



**COMPTROLLER
DEPARTMENT**

Purchasing Division

1001 East Ninth Street
Building D, Suite 200
Reno, NV 89512

Issue Date: 05/22/2020

RFP Number: 3129-20

TITLE: INVESTMENT SERVICES

Sealed proposals shall be accepted until 6/18/2020 at 2:00 P.M. Reno, NV time from qualified firms for RFP 3129-20 INVESTMENT SERVICES. All inquiries for information concerning this Proposal shall be directed in writing to:

JENS PFANNKUCHEN
Washoe COUNTY Purchasing Division
1001 E. Ninth Street, Building D, Ste. 200,
Reno, NV 89512-2845
JPFANNKUCHEN@WASHOECOUNTY.US

Sealed Proposals shall be mailed and/or hand delivered to the address shown above, and the envelope shall bear the name and number of this Request for Proposal or submitted through the online services of www.demandstar.com. It is the sole responsibility of the Proposer to ensure that its Proposal reaches the Purchasing Division or provided by the designated date and hour indicated above. Proposals shall be opened 6/19/2020 at 9:00 A.M. Reno, NV time.



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Contents

PROJECT BRIEF and SCOPE OF SERVICES..... 3

EVALUATION FACTORS..... 3

RULES OF CONTACT 5

PROPOSER QUESTIONS 5

NEVADA BUSINESS LICENSE REQUIREMENT 5

INSURANCE REQUIREMENTS 6

SELECTION PROCESS 6

AWARD PROCESS 7

TERMS, CONDITIONS AND EXCEPTIONS 7

APPEAL PROCEDURE 9

ATTACHMENT A: PROJECT BRIEF AND SCOPE OF WORK 11

ATTACHMENT B: INVESTMENT MANAGEMENT SERVICE REQUIREMENT.....17

ATTACHMENT C: SAMPLE AGREEMENT 21

ATTACHMENT D: MINIMUM REPORTING REQUIREMENTS... 31

ATTACHMENT E: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS 33

This Request for Proposal (RFP) is being advertised by Washoe COUNTY's Purchasing Division on behalf of the Treasurer's Office to select one (1) firm **OR** more firms with whom it hopes to negotiate a Contract for the described services. Issuance of this RFP shall in no way constitute a commitment by the COUNTY to execute a Contract. The COUNTY reserves the right to issue addenda to this RFP prior to the closing date. It is the Proposer's responsibility to check for any addendums to this procurement at www.demandstar.com prior to Proposal submission. Submission of a Proposal constitutes acknowledgement of this RFP and all subsequent amendments. The COUNTY reserves the right to reject any or all Proposals received in response to this RFP, or to cancel this RFP if it is deemed in the best interest of the COUNTY to do so.

PROJECT BRIEF and SCOPE OF SERVICES

The Scope of Services is found in Attachment A. Additional information regarding the COUNTY's Investment Management Plan is included in Exhibit 1, and is made part of this Request for Proposal by reference.

INSTRUCTIONS TO PROPOSER

Task	Date
Release Date	5/22/2020
Proposers' questions due	6/2/2020 at 2:00 P.M.
COUNTY's answers posted to website	On or about 6/5/2020
Proposal due	6/18/2020 at 2:00 P.M.
Proposal opening	6/19/2020
Anticipated contract start date (contingent upon BCC approval)	9/1/2020

***All times referenced in this RFP are Reno, Nevada times**

The Proposal shall respond to each Evaluation Factor, listed below. Provide clearly titled sections, referencing the same number and title as the Evaluation Factor being addressed.

Proposals shall be submitted in two (2) distinct parts - the **Technical Proposal** and the **Cost Proposal**. The Technical Proposal **shall not** include any cost information.

The Proposal shall respond to each Response Requirement, listed in Attachment A. Provide clearly titled sections, referencing the same number and title as the Response Requirement being addressed.

Proposals shall be submitted in two (2) distinct parts - the **Technical Proposal** and the **Cost Proposal**. The Technical Proposal **shall not** include any cost information.

Proposal will be evaluated based on the Responses provided.

The Proposers shall follow these guidelines in preparing their Proposals:

1. Proposals shall be submitted in two (2) distinct parts - the **Technical Proposal** and **Cost Proposal**. The Technical Proposal **shall not** include any cost information.

- a. Proposers shall provide one (1) PDF Technical Proposal file that includes the following:
 - i. A cover letter containing the Proposing Proposers contact information including

- name, mailing address, telephone number, and email address; and
- ii. A response to each of the Evaluation Factors in Section III – Instructions to Proposers; and
- iii. Resumes and any other pertinent documentation
- b. Proposers shall provide one (1) PDF Cost Proposal file that includes the following
 - i. Cost Schedule
 - ii. Proposers shall include the following: **NOTE:** This information will remain confidential per NRS 332.351
- c. Proposers are instructed to take into consideration Exhibit 1, Investment Management Plan.

Failure to meet the above stated requirements and limitations may result in a Proposal being deemed non-responsive at the COUNTY's sole discretion.

Each Proposer **must** submit its Proposal through the COUNTY's website www.demandstar.com.

Any Proposal received prior to the date and time specified above for receipt of Proposals may be withdrawn or modified; Proposals can be modified through demandstar.com any time prior to the date and time specified above. The modified Proposal must be received before the time and date specified above for receipt of Proposals.

Proposals received after the specified deadline **will not** be considered and will be disposed of in an appropriate manner suitable to the COUNTY, in its sole discretion.

Confidential Information, Trade Secrets, and/or Proprietary Information must be marked as such in the Proposal and as defined in NRS 332.025. The failure to mark this information as defined in NRS 332.025 and 332.061 shall constitute a complete waiver of any and all claims for damages caused by release of the information by the COUNTY. If the COUNTY reviews the confidential information and determines that the information is not considered confidential pursuant to NRS Chapter 332, the COUNTY will contact the Proposer. The Proposer must advise the COUNTY as to whether it either accepts the COUNTY's determination that the information is not confidential or withdraws the information. The Proposer will not be allowed to alter the Proposal after the date and time set for receipt of Proposals shown above. Notwithstanding the provisions in NRS Chapter 332, the COUNTY retains its immunity pursuant to the provisions of NRS 239.012 for any "good faith" release of information, and the immunities from liability provided to it pursuant to NRS Chapter 41.

For general information about the COUNTY and public records requests, call 311 in Washoe COUNTY or (775) 328- 2003 if outside of Washoe COUNTY, or email washoe311@washoeCOUNTY.us.

The COUNTY assumes no financial responsibility in connection with the Proposers' costs incurred by attending the pre-submittal meeting if required, in the preparation and submission of the Proposal packets, or by attending the oral interviews, if such interviews are conducted by the COUNTY in its sole discretion.

RULES OF CONTACT

After release of this RFP and through the Notice of Award of the Contract, the Proposers shall **ONLY** correspond with the COUNTY regarding this RFP through the COUNTY's designated representative. The designated representative's contact information is located on page 1 of this document.

The Proposers shall not contact COUNTY employees, including Department heads, members of the review

committee and/or any official who will participate in the decision to award the Contract regarding the Project, except through the process identified above. Any communications determined to be improper may result in disqualification, at the sole discretion of the COUNTY. Any official information regarding the RFP will be disseminated by the designated representative. Specific information necessary for the preparation of Proposals will be disclosed to all Proposers. The COUNTY will not be responsible for any oral exchange or any other information or exchange that occurs outside the official process specified herein. Failure to comply with these rules of contact may result in a Proposal being deemed non-responsive in the COUNTY's sole discretion.

PROPOSER QUESTIONS

Any irregularities or lack of clarity in the RFP must be brought to COUNTY's attention, in writing, as soon as possible, so that corrective addenda may be furnished by the COUNTY in a timely manner to all Proposers.

Any questions raised by Proposers must be submitted in writing through the email of the designated representative no later than 2:00 P.M. PT, on 6/2/2020. The COUNTY will respond to questions regarding the RFP, including requests for clarification and requests to correct errors, on or around 6/5/2020. Only requests submitted to the designated representative will be responded to. No requests for additional information or clarification to any other COUNTY office, consultant, or employee will be considered.

NEVADA BUSINESS LICENSE REQUIREMENT

The selected Proposer, prior to doing business in the State of Nevada, must be appropriately licensed by the Office of the Secretary of State pursuant to NRS 76.100. Information regarding the Nevada State Business License can be located at www.nvsos.gov.

Additionally, if the Proposer is a corporation, LLC, LP, LLP, or LLLP, or non-profit corporation based out of state, it must be registered as a foreign business entity equivalent in Nevada, in active status, and in good standing with the Nevada Secretary of State.

Award of any Contract is contingent on a Proposer having and holding an active and valid Nevada State Business License. The successful Proposer must satisfy this requirement within five (5) business days of issuance of the Notice of Intent. If a Proposer is unable or unwilling to adhere to this requirement, the COUNTY will deem the Proposer to be non-responsive, and the COUNTY will proceed to negotiate with the next most qualified firm, and so on, until a Contract, that is acceptable to the COUNTY, is negotiated.

To apply for a Nevada State Business License or to file appropriate formation documents with the Nevada Secretary of State's office, please visit www.nvsos.gov. Business licenses can be obtained immediately by applying on-line; however, paper applications may take several weeks to process.

INSURANCE REQUIREMENTS

The awarded Proposer must maintain, for the duration of its Contract, insurance coverage as set forth in the Insurance, Hold Harmless and Indemnification Requirements distributed with the RFP package for RFP 3129-20 Investment Services. Work under the Contract shall not begin until after the awarded Proposer has submitted to the COUNTY acceptable evidence of the required insurance coverage. Failure to maintain any required insurance coverage or alternative method of insurance acceptable to the COUNTY in its sole discretion will be

deemed a breach of contract.

Washoe COUNTY adheres to NRS 41.035, Limitation on award for damages in tort actions.

SELECTION PROCESS

First, the Proposers Proposal will be reviewed by the COUNTY's designated representative or delegated COUNTY staff to verify the Proposal has been submitted correctly pursuant to Section IV – Instructions to Proposer. Proposals that are not submitted correctly may be deemed non-responsive at the sole discretion of the COUNTY. The COUNTY's designated representative will also verify that all proposing Proposers are not on the State of Nevada, Federal, or COUNTY debarment and suspension lists.

Selection will be based on the Evaluation Factors listed in Section IV - Instructions to Proposer, which will be used by an Evaluation Committee to evaluate the Proposals. The entire Evaluation Committee shall remain anonymous to protect the integrity of the procurement process. The Evaluation Committee will individually review and score the Technical Proposal and then a meeting will be held to discuss their evaluations and determine the final Total Score. The Cost Proposal will remain hidden from the Evaluation Committee and scored using the process outlined in Section IV by the COUNTY. After the Technical Proposal scoring has been finalized, the COUNTY will allow the Evaluation Committee to review the Cost Proposals. The Evaluation Committee may ask for clarification of a Cost Proposal prior to finalizing the Cost Proposal scoring in its sole discretion. Once the Evaluation Committee approves the scoring of the Cost Proposal evaluation, the Technical Proposal score will be combined with the Cost Proposal score to determine the final Total Score.

Presentations **may** be conducted, in the COUNTY's sole discretion, for any Proposer that submits a Proposal. In the event that the COUNTY elects to conduct presentations, the County reserves the right to determine the list of finalists based on the scoring of the technical and cost proposal and finalists will be advised of the format for such presentation and will be provided with a schedule for such presentation.

The final ranking will be determined based entirely on the presentation scores. Technical Proposal scores will not be factored into the final ranking. OR The Evaluation Committee may use the information submitted in the Proposer's Proposal package, the information referenced in this RFP, and the information given at the presentation, if applicable, to arrive at the final ranking.

Failure of a Proposer to appear at the presentation, if the Evaluation Committee elects to conduct such presentations, will be considered non-responsive, and that Proposer will be eliminated from any further consideration.

The Proposals will be ranked, and a Contract may be negotiated following the selection of a most qualified Proposer. If an acceptable Contract cannot be reached with the highest ranked Proposer, the COUNTY may proceed to negotiate with the next highest ranked Proposer, and so on, until an acceptable Contract is negotiated, or the COUNTY, in its sole discretion, elects to terminate the solicitation.

AWARD PROCESS

The COUNTY shall issue a Notice of Intent to Award. Any award is contingent upon the successful negotiation of final contract terms and upon approval of the BCC, when required. Negotiations shall be confidential and

not subject to disclosure to competing Proposers. The terms agreed to by the parties shall be confidential until a Contract is agreed upon. If Contract negotiations cannot be concluded successfully, the COUNTY, at its sole discretion and upon written notice to all Proposers, may negotiate a Contract with the next highest-ranking Proposer or withdraw the RFP and cancel this procurement.

Upon the successful negotiation and execution of a Contract, the COUNTY shall issue a Notice of Award. at which time Proposals are public record and can be requested from the COUNTY via a Public Records Request.

TERMS, CONDITIONS AND EXCEPTIONS

This procurement is being conducted in accordance with NRS Chapter 332.

The COUNTY reserves the right to alter, amend, or modify any provisions of this RFP, or to withdraw this RFP, at any time, if, in the sole discretion of the COUNTY, it is in the best interest of the COUNTY to do so.

The COUNTY reserves the right to waive informalities and minor irregularities in Proposals received. The COUNTY reserves the right to reject any or all Proposals received prior to contract award (NRS 332.075).

The COUNTY shall not be obligated to accept the lowest priced Proposal but will make an award in the best interests of the COUNTY after all factors have been evaluated (NRS 332.065).

Alterations, modifications or variations to a Proposal may not be considered unless authorized by the RFP, or by an addendum or an amendment to the RFP.

Proposals which appear unrealistic in the terms of technical commitments, lack of technical competence, or are indicative of failure to comprehend the complexity and risk of the requirements of this RFP, may be rejected.

All materials submitted in accordance with the prescribed deadline become the property of the COUNTY and will not be returned. The COUNTY's selection or rejection of a Proposal does not affect this right. Each Proposal shall be retained for official files and will become public record after execution of a Contract. Only specific parts of the Proposal may be labeled a "trade secret," provided that the Proposer agrees to defend and indemnify the COUNTY for honoring such a designation; unsuccessful Proposals containing "trade secrets" will be returned pursuant to NRS 239.010. The failure to label any information shall constitute a complete waiver of any and all claims for damages caused by any release of such information by the COUNTY. The COUNTY shall not be liable for disclosure or release of information when authorized or required by law to do so pursuant to NRS 239.012.

The awarded Proposer will be the sole point of Contract responsibility. The COUNTY will look solely to the awarded Proposer for the performance of all contractual obligations, which may result from an award based on this RFP, and the awarded Proposer shall not be relieved for the non-performance of any or all of its subcontractors.

The awarded Proposer must maintain, for the duration of its Contract, insurance coverage as set forth in the Contract executed in response to this RFP. Work under the Contract shall not begin until after the awarded Proposer has submitted to the COUNTY acceptable evidence of the required insurance coverage. Failure to maintain any required insurance coverage or alternative method of insurance acceptable to the COUNTY in its sole discretion will be deemed a breach of contract.

Each Proposer must disclose any existing or potential conflict of interest relative to the performance of the contractual services resulting from this RFP. Any such relationship that might be perceived or represented as a conflict must be disclosed. By submitting a Proposal in response to this RFP, each Proposer affirms that they have not given, nor intend to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant or any employee or representative of same, in connection with this procurement. Any attempt to intentionally or unintentionally conceal or obfuscate a conflict of interest will automatically result in the disqualification of a Proposer's Proposal. An award will not be made where a conflict of interest exists. The COUNTY, in its sole discretion, will determine whether a conflict of interest exists and whether it may reflect negatively on the COUNTY's selection of a Proposer. The COUNTY reserves the right in its sole discretion to impose additional requirements upon the Proposer to mitigate such conflict of interest or to disqualify any Proposer on the grounds of an actual or an apparent conflict of interest.

The COUNTY will not be liable for Federal, State, or Local excise taxes.

The COUNTY reserves the right to negotiate final Contract terms with any Proposer selected. The Contract between the parties will consist of the final executed Contract, the RFP with any modifications thereto, and the awarded Proposer's Proposal with any modifications and clarifications thereto that are incorporated at the request of the COUNTY during the evaluation and negotiation process. In the event of any conflict or contradiction between or among these documents, the documents shall control in the following order of precedence: the final executed Contract, Amendments to the RFP, the RFP, any modifications and clarifications to the awarded Proposer's Proposal, and the awarded Proposer's Proposal. Specific exceptions to this general rule may be noted in the final executed Contract.

The Proposer understands and acknowledges that the representations above are material and will be relied on by the COUNTY in its evaluation of a Proposal. **Any misrepresentation by a Proposer shall be treated as fraudulent concealment from the COUNTY of the true facts relating to the Proposal.**

No announcement concerning the award of a Contract as a result of this RFP can be made without the prior written approval of the COUNTY.

The COUNTY reserves the right to conduct a Best and Final Offer (BAFO).

Pursuant to NRS 332.065, Washoe COUNTY cannot enter into a contract with a company unless that company agrees for the duration of the contract not to engage in a boycott of Israel. By submitting a proposal or Proposal, Proposer agrees that if it is awarded a contract it will not engage in a boycott of Israel as defined in NRS 332.065(5).

APPEAL PROCEDURE

Any unsuccessful Proposal may appeal a pending Proposal award prior to award by Washoe COUNTY. The appellant must:

Submit a written protest to Purchasing and Contracts Manager within seven (7) calendar days of posting of the Recommendation to Award or Intent to Award Notice on www.DemandStar.com.

Describe, in the written protest, the issues to be addressed on appeal.

Post, with the written protest, a bond with good and solvent surety authorized to do business in this state or submit other security in a form approved by Washoe COUNTY, who will hold the bond or other security until a determination is made on the appeal.

Post the bond or other security in the amount of 25% of the total dollar value of appellant's Proposal, up to a maximum bond or other security amount of \$250,000.

Not seek any type of judicial intervention until Washoe COUNTY has rendered its final decision on the protest.

Washoe COUNTY will stay any award actions until after the Purchasing and Contracts Manager has responded in writing to the protest. If the appellant is not satisfied with the response, appellant may then protest to the Washoe COUNTY Board of Commissioners, who will render a final decision for the COUNTY. No Proposal protests will be heard by the Board of Commissioners unless the Proposal has followed the appeal process.

If an appeal is granted, the full amount of the posted bond will be returned to the appellant. If the appeal is denied or not upheld, a claim may be made against the bond for expenses suffered by the COUNTY because of the unsuccessful appeal.

ATTACHMENTS

Attachment A – Project Brief and Scope of Services

Attachment B - Investment Management Service Requirements

Attachment C – Sample Agreement

Attachment D – Minimum Report Requirements

Attachment E - Certification Regarding Debarment, Suspension, and Other Responsibility Matters

ATTACHMENT A: PROJECT BRIEF AND SCOPE OF WORK

RFP 3129-20 INVESTMENT SERVICES

Scope and Response Format

SCOPE AND INTENT

Washoe COUNTY, Nevada, is currently soliciting proposals from qualified firms to provide investment management services for designated funds. The successful MANAGER(S) will have discretionary authority to conduct transactions and will work closely with the COUNTY Treasurer and COUNTY staff to manage and maintain a successful investment program.

Security transactions will be completed using delivery vs payment (DVP) through the COUNTY's custodian, pursuant to the Custody Agreement. All securities will be held by the custodian in the name of Washoe COUNTY.

Detail of services to be provided under a resulting agreement may be found in Attachment B.

TERM OF AGREEMENT

Washoe COUNTY seeks an original term of 4 years, with optional renewals as agreed by both parties.

MINIMUM QUALIFICATIONS

Respondents must be an investment manager registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940; or a bank or trust company which is organized and operating or licensed to operate in the United States under federal and/or state law.

Respondents must be registered to conduct business in Washoe COUNTY, or become registered, and at their own expense obtain and pay for all required licenses, permits or fees prior to contract execution.

Respondents must have at least three (3) government clients with total market-valued assets (in custody) of \$75 Million or greater per client.

Respondents must have at least five (5) years of experience managing government funds, including the types of securities included in the firm's proposal.

INVESTMENT BACKGROUND

The COUNTY operates an investment program in accordance with principles of sound treasury management, and in compliance with Nevada Revised Statute, and Washoe COUNTY's Investment Policies and Investment Management Plan Exhibit 1.

Current balance of COUNTY invested assets is approximately \$580 million. All or any portion of this portfolio may be assigned for management under the resulting agreement, at the sole discretion of the COUNTY.

Current structure includes three separate portfolios: Group A – Liquidity Portfolio (one year or less), Group B – Core Portfolio (zero to ten years), Group C – Bond Proceeds Portfolio.

Designated funds for management include pooled monies held by the COUNTY Treasurer for other public agencies/local governments, as authorized under NRS 355.168 and 355.175. These amounts are included in the invested assets noted above.

RESPONSE REQUIREMENTS – PLEASE FORMAT AS FOLLOWS:

1. Organization

- a) Provide full name and contact information of organization, date founded, ownership structure and other business affiliations. Provide number and location of affiliated offices and specify which location would perform work under this agreement.
- b) Explain in detail the duration and extent of experience in providing investment management services for public sector clients. What is your experience with public sector clients of similar size to the COUNTY?
- c) Describe your firm's revenue sources (e.g., investment management, institutional research, etc.) and comment on your firm's financial condition.
- d) Within the past three years, have there been any significant developments in your organization (e.g., changes in ownership, new business ventures, etc.)? Do you expect any changes in the near future?

- e) Describe any Securities and Exchange Commission or regulatory censure or litigation within the past three years involving your organization, any officer, or employee.
- f) Provide a copy of SEC Form ADV Part 1 and 2
- g) Identify the types of accounts managed by your firm (corporate, pension, high net worth, endowment/foundation, government).
- h) Describe the firm's professional/errors and omissions insurance coverage.
- i) Describe the firm's compliance with Rule 204A-1 and provide a copy of your code of ethics document.
- j) Has your firm had a credit default, or potential default, in the portfolios it manages?

2. Personnel

- a) Identify the number of professionals employed by your firm, by classification.
- b) Provide a one-page organizational chart showing function, positions and titles of key personnel. Identify key personnel dedicated to advising public sector clients regarding investment management.
- c) Provide biographical information on investment professionals, including number of years at your firm, that will be involved in the decision-making process for the COUNTY's portfolio. Identify the person who will be the primary portfolio manager assigned to Washoe COUNTY's account.
- d) Please describe your firm's compensation policies for professional staff.

3. Assets Under Management

- a) Summarize your institutional investment management asset totals by category for your latest reporting period in the following table:

	Operating Funds	Bond Proceeds	Pension Funds
Governmental	\$ #	\$ #	\$ #
Other Institutional	\$ #	\$ #	\$ #

- b) Provide data on account/asset growth and other performance statistics over the past three years. Indicate the number of accounts gained and the number of accounts lost.
- c) Provide a list of the firm's fixed-income governmental clients located in Nevada.
- d) Describe in detail any potential conflicts of interest your firm, affiliates, or parent may have in management of this account and your method of dealing with conflicts of interest.

4. Philosophy/Approach

- a) Describe your firm's investment management philosophy, including your firm's philosophy on duration, maturity, yield and credit quality. Would that philosophy be different for a liquidity portfolio vs a core/long term portfolio? If so, explain.
- b) State whether your firm has purchased (or recommended for purchase) any corporate security that, while in your client's portfolio, has been downgraded below the rating of A-/A3 or A1/P1, by either Standard & Poor's or Moody's.
- c) What are the primary strategies for adding value to portfolios (e.g., market timing, credit research, trading)?
- d) Explain your experience with corporate securities and asset backed securities (ABS) and if you specialize in these or other asset types
- e) Describe your firm's credit analysis and monitoring process. Who is responsible for credit/ratings research, and how is this information relayed to investment personnel? What action is taken if a security falls below any required thresholds?
- f) Do you maintain an approved list of securities which can be purchased? If so, how often is this list updated and what are requirements for inclusion on the list?
- g) Describe the process you would recommend for establishing the investment objectives and constraints for this account. What method is used for determining duration?
- h) Would you recommend there be additional policy restrictions with respect to maturity, sector, quality?
- i) Describe the types of investment research your firm uses and the methodology used to determine investment decisions.
- j) Provide your list of approved brokers/dealers; How are brokers/dealers selected and monitored? Confirmation of investment transactions should be sent directly by the broker/dealer to the COUNTY, as well as from the MANAGER.

- k) Describe your firm's decision-making process in terms of structure, committees, membership, meeting frequency, responsibilities, integration of research ideas and portfolio management.
- l) Describe your technical and research capabilities as they would pertain to Washoe COUNTY's portfolio. Would research be done in house, or by others?
- m) Describe your capabilities for tracking and reporting arbitrage in compliance with the Tax Act of 1986, including computer systems and experience.
- n) In addition to the service proposals specified, identify any additional or innovative approach that you would propose.

5. Portfolio Management

- a) Describe your portfolio management approach. Are portfolios managed by teams or one individual?
- b) What is the average number of accounts handled per manager? Are there established limits on accounts or assets under management?
- c) How often would Washoe COUNTY's portfolio be reviewed by the manager?
- d) Primary client contact is delegated to which of your firm's professionals?
- e) Describe your process for providing advice, including frequency of market condition discussions. How do you work with a client to address fluctuating cash flows and forecasting?
- f) Describe procedures used to ensure that portfolios comply with client investment objectives, policies and bond resolutions.

6. Performance

- a) Please provide performance history, both gross and net of fees, for the past one, three and five years, for similar government portfolios your firm manages with the types of securities included in your proposal. Please compare to the proper industry standard benchmark. Describe the maturity concentration, quality and sectors of these portfolios.
- b) Please show the sector distribution of sample portfolios, including a breakdown of corporate holdings into AAA, AA and A rating categories.
- c) What is the lowest rated security (as rated by Moody's or S&P) held in any sample portfolios?
- d) What percentage of your firm's total assets is represented by the samples?

7. Reporting

- a) Provide samples of standard monthly and quarterly reports. Are reports available online? How long after month end are online reports typically available? Describe the ability to export investment information online, including what format(s) are provided.
 - b) What other services and other client tools are available, and what is their frequency?
 - c) Do you report in compliance with GIPS standards? If not, explain all non-compliance issues.
 - d) Describe your reporting approach for existing Government clients.
 - e) Are you willing to develop reporting procedures in line with the COUNTY's needs and objectives? Demonstrate your understanding of the COUNTY's reporting requirements.
 - f) Provide sample of your most recent reports on Economic Indicators, Market Conditions, Investment Analysis/Strategy and any other reports you offer.
 - g) Describe how you determine market value, especially where investments may not be widely traded.
8. References
- a) Provide three governmental references, including length of time managing their assets, agency name, address, point of contact, phone number and email address.

9. Fees

Proposed fees must include all costs associated with the performance of the services specified, including materials, supervision, labor, insurance, transportation, delivery and related costs. Charges not stated in the RFP response will not be allowed. All prices and fees must be in U.S. dollars.

Fees should be stated in basis points. Provide a complete description of fee structures if the proposed fee varies with the size of portfolio managed.

Attachment B

Investment Management Service Requirements

1. Discretionary Management of COUNTY Assets

- 1.1 Provide investment management of the Funds assigned by the COUNTY by written notice to MANAGER (collectively the “Managed Funds”). MANAGER will provide investment research and supervision of the COUNTY’s Managed Funds investments and conduct a continuous program of investment, evaluation and, when appropriate, sale and reinvestment of the COUNTY’s Managed Funds assets. MANAGER shall continuously monitor investment opportunities and evaluate investments of COUNTY’s Funds. MANAGER shall furnish the COUNTY with statistical information and reports with respect to investments of the Managed Funds.
- 1.2 MANAGER shall place all orders for the purchase, sale, loan or exchange of portfolio investments for the COUNTY's Managed Funds with brokers or dealers recommended by MANAGER and/or COUNTY, and to that end the MANAGER is authorized as agent of the COUNTY to give instructions to the depository designated by the COUNTY as its custodian as to deliveries of investments and payments of cash for the account of the COUNTY. The depository designated by the COUNTY shall have custody of cash, assets and investments of the COUNTY. MANAGER shall not take possession of or act as custodian for the cash, securities or other assets in the Managed Funds and shall have no responsibility in connection therewith.
- 1.3 In connection with the selection of such brokers and dealers and the placing of such orders, MANAGER is directed to seek for the COUNTY the most favorable execution and price, the determination of which may take into account, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been or will be furnished to the MANAGER by such brokers and dealers. MANAGER will observe the instructions of the COUNTY with respect to broker/dealers who are approved to execute transactions involving the COUNTY's Managed Funds and in the absence of such instructions will engage broker/dealers which MANAGER reasonably believes to be reputable, qualified and financially sound in accordance with COUNTY’s investment policies.
- 1.4 Authorized investments shall include only those investments which are currently authorized by the Nevada Revised Statutes (NRS), the COUNTY’s written Investment Management Plan, bond covenants and as supplemented by such other written instructions as may from time to time be provided by the COUNTY to MANAGER. The COUNTY agrees to promptly provide to MANAGER any amendments or other revisions to the Investment Management Plan.

2. Investment Oversight Services

MANAGER will provide the following additional services for all of the COUNTY's invested assets.

1. Advice/Training

- Monthly strategy conference call/report to include:
 - market commentary and trends, including yield curve analysis
 - cash flow projections
 - Strategy review for previous month – including detail of swaps/trades
 - Strategy recommendations for future
 - performance reporting.
- Ad-hoc discussions with COUNTY regarding maturities, investment strategy review, reinvestment, credit analysis, legislative changes and other factors that may impact the COUNTY's revenues, expenditures, and/or Investment Management Plan.
- Ad-hoc assistance with information needed for presentations related to COUNTY investments, as well as markets and the economy.
- Serve as a general resource to COUNTY for information and training.
- Up to two days per year of structured training to COUNTY staff at COUNTY site, as requested.

2. Detailed cash flow analysis

- Creation of flexible, detailed model to analyze the COUNTY'S specific cash flows and determine prudent balance for Group A, and Group B funds
- Model to be updated periodically to assure appropriate allocation for Group A

3. Bond Proceeds investment

- Analyze and restructure existing bond proceeds investments to ensure compliance with all applicable IRS regulations and to maximize each issue's retainable earnings
- Analyze and place investments for future bond issues
- Assess each issue's investments on an ongoing basis to reflect changing market conditions and revised draw schedules

4. Review and Evaluation Services:

- Perform due diligence reviews of current and proposed broker/dealers
- Monitor and report on credit exposure and risk of portfolios. Immediately report material events which affect portfolios (NRS 355.171). Provide information on credit for particular sectors/industries.
- Evaluate safekeeping and custodial procedures and agreements.
- Provide annual review and recommendations for update to Investment Management Plan and Investment Policies. Review will include analysis of NRS and other regulatory requirements, impact of any changes to those, and any resulting recommendations.

5. Credit Analysis

- Provide advice on appropriate credit review procedures/framework.
- Provide advice on changes in the credit profile of particular industries and/or sectors.
- Share information on a timely basis with the COUNTY about changes in any credits on the COUNTY's internal approved lists, or any securities held by the COUNTY.
- At COUNTY's request, research any specific credit issues or issuers.

6. Reporting:

All reports containing information on cost must include original, as well as amortized costing. MANAGER should provide online statement/electronic reporting options.

Monthly-

Preparation of Global Investment Performance Standards (GIPS) compliant portfolio reports for all Groups, separately (Group A, B, C) and combined (Group A and B). The preparation includes monthly reconciliation with the custodial bank statement for all Group portfolios.

The monthly report will include the following:

- Portfolio Summary and Statistics
- Issuer Summary
- Detail of Securities Held
- Fair Market Values and Analytics
- Transaction and Interest Detail
- Current month gains and losses Cash and accrual basis accounting
- Provide online access to reports within 5 business days of month end
- Provide ability to download transaction detail of investment activity

Quarterly-

Preparation of performance reporting for Groups A and B, separately and combined. Topics to be included in this report should include, but not be limited to:

- Economic review and outlook
- Investment strategy—current quarter and upcoming quarter
- Compliance with Nevada statutes and COUNTY Investment Policy
- Performance vs. established benchmark
- Portfolio composition and duration

MANAGER will be available to formally present quarterly information to COUNTY Investment Committee during scheduled public meetings.

Annually-

Respond to inquiries from internal and external auditors to assist COUNTY in the completion of COUNTY's Comprehensive Annual Financial Report.

- Provide arbitrage review and results.

Provide year end reporting as required by COUNTY to include, but not limited to:

- Callable & Step Up security information as of June 30
- Investment Maturities as of June 30

Provide information for annual review, including but not limited to:

- Credit monitoring procedures
- Broker/Dealer approval process
- Most recent SEC Form ADV Part 2

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Attachment C

Sample Agreement

INVESTMENT SERVICES AGREEMENT

This Agreement is made this day of __, 2020 by and between WASHOE COUNTY, NEVADA, a political subdivision of the State of Nevada (hereinafter referred to as "COUNTY"), _____, (hereinafter referred to as "MANAGER"), both of which may be referred to hereinafter as the "Parties."

1. Appointment of MANAGER. By execution of this Agreement and effective as of the effective date set forth above, MANAGER accepts appointment as investment MANAGER of the Account and under the direction of the COUNTY's representative, will provide services to the COUNTY as described in **Exhibit A** of this Agreement, which is incorporated herein. MANAGER will supervise and direct investments of the Account subject to such limitations as the COUNTY may communicate in writing to the MANAGER from time to time. The MANAGER, as agent with respect to the Account, unless otherwise instructed in writing by the COUNTY and consistent with the investment objectives of the COUNTY as specified in the COUNTY's Investment Management Plan (attached as **Exhibit B**), Nevada Revised Statutes, and existing bond covenants, when it deems appropriate, without prior consultation with the COUNTY, may (i) buy, sell, exchange, convert and otherwise trade in any allowed securities, and (ii) place orders for the execution of such securities transactions with or through such brokers, dealers or issuers as the MANAGER may select.

2. Definition of Account and Custody of Account Assets. The Account shall consist of all cash, securities and other commingled assets of the COUNTY which are held in separately designated management accounts (Currently Accounts A, B and C) by Wells Fargo Institutional Trust Services or its successors (the "Custodian") at the effective date of this Agreement, plus any proceeds therefrom or additions thereto, and less any losses thereon or withdrawals therefrom. The MANAGER shall not act as Custodian for the Account or any portion thereof. All transactions will be consummated by payment to, or delivery by, the Custodian of all cash, securities and other assets due to or from the Account. The Custodian, and not the MANAGER, shall be responsible for investing any daily cash balances in the Account. The MANAGER shall notify the Custodian in writing as to those persons authorized to act on behalf of the MANAGER and may issue such instruction to the Custodian as may be appropriate in connection with the settlement of the transactions initiated by the MANAGER pursuant to Paragraph 1 hereby and the Custody Agreement, dated XXXXXXXX, as amended or supplemented from time to time.

3. Standard of Care. It is agreed that the standard of care imposed upon MANAGER by this Agreement is to act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent **investment expert** acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however that this standard of care shall in no case be, or be interpreted to be, less stringent or less restrictive than any investment standard or standards, now in effect or included by amendment effective in the future, prescribed for investment by Nevada law. The MANAGER shall have authority and discretion to establish accounts with one or more duly registered broker-dealers. Consistent with ensuring the safety of assets, the MANAGER shall engage in a prudent and diligent broker-dealer selection process. The MANAGER shall ensure that all orders are placed with only reputable, qualified, and financially sound broker-dealers. The MANAGER shall not act as a principal in sales and/or purchases of assets, unless the MANAGER shall have received prior written approval from an Authorized Person for each transaction. In maintaining its records, the MANAGER does not assume responsibility for the accuracy of information furnished to

COUNTY by any other party. However, the MANAGER shall cooperate with COUNTY and the Custodian to reconcile the Account each month.

4. Investment Objectives and Restrictions. COUNTY has specified in **Exhibit B** the investment objectives and any specific investment restrictions and limitations which govern the Account. It will be the COUNTY's responsibility to inform the MANAGER in writing of any changes or modifications in the investment objectives of the Account as well as any additional investment restrictions and limitations applicable thereto and to give the MANAGER prompt written notice if COUNTY deems any investment made for the Account to be in violation of such objectives or restrictions and limitations. The MANAGER agrees to communicate its investment strategy for the Account and any changes thereto, in a monthly report, to the COUNTY, and, if requested, to meet with the COUNTY to review the Account's investment activity or to advise of changes in the MANAGER's investment strategy.

5. Transaction Procedures. Instructions of the MANAGER to the Custodian shall be made in writing or, at the option of the MANAGER, shall be made orally and confirmed in writing as soon as practical thereafter; provided that all such instructions, written or oral, shall be issued only by persons designated from time to time by the MANAGER in a written instrument delivered to the Custodian pursuant to the Custody Agreement. The MANAGER shall instruct all brokers and dealers executing orders on behalf of the Account to forward to the Custodian and the COUNTY copies of all confirmations promptly after execution of transactions, and that all transactions must be completed using delivery vs. payment (DVP). The COUNTY will provide, or instruct the Custodian to provide the MANAGER with such periodic reports concerning the status of the Account as the MANAGER may reasonably request.

6. Services to Other Clients. It is understood that the MANAGER performs investment management services for other clients. The COUNTY agrees that the MANAGER may direct and take action with respect to any activity of its other clients which may differ from the direction or the timing or nature of action taken with respect to the Account so long as it is the MANAGER's policy, to the extent practical, to allocate investment opportunities to the Account over a reasonable period of time on a fair and equitable basis relative to other clients. It is understood that the MANAGER shall not have any obligations to purchase or sell for the Account any security which the MANAGER, its principals, affiliates or employees may purchase or sell for its or their own account or for the account of any other client, if in the MANAGER's good faith opinion such transaction or investment appears unsuitable, impractical or undesirable for the Account.

7. Allocation of Brokerage. In connection with the selection of brokers and dealers and the placing of orders, the MANAGER is directed to seek for the COUNTY the most favorable execution and price, the determination of which may take into account, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been or will be furnished to the MANAGER by such brokers and dealers. The MANAGER will observe the instructions of the COUNTY with respect to broker/dealers who are approved to execute transactions involving the Account. In the absence of such instructions, the MANAGER may allocate such transactions to such brokers and dealers for execution on such markets, at such prices and at such commission rates as in the good faith judgment of the MANAGER will be in the best interest of the Account, and in accordance with the COUNTY's investment policies. The MANAGER shall receive no soft dollar benefit for any transaction placed on behalf of the COUNTY.

8. Fees. The compensation of the MANAGER shall be calculated and paid in accordance with the Schedule of Fees, attached hereto as **Exhibit C**. For the purposes of determining the MANAGER's fees, the Account's assets shall be valued as computed by the Custodian bank in accordance with normal and customary industry standards. Certain securities or assets may need to be valued in a manner determined in good faith by the Custodian, the MANAGER, or other appropriate pricing sources to reflect its market value or as may be prescribed by applicable law.

All statement of prices, fees and charges payable to MANAGER are net to the COUNTY excluding sales tax, delivery, transit insurance and other expenses of delivery. MANAGER shall cooperate if the COUNTY elects to self accrue Sales or Use Tax. Amounts deposited in an investment agreement, bank money market funds or sweep account, if any, shall not be included in calculating the Daily Net Assets Under Management which are subject to management fees.

9. Term. This Agreement is for a term of four years with annual renewal options as agreed upon by both parties.

No Assignment, as that term is defined in the Investment Advisers Act of 1940, of the Agreement shall be made by MANAGER without the written consent of COUNTY.

10. Termination.

10.1 Termination by COUNTY

This Agreement may be terminated by COUNTY for any or all of the following reasons: any default by MANAGER, for the convenience of COUNTY, in the event of the insolvency of, or declaration of bankruptcy by MANAGER or in the event sufficient appropriated, otherwise unobligated funds no longer exist for the payment of COUNTY's future obligations herein.

10.2 Termination for Default

The failure of MANAGER to comply with any material term, condition, or provision of this Agreement shall constitute default. In the event of default, COUNTY shall notify MANAGER of the specific act or omission by MANAGER which constitutes default. MANAGER shall have ten (10) business days from the date of receipt of such notification to correct such default. Termination for default shall be accomplished immediately upon written notice.

10.3 Termination for Convenience

COUNTY may terminate this Agreement in whole or in part whenever for any reason COUNTY determines that such termination is in the best interest of COUNTY. In such event, COUNTY shall provide not less than thirty (30) days written notice to MANAGER and termination shall be effective as of the date and time specified therein. The Agreement shall terminate without further obligation of COUNTY as of that date, except MANAGER shall be paid for all work performed up to that time and COUNTY shall return all hardware and software components which have not been fully paid for.

10.4 Termination for Bankruptcy or Insolvency

In the event MANAGER shall cease conducting business in the normal course, become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or its assets or shall avail itself of, or become subject to, any proceeding under the Federal Bankruptcy Act or any other statute of any state relating to insolvency or the protection of rights of creditors, the COUNTY may terminate this agreement in whole or in part upon no less than thirty (30) days written notice to MANAGER. In such event of termination, COUNTY shall provide written notice to MANAGER and termination shall be effective as of the date and time specified therein.

10.5 Termination for Unavailability of Funds

Notwithstanding any other provision of this Agreement, the Parties agree that the charges hereunder are payable by COUNTY solely from appropriated, otherwise unobligated funds. In the event such funds are determined in the sole discretion of COUNTY to no longer be available or to be insufficient with respect to the charges payable pursuant to this Agreement, COUNTY shall promptly notify the MANAGER, and the COUNTY may terminate this Agreement without further obligation of COUNTY up to the effective date of termination, except MANAGER shall be paid for all work performed to such date.

10.6 Procedure upon Termination

Upon termination of this Agreement by COUNTY, MANAGER shall:

10.6.1 Provide services under this Agreement up to the date and to the extent specified in the notice of termination;

10.6.2 Take such action as may be necessary, or as COUNTY may direct, for the protection and preservation of any and all property or information related to this Agreement which is in the possession of MANAGER.

10.6.3 Within ten (10) business days from the effective date of termination, deliver to COUNTY any and all property or information related to this Agreement that is in the possession of MANAGER.

10.7 Payment on Termination for Convenience

If this Agreement is terminated for the convenience of COUNTY, COUNTY shall pay MANAGER for services rendered by MANAGER up to the effective date of termination.

11. Notices. Unless otherwise specified, all notices and instructions with respect to security transactions shall be deemed duly given when received in writing by either party at the address set forth below or to such other addresses as such parties shall notify the other in writing and to the Custodian at such address as it may specify to the MANAGER in writing, or at such other address or addresses as shall be specified. The MANAGER may rely upon any notice (written, faxed, or emailed) that is signed by an authorized representative of the COUNTY.

All other notices shall be in writing and deemed given when personally delivered or three (3) days after deposited in the United States mail, first class postage prepaid, return receipt requested, addressed to the person to whom notice is given at the addresses set forth below or at any other address designated by notice by a party:

To COUNTY Representative:

Name	Tammi Davis
Title	Washoe COUNTY Treasurer
Address	P O Box 30039 Reno, NV 89520-3039
Phone	775-328-2525
Fax	775-328-2500

To MANAGER:

Name
Title
Address
Phone
Fax

The COUNTY will notify the MANAGER of the designation of authorized parties in addition to the COUNTY Representative.

12. Representations by COUNTY. Except as expressly provided otherwise herein, the COUNTY shall pay all of its own expenses including, without limitation, taxes, commissions, fees and expenses of the COUNTY's independent auditors and legal counsel, if any, brokerage and other expenses connected with the execution of portfolio security transactions, insurance premiums, fees and expenses of the custodian of the Account including safekeeping of funds and securities and the keeping of books and accounts.

COUNTY is interested only in the results obtained under this Agreement. The manner and means of achieving the results are subject to MANAGER's discretion and control. MANAGER is an independent contractor for all purposes and is not an employee or agent of COUNTY. Nothing in this Agreement shall authorize or empower MANAGER to speak for, represent or obligate COUNTY in any way, other than as specifically authorized in advance in writing by COUNTY. MANAGER shall be solely responsible for filing appropriate federal, state, and local tax returns, and paying all such taxes or fees, including estimated taxes and employment taxes due, with respect to MANAGER's receipt of payments under this Agreement

13. Representation by MANAGER. By execution of this Agreement, MANAGER represents and confirms that it is registered as an investment MANAGER under the Investment Advisers Act of 1940, as amended, and that it has completed, obtained or performed all other registrations, filings, approvals, authorizations, consents or examinations required by any government or governmental authority for the performance of the acts contemplated by this Agreement, including without limitation Chapter 90 of the Nevada Revised Statutes and Chapter 90 of the Nevada Administrative Code. MANAGER agrees that it shall immediately notify the COUNTY if at any time during the term of this Agreement its status under those federal and state laws and regulations changes. The COUNTY acknowledges receipt of Parts 2A and 2B of each MANAGER's Form ADV as required by Rule 204-3 under the Investment Advisers Act of 1940 prior to the date of execution of this Agreement.

The personnel of the MANAGER who will be responsible for carrying out this Agreement are individuals experienced in the performance of the various functions contemplated by the Agreement and have not, within the last two years, been convicted of any crime or pleaded *nolo contendere* or agreed to any consent decree with respect to any matter involving breach of trust or fiduciary duty or securities law violations.

The MANAGER shall furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, travel, investment management facilities, and executive and supervisory personnel for managing the investment sand costs when attending meetings at the COUNTY.

14. Construction and Severability. The provisions of this Agreement are severable. If any part of this Agreement is held to be invalid or unenforceable, such holding will not affect the validity or enforceability of any other part of this Agreement so long as the remainder of the Agreement is reasonably capable of completion.

15. Dispute Resolution/Choice of Laws/Venue

15.1 Law of Nevada applies.

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Nevada, and laws, rules and regulations of Washoe COUNTY.

15.2 Venue

The proper venue for any judicial dispute arising under this Agreement shall be Washoe COUNTY, Nevada or, if appropriate, the Federal District Court sitting in Washoe COUNTY, Nevada.

15.3 Dispute Resolution

15.3.1 Mediation

Should any dispute arise out of this Agreement, any party may demand in writing that it be submitted to mediation. The parties shall meet in mediation within 30 days of a selection of a mediator. The mediating parties shall agree to the mediator within 10 days of the delivery of the demand. In the absence of an agreement, the parties shall select a mediator from a list of at least 7 mediators provided by the American Arbitration Association obtained by the party requesting mediation within 14 days of the delivery of the demand for mediation. The mediator shall be selected by striking names until only one name remains. The party requesting mediation shall strike the first name.

The cost of mediation shall be borne equally by the parties. Neither party shall be deemed the prevailing party. No party shall be permitted to file a legal action without first meeting in mediation and making good faith attempt to reach a mediated settlement. The mediation process, once commenced by a meeting with the mediator, shall last until agreement is reached by the parties but no more than 10 days, unless the maximum time is extended by the parties.

15.3.2 Arbitration

After mediation, any remaining unresolved dispute or claim arising out of or relating to this Agreement shall be settled by arbitration in accordance with the American Arbitration Association. Either party may demand arbitration in writing. The parties shall set a date for arbitration within 10 days of selection of an arbitrator. The parties shall agree to the arbitrator within 10 days of the delivery of the demand. In the absence of an agreement, the parties shall select an arbitrator from a list of at least 7 provided by the American Arbitration Association obtained by the party requesting arbitration within 14 days of the delivery of the demand. The arbitrator shall be selected by striking names until only one name remains. The party requesting arbitration shall strike the first name. Each party shall bear its own costs of arbitration and neither party shall be deemed the prevailing party.

16. Record Retention and Inspection. The MANAGER shall maintain appropriate records of all its activities hereunder. The MANAGER shall provide the COUNTY with a monthly statement showing deposits, withdrawals, purchases and sales (or maturities) of investments, related gains and losses, earnings received, and the value of assets held on the last business day of the month. The statement shall be in the format and manner that is mutually agreed upon by the MANAGER and the COUNTY

The MANAGER is required to maintain all records and documents relating to the purchase, sale or exchange of the assets in the Account, or any payment made or received thereto for twenty-four months after the termination

of the agreement. The COUNTY or its designated representative has the right to inspect the records of the MANAGER during normal business hours.

17. Prior Agreements. This Agreement supersedes all prior understandings and agreements between the COUNTY and the MANAGER relating to the subject matter of this Agreement. Such prior understandings and agreements are canceled, and full payment by the COUNTY to the MANAGER for services rendered by the MANAGER to the date of this Agreement shall be due and owing to the MANAGER.

18. Reports from MANAGER. MANAGER will provide reports to the COUNTY as outlined in **Exhibit A**, and other reports determined to be necessary from time to time. Reports of performance shall be presented in compliance with Global Investment Performance Standards (GIPS). The MANAGER shall also provide a written reconciliation to the Custodian's records on a monthly basis.

19. Confidential Relationship. All information and advice furnished by either party to the other hereunder, including their respective agents and employees, shall be treated as confidential and shall not be disclosed to third parties except as required by law or by regulatory or judicial process.

20. Errors and Omissions Insurance. The MANAGER shall provide and maintain at its own expense during the term of this agreement Errors and Omissions Insurance or Professional Liability Insurance covering the negligent acts, errors or missions in the performance of professional service, in an amount of not less than \$1,000,000.00

Failure on the part of the MANAGER to produce or maintain the required insurance shall constitute a material breach of contract upon which Washoe COUNTY may immediately terminate this Agreement.

21. Insurance.

Washoe County has established specific indemnification and insurance requirements for contracts/agreements with contractors/consultants to help ensure that reasonable insurance coverage is maintained. Indemnification and hold harmless clauses are intended to ensure that contractors/consultants are aware of and accept the responsibility for losses or liabilities related to their activities. This insurance exhibit is part of the RFP Package and included by reference. All conditions and requirements identified in this Exhibit shall be completed prior to the commencement of any work under this contract/agreement.

22. Waiver. No waiver of a breach of any provision of this Agreement by either party shall constitute a waiver of any other breach of said provision or any other provision of this Agreement. Failure of either party to enforce at any time, or from time-to-time, any provision of this Agreement shall not be construed as a waiver thereof. The remedies herein reserved shall be cumulative and additional to any other remedies in law or equity. No waiver shall be enforceable unless set forth in writing and signed by the party granting the waiver.

23. Changes and Amendments. No provision of this Agreement may be changed, altered, amended, or waived except by written instrument executed by the Parties.

24. Changes to MANAGER Key Personnel and Successor to MANAGER. The MANAGER shall immediately notify COUNTY, in writing, of any changes in key personnel within its organization and assigned to the oversight of the Account (as defined in Section 2). If MANAGER is a partnership, MANAGER shall promptly notify COUNTY of changes in MANAGER's partners. If MANAGER is a corporation, MANAGER shall promptly notify COUNTY of all material changes in ownership.

25. Assurance of Compliance with Civil Rights Laws. Every supplier of materials and services and all MANAGER's business with the COUNTY shall be in compliance with applicable provisions of the Americans with Disabilities Act of 1990, and shall be an equal opportunity employer as defined by Title VII of the Civil rights Act of 1964. As such, MANAGER shall not discriminate against any person on the basis of race, religious creed,

color, national origin, ancestry, disability, medical condition, marital status, age, sexual orientation or sex with respect to hiring, application for employment, tenure or terms and conditions of employment. MANAGER agrees to abide by all of the foregoing statutes, regulations and ordinances and resolutions.

26. Assurance of Compliance with Appropriate Laws and Regulations at the Federal State and Local Levels. MANAGER hereby confirms that MANAGER will comply with all appropriate and applicable federal, state and local laws and regulations in carrying out this Agreement.

27. Assurance of Compliance with Ethics Rules. MANAGER confirms that it has implemented and is in compliance with SEC Rule 204A-1, regarding the adoption of a Code of Ethics and SEC Rule 206(4)-7, relating to adoption of internal policies and the creation of a Chief Compliance Officer role.

28. Disciplinary Actions. The MANAGER shall promptly give notice to the COUNTY if the MANAGER shall have been found to have violated any state or federal securities law or regulation in any final and unappealable judgment in any criminal action or civil suit in any state or federal court or in any disciplinary proceeding before the Securities and Exchange Commission or any other agency or department of the United States, any registered securities exchange, the Financial Industry Regulatory Authority, or any regulatory authority of any State based upon the performance of services as an investment MANAGER.

29. Force Majeure. Neither party shall be responsible for delays resulting from causes beyond the control of the party including, but not limited to, delays resulting from governmental action, inability to obtain services, power failure, acts of God or the failure of any product or service neither manufactured nor provided by the parties.

30. No Third Party Beneficiaries. This Agreement is not intended to create any right in or for the public, or any member of the public, any subcontractor, supplier or any other third party, or to authorize anyone not a party to this Agreement to maintain a suit to enforce or take advantage of its terms.

31. Conflict of Interest. MANAGER hereby certifies that no officer, agent or employee of COUNTY who may have a pecuniary interest in this Agreement has participated in the contract negotiations on the part of the COUNTY.

32. Certification MANAGER has Read and Understands Washoe COUNTY's Investment Management Plan. MANAGER certifies that key personnel have reviewed and understand the COUNTY's Investment Management Plan (Exhibit 1) and that processes will be in place to assure that all transactions made on behalf of the COUNTY will comply with that plan. The COUNTY agrees that it will promptly deliver to the MANAGER any amendments or other changes to the Investment Management Plan.

33. Certification that Signatory Authorized to Enter Into Agreement
MANAGER certifies that the individual executing this Agreement on behalf of the MANAGER has full authority to enter into such an Agreement on behalf of MANAGER.

34. Miscellaneous Provisions

34.1 Modifications

This Agreement may be modified only by mutual agreement by the Parties in writing.

34.2 Waiver

against the enforcement of any provision, except by written instrument of the party charged with such waiver or estoppel. No such written waiver shall be deemed a continuing waiver unless specifically stated therein and each such waiver shall operate only as to the specific term or condition waived and shall not constitute a waiver of such term or condition for the future or as to any act other than that specifically waived.

34.3 Headings

The headings of parts, sections and subsections used in this Agreement are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

34.4 Number and Gender

Whenever applicable within this Agreement, the singular shall include the plural and the plural shall include the singular and a pronoun of one gender shall refer to any appropriate gender.

34.5 Severability

Unless expressly provided otherwise, the provisions of this Agreement are severable, and the unenforceability of any provision shall not affect the enforceability of any other provision of this Agreement.

34.6 Inurements

The terms of this Agreement shall inure to the benefit of the Parties, including their successors and permissible assigns, if any.

34.7 Counterparts

This Agreement may be executed simultaneously or concurrently in one or more counterparts, each of which shall be deemed a duplicate original but all of which together shall constitute one and the same agreement.

34.8 Entire Agreement

The making, execution and delivery of this Agreement has been induced by no representations, statements, warranties or other agreements except as expressed by the written terms of this Agreement. The parties agree that this Agreement may not in any way be contradicted by a prior or existing course of dealing between them or by any usage of trade or custom.

34.9 Attorneys Fees

If either party commences an action against the other party arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

34.10 Indemnification

By MANAGER: MANAGER hereby agrees to hold harmless, indemnify, and defend COUNTY, its officers, agents, employees and volunteers from any loss or liability, financial or otherwise resulting from any claim, demand, suit, action, or cause of action caused by any action, either direct or passive, the omission, failure to act, or negligence on the part of MANAGER, its employees, agents, representatives, or Subcontractors arising out of negligent or intentionally wrongful performance or non-performance of work under this Agreement by MANAGER, or by others under the direction or supervision of MANAGER, unless such damage, loss, injury or ~~death is caused by the action either direct or passive, the omission, or failure to act or the negligence of the~~

COUNTY or its employees. Such indemnification shall be conditioned upon COUNTY giving MANAGER prompt written notice of such claim and shall not be reasonably withheld unless the timing of such notice shall prejudice MANAGER'S ability to defend said claim.. Should MANAGER refuse tender of defense, upon determination that the work performed by MANAGER was negligent in any manner or that the MANAGER failed to perform any duty set forth in this agreement resulting in the subject litigation, MANAGER agrees to pay COUNTY's cost related to its investigation and defense.

In determining the nature of the claim against COUNTY, the incident underlying the claim shall determine the nature of the claim, notwithstanding the form of the allegations against COUNTY.

35. Effective Date. The effective date of this Agreement is_____, 2020.

Agreed and Accepted this_____Day of_____, 2020

WASHOE COUNTY

MANAGER

By:_____
Washoe COUNTY Commission

By:____ Bob Lucey, Chairman

Title: _____

ATTEST:

Washoe COUNTY Clerk

Attachment D

Minimum Report Requirements

Monthly Statement (available electronically) in compliance with GIPS to include:

- Portfolio Summary and Statistics
- Issuer Summary
- Detail of Securities Held
- Fair Market Values and Analytics
- Transaction and Interest Detail
- Current month gains and losses using cash and accrual basis accounting
- Provide online access to reports within 5 business days of month end
- Provide ability to download transaction detail of investment activity

Monthly Strategy Report/Discussion to include:

- Market Commentary and Trends
- Cash Flow Projections
- Strategy Review for Previous Month – include detail of swaps/trades
- Strategy Recommendations for Future
- Review of spreads for various sectors
- Performance reporting

Quarterly Report/Presentation to Investment Committee Meeting to include:

- Economic review and outlook
- Investment strategy—current quarter and upcoming quarter
- Compliance with Nevada statutes and COUNTY Investment
- Policy Performance vs. established benchmark
- Portfolio composition and duration
- Portfolio Holdings as of end of Quarter

Year End Reports (available electronically) to include:

- Callable & Step Up security information as of June 30 – for CAFR reporting
- Investment Maturities as of June 30 – for CAFR reporting

For annual review by COUNTY:

Credit monitoring procedures

Broker/Dealer approval process

Most recent SEC Form ADV Part 2

Note: All reports containing information on cost must include original, as well as amortized costing.

ATTACHMENT E: CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

RFP 3129-20 INVESTMENT SERVICES

The prospective Proposer, _____ certifies to the best of its knowledge and belief that it and its principals:

- (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 of 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 government entity (Federal, State, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
- (d) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State, or local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this proposal or termination of the award. In addition, under 18 USC Sec. 1001, a false statement may result in a fine of up to \$10,000 or imprisonment for up to 5 years, or both.

Typed Name & Title of Authorized Representative

Signature of Authorized Representative

Date

I am unable to certify to the above statement. My explanation is attached.

Signature _____ Date _____

INSURANCE, HOLD HARMLESS AND INDEMNIFICATION REQUIREMENTS FOR CONSULTANT PROFESSIONAL SERVICE AGREEMENTS INVESTMENT MANAGEMENT SERVICES

INDEMNIFICATION

CONSULTANT Liability

As respects acts, errors or omissions in the performance of CONSULTANT services, CONSULTANT agrees to indemnify and hold harmless COUNTY, its officers, agents, employees, and volunteers from and against any and all claims, demands, defense costs, or liability to the extent caused by CONSULTANT'S negligent acts, errors or omissions in the performance of its CONSULTANT services under the terms of this agreement.

CONSULTANT further agrees to defend COUNTY and assume all costs, expenses and liabilities of any nature to which COUNTY may be subjected as a result of any claim, demand, action or cause of action arising out of the negligent acts, errors or omissions of CONSULTANT or its Sub-consultant in the performance of their CONSULTANT services under the Agreement.

General Liability

As respects all acts or omissions which do not arise directly out of the performance of CONSULTANT services, including but not limited to those acts or omissions normally covered by general and automobile liability insurance, CONSULTANT agrees to indemnify, defend (at COUNTY'S option), and hold harmless COUNTY, its officers, agents, employees, and volunteers from and against any and all claims, demands, defense costs, or liability arising out of any acts or omissions of CONSULTANT (or Sub-consultant, if any) while acting under the terms of this agreement; excepting those which arise out of the negligence of COUNTY.

In determining the nature of the claim against COUNTY, the incident underlying the claim shall determine the nature of the claim, notwithstanding the form of the allegations against COUNTY.

GENERAL REQUIREMENTS

COUNTY requires that CONSULTANT purchase Industrial Insurance (Workers' Compensation), General and Auto Liability, and CONSULTANT'S Errors and Omissions Liability Insurance as described below against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work here under by CONSULTANT, its agents, representatives, employees or Sub-consultants. The cost of all such insurance shall be borne by CONSULTANT.

INDUSTRIAL INSURANCE

It is understood and agreed that there shall be no Industrial Insurance coverage provided for CONSULTANT or any Sub-consultant by COUNTY. CONSULTANT agrees, as a precondition to the performance of any work under this Agreement and as a precondition to any obligation of the COUNTY to make any payment under this Agreement to provide COUNTY with a certificate issued by an insurer in accordance with NRS 616B.627 and NRS 617.210.

If CONSULTANT or Sub-consultant is a sole proprietor, coverage for the sole proprietor must be purchased and evidence of coverage must appear on the Certificate of Insurance. Such requirement may be waived for a sole proprietor who does not use the services of any employees, subconsultants, or independent CONSULTANTs and completes an Affirmation of Compliance pursuant to NRS 616B627.

Should CONSULTANT be self-funded for Industrial insurance, CONSULTANT shall so notify COUNTY in writing prior to the signing of any agreement. COUNTY reserves the right to approve said retentions and may request additional documentation, financial or otherwise for review prior to the signing of any agreement.

MINIMUM LIMITS OF INSURANCE

CONSULTANT shall maintain coverage and limits no less than:

1. General Liability: \$1,000,000 per claim for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit shall be increased to equal twice the required occurrence limit or revised to apply separately to this project or location.
2. Automobile Liability: \$1,000,000 combined single limit per claim for bodily injury and property damage. No aggregate limit may apply.
3. CONSULTANT Errors and Omissions Liability: \$5,000,000 per claim and as an annual aggregate. Premium costs incurred to increase CONSULTANT'S insurance levels to meet minimum contract limits shall be borne by the CONSULTANT at no cost to the COUNTY.

CONSULTANT will maintain CONSULTANT liability insurance during the term of this Agreement and for a period of three (3) years from the date of substantial completion of the project. In the event that CONSULTANT goes out of business during the term of this Agreement or the three (3) year period described above, CONSULTANT shall purchase Extended Reporting Coverage for claims arising out of CONSULTANT'S negligent acts, errors and omissions committed during the term of the CONSULTANT Liability Policy.

Should COUNTY and CONSULTANT agree that higher CONSULTANT Coverage limits are needed warranting a project policy, project coverage shall be purchased and the premium for limits exceeding the above amount shall be borne by COUNTY. COUNTY retains the option to purchase project insurance through CONSULTANT'S insurer or its own source.

4. CONSULTANT shall maintain network security and privacy liability insurance insuring against loss resulting from (1) privacy breaches [liability arising from the loss or disclosure of confidential information] (2) system breach (3) denial or loss of service (4) introduction, implantation, or spread of malicious software code (5) unauthorized access to or use of computer systems and (6) system failure. Coverage shall be provided with a limit of not less than \$1,000,000 per claim and annual aggregate.

CONSULTANT shall maintain such insurance during the term of this Agreement and, if coverage is provided on a "claims made" or "claims made and reported" basis, shall maintain coverage or purchase an extended reporting period for a period of at least three (3) years following the termination of this Agreement. If coverage is written on a "claims made" or "claims made and reported" basis, any applicable retroactive or pending and prior litigation exclusion dates must precede the effective date of this Agreement.

5. CONSULTANT shall maintain crime insurance including coverage for the loss of money, securities and other property by employees or other parties with a limit not less than \$1,000,000 per occurrence. Coverage shall be endorsed to include coverage for loss of COUNTY money, securities and other property in the care, custody or control of CONSULTANT.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductibles or self-insured retentions must be declared to and approved by the COUNTY Risk Management Division prior to the start of work under this Agreement. COUNTY reserves the right to request additional documentation, financial or otherwise prior to giving its approval of the deductibles and self-insured retention and prior to executing the underlying agreement. Any changes to the deductibles or self-insured retentions made during the term of this Agreement or during the term of any policy must be approved by the COUNTY Risk Manager prior to the change taking effect.

OTHER INSURANCE PROVISIONS

The policies are to contain, or be endorsed to contain, the following provisions:

1. General Liability Coverages

- a. COUNTY, its officers, agents, employees and volunteers are to be covered as additional insureds as respects: liability arising out of activities performed by or on behalf of CONSULTANT, including the insured's general supervision of CONSULTANT; products and completed operations of CONSULTANT; or premises owned, occupied or used by CONSULTANT. The coverage shall contain no special limitations on the scope of protection afforded to the additional insureds, nor shall the rights of the additional insured be affected by the insured's duties after an accident or loss.
- b. CONSULTANT'S insurance coverage shall be primary insurance as respects COUNTY, its officers, agents, employees and volunteers. Any insurance or self-insurance maintained by COUNTY, its officers, agents, employees or volunteers shall be excess of CONSULTANT'S insurance and shall not contribute with it in any way.
- c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to COUNTY, its officers, agents, employees or volunteers.
- d. CONSULTANT'S insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
- e. CONSULTANT'S insurance coverage shall be endorsed to state that coverage shall not be suspended, voided, canceled or non-renewed by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to COUNTY except for nonpayment of premium.

ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a Best's rating of no less than A-: VII. COUNTY with the approval of the Risk Manager may accept coverage with carriers having lower Best's ratings upon review of financial information concerning CONSULTANT and insurance carrier. COUNTY reserves the right to require that the CONSULTANT'S insurer be a licensed and admitted insurer in the State of Nevada, or on the Insurance Commissioner's approved but not admitted list.

VERIFICATION OF COVERAGE

CONSULTANT shall furnish COUNTY with certificates of insurance and with original endorsements affecting coverage required by this exhibit. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates are to be on forms approved by COUNTY. **All certificates and endorsements are to be addressed to the specific COUNTY contracting department and be received and approved by COUNTY before work commences.** COUNTY reserves the right to require complete, certified copies of all required insurance policies, at any time.

SUB-CONSULTANTS

CONSULTANT shall include all Sub-consultants as insureds under its policies or furnish separate certificates and endorsements for each Sub-consultant. Sub-consultant shall be subject to all of the requirements stated herein.

MISCELLANEOUS CONDITIONS

1. CONSULTANT shall be responsible for and remedy all damage or loss to any property, including property of COUNTY, caused in whole or in part by CONSULTANT, any Sub-consultant, or anyone employed, directed or supervised by CONSULTANT.
2. Nothing herein contained shall be construed as limiting in any way the extent to which CONSULTANT may be held responsible for payment of damages to persons or property resulting from its operations or the operations of any Sub-consultants under it.
3. In addition to any other remedies COUNTY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, COUNTY may, at its sole option:
 - a. Order CONSULTANT to stop work under this Agreement and/or withhold any payments which become due CONSULTANT here under until CONSULTANT demonstrates compliance with the requirements hereof;
 - b. Terminate the Agreement.

RFP 3129-20 Investment Management Services

PUBLIC DISCLOSURE FORM

Pursuant to NRS 332.800, with limited exceptions, a member of a governing body nor an evaluator may be interested directly or indirectly in any contract awarded by the governing body:

1. Except as otherwise provided in [NRS 281.230](#) and [281A.430](#), a member of the governing body may not be interested, directly or indirectly, in any contract entered into by the governing body, but the governing body may purchase supplies, not to exceed \$1,500 in the aggregate in any 1 calendar month, from a member of such governing body when not to do so would be of great inconvenience due to a lack of any other local source.
2. An evaluator may not be interested, directly or indirectly, in any contract awarded by such governing body or its authorized representative.
3. A member of a governing body who furnishes supplies in the manner permitted by subsection 1 may not vote on the allowance of the claim for such supplies.
4. A person who violates this section is guilty of a misdemeanor and, in the case of a member of a governing body, a violation is cause for removal from office.

Washoe County therefore requires you list all personal relationships and financial interests between the company, company officers, and key employees with current Washoe County Board of County Commission members and current Washoe County authorizing officials. Please complete form below. Additional sheets may be attached if necessary.

Company/Employee	Position	Date of Hire	County authorizing Official/ Commissioner	Relationship/ Interest

By my signature I hereby certify that I understand:

- Washoe County employees, officers and elected officials shall not receive unlawful compensation, commission or personal profit in the course of performing Washoe duties.
- Washoe County positions may not be used for unlawful purposes or personal gain.

- I am required and have listed all personal relationships and financial interests between the company, company officers, and key employees with current Washoe County Board of County Commission members and current Washoe County authorizing officials.
- Failure to disclose all facts relative to a conflict or potential conflict of interest with regard to my contract/agreement with Washoe County may result in termination of said contract/agreement.

Signature: _____
Authorized Firm Representative

Name of Firm: _____

Print Name: _____

Title: _____ Date: _____

WASHOE COUNTY INVESTMENT MANAGEMENT PLAN

INTRODUCTION	1
MISSION STATEMENT	1
SCOPE	1
DELEGATION AND AUTHORITY	1
PRUDENCE	2
AUTHORIZED DEALERS & FINANCIAL INSTITUTIONS.....	2
Approving a Broker/Dealer	2
Monitoring Broker/Dealer Services.....	3
Financial Institutions.....	3
External Managers	3
DIVERSIFICATION--INVESTMENT PARAMETERS	4
Authorized Investment Instruments.....	4
Adding Investment Options to the “APPROVED LIST”	7
Investment Structure and Strategies	8
Strategic Rationale of Three Group Plan	8
BENCHMARKS	9
INVESTMENT STRATEGY	9
Criteria for Transactions	9
Competitive Bidding.....	10
New Issues	10
Securities Sold Prior To Maturity (Swaps).....	10
INTERNAL PROCEDURES.....	11
APPENDIX “A”	14

INTRODUCTION

In September, 2019, the Washoe County Board of County Commissioners adopted the updated **Washoe County Investment Policies**, a six page document that contains general guidelines for investing the financial assets of Washoe County. This document, the **Investment Management Plan**, was developed by the Treasurer's office and the Investment Committee. It is designed to assist staff in day-to-day investment operations and is the tool to allow for committee direction and input. It is organized to follow the investment policies. Text in italics at the beginning of each section of this document is taken directly from the investment policies document.

MISSION STATEMENT

The mission of the Washoe County Investment Committee is to maintain and manage a high-quality, secure portfolio with sufficient liquidity to meet expected and unexpected cash flow needs, while generating an appropriate rate of return that will grow the portfolio over time.

SCOPE

This policy applies to all general financial assets of Washoe County, Nevada, those held in the public interest in the County's fiscal capacity, and those held in trust or agency capacity for other governmental entities per approved agreements. These funds are accounted for and audited as part of the County's Annual Financial Report.

This policy does not govern bond proceeds allocable to the County. Such funds are governed by their individual bond documents in accordance with IRS regulations.

General financial assets are funds managed by the Treasurer for all County Departments and Agencies. Separate banking accounts, petty cash or other financial assets may be approved for special Department use and are not covered by this policy.

The Treasurer shall enter into depository agreements with all external entities for whom funds are held and invested. A list of such agreements is hereby attached as Appendix "A" and is regularly updated by the Treasurer.

DELEGATION AND AUTHORITY

The Board of County Commissioners has overall responsibility for investment of County funds in accordance with NRS 355.175. The Washoe County Chief Investment Official is the Washoe County Treasurer, under authority delegated by the Board of County Commissioners. The Treasurer may delegate investment responsibilities to treasury staff members. The County Treasurer and delegated staff are the Investment Officers of Washoe County.

The current authorized Investment Officers for Washoe County, determined by title, are:

Washoe County Treasurer
Chief Deputy Treasurer
Assistant Chief Deputy Treasurer

Additionally, the Board of County Commissioners may enter into an agreement with an external investment advisor for investment management services for all or part of the County's portfolio. Said agreement shall be on file with the Treasurer's office.

PRUDENCE

The standard of prudence to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio, rather than considering specific investments in isolation. Investment officers acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and any required liquidation or sale of securities is carried out in accordance with the terms of the adopted policies.

The prudent investor rule requires that investors act as a prudent investor would, with care, skill, caution, and diligence under circumstances then prevailing, considering the entire portfolio and overall investment strategy.

AUTHORIZED DEALERS & FINANCIAL INSTITUTIONS

The Treasurer will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services to the County. The criteria for approving and monitoring a financial institution or broker/dealer is based on a Government Finance Officers Association publication (copyright 1994), titled An Introduction to Broker/Dealer Relations for State and Local Governments by Corinne Larson.

Approving a Broker/Dealer

The Treasurer will identify the important issues of the investment program and the pertinent qualifications of each institution and broker/dealer. To accomplish this task, the "Broker/Dealer Request for Information" form will be sent to a prospective candidate(s) for completion. All information requested must be provided before the Treasurer will evaluate and recommend acceptance or rejection of the Broker/Dealer to the Investment Committee as an authorized Broker/Dealer.

Upon receipt of all required information, the Treasurer will proceed to verify the data submitted, evaluate the results and make the appropriate recommendation to the Investment Committee at the next scheduled meeting.

The evaluation process will include financial statement review, capital adequacy standards, verification of federal and state registrations/licensing, review of staff qualifications, reference checks and satisfactory explanation of any deficiencies identified as a result of this process.

No broker/dealer will be engaged to conduct investment business for Washoe County until qualified by this process.

Upon approval of the Investment Committee, the Broker/Dealer will be sent an Agreement for Securities Service for execution and be required to give a statement that they have read and agree to adhere to the purpose and intent of the Investment Policy and diligently observe the limitations regarding investment types allowed by Nevada state law.

After these documents have been properly executed and returned to the Treasurer, the broker/dealer will be given the opportunity to do business with the county.

Monitoring Broker/Dealer Services

In monitoring the services provided by a broker/dealer, primary consideration should be given to the evaluation of comparative pricing, the frequency of failed transactions and compliance with these procedural investment guidelines, and willingness to provide desired portfolio analysis reports on a periodic basis.

Failure to continue to meet the minimum requirements for selection will result in the immediate removal of the broker/dealer from the approved list pending review by the Investment Committee and/or reapplication for approval.

Dealers shall submit audited financial statements annually, and the Treasurer will conduct a follow-up background inquiry on brokers and dealers on the approved list at least once each year.

Financial Institutions

The Treasurer shall maintain service agreements with all financial institutions with which the Treasurer conducts business.

External Managers

If the County contracts with external investment advisors, the Treasurer may approve and use a list of authorized broker/dealers provided by the investment advisor. The external investment advisor agrees to include the County's approved brokers to solicit bids for the County transactions.

The external management firm's policies and procedures, as accepted by the Investment Committee, shall be on file with the County Treasurer's office. The investment management services shall be performed in accordance with the proposal of services approved by the Investment Committee.

DIVERSIFICATION--Investment Parameters (George A. Nielsen, President, American Money Management Associates, Inc. recommends that entities do not limit or overly restrict themselves in this area.)

The investment portfolio shall be diversified to eliminate the risk of loss resulting from over concentration of assets in a specific maturity, a specific issuer or a specific class of securities. Maturities selected shall provide for stability of income and reasonable liquidity. Diversification strategies shall be determined and revised periodically by the investment committee.

Investment maturities for funds shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures (payroll, bond payments) as well as considering sizable blocks of anticipated revenue (property tax apportionment, consolidated tax distributions). Any known, but non-routine, expenses and revenues will also be considered.

Authorized Investment Instruments

The County is initially limited to those instruments authorized by Nevada Revised Statutes. The Treasurer and any external investment advisor is further limited to the following securities having been approved by the Investment Committee as appropriate investments for the County.

- Maximum limitations for all authorized instruments are applied as determined at the time of purchase.
- If the credit ratings of an obligation are reduced to a level that would not meet the purchase requirements of that paragraph, the investment advisor must report the reduction in rating to the Treasurer. The Treasurer, in consultation with the investment advisor, will take such action as deemed appropriate to preserve the principal value and integrity of the portfolio as a whole. The Treasurer will report to the Investment Committee any action taken pursuant to this paragraph.

1. a. Direct obligations of the U.S. Treasury--Treasury Bills and Notes

Maximum Term	10 years
Maximum Single Purchase	No Limit
Maximum Aggregate Position	No Limit

- b. Securities backed by the full faith and credit of the United States government--Government National Mortgage Association (GNMA), Small Business Administration (SBA) loans or pools.

Maximum Term	10 years
Maximum Single Purchase	No Limit
Maximum Aggregate Position	No Limit

2. a. Securities backed by Federal Agencies--Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Institutions (FHLB), Student Loan Marketing Association (SLMA), Federal Farm Credit Institution (FFCB), Federal Housing Administration (FHA)

Maximum Term	10 years
Maximum Single Purchase	No Limit
Maximum Percent Per Issuer	35% of portfolio
Maximum Aggregate Position	No Limit

- b. Agency-Issued Mortgage-Backed Securities--FNMA, FHLMC, GNMA

Maximum Term	10 years
Maximum Single Purchase	No Limit
Maximum Percent Per Issuer	15% of portfolio
Maximum Aggregate Position	40% of portfolio

3. Bonds, notes or other obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, the International Finance Corporation or the Inter-American Development Bank that are denominated in United States dollars and are a senior unsecured unsubordinated obligation. Securities shall be rated at least “AA” or its equivalent by at least one nationally recognized rating service.

Maximum Term	5 years
Maximum Percent Per Issuer	15% of portfolio
Maximum Aggregate Position	15% of total par value of portfolio

4. Bonds, notes or other obligations publicly issued in the United States by a foreign financial institution, corporation or government that are denominated in United States dollars and are a senior unsecured unsubordinated obligation. Securities shall be purchased from a registered broker-dealer, publicly traded and be registered with the Securities and Exchange Commission in accordance with the provisions of the Securities Act of 1933, §§ 77a *et seq.*, as amended. Securities must be rated “AA” or its equivalent or higher by at least one nationally recognized rating service.

Maximum Term	5 years
Maximum Percent Per Issuer	5% of portfolio
Maximum Aggregate Position	10% of total par value of portfolio

5. Notes, bonds and other unconditional obligations for payment of money issued by corporations organized and operating in the United States purchased from a registered broker-dealer and are rated “A” or higher by at least one nationally recognized rating service.

- | | |
|----------------------------|-------------------------------------|
| Maximum Term | 5 years |
| Maximum Percent Per Issuer | 5% of total par value of portfolio |
| Maximum Aggregate position | 25% of total par value of portfolio |
6. Asset-backed securities that are rated by a nationally recognized rating service as “AAA” or its equivalent.
- | | |
|----------------------------|------------------|
| Maximum Weighted Avg Life | 5 years |
| Maximum Percent Per Issuer | 5% of portfolio |
| Maximum Aggregate position | 20% of portfolio |
7. a. Negotiable medium-term obligations issued by local governments of the State of Nevada. Pursuant to NRS 355.177, the County may not invest in its own securities of any kind. Bonds shall be rated at least A by a nationally recognized statistical rating organization.
- b. Obligations of state and local governments if the interest on the obligation is exempt from gross income for federal income tax purposes. Bonds must be rated “A” or higher by one or more nationally recognized bond credit rating agencies.
- Combined limits for instruments authorized by 7. a. and b.:
- | | |
|----------------------------|------------------|
| Maximum Term | 5 years |
| Maximum Percent Per Issuer | 10% of portfolio |
| Maximum Aggregate position | 20% of portfolio |
8. Repurchase Agreements with banks who qualify as counterparties under NRS 355.170(2)(a) and have executed a written master repurchase agreement with the Treasurer. Agreements are limited to the purchase of securities which are otherwise authorized by this Investment Management Plan. Securities, or their sole, fully perfected, first-priority security interest, will be held by the County’s designated custodial agent.
- | | |
|--------------------------------|----------|
| Maximum Term | 90 days |
| Maximum Term to Maturity | 10 years |
| Maximum Aggregate Position | No Limit |
| Must be collateralized at 102% | |
9. Bankers’ acceptances
- | | |
|----------------------------|---------------------------------------|
| Maximum Term | 180 days |
| Maximum Percent Per Issuer | 5% of portfolio |
| Maximum Aggregate Position | 20% of money available for investment |
10. Commercial Paper issued by a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States and must be rated “A-1,” “P-1” or its equivalent, or better by at least one nationally recognized rating service.

- | | |
|----------------------------|-------------------------------------|
| Maximum Term | 270 days remaining |
| Maximum Percent Per Issuer | 5% of total par value of portfolio |
| Maximum Aggregate Position | 25% of total par value of portfolio |
11. Negotiable certificates of deposit issued by commercial banks, insured credit unions or savings and loan associations.
- | | |
|----------------------------|------------------|
| Maximum Percent Per Issuer | 5% of portfolio |
| Maximum Aggregate Position | 20% of portfolio |
12. Certificate of Deposit (must be federally insured). Individual purchases greater than \$250,000 per banking institution must be fully collateralized in excess of insured amounts.
13. Money Market Funds registered with the Securities and Exchange Commission, rated AAA or its equivalent, and invested only in:
- I) Securities issued by the Federal Government or agencies of the Federal Government;
- (II) Master notes, bank notes or other short-term commercial paper rated by a nationally recognized rating service as “A-1,” “P-1” or its equivalent, or better, issued by a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state and operating in the United States; or
- (III) Repurchase agreements that are fully collateralized by the obligations described in subparagraphs (I) and (II).
- | | |
|----------------------------|---|
| Terms | Same as cash, available daily
pay interest monthly |
| Maximum Aggregate Position | 45% of MM fund assets |
14. Local Government Pooled Investment Fund (LGIP) as created under NRS 355.167 and pursuant to an executed Depository Agreement between the County and the Nevada State Treasurer.
- | | |
|----------------------------|---|
| Terms | Same as cash, available daily
Pay interest monthly |
| Maximum Aggregate Position | 25% of LGIP fund assets
20% of portfolio |

Adding Investment Options to the “APPROVED LIST”

Upon recommendation of any committee member, additional investment instruments will be reviewed and analyzed by the Investment Committee. Upon satisfaction that the proposed instrument is a suitable investment for the County, that option will be added to the APPROVED INVESTMENT LIST with appropriate conditions and limitations.

Investment Structure and Strategies

GROUP A “Cash Flow Horizon”

Instruments: All approved investments.

Maturities: One year and less

Purpose: Liquidity “pool” to accommodate cash flow needs such as immediate operational expenditures and apportionments to funds and other agencies.

Parameters: Based on projected cash flow for the next twelve to eighteen months

GROUP B “County Core Portfolio”

Instruments: All approved investments

Maturities: Zero to ten years, managed in line with a custom benchmark balancing both risk and return in the development of long-term capital growth.

Purpose: Long-term capital growth and planned cash requirements.

GROUP C “Bond Proceeds”

Instrument: All approved investments, unless further restricted by an issue’s governing bond documents.

Maturities Based on each bond issue’s documents and the specific project expenditure requirements.

Purpose: Invested to match specific project draw schedule requirements.

Strategic Rationale of Three Group Plan

The Three Group Plan will ensure sufficient operating funds are available for cash flow needs while also dedicating a portion of the County’s aggregate portfolio to long-term capital growth.

- Group A and B portfolios will work in concert with one another for liquidity, while Group B will also strive to maximize the County’s overall return with active portfolio management strategies.
- Comprehensive cash flow analyses will be used to determine the appropriate allocation among the two operating fund Group portfolios.
- Group C will be reserved for the investment of proceeds from debt or other special financings where investment opportunities can be matched to the specific project expenditure/draw schedule for optimum returns. Each bond issue will be analyzed and managed separately, ensuring appropriate liquidity to meet project expenditures and compliance with applicable bond documents.
- All Group portfolios will be laddered to ensure diversification of maturities and prudent matching of assets to liabilities.

BENCHMARKS

To avoid the temptation of allowing yield to become disproportionately more important than safety and liquidity, benchmarks traditionally have been established in a very conservative range. It is considered a standard that should be achieved during the entire cycle of the market volatility.

Washoe County's benchmarks are conservative, target performance standards established in the effort to achieve higher, realistic yields while maintaining adequate liquidity levels, ensuring safety and minimizing risk.

Investment Group	Benchmark
A - Cash Flow Horizon (1 year or less)	ICE BofAML 0 – 3 Month U.S. Treasury Index
B - County Core Portfolio (0-10 years maturities)	Custom Benchmark: 60% ICE BofAML 0-5 year U.S. Treasury Index and 40% Merrill Lynch 1-10 Year U.S. Treasury Index
C - Bond Proceeds	None. Managed to provide sufficient liquidity while maximizing retainable earnings.

INVESTMENT STRATEGY

The County's investment strategy is Active. The County will generally purchase instruments with the intent of holding them until maturity. Securities may be sold at either a gain or loss prior to maturity if the Treasurer/external investment advisor deems the sale to be in the best interest of the overall portfolio and it is in accordance with the Washoe County Investment Management Plan.

Criteria for Transactions

Changes in the County's portfolio status and structure will be based upon one or more of the following considerations but not to the detriment of the overall portfolio status.

- Enhance yield position
- Decrease excess liquidity
- Increase liquidity
- Diversify into different instruments
- Fill hole in maturity ladder
- Adjust average maturity
- Reduce maturity concentrations
- Ride short end of yield curve
- Avoid excessive price volatility
- Capture profits due to volatility

The absolute last-resort reason to liquidate an instrument prematurely at a loss is to satisfy immediate operational demands. All efforts will be made to avoid this circumstance through prudent cash flow management in the "Cash Flow Horizon" group.

When paying a premium for an instrument, “total return” calculations shall be used to determine suitability of yield considerations.

Competitive Bidding

The Treasurer, when determining that it will be necessary to initiate a transaction and ascertains that a product from the secondary market (previously issued) is to be sold or bought, will seek bids or offerings from at least three brokers from the list of authorized Broker/Dealers. The request for bids/offerings will be rotated among the list of brokers to allow an opportunity for all to participate in securities transactions with the County.

New Issues

When purchasing new issues, the Treasurer will select broker-dealers to purchase from based upon broker service, area of specialization, and diversification of placement.

Securities Sold Prior To Maturity (Swaps)

Securities may only be purchased with the portfolio’s capacity to hold to maturity. However, securities may be sold prior to maturity in transactions also known as “swaps.” Since sales can result in either gains or losses, depending on market conditions at the time, it is the goal of the policy to limit the adverse impact on earnings from sales that result in losses. Swaps may be executed as long as the cumulative effect of net realized losses in the County’s aggregate portfolio, as a result of all swaps, together with the incremental income from securities purchased with proceeds of sold securities, may not exceed a loss equivalent to 10 basis points (0.10%) in earnings during any fiscal year unless approved by the County Treasurer.

INTERNAL PROCEDURES

Daily Cash Determination Process:

Determine daily cash requirements: This act begins with establishing revenues, from all sources, which will be available for any given day or period of time and acquiring the known expenditures which must be covered by those revenues for the same period. Staff also reviews and matches cash with the cash flow plan.

Review current bank statement: The previous day's statement of activity is printed each morning. The document contains all department deposits, wire transfers in and out, checks paid as well as debits and credits affecting the account balance.

Determine excess or shortage in cash availability: Excess available cash can be invested based upon anticipated time until needed. Shortage in cash available can be cured by withholding funds from investment.

Investment Actions:

Cash Liquidity: Various accounts/overnight investment options are analyzed and considered for the investment of cash. The criteria for their use includes cash availability until noon on any given business day to ensure adequate liquidity.

A separate overnight money market fund sweep account with the custodial bank is utilized whereby any cash not used for specific longer term investment is maintained on a day to day basis. This account is in compliance with Investment Management Plan requirements for money market funds.

After the daily cash needs are determined, the excess or shortage is incorporated into the investment decision. Investment officers in the Treasurer's office are authorized to initiate transfers in or out of the custodial accounts. Movement of funds is further restricted, by written direction, between the Treasurer's general account and the custodial accounts.

Longer term investments: Decisions on longer term investments are made by the Investment Advisor, in accordance with the Investment Services Agreement and Investment Management Plan, and are monitored by the Treasurer. At the time of settlement of an investment, cash is provided (by way of transfer) to the third party custodian for the purchase, or in the event of a sale, instructions for the proceeds are provided by the Treasurer's office. The third party custodian provides a delivery versus payment method of purchasing investments.

Once investment decisions are made, any money from a sale is either reinvested or sent to the Treasurer's general account, via transfer, and used for daily cash needs.

Balancing and Reporting:

All interest earnings, realized gains/losses and unrealized gains/losses resulting from trading activity are tracked and used in balancing of the monthly statements and monthly distribution of interest earnings by the Comptroller Department (Comptroller).

Comptroller audits the statements of the Custodian and Investment Advisor, and records purchases, sales, interest receipts, purchased interest, interest earned but not received plus realized and unrealized gains and losses. Interest receipts are allocated to each fund prorated by the prior month interest receivable. Interest earned but not received is prorated by the current month average cash balance. Realized and unrealized gains and losses are also prorated by the current month average cash balance.

Comptroller notifies key management and external agency staff via email of the interest, realized gain/loss, and unrealized gain/loss allocated to their fund/entity with a statement that indicates the financial activity of all participants. County Departments can review their allocations via postings to the financial system which occur on an annual basis.

Checks and Balances:

An online banking system is used for cash movement and requires initiation, approval and release from authorized staff for transfers. Online authority for each step is split between comptroller and treasurer staff to insure segregation of duty protocol.

Any funds from the sale of an investment are either reinvested or transferred *only* into the Treasurer's primary account

Although key personnel have a great deal of responsibility for investments, compensating controls over investments include:

- Securities: An Independent third party has physical control of all marketable securities. These securities are managed, tracked and reported by the Investment Advisor, the Custodial Bank and Comptroller monthly. Transactions are made utilizing delivery versus payment.
- Transfers: The transfer request is submitted by treasurer staff and approved by an Authorized Investment Officer. It is then reviewed, initialed by the Comptroller or accounting manager and given to comptroller staff to initiate the transfer via the online banking system. The transfer is then released by a different member of treasurer staff. An effort is made so that no signatures are duplicated.
- An accountant in the Comptroller's office checks reconciliation of investments per Custodial Bank statements, Investment Advisor statements and the cash account statements monthly.
- All purchases are conducted through the Investment Advisor, who is not a broker, and can be traced to broker confirmations and custody statements. Trade confirmation statements are sent from the broker directly to Washoe County. The Investment

Advisor requests bids for trades they initiate in accordance with the investment policy. Support documentation related to the bids can be obtained from the Investment Advisor on request.

Washoe County accounts for investments as follows:

- The Comptroller's office does the monthly investment account reconciliation and recording.
- Securities purchased are recorded at cost. Purchased interest associated with a security purchase is tracked separately and reversed when the interest is received.
- The adjustment between cost and fair market value of the investments is reported monthly and the change in this market value adjustment is recorded as unrealized gain or loss at year end.
- The sale or maturity of a security is recorded as a reduction of the investment balance at cost with any difference between cost and proceeds recorded as realized gain or loss during the month.
- The accounting manager reviews all work on investments that is prepared by comptroller staff.

WASHOE COUNTY INVESTMENT MANAGEMENT PLAN

APPENDIX “A”

Agencies participating in the Washoe Investment Pool via Interlocal Agreement, as referenced in the Washoe County Investment Management Plan (“Scope”, page 1):

NevadaWorks

Regional Transportation Commission (RTC)

Truckee Meadows Fire Protection District (TMFPD)

Truckee River Flood Management Authority (TRFMA)

Washoe County Other Post Employee Benefits (OPEB)

Western Regional Water Commission (WRWC)