenience:* This Agreement may be terminated by either party for convenience, upon thirty (30) business days of written notice by the terminating party to the other party for such termination in which event MANAGER shall be paid its compensation for services performed to termination date, including services reasonably related to termination.

3.4 *Default by MANAGER:* In addition to all other remedies available to CITY, this Agreement shall be subject to cancellation by CITY for cause, should MANAGER neglect or fail to perform or observe any of the terms, provisions, conditions, or requirements herein contained, if such neglect or failure shall continue for a period of thirty (30) days

after receipt by MANAGER of written notice of such neglect or failure.

ARTICLE 4
COMPENSATION AND METHOD OF PAYMENT

4.1 The CITY hereby agrees to compensate MANAGER for all services performed by MANAGER pursuant to the provisions of this Agreement and in accordance with the fee schedule attached hereto as **Exhibit "C"**.

4.2 All payments shall be governed by the Florida Prompt Payment Act, as set forth in Part VII, Chapter 218, Florida Statutes.

ARTICLE 5
CHANGES IN SCOPE OF WORK

5.1 CITY or MANAGER may request changes that would increase, decrease, or otherwise modify the Scope of Services, as described in **Exhibit "A,"** to be provided under this Agreement as described in Article 2 of this Agreement. Such changes or additional services must be in accordance with the provisions of the Code of Ordinances of the CITY, and must be contained in a written amendment, executed by the parties hereto, with the same formality, equality and dignity herewith prior to any deviation from the terms of this Agreement, including the initiation of any additional or extra work.

5.2 In no event will the MANAGER be compensated for any work which has not been described in a separate written agreement executed by the parties hereto.

ARTICLE 6
INDEMNIFICATION

6.1 The MANAGER shall indemnify and hold harmless the CITY, its trustees, elected and appointed officers, agents, servants, assigns and employees, from and against any and all claims, demands, or causes of action whatsoever, and the resulting losses, costs, expenses, reasonable attorneys' fees, including paralegal expenses, liabilities, damages, orders, judgments, or decrees, sustained by the CITY directly arising out of, by reason of, or resulting from the MANAGER's negligent acts, errors, or omissions or the failure of the MANAGER to take out and maintain insurance as required under this Agreement.

6.2 Upon completion of all Services, obligations and duties provided for in this Agreement, or in the event of termination of this Agreement for any reason, the terms and conditions of this Article shall survive indefinitely.

6.3 CITY reserves the right to select its own legal counsel to conduct any defense in any such proceeding and all costs and fees associated therewith shall be the responsibility of MANAGER.

6.4 Nothing contained herein is intended nor shall be construed to waive City's rights and immunities under the common law or §768.28, Florida Statutes, as may be amended

from time to time.

6.5 Notwithstanding anything herein to the contrary, in no event shall the Manager be responsible or liable for indirect, special or consequential losses or damages.

ARTICLE 7 **INSURANCE**

7.1. Manager shall not commence performance hereunder until it has obtained all insurance required under this paragraph and such insurance has been approved by the Risk Manager of the Client nor shall the Manager allow any sub-Manager to commence work on his subcontract until all similar such insurance required of the sub-Manager has been obtained and similarly approved.

7.2. Certificates of Insurance reflecting evidence of the required insurance shall be filed with the Client's Risk Manager prior to the commencement of this Agreement. Policies shall be issued by companies authorized to do business under the laws of the State of Florida. Financial Ratings must be not less than "A-VI" in the latest edition of "Best Key Rating Guide", published by A.M. Best Guide. Policies shall be endorsed to provide the Client forty-five (45) days' notice of cancellation or the Manager shall obtain written agreement from its agent to provide the Client thirty (30) days' notice of cancellation.

7.3. Insurance shall be in force until the obligations required to be fulfilled under the terms of the Agreement are satisfied. In the event the insurance certificate provided indicates that the insurance shall terminate and lapse during the period of this Agreement, then in that event, the Manager shall furnish, at least forty-five (45) days prior to the expiration of the date of such insurance, a renewed certificate of insurance as proof that equal and like coverage for the balance of the period of the Agreement and extension thereunder is in effect. The Manager shall not commence nor continue to provide any services pursuant to this Agreement unless all required insurance remains in full force and effect. Manager shall be liable to Client for any lapses in service resulting from a gap in insurance coverage.

7.4. REQUIRED INSURANCE

(a) **COMPREHENSIVE GENERAL LIABILITY INSURANCE** written on an occurrence basis including, but not limited to: coverage for bodily injury and property damage, personal & advertising injury, products & completed operations, and contractual liability. Coverage must be written on an occurrence basis, with limits of liability no less than:

1. Each Occurrence Limit - \$1,000,000
2. Fire Damage Limit (Damage to rented premises) - \$100,000
3. Personal & Advertising Injury Limit - \$1,000,000
4. General Aggregate Limit - \$5,000,000

- 5. Products & Completed Operations Aggregate Limit shall be maintained for two (2) years after the final payment under this contract.

Products & Completed Operations Coverage shall be maintained for two (2) years after the final payment under this contract.

(b) Worker's Compensation Insurance shall be maintained during the life of this contract to comply with statutory limits for all employees. The following limits must be maintained:

- (i) Worker's Compensation Statutory
- (ii) Employer's Liability \$500,000 each accident
 \$500,000 Disease-policy limit
 \$500,000 Disease-each employee

If Manager claims to be exempt from this requirement, Manager shall provide Client proof of such exemption along with a written request for Client to exempt Manager, written on Manager letterhead.

(c) Employee Fidelity Bond - Manager shall maintain employee fidelity bonds in an amount of 10% (ten percent) of the Account, with a minimum of \$500,000 (five hundred thousand dollars).

(d) Manager shall maintain investment adviser Errors and Omissions Liability insurance in an amount not less than \$5,000,000 (five million dollars) per wrongful act. This coverage shall be maintained for a period of no less than three (3) years after final payment of the Agreement.

Required Endorsements

- (a) The Client shall be named as an Additional Insured on each of the Liability policies required herein.
- (b) Waiver of all Rights of Subrogation against the Client.
- (c) 30 Day Notice of Cancellation or Non-Renewal to the Client
- (d) Manager's policies shall be Primary & Non-Contributory
- (e) All policies shall contain a "severability of interest" or "cross liability" liability clause without obligation for premium payment of the CITY.

(e) **CYBER LIABILITY** including Network Security and Privacy Liability when applicable, with a limit of liability no less than \$1,000,000 per loss. Coverage shall include liability arising from: theft, dissemination and/or use of confidential information stored or transmitted in electronic form, unauthorized access to, use of, or tampering with computer systems, including hacker attacks or inability of an authorized third party to gain access to your services, including denial of service, and the introduction of a computer virus

into, or otherwise causing damage to, a customer's or third person's computer, computer system, network, or similar computer-related property and the data, software and programs thereon. This coverage shall be maintained for a period of no less than three (3) years after final payment of the contract. The City of Pembroke Pines must be shown as an additional insured with respect to this coverage. Furthermore, the CITY'S Additional Insured status shall extend to any coverage beyond the minimum requirements for limits of liability found herein.

(f) **CRIME COVERAGE** when applicable, shall include employee dishonesty, forgery or alteration, and computer fraud in an amount of no less than \$1,000,000 per loss. If Contractor is physically located on the City's premises, a third-party fidelity coverage extension shall apply.

(g) **FIDUCIARY LIABILITY INSURANCE COVERAGE**, of at least a \$1,000,000 coverage

7.5. Manager shall, in addition to naming the Client as an additional insured on each of the general liability policies required herein, shall hold the Client, its agents, officers and employees harmless on account of claims for damages to persons, property or premises arising out of the services provided hereunder.

7.6. Any insurance required of Manager pursuant to this Agreement must also be required by any Sub-manager in the same limits and with all requirements as provided herein, including naming the Client as an additional insured, in any work that is subcontracted unless such Sub-manager is covered by the protection afforded by the Manager and provided proof of such coverage is provided to Client. The Manager and any Sub-managers shall maintain such policies during the term of this Agreement.

7.7. In addition to the insurance requirements set forth in this section, Manager shall obtain any other insurance coverage as deemed necessary by Client. The Client reserves the right to require any other insurance coverage and/or higher limits that it deems necessary depending upon the exposures.

ARTICLE 8

NON-DISCRIMINATION & EQUAL OPPORTUNITY EMPLOYMENT

8.1 During the performance of the Agreement, neither MANAGER nor its subMANAGERS shall discriminate against any employee or applicant for employment because of race, religion, color, gender, national origin, sex, age, marital status, political affiliation, familial status, sexual orientation, or disability if qualified. MANAGER will take affirmative action to ensure that employees are treated during employment, without regard to their race, religion, color, gender, national origin, sex, age, marital status, political affiliation, familial status, sexual orientation, or disability if qualified. Such actions must include, but not be limited to, the following: employment, promotion; demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. MANAGER shall agree to post in conspicuous places, available to employees and applicants for

employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause. MANAGER further agrees that he/she/it will ensure that subMANAGERS, if any, will be made aware of and will comply with this nondiscrimination clause.

ARTICLE 9
INDEPENDENT CONTRACTOR

9.1 This Agreement does not create an employee/employer relationship between the parties. It is the intent of the parties that the MANAGER is an independent contractor under this Agreement and not the CITY's employee for all purposes, including but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, the State Workers' Compensation Act, and the State unemployment insurance law. The MANAGER shall retain sole and absolute discretion in the judgment of the manner and means of carrying out MANAGER's activities and responsibilities hereunder provided, further that administrative procedures applicable to services rendered under this Agreement shall be those of MANAGER, which policies of MANAGER shall not conflict with CITY, State, H.U.D., or United States policies, rules or regulations relating to the use of MANAGER's Funds provided for herein. The MANAGER agrees that it is a separate and independent enterprise from the CITY, that it has full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This Agreement shall not be construed as creating any joint employment relationship between the MANAGER and the CITY and the CITY will not be liable for any obligation incurred by MANAGER, including but not limited to unpaid minimum wages and/or overtime premiums.

ARTICLE 10
AGREEMENT SUBJECT TO FUNDING

This agreement shall remain in full force and effect only as long as the expenditures provided for in the Agreement have been appropriated by the City Commission of the City of Pembroke Pines in the annual budget for each fiscal year of this Agreement, and is subject to termination based on lack of funding.

ARTICLE 11
SIGNATORY AUTHORITY

MANAGER shall provide CITY with copies of requisite documentation evidencing that the signator for MANAGER has the authority to enter into this Agreement.

ARTICLE 12
MERGER; AMENDMENT

This Agreement constitutes the entire Agreement between MANAGER and CITY, and negotiations and oral understandings between the parties are merged herein. This Agreement can be supplemented or amended only by a written document executed by both MANAGER

and CITY with the same formality and equal dignity herewith.

ARTICLE 13
DEFAULT OF CONTRACT & REMEDIES

Damages. CITY reserves the right to recover any ascertainable actual damages incurred as a direct result of the failure of MANAGER to perform in accordance with the requirements of this Agreement, or for losses sustained by CITY directly resultant from MANAGER's failure to perform in accordance with the requirements of this Agreement.

ARTICLE 14
BANKRUPTCY

It is agreed that if MANAGER is adjudged bankrupt, either voluntarily or involuntarily, then this Agreement shall terminate effective on the date and at the time the bankruptcy petition is filed.

ARTICLE 15
DISPUTE RESOLUTION

15.1 In addition to any other remedy provided hereunder, CITY, at its option, may use arbitration to resolve any controversy or claim arising out of or relating to this Agreement if arbitration is elected by CITY. Any controversy or claim arising out of or relating to this Agreement, or breach thereof, may be settled by arbitration in accordance with the rules of the American Arbitration Association and judgment upon the award rendered by the arbitrators may be entered into by any court having jurisdiction thereof. In the event arbitration is elected by CITY, such controversy or claim shall be submitted to one arbitrator selected from the National Panel of The American Arbitration Association.

15.2 **Operations During Dispute.**

15.2.1 In the event that a dispute, if any, arises between CITY and MANAGER relating to this Agreement, performance or compensation hereunder, MANAGER shall continue to render service in full compliance with all terms and conditions of this Agreement as interpreted by CITY regardless of such dispute.

15.2.6 Notwithstanding the other provisions in this Section, CITY reserves the right to terminate the Agreement at any time, whenever the service provided by MANAGER fails to meet reasonable standards of the trade after CITY gives written notice to the MANAGER of the deficiencies as set forth in the written notice within fourteen calendar (14) days of the receipt by MANAGER of such notice from CITY.

ARTICLE 16
MISCELLANEOUS

16.1 **Ownership of Documents.** Reports, surveys, studies, and other data provided in connection with this Agreement are and shall remain the property of CITY, whether or not the project for which they are made is completed.

16.2 **Legal Representation.** It is acknowledged that each party to this Agreement had the opportunity to be represented by counsel in the preparation of this Agreement, and accordingly, the rule that a contract shall be interpreted strictly against the party preparing same shall not apply herein due to the joint contributions of both parties.

16.3 **Records.** MANAGER shall keep such records and accounts and require any and all subMANAGERS to keep records and accounts as may be necessary in order to record complete and correct entries as to personnel hours charged to this engagement, and any expenses for which MANAGER expects to be reimbursed. Such books and records will be available at all reasonable times for examination and audit by CITY and shall be kept for a period of seven (7) years after the completion of all work to be performed pursuant to this Agreement, or as otherwise required by Florida law. Materially incomplete or incorrect entries in such books and records will be grounds for disallowance by CITY of any fees or expenses based upon such entries.

16.4 **Assignments; Amendments.** This Agreement, and any interests herein, shall not be assigned, transferred or otherwise encumbered, under any circumstances, by MANAGER without the prior written consent of CITY. For purposes of this Agreement, any change of ownership of MANAGER shall constitute an assignment which requires CITY approval. However, this Agreement shall run to the benefit of CITY and its successors and assigns.

It is further agreed that no modification, amendment, or alteration in the terms or conditions contained herein shall be effective unless contained in a written document executed with the same formality and of equal dignity herewith.

16.5 **No Contingent Fees.** MANAGER warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for MANAGER to solicit or secure this Agreement, and that it has not paid or agreed to pay any person, company, corporation, individual or firm, other than a bona fide employee working solely for MANAGER any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this Agreement. For the breach or violation of this provision, CITY shall have the right to terminate the Agreement without liability at its discretion, to deduct from the contract price, or otherwise recover the full amount of such fee, commission, percentage, gift or consideration.

16.6 **Notice.** Whenever any party desires to give notice unto any other party, it must be given by written notice, sent by certified United States mail, with return receipt requested, addressed to the party for whom it is intended and the remaining party, at the places last specified, and the places for giving of notice shall remain such until they shall have been changed by written notice in compliance with the provisions of this section. For the present, MANAGER and CITY designate the following as the respective places for giving of notice:

CITY Charles F. Dodge, City Manager
City of Pembroke Pines
601 City Center Way
Pembroke Pines, Florida 33025
Telephone No. (954) 431-4884
Facsimile No. (954) 437-1149

Copy To: Samuel S. Goren, City Attorney
Goren, Cherof, Doody & Ezrol, P.A.
3099 East Commercial Boulevard, Suite 200
Fort Lauderdale, Florida 33308
Telephone No. (954) 771-4900
Facsimile No. (954) 771-4923

MANAGER _____

Telephone No. _____
Facsimile No. _____

16.7 **Binding Authority.** Each person signing this Agreement on behalf of either party individually warrants that he or she has full legal power to execute this Agreement on behalf of the party for whom he or she is signing, and to bind and obligate such party with respect to all provisions contained in this Agreement.

16.8 **Headings.** Headings herein are for the convenience of reference only and shall not be considered in any interpretation of this Agreement.

16.9 **Exhibits.** Each Exhibit referred to in this Agreement forms an essential part of this Agreement. The exhibits if not physically attached should be treated as part of this Agreement and are incorporated herein by reference.

16.10 **Severability.** If any provision of this Agreement or application thereof to any person or situation shall to any extent, be held invalid or unenforceable, the remainder of this Agreement, and the application of such provisions to persons or situations other than those as to which it shall have been held invalid or unenforceable, shall not be affected thereby, and shall continue in full force and effect, and be enforced to the fullest extent permitted by law.

16.11 **Extent of Agreement and Conflicts.** This Agreement represents the entire and integrated agreement between CITY and MANAGER and supersedes all prior negotiations, representations or agreements, either written or oral. In the event of any conflicts between this Agreement and **Exhibit "A"**, the terms and provisions of **Exhibit "A"** shall govern.

16.12 **Waiver.** Failure of CITY to insist upon strict performance of any provision or condition of this Agreement, or to execute any right therein contained, shall not be constructed

as a waiver or relinquishment for the future of any such provision, condition, or right, but the same shall remain in full force and effect.

16.13 **Disputes.** Any claim, objection, or dispute arising out of the terms of this Agreement shall be litigated in the Seventeenth Judicial Circuit Court in and for Broward County.

16.14 **Attorney's Fees.** In the event that either party brings suit for enforcement of this Agreement, each party shall bear its own attorney's fees and court costs, except as otherwise provided under the indemnification provisions set forth herein above.

16.15 **Scrutinized Companies.** CONTRACTOR, its principals or owners, certify that they are not listed on the Scrutinized Companies that Boycott Israel List, Scrutinized Companies with Activities in Sudan List, Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, or is engaged in business operations with Syria. In accordance with Florida Statute 287.135, as amended, a company is ineligible to, and may not, bid on, submit a proposal for, or enter into or renew a contract with any agency or local governmental entity for goods or services if:

16.15.1 Any amount of, at the time bidding on, submitting a proposal for, or entering into or renewing such contract, the company is on the Scrutinized Companies that Boycott Israel List, created pursuant to s. 215.4725 or is engaged in a boycott of Israel; or

16.15.2 One million dollars or more if, at the time of bidding on, submitting a proposal for, or entering into or renewing such contract, the company:

16.15.2.1 Is on the Scrutinized Companies with Activities in Sudan List or the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, created pursuant to s. 215.473; or

16.15.2.2 Is engaged in business operations in Syria.

IN WITNESS OF THE FOREGOING, the parties have set their hands and seals the day and year first written above.

ATTEST:

CITY

MARLENE GRAHAM,
CITY CLERK

BY: _____
CHARLES F. DODGE
CITY MANAGER

APPROVED AS TO FORM.

OFFICE OF THE CITY ATTORNEY

MANAGER

Witnesses:

MANAGER

BY: _____

Print Name: _____

Title: _____

Print Name

Print Name

STATE OF _____)
COUNTY OF _____)

BEFORE ME, an officer duly authorized by law to administer oaths and take acknowledgments, personally appeared _____ as _____ of **[MANAGER]**, a company authorized to conduct business in the State of Florida, and acknowledged execution of the foregoing Agreement as the proper official of **[MANAGER]** for the use and purposes mentioned in it and affixed the official seal of the corporation, and that the instrument is the act and deed of that corporation.

IN WITNESS OF THE FOREGOING, I have set my hand and official seal at in the State and County aforesaid on this _____ day of _____, 20____.

NOTARY PUBLIC

(Name of Notary Typed, Printed or Stamped)

JGH 9-15-11

S:\Public Works\PURCHASING\2018\FN - Finance\FN-18-02 Investment Management Services\Contract\Attachment L - Specimen Contract - Investment Management Services Agreement (Revised).docx

EXHIBIT "A" – REQUEST FOR PROPOSALS

EXHIBIT “B” – INVESTMENT POLICY

EXHIBIT "C" – FEE SCHEDULE

Question and Answers for Bid #RFP FN-18-02 - Investment Management Services

[Create New Question](#)

Question Deadline: Sep 10, 2018 8:30:00 PM EDT

Overall Bid Questions

Question 1

For Section 2 – Insurance Requirements and Attachment L – Investment Management Services, is general feedback appropriate, or are you looking for specific proposed edits? (Submitted: Sep 10, 2018 10:43:18 AM EDT)

Answer

- The City has included a revised Attachment L – Investment Management Services Agreement. This revised agreement includes the updated insurance requirements. The City expects that the selected proposer will sign the provided agreement, however proposers may submit proposed comments or edits for the City to consider. The proposed comments or edits should be clearly identified in "Tab 11 - Additional Information" of their proposal. (Answered: Oct 2, 2018 12:15:30 PM EDT)

[edit](#) 

Add to Answer:

Question 2

Attachments O and P list future years 2019-2022. Is this accurate, or should it be historical years 2014-2017? (Submitted: Sep 10, 2018 10:43:34 AM EDT)

Answer

- The years should have been 2014-2018. (Answered: Sep 19, 2018 9:52:29 AM EDT)

[edit](#) 

Add to Answer:

Question 3

Would you please confirm the number of references required? (Submitted: Sep 10, 2018 10:43:51 AM EDT)

Answer

- Three would be sufficient, but the City would prefer governmental entity references if available. (Answered: Sep 19, 2018 9:52:29 AM EDT)

[edit](#) 

Add to Answer:

Question 4

In section 1.4 part k, you ask that we include the fee for the Custodian Services, but state that the Investment Manager will not provide the custodial services. Could you clarify this point? Should the fee we provide on Attachment Q include the custodial service fee even though we would not be providing that service as the investment manager? (Submitted: Sep 10, 2018 10:44:17 AM EDT)

Answer

- Please see Tab 9 – Fee Structure which states Provide the fee schedule that would apply to this account for seven (7) years. Investment manager will provide recommendations to the City on the best investment options; however, the fee should be based on the actual managed portfolio. This information must be provided utilizing Attachment Q – Fee Structure. Fees must also include the custodial fees for the account. Although the Investment Management Services Firm will not provide custodial services or security safekeeping, they will obtain the services of a

[edit](#) 

Custodian and agree that the Custodian Services fee will be included in the Investment Management ServicesSM fee. (Answered: Sep 19, 2018 9:52:29 AM EDT)

Add to Answer:

Question 5

In section 1.3, you state that the City's investment program is currently managed under the direction of an Investment Committee who reports to the City Manager, and, in Section 1.4 part d, provide consultations to the City on the best investment options. Will the Investment Manager have a discretionary role of the investment of the assets, or a non-discretionary role in managing the assets? (Submitted: Sep 10, 2018 11:19:51 AM EDT)

[edit](#) 

Answer

- The investment consultant/manager makes recommendations to the Investment Committee, and the Investment Committee will decide whether or not to accept these recommendations. (Answered: Sep 19, 2018 9:52:29 AM EDT)

Add to Answer:

Question 6

Tab 9 question 2 asks to provide a copy of the Agreement for Custodial Services with the Selected Custodian, and that the City provided a template agreement. Is the Custodial Agreement Attachment L, or another document? (Submitted: Sep 10, 2018 11:22:58 AM EDT)

Answer

- Attachment L is the Specimen Investment Management Services Agreement. The City did not provide a Specimen Custodial Services Agreement. The Investment Management Services Firm will not provide custodial services or security safekeeping, however they will obtain the services of a Custodian and agree that the Custodian Services fee will be included in the Investment Management ServicesSM fee. Normally, the custodian bank has its own agreement. The Investment Management Services Firm will provide a copy of the agreement for custodial services with the selected custodian bank. (Answered: Sep 19, 2018 9:52:29 AM EDT)

[edit](#) 

Add to Answer:

Question 7

- What is the amount of assets available for initial investment?
- Who provides custodial services for the City and is there any flexibility in changing the custodian?
- In Attachment O and Attachment P, are the calendar years from 2018 to 2022 correct or a typo?
- Does the City consider itself to be a Qualified Institutional Buyer, or QIB, as defined by SEC Rule 144a?
- Has the City entered into a Master Securities Forward Transaction Agreement, or MSFTA, governing the forward settlement of agency mortgage investments?
- Does the City currently have known future cash flows, incoming or outgoing? Would the City be willing to publish a schedule of known cash flows during this solicitation process?
- On behalf of the City, has an external investment manager ever invested or currently invests in Real Estate or Land Trusts?
- Does the City currently own investments in REITS?
- Please provide more information concerning the Wells Capital Management investment strategy. (Submitted: Sep 10, 2018 3:46:06 PM EDT)

Answer

[edit](#) 

- This depends on the actions the Investment Committee takes based on the Investment Consultant/ManagerSMs recommendations. As of August 31, 2018, the CitySMs operating fund is approximately \$179M.
 - The City is requesting for the Investment Management Services Firm to obtain the services of a Custodian and agree that the Custodian Services fee will be included in the Investment Management ServicesSM fee. Approx. \$118M is with State Board of Administration (SBA), \$28M is with Florida League of Cities (FLOC), and \$33M is with US Bank (Custodian Bank).
 - The years should have been 2014-2018.
 - Yes.
 - No.
 - The City is not doing cash flow analysis as most of our operating funds are with SBA which can provide funding on a daily basis if needed.
 - No.
 - No.
 - Please see Attachment S - Wells Capital Management Quarter Ended June 30 Report (Answered: Sep 19, 2018 9:59:16 AM EDT)

Add to Answer:

Question 8

Attachment N is titled Cash and Investment Report March 31, 2018. Is the data presented as of March 31, or May 31? Please provide the portfolio holdings for the \$33 million Wells Capital Management account that corresponds to the Attachment N report date. (Submitted: Sep 10, 2018 3:48:02 PM EDT)

Answer

[edit](#) 

- Please see the latest investment report (Attachment T - Cash Investment Report - August 31 2018). In addition, please see Attachment S - Wells Capital Management Quarter Ended June 30 Report. (Answered: Sep 19, 2018 9:52:29 AM EDT)

Add to Answer:

Question 9

Please provide the most recent quarterly performance report for the Wells Capital Management portfolio. (Submitted: Sep 10, 2018 3:48:23 PM EDT)

Answer

[edit](#) 

- Please see Attachment S - Wells Capital Management Quarter Ended June 30 Report. (Answered: Sep 19, 2018 9:52:29 AM EDT)

Add to Answer:

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EXHIBIT "B" – FEE SCHEDULE

Below is the new revised negotiated fee schedule for PFM Asset Management LLC:

The discounted investment advisory fee was calculated using the following graduated fee schedule:

Assets Under Management	Year 1	Year 2	Year 3	Year 4	Year 5
First \$25 Million	7.3 bps (0.073%)	7.3 bps (0.073%)	8.0 bps (0.080%)	10 bps (0.10%)	10 bps (0.10%)
Next \$25 Million	7.0 bps (0.070%)	7.0 bps (0.070%)	7.4 bps (0.074%)	8 bps (0.08%)	8 bps (0.08%)
Next \$50 Million	6.5 bps (0.065%)	6.5 bps (0.065%)	6.8 bps (0.068%)	7 bps (0.07%)	7 bps (0.07%)
Over \$100 Million	6.0 bps (0.060%)	6.0 bps (0.060%)	6.0 bps (0.060%)	6 bps (0.06%)	6 bps (0.06%)

EXHIBIT “C” – INVESTMENT POLICY