



REQUEST FOR PROPOSALS

No. 2015-020

Non-Discretionary Investment Advisory Services

Solicitation Issued: April 17, 2015

Proposal Submissions Due: May 15, 2015 Time: 3:00 PM

Submissions Received By: Wes Rhodes, Procurement Manager
City of Gaithersburg
Division of Procurement
31 South Summit Avenue
Gaithersburg, Maryland 20877

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SECTION 1: Definitions

City: “City” means the City of Gaithersburg, Maryland, a municipal corporation of the State of Maryland.

City Manager: “City Manager” means the City Manager of the City or his or her designee.

Contract: “Contract” means the binding agreement awarded pursuant to this Solicitation, if any.

Contractor: “Contractor” means the Offeror awarded the Contract.

Offeror: “Offeror” means any Person submitting a Proposal in response to this Solicitation.

Person: “Person” means any individual, or association or business recognized by law.

Price Analysis: “Price Analysis” means the examination of the Proposal Price to ensure it is fair and reasonable.

Procurement Webpage: “Procurement Webpage” means the webpage on the City’s website dedicated to procurement: <http://www.gaithersburgmd.gov/government/procurement/current-bids>.

Proposal: “Proposal” means the technical proposal, price proposal and any and all documents submitted to the City by an Offeror in response to this Solicitation.

Services: “Services” means the goods and/or services to be provided to the City by the Contractor under the Contract as described in this Solicitation.

Solicitation: “Solicitation” means this Request for Proposals.

Solicitation Schedule: “Solicitation Schedule” refers to the events and dates and times thereof specified in Section 3.1 of this Solicitation.

Solicitation Documents: “Solicitation Documents” mean this Solicitation and any and all documents issued and/or used by the City to solicit Proposals, including but not limited to: addendums, amendments, forms and specifications.

Submission Deadline: “Submission Deadline” means the date and time, specified in Section 3.1 of this Solicitation, in which all Proposals shall be submitted to and received by the City.

~ END OF SECTION 1 ~

SECTION 2: Introduction and Notices to Offerors

2.1. INTRODUCTION

The City is requesting sealed Proposals from qualified investment advisory firms for the provision of non-discretionary investment advisory services for its municipal investment portfolio. As of March 2015, the City had approximately \$111 Million in cash and investments, which is currently held in two investment pools with Montgomery County, Maryland, and State of Maryland.

2.2. CITY'S LIABILITY

This is a Solicitation only, it is not a contract. The City shall assume no obligation to pay or reimburse any Person for any costs, fees, or expenses incurred in preparation of a response to this Solicitation, or for any meetings or travel costs related to such response. The City reserves the right to reject any or all Proposals in full or in part and/or to waive any technicalities or informalities as best may serve the interests of the City. The City is under no obligation to any Offeror until a contract is executed for the Services described herein.

2.3. AUTHORITY TO DISTRIBUTE SOLICITATION DOCUMENTS

The City is the sole entity with the authority to issue and/or distribute any Solicitation Documents. Any and all Solicitation Documents obtained from any source other than the City may be incomplete or incorrect. The City assumes no responsibility for any error, omission or misinterpretation resulting from the reliance or use of any Solicitation Documents not both issued and distributed by the City. Any and all Solicitation Documents shall be posted on the Procurement Webpage.

2.4. ACCEPTANCE

The submission of a Proposal shall constitute acknowledgement and acceptance by the Offeror of the requirements, specifications and terms and conditions specified herein.

2.5. RESTRICTED DISCUSSIONS

Offerors are prohibited from discussing this Solicitation or any part thereof with any employee, agent, or representative of the City except as expressly authorized herein. The City may, in its sole discretion, reject the Proposal submitted by any Offeror who is in violation of this provision.

2.6. STATE OF MARYLAND BID AND CONTRACT REQUIREMENTS

A. Offerors must be qualified to bid in the State of Maryland in accordance with §16-202 and §16-203 of the State Finance and Procurement Article of the Annotated Code of Maryland.

B. To enter into any contract with the City, Offerors must be in compliance with the State of Maryland Code of Regulations Title 21, State Procurement Regulations.

2.7. ADA REQUIREMENTS

Individuals with a disability, who would like to receive the information in this Solicitation in another form, may contact the City's Procurement Manager by phone at 301-258-6320 or by email at wrhodes@gaitthersburgmd.gov.

~ END OF SECTION 2 ~

SECTION 3: Solicitation Schedule and Information

3.1. SOLICITATION SCHEDULE

Below is the schedule of events for this Solicitation. The City reserves the right to modify the Solicitation Schedule at any time as best may serve the interests of the City; any and all modifications shall be made by addendum or amendment and posted on the City's Procurement Webpage.

EVENT	DATE	TIME
A. Solicitation Issued:	April 17, 2015	N/A
B. Offeror Questions Due in Writing: <i>See Subsection 3.2 for additional information</i>	April 27, 2015	3:00 PM
C. City's Answers to Questions Issued: <i>See Subsection 3.3 for additional information</i>	May 1, 2015	N/A
D. Submission Deadline: <i>See Subsection 4.2 for additional information</i>	May 15, 2015	3:00 PM
E. Proposal Evaluation Complete (Estimated):	May 22, 2015	N/A
F. Interviews Conducted (Estimated):	June 12th-16th, 2015	N/A

3.2. SUBMISSION OF OFFEROR QUESTIONS

All questions regarding this Solicitation shall be submitted by email to Wes Rhodes, Procurement Manager, at wrhodes@gaitthersburgmd.gov, and shall be received by the date and time specified in the Solicitation Schedule. Any and all questions received not in compliance with this paragraph will not be answered unless the City, at its sole discretion, deems that a response to a question is necessary to clarify anything in the Solicitation Documents.

3.3. CITY'S ANSWERS TO OFFEROR QUESTIONS

The City's answers to questions submitted by Offerors will be posted by addendum on the City's Procurement Webpage on the date specified in the Solicitation Schedule.

~ END OF SECTION 3 ~

SECTION 4: Proposal Preparation and Submission Instructions

4.1. PROPOSAL PREPARATION INSTRUCTIONS

In order evaluate Proposals objectively and provide each Offeror with an equal opportunity for consideration, adherence to a standardized proposal format is required; any Proposal submitted not in compliance with the required format shall be cause for the Proposal to be deemed non-responsive and removed from consideration. All Proposals shall be clear and concise, and include the following material organized as follows:

A. Cover Letter

Include a cover letter prepared on the Offeror's business stationery and which is signed by an individual authorized to bind the Offeror to its Proposal. In addition, the cover letter shall include, at a minimum, the Offeror's name and the name, business title, address, email address and telephone number of the individual authorized to represent the Offeror and to whom the City should direct correspondence.

B. Table of Contents

Include a table of contents, which clearly identifies the material by section and page number.

C. Statement of Understanding

Include a detailed statement that demonstrates the Offeror's understanding of the Services to be provided.

D. Proposal Questionnaire

Include a completed Proposal Questionnaire, a copy of which is incorporated herein and attached hereto as Attachment A.

E. Forms and Documents

This section of the Proposal shall include the following completed forms, all of which are incorporated herein and attached hereto as Attachment B:

- ↳ Addendum and Amendment Acknowledgement Form
- ↳ Affidavit of Qualification to Propose
- ↳ Proposal Submission Certification
- ↳ Conflict of Interest Certification
- ↳ Litigation and Lien Information

4.2. PROPOSAL SUBMISSION INSTRUCTIONS

The Offeror shall submit complete sets of its Proposal in a sealed package (hereinafter referred to as "Proposal Package") in accordance with and subject to the following instructions and conditions:

I. The Proposal Package shall contain the following:

- ↳ One (1) original paper Proposal. All documents and forms shall be completed in their entirety and, when applicable, be notarized and/or signed in ink by an authorized or duly authorized representative of the Offeror.

- ↪ Four (4) identical paper copies of the original Proposal.
 - ↪ One (1) identical electronic copy of the original Proposal on a compact disc or flash drive.
- II. The Proposal Package shall have the following information printed clearly on the outside of the Proposal Package:
- ↪ Solicitation Number;
 - ↪ Solicitation Title; and
 - ↪ Name of the Offeror submitting the Proposal Package
- III. The Proposal Package shall be addressed to Wes Rhodes, Procurement Manager, and be submitted at the following location by the Submission Deadline:
- City of Gaithersburg
31 South Summit Avenue
Gaithersburg, Maryland 20877
- Any and all Proposals not received by the City by the Submission Deadline and/or that are not submitted at the above location shall be deemed non-responsive.
- IV. The City shall assume no responsibility for delays or errors in the delivery of any Proposal; postmarking by the Closing Date shall not substitute for actual receipt.
- V. The Offeror is strictly prohibited from submitting its Proposal by facsimile or by e-mail. Any and all Proposals submitted as such shall be rejected as non-responsive and be removed from consideration.
- VI. No partial Proposals will be accepted or reviewed.
- VII. Any and all Proposals submitted not in compliance with any of the provisions herein shall be rejected as non-responsive and be removed from consideration.

~ END OF SECTION 4 ~

SECTION 5: Evaluation Criteria and Selection Process

5.1. AWARD

Award of the Contract, if any, shall be to the Responsible Offeror whose Proposal: (i) fully conforms in all material respects to the requirements of this Solicitation, including all form and substance; and (ii) is, in the sole discretion of the City, the most advantageous to the City, price and other factors considered.

5.2. SELECTION COMMITTEE

The City shall assign a committee comprised of personnel it considers to be stakeholders in the project (hereinafter referred to as "Selection Committee") to: review, evaluate and score all Proposals; conduct interviews, if required; and select and recommend the most qualified Offeror for the Contract award.

5.3. EVALUATION CRITERIA

The Selection Committee will evaluate each Proposal on the following criteria (hereinafter referred to as "Evaluation Criteria"):

- A. Understanding the City's Requirements and Ability to Meet
- B. Approach and Work Plan
- C. Management Plan and Processes
- D. Qualifications and Experience
- E. Cost

5.4. SELECTION PROCESS

Below is the anticipated selection process for this Solicitation; however, the City reserves the right, in its sole discretion, to modify this process as best may serve the interests of the City.

A. Review for Responsiveness

The Procurement Manager shall perform an initial review of each Proposal to determine its responsiveness to the requirements set forth in this Solicitation. Following the initial review, the Procurement Manager shall distribute all responsive Proposals to the Selection Committee to be evaluated and scored. In the event a Proposal is determined to be nonresponsive, it shall be retained by the Procurement Manager and not be distributed to the Selection Committee.

B. Evaluation and Scoring

- A. The Selection Committee shall evaluate and score each responsive Proposal to determine the responsibility of the respective Offeror to perform the Services and to establish a list of the highest ranking Offerors.
- B. The City reserves the right to seek written clarification of each proposal submitted. The City also reserves the right to require other evidence of minimum qualifications, technical, managerial, financial, or other abilities prior to selection.

A. Interviews

Following the evaluation and scoring of all responsive Proposals, the Selection Committee will require an interview with the highest ranking Offerors, each of which who may be required to make a presentation. Following interviews, if any, the Selection Committee will score each Offeror interviewed on their interview and make a recommendation of tentative award to the City Manager or Designee. Formal award shall be contingent on the approval by the City's Mayor and City Council. The City reserves the right to require any Offeror to make a presentation in order to substantiate the qualifications and/or abilities of the Offeror to perform under the Contract.

~ END OF SECTION 5 ~

SECTION 6: General Terms and Conditions

The following terms and conditions shall apply to and survive this Solicitation and be incorporated into the Contract:

6.1. HEADINGS

Any and all of the headings contained in any of the Solicitation Documents are for reference purposes only and shall not in any way affect the meaning or interpretation of any of the same.

6.2. ACCEPTANCE AND REJECTION OF PROPOSALS

The City reserves the right: (i) to accept or reject any or all Proposals in whole or in part; (ii) to waive any technicalities or informalities in Proposals; and (iii) to cancel or postpone this Solicitation at any time if determined to serve the best interests of the City. The City may reject the Proposal of any Offeror in arrears or in default to the City on any contract, debt, or other obligation.

6.3. ACCURATE INFORMATION

The Offeror certifies that all information provided or to be provided to the City is true and correct and may be relied upon by the City in awarding the Contract. Any false and/or misleading information is cause for the City to reject the Offeror's Proposal or to terminate the Contract if awarded to the Offeror. Such rejection or termination shall relieve the City of any direct or consequential damages or costs incurred by the Offeror.

6.4. ADDENDA AND AMENDMENTS

In the event any addenda or amendments are issued to this Solicitation, all the terms and conditions of this Solicitation shall govern and apply unless specifically stated or modified in any such addenda or amendments. Verbal or written statements and/or answers to questions not posted on the City's Procurement Webpage relative to this Solicitation shall not be considered valid or enforceable. It is the responsibility of the Offeror to inquire about and obtain any and all addenda and/or amendments issued, all of which shall be published on the City's Procurement Webpage.

6.5. ALTERNATE PROPOSALS

The Offeror is expected to clearly respond to the requirements set forth in this Solicitation. Any and all alternate Proposals for the Services shall be rejected as non-responsive and be removed from consideration.

6.6. BINDING PROPOSAL

All Proposals shall remain binding for 180 calendar days following the Acceptance Deadline; Proposals may not be withdrawn at any time within this period. In the event an award is not made during such period, all Proposals shall be automatically extended and remain binding for an additional 180 calendar day period. Proposals shall automatically be renewed until such time as either an award is made or proper notice is given to the City by an Offeror of its intent to withdraw its Proposal. Proposals may only be withdrawn by written notice to the City at least fifteen (15) calendar days prior to the expiration of the then current 180 calendar day period.

6.7. CONFIDENTIALITY

- A. The City agrees, to the extent permitted by law and in accordance with the terms set forth in this Solicitation, to hold all confidential information and material belonging to the Offeror in strictest confidence. The Offeror shall specify in writing to the City the information and/or material the Offeror deems to be a trade secret or other confidential information and/or material. Written notification shall also contain the reason such information and/or material is considered to be a trade secret and/or confidential.
- B. The Offeror agrees that all knowledge and information it may receive from the City or from its officials, employees or other sources, or by virtue of the performance of Services under and pursuant to the Contract, if awarded the Contract, which are included or referenced in Title 4 of the General Provisions Article of the Annotated Code of Maryland, shall not be directly or indirectly disclosed to any person whatsoever unless authorized to do so by the City Manager. This confidentiality provision shall also apply to any information, activity, or record designated by the City as being “confidential” or “privileged”.

6.8. CONTRACT AWARD

- A. It is the intent of the City to award the Contract to one (1) Offeror; however, the City reserves the right in its sole discretion to award the Contract to multiple Offerors in whole or in part. If for any reason, through no fault of the City, the Contract is not executed within thirty (30) days’ following formal award, the City may withdraw the award and award to another Offeror, or solicit new Proposals.
- B. In the event the City receives only one (1) Proposal in response to this Solicitation, the City reserves the right, in its sole discretion, to proceed as a negotiated procurement with the Offeror that submitted the Proposal.

6.9. ERRORS IN PROPOSALS

Obvious error(s) in calculations in any Proposal may not be corrected without the prior written consent of the City and may be cause for the Proposal to be deemed non-responsive. If an error is made in an extended price, the unit price will govern.

6.10. INTEREST IN MORE THAN ONE PROPOSAL AND COLLUSION

Multiple Proposals submitted in response to this Solicitation by any Offeror under the same or different names shall be rejected as non-responsive. Reasonable grounds for believing that any Offeror has interest in more than one (1) Proposal for this Solicitation, both as the Offeror and as a subcontractor for another Offeror, shall result in the rejection of all Proposals in which the Offeror has interest and disqualify the Offeror from responding to any reissuance of this Solicitation. However, a Person acting only as a subcontractor may be included as a subcontractor for multiple Offerors. The City may reject all Proposals if reasonable cause exists for believing that collusion exists among Offerors.

6.11. LATE PROPOSALS

It is the responsibility of the Offeror to ensure the delivery of its Proposal by the Acceptance Deadline and to the location specified in Section 3.1 (Event E) of this Solicitation. Any and all Proposals delivered or submitted late or to any location other than the designated location shall be rejected as non-responsive. The submission of any Proposal by way of

facsimile or e-mail is strictly prohibited; any and all Proposals submitted as such shall be rejected as non-responsive. The City assumes no responsibility for any delays and/or errors in the delivery of a Proposal; postmarking by the Acceptance Deadline shall not substitute for actual receipt. Any and all Proposals submitted not in compliance with any of the provisions of this paragraph shall be rejected as non-responsive.

6.12. MODIFICATIONS TO PROPOSALS

The Offeror may only modify its Proposal in accordance with and subject to the following:

- A. The City shall consider a modified Proposal as an entirely new Proposal and shall replace the original Proposal, which shall be deemed to be withdrawn and null and void.
- B. The modified Proposal shall be subject to all the requirements, specifications and terms and conditions set forth herein.
- C. Notwithstanding the provisions with respect to the submission of a Proposal herein, the modified Proposal shall clearly be labeled "Modified Proposal".

6.13. OPTIONAL GOODS AND/OR SERVICES

The City reserves the right to request and evaluate optional goods and/or services which may be in the best interests of the City, and to negotiate the price of such goods and/or services with the successful Offeror or with another Offeror, whichever is determined to be the most advantageous to the City. While pricing for optional goods and/or services may be requested in this Solicitation, the City is under no obligation to consider such optional goods and/or services when selecting the successful Offeror unless otherwise stated.

6.14. SOLICITATION DOCUMENTS

The Offeror is expected to carefully and thoroughly examine all of the Solicitation Documents for accuracy and completeness, and to become familiar with the same. If doubt exists as to the meaning and/or intent in or of any of the Solicitation Documents, the Offeror shall make an inquiry as to such meaning and/or intent. The failure of the Offeror to examine and become familiar with any and all of the Solicitation Documents shall in no way relieve the Offeror of its obligations under the Contract, if awarded to the Offeror. The submission of a Proposal shall be taken as prima facie evidence of compliance with this provision and that the Offeror fully understands everything in the Solicitation Documents.

6.15. SOLICITATION PROTEST

- A. Any protest of this Solicitation shall be in writing to the City Attorney. The provisions of COMAR Title 21.01.03.01A(7), State Procurement Regulations, do not apply to municipalities and are not applicable to this Solicitation. Protests of alleged improprieties in this Solicitation shall be filed prior to the Acceptance Deadline.
- B. Any written protest shall, at a minimum, include: (i) the name, address, telephone number, and if available, email address of the Person making the protest; (ii) the Solicitation number and a detailed statement of the legal and factual grounds for the protest, including a description of resulting harm to the Person making the protest; and (iii) any and all copies of supporting exhibits, evidence and/or documents to substantiate the claim.

6.16. USE OF BROKER

The Offeror warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees, or bona fide established commercial or selling agencies maintained by the Offeror for the purpose of securing business. For violation of this provision, the City shall have the right, in its sole discretion: (i) to terminate or suspend the Contract without liability to the City, its officials or employees; or (ii) to deduct from the Contract price or consideration, the full amount of such commission, percentage, brokerage, or contingent fee.

6.17. ACCOUNTING SYSTEM AND AUDIT

A. The Contractor certifies its accounting system conforms to Generally Accepted Accounting Principles (GAAP) and is sufficient to comply with its budgetary and financial obligations under the Contract. In addition, the Contractor acknowledges and agrees to the following:

I. The Contractor: (i) shall maintain any and all necessary source documentation, accounting records and supporting documentation in such a manner that will provide for a separation between direct and indirect costs; and (ii) shall enforce sufficient internal controls as dictated by GAAP to properly account for expenses incurred under the Contract.

II. The Contractor: (i) shall allow the City to examine and/or obtain copies of the Contractor's records to determine and verify compliance with the terms and conditions of the Contract; (ii) shall grant the City access to such records at all reasonable times during the Contract term and for a period of five (5) years thereafter; and (iii) shall make such records available for examination and/or to obtain copies by any and all Federal, State and/or County authorities if the Contract is supported to any extent with any funds of the same.

B. The Contractor shall include a similar provision in any and all subcontracts.

6.18. ASSIGNMENT OF THE CONTRACT

The City's rights under the Contract are personal to the Contractor. It is mutually understood and agreed that the Contractor shall not assign, convey, sublet, transfer or otherwise dispose of its Contract or its right, title or interest therein, or its power to execute the Contract, to any other person without the express written consent of the City; however, in no case shall such consent relieve the Contractor from its obligations under the Contract, or change the terms and conditions of the Contract.

6.19. CHANGES IN GOODS AND/OR SERVICES

The City, without invalidating the Contract, may order changes in the goods and/or Services within the general scope of the Contract, consisting of additions, deletions and/or other revisions, and the Contract sum and term shall be adjusted accordingly. Any cost or credit to the City from a change in Services shall be determined by mutual written agreement between the City and the Contractor. The Contractor shall provide all of the goods and services that may be required to complete the Contract at the price agreed upon. Any alterations of variables to the terms of the Contract shall not be valid or binding upon the City unless made in writing and signed by the City and the Contractor.

6.20. CONTRACT DISPUTES

Any and all disputes arising under the Contract, except under the provisions for termination, which are not disposed of by agreement between the City and the Contractor, shall be decided under procedures A-D listed below. Pending final resolution of a dispute, the Contractor shall proceed diligently with Contract performance. A claim must be in writing for a sum certain and any money requested must be fully supported by all cost and pricing information.

- A. All disputes, claims, questions of fact or interpretations of the documents of the Contract not disposed of by agreement or express provision of the Contract arising between the City and the Contractor after performance of the Contract has commenced but before final payment and termination of the Contract, are decided by the City Manager or designee ("City Manager").
- B. The City Manager must give the Contractor not less than three (3) working days to submit documentation and written reasons supporting the Contractor's position in the dispute. The City Manager may consider any other information or written submissions from City employees or agents and may conduct an informal, non-record hearing for receipt of testimony, evidence and/or argument. The City Attorney may participate in the hearings to protect the City's interest.
- C. The City Manager must render a decision, in writing, stating reasons for such decision and provide copies to the Contractor and the City Attorney. If the decision is mailed to the Contractor, it must be mailed "certified" and dated the date of mailing; otherwise, it must be dated the date of delivery to the Contractor.
- D. The City Manager's decision may be submitted to Binding Arbitration by either Party under the auspices of an arbitrator appointed by the American Arbitration Association.

6.21. DISSEMINATION OF DATA

The Contractor shall not release any information related to the Services under the Contract or publish any reports or documents related to the same without the prior written approval of the City. The Contractor shall include a similar provision in all subcontracts.

6.22. EMPLOYMENT AS INDEPENDENT CONTRACTOR

The City and the Contractor recognize and agree: (i) that the Contractor shall act as an independent Contractor to the City; (ii) that the Contract does not create any actual or apparent agency, partnership, franchise, or relationship of employer and employee between the parties; (iii) that neither party shall be entitled to participate in any of the other party's benefits, including without limitation, any health or retirement plans; (iv) that the Contractor shall not be entitled to any remuneration, benefits, or expenses other than as specifically provided for in the Contract; and (v) that the City shall not be liable for any insurance, taxes, or withholding for or on behalf of the Contractor; all such insurance, taxes or withholding, and costs for same, shall be the sole responsibility of the Contractor.

6.23. ETHICS LAWS AND REQUIREMENTS

The Contractor shall comply with the financial disclosure and conflict of interest and lobbying provisions of the City's ethics laws, which may be found on the City's website at: <http://www.gaithersburgmd.gov/government/city-code>.

6.24. FORCE MAJEURE

The City and the Contractor acknowledge and agree that either party hereto will be relieved of its obligations hereunder in the event and to the extent that the performance of its obligations under the Contract is delayed or prevented by any cause beyond its control, including, without limitation, acts of God, public enemies, war, insurrection, acts or orders of governmental authorities, fire, flood, explosion, or riots ("Force Majeure"). Failure to receive necessary materials and supplies will not excuse performance hereunder unless such failure is itself due to an event of Force Majeure. A party obtaining relief under this provision shall make every reasonable effort to minimize the effects thereof and will promptly resume performance as soon as possible.

6.25. GOVERNING LAW

The Contract shall be construed in accordance with the laws and regulations of the Federal Government, State of Maryland, and the City. For purposes of litigation involving the Contract, exclusive venue and jurisdiction shall be in the Circuit Court of Maryland for Montgomery County, District Court of Maryland for Montgomery County or the United States District Court of Maryland.

6.26. IMMIGRATION REFORM AND CONTROL ACT

The Contractor shall warrant that it does not and shall not hire, recruit or refer for a fee for employment under the Contract, an alien, knowing the alien is an unauthorized alien, and hire any individual without complying with the requirements of the Immigration Reform and Control Act of 1986 ("Act"), including but not limited to any verification and record keeping requirements. The Contractor shall further assure the City that, in accordance with the Act, it does not and will not discriminate against an individual with respect to hiring, or recruitment or referral for a fee, of the individual for employment or the discharging of the individual from employment because of such individual's national origin or in the case of a citizen or intending citizen, because of such individual's citizenship status.

6.27. INCONSISTENT PROVISIONS

- A. Notwithstanding any provisions to the contrary in the terms and conditions of any contract supplied by the Contractor, the conditions of this Solicitation and the Contract supersede those terms and conditions in the event of inconsistency.
- B. In the event of any inconsistency between any of the provisions of this Solicitation and any of the provisions of the Contract, the provisions of the Contract shall take precedence over and supersede those provisions in the event of any inconsistency.

6.28. INDEMNIFICATION

The Contractor shall indemnify and hold harmless the City, its officials, employees and agents from the following:

- A. Any and all direct or indirect damages, costs, claims, actions, suits, judgments or liens resulting from the negligent act or commission or omission of the Contractor, its employees, agents or subcontractors; and
- B. Any and all direct or indirect costs, claims, actions, suits, judgments or liens for damages resulting from the Contract arising from the negligence or omission of the Contractor, its employees, agents or subcontractors. The Contractor shall, upon completion of the Services, provide the City with a Release of Liens from any

subcontractor, supplier, material, or other supplier of goods and services to the project.

6.29. LAWS AND REGULATIONS

The Contractor shall comply with any and all applicable federal, state and local laws, codes and regulations with respect to the Services under the Contract.

6.30. NO LIENS

The Contractor shall have no title or interest in any of the goods delivered to the City under this Contract. In no event shall the Contractor encumber any such goods delivered to the City with any lien of any kind or offer such goods as collateral in any transaction whatsoever.

6.31. NO WAIVER

Except as otherwise specifically provided in the Contract, a waiver by either party to the Contract of any breach of any provision of the Contract, or either party's decision not to invoke or enforce any right under the Contract, shall not be deemed a waiver of any right or subsequent breach, and all provisions of the Contract shall remain in force.

6.32. NON-DISCRIMINATION REQUIREMENTS

- A. The Contractor acknowledges and agrees that during the term of the Contract it shall:
 - I. Not discriminate against any employee or applicant for employment because of gender preference, race, color, creed, religion, ancestry, sex, sexual orientation, national origin, affection preference, disability, age, marital status or status with regard to public assistance or as a disabled veteran or veteran of the Vietnam era.
 - II. Take affirmative action to ensure that applicants and employees are treated without regard to their race, color, creed, religion, ancestry, sex, sexual orientation, national origin, affection preference, gender preference, disability, age, marital status or status with regard to public assistance or as a disabled veteran or veteran of the Vietnam era. Such action shall include but not be limited to the following: employment, upgrade, demotion or transfer; recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
 - III. In all solicitations for employees, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, ancestry, sex, sexual orientation, national origin, affection preference, gender preference, disability, age, marital status or status with regard to public assistance or as a disabled veteran or veteran of the Vietnam era. The Contractor agrees to use clauses similar to those above in all contracts and subcontracts. In the event the Contractor fails to comply with the nondiscrimination clauses of the Contract, or fails to include such provisions in all contracts and subcontracts, as hereinabove provided, the Contract may at the sole discretion of the City be declared void AB INITIO, canceled, terminated or suspended in whole or in part with waiver of any

recourse by the Contractor against the City or its officials or employees, and the Contractor may be declared ineligible for further contracts with the City.

- B. Any employee, applicant for employment, or prospective employee with information concerning any breach of these requirements may communicate such information to City Manager who shall commence a prompt investigation of the alleged violation. Pursuant to such investigation, the Contractor shall permit access to their books, records and accounts. In the event the City Manager concludes, on the basis of such investigation, that the Contractor has failed to comply with these nondiscrimination clauses, the City Manager may invoke the remedies hereinabove set out.

6.33. NONEXCLUSIVE

Nothing in the Contract shall be deemed to act as a bar to the City's solicitation or purchasing of equipment, goods or services from any other company.

6.34. OWNERSHIP OF MATERIALS

Unless otherwise agreed in writing by the City and the Contractor, any work, specifications, information, data, drawings, software and other items produced under the Contract, other than any Contractor Tool, is to be deemed a work-for-hire to the extent permitted by law, and, to the extent not so permitted, shall be assigned to, and shall become, the exclusive property of the City.

6.35. PATENTS

- A. Whenever any article, material, appliance, process composition, means or things called for by the specifications ("Materials") under this Solicitation is covered by Letters of Patent, the Contractor shall secure, prior to using or employing such Materials, the assent in writing of the owner or licensee of such Letters of Patent and file the same with the City.
- B. The Contractor shall defend, at its own expense, and pay the cost and damages awarded in any action brought against the City based on an allegation that the Materials provided by the Contractor infringe on any patent, copyright, license or trade secret. In the event that an injunction shall be obtained against the City's use of the Materials by reason of infringement of any patent, copyright, license or trade secret, the Contractor shall, at its own expense, procure for the City the right to continue using the Materials or replace or modify the same so that it becomes non-infringing.

6.36. PAYMENT TERMS, TAXES AND INVOICES

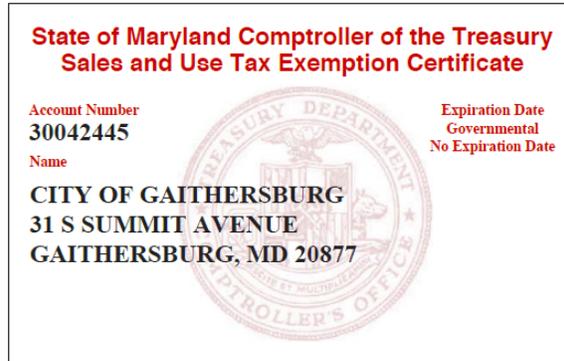
The City shall only pay original proper invoices issued in accordance with the following:

A. Payment Terms

The City's standard terms of payment are net thirty (30) days; however, this does not preclude the Contractor from providing a prompt payment discount for the payment of invoices in less than thirty (30) days. Payments considered past-due may be subject to incurred interest not to exceed one percent (1%) per month.

B. Taxes

The City is exempt from sales and use taxes. The Contractor shall exclude such taxes from all forms of requests for payments issued to the City; the City shall not be liable for or pay or reimburse the Contractor for any such taxes. A copy of the City's Sales and Use Tax Exemption Certificate is provided below.



C. Invoices

Original invoices shall include at a minimum, the Contractor's name, address, telephone and fax numbers, and if applicable, email address and corresponding purchase order number. Invoices shall be submitted to: City of Gaithersburg, Accounts Payable Division, 31 South Summit Avenue, Gaithersburg, Maryland 20877.

6.37. RECORDS

- A. The Contractor shall retain any and all records and documents relating to the Services under the Contract for a minimum of five (5) years following payment of the Contractor's final undisputed proper invoice for the complete rendered Services. The Contractor shall make available to the City, State of Maryland and any and all appropriate Federal agencies, all records and documents with respect to any and all matters under the Contract at any time during normal business hours, as often as the City deems necessary, to audit, examine, and make copies, excerpts and/or transcripts of any and all relevant data.
- B. The Contractor shall include similar provisions in all subcontracts.

6.38. SUBCONTRACTORS

The Contractor acknowledges and agrees: that if it shall be necessary to hire or subcontract with competent personnel to fulfill its obligations under the Contract, it shall do so at its own expense; and to ensure that any and all work assigned to any subcontractor shall be performed in compliance with all of the terms and conditions of the Contract. Nothing contained in the Contract shall create any contractual relation between any subcontractor and the City.

6.39. SURVIVAL

The representations, warranties and indemnities contained herein shall survive the termination of the Contract.

6.40. **TERMINATION**

A. Termination for Cause

If through any cause, the Contractor fails to fulfill in a timely and proper manner its obligations under the Contract, or if the Contractor violates any of the provisions of the Contract, the City may upon written notice to the Contractor, terminate the right of the Contractor to proceed under the Contract or with such part or parts of the Contract to which there has been default, and may hold the Contractor liable for any damages caused the City by reason of such default and termination, if the default is not corrected within 15 days' notice to cure. In the event of such termination, any completed Services performed by the Contractor under the Contract shall, at the option of the City, become its property and the Contractor shall be entitled to receive equitable compensation for any work completed to the satisfaction of the City. The Contractor, however, shall not thereby be relieved of liability to the City for damages sustained by the City by reason of any breach of the Contract by the Contractor, and the City may withhold any payments to the Contractor for the purpose of setoff until such time as the amount of damages due the City from the Contractor is determined. The Contractor shall not be responsible for damages under this article solely for reasons of delay if the delay is due to causes beyond its control and without its fault or negligence, but this shall not prevent the City from terminating the Contract for such delay.

B. Termination for Convenience

The City may, upon written notice and without cause, terminate the Contract in whole or in part at any time for its convenience. In such instance, payment shall be made to the Contractor for the reasonable costs of the work performed through the date of termination. Termination costs do not include lost profits, consequential damages, delay damages, unabsorbed or under-absorbed overhead of the Contractor or its subcontractors or suppliers. Failure of the Contractor to include a termination for convenience clause into its subcontracts and material purchase orders shall not result in any liability to the City for lost profits in conjunction with a termination for convenience.

The Contractor expressly waives any damages, delay damages, or indirect costs which may arise from the City's election to terminate the Contract in whole or in part for its convenience.

C. Termination for Non-Appropriation of Funds

The City shall not be obligated to the Contract for any future fiscal year until funds are appropriated for each such future fiscal year. In the event funding appropriation is not approved, the City may, upon written notice, terminate the Contract in whole or in part and without penalty or expense to the City. The effect of such action shall terminate the Contract on the last day of the fiscal year for which appropriations were made.

~ END OF SECTION 6~

SECTION 7: Special Terms and Conditions

7.1. CONTRACT TERM

The initial term of the Contract shall be three (3) years, which shall become effective on the date it is signed by both parties and shall continue in force until June 30, 2018. Upon the expiry date of the initial term, the Contract shall automatically renew for two (2) successive one (1) year terms unless otherwise terminated in writing by the City or the Contractor at least sixty (60) days prior to the expiry date of the then current term.

7.2. CONTRACTOR'S PERSONNEL

The Contractor shall utilize personnel listed in their Proposal. Substitution of key personnel shall only be permitted with the prior written permission of the City.

7.3. INSURANCE

- A. The Contractor shall be responsible for obtaining and maintaining in force, at its expense, policies of insurance with minimum limits as follows:
 - I. Commercial General Liability Insurance in an amount no less than One Million Dollars (\$1,000,000.00);
 - II. Professional Liability Insurance in an amount no less than Five Million Dollars (\$5,000,000.00); and
 - III. Workers' Compensation Insurance in an amount no less than One Million Dollars (\$1,000,000.00).
- B. Prior to the execution of the Contract, the Contractor shall provide the City with a certificate of insurance, which: (i) shall evidence the above policies and name the City as additional insured with respect to the Commercial General Liability Insurance only; and (ii) shall contain a provision that requires the Contractor's insurers to provide the City with a written notice of any cancellation or adverse material change in the insurance and that such cancellation or adverse material change shall not be effective with respect to the City for thirty (30) days after such written notice is given.
- C. The Contractor hereby acknowledges and agrees that its failure to provide the City with a certificate of insurance and/or the failure by the City to demand the delivery of said certificate shall not operate or be deemed to operate as a waiver of the insurance and associated endorsements required under this provision, and the Contractor shall hold the City harmless from any liability arising as a result of any such failure(s).

7.4. MANDATORY REQUIREMENTS/MINIMUM QUALIFICATIONS

- A. Notwithstanding any requirements and/or qualifications specified in any other section of this Solicitation, the Offeror shall meet the following minimum criteria in order to be eligible to submit a Proposal:

- I. The Offeror shall be a registered Investment Advisor as defined and regulated by the Securities and Exchange Commission (“SEC”), and whose primary business is municipal investment advisory or investment management services, and be registered in the State of Maryland.
 - II. The Offeror shall be completely independent of any financial institution or securities brokerage firm, or shall fully disclose any such relationships relevant to the firm’s relationship with the City.
 - III. The Offeror shall be familiar with all applicable State of Maryland statutes with regard to qualified investments for public entities.
 - IV. The Offeror shall have a minimum of five (5) years of experience in managing municipal investment.
 - V. The Offeror shall have a minimum of \$500 million under ongoing non-discretionary advisement.
- B. The City reserves the right to make such additional investigations as it may deem necessary to establish the competency and financial stability of any firm submitting a proposal. If, after the investigation, the evidence of competency and financial stability is not satisfactory in the sole opinion of the City, the City reserves the right to reject the proposal.

~ END OF SECTION 7 ~

SECTION 8: Scope of Work

8.1. GENERAL INFORMATION

A. Introduction

The City seeks to enter into a contract with a qualified investment advisory firm, with substantial experience in municipal investment performance evaluation, to provide various consulting and non-discretionary advisory services for its municipal investment portfolio.

B. Background

The City operates under a Council-Manager form of municipal government, with the Council-appointed City Manager responsible for the day-to-day operations of the City. The City is located in the heart of Montgomery County, Maryland, with just over 64,000 residents. The total adopted budget for Fiscal Year 2015 is \$59.3 Million, with the total investment portfolio value of approximately \$111 Million as of March 2015. The City is committed to excellence in fiscal administration, striving for the highest standards of performance and accountability.

8.2. SCOPE OF WORK

The Services under the Contract shall include but not necessarily be limited to the following:

- ↪ Annually perform due diligence reviews of current and proposed broker/dealers and financial institutions as described in the City's Investment Policy. Provide supporting documentation.
- ↪ Assist in reviewing and recommending any appropriate amendments to the City's investment policy at the outset of the Agreement term, and assist in the annual review and update of policy. The City's current investment policy is incorporated herein and attached hereto as Exhibit A.
- ↪ Assist in reviewing investment internal controls.
- ↪ Assist in the review of third-party safekeeping/custodial services.
- ↪ Attend Investment meetings and Council meetings as needed.
- ↪ Be available in a timely manner, in person, by telephone, fax or e-mail, for consultation or advice. Meet with and provide information to City staff when requested. Meet periodically with staff, including on-site meetings not less than one time annually, to review and refine portfolio strategy and performance.
- ↪ Develop appropriate benchmarks to evaluate the performance of the Investment portfolio.
- ↪ Monitor the performance of the Investment and prepare a monthly portfolio performance report of the investment holdings based on appropriate benchmark indices, contractual commitments and quartile performances in specific investment categories. Reports should be furnished to the City of Gaithersburg within five

business days after the close of each month. In addition, the Investment portfolio performance reports should be prepared quarterly and annually for review, evaluation and improvement.

- ↳ Provide consulting related tasks for investment strategy on appropriate investment policy guidelines governed by the Federal and the State of Maryland regulations, as well as the ordinances, resolutions, and policies of City of Gaithersburg relating to the investment of public money.
- ↳ Provide independent, objective non-discretionary investment advisory services to the City's investment portfolio with the investment objects in order of priority of Safety, Liquidity and Return on Investment.
- ↳ Provide local government investment guidelines that specify the types and issuers of investments in which public money may be invested; include guidance for the prudent investment of public money based on cash flow projections, income, liquidity, investment ratings, and reduction of overall portfolio risk.
- ↳ Provide training on investment topics and technical advice as needed to the appropriate City Financial staff.
- ↳ Review the City's existing investment policy and guidelines and make recommendations regarding the revision of the current policy that is consistent with the local government investment guidelines adopted and required by the State Treasurer under Title 17 investment by local Government Subtitle 2. Local Government Investment guidelines.
- ↳ Work closely with the Director of Finance utilizing an appropriate investment asset allocation model based on the diversity of allowable investments in accordance with State and local regulations.
- ↳ Work with the Director of Finance to establish and maintain written administrative procedures and internal controls for the operation of the investment policy and procedures. The procedures shall also include reference to cash flow requirements, competitive bidding procedures, broker/dealer relationships, safekeeping, securities lending, Master Repurchase Agreements, security, collateral and mark to market requirements.
- ↳ Work with City staff to assure coordination of investment trades, delivery of the securities and availability of funds. Assist with trade settlements. Obtain and document competitive prices for securities transactions. Provide technical and fundamental market research including yield curve analysis and swap analysis.

~ END OF SECTION 8 ~

SECTION 9: Attachments and Exhibits

ATTACHMENT A

PROPOSAL QUESTIONNAIRE



City of Gaithersburg

Proposal Questionnaire

Solicitation No. _____

Please complete this form in its entirety and include it with your Proposal. While detailed responses are valued here and elsewhere, to the extent possible they should be prepared simply and economically, providing straightforward, concise information.

Name of Entity: _____

TABLE A: FIRM INFORMATION														
A.1. Briefly describe the evolution of your firm including the date founded, ownership, and any subsidiary relationships. Provide audited financial statements for the past two years and a current interim financial statement. If your firm is privately held and does not produce audited statements, unaudited will be acceptable.														
A.2. State the dollar totals of portfolios and the number of public sector portfolios the firm has under non-discretionary investment advisory management.														
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #d9e1f2;">Type of Client</th> <th style="background-color: #d9e1f2;">No. of Clients</th> <th style="background-color: #d9e1f2;">Totals</th> </tr> </thead> <tbody> <tr> <td>Cities</td> <td></td> <td>\$</td> </tr> <tr> <td>Counties</td> <td></td> <td>\$</td> </tr> <tr> <td>Special Districts</td> <td></td> <td>\$</td> </tr> </tbody> </table>			Type of Client	No. of Clients	Totals	Cities		\$	Counties		\$	Special Districts		\$
Type of Client	No. of Clients	Totals												
Cities		\$												
Counties		\$												
Special Districts		\$												
A.3. Non-discretionary investment advisory ("NDIA") service accounts:														
<ul style="list-style-type: none"> a. How many new NDIA service accounts have been added by your firm in the last three years? b. How many have discontinued your investment advisory services in the last three years? c. Explain why these accounts discontinued the NDIA service. 														
A.4. Provide a statement of the firm's experience with non-discretionary investment advisory services to entities similar to ours, including the number and dollar totals of your non-discretionary accounts in Maryland.														
A.5. a. List the project manager and all key personnel to be utilized for the work. Include résumés, description of education, professional designations, certificates or licenses, professional background, experience, skills, expertise and training for the types of services required.														
b. List any subcontracts (individual or organizational) that your firm intends to use when providing services under this RFP (Note: no subcontractor may be used without the City's prior written approval.)														

A.6. Provide at least three local government NDIA client references, including contact information (name, physical address, e-mail address & phone number).
A.7. What is the average number of accounts served per portfolio manager?
A.8. Describe the firm's research capability and resources (e.g., Bloomberg, PMA Ratings, Highline Data Bank Ratings, etc.).
A.9. Is the firm capable of providing all services identified in this request for proposal?
A.10. In how many days from contract execution schedule can you (a) begin the transition, (b) complete the transition, and (c) commence services? Please provide a timeline chart to support your answer.
A.11. Has there been any turnover of key personnel in the firm in the past 12 months? If yes, please describe.
A.12. Describe any Securities and Exchange (SEC) regulatory censure or litigation related to services your firm provides.
A.13. Provide a copy of the firm's most recent Form ADV, Part I and II (including Schedule I), as on file with the SEC. <ul style="list-style-type: none"> a. Is this firm registered with the State of Maryland? b. Identify by page and item number, and explain any adverse information in the ADV and how you mitigated it or how you intend to do so.

A.14. Benchmarks and Performance:

Provide advice as to what benchmark(s) the City should maintain or change in order to evaluate portfolio performance, and why.

- a. Please complete the following tables. Use Global Investment Performance Standards (GIPS) – compliant composite total return gross of fees.

If your firm does not report GIPS-compliant results, please state the reason and whether or when it intends to do so.

Attach your GIPS-compliant performance presentation as an Appendix to your response. State whether the presentation is verified, and provide the verification letter. State whether your composites have had a performance audit, and provide documentation to support it.

It is understood that only discretionary portfolios are reported under GIPS. However, please also provide the number of non-discretionary portfolios that use the selected benchmark.

It is also recognized that 2014 GIPS-compliant results are most likely not yet verified or audited. Please note that in your response if that is the case.

Calendar Year Performance (GIPS-compliant total return, gross of fees, annual average)					
Short-Term (18 months & less)					
Your Firm's Recommended Benchmark:	2014	2013	2012	2011	2010
Your Firm's Composite:	%	%	%	%	%
Added Value:	%	%	%	%	%
Annualized Quarterly Standard Deviation:	%	%	%	%	%
Number of clients in composite:					
Number of non-discretionary clients using this benchmark:					
Percentage of Total that are Government Clients:	%	%	%	%	%
Calendar Year Performance (GIPS-compliant total return, gross of fees, annual average)					
Long-Term (18 months & more)					
Your Firm's Recommended Benchmark:	2014	2013	2012	2011	2010
Your Firm's Composite:	%	%	%	%	%
Added Value:	%	%	%	%	%
Annualized Quarterly Standard Deviation:	%	%	%	%	%
Number of clients in composite:					
Number of non-discretionary clients using this benchmark:					
Percentage of Total that are Government Clients:	%	%	%	%	%

- b. Using the following format for your tables, provide GIPS-compliant composite returns for your clients who use the benchmarks you recommended above. Also insert the index you used.

Short-Term Benchmark			
Index: _____			
GIPS-compliant Composite Returns Gross of Fees as of 12-31	Composite %	Benchmark %	Added Value %
1 Year	%	%	%
3 Year	%	%	%
5 Year	%	%	%
10 Year	%	%	%
Long-Term Benchmark			
Index: _____			
GIPS-compliant Composite Returns Gross of Fees as of 12-31	Composite %	Benchmark %	Added Value %
1 Year	%	%	%
3 Year	%	%	%
5 Year	%	%	%
10 Year	%	%	%

A.15. Describe how investment ideas are originated and researched.

A.16. Explain how investment decisions are monitored and evaluated, including rating changes.

A.17. Describe your investment management process and how it relates to the client's tasks. Include the step-by-step processes for transaction advice, decisions, execution, safekeeping/custody, and accounting, including who does what. Include a flow chart.

A.18. Describe procedures used to ensure that portfolios comply with client investment objectives and policies.

A.19. Describe the strategies that will be used to enhance the performance of the investment portfolio.

A.20. Describe your procedures for portfolio review, investment management and client contact.

A.21. Describe how City personnel will be used, if at all, to assist during the process and indicate the approximate time requirement.

A.22. Describe the projected workload of the portfolio manager, key personnel and subcontractors, and demonstrate their availability to provide the Services in a timely manner.
A.23. Describe your approach to the overall management and integration of all activities required to provide the Services.
A.24. How are brokers/dealers selected? What process do you have in place to monitor brokers/dealers after they have been approved?
A.25. a. Identify the types of securities held in your portfolios. b. Describe the types of investment research the firm utilizes and the methodology used to recommend investment decisions (including maturity and investment selection).

~ END OF TABLE A ~

TABLE B: COMPUTER REQUIREMENTS

B.1.	What are the specific requirements for remote access? Are there options? Please describe in detail.
B.2.	What security techniques are utilized to protect access to customer data (hardware/software, physical)?
B.3.	Does the firm support the Microsoft Windows environment if it provides software to clients? If no, please explain future support plans. If yes, please provide minimum hardware and software configuration.
B.4.	How many days/weeks/months/years of history can be accessed through the system?
B.5.	<p>a. Does this system require any special hardware or software to access your system? If yes, please describe process, costs and requirements.</p> <p>b. If there are any third-party product requirements please list those separately and describe your firm's relationship with the third-party company and commitment to support.</p>
B.6.	<p>a. Describe the features of your system and inquiry capabilities.</p> <p>b. Does the firm's system offer the ability to inquire about specific transactions?</p> <p>c. Does the firm's system offer the ability to categorize investments by fund types or special purpose and query and report by these categories?</p>
B.7.	Does your software allow additional users to have read-only "dashboard" access to reports for viewing?
B.8.	Describe your data back-up and recovery processes and the length of time that a back-up is kept.

~ END OF TABLE B ~

TABLE C: REPORTING

- | |
|---|
| C.1. Describe the frequency and nature of the reports you provide and enclose examples. Include methods and formulas used to calculate total return and performance. |
| C.2. Describe the benchmarks included in the performance reports. |
| C.3. Describe the type and frequency of credit analysis that would be provided on security issuers and financial institutions (e.g. Highline Bank Ratings and PMA Ratings). |
| C.4. How often would the representative from your firm meet with the staff to review portfolio performance and revise investment strategies? |
| C.5. Does your firm offer reconciliation services for third-party safekeeping? If yes, please describe and include a sample of your standard reports. If no, what alternatives can you offer? |
| C.6. Describe how we can download your data to our reports. |

~ END OF TABLE C ~

TABLE D: TRAINING
D.1. Describe the on-site training for City staff that the firm would provide.
D.2. Describe any off-site (distance learning) training for staff, such as webinars, videos, etc.

~ END OF TABLE D ~

TABLE E: OTHER SERVICES	
E.1.	Based upon information about the City's investment advisory needs and goals learned during the course of this proposal process, describe any enhancements, technological or otherwise, that the City should consider in order improving efficiencies and portfolio performance.
E.2.	What new services or features does the firm plan to offer in the future?

~ END OF TABLE E ~

TABLE F: DISASTER RECOVERY/BUSINESS CONTINUITY PLAN	
F.1.	Please certify that you have a disaster recovery/business continuity plan.
F.2.	What disaster recovery services can you provide to the City if your firm cannot operate from your own facilities?
F.3.	Is there a "hot" back-up processing site? How quickly can the site be implemented and accessed in the event of an emergency? Would the City be required to purchase any additional software to access this site?

~ END OF TABLE F ~

TABLE G: COST PROPOSAL

- G.1. Provide a non-discretionary fee schedule that would apply to the City's account. Describe the methodology used (e.g., percentage basis points of assets under management, flat fee, tiered, and how the fees are calculated).
- G.2. What expenses are covered under the fee schedule?
- G.3. Identify any fees and expenses that would not be covered under the fee schedule but may be required.
- G.4. Indicate what direct costs the City would be responsible for in the conversion. Indicate what conversion costs, if any, would be absorbed by the firm as start-up costs.
- G.5. Include payment terms required for services rendered (e.g., monthly or quarterly, in advance or arrears).

~ END OF PROPOSAL QUESTIONNAIRE ~

ATTACHMENT B

REQUIRED FORMS



City of Gaithersburg

Affidavit of Qualification to Propose

Solicitation No. _____

Please complete this form in its entirety and include it with your Proposal. For the purpose of completing this form, "entity" means an individual, sole proprietor, partnership, corporation, limited liability corporation (LLC), company, or association.

*Does not apply to individuals or sole proprietors - indicate with "N/A"

I HEREBY AFFIRM THAT:

1. I am the _____ and the duly authorized representative of the entity _____ and that I possess the legal authority to make this affidavit on behalf of myself and the entity for which I am acting.

*2. The entity _____ is either a Maryland corporation or is a foreign corporation properly registered with the Maryland State Department of Assessments and Taxation, in compliance with the State of Maryland Code of Regulations, Title 21, State Procurement Regulations.

3. Except as described in Paragraph five (5) below, neither I nor the above entity, nor to the best of my knowledge, any of its officers, directors, or partners, or any of its employees directly involved in obtaining contracts with the State of Maryland or any municipality, county, bi-county, or multi-county agency, or subdivision of the State of Maryland have been convicted of, or have pleaded nolo contendere to a charge of, or have, during the course of an official investigation or other proceeding, admitted in writing or under oath, acts of omissions which constitute bribery, attempted bribery, or conspiracy to bribe, whether or not in furtherance of obtaining a contract with a public body, under the provisions Md. Code Ann., State Finance and Procurement Article, §16-202 (1995 Repl. Vol.) and Article 27 of the Annotated Code of Maryland or under the laws of any local, state or the federal government (conduct prior to July 2, 1977 is not required to be reported).

4. List any conviction, plea, or admission described in paragraph three (3) above, with the date, court, official, or administrative body; the individuals involved and their position with the entity; and the sentence or disposition, if any. Otherwise, state "none" as appropriate.

5. Neither I nor the above entity, nor to the best of my knowledge an officer, partner, controlling stockholder or principal of the Offeror, or any other person substantially involved in the Offeror's contracting activities has: (1) been convicted under the laws of the State of Maryland, another state or the United States of: (i) a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract, except as provided in Section 16-202 of the State Finance and Procurement Article of the Annotated Code of Maryland; or (ii) fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property; (2) been convicted of a criminal violation of an antitrust statute of the State of Maryland, another state or the United States; (3) been convicted of a violation of the Racketeer Influenced and Corrupt Organization Act, or the Mail Fraud Act, for acts in connection with the submission of proposals for public or private contracts; (4) been convicted of a violation of Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland; (5) been convicted of a conspiracy to private contract; (4) been convicted of a

Affidavit of Qualification to Propose

violation of Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland; (5) been convicted of a conspiracy to commit any act or omission that would constitute grounds for conviction under any of the laws or statutes described herein; (6) been found civilly liable under an antitrust statute of the State of Maryland, another state or the United States for acts or omissions in connection with the submission of proposals for public or private contracts.

6. Offeror hereby declares that this Proposal is made without any connection or collusion with any person, entity or corporation making a Proposal for the same work; that pursuant to this affidavit; that the attached specifications and any drawings referred to herein have been carefully examined and are understood; that careful examination has been made as is necessary to become informed as to the character and extent of the work required; and, that if this Proposal is accepted, this Offeror will contract to do, for the price stated in the Proposal, all of the work described in the specifications, drawings and contract conditions.

7. I acknowledge that this affidavit is to be furnished to the City Manager or designee for the City of Gaithersburg, Maryland. I further acknowledge that, if the representations set forth in this affidavit are not true and correct, the City of Gaithersburg may terminate any contract awarded and take any other appropriate action.

I do solemnly declare and affirm under the penalties of perjury that the contents of this affidavit are true and correct.

Signature

Witness

Date

NOTARY ATTESTATION

State of: _____

County of: _____

I hereby certify that on this _____ day of _____, 20_____, before me the subscriber, a Notary Public in and for the State of _____ and County aforesaid, personally appeared _____, known to me to be the person whose name is subscribed to this instrument and acknowledged that same was executed for the purposes contained therein.

Witness my hand and Notarial seal: _____

My Commission expires: _____

Notary Public: _____
Printed Name



City of Gaithersburg

Conflict of Interest Certification

Solicitation No. _____

Please complete this form in its entirety and include it with your Proposal. For the purpose of completing this form, "entity" means an individual, sole proprietor, partnership, corporation, limited liability corporation (LLC), company, or association.

*Does not apply to individuals or sole proprietors - indicate with "N/A"

Name of Entity: _____

* Federal ID No: _____

Contact Person: _____

Street Address: _____

City, State & Zip Code: _____, _____ _____

Telephone Numbers: (P) _____ (F) _____

(P) _____ (C) _____

Email Address: _____

Email Address: _____

CONFLICT OF INTEREST CERTIFICATION

I HEREBY CERTIFY, on behalf of _____ that no
Name of Entity
employee, agent or elected official of the City of Gaithersburg, or member of a commission, board or corporation controlled or appointed by the Mayor and Council of the City of Gaithersburg has received or has been promised directly or indirectly, any financial benefit by way of fee, commission, finder's fee, or in any other manner, remuneration directly or indirectly related to this contract. Upon request by the City Manager or designee, or other authorized agent, as a prerequisite to payment pursuant to the terms of a contract awarded pursuant to this Proposal submission, will furnish to the City, under oath, answers to any interrogatories and comply with any request to review documents related to a possible conflict of interest as herein embodied.

I HEREBY CERTIFY, on behalf of _____ that no
Name of Entity
employee or agent of _____ is a member, employee,
Name of Entity
or elected official of the City of Gaithersburg of any agency, commission, or board of the City of Gaithersburg or is the spouse or any other relative of any of the foregoing. If unable to so certify, the details of any such relationship with the City of Gaithersburg are as follows:

Conflict of Interest Certification

I do solemnly declare and affirm under the penalties of perjury that the contents of this affidavit are true and correct.

Signature

Witness

Date

NOTARY ATTESTATION

State of: _____

County of: _____

I hereby certify that on this _____ day of _____, 20_____, before me the subscriber, a Notary Public in and for the State of _____ and County aforesaid, personally appeared _____, known to me to be the person whose name is subscribed to this instrument and acknowledged that same was executed for the purposes contained therein.

Witness my hand and Notarial seal: _____

My Commission expires: _____

Notary Public: _____
Printed Name



City of Gaithersburg

Litigation and Lien Information

Solicitation No. _____

Please complete this form in its entirety and include it with your Proposal. For the purpose of completing this form, "entity" means an individual, sole proprietor, partnership, corporation, limited liability corporation (LLC), company, or association.

Name of Entity: _____

Street Address: _____

City, State & Zip Code: _____, _____ _____

Telephone Numbers: (P) _____ (F) _____

LITIGATION INFORMATION

Is your entity currently involved in any litigation or had a litigation claim(s) within the previous twenty-four (24) month period?

Yes / No

If yes, please provide a detailed list including case number, jurisdiction, status and brief summary of such litigation.

<u>Case Number</u>	<u>Jurisdiction</u>	<u>Status</u>	<u>Summary</u>
_____	_____	_____	_____
_____	_____	_____	_____

LIENS

Does your entity have any outstanding mechanics liens?

Yes / No

If yes, please explain: _____

Does your entity have any outstanding tax liens?

Yes / No:

If yes, please explain: _____

Signature Title Date

Printed Name



City of Gaithersburg

Proposal Submission Certification

Solicitation No. _____

Please complete this form in its entirety and include it with your Proposal. For the purpose of completing this form, "entity" means an individual, sole proprietor, partnership, corporation, limited liability corporation (LLC), company, or association.

Name of Entity: _____

Contact Person: _____

Street Address: _____

City, State & Zip Code: _____, _____ _____

Telephone Numbers: (P) _____ (F) _____

PROPOSAL SUBMISSION CERTIFICATION

The response to Solicitation No. _____ as submitted includes this Proposal Submission Certification Form and the Affidavit of Qualification to Propose Form, Conflict of Interest Certification Form, and Litigation and Lien Information Form. I, the undersigned, hereby attest to the truth and completeness of the information and responses provided and certify that my entity has met the minimum selection criteria as outlined in the Solicitation document.

Signature

Witness

Date

NOTARY ATTESTATION

State of: _____

County of: _____

I hereby certify that on this _____ day of _____, 20_____, before me the subscriber, a Notary Public in and for the State of _____ and County aforesaid, personally appeared _____, known to me to be the person whose name is subscribed to this instrument and acknowledged that same was executed for the purposes contained therein.

Witness my hand and Notarial seal: _____

My Commission expires: _____

Notary Public: _____
Printed Name

EXHIBIT A

CURRENT INVESTMENT POLICY

INVESTMENT POLICY CHECKLIST

City of Gathersburg

Accepted DW

1. POLICY

- a. Meet cash flow requirements? Yes No
- b. Conform to State and local laws? Yes No
- c. No investing reverse repo money Yes No

See under portfolio

2. SCOPE

- a. List funds covered Yes No

Referenced

3. PRUDENCE

- Yes No

4. OBJECTIVE

- a. Safety Yes No
- b. Liquidity Yes No
- c. Yield Yes No

5. DELEGATION OF AUTHORITY

- a. State law citation Yes No
- b. Who can invest - title Yes No
- c. Process of delegation Yes No

6. ETHICS AND CONFLICTS OF INTEREST Yes No

7. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS
 Yes No

RECEIVED

OCT 27 1995

RESOLUTION NO. R-91-95

STATE TREASURERS OFFICE

**RESOLUTION OF THE MAYOR AND CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO SUBMIT
TO THE TREASURER OF THE STATE OF MARYLAND
THE CITY OF GAITHERBURG'S INVESTMENT
POLICY AND PROCEDURES IN COMPLIANCE
WITH STATE REQUIREMENTS**

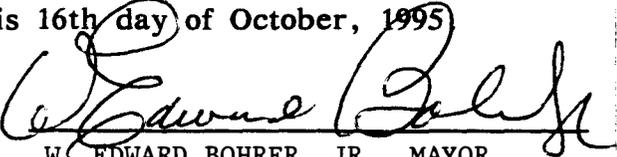
WHEREAS, the Treasurer of the State of Maryland has issued regulations requiring local government units to adopt policies to be followed when investing public funds and to submit the adopted policies to the State Treasurer for acceptance; and

WHEREAS, the Mayor and Council have established guidelines for the safe-guarding and efficient management of all short-term investment balances of the City; and

WHEREAS, it is believed that the policy prepared by staff and reviewed by the Mayor and Council complies with the Treasurer's regulations:

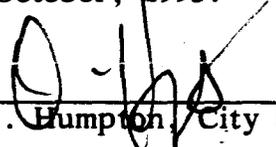
NOW, THEREFORE, BE IT RESOLVED, that the aforementioned policy is hereby adopted and the City Manager is directed to submit the policy to the State Treasurer for acceptance.

ADOPTED by the City Council this 16th day of October, 1995



W. EDWARD BOHRER, JR., MAYOR
AND PRESIDENT OF THE COUNCIL

THIS IS TO CERTIFY that the foregoing Resolution was adopted by the City Council in public meeting assembled on the 16th day of October, 1995.



David B. Humpton, City Manager

Investment Policy and Procedures

City of Gaithersburg, Maryland

I. Purpose and Scope

The purpose of this statement of investment policy is to establish guidelines for the safeguarding and efficient management of all short-term investment balances of the City. This investment policy applies to all short-term, operating, and reserve funds as accounted for in the City's Comprehensive Annual Financial Report as well as any new funds as provided by City ordinance. This policy does not cover the financial assets of the City Retirement Plan(s).

II. Investment Objectives

The primary investment objectives for all funds covered by this investment policy shall be, in order of priority, as follows:

A. Safety

The safeguarding of principal shall be the foremost objective of the investment program, and other objectives shall be subordinated to the attainment of this objective.

B. Liquidity

The investment portfolio shall be managed at all times with sufficient liquidity to meet all daily and seasonal needs, as well as special projects and other operational requirements either known or which might be reasonably anticipated.

C. Return on Investment

The investment portfolio shall be managed with the objective of obtaining no less than a market rate of return over the course of budgetary and economic cycles, taking into account the constraints contained herein and the cash flow patterns of the City.

III. Standards of Care

A. Prudence

In recognition of its fiduciary role in the management of all public funds entrusted to its care, it shall be the policy of the City that all investment balances be invested with the same care, skill, prudence, and diligence, under circumstances then prevailing, that a prudent and knowledgeable person would exercise when undertaking an enterprise of like character and aims, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income derived.

Further, it shall be the policy of the City that all investments and investment practices meet or exceed all statutes and guidelines governing the investment of public funds in Maryland, including the Code of Maryland and guidelines established by the State Treasurer and the Governmental Accounting Standards Board (GASB).

B. Ethics

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall attempt to refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of their entity.

C. Delegation of Authority

Authority to manage the City's investment program is granted under State law (Article 95 and Title 6 of the State Finance and Procurement Article of the Annotated Code of Maryland) and City Code.

Responsibility for the operation of the investment programs is hereby delegated to the Director of Finance who shall establish and maintain written administrative procedures and internal controls for the operation of the investment program, consistent with this investment policy. Such procedures shall include:

1. Explicit delegation of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance.
2. Procedures should include reference to safekeeping, repurchase agreements, wire transfer agreements, collateral depository agreements, and banking services agreements.
3. The Director of Finance shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials involved in investment of City funds.

IV. Allowable Investments

The following investment types and quality levels are approved for use by the City in the investment of public funds:

- A. Obligations for which the United States has pledged its faith and credit, including U.S. Treasury Bills, Notes, Bonds, and other direct obligations of the U.S. Government.
- B. Obligations that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, including but not limited to the Federal Farm Credit Bank, Federal Home Loan Bank, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, and Student Loan Marketing Association.

C. Repurchase Agreements collateralized in an amount not less than 102 percent of the principal amount by an obligation of the United States or its agencies or instrumentalities if the collateral is held by a custodian other than the seller designated by the buyer.

D. Banker's acceptances guaranteed by a financial institution with a short-term debt rating in the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by either the SEC or the Treasurer.

E. Certificates of deposit or other interest bearing time deposits or savings accounts in any bank in the State of Maryland or savings and loan association or building and loan association provided such deposits are insured or the bank or association has collateralized the deposit by:

1. Depositing a like amount of bonds in escrow covering the deposits; or
2. Given as security for the deposits any of the following collateral:
 - Obligations of or guaranteed by the United States or any of its agencies, or
 - An obligation insured by the United States.

Commercial Banks must have a short-term rating of at least investment grade from the appropriate bank rating agency. All banks shall provide their most recent Consolidated Report of Condition at the request of the City.

F. Any investment portfolio created under the Maryland Local Government Investment Pool defined under Article 95, § 22G of the Code that is administered by the Office of the State Treasurer.

G. The Montgomery County Pooled Investment Fund.

V. Maturity Restrictions

It is recognized that, prior to maturity date, the market value of securities in the City's portfolio may fluctuate due to changes in market conditions. In view of this and the City's primary investment objectives of preservation of principal and liquidity, every effort shall be made to manage investment maturities so that they precede or coincide with the expected need for funds. Accordingly, the requirements established by the Code of Maryland and State Treasury guidelines are further restricted as follows:

A. Funds shall be invested at all times in keeping with the daily and seasonal pattern of the City's cash balances, as well as any other special factors or needs, in order to assure the availability of funds on a timely and liquid basis. Cash flow projections will be monitored and updated on an ongoing basis by the City and communicated regularly to the investment manager(s). On a periodic basis, the City will determine, based on cash flow projections, what the appropriate average weighted maturity of the portfolio should be.

B. Unless matched to a specific cash flow, the City will not invest in securities maturing more than three (3) years from the date of purchase.

C. Reserve funds may be invested in securities exceeding three (3) years if the maturity of such instruments are made to precede or coincide with the expected need for funds and only with the prior approval of the Director of Finance.

VI. Prohibited Securities, Transactions, and Activities

A. CMO's, inverse floating rate securities, floating rate securities tied to a non-money market instrument, IO's, PO's, Z-tranche securities, residuals, and other securities having unusual features are expressly prohibited.

B. Transactions in options, futures, options on futures, margin buying, and commodities are prohibited.

C. Any other security not specifically authorized in this document is expressly prohibited.

D. Borrowing funds for the sole purpose of investing is strictly forbidden.

VII. Diversification

The City will diversify its holdings by security type and institution to avoid incurring unreasonable risks due to excessive concentration in specific instruments, financial institutions, or issuers. Diversification standards are as follows:

A. Diversification by Instrument	Maximum Percent of Investable Portfolio
1. U.S. Government Obligations	100%
2. U.S. Government Agencies and Instrumentalities	90%
3. Repurchase Agreements (primary dealers only)	90%
4. Bankers Acceptances	50%
5. Certificates of Deposit	50%
6. Maryland Local Government Investment Pool	100%
7. Montgomery County Pooled Investment Fund	100%
B. Diversification by Institution/Issuer	
1. Primary Government Dealers (repurchase agreements)	50%
2. Commercial Banks (certificates of deposit)	25%
3. Money Market Treasury Funds	25%
4. Bankers Acceptances, by institution	25%

VIII. Safekeeping, Custody, and Additional Requirements

A. Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by the City or by the City's designated custodian. If held by a custodian, the securities must be in

the City's name or in the custodian's nominee name and identifiable on the custodian's books as belonging to the City. Further, if held by a custodian, the custodian must be a third party, not a counterparty (buyer or seller), to the transaction. This requirement does not apply to excess checking account funds invested overnight in a bank "sweep" repurchase agreement or similar vehicle.

All repurchase agreements will be governed by a Master Repurchase Agreement signed by the appropriate officials of the City and the primary government dealer.

B. Collateralization

Collateralization will be required on two types of investments: Certificates of deposit and repurchase (and reverse) agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be at least 102 percent of *market* value of principal and accrued interest. Collateral will always be held by an independent third party with whom the City has a current custodial agreement.

Acceptable collateral is specified under Section 6-202 of Title 6 of the State Finance and Procurement Article on the Annotated Code of Maryland. However, the third party trust custodian has the right to reject otherwise acceptable collateral based on their discretion concerning market conditions.

C. Internal Controls

The City shall establish a system of internal controls, which shall be documented in writing and reviewed with auditors. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and investment officers of the City. An audit of the internal controls of the investment operation is part of the annual financial audit conducted by the City or an outside independent audit company.

The system of internal controls shall address the following points:

1. Avoidance of collusion by employees.
2. Separation of transaction authority from accounting and recordkeeping.
3. Avoidance of physical delivery of securities wherever possible.
4. Clear delegation of authority to subordinate staff members.
5. Written confirmation/communication of telephone transactions for investments and wire transfers.
6. Development of a wire transfer agreement with lead bank or third party custodian.

D. Authorized Financial Dealers and Institution

The City shall maintain a listing of financial institutions which are approved for investment purposes. In addition, a list will also be maintained of approved security broker/dealers selected by creditworthiness, with a minimum capital requirement of \$1,000,000 and at least five years of operation. These may include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule). The following is a breakdown of the types of institutions eligible for inclusion on an approved list:

1. Primary Government Dealers:

The City may purchase all authorized and suitable investments as listed in Section IV of this policy, except for certificates of deposit, from primary government dealers. All repurchase agreements entered into by the City will be with primary government dealers with the exception of those executed with the City's depository bank.

2. Other Security Dealers:

The City may purchase U.S. Government securities, U.S. Government agency securities, and Bankers acceptances from dealers other than primary government dealers and from dealer banks which market these securities.

a. All dealers must agree to the City's policy of delivery-versus-payment as described in this policy.

b. The firm must provide copies of its audited financial statements, which are reviewed carefully to assure that the firm is on sound financial footing. The firm must also have adequate capital to fulfill its commitments under adverse market conditions.

c. The firm must be registered in the State of Maryland with a record of responsible business practices and professional integrity. The dealer must also provide adequate research facilities and market-related information.

d. The City will deal only through knowledgeable and experienced sales individuals. To meet this criterion, the firm will send resume information on the salesperson with whom the City will be dealing. The firm will also send a list of other Governments that buy and sell securities through their Firm in order for the City to obtain references.

e. All dealers, including primary government dealers, are required to send the City an annual report on a yearly basis.

E. Reporting

A review of all investments and investment results shall be presented by the investment manager(s) to the City, Finance Director, or such parties as he/she may designate, on a quarterly basis or as required. Said report shall include a succinct management summary and provide a clear picture of the status of the current investment portfolio and transactions made over the last quarter. The summary will include a statement of the market value of the portfolio and each security (marked to market).

The management summary will be prepared in a manner which will allow the City to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report will include the following:

1. A listing of individual securities held at the end of the reporting period.
2. Unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities over one year duration that are not intended to be held until maturity.
3. Average weighted yield to maturity of portfolio on entity investments as compared to applicable benchmarks.
4. Listing of investment by maturity date.
5. The percentage of the total portfolio which each type of investment represents.

F. Performance Standards

The portfolio should obtain at least a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to an appropriate benchmark, as determined by the Director of Finance or his designated appointee, on a regular basis, but at least quarterly.

IX. Investment Policy Adoption and Review

The City's investment policy shall be adopted by the Mayor and City Council, effective October 16, 1995. It shall be the practice of the Mayor and City Council to review the policy on at least an annual basis, beginning one year from the date of adoption of this policy.

ADOPTED October 16, 1995, 1995.

Roger L. Anderson
Finance Director
City of Gaithersburg
31 South Summit Avenue
Gaithersburg, Maryland 20877