

## REQUEST FOR PROPOSAL # FCARC-00049

### *Investment Management Services*



By:  
Annie Ortega, Buyer  
Riverside County Flood Control & Water Conservation District  
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NIGP Code: 94656

**NOTE: BIDDERS ARE RESPONSIBLE TO READ ALL INFORMATION THAT IS  
STATED IN THIS REQUEST FOR PROPOSAL AND PROVIDE A RESPONSE AS  
REQUIRED**

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**INSTRUCTIONS TO BIDDERS**

Bid Issue Date: 06/16/2011  
Buyer: Annie Ortega, [annieortega@rcflood.org](mailto:annieortega@rcflood.org)

- I. **Vendor Registration** – Unless stated elsewhere in this document, vendor must register online at [www.purchasing.co.riverside.ca.us](http://www.purchasing.co.riverside.ca.us) with all current Vendor information, to be registered on the County’s database.
  - II. **Prices/Notations:** All prices/notations must be typewritten or written in ink. No erasures permitted. Mistakes shall be crossed out, corrections made adjacent and initialed by person signing document. Each item shall be bid separately.
  - III. **Pricing/Terms/Tax:** All pricing shall be quoted both F.O.B. shipping point and F.O.B. destination, (e.g., cash terms less than 20 days should be considered net) excluding applicable tax. The Riverside County Flood Control and Water Conservation District (DISTRICT) pays California Sales Tax and is exempt from Federal excise tax. In the event of an extension error, the unit price shall prevail.
  - IV. **Period of Firm Pricing:** Unless stated otherwise elsewhere in this document, prices shall be firm for 365 days after the closing date.
  - V. **Recycled Material:** Wherever possible, the District is looking for items made from, or containing in part, recycled material. Bidders are encouraged to bid items containing recycled material as an alternative for the items specified; however, the District reserves the right to reject those alternatives as non-responsive.
  - VI. **Method of Award:** The District reserves the right to reject any or all offers, to waive any discrepancy or technicality and to split or make the award in any manner determined by the District to be most advantageous to the District. The District recognizes that prices are only one of several criteria to be used in judging an offer and the District is not legally bound to accept the lowest offer.
  - VII. **Other Terms and Conditions** – The terms and conditions as indicated in this document and/or attached are hereby included with full force and like effect as if set forth herein. Copies of the application Terms and Conditions may be obtained by visiting the County’s website at [www.purchasing.co.riverside.ca.us](http://www.purchasing.co.riverside.ca.us) or contact Riverside County Purchasing at (951) 955- 4937 and request a copy to be faxed or mailed to you.
  - VIII. **Return of Bid/Closing Date/Return to:** The bid response shall be delivered to Riverside County Flood Control and Water Conservation District, 1995 Market Street, Riverside, CA 92501 by 1:30 p.m. on the closing date listed above. Bid responses not received by the District by the closing date and time indicated above will not be accepted. The closing date and time and the R.F.Q. /R.F.P. number referenced above shall appear on the outside of the sealed envelope. A duly executed copy of the signature page of this bid document must accompany your response. The District will not be responsible for and will not accept late bids due to delayed mail delivery or courier services.
  - IX. **Auditing** – The Consultant agrees that Riverside County, the State of California, the Federal government, or designated representatives shall have the right to review and copy any records and supporting documentation pertaining to the performance of this contract. Consultant agrees to maintain such records for a possible audit for a minimum of three (3) years after final payment, or until closure of pending matter unless a longer period of records retention is stipulated. Consultant agrees to allow auditor(s) access to such records during normal business hours and allow interviews of any employees or others who might reasonably have information related to such records. Further, the Consultant agrees to include a similar right of Riverside County, the State of California, or the Federal government to audit records and interview staff in any subcontract related to the performance of this contract.
  - X. **Local Preference:** The District complies with a local preference program adopted by the County of Riverside for those Bidders located within the geographical boundaries of Riverside County. A five percent (5%) price preference may be applied to the total bid price during evaluation of the bid responses. To qualify as a local business, the business must have fixed offices within the geographical boundaries of Riverside County and must credit all sales taxes paid resulting from this RFP/P to that Riverside County location. To qualify for local preference, Bidder must include a copy of a Riverside Business Tax License that supports the local preference status and complete Form 116-260 Local Business Qualification Affidavit.
- Or
- XI. **Disabled Veteran Business Enterprise Preference:** The District complies with a Disabled Veteran Owned Business preference policy implemented by the County of Riverside. A three (3%) percent preference shall be applied to the total bid price of all quotes/bids/proposals received by the District from certified disabled veterans owned businesses. Bidder must provide certification of Disabled Veteran Status. If the bid is submitted by a non-disabled veteran owned business, but lists subcontractors that are identified and qualified as disabled owned businesses, the total bid price will be adjusted by 3% of the value of that subcontractor’s portion of the bid.

**IF CHECKED, THE FOLLOWING DOCUMENTS HEREBY MADE PART OF THIS RFQ/RFP**

Please go to [www.purchasing.co.riverside.ca.us](http://www.purchasing.co.riverside.ca.us) to access these terms and conditions

- |   |  |  |                                  |
|---|--|--|----------------------------------|
| <input checked="" type="checkbox"/> APPENDIX "A"                                    | <input checked="" type="checkbox"/> EXHIBITS A - C | <input type="checkbox"/> PLANS/DRAWINGS                      | <input type="checkbox"/> SAMPLES |
| <input type="checkbox"/> #116-110 Special Conditions/Response                       |  | <input type="checkbox"/> 116-130 Equipment Information Sheet |                                  |
| <input checked="" type="checkbox"/> #116-260 Local Business Qualification Affidavit |  | <input type="checkbox"/> 116-311 Boilerplate Agreement       |                                  |

**IF CHECKED, THE FOLLOWING GENERAL CONDITIONS ARE INCLUDED WITH FULL FORCE AND LIKE EFFECT AS IF SET FORTH HEREIN**

- |   |  |
|---|--|
| <input type="checkbox"/> #116-200 General Conditions  | <input type="checkbox"/> #116-210 General Conditions Materials and/or Services |
| <input type="checkbox"/> #116-230 General Conditions - Equipment                                | <input type="checkbox"/> #116-220 General Conditions - Public Works            |
| <input checked="" type="checkbox"/> #116-240 General Conditions - Personal/Professional Service |  |

### Proposal Cover Page

#### BIDDER TO COMPLETE ALL APPLICABLE AREAS

Bidders are required to register (if not already registered) on the County of Riverside Purchasing website:

[WWW.PURCHASING.CO.RIVERSIDE.CA.US](http://WWW.PURCHASING.CO.RIVERSIDE.CA.US)

The Riverside County Flood Control and Water Conservation District (District) is soliciting proposals from qualified to provide investment management services for the District's investment portfolio, as detailed in Appendix A.

**BID CLOSING DATE: 07/19/2011 no later than 1:30 PM.**

**FAXED PROPOSALS WILL NOT BE ACCEPTED**

After close of this RFP, the award will be announced within 30 – 145 days. If an addendum is issued for this procurement, it will be the Bidder's responsibility to retrieve all applicable addendum(s) from the District and County Purchasing websites.

Execution hereof is certification that the undersigned has read and understands the terms and conditions hereof, and that the undersigned's principal is fully bound and committed.

Company Name:

Mailing Address:

Street Address:

City: State: Zip:

Remit to Address:

City: State: Zip:

Vendor Website: Phone # ( ) Fax # ( )

Name Title

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Email: \_\_\_\_\_

Please Check  Disabled Veteran or  Local Business – if checked, the above signer certifies that the above business is located within the geographical boundaries of Riverside County and that all sales taxes generated based on this RFP will be credited to that location in Riverside County. Form 116-260 must be completed and submitted with the Bidder's proposal (Exhibit B)

**APPENDIX A**  
**SCOPE OF SERVICE**

**1.0 DEFINITIONS**

Wherever these words occur in this RFP, they shall have the following meaning:

- A. “RFP” shall mean Request for Proposal.
- B. “Addendum” shall mean an amendment or modification to the RFP (Request for Proposals).
- C. “Bid” shall mean the proposal submitted by a Bidder on the Bid Form consistent with the Instructions to Bidders, to complete the Work for a specified sum of money and within a specified period of time.
- D. “Bidder” shall mean an individual, firm, partnership, or corporation that submits a qualified Bid for the Work, either directly or through a duly authorized representative.
- E. “Consultant” shall mean any employee, agent, or representative of the contract company used in conjunction with the performance of the contract. For the purposes of this RFP, Consultant and Bidder are used interchangeably.
- F. “MQs” shall mean minimum qualifications.
- G. “Project” shall mean the provision of investment management services for the District’s investment portfolio, as detailed in Appendix A.
- H. “Should”, “desirable”, or “ask” means a requirement having a significant degree of importance to the objectives of the RFP.
- I. “District” shall mean the Riverside County Flood Control and Water Conservation District.
- J. “Will”, “shall”, “must”, “mandatory” or “required” means a requirement that must be met in order for a proposal to receive consideration.

**2.0 PURPOSE/BACKGROUND**

PURPOSE

2.1 The Riverside County Flood Control and Water Conservation District (District) is seeking proposals from a qualified firm to provide investment management services for the District’s investment portfolio. The District desires to contract for services from a firm registered with the Securities and Exchange Commission (SEC) under the Investment Advisor’s Act of 1940 who will act in a fiduciary capacity and presents performance numbers in accordance with the CFA Institute’s Global Investment Performance Standards (GIPS). The Investment advisor will be required to manage the funds in accordance with the laws of the State of California, the District’s Investment Policy, and other investment policies and procedures established by the District and the County of Riverside.

The size of the District’s investment portfolio is approximately \$252 million. A copy of the current investment policy is provided.

**BACKGROUND**

2.2 The District was formed in 1945 by an Act of the State Legislature for the purpose of protecting people, property and watersheds from flood and storm water damage or destruction and conserving, reclaiming and saving such waters for beneficial use.

The District provides a full range of services including the design and construction of flood control facilities; regulatory services which fulfill legal requirements associated with federal and state programs that relate to District activities; surveying and mapping services; planning services that relate to land development and provide for the public's health and safety by contributing to orderly development and growth within the County of Riverside; the operations and maintenance of the District's fleet and facilities, land interests, and encroachment issues; information technology services which provide technical support to the District's staff; and administrative services which provide clerical, financial and personnel support to the District's staff.

A major portion of the District's cash and investments are currently on deposit with the County of Riverside Treasurer (County Treasurer). The cash collected from special assessments is held by the District for others in trust and is on account with a third party. The County Treasurer maintains the County of Riverside's Pooled Investment Fund pursuant to the California Government Code and the County Treasurer's Statement of Investment Policy. Portfolio income, including gains and losses, are distributed quarterly. All investment income is distributed prorate based upon each participant's average daily cash balance for the calendar year except for specific investments in which the interest income is to be credited directly to the fund from which the investment was made.

The District is seeking to enhance the long-term performance of its investment portfolio for approximately \$75 to \$100 million of the cash and investments on deposit with the County Treasurer by partnering with an investment management firm to develop a long-term investment strategy, identify risk factors, competitively purchase and sell securities, document all trade details and coordinate trade settlement with the custodian.

The firm selected as the investment advisor and its affiliates will be restricted from selling to the District or buying from the District, any securities to or from that firm's own inventory or account. The investment advisor shall act solely in a fiduciary capacity and shall not receive any fee of compensation based upon the purchase or sale of securities but, rather, the investment advisor will be compensated pursuant to the provision of its contract with the District

**3.0 MINIMUM QUALIFICATIONS**

To be considered by the District, proposing investment advisors must display the following minimum qualifications:

- 3.1 Currently manage at least \$10 billion of domestic fixed income assets for public entities. Assets for which periodic (daily, monthly or quarterly) advice is provided should be excluded from the calculation of funds under management.
- 3.2 Manage a minimum of 20 portfolios comprising California local agency assets.
- 3.3 Assign a portfolio manager and a relationship manager who each have a minimum of ten years experience providing investment advice to California public entities
- 3.4 Be familiar with all applicable California statutes with regard to qualified investments for public entities.
- 3.5 Be registered with the Securities and Exchange Commission under the Investment Advisor's Act of 1940.

- 3.6 Be financially solvent and appropriately capitalized to be able to provide service for the duration of the contract.
- 3.7 Have Errors & Omissions insurance coverage of at least \$10 million.
- 3.8 Adhere to the Code of Professional and Ethical Standards as described by the Chartered Financial Analysts (CFA) Institute.

(MQ is also referenced in Section 9.0 of RFP; Evaluation Criteria.)

#### **4.0 SCOPE OF SERVICE**

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

- 4.1 Manage on a daily basis the District's separate investment portfolios pursuant to the specific, stated investment objectives. Place all orders for the purchase and sale of securities, communicate settlement information to the District's staff and coordinate security settlement.
- 4.2 Serve as a general resource to the District's staff for information, advice and training regarding fixed income securities and investments.
- 4.3 Work with the District's staff to understand cash flow projections to ensure that the investment strategy is consistent with the District's liquidity requirements.
- 4.4 Provide monthly statements with all the information required by the California Government Code and GASB. These reports must include a mark-to-market valuation. The selected investment manager must maintain accurate reports of investments including the diversity of investments and compliance with applicable investment policies of the District and the State of California statutes.
- 4.5 Provide quarterly investment reports including a description of market conditions, investment strategies employed, performance and suggested changes to investment strategy. The performance numbers shall be presented as required by the CFA Institute's GIPS.
- 4.6 The investment advisors WILL NOT provide custodial services or security safekeeping.

#### **5.0 WORK PRODUCT**

- 5.1 All work papers prepared in connection with the above service will remain the property of the successful Bidder; however, all reports rendered to the District are the exclusive property of the District and subject to its use and control.
- 5.2 Bidders shall include in the bid a sufficient sum to cover all items, including administration and overhead, labor, equipment, problem resolution, materials, project site visits, travel, preproduction costs, telephone usage, mailings and other administrative costs which are implied or required to complete the project or work. Errors or omissions in the contract document will not serve as an excuse for additional payment. Bidders will not be paid for any abatement completed by their own error, or errors of their employees.

#### **6.0 TIMELINE**

#### **DATES:**

1. RELEASE OF REQUEST FOR PROPOSAL

Thursday, June 16, 2011

- |   |   |
|---|---|
| 2. DEADLINE FOR SUBMISSION OF QUESTIONS<br>(Refer to Section 13.0 of RFP) | Wednesday, July 06, 2011 @ 4:30 p.m.  |
| 3. RESPONSES TO QUESTIONS FROM DISTRICT                                   | Tuesday, July 12, 2011  |
| 4. DEADLINE FOR PROPOSALS   | Tuesday, July 19, 2011 @ 1:30 p.m.  |
| 5. TENTATIVE DATE FOR ORAL INTERVIEWS<br>(If conducted)                   | TBD   |
| 6. TENTATIVE DATE FOR AWARDING CONTRACT                                   | Approximately 30-145 days after the RFP closes.<br>The District will contact all Bidders. |

**6.1 Inquiries:** All inquiries must be submitted on or before the last day for questions. Please refer to 6.0 Timeline for the particular date. Inquiries must reference the section number and title from the RFP. Inquiries must be in written format and emailed with the RFP bid number, to the attention of the Buyer facilitating the RFP. (Refer to Section 13.0 of RFP, Interpretation of RFP)

## **7.0 PERIOD OF PERFORMANCE**

The Period of Performance shall begin upon award and execution of District's Board of Supervisors' approval of the awarded agreement and will be for five (5) years, renewable in one-year increments, with the completion date of June 30, 2016. There is no obligation by the District to purchase any specified amount of services.

## **8.0 PROPOSAL SUBMITTAL**

### PACKAGING

8.1 Proposals shall be enclosed in a sealed package. Bidder's name and address shall appear in the upper left-hand corner of the package. All proposals shall be identified with "RFP FCARC-00049 / Bidder Proposal" legibly written on the outside of the package(s). If multiple packages are submitted, each package must be legibly numbered, i.e., 1 of 3, as required.

### SUBMITTAL

8.2 All proposals shall be signed by an authorized agent. Consultant shall submit a proposal package consisting of:

- Five (5) originals, each in a 3 ring binder.
- One (1) copy of financial statements placed in a sealed envelope marked, "Confidential - Financial Statements" and include in only one binder. Financial statements will be removed and submitted for review.

### **ALL BIDS MUST BE SENT TO:**

Riverside County Flood Control  
and Water Conservation District  
Attention: Annie Ortega/Buyer  
**RFP# FCARC-00049 / Bidder Proposal**  
1995 Market Street  
Riverside, CA 92501

8.3 **In Person Delivery:** All proposals delivered in person or by courier must have the receptionist at the front desk date and time stamp all proposals upon receipt. Bidders or courier will be given a copy of the



receipt for their records. Proposals received after the stated time and date will be considered late and will be returned.

- 8.4 **Standard Mail:** Late proposals will not be accepted. Postmarks **will not** be accepted in lieu of this requirement. Proposals received after 07/19/2011 @ 1:30 p.m. will be considered late and will be returned.
- 8.5 The District will not be responsible for submittals that are delinquent, lost, incorrectly marked, and/or sent to an address other than that given herein, or sent by mail or courier service and not signed for by the District. Proposals received at any other County office will not be accepted.
- 8.6 Faxed or emailed proposals will not be accepted.

## **9.0 GENERAL REQUIREMENTS**

### **Procedures for Submitting Proposals**

- 9.1 All proposals must be submitted in accordance with the standards and specifications contained within this Request for Proposal (RFP) and must contain a cover page with a certification of intent to meet the requirements specified.
- 9.2 The cover page of a responsive bid must be signed appropriately and completed with the date, company name, and name and title of a company officer/owner authorized to sign on behalf of the company.
- 9.3 The District reserves the right to waive, at its discretion, any irregularity, which the District deems reasonably correctable or otherwise not warranting rejection of the proposal.
- 9.4 The District shall not pay any costs incurred or associated in the preparation of this or any proposal or for participation in the procurement process.
- 9.5 Modification of Proposals - Any Bidder who wishes to make modifications to a proposal already received by the District must withdraw his/her proposal in order to make the modifications. All modifications must be made in ink, properly initialed by bidder's authorized representative, executed, and submitted in accordance with the terms and conditions of this solicitation. It is the responsibility of the Bidder to ensure that modified proposals are resubmitted before the RFP submittal deadline of 07/19/2011 @ 1:30 p.m.
- 9.6 Bidders may withdraw their proposals at any time prior to the due date and time by submitting notification of withdrawal signed by the Bidder's authorized agent. Proposals cannot be changed or modified after the date and time designated for receipt.
- 9.7 Proposals must be typed uniformly on letter size (8 ½ " x 11") sheets of white paper, single sided or double sided, each section clearly titled, with tabs A-M, and each page clearly and consecutively numbered. Proposals must be clean and suitable for copying. Proposals must be specific unto themselves. For example, "See Enclosed Manual" will not be considered an acceptable proposal. Receipt of all addenda, if any, must be acknowledged in the proposal.
- 9.8 The proposal shall be concise and to the point. Costly bindings, color plates, glossy brochures, etc. are neither necessary nor recommended. Examples of previous work may be submitted but will not

necessarily influence the evaluation process. A letter format in sufficient detail to allow thorough evaluation and analysis is required.

## **10.0 REQUIRED FORMAT OF PROPOSALS**

Proposals must contain the following sections:

- A. Executive Summary Letter, Proposal Cover Page (*Page 4 of this RFP*), and all Addendums (*if any*)
- B. Table of Contents
- C. Validity of Proposal
- D. Corporate Profile
- E. Company Philosophy & Approach
- F. Project Team
- G. Description of Services
- H. Record of Past Performance / Business References
- I. Financial Information
- J. Cost Proposal (*Include Exhibit A*)
- K. Evidence of Insurance/Business Licenses (*Refer to Exhibit C*)
- L. Business Outreach Program Compliance (*If applicable, include Exhibit B*)
- M. Clarification/Exceptions/Deviations

**A. Executive Summary Letter, Proposal Cover Page, and all Addendums (if any)**

The Executive Summary Letter shall be a brief formal letter from Bidder that provides information regarding the firm and its ability to perform the requirements of this RFP. This letter must include the following information: Company Name, Address, Contact Person, Telephone Number, and Email Address.

The Proposal Cover Page (Page 4 of this RFP) must be signed by an authorized representative. Signature by an authorized representative of the firm on the proposal cover page shall constitute a warranty. The falsity of which shall entitle the District to pursue any remedy authorized by law, which shall include the right, at the option of the District, of declaring any contract made as a result thereof, to be void.

All Addendums to the proposal must be signed by an authorized representative and included in this section.

**B. Table of Contents**

This section shall include a comprehensive table of contents that identifies material by sections A –M (in the order list above) and by sequential page numbers.

**C. Validity of Proposal**

Responses to this RFP should be valid for a minimum of twelve (12) months. Submissions not valid for at least twelve (12) months must state the length of time for which the submitted proposal shall remain valid.

**D. Company Profile**

This section of the proposal is designed to establish the Bidder as an entity with the ability and experience to operate the program as specified in the RFP. The Corporate Profile should be concise and clear, and include descriptive information regarding service delivery. The following information must be provided as follows:

1. Business name, date founded and legal business status (i.e., partnership, corporation, etc.). Proof of non-profit status, if applicable. Specify the number of years your organization has been providing investment management services.
2. Company overview of services or activities performed, include:
  - a. Company hierarchy (President, Vice President, Company Officers, etc.) and organizational chart.
  - b. Identify the number of professionals employed by your firm, by classification.
  - c. Location of the office from which the work under this contract will be provided and the staff allocation at that office.
3. Describe any relevant experience managing public funds, including number of years in which the bidding firm has provided investment management services.
4. Describe any other business affiliations (e.g., subsidiaries, joint ventures, “soft dollar” arrangements with brokers).
5. Describe any SEC, FINRA or any other regulatory censure or litigation involving your firm during the past ten years.
6. State whether your firm is a registered investment advisor under the Investment Advisor’s Act of 1940. Within this section of your proposal, you must include a copy of ‘Part II’ of the firm’s most recent Form ADV.
7. State whether your firm holds controlling or financial interests in any other organization, or is owned or controlled by any other person or organization; if none that must be stated.
8. State the amount of fidelity bond coverage, errors and omissions, employee dishonesty, fiduciary liability insurance, or other fiduciary coverage your firm carries. Provide a Certificate of Insurance.
9. Describe how your firm adheres to the Code of Professional and Ethical Standards as described by the CFA Institute.
10. Describe your firm’s compensation policies for investment professionals.

**E. Company Philosophy / Approach**

1. Describe your firm’s investment philosophy for public clients.
2. Please describe the maturity concentration, quality and sectors of current accounts similar to the District’s.
3. What are the primary strategies for adding value to portfolios (e.g., market timing, credit research, trading)?
4. Describe the process you would recommend for establishing the investment objectives and constraints for this account.
5. Describe your firm’s in-house technical and research capabilities. Are outside sources used by the firm on a regular basis?

6. Describe your credit review process. Does your firm assign credit research to specialists?
7. How will you handle fluctuating cash flows and the cash forecasting process?
8. Do you have or would you recommend there be policy restrictions with respect to maturity, sector, quality and coupon?
9. Provide your list of approved brokers/dealers. How are brokers/dealers selected? What process do you have in place to monitor brokers/dealers after they have been approved?
10. Describe your firm's experience in investing municipal bond proceeds and familiarity with U.S. Treasury arbitrage restrictions as they relate to the investment of proceeds of municipal bonds.

**F. Project Team**

Bidders shall provide the following information relevant to the Project Team that will be assigned to this project:

1. Organizational chart that identifies the primary portfolio manager and staffing plan.
2. Describe the proposed project team, including role they will play, title and years at firm. Identify the primary portfolio manager and other investment professionals that will be assigned to the District's portfolio.
3. Include resumes for all project team members that highlight education, licenses (issue and expiration dates), similar project experience within last 5 years, and other qualifications for the service described in this RFP. Limit resume to one page per person.
  - a. All resumes must show that each team member has the ability to provide the necessary portfolio accounting services according to the CFA Institutes GIPS.

**G. Description of Services**

All proposals must include a detailed description of the services to be rendered, including but not limited to a written general understanding of the requirements in the scope of services as detailed in the RFP, Appendix A, including:

1. Provide a work plan or description of how the work will be performed.
2. Give precise detail on your project reporting mechanisms. Include:
  - a. A complete description of how the interaction between the Bidder's company and the District will take place to ensure that the services are performed to the District's satisfaction, including resolving problems that may be encountered during the project.
  - b. Describe the Bidder's company policies regarding this Project to ensure proper compliance and quality assurance.
  - c. Provide the Bidder's company employee training.
  - d. Provide the Bidder's company background checking procedures and company utilized.
  - e. Bidder is encouraged to identify and recommend any improvements/ enhancements for the proposed service, as well as highlight other issues Bidder deems prudent.

- f. Bidder is also encouraged to identify any unique or specialized approach they may take to perform any of the requested work and the benefits that may be realized by the client as a result of this approach.

3. Portfolio Management

- a. Are portfolios managed by teams or one individual?
- b. Primary client contact is delegated to which of your firm’s professionals?
- c. How frequently are you willing to meet with us?
- d. Described procedures used to ensure that portfolios comply with client investment objectives, policies and bond resolutions.

4. Assets Under Management

- a. Identify the types of accounts managed by your firm. Provide the total dollar amount and percentage managed (exclude accounts for which your services is providing periodic oversight or advice) for each of the following categories: public agency (excluding retirement funds), corporations, and other.
- b. Provide the number of portfolios whose funds consist of assets consistent with assets allowed in the District’s Investment Policy.
- c. For portfolios whose durations exceed one year, provide the percentage of assets under management for your latest reporting period using the table below:

U.S. Treasury securities	_____	%
Federal Agency obligations	_____	%
Corporate securities rated AAA-AA	_____	%
Corporate securities rated A	_____	%
Corporate securities rated BBB or lower	_____	%
Other	_____	%

- d. What is the last date the firm held securities issued by the following firms in any client portfolios?

<b>Firm</b>	<b>Last date in a Client’s Portfolio</b>
International Lease Finance	_____
AIG	_____
MBIA	_____
Washington Mutual	_____
Lehman Brothers	_____
Bear Stearns	_____

- e. Did the firm recommend the Reserve Primary Fund for any of its clients?

5. Fees

All information regarding fees must be submitted in a separate sealed envelope. No mention of fees is to be made in the body of the proposal.

- a. Please include a copy of your firm’s fee schedule. State your fee in basis points for assets under management.
- b. Please indicate whether they include custodial fees.
- c. Is there a minimum annual fee?
- d. Are fees charged when there is no activity in the accounts?

- e. Please provide a statement of fees for such additional services as arbitrage rebate related services.

6. Reporting

- a. Describe the frequency and format of reports you would provide to the District's staff. Attach a sample.
- b. Please describe how you typically report performance.
- c. Please provide a performance composite showing performance for the past five years. The composite should consist of a minimum of five current accounts comprising securities that are permitted under the California Government Code. NO SAMPLE PORTFOLIOS. The duration of the composite should be comparable to the Merrill Lynch 1 – 3 Year U.S. Treasury Index. Provide information about the composition and duration of the data used, including the number of portfolios making up the composite, for your presentation of performance history. The composite should be prepared and presented in compliance with the CFA GIPS.
- d. Are you willing to develop reporting procedures in line with our needs and objectives (i.e., monthly, so to conform with State reporting requirements to managing and governing bodies)?
- e. Are confirmations of investment transactions sent directly by the broker/dealer to the client?

H. Record of Past Performance / Business References

Respondent shall describe in detail its experience that demonstrates the ability of the Respondent to perform work similar in scope and size to that required in this RFQ. Respondent shall:

- Cite five (5) local agencies the Respondent has worked on within the last three (3) years that are most relevant in size and scope to the services requested in this solicitation. Most current references shall be listed first. All other pertinent information shall be provided including, but not limited to:
  1. Client name and address
  2. Client contact name, telephone and fax numbers, and email address
  3. Length of time managing client assets
  4. Identify key personnel of the Respondent's team that managed client's assets

I. Financial Information

1. Bidder must submit financial statements (balance sheet and income statement) for its business that are dated no more than twelve (12) months prior to the date of the proposal submission and cover a period of at least one (1) year, prepared in accordance with generally accepted accounting principles. These statements should clearly identify the financial status and condition of the Bidder's entire business entity.
2. Describe your firm's revenue sources (e.g., investment management, institutional research, etc.) and comment on your firm's financial condition.

**Please place in a separate envelope and mark "Confidential" if your firm requires this to be kept confidential.** Audited financial statements are preferred but not required and an independent credit rating would be most advantageous.

J. Cost Proposal

Based on its understanding and recommendations, Bidder shall submit fully inclusive blended rates (fixed-price) reflecting a bottom-line price to deliver all the services (personnel, estimate of hours to complete task, hourly rates, costs, and direct expenses) in accordance with the Scope of Work. Bidder shall provide sufficient detail/description in its cost proposal for the District to evaluate the overall quality of the proposed service. Bidder's cost proposal will be reviewed for:

- Competitiveness and reasonableness of costs
- Complete and detailed costs, including indirect costs

Bidder shall utilize Exhibit A to identify the individual classifications that will be performing the requested services. Hours necessary to complete each task/subtask and hourly rates shall be clearly defined for each classification.

Describe how costs will be controlled and properly identified to the specific tasks, while providing a high quality of services, high level of integrity and outcomes.

**K. Evidence of Insurability/Business Licenses**

All bidder(s) shall submit evidence of all required insurance. An Accord cover page will suffice and if awarded the contract the Bidder has ten (10) calendar days to produce the required insurances including a certified endorsement naming the District as additionally insured. The bidder shall certify to the possession of any and all current required licenses or certifications. Do not purchase additional insurance until this bid has been awarded.

Provide a copy of **current** business license or other applicable licenses.

Provide a copy of **current** business licenses or other applicable licenses of any/all subconsultants used on this project, if applicable.

**L. Business Outreach Program Compliance (If applicable, include Exhibit B)**

*Local Preference:* The District complies with a local preference program adopted by the County of Riverside for those Bidders located within the geographical boundaries of Riverside County. A five percent (5%) price preference may be applied to the total bid price during evaluation of the bid responses. To qualify as a local business, the business must have fixed offices within the geographical boundaries of Riverside County and must credit all sales taxes paid resulting from this RFP to that Riverside County location. To qualify for local preference, Bidders must include a copy of a Riverside Business Tax License that supports the local preference status and complete Form 116-260 Local Business Qualification Affidavit, attached herein as Exhibit B.

Or

*Disabled Veteran Business Enterprise Preference:* The District complies with a Disabled Veteran Owned Business preference policy implemented by the County of Riverside. A three percent (3%) preference shall be applied to the total bid price of all quotes/bids/proposals received by the District from certified disabled veterans owned businesses. Bidders must provide certification of Disabled Veteran Status.

**M. Clarification, Exceptions, or Deviations**

All bidder(s) shall describe any exception or deviation from the requirements of the RFP. Each clarification, exception, or deviation must be clearly identified. If your firm has no clarification, exception, or deviation, a statement to that effect shall be included in this section. The following contractual terms are non-negotiable:

1. Indemnification
2. All insurance terms
3. Termination
4. Ownership/Use of Contract Materials and Products(If applicable)
5. Disputes
6. Governing Law
7. Venue

## **11.0 EVALUATION CRITERIA**

Proposals will be evaluated based on relevant factors, including but not limited to the following:

11.1 Proposals will first be reviewed on a Pass/Fail basis. Proposals with the following conditions may be rejected as non responsive, if:

- Proposal is post-marked after the deadline for this RFP.
- Proposal shows an inability to meet the insurance requirements. (Section 9.0, Segment J)
- Proposal shows an inability to meet the minimum qualification requirements. (Section 3.0)

11.2 If the Bidders have met all the requirements noted above, then the following evaluation criteria will be used for the evaluation and selection of each Bidder. Each proposal will be competitively evaluated on its relative strengths and weaknesses against the following criteria listed below and as described in Section 9.0 of the RFP. The order of the listed criteria is not indicative of their priority, weight or importance:

- Overall responsiveness and general understanding of the RFP/Scope of Services required by the District and the ability to provide the services
- Relative experience managing public funds
- Description of services
- Experience, resources and qualifications of the investment advisor and individuals assigned to the District's account
- Ability to provide necessary portfolio accounting services according to the CFA Institutes GIPS
- Investment philosophy, strategy and demonstrated investment performance
- Overall cost to the District
- References with demonstrated success with similar work to the Scope of Service
- Financial Status
- Clarification, Exceptions or Deviations

## **12.0 EVALUATION PROCESS**

### GENERAL

12.1 Throughout the entire process of the proposal, Bidder may only contact the Buyer who is administering the proposal. Attempts by the Bidder to contact any other District representative may result in disqualification of the Bidder.

12.2 All evaluation material will be considered Confidential and not released by the District. The District reserves the right to split or make the award that is most advantageous to the District.

### EVAULATION PROCESS



- 12.3 Proposals will be reviewed by the Buyer to verify compliance with submission instructions, response requirements, and minimum requirements. Any proposals not meeting the minimum requirements may be deemed non-responsive.
- 12.4 Proposal evaluation will commence immediately following the review conducted by the Buyer. During the evaluation process, the Selection Committee may request clarification, as necessary, from Bidder. Bidder should not misconstrue a request for clarification for negotiations. It is anticipated that the evaluation process will be completed within approximately 30-120 working days. Bidders will be notified via email regarding the status of Bidder's proposal.
- 12.5 The District may select qualified Bidder(s) based solely on the submitted proposal(s).

### **13.0 INTERPRETATION OF RFP**

- 13.1 The Bidder must make careful examination and understand all of the requirements, specifications, and conditions stated in the RFP. If any Bidder planning to submit a proposal finds discrepancies in or omissions from the RFP, or is in doubt as to the meaning, a written request for interpretation or correction must be given to the District. Any changes to the RFP will be made only by written addendum and may be posted on the District website at [www.rcflood.org](http://www.rcflood.org) and the County Purchasing website at [www.purchasing.co.riverside.ca.us](http://www.purchasing.co.riverside.ca.us). The District is not responsible for any other explanations or interpretations.
- 13.2 All Bidder questions, clarifications or comments must be submitted in writing and must be received by the District no later than 07/06/2011 by 4:30 p.m. Inquiries received after this date will not be accepted or responded to. Ensure all questions, clarifications or comments are addressed to [annieortega@rcflood.org](mailto:annieortega@rcflood.org).
- 13.3 All email correspondence shall be clearly marked in the subject line with "RFP FCARC-00049 / Questions". Within the body of the email, each inquiry must reference the section number and title from the RFP to which that question pertains.

### **14.0 CONTRACTUAL DEVELOPMENT**

If a proposal is accepted, the District will enter into a contractual agreement with the selected Consultant. A sample of the standard District contract to be used for this project is attached as Exhibit C. If an agreement cannot be reached, negotiations with the second ranking Consultant shall commence.

All bidder(s) shall describe any exception or deviation from the requirements of the RFP. Each clarification, exception, or deviation must be clearly identified. If your firm has no clarification, exception, or deviation, a statement to that effect shall be included in this section. The following contractual (Exhibit C of this RFP) terms are non-negotiable:

- Indemnification (Point 21)
- All insurance terms (Point 22)
- Termination (Point 5)
- Ownership/Use of Contract Materials and Products ((If applicable) Point 6))
- Disputes (Point 11)
- Governing Law (Point 23.11)

### **15.0 CANCELLATION OF PROCUREMENT PROCESS**

The District may cancel the procurement process at any time. All proposals become the property of the District.

All information submitted in the proposal becomes “public record” as defined by the State of California upon completion of the procurement process. If any proprietary information is contained in or attached to the proposal, it must be clearly identified by the Consultant; otherwise the Consultant agrees that any and all documents provided may be released to the public after contract award.

The procurement process may be canceled after opening, but prior to award if the District determines that cancellation is in the best interest of the District for reasons (but not limited to) such as:

- Inadequate, ambiguous, or otherwise deficient specifications that were cited in the RFP.
- The services are no longer required.
- Proposals received are at an unreasonable cost.
- Proposal did not independently arrive in open competition, was collusive, or was not submitted in good faith.
- The District determines, after analysis of the proposals, that its needs can be satisfied through a less expensive method.

The District reserves the right to amend or modify the Project Scope of Services prior to the award of contract, as necessity may dictate, and to reject any and all proposals hereunder. This Request for Proposal does not commit the District to award a contract or to pay any costs incurred in the preparation of a proposal in response to this request. The District reserves the right to accept or reject any or all proposals received as a result of this request, to negotiate with any qualified source or to cancel in part or in its entirety this Request of Proposal if it is in the best interest of the District.

**16.0 CONFIDENTIALITY AND PROPRIETARY DATA**

All materials received relative to this RFP will be kept confidential until such time an award is made or the RFP is canceled, at which time all materials received will be made available to the public. Proposals received will be subject to Government Code §6250, the Public Information Act. Proposal Submitters should mark information they consider proprietary or confidential in the event it is exempt from the requirements of the Act.

**17.0 COUNTY OBSERVED HOLIDAYS**

HOLIDAY	DAY OBSERVED
* New Year's Day	January 1
Martin Luther King Jr's Birthday	Third Monday in January
Lincoln's Birthday	February 12
Washington's Birthday	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Columbus Day	Second Monday in October
Veterans' Day	November 11
*Thanksgiving Day	Fourth Thursday in November
* Following Thanksgiving	Friday following the fourth Thursday in November
*Christmas Day	December 25

**\* Note:**

- ❖ Thanksgiving Day, which shall be the fourth Thursday in November unless otherwise appointed.
- ❖ Friday following Thanksgiving Day.
- ❖ December 24 and 31 when they fall on Monday.
- ❖ December 26 and January 2, when they fall on Friday.

- ❖ Friday preceding January 1, February 12, July 4, November 11 or December 25, when such date falls on Saturday; the Monday following such date when such date falls on a Sunday.
- ❖ The District is closed every Friday. Business hours are from 7:30 a.m. to 5:30 p.m., Monday through Thursday.

**EXHIBIT A**  
**COST PROPOSAL SHEET**

Please provide detailed Firm Fixed Lump Sum Price and any other incidental or additional costs required in the spaces provided below to complete the Scope of Work requirements. Firm Fixed Prices to complete each task shall include the costs of all administration and overhead, labor, equipment, problem resolution, materials, project site visits, travel, preproduction costs, telephone usage, mailings, mileage and other administrative costs.

NOTE:

1. Price proposals submitted on forms other than those provided herein may cause rejection of the proposal as non-responsive.
2. Bidders shall include in the bid a sufficient sum to cover all items (Refer to Section 4.2 of RFP) which are implied or required to complete the project or work. Errors or omissions in the contract document will not serve as an excuse for additional payment. Bidders will not be paid for any abatement completed by their own error, or errors of their employees.

Total Price, written in numbers: \$ \_\_\_\_\_

Total Price, written in words: \_\_\_\_\_

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**CERTIFICATIONS**

I, \_\_\_\_\_, a duly authorized agent of \_\_\_\_\_, hereby certify that  
(Printed Name of Agent/Officer) (Name of Organization/Consortium)

\_\_\_\_\_, by submission of this proposal in response to the Consulting Services RFP agrees,  
(Name of Organization/Consortium)

upon contract award, to carry out the requirements specified and obligations set forth therein.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Title of Agent/Officer \_\_\_\_\_

**EXHIBIT B**

**LOCAL BUSINESS QUALIFICATION AFFIDAVIT**

The District Local Business Preference may be applied to this Request for Proposal/Quotation. If you qualify for this preference, please submit this form along with your response to this RFP.

**Definition of Local Business**

A local business shall mean business firms with fixed offices located within the geographical boundaries of Riverside County, authorized to perform business within the County, and in doing so, credit all sales tax from sales generated within Riverside County to the County, and who provide product or perform contracted work using employees, of whom the majority are physically located in said local offices.

Local businesses shall have a Riverside County business street address. Post office box numbers, residential addresses or un-staffed sales offices shall not suffice to establish status as a local business. To qualify as a local business the location must be open and staffed during normal business hours and the business must establish proof that it has been located and doing business in Riverside County for at least six (6) months preceding its certification to the County as a local business.

Additional supporting documentation that may be requested by the District to verify qualification includes:

1. **A copy of their current BOE 531-A and/or BOE 530-C form** (State, Local & District Sales and Use Tax Return Form). This is what businesses submit to the State Board of Equalization when paying the sales tax to the State of California indicating the amount of the payment to be credited to each jurisdiction (i.e. Counties, Cities).
2. **A current business license** if required for the political jurisdiction in which the business is located.
3. **Proof of the current business address.** The local business needs to be operating from a functional office that is staffed with the firm's employees, during normal business hours.

Business Name: \_\_\_\_\_

Physical Address: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Length of time at this location: \_\_\_\_\_ Number of Company Employees at this address: \_\_\_\_\_

If less than 6 month, list previous Riverside County location: \_\_\_\_\_

Business License # (where applicable): \_\_\_\_\_ Jurisdiction: \_\_\_\_\_

Hours of Operation: \_\_\_\_\_

Primary function of this location (i.e., sales, distribution, production, corporate, etc):  
\_\_\_\_\_

\_\_\_\_\_  
Signature of Company Official

\_\_\_\_\_  
Date

**Submittal of false data will result in disqualification of local preference and/or doing business with the County of Riverside.**

**EXHIBIT C**

**SAMPLE AGREEMENT**

**PROFESSIONAL or PERSONAL SERVICES AGREEMENT**

**For**

**(INSERT NAME OF PROGRAM)**

**Between**

**Riverside County Flood Control and Water Conservation District**

**and**

**(INSERT COMPANY NAME)**



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**CONSULTING SERVICES AGREEMENT  
(MASTER)**

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, hereinafter called "DISTRICT", and (INSERT CONSULTANT NAME), hereinafter called "CONSULTANT", hereby agree as follows:

1. PROJECT – CONSULTANT shall perform (DESCRIBE TYPE OF SERVICE) services for the project described as (PROJECT NAME).
2. SCOPE OF SERVICES – CONSULTANT shall, as requested by DISTRICT, furnish tools, equipment, facilities, materials and labor necessary to perform in a complete, skillful and professional manner those consulting services separately described on Attachment "A" attached hereto and made a part hereof.
3. TIME FOR PERFORMANCE – CONSULTANT shall commence performance of services upon receipt of a written Notice to Proceed from DISTRICT, and shall diligently perform the services to full completion through (INSERT DATE).
4. COMPENSATION – DISTRICT shall pay CONSULTANT for services performed and expenses incurred in accordance with the standard rates as set forth on Attachment "B" attached hereto and made a part hereof. The total amount paid to CONSULTANT under this Agreement shall not exceed the sum of (WRITE OUT AMOUNT) dollars (\$\_\_\_\_\_) unless a written amendment to this Agreement is executed by both parties prior to performance of additional services. (ALTERNATIVE LANGUAGE CAN BE INSERTED FOR PROGRESS PAYMENTS OR A TIME AND MATERIALS BASIS).
5. PAYMENT – Upon satisfactory performance of CONSULTANT'S services as set forth herein, DISTRICT shall pay CONSULTANT within thirty (30) days after DISTRICT'S receipt of CONSULTANT'S appropriate invoice(s). CONSULTANT shall keep employee and expense records according to customary accounting methods and such



records shall be available for inspection by DISTRICT to verify the invoice(s) of CONSULTANT.

6. LICENSES – CONSULTANT, its employees, agents, contractors and subcontractors shall maintain professional licenses required by the laws of the State of California at all times while performing services under this Agreement.
7. PERMITS AND RIGHTS OF ENTRY - DISTRICT shall obtain all rights of entry as may be required to allow CONSULTANT to perform the proposed consulting services within and upon privately-owned property. All permits and rights of entry as may be required from any and all affected public entities shall be obtained by CONSULTANT. Sufficient evidence of having obtained such permits and/or rights of entry shall be furnished to DISTRICT by CONSULTANT, prior to initiation of work. CONSULTANT will prosecute the work in such a manner as to minimize public inconvenience and possible hazard, and will restore the streets and other work areas to their original condition and former usefulness as soon as practicable. CONSULTANT shall be responsible for the protection of public and private property adjacent to the work and shall exercise due caution to avoid damage to such property.
8. NOTICES - Any and all notices sent or required to be sent to the parties of this Agreement will be mailed by first class mail, postage prepaid, to the following addresses:  

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT 1995 Market Street Riverside, CA 92501 Attn: Design & Construction Division	(CONSULTANT NAME) (ADDRESS)  Attn: (CONTACT)
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9. INSURANCE - Without limiting or diminishing CONSULTANT'S obligation to indemnify or hold DISTRICT harmless, CONSULTANT shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverages during the term of this Agreement:

A. Workers' Compensation:

If CONSULTANT has employees as defined by the State of California, CONSULTANT shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of DISTRICT and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CONSULTANT'S performance of its obligations hereunder. Policy shall name the Riverside County Flood Control and Water Conservation District, the County of Riverside, its agencies, districts, special districts, and departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as additional insureds. Policy's limit of liability shall not be less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability:

If CONSULTANT'S vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CONSULTANT shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less

than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit. Policy shall name the Riverside County Flood Control and Water Conservation District, the County of Riverside, its agencies, districts, special districts, and departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as additional insureds.

D. Professional Liability:

(ONLY TO BE INCLUDED IN CONTRACTS WITH PROFESSIONAL SERVICE PROVIDERS INCLUDING BUT NOT LIMITED TO ENGINEERS, ACCOUNTANTS AND LAWYERS) CONSULTANT shall maintain Professional Liability Insurance providing coverage for CONSULTANT'S performance of work included within this Agreement, with a limit of liability of not less than \$1,000,000 per occurrence and \$2,000,000 annual aggregate. If CONSULTANT'S Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and CONSULTANT shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that CONSULTANT has maintained continuous coverage with the same or original insurer. Coverage provided under items: 1), 2) or 3) will continue as long as the law allows.

E. General Insurance Provisions – All Lines:

1. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than an A: VIII (A: 8) unless such requirements are waived, in writing, by the County Risk Manager. If the County Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.
2. CONSULTANT must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the County Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention deemed unacceptable to DISTRICT and at the election of the County Risk Manager, CONSULTANT'S carriers shall either: 1) reduce or eliminate such self-insured retention with respect to this Agreement with DISTRICT; or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.
3. CONSULTANT shall cause their insurance carrier(s) to furnish DISTRICT with 1) a properly executed original Certificate(s) of Insurance and certified original copies of Endorsements effecting coverage as required herein; and 2) if requested to do so orally or in writing by the County Risk Manager, provide original certified copies of policies including all Endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said Certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that thirty (30) days written notice shall

be given to DISTRICT prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. In the event of a material modification, cancellation, expiration or reduction in coverage, this Agreement shall terminate forthwith, unless DISTRICT receives, prior to such effective date, another properly executed original Certificate of Insurance and original copies of Endorsements or certified original policies, including all Endorsements and attachments thereto, evidencing coverages set forth herein and the insurance required herein is in full force and effect. CONSULTANT shall not commence operations until DISTRICT has been furnished with original Certificate(s) of Insurance and certified original copies of Endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. An individual authorized by the insurance carrier to do so on its behalf shall sign the original Endorsements for each policy and the Certificate of Insurance.

4. It is understood and agreed by the parties hereto that CONSULTANT'S insurance shall be construed as primary insurance and DISTRICT'S insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.
5. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or the term of this Agreement, including any extensions thereof, exceeds five (5) years, DISTRICT reserves the right to adjust the types of insurance

required under this Agreement and the monetary limits of liability for the insurance coverages currently required herein, if, in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by CONSULTANT has become inadequate.

6. CONSULTANT shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.
7. The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to DISTRICT.
8. CONSULTANT agrees to notify DISTRICT of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

10. INDEMNIFICATION – CONSULTANT shall indemnify and hold harmless DISTRICT (including its officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives) from any liability, claim, damage, proceeding or action, present or future, based upon, arising out of or in any way relating to CONSULTANT'S (including its officers, employees, subcontractors and agents) actual or alleged negligent, reckless or willful misconduct, acts or omissions related to this Agreement, performance under this Agreement, or failure to comply with the requirements of this Agreement, including but not limited to (a) property damage; (b) bodily injury or death; or (c) any other element of any kind or nature whatsoever.

CONSULTANT shall defend, at its sole expense, including all costs and fees (including but not limited to attorney fees, cost of investigation, defense and settlements or awards), DISTRICT (its officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives) in any claim, proceeding or action for which indemnification is required.

With respect to any of CONSULTANT'S indemnification requirements, CONSULTANT shall, at its sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such claim, proceeding or action without the prior consent of DISTRICT; provided, however, that such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CONSULTANT'S indemnification obligations to DISTRICT.

CONSULTANT'S indemnification obligations shall be satisfied when CONSULTANT has provided to DISTRICT the appropriate form of dismissal (or similar document) relieving DISTRICT from any liability for the claim, proceeding or action involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe CONSULTANT'S obligations to indemnify and hold harmless DISTRICT from third party claims.

In the event there is conflict between this section and California Civil Code Section 2782, this section shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve CONSULTANT from indemnifying DISTRICT or the County of Riverside to the fullest extent allowed by law.

11. WORK PRODUCT – CONSULTANT shall provide all data, materials, drawings, logs and report(s) as set forth in Attachment "A". All work products and deliverables shall be and remain the sole property of DISTRICT. CONSULTANT shall not publish or transfer any material produced or resulting from activities supported by this Agreement without the written consent of the General Manager-Chief Engineer. If any such material is subject to copyright or trademark, the parties agree that the right to any and all copyright and/or trademark in and to the material is expressly reserved to DISTRICT. If any such material is copyrighted, the parties hereto understand and agree that DISTRICT reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such

material, in whole or in part, and to authorize others to do so, provided written credit is given the author.

12. CONFIDENTIALITY OF DATA – All financial, statistical, personal, technical or other data and information which is designated confidential by DISTRICT and subsequently made available to CONSULTANT shall not be disclosed (in whole or in part) by CONSULTANT to any third parties and shall be protected by CONSULTANT from unauthorized use and disclosure. The only exception to this shall be if disclosure is approved in advance in writing by DISTRICT or if the disclosure is made to CONSULTANT'S subcontractors as anticipated by this Agreement.

CONSULTANT shall not issue any news release or public relations item regarding designated confidential information or CONSULTANT'S work under this Agreement, without prior review of the contents and written approval by DISTRICT.

These same requirements shall be applicable to any of CONSULTANT'S subcontractors.

CONSULTANT shall include the requirements stated in this section in the agreement with any of its subcontractors.

13. TERMINATION – At any time during the term of this Agreement, DISTRICT may:
- A. Terminate this Agreement without cause upon providing CONSULTANT thirty (30) days written notice stating the extent and effective date of termination; or
  - B. Upon five (5) days written notice, terminate this Agreement for CONSULTANT default, if CONSULTANT refuses or fails to comply with the provisions of this Agreement or fails to make progress so as to endanger performance and does not cure such failure within a reasonable period of time. In the event of such termination, the DISTRICT may proceed with the work in a manner deemed proper to DISTRICT.



In the event DISTRICT issues a Notice of Termination, CONSULTANT shall i) stop all work under this Agreement on the date specified in the Notice of Termination; and ii) transfer to DISTRICT and deliver in the manner, and to the extent, if any, as directed by DISTRICT, any equipment, data or reports which, if the Agreement had been completed, would have been required to be furnished to DISTRICT.

In the event DISTRICT terminates this Agreement, DISTRICT shall make payment for all services performed in accordance with this Agreement to the date of termination, a total amount which bears the same ratio to the total maximum fee otherwise payable under this Agreement as the services actually bear to the total services necessary for performance of this Agreement. Notwithstanding any of the other provision of this Agreement, CONSULTANT rights under this Agreement shall terminate (except for fees accrued prior to the date of termination) upon dishonesty, or a willful or material breach of this Agreement by CONSULTANT; or in the event of CONSULTANT'S unwillingness or inability for any reason whatsoever to perform the duties hereunder; or if the Agreement is terminated pursuant to Section 20 (NON-DISCRIMINATION). In such event, CONSULTANT shall not be entitled to any further compensation under this Agreement. The rights and remedies of DISTRICT provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

14. ASSIGNMENT - Neither this Agreement nor any part thereof shall be assigned by CONSULTANT without the prior written consent of DISTRICT.
15. CONFLICT OF INTEREST – CONSULTANT covenants that it presently has no interest, including but not limited to, other projects or independent contracts, and shall not acquire any such interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement.

CONSULTANT further covenants that in the performance of this Agreement, no person having any such interest shall be employed or retained by it under this Agreement.

16. PREVAILING WAGE – All workers shall be paid not less than the general prevailing rate of wages and benefits for work of a similar character in the locality in which the work is performed, as provided in Labor Code Section 1770 et seq. Pursuant to the Labor Code, DISTRICT has obtained for the Board of Supervisors of DISTRICT from the Director of the Department of Industrial Relations, State of California, his determinations of general prevailing rates of per diem wages applicable to the work and for holiday and overtime work, including employer payments for health and welfare, pension, vacation, apprentices and similar purposes for each craft, classification or type of workman needed, as set forth on the schedule which is on file at DISTRICT'S office and which will be made available to any interested person upon request.
17. INDEPENDENT CONTRACTOR – CONSULTANT and the agents and employees of CONSULTANT shall act at all times in an independent capacity during the term of this Agreement and in the performance of the services to be rendered hereunder and shall not act as or shall not be and shall not in any manner be considered employees or agents of DISTRICT.
18. JURISDICTION/LAW/SEVERABILITY – This Agreement is to be construed in accordance with the laws of the State of California. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall be declared severable and shall be given full force and effect to the extent possible.

Any legal action, in law or in equity related to the performance or interpretation of this Agreement shall be filed only in the Superior Court for the State of California located in Riverside, California, and the parties waive any provision of law providing for a change of venue to another location. Prior to the filing of any legal action, the parties shall be obligated to attend a mediation session with a neutral mediator to try to resolve the dispute.

19. WAIVER – Any waiver by DISTRICT of any breach of any one or more of the terms of this Agreement shall not be constructed to be a waiver of any subsequent or other breach of the same or any other term thereof. Failure on the part of DISTRICT to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms hereof, or estopping DISTRICT from enforcement hereof.
20. NON-DISCRIMINATION - In the performance of the terms of this Agreement, CONSULTANT shall not engage in nor permit others he may employ to engage in discrimination in the employment of persons because of the race, color, national origin or ancestry, religion, physical handicap, disability as defined by the Americans with Disabilities Act (ADA), medical condition, marital status or sex of such persons, in accordance with the provision of California Labor Code Section 1735.
21. NON-APPROPRIATION OF FUNDS – It is mutually agreed and understood that the obligation(s) of DISTRICT are limited by and contingent upon the availability of DISTRICT funds for the reimbursement of CONSULTANT'S fees. In the event that such funds are not forthcoming for any reason, DISTRICT shall immediately notify CONSULTANT in writing. This Agreement shall be deemed terminated and have no further force and effect immediately on receipt of DISTRICT'S notification by

CONSULTANT. In the event of such termination, CONSULTANT shall be entitled to reimbursement of its costs in accordance with Section 4 (COMPENSATION).

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Date