



Request for Proposals

Non-Discretionary Investment Advisory Services

Issued January 20, 2015

Proposal Closing: February 13, 2015, 4:00 p.m. Pacific Standard Time

Submit Responses to:

**Bill Sampson, Accounting Supervisor
City of Olympia**

If by mail: PO Box 1967, Olympia, WA 98507

If hand-delivered: 601 4th Avenue East, Olympia, WA 98501

and

**Terry McCall, Portfolio Services for Government, LLC
704 SE 38th Drive, Gresham, OR 97080**

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I. INTRODUCTION

The City of Olympia, Washington (City) requests proposals for **Non-Discretionary Investment Advisory Services**. Proposals will be due as indicated on the Request for Proposals (RFP) cover page.

II. BACKGROUND/HISTORY OF PROJECT

Olympia, with a current population of approximately 50,000 residents, is the capital of the State of Washington, and was settled in 1846 and incorporated in 1859. The City lies approximately 61 miles south of Seattle on Interstate 5 and is 46 miles south of the Seattle-Tacoma International Airport.

The City does not now use an investment advisor. December 31, 2014 cash and investments were approximately \$69,400,000. The fiscal year is from January 1 to December 31. The City uses U.S. Bank for safekeeping and Tracker for reporting.

The City has contracted with Portfolio Services for Government LLC to facilitate the selection of an investment advisor.

III. TENTATIVE SCHEDULE

RFP issued and advertised	January 20, 2015
Pre-proposal questions due	January 27, 2015
RFP closing, proposals due	February 13, 2015, 4:00 p.m., Pacific Standard Time
Finalist interview(s)	March 30, 2015
Notification to proposers of firm selected for contract award	March 31, 2015
Contract executed	April 10, 2015
Commencement of Services	May 1, 2015

The City reserves the right to change the above tentative schedule.

IV. PROPOSED SCOPE OF WORK

Detailed Description of the Project

The City is committed to excellence in fiscal administration, striving for the highest standards of performance and accountability. Therefore, the City invites competitive proposals from qualified and experienced investment advisory firms to assist with the management and performance of the investment portfolio by providing *non-discretionary advisory services*. The objective of requesting proposals is to determine which firm can offer the highest quality of service at the most reasonable cost.

Summary of Services Required

Successful Proposer will provide the City with the following services:

- a. Provide full-time, *non-discretionary* investment advisory services of the portion of the City's portfolio under advisement.
- b. 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, City Council and/or City committees such as the Finance Committee, when requested. Meet periodically with staff, including on-site meetings not less than twice annually, to review and refine portfolio strategy and performance.

- c. Prepare investment reports summarizing that period's financial environment, investment holdings by type, maturity, broker, duration, and benchmark comparables.
- d. Comply with all federal and State of Washington laws as well as ordinances, resolutions and policies of the City relating to investment of public funds.
- e. Provide assistance in developing and implementing investment strategies that will maintain or enhance portfolio quality and performance within the parameters of the City's investment policies and cash flow needs, taking into consideration the primary objective, the preservation of principal.
- f. Work with the 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.
- g. 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.
- h. Assist in reviewing investment internal controls.
- i. Assist in reviewing investment procedures and portfolio documentation with a goal of process improvement.
- j. Assist in the development of investment benchmarks.
- k. Assist in the review of third-party safekeeping/custodial services.
- l. Annually perform (and provide supporting documentation to the City) due diligence reviews of current and proposed broker/dealers and financial institutions as described in the City's Investment Policy.
- m. Monitor repurchase agreement documentation to maintain the necessary paperwork.
- n. Provide detailed reports of investment portfolio activity and performance at least monthly. Such statements shall be furnished to the City within three (3) business days after the close of each month. Include earnings and accounting methodology. Reports shall follow Generally Accepted Accounting Principles (GAAP) and Governmental Accounting Standards Board (GASB) True-Value reporting and Deposit & Investment Risk Disclosure, and any other reports that may now or later be required. Provide separate quarterly and annual portfolio performance reports based on the City's fiscal year.
- o. Allow the City to query data and generate internal reports and to be exportable to Excel.
- p. Participate in the City's evaluation, selection and review of any investment software the City uses or considers using.
- q. Provide weekly to City staff, statement of upcoming cash flows that includes maturities, coupons, called securities and potential callables for a period of 45 days. Upon request, have the ability to provide a statement of upcoming cash flows for a six-month period.
- r. Provide the City investment staff investment training and technical advice as needed.
- s. Provide periodic status reports on the services provided by the firm.

- t. Provide itemized invoices of charges either monthly or quarterly, as agreed upon in the Professional Services Agreement.
- u. Coordinate with the City staff all the activities necessary to ensure a smooth implementation. Such activities will begin upon execution of Agreement and are projected to be completed by May 1, 2015.
- v. Account Management:
 - 1. The City, through its Investment Policies, shall specify the types of securities, amounts, and maturities that can be purchased for the City, and will provide the successful proposer with written notification of such Authorized Securities.
 - 2. The successful proposer agrees to make recommendations to the City as to changes, including the acquisition and sale of securities for the City as the successful proposer from time to time deems appropriate and permissible under the laws governing the City and as specified in the Investment Policies.
 - 3. The City acknowledges that it may act upon the recommendations provided to it by the successful proposer pursuant to an Agreement - or not - at the City's sole discretion. The successful proposer will assist the City in seeking competitive bids and offers from approved broker/dealers for each transaction involving the City. The City further acknowledges that it has the responsibility for establishing all brokerage arrangements and paying all brokerage fees required or incurred in connection with City transactions.
 - 4. By entering into an Agreement, the City in no way surrenders ownership of the cash or securities comprising the City's account. The successful proposer will not act as a custodian of assets for the City or have possession of any such assets. With the successful proposer's assistance the City shall select and authorize a custodian bank to hold all assets of the City in safekeeping. The City shall be solely responsible for all fees involved with any such custodial arrangement.
 - 5. While the City expects the investment advisor's recommendation as to retention or selection of broker/dealers, the City staff retains sole discretion in the final determination.
- w. In order that the City may be kept informed of the status and activities in its portfolio, the successful proposer will take all steps necessary to ensure that each broker/dealer who executes a transaction on behalf of the City shall furnish a copy of the brokerage account confirmation to the City, as well as any periodic statements relating to the City. In addition, the City agrees to notify the successful proposer promptly of any change in the amount of assets and the withdrawal of any funds.
- x. The successful proposer agrees to furnish the City with a comprehensive monthly report showing a detail of all transactions involving the City. The report shall include the market value of the securities and cash held for the City, as well as information regarding the performance of the portfolio. Such statement shall be furnished to the City in not more than three (3) business days after the close of each month.
- y. The successful proposer will at all times render the services called for in this Agreement in a competent, professional manner in accordance with industry standards. However, the successful proposer does not imply or guarantee profits or freedom from loss in connection with its recommendations. The City, realizing that fluctuations in security prices occur, agrees to not hold the successful proposer liable for any losses sustained by the City, except those resulting from the

successful proposer negligence, willful or reckless misconduct, or lack of good faith. It is understood that the successful proposer will be acting in a similar capacity for other customers, and that the City's investments and reinvestments may differ in kind and quantity from those made or recommended with respect to other accounts and customers even though the investment objectives may be the same or similar.

V. TERM OF CONTRACT (PROFESSIONAL SERVICES AGREEMENT)

The City intends to award this contract (Professional Services Agreement) to a single firm to provide the services required. The term of the contract is anticipated to be from May 1, 2015 through April 30, 2018, and may be extended by up to two (2) years, with a maximum combined contract period of five (5) years. The City reserves the right to award additional contracts from this RFP during the above stated term.

VI. QUALIFICATIONS/EXPERIENCE

Proposers must meet or exceed the following criteria:

- a. Be a Registered Investment Advisor as defined and regulated by the Securities and Exchange (SEC), be registered in the State of Washington, and whose primary business is municipal investment advisory or investment management services.
- b. Be familiar with all applicable Washington statutes with regard to qualified investments for public entities. (See http://www.tre.wa.gov/documents/inv_elig.pdf)
- c. 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.
- d. Have a minimum of five years experience in managing municipal funds, including operating and bond funds.
- e. Have a minimum of \$1 billion dollars in municipal assets under ongoing management with at least \$500 million under *non-discretionary* advisement.
- f. Must meet the requirements as set forth in the attached Sample Professional Services Agreement.

VII. PROPOSAL INSTRUCTIONS

- a. **Submission of Proposals:**
Provide two (2) spiral-bound copies and two (2) CD PDF format copies of the proposal, with one each to be addressed to the individuals listed on the cover page of this RFP.
- b. **Deadline:**
Proposals will not be considered if received after the date and time indicated on the RFP cover page.
- c. **RFP as Basis for Proposals:**
This Request for Proposals represents the most definitive statement the City will make concerning the information upon which Proposals are to be based. Any verbal information which is not addressed in the RFP will not be considered by the City in evaluating the Proposal.
- d. **Pre-Proposal Questions/RFP Addenda:**
All questions relating to this RFP should be addressed by email to terrymccall@ps4gov.com by not later than January 27, 2015. Any questions, which in the opinion of the City, warrant a written reply or RFP addendum will be furnished to all parties receiving this RFP. The City will not respond to questions received after the deadline listed on the estimated schedule.

e. **Information Release:**

All Proposers are hereby advised that the City may solicit and secure background information based upon the information, including references, provided in response to this RFP. By submission of a proposal all Proposers agree to such activity and release the City from all claims arising from such activity. All proposals submitted will be considered part of the public record, except to the extent they are exempted from disclosure.

VIII. PROPOSAL CONTENTS

The proposal should economize on the volume of content to the extent possible, and should describe the ability of the consultant to perform the work requested, as outlined herein. The proposal should be submitted on recyclable, double-sided recycled paper (post consumer content). No non-recyclable materials should be included in the proposal.

- a. **Transmittal Letter:** Indicate who will be assigned to the project, who will be project manager, and that the proposal will be valid for ninety (90) days. The letter is also to state that “The undersigned is an officer of the firm and is authorized to act in this capacity.”
- b. **Table of Contents:** Number all pages and Include clearly identified attachments and/or exhibits.
- c. **Approach/Project Work Plan:** Describe how the work will be done within the given timeframe. Include a proposed work plan and schedule.
- d. **Exceptions to Sample Professional Services Agreement and RFP:** Carefully review the Sample Professional Services Agreement attached hereto as Attachment A, and incorporated herein. This is the standard agreement that successful respondents to this RFP will be required to execute. RFP respondents wishing to propose any exceptions or alternative clauses to the agreement or to any specified criteria within this RFP should propose those exceptions or alternative clauses in their proposal; however, the City shall not be required to consider proposed revisions. Proposed exceptions or alternative clauses should be accompanied by explanatory comments that are succinct, thorough and clear.
- e. **Investment Policy - Advisor Certification**
By signing the certification form (Attachment “C”) and submitting with its proposal, proposer acknowledges it has read and understands the objectives and constraints outlined in the Investment Policy.
- f. **Questionnaire:** The questionnaire (Attachment E) is to be completed in its entirety.

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IX. EVALUATION OF PROPOSALS

- a. **Evaluation Procedure:** Proposals received that conform to the proposal instructions will be evaluated. The evaluation will take place using the evaluation criteria identified in the following section. Interviews may be requested prior to final selection of firm(s). Award will be made to the highest ranked Proposer. If contract negotiations are unsuccessful with the highest ranked firm, the City reserves the right to enter into negotiations with the next highest ranked Proposer.
- b. **Evaluation Criteria:** This section provides a description of the criteria which is intended to be used in the evaluation of the proposals submitted to accomplish the work defined in the RFP. However, the City may, without notice, at its sole discretion, change the evaluation criteria.

1. Meets Minimum Qualifications/Experience

2. Statement of Understanding

- Demonstration of a full understanding of the work to be performed.
- Background and scope of work described in RFP
- Ability to provide and meet scope of work

3. Approach to the Project

- Quality of firm's standard statements and reports
- Ability to ensure a smooth transition/conversion
- Description of project approach to completing the work

4. Firm's Strength and Stability

- Firm's stability and past experience working with local governments

5. Experience and Qualifications of Assigned Personnel

- Qualifications of the firm, project leader and project team members for the types of services required

6. Cost Proposal

- Proposed fee for services in the City's judgment, which will provide the most comprehensive service at the most reasonable cost

7. Interview

8. Reference Checks

X. GENERAL PROPOSAL/CONTRACT CONDITIONS

- a. **Award Determination:** The award will be made to the Proposer that in the City's opinion, will meet our needs.
- b. **Limitation and Award:** This RFP does not commit the City to the award of a contract, nor to pay any costs incurred in the preparation and submission of proposals in anticipation of a contract. The City reserves the right to waive minor irregularities, accept or reject any or all proposals received as the result of this request.
- c. **Dispute Resolution:** Any unresolved dispute(s) arising from this RFP will be adjudicated in the State of Washington, County of Thurston.

- c. **Billing Procedures:** Proposers are informed that the billing procedures of the selected firm are subject to the review and prior approval of the City before reimbursement of services can occur. Contractor's invoices shall include an itemized statement of the work done during the billing period, and will not be submitted more frequently than once a month. Payment shall be made by the City on a Net 30 day basis upon approval of Contractor invoice.
- d. **Validity Period and Authority:** The proposal shall be considered valid for a period of at least ninety (90) days and shall contain a statement to that effect. The proposal shall contain the name, title, address, and telephone number of an individual or individuals with authority to bind any company contacted during the period in which the City is evaluating the proposal.
- e. **Conflict of Interest:** A Proposer submitting a proposal thereby certifies that no officer, agent, or employee of the City or the City has a financial interest in this proposal or has participated in contract negotiations on behalf of the City; that the proposal is made in good faith without fraud, collusion, or connection of any kind with any other Proposer for the same call for proposals; the Proposer is competing solely in its own behalf without connection with, or obligation to, any undisclosed person or firm.
- f. **State and City Licensing/Excise Tax:** The successful proposer will be required to be licensed to do business in the State of Washington and in the City of Olympia, and may be subject to the State of Washington excise tax. For website information, go to dor.wa.gov.

XI. NOTICE TO ALL PROPOSERS/ STANDARD AGREEMENT

The attached Professional Services Agreement included herein reflects preliminary, draft contract language and selected, proposed contract terms for this procurement. Proposers should be aware that such language terms and provisions are for illustrative purposes only and that the City reserves the right, following submission and ranking of all proposals submitted in response to this procurement, to amend, modify or negotiate over any and all such contract language, terms and provisions before making a final determination regarding the execution of the Agreement arising from this procurement. By submitting a proposal in response to this procurement, proposers acknowledge that they are aware of and do not object to any later, potential amendment and modification of such preliminary, draft language and terms. In addition, by responding to this procurement, proposers acknowledge that they are aware of their ability to offer alternatives to any of the preliminary, draft contract language and proposed contract terms set forth herein.

ATTACHMENT A

SAMPLE

PROFESSIONAL SERVICES AGREEMENT FOR NON-DISCRETIONARY INVESTMENT-ADVISORY SERVICES

This Professional Services Agreement ("Agreement") is effective as of the date of the last authorizing signature affixed hereto. The parties ("Parties") to this Agreement are the City of Olympia, a Washington municipal corporation ("City"), and _____, a *(insert state of incorporation; e.g. Washington, California, Georgia, etc.)* corporation ("Contractor").

- A. The City seeks the professional services of a skilled independent contractor capable of working without direct supervision, in the capacity of Non-Discretionary Investment-Advisor and
- B. The Contractor has the requisite skill and experience necessary to provide such services.

NOW, THEREFORE, the Parties agree as follows:

1. Services.

Contractor shall provide the services more specifically described in Exhibit "A," attached hereto and incorporated by this reference ("Services"), in a manner consistent with the accepted practices for other similar services, and when and as specified by the City's representative.

2. Term.

The term of this Agreement shall commence upon the effective date of this Agreement and shall continue until the completion of the Services, but in any event no later than _____ ("Term"). This Agreement may be extended for additional periods of time as described in Exhibit "A", or upon the mutual written agreement of the City and the Contractor.

3. Termination.

Prior to the expiration of the Term, this Agreement may be terminated immediately, with or without cause by the City *(if not described in Exhibit "A")*.

4. Compensation.

A. Total Compensation. In consideration of the Contractor performing the Services, the City agrees to pay the Contractor an amount not to exceed _____ and No/100 Dollars (\$ _____) *(or, as described in Exhibit "A")*.

C. Method of Payment. Payment by the City for the Services will only be made after the Services have been performed, a voucher or invoice is submitted in the form specified by the City, (*or, as described in Exhibit "A"*) and the same is approved by the appropriate City representative. Payment shall be made on a monthly basis, thirty (30) days after receipt of such voucher or invoice.

D. Contractor Responsible for Taxes. The Contractor shall be solely responsible for the payment of any taxes imposed by any lawful jurisdiction as a result of the performance and payment of this Agreement.

5. Compliance with Laws.

Contractor shall comply with and perform the Services in accordance with all applicable federal, state, and City laws including, without limitation, all City codes, ordinances, resolutions, standards and policies, as now existing or hereafter adopted or amended.

6. Assurances.

The Contractor affirms that it has the requisite training, skill and experience necessary to provide the Services and is appropriately accredited and licensed by all applicable agencies and governmental entities, including but not limited to being registered to do business in the City of Olympia by obtaining a City of Olympia business registration.

7. Independent Contractor/Conflict of Interest.

It is the intention and understanding of the Parties that the Contractor is an independent contractor and that the City shall be neither liable nor obligated to pay Contractor sick leave, vacation pay or any other benefit of employment, nor to pay any social security or other tax which may arise as an incident of employment. The Contractor shall pay all income and other taxes due. Industrial or any other insurance that is purchased for the benefit of the City, regardless of whether such may provide a secondary or incidental benefit to the Contractor, shall not be deemed to convert this Agreement to an employment contract. It is recognized that Contractor may be performing professional services during the Term for other parties; provided, however, that such performance of other services shall not conflict with or interfere with Contractor's ability to perform the Services. Contractor agrees to resolve any such conflicts of interest in favor of the City.

8. Equal Opportunity Employer.

A. In all Contractor services, programs or activities, and all Contractor hiring and employment made possible by or resulting from this Agreement, there shall be no unlawful discrimination by Contractor or by Contractor's employees, agents, subcontractors or representatives against any person based on any legally protected class status including but not limited to: sex, age (except minimum age and retirement provisions), race, color, religion, creed, national origin, marital status, veteran status, sexual orientation, gender identity, genetic information or the presence of any disability, including sensory, mental or physical handicaps; provided, however, that the prohibition against discrimination in employment because of disability shall not apply if the particular disability prevents the performance of the essential functions required of the position.

This requirement shall apply, but not be limited to the following: employment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Contractor shall not violate any of the terms of Chapter 49.60 RCW, Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, Section 504 of the Rehabilitation Act of 1973 or any other applicable federal, state or local law or regulation regarding non-discrimination. Any material violation of this provision shall be grounds for termination of this Agreement by the City and, in the case of the Contractor's breach, may result in ineligibility for further City agreements.

B. In the event of Contractor's noncompliance or refusal to comply with the above nondiscrimination plan, this Contract may be rescinded, canceled, or terminated in whole or in part, and the Contractor may be declared ineligible for further contracts with the City. The Contractor, shall, however, be given a reasonable time in which to correct this noncompliance.

C. To assist the City in determining compliance with the foregoing nondiscrimination requirements, Contractor must complete and return the *Statement of Compliance with Non-Discrimination* attached as Exhibit B. If the contract amount is \$50,000 or more, the Contractor shall execute the attached Equal Benefits Declaration - Exhibit D.

9. Confidentiality.

Contractor agrees not to disclose any information and/or documentation obtained by Contractor in performance of this Agreement that has been expressly declared confidential by the City. Breach of confidentiality by the Contractor will be grounds for immediate termination.

10. Indemnification/Insurance.

A. Indemnification / Hold Harmless. Contractor shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the negligent acts, errors or omissions of the Contractor in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor and the City, its officers, officials, employees, and volunteers, the Contractor's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

B. Insurance. The Contractor shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, or employees.

C. No Limitation. Contractor's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Contractor to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

D. Minimum Scope of Insurance. Contractor shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City.

3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.

4. Professional Liability insurance appropriate to the Contractor's profession.

E. Minimum Amounts of Insurance. Contractor shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.

2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.

3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

F. Other Insurance Provisions. The Contractor's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any Insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Contractor's insurance and shall not contribute with it.

G. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

H. Verification of Coverage. Contractor shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Contractor before commencement of the work.

I. Notice of Cancellation. The Contractor shall provide the City with written notice of any policy cancellation, within two (2) business days of their receipt of such notice.

J. Failure to Maintain Insurance. Failure on the part of the Contractor to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five (5) business days notice to the Contractor to correct the breach, immediately terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Contractor from the City.

11. Work Product.

Any deliverables identified in the Scope of Work or otherwise identified in writing by the City that are produced by Contractor in performing the Services under this Agreement and which are delivered to the City shall belong to the City. Any such work product shall be delivered to the City by Contractor at the termination or cancellation date of this Agreement, or as soon thereafter as possible. All other documents are owned by the Contractor.

12. Treatment of Assets.

A. Title to all property furnished by the City shall remain in the name of the City.

B. Title to all nonexpendable personal property and all real property purchased by the Contractor, the cost of which the Contractor is entitled to be reimbursed as a direct item of cost under this Contract, shall pass

to and vest in the City, or if appropriate, the state or federal department supplying funds therefor, upon delivery of such property by the vendor. If the Contractor elects to capitalize and depreciate such nonexpendable personal property in lieu of claiming the acquisition cost as a direct item of cost, title to such property shall remain with the Contractor. An election to capitalize and depreciate or claim acquisition cost as a direct item of cost shall be irrevocable.

C. Nonexpendable personal property purchased by the Contractor under the terms of this Contract in which title is vested in the City shall not be rented, loaned or otherwise passed to any person, partnership, corporation/association or organization without the prior expressed written approval of the City or its authorized representative, and such property shall, unless otherwise provided herein or approved by the City or its authorized representative, be used only for the performance of this Contract.

D. As a condition precedent to reimbursement for the purchase of nonexpendable personal property, title to which shall vest in the City, the Contractor agrees to execute such security agreements and other documents as shall be necessary for the City to perfect its interest in such property in accordance with the "Uniform Commercial Code--Secured Transactions" as codified in Article 9 of Title 62A, the Revised Code of Washington.

E. The Contractor shall be responsible for any loss or damage to the property of the City including expenses entered thereunto which results from negligence, willful misconduct, or lack of good faith on the part of the Contractor, or which results from the failure on the part of the Contractor to maintain and administer in accordance with sound management practices that property, to ensure that the property will be returned to the City in like condition to that in which it was furnished or purchased, fair wear and tear excepted.

F. Upon the happening of loss or destruction of, or damage to, any City property, the Contractor shall notify the City or its authorized representative and shall take all reasonable steps to protect that property from further damage.

G. The Contractor shall surrender to the City all property of the City within thirty (30) days after rescission, termination or completion of this Contract unless otherwise mutually agreed upon by the parties.

13. Books and Records.

The Contractor agrees to maintain books, records, and documents which sufficiently and properly reflect all direct and indirect costs related to the performance of the Services and maintain such accounting procedures and practices as may be deemed necessary by the City to assure proper accounting of all funds paid pursuant to this Agreement. These records shall be subject, at all reasonable times, to inspection, review or audit by the City, its authorized representative, the State Auditor, or other governmental officials authorized by law to monitor this Agreement.

Records owned, used, or retained by the City that meet the definition of a "public record" pursuant to RCW 42.56.010 are subject to disclosure under Washington's Public Records Act.

14. Non-Appropriation of Funds.

If sufficient funds are not appropriated or allocated for payment under this Agreement for any future fiscal period, the City will not be obligated to continue the Agreement after the end of the current fiscal period, and this Agreement will automatically terminate upon the completion of all remaining Services for which funds are allocated. No penalty or expense shall accrue to the City in the event this provision applies.

15. General Provisions.

A. Entire Agreement. This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement and no prior agreements shall be effective for any purpose.

B. Modification. No provision of this Agreement, including this provision, may be amended or modified except by written agreement signed by the Parties.

C. Full Force and Effect; Severability. Any provision of this Agreement that is declared invalid or illegal shall in no way affect or invalidate any other provision hereof and such other provisions shall remain in full force and effect. Further, if it should appear that any provision hereof is in conflict with any statutory provision of the State of Washington, the provision appears to conflict therewith shall be deemed inoperative and null and void insofar as it may be in conflict therewith, and shall be deemed modified to conform to such statutory provision.

D. Assignment. Neither the Contractor nor the City shall have the right to transfer or assign, in whole or in part, any or all of its obligations and rights hereunder without the prior written consent of the other Party.

1. If the Contractor desires to assign this Contract or subcontract any of its work hereunder, the Contractor shall submit a written request to the City for approval not less than fifteen (15) days prior to the commencement date of any proposed assignment or subcontract.

2. Any work or services assigned or subcontracted for hereunder shall be subject to each provision of this Contract.

3. Any technical/professional service subcontract not listed in this Contract, which is to be charged to the Contract, must have prior written approval by the City.

4. The City reserves the right to inspect any assignment or subcontract document.

E. Successors in Interest. Subject to the foregoing Subsection, the rights and obligations of the Parties shall inure to the benefit of and be binding upon their respective successors in interest, heirs and assigns.

F. Attorney Fees. In the event either of the Parties defaults on the performance of any term of this Agreement or either Party places the enforcement of this Agreement in the hands of an attorney, or files a lawsuit, the prevailing party shall be entitled to its reasonable attorneys' fees, costs and expenses to be paid by the other Party.

G. No Waiver. Failure or delay of the City to declare any breach or default immediately upon occurrence shall not waive such breach or default. Failure of the City to declare one breach or default does not act as a waiver of the City's right to declare another breach or default.

H. Governing Law. This Agreement shall be made in and shall be governed by and interpreted in accordance with the laws of the State of Washington.

I. Authority. Each individual executing this Agreement on behalf of the City and Contractor represents and warrants that such individuals are duly authorized to execute and deliver this Agreement on behalf of the Contractor or the City.

J. Notices. Any notices required to be given by the Parties shall be delivered at the addresses set forth below. Any notices may be delivered personally to the addressee of the notice or may be deposited in the United States mail, postage prepaid, to the address set forth below. Any notice so posted in the United States mail shall be deemed received three (3) days after the date of mailing.

K. Captions. The respective captions of the Sections of this Agreement are inserted for convenience of reference only and shall not be deemed to modify or otherwise affect any of the provisions of this Agreement.

L. Performance. Time is of the essence in performance of this Agreement and each and all of its provisions in which performance is a factor. Adherence to completion dates set forth in the description of the Services is essential to the Contractor's performance of this Agreement.

M. Remedies Cumulative. Any remedies provided for under the terms of this Agreement are not intended to be exclusive, but shall be cumulative with all other remedies available to the City at law, in equity or by statute.

N. Counterparts. This Agreement may be executed in any number of counterparts, which counterparts shall collectively constitute the entire Agreement.

O. Equal Opportunity to Draft. The parties have participated and had an equal opportunity to participate in the drafting of this Agreement, and the Exhibits, if any, attached. No ambiguity shall be construed against any party upon a claim that that party drafted the ambiguous language.

P. Venue. All lawsuits or other legal actions whatsoever with regard to this agreement shall be brought in Thurston County, Washington, Superior Court.

Q. Ratification. Any work performed prior to the effective date that falls within the scope of this Agreement and is consistent with its terms is hereby ratified and confirmed.

R. Certification Regarding Debarment, Suspension, and Other Responsibility Matters.

1. By signing the agreement below, the Contractor certifies to the best of its knowledge and belief, that it and its principles:

a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

b. Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission or fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

c. Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph A.2. of this certification; and

d. Have not within a three (3) year period preceding this application/proposal had one or more public transactions (federal, state, or local) terminated for cause or default.

2. Where the Contractor is unable to certify to any of the statements in this certification, such Contractor shall attach an explanation to this proposal.

S. Early Retirement from the State of Washington- Certification. By signing this form, you certify that no one being directly compensated for their services pursuant to this Agreement has retired from the

Washington State Retirement System using the 2008 Early Retirement Factors with restrictions on returning to work.

CITY OF OLYMPIA

By: _____

[Enter name and title of Department Director or authorized Line of Business Director]

P.O. Box 1967

Olympia WA 98507-1967

Date of Signature: _____

APPROVED AS TO FORM:

City Attorney

I certify that I am authorized to execute this contract on behalf of the Contractor.

_____:

[Enter Name of Contractor's Company]

By: _____

(Signature)

(Name of Person Signing)

(Title of Person Signing)

(Address)

(Phone)

Date of Signature: _____

Exhibit "B"
STATEMENT OF COMPLIANCE WITH
NON-DISCRIMINATION REQUIREMENT

The Olympia City Council has made compliance with the City's *Non-Discrimination in Delivery of City Services or Resources* ordinance (OMC 1.24) a high priority, whether services are provided by City employees or through contract with other entities. It is important that all contract agencies and their employees understand and carry out the City's non-discrimination policy. Accordingly, each City contract for services contains language that requires an agency to agree that it shall not unlawfully discriminate against an employee or client based on any legally protected status, which includes but is not limited to: race, creed, religion, color, national origin, age, sex, marital status, veteran status, sexual orientation, gender identity, genetic information, or the presence of any disability. Indicate below the methods you will employ to ensure that this policy is communicated to employees and clients.

_____ affirms compliance with the City of Olympia's non-discrimination ordinance and contract provision by **two or more of the following actions:**

- Non-discrimination provisions are posted on printed material with broad distribution (newsletters, brochures, etc.).
What type, and how often? _____
- Non-discrimination provisions are posted on applications for service.
- Non-discrimination provisions are posted on the agency's web site.
- Non-discrimination provisions are included in human resource materials provided to job applicants and new employees.
- Non-discrimination provisions are shared during meetings.
What type of meeting, and how often? _____
- If, in addition to two of the above methods, you use other methods of providing notice of non-discrimination, please list:

By signing, I acknowledge compliance with the City of Olympia's non-discrimination ordinance.

Failure to implement the measures specified above constitutes a breach of contract

(Signature)

(Date)

Alternative Section for Sole Proprietor: I am a sole proprietor and have reviewed the statement above. I agree not to discriminate against any client, or any future employees, based on any legally protected status.

(Sole Proprietor Signature)

(Date)

Exhibit D
EQUAL BENEFITS COMPLIANCE DECLARATION

Contractors on City contracts estimated to cost \$50,000 or more are required to comply with Olympia’s Equal Benefits Ordinance, Olympia Municipal Code 3.18, and must complete this Equal Benefits Compliance Declaration. Please note: No City contract can be executed until the contractor has completed this Declaration and submitted it to the City.

Contractor Information

Name of Contractor: _____ **Contact Person:** _____

Phone Number: _____ **Fax:** _____ **Email:** _____

Approximate Number of Employees in the U.S.: _____ **Project #:** _____

I, _____
(Name)

on behalf of _____
(Contractor Name)

declare that said Contractor complies with City of Olympia Municipal Code 3.18 and does not unlawfully discriminate in providing benefits to Contractor’s employees.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Executed this ____ day of _____, 2015, at _____,
(City) (State)

Signature

Name (please print)

Title

Contractor Tax Identification Number

Date

ATTACHMENT B INVESTMENT POLICY

CITY OF OLYMPIA - INVESTMENT POLICY

Policy:

It is the policy of the City of Olympia to invest funds in a manner which will provide appropriate security with the highest investment return, while meeting the cash flow demands of the City, conforming to state and local laws governing the investments of public funds, and complying with "The City of Olympia Nuclear Free Zone Act."

Scope:

This investment policy applies to all financial assets of the City. This policy applies to all Funds of the City included in the Comprehensive Annual Financial Report. This policy does not apply to assets in the custody of a third party trustee for special purposes (e.g. bond refunding proceeds), or assets governed by financial requirements of Federal, State or local law which would prohibit the implementation of this policy.

Prudence:

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

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with established procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes.

Objective:

The primary objectives, in priority order, of the City's investment activities shall be:

Safety: Safety of the principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this objective, diversification is usually required.

Liquidity: The City's investment portfolio shall remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

Yield: The City's investment portfolio shall be designed with the objective of attaining a maximum rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints, the cash flow characteristics of the portfolio and the fact the City utilizes a passive investment program.

Delegation of Authority:

Authority to manage the City's investment program is derived from Chapter 35A.40.050 RCW. Management responsibility for the investment program is hereby delegated to the Finance Manager who shall establish procedures for the operation of the investment program consistent with this investment policy. Procedures shall include reference to: safekeeping, master repurchase agreements, wire transfers, and custody

agreements. Such procedures shall include 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 Finance Manager. The Finance Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Ethics and Conflicts of Interest:

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the City Treasurer (Director of Administrative Services) any material financial interest in financial institutions that conduct business with the City, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the City, particularly with regard to the timing of purchases and sales.

Authorized Financial Dealers and Institutions:

The City Treasurer and Finance Director shall establish a list of authorized financial institutions and broker/dealers to provide investment services. Authorized institutions and broker/dealers shall maintain offices in the Pacific Northwest, except for broker/dealers which may be selected for investments as part of refunding or other structured financing by the City.

No public deposits shall be made except in qualified public depositories as provided in Chapter 39.58 RCW.

Authorized and Suitable Investments:

The City is empowered to invest in those investments authorized in Chapter 35A.40.050 RCW.

Investments can be made in the following without prior approval:

- A) Certificates of Deposits with qualified public depositories.
- B) Certificates, notes or bonds of the United States, or other obligations of the United States or its agencies, or any corporation wholly owned by the United States whose securities carry full faith and credit guarantees.
- C) Federal Agency Securities, including but not limited to Export-Import Banks, Federal Housing Authority, Government National Mortgage Association, and Tennessee Valley Authority.
- D) Other Agency type securities include but are not limited to, Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Banks, Federal Home Loan Mortgage Corporation, Student Loan Marketing Association, Small Business Administration and Maritime Administration.
- E) Repurchase agreements of securities listed above, provided the transaction is structured so the City maintains ownership and control over the underlying securities.
- F) Bankers acceptances purchased on the secondary market.
- G) Certificates, notes and bonds of the State of Washington, or its political subdivisions, including L.I.D. warrants, notes or bonds of the City of Olympia.
- H) Participation in the State of Washington, Local Government Investment Pool(s), (LGIP).

Investments in items not specifically enumerated above shall be made only with approval of the City Manager.

The City may invest in structured securities of any of the above. Structured securities include but are not limited to, callable, step-up or variable rate securities. Structured securities may be utilized only when the final maturity of the security is within the maximum maturity guidelines.

Collateralization:

Collateralization is required on repurchase agreements. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be at least 102% 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. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the City.

The right of substitution shall be granted only upon approval by the City.

Safekeeping and Custody:

All security transactions including collateral for repurchase agreements shall be conducted on a delivery-versus-payment (DVP) basis. Securities purchased by the City shall be retained by the City or delivered against payment and held in a custodial safekeeping account with a bank. The safekeeping agent(s) shall be designated by the City Treasurer and all transactions shall be evidenced by safekeeping receipts.

Diversification:

The City will diversify its investments by security type and institution. With the exception of U.S. Treasury securities and State of Washington LGIP pools, no more than 50% of the City's total investment portfolio will be invested in a single security type or with a single financial institution.

Maximum Maturities:

To the extent possible, the City will attempt to match its investments with cash requirements. Unless matched to specific cash requirements, maturities shall meet the following requirements:

Minimum liquidity requirement. 10% of Operating Funds budgets (excluding Debt Funds) when taken as a whole shall consist of the following:

- Cash.
- Fixed maturities due within 30 days.
- Overnight repurchase agreements.
- Investment pools with daily liquidity.
- Marketable securities with market value equal to or exceeding 100% of cost.

Operating Funds: Amounts within the City's operating reserve requirement may be invested in maturities not to exceed 18 months. Amounts in excess of the City's operating reserve requirement may be invested in maturities not to exceed 36 months.

Non-Operating Funds may be invested in maturities not to exceed 10 years.

Other Requirements:

For purposes of determining maturities for pools the maturity for compliance with this section shall be the maximum average life for the pool as established by the pool's investment policy. In the absence of a policy, the actual average life shall be used.

Investments may be made in excess of the above requirements if approved by the City Treasurer, or if the investment is made by the City Treasurer, the investment must be approved by the City Manager.

The City may collateralize repurchase agreements using longer-dated investments as long as the collateralization requirement is maintained.

Internal Controls:

The City Treasurer shall establish a review process (not less than annual). This review shall include compliance with policies and procedures.

Performance Standards:

The City's investment strategy is passive and not speculative. The investment portfolio should be designed to obtain reasonable yields in an environment where safety, return of principal, and cash flow needs are more important than yields. Accordingly, this policy does not establish a yield performance standard although, the combined investment yield on investments should equal or be greater than the State of Washington short term LGIP.

No loss will be deemed to have occurred on the exchange of one security for another unless the proceeds of the sale, plus interest earned on the original and subsequent investment(s), is less than the gross proceeds of the original investment at maturity.

The City recognizes, that in a diversified portfolio, occasional losses may occur and must be considered within the context of the overall portfolio's investment return, provided, adequate diversification has been implemented.

Exchanges of securities and sales of securities prior to maturity shall be reviewed with the City Treasurer, prior to such sale or exchange or, in the absence of the City Treasurer, the City Manager or Assistant City Manager.

Reporting:

The Finance Manager shall report at least monthly to the City Treasurer and annually to the Finance Committee of the City Council.

Investment Policy Adoption:

This policy was adopted by the City Council on May 21, 1996, and amended on May 24, 2011. An annual review of this policy shall be conducted by the Finance Committee.

CITY OF OLYMPIA
INVESTMENT PROCEDURES & GUIDELINES

Scope:

These procedures and guidelines are for the general administration of the Investment Policy.

Investment Authority:

The Finance Manager is the principal investment officer of the City. The City Treasurer and Bill Sampson may also conduct investment activity for the City.

Additionally, the Finance Manager may appoint staff who are authorized to transfer funds to the State of Washington, Local Government Investment Pool (LGIP) for the purpose of investing surplus cash. They are also authorized to have funds transferred from the LGIP to the City as needed to meet cash flow requirements of the City.

Authorized Financial Dealers and Institutions:

The following are approved financial institutions and broker/dealers (and their successor) to provide investment services:

- Dain Rauscher
- Government Perspectives, LLC
- Paine-Webber
- Bank of America
- Seattle Northwest Securities
- US Bank
- Key Bank
- Vining-Sparks
- Piper Jaffary
- Time Value Investments

Additionally any qualified public depository may provide certificates of deposit.

Safekeeping and Custody:

The following are designated as safekeeping agents:

- US Bank
- SeaFirst Bank

Reporting:

The Finance Manager shall provide the following reports monthly (m) or quarterly (q):

- List of outstanding investments (m)
- Amount in LGIP (m)
- Minimum liquidity requirement (q)
- Operating Funds investments (q)

Annual reports shall include the above plus:
 Yield performance
 Total Investment Earnings
 Investments Marked to Market

The City Treasurer will at a minimum annually review the investment procedures, guidelines and processes including compliance with the investment policy.

Internal controls:

The Finance Manager shall maintain records of all investments. These records include transaction trade information and safekeeping receipts, except for funds with the LGIP.

Each investment officer shall provide to the accounting section purchase, maturity, call and liquidation information regarding all investments transactions, excluding funds with the LGIP. Investment information should not be entered into the City accounting system by the investment officer. In cases where the investment officer does enter transaction into the accounting system, such transactions shall be review by the Accounting section team leader.

The Finance Manager shall provide the Accounting Section team leader monthly information as to the amount of investments by fund. The Accounting Section team leader shall reconcile this information with the general ledger of the City on a monthly basis. Any unresolved reconciliation differences shall be reported to the City Treasurer.

Investments with the LGIP shall be maintained in a log which will include information regarding all additions and withdrawals for the LGIP and the current balance invested with the LGIP.

General procedures and guidelines:

A: Safekeeping instructions will be in writing, although verbal instructions may be given if

followed with confirming written instructions. This requirement does not apply if an investment is safe kept at the same institution from which the investment was purchased or to which the investment was sold.

B: Repurchase agreements shall be made only with institutions which have signed a Master Repurchase Agreement, or as part of the City's banking services arrangement.

C: Investments may be settled by wire transfers. The City Treasurer and Finance Manager are

D. Bidding of Investments. Investments shall be placed through an informal bidding process. Generally, price quotes should be obtained from more than one institution. Although the City desires to award bids to the highest bidder, subjective judgment may be required in awarding the bid for such things as; size of the investment, cost of placing the investment, time available to place the investment, Prudent

Person Standard, the general guidelines of the Investment Policy.

Investment procedures and guidelines adoptions:

These procedures and guidelines are hereby adopted by the City Treasurer and Finance Manager on June 9, 2014 and supersedes all previous procedures and guidelines. authorized to transfer funds for investment purposes. Investments settled on a delivery versus payment basis will be by wire transfer, such transfer is considered approved when the City notifies the safekeeping agent of the pending settlement of the investment. In addition, the Finance Manager may appoint staff who are authorized to transfer funds from the general City bank account to the State of Washington, LGIP for investments purposed with the LGIP.

(City Treasurer)

(Finance Manager)

**ATTACHMENT C
INVESTMENT POLICY – ADVISOR CERTIFICATION**

INVESTMENT POLICY – ADVISOR CERTIFICATION

I certify that the firm has received a copy of the City’s Investment Policy, adopted May 21, 1996, and amended May 24, 2011, and I understand the objectives and constraints outlined in the Policy. I further certify that I am authorized, and do commit the firm I represent, to this same understanding and that this commitment applies to all future amended Investment Policies that our firm would advise and assist in developing.

Signed

Title

Firm

Date

ATTACHMENT D INVESTMENT PORTFOLIO REPORT

City of Olympia
Investment Portfolio - by Maturity Range
Report Format: By Transaction
Group By: Maturity Range
Portfolio/Report Group: All Portfolios
As of 12/31/2014

Description	CUSIP/Ticker	Maturity Date	Days To Maturity	Security Type	Broker/Dealer	Settlement Date	YTM @ Cost	Face Amount/Shares	Cost Value	% of Portfolio	Market Value
3-6 Months											
Heritage Bank 0.25 6/29/2015	9289D	6/29/2015	180	Certificate Of Deposit	None	12/31/2014	0.250	502,658.98	502,658.98	10.80	502,658.98
SW Suburn Sewer Dist WA 0.3 5/1/2015	845250QA0	5/1/2015	121	Municipal Bond	Piper Jaffary	5/15/2014	0.300	50,000.00	50,000.00	1.07	49,981.50
SW Suburn Sewer Dist WA 0.3 5/1/2015	845250QW2	5/1/2015	121	Municipal Bond	Piper Jaffary	5/15/2014	0.300	365,000.00	365,000.00	7.84	364,726.25
Umpqua Bank 0.35 6/11/2015	973941487	6/11/2015	162	Certificate Of Deposit	Umpqua Bank	6/11/2014	0.350	2,500,000.00	2,500,000.00	53.71	2,500,000.00
Total / Average			160				0.329	3,417,658.98	3,417,658.98	73.42	3,417,366.73
9-12 Months											
Camano Island Library Cap Fac Area 2 12/1/2015	13177VAA9	12/1/2015	335	Municipal Bond	Piper Jaffary	12/2/2014	0.330	145,000.00	147,408.45	3.12	147,063.35
City of Richland - Revenue Bonds 2 11/1/2015	764279AA3	11/1/2015	305	Municipal Bond	Piper Jaffary	8/26/2014	0.281	700,000.00	714,175.00	15.04	709,667.00
Ellensburg GO Ref Bonds 2014 2 12/1/2015	288299FW5	12/1/2015	335	Municipal Bond	Piper Jaffary	5/13/2014	0.410	115,000.00	117,822.10	2.47	116,636.45
Total / Average			313				0.304	960,000.00	979,405.55	20.62	973,366.80
1-2 Years											
Municipal Bond / Note 5.5 12/31/2016	LID762-8	12/31/2016	731	Municipal Bond	None	1/16/2007	5.500	22,130.21	22,130.21	0.48	22,130.21
SW Suburban Swr Dist 0.6 5/1/2016	845250QT9	5/1/2016	487	Municipal Bond	Piper Jaffary	5/15/2014	0.600	255,000.00	255,000.00	5.48	254,079.45
Total / Average			506				0.991	277,130.21	277,130.21	5.95	276,209.66
Total / Average			212				0.363	4,654,789.19	4,674,194.74	100	4,666,943.19

Note: The City also had a Washington State LGIP balance of \$52.6 million at December 2014.

ATTACHMENT E QUESTIONNAIRE

Please complete this questionnaire. In order to adequately compare and evaluate proposals objectively, all proposals must be submitted in accordance with this format.

While detailed responses are valued here and elsewhere, to the extent possible they should be prepared simply and economically, providing straightforward, concise information.

Table A. INFORMATION ABOUT THE INVESTMENT ADVISORY FIRM																																						
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.																																					
2.	<p>State the dollar totals of portfolios and the number of public sector portfolios the firm has under <i>non-discretionary</i> advisement and <i>discretionary</i> management.</p> <div style="text-align: center; margin-bottom: 10px;"> <p>Assets Under <i>Non-Discretionary</i> Advisement</p> <table border="1" style="margin: auto; border-collapse: collapse; width: 80%;"> <thead> <tr style="background-color: #2c5e8c; color: white;"> <th style="width: 60%;"></th> <th style="width: 20%;"># of clients</th> <th style="width: 20%;">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> <tr><td>Other</td><td></td><td>\$</td></tr> <tr style="background-color: #d9d9d9;"><td>Totals</td><td></td><td>\$</td></tr> </tbody> </table> </div> <div style="text-align: center; margin-bottom: 10px;"> <p>Assets Under <i>Discretionary</i> Management</p> <table border="1" style="margin: auto; border-collapse: collapse; width: 80%;"> <thead> <tr style="background-color: #2c5e8c; color: white;"> <th style="width: 60%;"></th> <th style="width: 20%;"># of clients</th> <th style="width: 20%;">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> <tr><td>Other</td><td></td><td>\$</td></tr> <tr style="background-color: #d9d9d9;"><td>Totals</td><td></td><td>\$</td></tr> </tbody> </table> </div>			# of clients	Totals	Cities		\$	Counties		\$	Special Districts		\$	Other		\$	Totals		\$		# of clients	Totals	Cities		\$	Counties		\$	Special Districts		\$	Other		\$	Totals		\$
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Cities		\$																																				
Counties		\$																																				
Special Districts		\$																																				
Other		\$																																				
Totals		\$																																				
3.	<p><i>Non-discretionary</i> accounts</p> <ol style="list-style-type: none"> a. How many new <i>non-discretionary</i> 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 service. 																																					

<p>4. <i>Discretionary</i> accounts</p> <p>a. How many new <i>discretionary</i> accounts have been added by your firm in the last three years?</p> <p>b. How many have discontinued your investment advisory services in the last three years?</p> <p>c. Explain why these accounts discontinued service.</p>
<p>5. Provide a statement of the firm's experience with <i>non-discretionary</i> investment advisory services to entities similar to ours, including the number and dollar totals of your <i>non-discretionary</i> accounts in the Pacific Northwest.</p>
<p>6. 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.</p>
<p>7. Provide at least three local government <i>non-discretionary</i> client references, including contact information (name, physical address, e-mail address & phone number). The references should include at least one entity similar to ours.</p>
<p>8. What is the average number of accounts served per portfolio manager?</p>
<p>9. Who supplies your firm with market value figures?</p>
<p>10. Describe the firm's research capability and resources (e.g., Bloomberg, PMA Ratings, Highline Data Bank Ratings, etc.).</p>
<p>11. Is firm capable of providing all services identified in this request for proposal?</p>
<p>12. In how many days from Professional Services Agreement execution schedule can you (a) begin the transition, (b) complete the transition, and (c) commence services?</p>
<p>13. Has there been any turnover of key personnel in the firm in the past 12 months? If yes, please describe.</p>
<p>14. Describe any Securities and Exchange (SEC) regulatory censure or litigation related to services your firm provides.</p>
<p>15. Provide a copy of the firm's most recent ADV, Part I and II (including Schedule I), as on file with the SEC.</p> <p>a. Is this firm registered with the State of Washington?</p> <p>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.</p>

16. 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 exhibit 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 <i>non-discretionary</i> 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 <i>non-discretionary</i> clients using this benchmark:					
Percentage of Total that are Government Clients:	%	%	%	%	%

b. Using the following format for your tables, please provide GIPS-compliant composite returns for your clients who use the benchmarks you recommended above:

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	%	%	%

17. Please recommend maximum maturities and weighted average maturities for the operating and core portions of the portfolio. We recognize that you have limited to be specific but we would like to know your overall thoughts and rationale.
18. Describe how investment ideas are originated and researched.
19. Explain how investment decisions are monitored and evaluated, including rating changes.
20. 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. A flow chart is not required but desirable.
21. Describe procedures used to ensure that portfolios comply with client investment objectives and policies.
22. Have you ever attempted to coordinate a trade that failed or was outside the client’s investment policy?

If yes, how often has this occurred and what did you do to resolve the problem to the client’s satisfaction?
23. Describe the strategies that will be used to enhance the performance of the investment portfolio.
24. Describe your procedures for portfolio review, investment management and client contact.
25. How are brokers/dealers selected? When updated, the City’s investment policy will require approved broker/dealers to submit and annually update a City-approved Broker/Dealer Information Request Form, which includes the firms’ most recent audited financial statements. What process do you have in place to monitor brokers/dealers after they have been approved?

26. Identify the types of securities held in your portfolios.

Describe the types of investment research the firm utilizes and the methodology used to recommend investment decisions (including maturity and investment selection).

Table B. COMPUTER REQUIREMENTS

1. What are the specific requirements for remote access? Are there options? Please describe in detail.
2. What security techniques are utilized to protect access to customer data (hardware/software, physical)?
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.
4. Describe media specifications for the firm. Include a description of any electronic or software features available that could be used by the City to interface with the firm to determine daily, weekly and/or monthly portfolio activity.
5. How many days/weeks/months of history can be accessed through the system?
6. Does this system require any special hardware or software to access your system?
If yes, please describe process, costs and requirements.

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.
7. Describe the features of your system and inquiry capabilities.
 - Does the firm's system offer the ability to inquire about specific transactions?
 - Does the firm's system offer the ability to categorize investments by fund types or special purpose and query and report by these categories?
8. Does your software allow additional users to have read-only "dashboard" access to reports for viewing?
9. Describe your data back-up and recovery processes and the length of time that a back-up is kept.
10. Disclose standard for notification to clients regarding Proposer's computer down-time for maintenance or other anticipated downtime.

Table C. REPORTING

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.
2. 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).
3. How often would the representative from your firm meet with the City staff to review portfolio performance and revise investment strategies?

4. 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?

TABLE D. TRAINING

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

Table E. OTHER SERVICES

1. Describe services that would assist the City in allocating interest payments to its various sub-categories and funds.
2. 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.
3. What new services or features does the firm plan to offer in the future?

Table F. DISASTER RECOVERY/BUSINESS CONTINUITY PLAN

1. Briefly describe your disaster recovery or business continuity plan. Please provide a copy of the plan.
2. What disaster recovery services can you provide to the City if your firm cannot operate from your own facilities?
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 anything additional to access this site?

Table G. PROFESSIONAL SERVICES AGREEMENT

1. Please state any objections or proposed changes, if any, to the Professional Services Agreement. (Attachment A)

Table H. COST PROPOSAL

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). The proposal will be deemed to include all costs unless noted.
2. Include payment terms required for services rendered (e.g., monthly or quarterly, in advance or arrears).

ATTACHMENT F COURTESY CHECKLIST OF MATERIALS TO BE SUBMITTED

To ensure proper submission of proposal, be sure to enclose all requested materials with your proposal.

Following is a list of items to be included:

- Two (2) spiral-bound copies of proposal
 - One (1) to the City
 - One (1) to Portfolio Services for Government, LLC
- Two (2) CD copies (one to each of the above entities)
- Transmittal Letter
- Table of Contents
- Statement of Understanding
- Project Team and Qualifications
- Approach to the Project and Schedule
- Completed questionnaire, including GIPS supporting documentation
- Copy of disaster recovery/business continuity plan
- Cost Proposal
- GIPS supporting documentation
- Proposed edits, if any, to the Professional Services Agreement
- Attachment C - Investment Policy – Advisor Certification
- Most recent two years' financial statement (preferably audited)
- Copy of the firm's most recent ADV Parts I & II, including Schedule I, as on file with the SEC
- Sample of all standard reports

Please note that this list may not contain all required materials. It is an itemization of key items to assist firms in assembling proposals. Any omission above does not relieve Proposers from providing all required materials and information.

Thank You

The City of Olympia sincerely appreciates the time and effort
put forth in responding to this Request for Proposals.