

Issue Date: June 3, 2019

*A Pre-Proposal Conference will not be held.
Question Submittal Deadline is June 18, 2019*

Bid Due Date: July 8, 2019 @ 3:00 p.m. local time

REQUEST FOR PROPOSAL

RFP NO. FPEN-190042-DS

INVESTMENT CONSULTING SERVICES FOR GENERAL EMPLOYEES' PENSION PLAN

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City of Gainesville
200 East University Avenue, Room 339 – Gainesville, Florida 32601

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**CITY OF GAINESVILLE
REQUEST FOR PROPOSALS FOR
INVESTMENT CONSULTING SERVICES FOR
GENERAL EMPLOYEES' PENSION PLAN**

SECTION I – REQUEST FOR PROPOSAL OVERVIEW & PROPOSAL PROCEDURES

RFP#: FPEN-190042-DS

Due Date: July 8, 2019 @ 3:00 p.m.

A. INTRODUCTION/BACKGROUND

The City of Gainesville (hereafter “City”) is requesting proposals from qualified providers of Investment Performance Evaluation and Consulting Services for the City of Gainesville General Employees’ Retirement Plan (Plan). Services will cover the evaluation of investment manager performance, development and monitoring of investment policies, asset allocation management, and services relating to investment manager searches and other miscellaneous projects.

The City of Gainesville is a municipal corporation of the State of Florida. The City is governed by an elected Mayor and six independently elected City Commissioners. The Board of Trustees of the City of Gainesville General Employees’ Retirement Plan (Board) is comprised of the City Commission sitting in an ex-officio capacity. In addition, a five member investment advisory committee, the Pension Review Committee (PRC) works with the City’s Pensions & Investments Division staff to make recommendations to the Board

The City of Gainesville General Employees’ Retirement Plan is a qualified tax exempt defined benefit contributory pension plan covering all individuals who are permanently employed by the City on a regular basis except for those employees covered by the City of Gainesville Consolidated Police Officers’ and Firefighters’ Retirement Plan, and certain elected officials, executive and limited professional employees who participate in a City sponsored 401 Plan.

The Plan’s current Statement of Investment Policy is attached as Exhibit A. The Plan’s current asset allocation targets are 47% U.S. equities, 28% international equities, 12% real estate, 5% MLPs, and 8% fixed income. The Plan currently uses ten investment managers – including five domestic equity managers, two international equity managers, one real estate manager, one master limited partnership manager, and one fixed income manager. The Plan’s market value as of September 30, 2018 was \$431,142,296. The Plan’s September 30, 2018 market value by asset class are as follows:

U.S. Equity Market Value: \$226,399,010
International Equity Market Value: 119,687,856
Real Estate Market Value: \$41,558,007
Master Limited Partnerships Market Value: \$22,536,866
Fixed Income Market Value: \$20,529,161
Cash: \$431,395

The Plan’s previous investment consultant was Summit Strategies, St. Louis, MO. Summit Strategies was acquired by Mercer in 2018, but it was Mercer’s policy not to provide consulting services to public pension plans. For continuity purposes, Summit Strategies arranged to assign their public pension plan client service agreements to AndCo Consulting in October 2018, subject to client approval. The Plan accepted the AndCo assignment, and has been using AndCo as its investment consultant since October 2018. However, City policy requires that an RFP for investment consulting services now be conducted in light of the assigned nature of the AndCo arrangement.

The Plan’s actuary is Foster & Foster, 13420 Parker Commons Blvd., Suite 104, Fort Myers, FL 33912.

The Plan’s custodian bank is State Street Bank and Trust Company, 200 Newport Avenue, 7th Floor, Quincy, MA 02171.

The Plan relies on the Gainesville City Attorney for legal services, but also uses Lewis, Longman & Walker, PA, Tallahassee, FL for certain legal matters.

B. RFP TIME TABLE

The anticipated schedule for the RFP and contract approval is as follows:

RFP available for distribution	June 3, 2019
Deadline for receipt of questions	June 18, 2019
Deadline for receipt of proposals	July 8, 2019 at 3:00 p.m. (local time)
Evaluation/Selection process	Week of July 8, 2019
Oral Presentations, if conducted	Week of July 15, 2019
Projected award date (by Board of Trustees)	August 2019
Projected contract start date	October 2019

All dates are subject to change. Proposers will be notified in event of change.

C. PROPOSAL SUBMISSION

One original and 2 copies (a total of 3) of the complete proposal must be received by July 8, 2019 at 3:00 p.m. local time at which time all proposals will be publicly opened. In addition, proposer should provide one (1) electronic copy of their proposal in PDF format on a CD or USB flash drive. Electronic document should not be password protected, encrypted, etc.

The original, all copies, and the separate sealed price envelope, if required, must be submitted in a sealed envelope or container stating on the outside the proposer's name, address, telephone number, RFP title, number and due date and delivered to:

City of Gainesville
General Government Procurement
200 East University Avenue, Room 339
Gainesville, Florida 32601

Hand-carried and express mail proposals may be delivered to the above address **ONLY** between the hours of 8:00 a.m. and 5:00 p.m., local time, Monday through Friday, excluding holidays observed by the City.

Proposers are responsible for informing any commercial delivery service, if used, of all delivery requirements and for ensuring that the required address information appears on the outer wrapper or envelope used by such service.

Any proposal received after 3:00 p.m. (local time), July 8, 2019 will not be considered and will be returned unopened.

Both the Technical Proposal and the Price Proposal, if required to be submitted in a separate envelope, must be signed by an officer of the company who is legally authorized to enter into a contractual relationship in the name of the proposer, and proposer(s) must affix their company's corporate seal to both Proposals. In the absence of a corporate seal, the Proposals must be notarized by a Notary Public.

The submittal of a proposal by a proposer will be considered by the City as constituting an offer by the Proposer to perform the required services at the stated fees.

D. NON-MANDATORY PRE-PROPOSAL CONFERENCE

A pre-proposal conference will not be held.

E. CONTACT PERSON

The contact person for this RFP is Daphyne Sesco, Procurement Specialist 3, at (352) 334-5021 or email sescoda@cityofgainesville.org in Procurement. Explanation(s) desired by proposer(s) regarding the meaning or interpretation of this RFP must be requested from the contact person, in writing, as is further described below.

To ensure fair consideration and consistent and accurate dissemination of information for all proposers, the City prohibits communication to or with any department, employee, or agent evaluating or considering the proposals during the submission process, except as authorized by the contact person.

During the blackout period as defined herein, except as pursuant to an authorized appeal, no person may lobby, as defined herein, on behalf of a competing party in a particular procurement process, City officials or employees except the Procurement designated staff contact in the Procurement division. Violation of this provision shall result in disqualification of the party on whose behalf the lobbying occurred.

The blackout period means the period between the issue date which allows for immediate submittals to the City of Gainesville Procurement Division for an invitation for bid or the request for proposal, or qualifications, or information, or the invitation to negotiate, as applicable, and the time the City Officials and Employee awards the contract . Lobbying means when any natural person, for compensation, seeks to influence the governmental decision-making, to encourage the passage, defeat or modification of any proposal, recommendation or decision by City officials and employees, except as authorized by procurement documents.

F. ADDITIONAL INFORMATION/ADDENDA

Requests for additional information or clarifications must be made in writing no later than the date specified in the RFP Timetable. The request must contain the proposer's name, address, phone number, and facsimile number. Electronic facsimile will be accepted at (352) 334-3163.

Facsimiles must have a cover sheet which includes, at a minimum, the proposer's name, address, number of pages transmitted, phone number, and facsimile number.

The City will issue responses to inquiries and any other corrections or amendments it deems necessary in written addenda issued prior to the Proposal Due Date. Proposers should not rely on any representations, statements or explanations other than those made in this RFP or in any addendum to this RFP. Where there appears to be a conflict between the RFP and any addenda issued, the last addendum issued will prevail.

It is the proposer's responsibility to be sure all addenda were received. The proposer should verify with the designated contact persons prior to submitting a proposal that all addenda have been received. Proposers are required to acknowledge the number of addenda received as part of their proposals.

G. LATE PROPOSALS, LATE MODIFICATIONS AND LATE WITHDRAWALS

Proposals received after the Proposal Due Date and time are late and will not be considered. Modifications received after the Proposal Due Date are also late and will not be considered. Letters of withdrawal received after the Proposal Due Date or after contract award, whichever is applicable, are late and will not be considered.

H. RFP POSTPONEMENT/CANCELLATION/WAIVER OF IRREGULARITIES

The City may, at its sole and absolute discretion, reject any and all, or parts of any and all, proposals; re-advertise this RFP; postpone or cancel, at any time, this RFP process; or waive any irregularities in this RFP or in the proposals received as a result of this RFP.

I. COSTS INCURRED BY PROPOSERS

All expenses involved with the preparation and submission of proposals to the City, or any work performed in connection therewith shall be borne by the proposer(s). No payment will be made for any responses received, nor for any other effort required of or made by the proposer(s) prior to commencement of work as defined by a contract approved by the City Commission.

J. ORAL PRESENTATION

The City may require proposers to give oral presentations in support of their proposals or to exhibit or otherwise demonstrate the information contained therein.

K. EXCEPTION TO THE RFP

Proposers may take exceptions to any of the terms of this RFP unless the RFP specifically states where exceptions may not be taken. Should a proposer take exception where none is permitted, the proposal will be rejected as non-responsive. All exceptions taken must

be specific, and the Proposer must indicate clearly what alternative is being offered to allow the City a meaningful opportunity to evaluate and rank proposals.

Where exceptions are permitted, the City shall determine the acceptability of the proposed exceptions and the proposals will be evaluated based on the proposals as submitted. The City, after completing evaluations, may accept or reject the exceptions. Where exceptions are rejected, the City may request that the Proposer furnish the services or goods described herein, or negotiate an acceptable alternative.

L. CONFIDENTIAL AND/OR EXEMPT INFORMATION

Florida's Public Records Law

All documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, formatting, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by the agency, are public records. (Section 119.011(12), Florida Statutes). Every person who has custody of a public record shall permit the record to be inspected and copied by any person desiring to do so, at any reasonable time, under reasonable conditions, and under supervision by the custodian of the public records. (Section 119.07(1)(a), Florida Statutes). Accordingly, all responses to bids, and the documentation and materials attached to bids or provided to the City in connection with a bid are considered to be available for public inspection and copying unless the public record is confidential and/or exempt.

How to Designate Information as Confidential and/or Exempt

If a bidder believes that its response contains information that is confidential and/or exempt (as defined by Florida or Federal law) and should be withheld from disclosure to the public, in such cases the bidder must:

1. Provide a **redacted** hard copy of its response which will be available for public inspection.
2. Provide an electronic copy of the **redacted** document in a pdf format (CD or flash drive).
3. Provide one (1) original and four (4) **unredacted** copies of the proposal in a separate envelope, with the confidential and/or exempt information highlighted in yellow.
4. On the outside of the envelope containing the **unredacted** document, provide a general description of the information bidder has designated as confidential and/or exempt, and provide a reference to the appropriate Florida or Federal statute supporting the confidential and/or exempt classification.

How the City will Handle Material Identified as Confidential and/or Exempt

The City's evaluators will be provided with the complete proposal, including any confidential and/or exempt information. The City evaluators will maintain the confidentiality of the information through the evaluation process, including any recorded evaluation team meetings.

In the event a public record request is made to view the information which bidder claims is confidential and/or exempt, the City will notify the bidder and give the bidder a reasonable opportunity (generally 2 business days) to institute appropriate legal action to prevent the disclosure of the information claimed as confidential and/or exempt.

All public records submitted to the City, including those claimed as confidential and/or exempt, will be retained by the City and will not be returned to a bidder at the conclusion of the bidding process.

City's Position Regarding Claims of Confidential and/or Exempt Information

The City offers no opinion as to whether a bidder's reference to any Florida or Federal statute is correct and/or accurate. The City does not warrant or guarantee that any information designated by a bidder as confidential and/or exempt from disclosure conforms to the requirements of Florida or Federal law.

Bidder to Defend, Indemnify, and Hold City Harmless in the Event of a Public Records Request

Bidders should be aware that the designation of information as confidential and/or exempt may be challenged in court by any person or entity. By designating information as confidential and/or exempt, the bidder agrees to defend the City, its employees, agents and elected and appointed officials ("Indemnified Parties") against all claims and actions (whether or not a lawsuit is commenced) related to a bidder's designation of information as confidential and/or exempt, and to hold harmless the Indemnified Parties for any award to a

plaintiff for damages, costs and attorneys' fees, and for costs and attorneys' fees (including those of the City Attorney's office) incurred by the City by reason of any claim or action arising out of or related to a bidder's designation of information as confidential and/or exempt.

Waiver of Claim of Confidential and/or Exempt

Failure to comply with the requirements above shall be deemed a waiver by a bidder to claim that the information in its proposal is confidential and/or exempt.

M. QUALIFICATIONS OF PROPOSERS

As a part of the Proposal evaluation process, City may conduct a background investigation of proposer, including a record check by the Gainesville Police Department. Proposer's submission of a Proposal constitutes acknowledgment of the process and consent to such investigation.

No proposal shall be accepted from, nor will any contract be awarded to, any proposer who is in arrears to City upon any debt, fee, tax or contract, or who is a defaulter, as surety or otherwise, upon any obligation to City, or who is otherwise determined to be irresponsible or unreliable by City.

If Proposer is determined to be irresponsible or unreliable, City will notify Proposer of its finding, including evidence used, and allow proposer an informal hearing and the opportunity to come into compliance within three business days of notification.

N. NEGOTIATIONS

The City may award a contract on the basis of initial offers received, without discussions. Therefore, each initial offer should contain the proposer's best terms from a cost or price and technical standpoint.

The City reserves the right to enter into contract negotiations with the highest ranked proposer. If the City and the highest ranked proposer cannot negotiate a successful contract, the City may terminate said negotiations and begin negotiations with the next highest ranked proposer. This process will continue until a contract has been executed or all proposers have been rejected. No proposer shall have any rights against the City arising from such negotiations.

O. RIGHTS OF APPEAL

Participants in this RFP solicitation may protest RFP specifications or award in accordance with Section 41-580 of the City of Gainesville's Financial Services Procedures Manual.

P. RULES; REGULATIONS; LICENSING REQUIREMENT

The proposer shall comply with all laws, ordinances and regulations applicable to the services contemplated herein, including those applicable to conflict of interest and collusion. Proposers are presumed to be familiar with all Federal, State and local laws, ordinances, codes and regulations that may in any way affect the services offered.

Q. REVIEW OF PROPOSALS

Each proposal will be reviewed to determine if the proposal is responsive to the submission requirements outlined in the RFP. A responsive proposal is one which follows the requirements of the RFP, includes all required documentation, is submitted in the format outlined in the RFP, is of timely submission, and has the appropriate signatures as required on each document. Failure to comply with these requirements may deem your proposal non-responsive.

R. LOCAL SMALL AND SERVICE-DISABLED VETERAN BUSINESS PARTICIPATION

It is the policy of the City of Gainesville that all local small and service-disabled veteran businesses as defined in the Local Small Business Procurement Program Policies and Procedures, have the maximum practical opportunity to participate in contracting opportunities provided by the City. In keeping with this policy, each proposer is asked to state whether it will utilize small and service-disabled veteran that are eligible for assistance to perform work on the project(s) being advertised. For firms not yet certified by the City, a small and service-disabled veteran application may be requested and submitted to the Office of Equal Opportunity. Applications can be downloaded from the Office of Equal Opportunity website at <http://www.cityofgainesville.org/OfficeofEqualOpportunity.aspx>. To be considered as a certified small and/or service-disabled veteran, a proposer must have a current certificate at the time of the

solicitation submittal due date. For more information on certified small and service-disabled veteran businesses, please visit the Office of Equal Opportunity's website.

S. LIVING WAGE

- This contract is a covered service. (See Living Wage Decision Tree - Exhibit C attached hereto)
 This contract is **not** a covered service.

The Living Wage ordinance, Ordinance 020663, as amended at Ordinance 030168, and as shown on the City's web page, applies to certain contracts for specific "Covered Services," which the City has determined may include services purchased under this Contract, depending upon the cost/price of the contract awarded. A copy of the ordinance, as amended, will be attached to and made a part of the executed contract. Bidders/Proposers should consider the effect/cost of compliance, if any, with the requirements of the Living Wage Ordinance if the services purchased are "Covered Services", the prime contract amount exceeds the threshold amount, the bidder/proposer meets the definition of Service Contractor/Subcontractor (and is not otherwise excluded from the application of the ordinance) and the ordinance provisions, which are incorporated herein, apply to any Covered Employees.

If applicable, the adjusted Living Wage for this contract will be \$12.0673 per hour (Living Wage with Health Benefits) or \$13.3173 per hour if Health Benefits are not offered.

If applicable, a successful Service Contractor/Subcontractor shall be required to execute the certification, attached as Exhibit B hereto, prior to the City executing the contract. Once executed, such certification will become part of the contract; however, failure to sign such certification will prevent execution of the contract, may result in forfeiture of any applicable bid or proposal bond, and could result in other adverse action.

During the performance of this contract, the Contractor agrees as follows:

- (1) The Contractor shall comply with the provisions of the City of Gainesville's living wage requirements, as applicable. Failure to do so shall be deemed a breach of contract and shall authorize the City to withhold payment of funds until the living wage requirements have been met.
- (2) The Contractor will include the provision of (1) above in each subcontract for Covered Services with a Service Contractor/Subcontractor, as defined herein, so that the provisions of (1) above will be binding upon each such Service Contractor/Subcontractor. The Contractor will take such action with respect to any such subcontract as may be directed by the contract administrator as a means of enforcing such provisions; provided, however, the City shall not be deemed a necessary or indispensable party in any litigation between the contractor and a subcontractor concerning compliance with living wage requirements.

T. LOCAL PREFERENCE

In bidding of, or letting contracts for procurement of, supplies, materials, equipment and services, as described in the purchasing policies, the city commission, or other purchasing authority, may give a preference to local businesses in making such purchase or awarding such contract in an amount not to exceed five percent of the local business' total bid price, and in any event the cost differential should not exceed \$25,000.00. Total bid price shall include not only the base bid price but also all alterations to that base bid price resulting from alternates which were both part of the bid and actually purchased and awarded by the City Commission or other authority. In the case of requests for proposals, letter of interest, best evaluated bids, qualifications or other solicitations and competitive negotiation and selection in which objective factors are used to evaluate the responses. Local Businesses are assigned five (5) percent of the total points of the total evaluation points.

Local business means the vendor has a valid business tax receipt, issued by the City of Gainesville at least six months prior to bid or proposal opening date, to do business in said locality that authorizes the business to provide the goods, services, or construction to be purchased, and a physical business address located within the limits of said locality, in an area zoned for the conduct of such business, from which the vendor operates or performs business on a day-to-day basis. Post office boxes are not verifiable and shall not be used for the purpose of establishing said physical address. In order to be eligible for local preference, in the Bid or RFP evaluation, the vendor must provide a copy of the business tax receipt and Zoning Compliance Permit.

U. RECORDS/AUDIT

Contractor shall maintain records sufficient to document their completion of the scope of services established by this Contract. These records shall be subject at all reasonable time to review, inspect, copy and audit by persons duly authorized by the City. These records shall be kept for a minimum of three (3) years after completion of the Contract. Records which relate to any litigation, appeals or

settlements of claims arising from performance under this Order shall be made available until a final disposition has been made of such litigation, appeals, or claims.

**V. INVESTIGATION OF ALLEGED WRONGDOINGS,
LITIGATION/SETTLEMENTS/FINES/PENALTIES**

The City Commission specifically requests that responders to this document indicate in writing any investigations of wrongdoings, litigation and/or settlements, and fines or penalties (anywhere in the U.S) involving the Contractor and specific Contractors listed as projected to provide services to the City. You may be required to respond to questions on this subject matter.

**W. NON-DISCRIMINATION POLICY AND COMMERCIAL NON-DISCRIMINATION
REQUIREMENT**

As a condition of entering into this agreement, the company represents and warrants that it will comply with Title VI and Title VII of the Civil Rights Act of 1964 and all other federal, state or local laws prohibiting discrimination. The company shall not discriminate on the basis of race, color, religion, gender, national origin, marital status, sexual orientation, age, disability or gender identity, or other unlawful forms of discrimination in the solicitation, selection, hiring, commercial treatment of subcontractors, vendors, suppliers or commercial customers, nor shall the company retaliate against any person for reporting instances of such discrimination.

The City reserves the right to investigate any claims of illegal discrimination by the Contractor and in the event a finding of discrimination is made and upon written notification thereof, the Contractor shall take all necessary steps to cure and rectify such action to the reasonable satisfaction of the City. The company understands and agrees that a violation of this clause shall be considered a material breach of this agreement and may result in termination of this agreement, disqualification of the company from participating in City contracts, or other sanctions. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.”

For more information on this policy and requirement, please visit the Office of Equal Opportunity’s website.

SECTION II – SCOPE OF SERVICES

A. INTENT

It is the intent of the City of Gainesville to obtain proposals from firms interested in serving as investment consultant for the City of Gainesville General Employees' Retirement Plan. Services will cover the evaluation of investment manager performance, review of investment guidelines, asset allocation, and services relating to investment manager searches and other miscellaneous projects.

B. MINIMUM REQUIREMENTS

1. The Proposer must have a minimum of five years' experience providing investment consulting service to public defined benefit pension funds with over \$500 million in assets, and must have a minimum of five years' experience providing investment consulting service to at least one Florida public defined benefit pension fund with over \$100 million in assets.
2. The Proposer's primary consultant for the Plan must have a minimum of ten total years of experience providing investment consulting service to public defined benefit pension funds with over \$500 million in assets.
3. The Proposer's key professionals and/or firm must not have a material conflict of interest with the City of Gainesville or the Fund. Any potential conflicts of interest must be disclosed in the response to the RFP
4. The Proposer must acknowledge that they will be a fiduciary of the Fund as defined in Section 112.656, Florida Statutes
5. In conformance with Section 175.071 and 185.06, Florida Statutes, the Proposer must verify that they qualify as "independent" by, at a minimum: a) providing services on a flat-fee basis; b) confirming that they are not associated in any manner with any broker/dealers or investment managers for the pension fund; c) making calculations in accordance with Global Investment Performance Standards, net of fees.
6. The Proposer must submit form ADV Part II including schedule F, a copy of Florida registration as an investment adviser pursuant to Section 517.12, Florida Statutes, and if an out-of-state business entity, a copy of authorization to do business in Florida pursuant to Section 605.0902 or 607.1503, Florida Statutes.
7. The Proposer shall identify any pending lawsuits, past litigation relevant to subject matter of this RFP, providing a statement of any litigation or pending lawsuits that have been filed against the Company in the last five years.
8. The Proposer must present proof that they can obtain the following insurance coverage: Professional Liability Insurance of at least \$2,000,000; and Errors and Omissions Insurance of at least \$5,000,000.

SECTION III – PROPOSAL FORMAT

Instructions to proposers: Proposals must contain each of the below enumerated documents, each fully completed, signed, and notarized as required. Proposals submitted which do not include the following items may be deemed non-responsive and may not be considered for contract award.

A. FORMAT AND CONTENTS OF PROPOSAL

1. Table of Contents

The table of contents should outline in sequential order the major areas of the proposal, and all pages of the proposal, including the enclosures, must be clearly and consecutively numbered and correspond to the table of contents.

2. Technical Proposals

The technical proposal is a narrative which addresses the scope of work, the proposed approach to the work, the schedule of the work, and any other information called for by the RFP which the proposer deems relevant.

3. Price Proposal

The price proposal is a presentation of the proposer's total offering price including the estimated cost for providing each component of the required goods or services.

Proposers should indicate the dollar amount which will be attributed to each sub-contractor, if any.

If a prescribed format for the price proposal is appended, proposers must use it; otherwise, proposers may use formats of their choice.

4. Qualifications

The response to the minimum qualification requirements contained below is a list of the minimum qualification requirements prescribed for the RFP. Proposers must provide documentation which demonstrates their ability to satisfy all of the minimum qualification requirements. Proposers who do not meet the minimum qualification requirements or who fail to provide supporting documentation will not be considered for award. If a prescribed format, or required documentation for the response to minimum qualification requirements is stated below, proposers must use said format and supply said documentation.

A copy of your Business tax receipt and Zoning Compliance Permit should be submitted with the proposal if a local preference is requested.

B. QUALIFICATIONS/STATEMENT OF QUALIFICATIONS

1. Letter of Understanding

Please provide a brief statement of the proposer's understanding of the Board of Trustees' and City's needs and a discussion of the services provided by your firm to meet those needs.

2. Organization

Please describe the organization and structure of your firm as it relates to investment consulting. Items to include:

- a. When was your firm founded?
- b. Location of national headquarters, and location of any branch offices. If you have a Florida branch office, would there be a Florida representative assigned to our account? What is the number of professional employees at your firm?
- c. Provide an organizational chart of your firm.
- d. How do you customize your services to a particular client?

- e. The average number of accounts per consultant.
- f. Number of years your firm has been providing consulting services to tax exempt plans.
- g. Is your firm S.E.C. registered? If so, please provide a complete copy of your A.D.V. Form Part II or such other form that may disclose similar information.
- h. What percentage of revenues is a result of investment consulting? What other services or products are offered? Does your firm or affiliate manage money for clients?
- i. Is your firm or its parent or affiliates a broker/dealer? Does your firm accept trades for client accounts through this broker/dealer? What are the commission rates per share? Does your firm accept soft dollars as a method of payment for services provided? If so, please provide details.
- j. Describe the history, ownership, and organizational structure of your firm. Has there been a substantial change in ownership or organization during the past three years? If so, please explain. Does your firm anticipate any near-term changes in ownership or organization structure?
- k. If any or part of the work to be performed under this RFP is to be subcontracted, the respondent shall provide a complete description of services to be subcontracted together with a complete description of the qualifications and capabilities of the subcontractor to perform same. As part of the contract, the Board of Trustees reserves the right to approve or disapprove any and all subcontractors and to revoke any approval previously given.
- l. Identify any clients lost and gained over the last two (2) years and circumstances.
- m. Have there been any legal, administrative, or other proceedings against your firm, and/or the representatives who will be assigned to our account? Have there been any notices or actions taken against your firm, and/or representatives that could have ripened into such proceedings? If so, describe in detail.
- n. What is the maximum profession liability and errors and omissions insurance coverage afforded to any of your existing clients?

3. Qualifications and Experience of Key Personnel

List your key personnel who will be assigned to our account including any advanced degrees or educational achievements and/or credentials (MBA, CFA, J.D., etc.) The following should also be included:

- a. Professional history.
- b. Current position and responsibilities.
- c. Time in current position.
- d. List significant new hires and terminations over the last three (3) years.
- e. Client assignments - number, type, length of relationship. Is there a cap on the number of clients our primary consultant will be responsible for?
- f. Please provide a sample of a current manager performance report and a sample of an equity manager search report that the primary consultant who would be assigned to our account has prepared and presented to an existing client.
- g. Briefly describe the staff resources available to support the consulting team.
- h. What percentage of staff turnover has your investment-consulting group experienced in each of the last three years?
- i. What steps does your firm take to ensure continuity with an account?

4. Review of Investment Managers

Please discuss your techniques for reviewing and evaluating investment Managers that will meet the Board's needs.

- a. Describe your manager search database (i.e., the number of managers it contains, the sources of information, the types of information it contains, etc.).
- b. Describe how your firm categorizes investment managers into specific styles.
- c. How do you verify the validity of a manager's performance records?
- d. Do you conduct on-site visits to investment managers that are in your universe? How many on-site visits has your firm conducted in the last year?
- e. Please describe in detail your on-site review process.
- f. Are managers charged fees for inclusion in your database? If so, please describe in detail.
- g. Are your software and manager databases developed in-house or contracted through an outside service?
- h. What do you believe differentiates your manager search services from the competition?

5. Comparative Analysis of Investment Results

Discuss your methods used to evaluate the manager's decisions in constructing the portfolio and how the pension fund is being rewarded for those actions. Discuss with which peer group universes our fund will be compared. Does your analysis include annualized rates of returns for various indices, including pension/tax exempt fund (on both balanced and specific asset class basis)?

6. Strategic Planning Overview

- a. Briefly describe the approach you would use to assist the Board in strategic planning, including the review and possible revision of the investment policy and investment guidelines.
- b. Describe your firm's process for conducting asset/liability studies. Who developed the software you use? How much flexibility is allowed in the model? How do you develop your risk, return, and correlation assumptions for the asset classes?
- c. How often do you recommend reviewing or amending an asset allocation policy? Under what circumstances would you consider changing a client's asset allocation recommendations?
- d. Describe the analytic basis for your recommendations of an investment manager structure. Include a discussion describing your firm's philosophy of core versus specialty portfolios, active versus passive management, and mix of investment styles.
- e. Please describe your firm's capabilities in evaluating alternative investments such as private equity, real estate, hedge funds, and hedge fund of funds. Please include the number of alternative searches conducted in the last 24 months and the type of alternative search.

7. Familiarity with Public Fund Investment Environment

Describe your familiarity and experience with issues facing Florida Public Retirement Systems.

8. Code of Ethics

Explain in detail any potential for conflict of interest that may be created by your firm's representation of the City's pension fund. Include other client relationships that may inhibit services to the Board. Please indicate:

- a. Are there any circumstances under which you or any individual in your firm receive any compensation or benefits from investment managers or any third party? If yes, please describe.
- b. Does your firm have any financial relationship or joint ventures with any organizations, such as an insurance company, brokerage firm, commercial bank, investment banking firm, etc? Please describe in detail the extent of this involvement with regard to both personnel and financial resources.

- c. Do you sell or broker any investment vehicles? If so, please describe in detail.
- d. Do you actively manage the investments of any accounts? If so, please describe in detail.
- e. Does your firm or any individual in your firm accept or pay finders fees from or to investment managers or any third party? If so, please describe in detail.

9. References

- a. Please provide at least five (5) client references.
- b. Please list all Florida Public Plan clients.

10. Compensation/Fees

Please state the annual hard dollar fee, payable quarterly to cover the required services listed in Section VI. The fee proposal must include all expenses such as travel, lodging, meals, and other out-of-pocket expenses. Please list any additional costs that may not be.

SECTION IV – EVALUATION CRITERIA AND PROCEDURES

A. EVALUATION CRITERIA

1.0 SELECTION AND EVALUATION CRITERIA

Proposals will be evaluated in accordance with the procedures described in the City's Professional Services Evaluation Handbook, except that the criteria and points listed below will be used in place of those set forth in the handbook and 1.1 and 1.2 will be combined into one evaluation. Also included may be Presentation/Interview Evaluation, and Other Factors as deemed appropriate. The City shall consider the ability of the firm's professional personnel, willingness to meet time and budget requirements, workload, location, past performance, volume of previous work with the City, and location. The Evaluation process provides a structured means for consideration of all these areas.

Criteria:

- 1) Ability to meet service requirements including experience with and a thorough knowledge of Chapter 112 of the Florida Statutes; quality of services proposed – 25 points
- 2) Completeness of quality of written response to all RFP items – 20 points
- 3) Firm experience, financial performance and results in providing similar services to other public pension funds – 20 points
- 4) Qualifications, experience and commitment of individuals to be assigned to this engagement – 20 points
- 5) References provided by other clients – 10 points
- 6) Maximum Professional Liability and Errors and Omissions Insurance coverage offered – 5 points
- 7) Price – 20% of the total points for 1) – 6)

1.1 Technical Qualifications Evaluation

The Technical Qualifications Evaluation will assess each responding firm's ability based on experience and qualifications of key team members, the firm's capability of meeting time and budget requirements, and the firm's record with regard to this type of work, particularly in the City of Gainesville or in the State of Florida. This stage does not involve review and evaluation of a proposal addressing the project scope of work. Consideration will be given to the firm's current workload, financial stability, and the location where the majority of the technical work will be produced. The City will not be impressed with excessive amounts of boilerplate, excessive numbers of resumes, excessive length of resumes, excessive numbers of photographs, work that distant offices have performed, or work not involving personnel to be assigned to the proposed project.

1.2 Written Proposal Evaluation

The Written Proposal Evaluation will assess the firm's understanding of the project and the proposed approach to be undertaken as addressed in a written proposal. The evaluation process will assess how effectively the requirements of the scope of services have been addressed. The written proposal should identify a project manager and other key members of the project/service team. It should relate the capabilities of the project/service team to the requirements of the scope of services.

1.3 Presentation/Interview Evaluation

The Proposal Presentation/Interview Evaluation is based on an oral presentation that addresses both the technical qualifications of the firm and the approach to the project. Importance is given to the firm's understanding of the project scope of work, the placement of emphasis on various work tasks, and the response to questions. The evaluation process will assess the project manager's capability and understanding of the project and his/her ability to communicate ideas. The role of key members of the project/service team should be established based on the scope of services and the firm's approach to the project/service. The role of any subcontracted firm in the proposal should be clearly identified. Unique experience and exceptional qualifications may be considered with emphasis on understanding of the project/service, particularly "why it is to be done" as well as "what is to be done". The City of Gainesville will not be impressed with excessive boilerplate, excessive participation by "business development" personnel, and the use of "professional" presenters who will not be involved in the project or future presentations.

1.4 Other factors

The Other Factors to be considered, based upon the specific project (but not limited to), are those items, such as SBPP and/or Local Preference. Fee proposals, when requested and deemed appropriate, are also to be considered in the evaluation process, where the request for such fees is in accordance with the City's Procurement Policies and Procedures.

B. SELECTION PROCESS

The contractor(s) will be selected from the qualified vendors submitting responses to this Request for Proposals. The selection process will be as follows:

1. Evaluators consisting of staff will review the written proposals. The evaluation process provides a structured means for consideration of all proposals.
2. Upon review and evaluation, the City may request oral presentations from the top ranked vendors. During the oral presentations, the vendors shall further detail their qualifications, approach to the project and ability to furnish the required services. These presentations shall be made at no cost to the City. Firms selected for further presentations should provide one (1) electronic copy of materials presented in PDF format on a CD.
3. The final ranking of firms will be in accordance with the procedures described in the City's Professional Services Evaluation Handbook. If required, the final ranking of firms will be presented to the Board of Trustees. The Board of Trustees will be requested to approve the recommended ranking and authorize negotiation and execution of the contract in accordance with the criteria outlined in Section N. of this Request for Proposal.

SECTION V – GENERAL PROVISIONS

A. CONTRACT AWARD

The award(s), if any, shall be made to the proposer(s) whose proposal(s) shall be deemed by the City to be in the best interest of the City. The decision of the City of whether to make the award(s) and which proposal is in the best interest of the City shall be final.

The Contract to be entered into with the successful proposer will designate the successful proposer as the City's Contractor and will include, but not be limited to, the following terms and conditions.

B. GENERAL TERMS AND CONDITIONS

Following are the General Terms and Conditions, supplemental to those stated elsewhere in the Request for Proposals, to which the Vendor must comply to be consistent with the requirements for this Request for Proposals. Any deviation from these or any other stated requirements should be listed as exceptions in a separate appendix of the proposal.

1. Public Entity Crimes. Section 287.133 (2)(a), Florida Statutes, contains the following provisions: "A person or affiliate who has been placed on the convicted vendor list following a conviction for public entity crime may not submit a bid on a contract to provide any goods or services to a public entity, may not submit a bid on a contract with a public entity for the construction or repair of a public building or public work, may not submit bids on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity, in excess of the threshold amount provided in Section 287.017, for CATEGORY TWO for a period of 36 months from the date of being placed on the convicted vendor list."
2. Tie Bids. Whenever two or more bids which are equal with respect to price, quality and service are received, preference shall be given in the following order: (1) Bidders submitting the attached Drug-Free Workplace form with their bid/proposal certifying they have a drug free workplace in accordance with Section 287.087, Florida Statutes; (2) Bidders located within the City of Gainesville, if not subject to the Local Preference Ordinance; (3) Bidders located within Alachua County; (4) Bidders located within the State of Florida; (5) coin toss. In the case where Federal funds are being utilized, articles 2,3 and 4 will not apply.
3. Drugfree Workplace. Preference shall be given to submitters providing a certification with their qualifications certifying they have a drug-free workplace whenever two or more bids which are equal with respect to price, quality, and service are received in accordance with Section 287.087, Florida Statutes. The attached form should be filled out and returned with the qualifications in order to qualify for this preference.
4. Indemnification. The Contractor shall agree to indemnify and save harmless the City, its officers, agents, and employees, from and against any and all liability, claims, demands, fines, fees, expenses, penalties, suits, proceedings, actions and costs of action, including attorney's fees for trial and on appeal, of any kind and nature arising or growing out of or in any way connected with the performance of the contract whether by act or omission or negligence of the Contractor, its agents, servants, employees or others, or because of or due to the mere existence of the Contract between the parties.
5. Insurance. Contractor shall provide proof of insurance in an amount as noted below:

Worker's Compensation Insurance providing coverage in compliance with Chapter 440, Florida Statutes.

Public Liability Insurance (other than automobile) consisting of broad form comprehensive general liability insurance including contractual coverage \$1,000,000 per occurrence (combined single limit for bodily injury and property damage).

The City shall be an additional insured on such Public Liability Insurance and the Contractor shall provide copies of endorsements naming the City as additional insured.

Automobile Liability Insurance

Property Damage \$500,000 per occurrence (combined single limit for bodily injury and property damage).

Professional Liability Insurance of at least \$2,000,000; and Errors and Omissions Insurance of at least \$5,000,000.00

The Contractor shall furnish the City a certificate of insurance in a form acceptable to the City for the insurance required. Such certificate or an endorsement provided by the Contractor must state that the City will be given thirty (30) days' written notice (except the City will accept ten (10) days written notice for non-payment) prior to cancellation or material change in coverage.

6. Sovereign Immunity. Nothing in the executed contract shall be interpreted that the City waives its sovereign immunity granted under Section 768.28, Florida Statutes.
7. Term. The term of the contract will commence upon final execution and will continue for five (5) years, subject to funding in subsequent fiscal years. At the end of the contract period, upon satisfactory performance, the City, may at its option, extend the contract for one additional five (5) year period.
8. Termination. The contract will provide termination by either party without cause upon 30 days prior written notice to the other party. In the event of termination, the Contractor will be compensated for services rendered up to and including the day of termination.
9. Applicable Law. The contract and the legal relations between the parties hereto shall be governed and construed in accordance with the laws of the State of Florida. Venue in the courts of Alachua County, Florida.
10. Joint Bidding/Cooperative Purchasing Agreement. All bidders submitting a response to this invitation to bid agree that such response also constitutes a bid to all State Agencies and Political Subdivisions of the State of Florida under the same terms and conditions, for the same prices and the same effective period as this bid, should the bidder deem it in the best interest of its business to do so. This agreement in no way restricts or interferes with any State Agency or Political Subdivision of the State of Florida to rebid any or all items.
11. Subcontractors. All successful contractors specific to construction in the amount of \$300 thousand or more to include material suppliers shall be required to provide information of subcontractors in addition to sub and sub subcontractors prior to final payment under the contract.
12. Florida Public Records Act.
Florida has a very broad public records law and certain records of a contractor may be considered public records. Accordingly, by entering into an agreement with the City, contractor must:
 1. Keep and maintain public records required by the public agency to perform the service.
 2. Upon request from the public agency's custodian of public records, provide the public agency with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
 3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to the public agency.
 4. Upon completion of the contract, transfer, at no cost, to the public agency all public records in possession of the contractor or keep and maintain public records required by the public agency to perform the service. If the contractor transfers all public records to the public agency upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the public agency, upon request from the public agency's custodian of public records, in a format that is compatible with the information technology systems of the public agency.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS _____ 352-334-____, _____@CITYOFGAINESVILLE.ORG, P.O. BOX 490 MAIL STATAION 8, GAINESVILLE, FL 32627.

SECTION VI – TECHNICAL SPECIFICATIONS

A. SCOPE

It is the intent of the City of Gainesville to obtain proposals from firms interested in serving as investment consultant for the City of Gainesville General Employees' Retirement Plan. Services will cover the evaluation of investment manager performance, review of investment guidelines, asset allocation, and services relating to investment manager searches and other miscellaneous projects.

1. Requested Services Relating to the Evaluation of Fund Performance and Investment Manager Performance
 - a. The selected firm will provide monthly flash performance reports and quarterly detailed performance reports.
 - b. The primary consultant shall attend a minimum of six PRC meetings annually, including a minimum of once per quarter, to provide an oral presentation for the purpose of interpreting, explaining, and summarizing all quarterly evaluations and performance reports.
 - c. Reports shall be provided within 45 days of quarter end, provided all necessary information supplied to the Consultant is timely and accurate. The reports provided shall contain information that is typical or standard for such reports provided to the firm's other pension fund evaluation clients. At a minimum, the report should provide the following:
 - i. Summary statistical information on the market value of assets and asset allocation.
 - ii. Total time-weighted return for the composite portfolio, each asset class, and each investment manager for the most recently completed quarter, 12 months, 3 years, and 5 years, 10 years, and since inception.
 - iii. Separate detailed analysis for each investment manager's performance and risk metrics and their corresponding effect on the portfolio as a whole.
 - iv. Comparisons of actual returns with generally recognized indices, and with an appropriate comparable universe of other similarly situated pension fund managers.
 - v. Information presented in both table and graph form.
 - vi. Calculations which allocate the total return between general market forces and management decisions of the fund manager. The analysis should include the effects of asset allocation and security selection.
 - vii. A complete analysis of the risk of both the stock and bond portfolios. A style analysis is also required to ensure no manager style drift is taking place.
 - viii. Evaluation of investment performance relative to the fund's written investment policies and guidelines and all major market indices and benchmarks.
 - ix. An indication of whether the manager is meeting the Board's goals and adhering to adopted investment guidelines and legal requirements.
 - x. All fees and transaction costs.
2. Requested Services Relating to the Establishment of Investment Guidelines, Goals and Asset Allocation
 - a. The selected firm should be prepared to advise City staff and the PRC in the review and updating of the Plan's written Statement of Investment Guidelines and Goals and any requisite Asset Allocation and Liability Analysis. In developing a statement and plan, consideration should be given to:
 - i. The Plan's perpetual nature and ability to assume investment risk.
 - ii. Identification of appropriate asset classes that should be considered for investment.
 - iii. Evaluation of the effect that any alternative asset class mixes may have on expected long term return and risk.

- iv. Evaluation and recommendation concerning the Plan's long-term investment goals.
- v. The selected firm must review the Fund's investment performance and ensure ongoing compliance with the written statement of Investment Guidelines and Goals. The selected firm must communicate any failure to meet policy goals and provide recommendations to maintain such compliance.
- vi. The selected firm is expected to educate PRC members and City staff on investment related matters and products so that informed investment decisions can be made.

3. Requested Services Relating to Investment Manager and Custodian Search

- a. The selected firm will conduct investment manager searches and make manager recommendations as needed. The Consultant is expected to be proactive in the discussions of when manager replacement is required. Services to be provided shall include:
 - i. Analysis leading to identification of appropriate investment managers consistent with the Plan's long-term investment objectives.
 - ii. Clarify and evaluate potential investment managers for the Plan.
 - iii. Assist the City staff and the PRC in evaluating, interviewing, selecting and negotiating fees with investment managers.
 - iv. Review and recommend certain contract providers and reporting requirements.
 - v. Advise the City staff in appropriate procedures for transferring management of assets to new managers.
 - vi. The selected firm shall also render advice and recommendations in the review, search, and selection of custodial banks for pension fund assets if necessary.

DRUG-FREE WORKPLACE FORM

The undersigned vendor in accordance with Florida Statute 287.087 hereby certifies that

_____ does:

(Name of Business)

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

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

Bidder's Signature

Date

DEBARRED AND SUSPENDED BIDDERS: Breach of Contract

1. Scope.

This policy prescribes policies and procedures relating to:

 - (a) the debarment of bidders for cause;
 - (b) the suspension of bidders for cause under prescribed conditions;
and,
 - (c) the rejection of bids, revocation of acceptance and termination of contracts for cause.

It is directly applicable to the advertised and negotiated purchases and contracts, for equipment and services of the City.
2. General.

Debarment and suspension are measures which may be invoked by the City either to exclude or to disqualify bidders and contractors from participation in City contracting or subcontracting. These measures should be used for the purpose of protecting the interests of the City and not for punishment. To assure the City the benefits to be derived from the full and free competition of interested bidders, these measures should not be instituted for any time longer than deemed necessary to protect the interests of the City, and should preclude awards only for the probable duration of the period of non-responsibility.
- 2.1 Definitions.
 - (a) "Debarment" means, in general, an exclusion from City contracting and subcontracting for a reasonable, specified period of time commensurate with the seriousness of the offense, improper conduct or inadequate performance.
 - (b) "Suspension" means a disqualification from City contracting and subcontracting for a temporary period of time because a concern or individual is suspected upon adequate evidence (See Section 6) of engaging in criminal, fraudulent, improper conduct or inadequate performance.
 - (c) A "debarment list" or "debarred bidders list" means a list of names of concerns or individuals against whom any or all of the measures referred to in this policy have been invoked.
 - (d) "Bidders" means, wherever the term is used in this policy, an offerors bidding pursuant to an invitation for bids or a request for proposals.
 - (e) "Affiliates" means business concerns which are affiliates of each other when either directly or indirectly one concern or individual controls or has the power to control another, or when a third party controls or has the power to control both.
 - (f) "Business operations" means commercial or industrial activity engaged in regularly and continuously over a period of time for the purpose of receiving pecuniary benefit or otherwise accomplishing an objective. "Business operations" constitute and are equivalent to "carrying on business", "engaged in business", "doing business".
3. Establishment and Maintenance of a List of Concerns or Individuals Debarred or Suspended.
 - (a) The Procurement Division shall establish and maintain on the basis contained in Sections 6 and 6.1, a consolidated list of concerns and individuals to whom contracts will not be awarded and from whom bids or proposals will not be solicited.
 - (b) The list shall show as a minimum the following information:
 - (1) the names of those concerns or individuals debarred or suspended (in alphabetical order) with appropriate cross-reference where more than one name is involved in a single action;
 - (2) the basis of authority for each action;
 - (3) the extent of restrictions imposed; and,
 - (4) the termination date for each debarred or suspended listing.
 - (c) The list shall be kept current by issuance of notices of additions and deletions.
4. Treatment to be Accorded Firms or Individuals Debarred or Suspended
Firms or individuals listed by the Procurement Division as debarred or suspended shall be treated as follows.
 - (a) Total restrictions. A contract shall not be awarded to a concern or individual that is listed on the basis of a Section 5(a)(1), (2) or (3) felony "conviction", or to any concern, corporation, partnership, or association in which the listed concern or individual has actual control or a material interest; nor shall bids or proposals be solicited therefrom. However, when it is determined essential in the public interest by the City Commission, an exception may be made with respect to a particular procurement action where the individual or concern is effectively the sole source of supply or it is an emergency purchase.
 - (b) Restrictions on subcontracting. If a concern or individual listed on the debarred and suspended bidders list is proposed as a subcontractor, the Procurement Division shall decline to approve subcontracting with that firm or individual in any instance in which consent is required of the City before the subcontract is made, unless it is determined by the City to grant approval City Commission essential to public interest and the individual or concern is effectively the sole source of supply or it is an emergency purchase.
5. Causes and Conditions Applicable to Determination of Debarment.

Subject to the following conditions, the Procurement Division is authorized to debar a firm or individual in the public interest for any of the following causes occurring within ten (10) years of debarment.

 - (a) Causes

- (1) "Conviction" for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract, or subcontract thereunder, or in the performance of such contract or subcontract.
 - (2) "Convictions" of embezzlement, theft, forgery, issuance of worthless checks, bribery, falsification or destruction of records, perjury, or receiving stolen property where the conviction is based upon conduct which arose out of, or was related to, business operations of the bidder.
 - (3) "Conviction" for bid-rigging activities arising out of the submission of bids or proposals.
 - (4) Violation of contract provisions, as set forth below, of a character which is regarded by the City to be so serious as to justify debarment action:
 - (i) willful failure to perform in accordance with the specifications or within the time limit provided in the contract;
 - (ii) a record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts. Failure to perform or unsatisfactory performance caused by acts beyond the control of the firm or individual as a contractor shall not be considered to be a basis for debarment.
 - (5) Debarment by any other governmental agency.
- (b) Conditions.
- (1) Debarment for any of the causes set forth in this section shall be made only upon approval of the Procurement Division.
 - (2) The existence of any of the causes set forth in (a) of this section does not necessarily require that a firm or individual be debarred except as provided in 4(a). In each instance, whether the offense or failure, or inadequacy of performance, be of criminal, fraudulent, or serious nature, the decision to debar shall only be made if supported by a preponderance of the credible evidence available. Likewise, all mitigating factors may be considered in determining the seriousness of the offense, failure, or inadequacy of performance, in deciding whether debarment is warranted. The actual or apparent authority of an involved individual, the present relationship of involved individuals with the bidder, the past performance of the individual or concern, and the relationship of the violation to the services or materials involved shall be considered.
 - (3) The existence of a cause set forth in (a)(1), (2), and (3) of this section shall be established by criminal "conviction" by a court of competent jurisdiction. In the event that an appeal taken from such conviction results in reversal of the "conviction", the debarment shall be removed upon the request of the bidder (unless other causes for debarment exists). For the purposes of this policy, the following shall have the same effect as a "conviction": pleading guilty or nolo contendere, or being found guilty by a jury or court of, the offense in question, regardless of whether probation is imposed and adjudication withheld.
 - (4) The existence of a cause set forth in (a)(4) and (5) of this section shall be established by a preponderance of credible evidence by the Procurement Division.
 - (5) Debarment for the cause set forth in (a)(5) of this section (debarment by another agency) shall be proper if one of the causes for debarment set forth in (a)(1) through (4) of this section was the basis for debarment by the original debarring agency. Such debarment may be based entirely on the record of facts obtained by the original debarring agency, or upon a combination of such facts and additional facts.

5.1 Period of Debarment.

- (a) Debarment of a firm or individual shall be for a reasonable, definitely stated period of time commensurate with the seriousness of the offense or the failure or inadequacy of performance. As a general rule, a period of debarment shall not exceed five (5) years. However, when partial or total debarment for an additional period is deemed necessary, notice of the proposed additional debarment shall be furnished to that concern or individual in accordance with Section 8.
- (b) A debarment may be removed or the period thereof may be reduced by the City Manager upon the submission of an application supported by documentary evidence, setting forth appropriate grounds for the granting of relief; such as newly discovered material evidence, reversal of a conviction, bona fide change of ownership or management, or the elimination of the causes for which the debarment was imposed. The City Manager may request additional information, shall consider all relevant facts, and shall render a decision within twenty (20) days of receipt of the application unless a longer period is warranted under the circumstances.

6. Suspension of Bidders.

- (a) Suspension is a drastic action and, as such, shall not be based upon an unsupported accusation. In assessing whether evidence exists for invoking a suspension, consideration should be given to the amount of credible evidence which is available, to the existence or absence of corroboration as to important allegations, as well as to the inferences which may properly be drawn from the existence or absence of affirmative facts. This assessment should include an examination of basic documents, such as contracts, inspection reports, and correspondence. In making a determination to suspend, the Procurement Division shall consider the factors set forth in Section 5(b)(2). A suspension may be modified by the City Manager as described in Section 5.1(b).

6.1 Causes and Conditions Under Which the City May Suspend Contractors

- (a) The Procurement Division may, in the interest of the City, suspend a firm or individual when the firm or individual is suspected, upon credible evidence, of having committed one or more the following act(s) within three (3) years of the date of suspension:

- (1) Commission of fraud or a criminal offense as an incident to obtaining, attempting to obtain, or in the performance of a public contract;
- (2) Violation of statutes concerning bid-rigging activities out of the submission of bids and proposals; and,
- (3) Commission of embezzlement, theft, forgery, issuance of worthless checks, bribery, falsification, or destruction of records, perjury, receiving stolen property. Commission of any other offense indicating a lack of business integrity or business honesty which seriously and directly affects the question of present responsibility as a City contractor.

6.2 Period of Suspension.

- (a) All suspension shall be for temporary period pending the completion of an investigation and such legal proceedings as may ensue. In the event that prosecution has not been initiated within twelve (12) months from the date of the suspension, the suspension shall be terminated. Upon removal of suspension, consideration may be given to debarment in accordance with Section 5 of this policy.

7. Scope of Debarment or Suspension.

- (a) A debarment or suspension may include all known affiliates of a concern or individual.
- (b) Each decision to include a known affiliate within the scope of a proposed debarment or suspension is to be made on a case-by-case basis, after giving due regard to actual or apparent authority of the controlling concern or individual and similarity of the services provided by the affiliate to those provided by the debarred individual or concern.
- (c) The criminal, fraudulent, or seriously improper conduct of an individual may be imputed to the business concern with which he is connected, where such impropriety was accomplished within the course of his official duty or apparent authority, or was effected by him with the knowledge and approval of that concern. When the individual was an officer of the concern, knowledge and approval may be presumed. Likewise, where a concern is involved in criminal, fraudulent, or seriously improper conduct, any individual who was involved in the commission of the impropriety may be debarred or suspended.

8. Notice of Debarment or Suspension.

When the Procurement Division seeks to debar or suspend a concern or individual (or any affiliate thereof) for cause, it shall furnish that party with a written notice:

- (1) stating that debarment or suspension is being considered;
- (2) setting forth the reasons for the proposed action;
- (3) indicating that such party will be afforded an opportunity for a hearing if requested within ten (10) days; and,
- (4) indicating that such party may make a written response in accordance with Section 9(a).

9. Response to Notice of Debarment or Suspension.

- (a) In lieu of requesting a hearing within the prescribed ten (10) day period, the party may, within said ten (10) day period, notify the City of its intent to provide a written reply and submit written evidence to contest the debarment or suspension. Such written evidence must be submitted within twenty (20) days after receipt of the notice of proposed debarment or suspension in order for it to be considered.
- (b) Whatever response is received to the notice of intent to debar or suspend, such will be considered in determining whether debarment or suspension action will be made. Where a reply is received to the notice of intent to debar or to suspend, and evidence to refute such action is furnished but no hearing is requested, the information furnished will be considered in determining the action to be taken.
- (c) If a hearing is requested, it shall be conducted by the City Manager. The hearing will be held at a location convenient to the City as determined by the City Manager and on a date and at a time stated. An opportunity shall be afforded to the firm or individual to appear with witnesses and counsel, to present facts or circumstances showing cause why such firm or individual should not be debarred or suspended. The proceeding shall be of an informal nature as determined by the City Manager. After consideration of the facts, the City Manager shall notify the firm or individual of the final decision.
- (d) If no response is made to the notice of debarment or suspension within the first ten (10) day period, the decision of the Procurement Division shall be deemed final and the party so notified.

10. Rejection of Bids, Breach of Contract.

- (a) Previously solicited and/or accepted bids may be rejected or acceptance revoked prior to beginning of performance upon discovery by the City that the bidder or its affiliates have committed any act which would have been cause for debarment.
- (b) If after a contract is awarded and performance has been begun the City discovers that the bidder or its affiliates have committed any act prior to award or acceptance which would have been cause for debarment had it been discovered prior to solicitation or acceptance, the City may consider such to be a material breach of the contract and such shall constitute cause for termination of the contract.
- (c) If after bids have been solicited and/or accepted or after a contract is awarded and performance begun, the City discovers that the bidder or its affiliates committed any act prior to award or acceptance which would have been cause for debarment or suspension had it been discovered prior to solicitation or acceptance, the City may require additional satisfactory assurances that such act(s) have not occurred and that the contract can and will be faithfully performed. If additional assurances are requested and are not satisfactory or if the bidder or its affiliates fail to immediately cooperate with all reasonable requests, including requests for information reasonably calculated to lead to the discovery of relevant

evidence, then such may be considered a material breach of the contract and such shall constitute cause for termination of the contract.

ARTICLE X. LOCAL PREFERENCE POLICY*

***Editor's note:** Section 9 of Ord. No. 001261 states: "This ordinance shall become effective October 1, 2004, and shall be reviewed by the City Commission October 1, 2005, and unless extended by action of the City Commission, shall be deemed repealed effective March 31, 2006, provided that it shall remain applicable to new contracts solicited prior to repeal."

Sec. 2-620. Findings of fact.

The city annually spends significant amounts on purchasing personal property, materials, and contractual services and in constructing improvements to real property or to existing structures. The dollars used in making those purchases are derived, in large part, from taxes, fees, and utility revenues derived from local businesses in the corporate city limits of Gainesville, and the city commission has determined that funds generated in the community should, to the extent possible, be placed back into the local economy. Therefore, the city commission has determined that it is in the best interest of the city to give a preference to local businesses in the corporate city limits of Gainesville in making such purchases whenever the application of such a preference is reasonable in light of the dollar-value of proposals received in relation to such expenditures.

(Ord. No. 001261, § 1, 3-29-04)

Sec. 2-621. Definition.

"Local business" means the vendor has a valid occupational license, issued by the City of Gainesville at least six months prior to bid or proposal opening date, to do business in said locality that authorizes the business to provide the goods, services, or construction to be purchased, and a physical business address located within the limits of said locality, in an area zoned for the conduct of such business, from which the vendor operates or performs business on a day-to-day basis. Post office boxes are not verifiable and shall not be used for the purpose of establishing said physical address. In order to be eligible for local preference, the vendor must provide a copy of the occupational license.

(Ord. No. 001261, § 2, 3-29-04)

Sec. 2-622. Local preference in purchasing and contracting.

In bidding of, or letting contracts for procurement of, supplies, materials, equipment and services, as described in the purchasing policies, the city commission, or other purchasing authority, may give a preference to local businesses in making such purchase or awarding such contract in an amount not to exceed five percent of the local business' total bid price, as described below, and in any event the cost differential should not exceed \$25,000.00. Total bid price shall include not only the base bid price but also all alterations to that base bid price resulting from alternates which were both part of the bid and actually purchased or awarded by the city commission or other authority. In the case of requests for proposals, letters of interest, best evaluated bids, qualifications or other solicitations and competitive negotiation and selection in which objective factors are used to evaluate the responses, local businesses are assigned five percent of the total points of the total evaluation points.

(Ord. No. 001261, § 3, 3-29-04)

Sec. 2-623. Exceptions to local preference policy.

The preference set forth in this Article X shall not apply to any of the following purchases or contracts:

- (1) Good or services provided under a cooperative purchasing agreement;
- (2) Contracts for professional services procurement of which is subject to the Consultants' Competitive Negotiation Act (F.S. § 287.055) or subject to any competitive consultant selection policy or procedure adopted or utilized by the city commission or charter officer;
- (3) Purchases or contracts which are funded, in whole or in part, by a governmental entity and the laws, regulations, or policies governing such funding prohibit application of that preference; or
- (4) Purchases made or contracts let under emergency or noncompetitive situations, or for litigation related legal services, etc., as such are described in the city's purchasing policies;
- (5) Purchases with an estimated cost of \$50,000.00 or less;
- (6) Application of local preference to a particular purchase, contract, or category of contracts for which the city commission is the awarding authority may be waived upon written justification and recommendation of the charter officer and approval of the city commission. The preferences established herein in no way prohibit the right of the city

commission or other purchasing authority to compare quality or fitness for use of supplies, materials, equipment and services proposed for purchase and compare qualifications, character, responsibility and fitness of all persons, firms, or corporations submitting bids or proposals. Further, the preferences established herein in no way prohibit the right of the city commission or other purchasing authority from giving any other preference permitted by law in addition to the preference authorized herein.

(Ord. No. 001261, § 4, 3-29-04)

Sec. 2-624. Application, enforcement.

The local preference shall apply to new contracts for supplies, materials, equipment and services first solicited after October 1, 2004. This article shall be implemented in a fashion consistent with otherwise applicable city purchasing policies and procedures.

(Ord. No. 001261, § 5, 3-29-04)

PROPOSAL RESPONSE FORM – SIGNATURE PAGE

(submit this form with your proposal)

TO: City of Gainesville, Florida
200 East University Avenue
Gainesville, Florida 32601

PROJECT: **Investment Consulting Services for General Employees’ Pension Plan**

RFP#: **FPEN-190042-DS**

RFP DUE DATE: **July 8, 2019 @ 3:00 p.m. (local time)**

Proposer’s Legal Name: _____

Proposer’s Alias/DBA: _____

Proposer’s Address: _____

PROPOSER’S REPRESENTATIVE (to be contacted for additional information on this proposal):

Name: _____ Telephone Number: _____

Date: _____ Fax Number: _____

Email Address: _____

ADDENDA

The Proposer hereby acknowledges receipt of Addenda No.’s _____, _____, _____, to these Specifications.

TAXES

The Proposer agrees that any applicable Federal, State and Local sales and use taxes, which are to be paid by City of Gainesville, are included in the stated bid prices. Since often the City of Gainesville is exempt from taxes for equipment, materials and services, it is the responsibility of the Contractor to determine whether sales taxes are applicable. The Contractor is liable for any applicable taxes which are not included in the stated bid prices.

LOCAL PREFERENCE (check one)

Local Preference requested: YES NO

A copy of your Business tax receipt and Zoning Compliance Permit should be submitted with your bid if a local preference is requested.

QUALIFIED LOCAL SMALL AND/OR DISABLED VETERAN BUSINESS STATUS (check one)

Is your business qualified as a Local Small Business in accordance with the City of Gainesville Small Business Procurement Program? (Refer to Definitions) YES NO

Is your business qualified as a Local Service-Disabled Veteran Business in accordance with the City of Gainesville Small and Service-Disabled Veteran Business Procurement Program? (Refer to Definitions) YES NO

SERVICE-DISABLED VETERANS’ BUSINESS (check one)

Is your business certified as a service-disabled veterans’ business? YES NO

LIVING WAGE COMPLIANCE

See Living Wage Decision Tree (Exhibit C hereto)

Check One:

- Living Wage Ordinance does not apply
(check all that apply)
 - Not a covered service
 - Contract does not exceed \$100,000
 - Not a for-profit individual, business entity, corporation, partnership, limited liability company, joint venture, or similar business, who or which employees 50 or more persons, but not including employees of any subsidiaries, affiliates or parent businesses.
 - Located within the City of Gainesville enterprise zone.

- Living Wage Ordinance applies and the completed Certification of Compliance with Living Wage is included with this bid.

NOTE: If Contractor has stated Living Wage Ordinance does not apply and it is later determined Living Wage Ordinance does apply, Contractor will be required to comply with the provision of the City of Gainesville’s living wage requirements, as applicable, without any adjustment to the bid price.

SIGNATURE ACKNOWLEDGES THAT: (check one)

- Proposal is in full compliance with the Specifications.
- Proposal is in full compliance with specifications except as specifically stated and attached hereto.

Signature also acknowledges that Proposer has read the current City of Gainesville Debarment/Suspension/Termination Procedures and agrees that the provisions thereof shall apply to this RFP.

(CORPORATE SEAL)

ATTEST:

PROPOSER:

Signature

Signature

By: _____

By: _____

Title: _____

Title: _____

**CITY OF GAINESVILLE
GENERAL GOVERNMENT
PROCUREMENT DIVISION SURVEY
BID INFORMATION**

RFP #: **FPEN-190042-DS**

DUE DATE: **July 8, 2019 @ 3:00 pm**

SEALED PROPOSAL ON: **Investment Consulting Services for General Employees' Pension Plan**

IF YOU DO NOT BID

Please check the appropriate or explain:

- _____ 1. Not enough bid response time.
- _____ 2. Specifications not clear.
- _____ 3. Do not submit bids to Municipalities.
- _____ 4. Current work load does not permit time to bid.
- _____ 5. Delay in payment from Governmental agencies.
- _____ 6. Do not handle this item.
- _____ 7. Other: _____

Company: _____

Address: _____

Are you a minority business? yes _____ no _____

RFP (09/22/03)
Rev. local pref. 10/1/04;7/25/05;10/05;4/06;10/06;3/07;10/11;05/12;03/16;7/19/17

This form Document No. P04-213 is a legal instrument approved by the City Attorney. Any deviations from its intended use should be authorized by the City Attorney

EXHIBIT A

*City of Gainesville
General Employees' Pension Plan*

Statement of Investment Policy

Approved October 3, 2013

City of Gainesville General Employees' Pension Plan

Statement of Investment Policy

I. Scope

- A. The City of Gainesville General Employees' Pension Plan ("Plan" or "Fund") is a defined benefit pension plan providing retirement benefits to eligible employees of the city of Gainesville, Florida. The City of Gainesville City Commission acts as the Board of Trustees of the Gainesville General Employees' Pension Plan ("Board" or "Trustees"), and is responsible for implementing and ensuring adherence to Plan provisions as well as the investment and administration of the Plan's assets.
- B. It is the intent of the Board in adopting this Policy to state the objectives, goals, guidelines and a philosophy concerning the investment of Plan assets so that the desired investment results shall be achieved. It is the Board's intention that the investment policies be sufficiently specific to be meaningful, but adequately flexible to be practical. However, the policies stated herein are not to be deviated from by any responsible party.

II. Investment Objectives

- A. The primary investment objective of the Plan is to ensure over the long-term life of the Plan, an adequate level of assets are available to fund the benefits guaranteed to City employees and their beneficiaries at the time they are payable. In meeting this objective, the Board seeks to achieve a high level of investment return consistent with a prudent level of risk.
- B. A secondary objective is to earn total rate of return after expenses that equals or exceeds the actuarial investment return assumption. The Trustees, with help from the actuary and investment consultant, will use the Fund's asset allocation as the primary tool to achieve this objective. As this is a long-term projection and investments are subject to short-term volatility, the main investment focus of the Trustees towards the Total Fund and each investment manager will be on performance relative to the appropriate asset class, mix of asset classes, and peer performance over relevant time periods. Each manager is expected to maintain a consistent philosophy and style, perform well versus others utilizing the same style, and add incremental value after costs.

- C. Other general investment objectives for the Fund are stated below:
1. Long-Term Growth of Capital - In the absence of contributions and withdrawals, the asset value of the Fund should grow in the long run and earn rates of return greater than those of its Policy Index while avoiding excessive risk.
 2. Preservation of Purchasing Power - Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation (as measured by annual CPI) in order to preserve purchasing power.
 3. Maintain sufficient funding for unexpected developments, possible future benefit increases and reduction of expected investment returns.

III. Performance Measurement

The Board has established the following investment goals by which to measure performance:

- A. Total Fund: It is expected that the Fund shall achieve an annualized total rate of return, net of fees, over a market cycle (generally 3-5 years) which:
1. Exceeds the Consumer Price Index (CPI) by 5.25% (5.25% real rate of return).
 2. Meets or exceeds the return of an appropriate Policy Index, such index being constructed as follows:
 - 47% Russell 3000 Index
 - 28% MSCI ACWI – ex US
 - 8% Bloomberg Barclays US Aggregate
 - 12% NCREIF Fund ODCE Index
 - 5% Strategy Index*.

* The strategy index for an alternative investment is defined as the most appropriate index, combination of indices, or absolute return target for the investment(s) in question.

Note: The term “annualized total rate of return” used above and throughout this Policy, is defined as total rate of return, including all dividend and interest income and both realized and unrealized capital gains or losses, as measured on a compounded or time-weighted (geometric mean) basis. This does not include investment management fees, but does include transaction costs. For comparison purposes, performance will be reviewed gross of fees; however, for goal/objective evaluation purposes, performance will be reviewed net of fees.

B. Investment Managers:

1. It is expected that each active investment manager shall achieve an annualized total rate of return, net of fees, over a market cycle (generally 3-5 years) which meets or exceeds a broad market benchmark and ranks above median in a manager style peer performance sample. The broad market benchmarks are shown in each investment manager's investment instructions attached as Addenda to this Policy.
2. It is expected that each passive investment manager shall achieve an annualized total rate of return, net of fees, that matches the underlying market benchmark with a minimal amount of tracking error.
3. Within market cycles, the Trustees recognize that various management styles within the broad equity and fixed income markets move in and out of favor. Therefore, short-term examination of each manager's performance shall focus on style adherence, style peer comparisons, and style benchmarks.

IV. Investment and Fiduciary Standards

- A. The Fund shall be managed at all times in accordance with Florida statutes, Gainesville City ordinances and any other applicable law, and in compliance with fiduciary standards set forth in the Employees Retirement Income Security Act of 1974 at 29 U.S.C. Section 1140(a)(1)(A)(C).
- B. Specifically, the Trustees and all other fiduciaries shall: (1) discharge their duties with respect to the Plan solely in the interest of participants and beneficiaries and for the exclusive purpose of providing benefits to participants and beneficiaries, and defraying reasonable expenses of administering the Plan; (2) act with the care, skill, prudence and diligence under circumstances then prevailing that a prudent person 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; (3) diversify Plan investments so as to minimize risk of large losses, unless under the circumstances it is clearly prudent not to do so. In the event of conflict with other provisions of law authorizing investments, the investment and fiduciary standards set forth in this section shall prevail.

V. Authorized Investments

- A. The attached Investment Guidelines (Attachment A) lists investments authorized by the Board. (Investments not listed are prohibited). If at the time of adoption of this policy investments exceed the applicable limit or do not satisfy the applicable investment standard, such excess or noncompliant investment may be continued until it is economically feasible to dispose of such investments, but no additional investment may be made.

VI. Maturity and Liquidity Requirement

- A. The investment portfolio is structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To that end, the Board has attempted to match investment maturities with known cash needs and anticipated cash-flow requirements. It is the intent of the plan to generally be fully invested.

VII. Portfolio Composition

- A. The attached Investment Guidelines (Attachment A) establish guidelines for investments and limitations on security issues, issuers, maturities, etc. Such guidelines are commensurate with the nature and size of assets within the Board's control.

VIII. Risk and Diversification

- A. The Investment Guidelines (Attachment A) provide for appropriate diversification of the portfolio. Investments have been diversified to the extent practicable to control risk of loss resulting from over concentration in a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold. The Board recognizes the difficulty of achieving the Plan's investment objectives in light of uncertainties and complexities of contemporary investment markets. The Board also recognizes that some risk must be assumed to achieve the Plan's long-term investment objectives. In establishing the risk tolerances, the Plan's ability to withstand short-term variability has been considered. However, the Plan's financial condition enables the Board to adopt a long-term investment time horizon. Periodic review of the Investment Guidelines and asset liability studies will be conducted as deemed necessary by the Board to ensure adequate diversification.

IX. Expected Annual Rate of Return

- A. For each actuarial valuation, the Board, with the assistance of the investment consultant, staff and actuary shall determine the total expected annual rate of return for the current year, for the next several years and for the long term thereafter.
- B. Such analysis shall be based upon the consultant's then current capital market assumptions for expected return, standard deviation and correlation between asset classes. Such analysis shall also include the probable range of returns for the various time periods. This expected return determination shall be promptly filed with the Florida Division of Retirement, the City of Gainesville (the Plan's sponsor), and the consulting actuary.

X. Third Party Custodial Agreements

- A. The attached Internal Controls Document (Attachment B) outlines appropriate arrangements for the custody and safekeeping of Plan assets.

XI. Master Repurchase Agreement

- A. All approved institutions and dealers transacting repurchase agreements shall execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to the requirements of the Master Repurchase Agreement.

XII. Bid Requirement

- A. When feasible and appropriate, the Board shall determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or more optimal types of investment and competitively bid the security in question. Except as otherwise required by law, the most economically advantageous bid must be selected.

XIII. Internal Controls

- A. The Board has established Internal Controls (Attachment B) attached to this Policy, which are part of the Board's operating procedures. These Internal Controls shall be reviewed by the Plan's independent certified public accountants as part of any financial audit periodically required of the Plan.

XIV. Continuing Education

- A. All Board Members as well as Staff Members with investment-related responsibility are encouraged and expected to attend continuing education seminars concerning matters related to investments and fiduciary responsibility.

XV. Reporting

- A. The Board shall submit an annual report to the City of Gainesville. The report shall include investments in the portfolio by class or type, income earned and market value. The annual report shall be available to the public.

XVI. Filing of Investment Policy

- A. Upon adoption by the Board, this Investment Policy shall be promptly filed with the Florida Division of Retirement and the actuary. The effective date of this Policy, and any amendment hereto, shall be the 31st calendar day following the filing date with the Florida Division of Retirement.

XVII. Valuation of Illiquid Investments

- A. Unless specifically approved by the Board, illiquid investments or assets for which a generally recognized market value is not available or for which there is no consistent or generally accepted pricing mechanism are prohibited. In addition, for each actuarial valuation, the Board shall verify the fair market value determination for all such assets and ascertain that the determination complies with all state and federal requirements. Finally, the Board shall disclose to the Florida Division of Retirement each such investment for which the fair market value is not provided.

Attachment A

Investment Guidelines

- I. The Trustees recognize that risk (i.e., the uncertainty of future events), volatility (i.e., the variability of asset values), and the possibility of loss in purchasing power (due to inflation) are present to some degree in all types of investment vehicles. While high levels of risk are to be avoided, the assumption of some types of risk is warranted in order to allow the Plan the opportunity to achieve satisfactory long-term results.

- II. Types of Assets: The following lists the investments currently authorized by the Board; investments not so listed are prohibited. All assets selected for the portfolio must have an acceptably attainable market value, and acceptable marketability.
 - A. Domestic Equities:
 1. Common Stocks
 2. Stock Index Futures
 3. Preferred Stocks
 4. Convertible Securities
 5. American Depository Receipts
 6. REITS
 7. Limited Liability Companies (LLCs)
 8. Master Limited Partnerships (MLPs)
 9. Exchange Traded Funds (ETFs)

B. Non-U.S. Equities:

1. Investments in Non-U.S. Equities shall be restricted to Managers specifically hired to invest in Non-U.S. Equities.
2. Common Stocks and Preferred Stocks of foreign issuers domiciled in developed countries and developing countries (emerging markets)
3. Forward foreign currency exchange contracts for hedging purposes
4. American and Global Depository Receipts and similar securities
5. Exchange Traded Funds (ETFs)

C. Domestic Fixed Income:

1. U.S. Treasury and Agency Securities
2. Commercial Paper
3. Certificates of Deposit
4. Corporate Bonds
5. Mortgage Backed Securities
6. Asset Backed Securities
7. Yankees
8. Convertible Securities
9. Money Market or Cash Equivalent Securities

D. Non-U.S. Fixed Income:

1. Sovereign issued debt
2. Corporate bonds and commercial paper

E. Cash Equivalents

1. Certificates of deposit
2. Commercial paper
3. Direct obligations of the U.S. government
4. Repurchase agreements

5. Bankers acceptances
 6. Custodian STIFs
 7. Other appropriate liquid short-term instruments.
- F. Real Estate and Alternative Assets:
1. If the use of real estate or alternative assets such as private equity, venture capital or hedge funds is specifically permitted by the Board, detailed investment guidelines for each investment shall be adopted by the Board for each investment and contained in investment manager Instructions attached as addenda to this Policy.
- G. Pooled or Commingled Funds:
1. The Fund may invest in commingled vehicles such as mutual funds, Exchange Traded Funds, LLCs or common trust funds that are invested in substantially the same manner and same investments as stated above. However, when utilizing such a commingled vehicle, the portfolio will be managed according to such fund's prospectus or trust document. In the event such prospectus or trust document conflicts with this Policy, the prospectus or trust document will control and the areas of conflict will be outlined in detail by the manager for the Board. In such events, the investment consultant shall advise the Board whether such differences are reasonable and whether the Fund's adoption of the conflicting provision is recommended. The investment manager shall immediately notify the Board should investment guidelines in the prospectus or trust document change.

III. Restricted Investments - Categories of investments which are prohibited unless specifically permitted by the Board of Trustees as part of an alternative investment strategy include:

- A. Short sales or margin transactions;
- B. Investments in commodities or commodity contracts;
- C. Direct loans or extension lines of credit to any interested party;
- D. Letter stock;
- E. Unregistered securities and private placements (except those securities regulated by SEC Rule 144A or as specifically permitted by the Board); and
- F. Investments and assets for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism, unless specifically permitted by the Board.

IV. Asset Allocation

- A. Based on its determination of the appropriate risk posture for the Fund, and its long-term return expectations, the Board shall establish an asset allocation based on the latest asset/liability study conducted by the investment consultant.
- B. The Trustees believe that the level of risk assumed in the Fund is a function, in large part, of the Fund's asset allocation. The proportion of assets allocated for equity investments is the most important determinant of volatility for future returns. As indicated by long-term historical data, the risk of equity ownership has been rewarded with a higher rate of return.
- C. The investment portfolio is structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To that end, the Board has attempted to match investment maturities with known cash needs and anticipated cash-flow requirements.
- D. Investments shall be diversified to the extent practicable to control risk of loss resulting from over concentration in a specific maturity, issuer, instrument, manager, dealer or bank through which financial instruments are bought and sold.
- E. Based on their determination of the appropriate risk posture for the Fund, and its long-term return expectations, the Trustees, along with the investment

consultant and actuary, have established the asset-mix guidelines for the Fund as contained in Attachment C.

- F. The asset allocation is a strategic asset allocation. The long term target allocation percentage and permitted range for each asset class shall be based upon the most recent asset-liability study performed by the investment consultant and as adopted by the Board. Both the target allocations and permitted ranges should be adhered to under normal circumstances. However, because the target allocations and permitted ranges are long term in nature, periodically the asset mix may fall outside the target or range. Dollar-cost-averaging, portfolio transition or other cases where the Board determines deviation from the target or range is in the best interest of the Plan are permitted exceptions. This in no way should be considered tactical asset allocation or market timing and is not viewed as such by the Board.
 - G. The Trustees, in conjunction with their investment consultant and actuary, are responsible for broad asset allocation decisions. A manager's cash holdings can disrupt this position. Therefore, each manager's portfolio is to be fully invested (cash level of 10% or less) at all times, although cash can be held briefly when a security is sold prior to deciding which new security should be purchased. Prior to a manager holding more than 10% in cash, written approval must be received from Staff. The only exception to this will be when cash is used as part of a "barbell" strategy of a fixed income manager. This exception is consistent with the Trustees' decision to have managers avoid market-timing decisions stated above.
- V. Rebalancing
- A. Until such time as the Trustees change the broad asset class targets and permitted ranges, a routine rebalancing of the various portfolios back to the target allocation shall be implemented as necessary from time to time by the Plan's Administrator. The first tool used to achieve this rebalancing shall be regular cash flows. After that, manager cash and portfolio liquidation shall be used. When market experience causes any portfolio allocation to move outside its target range, as specified in Attachment C on a quarterly basis, pension staff will take necessary action to rebalance the allocation to within its stated range. Priority of rebalancing shall be asset class before style or individual manager.

VI. Investment Limitations

A. Equity Investments

1. Diversification: The equity portfolio should be well-diversified to avoid undue exposure to any single economic sector, industry group, or individual security.
2. Quality and Marketability: Equity investments should emphasize high quality, income-producing companies with acceptable liquidity given the type of portfolio.
3. Concentration:
 - a. Exposure to any individual issue shall not exceed 5% at cost or 7% of the portfolio at market value.
 - b. Exposure to any economic sector shall not exceed the greater of 30% of the portfolio at market value or two times that of the underlying index, by which the manager is measured, for any given equity portfolio.

B. Fixed Income Investments

1. Quality: Unless expressly permitted by the Board, fixed income securities shall be limited to those with an S & P/ Moody's / Fitch rating of investment grade (BBB/Baa) or better. Investment managers shall be required to divest of any fixed income securities that are downgraded below investment grade. If downgraded below investment grade the manager shall present a plan for an orderly divestment.
2. Concentration by Issuer:
 - a. No limitations are placed on investments in U.S. Government guaranteed obligations (including fully guaranteed Federal agencies).
 - b. Investments in any one issuer (excluding obligations of the U.S. Government either direct or implied) shall not exceed 5% of any fixed income portfolio based on market value.
3. Non U.S. Dollar issues: Must be expressly permitted by the Board.
4. Portfolio Duration: Unless expressly permitted by the Board, the effective duration of any fixed income portfolio shall not exceed 120%

of the effective duration of the broad market benchmark by which the manager is measured.

5. Use of Derivative Securities: The primary characteristics of fixed income securities in the portfolio shall be the stability of principal and income generation. The advent of securities created by Wall Street, which are classified as fixed income, warrant further definition for their use by managers of the Gainesville Employees' Pension Plan. The purpose of these restrictions is to avoid those holdings, which might produce "non-market" risks to the fund. In addition to all other guidelines outlined in this document, the following apply:

- a. No use of leverage in the portfolio;
- b. No use of "linked" securities that have the principal value or interest rate tied to anything not specifically allowed as permissible investments in these guidelines;
- c. Any structured note must maintain a constant spread relationship with its underlying acceptable index; and
- d. Collateralized mortgage obligations cannot be more sensitive to interest-rate changes than the underlying mortgage-backed security.

C. Short-term Investments

1. The money market fund or STIF provided by the Plan's custodian
2. Direct obligations of the U.S. Government with a maturity of one year or less
3. Commercial Paper rated at least A1/P1 by Standard & Poor's/Moody's with a maturity of 270 days or less. Exposure to any single issuer shall not exceed 5% of the market value.
4. Bankers Acceptances issued by the largest 50 banks in the U.S. (measured by total assets).

D. Master Limited Partnerships (MLPs):

1. Diversification: Unless expressly permitted by the Board, MLP portfolios shall be comprised primarily of investments in domestic midstream or energy infrastructure, MLPs publicly traded on U.S. equity exchanges, including domestic energy-related exchange traded funds (ETFs).

2. Both active and passive management approaches are permissible.
3. Primary emphasis is to be placed on relative rates of return over a market cycle (usually 3-5 years). The MLP portfolio is expected to exceed the Alerian MLP Index by 2% net of fees over a market cycle.
4. Unless expressly permitted by the Board, the use of leverage, short selling, and the use of options, futures or swaps is not permitted
5. In the event an Investment Manager owns a firm-wide basis greater than 5% of all the outstanding voting shares of any MLP which the Investment Manager holds in the System's portfolio, the Investment Manager will notify the Board of such level of ownership and continue to keep the Board informed as to the level of ownership as part of its regular quarterly reporting process.

VII. Securities Lending Guidelines

- A. The Fund may engage in the lending of securities subject to the following guidelines:
 1. Collateral on loans is set at 102% of the market value of the security plus accrued interest.
 2. Securities of the System are not released until the custodian bank receives payment for the book entry withdrawal of the loaned security.
 3. Eligible securities may include the lending of all U.S. Treasury and other government guaranteed securities, corporate or municipal securities, and common stock.

VIII. Total Fund Hedging Strategies

1. The Fund may utilize futures to manage equity and interest rate exposure at the Total Fund. Futures may be utilized both directly and through an outside manager, but only to the extent that the aggregate risk of the Fund is not increased beyond that which would be allowed by the Investment Policy without using these instruments.
2. Futures may be used to achieve exposures in a more efficient or timely manner than could otherwise be achieved through allocations to

external managers. Under no circumstances are derivatives to be used for speculative purposes.

3. A portfolio hedging strategy utilizing futures will not be implemented unless approved in advance by the Pension Review Committee.
4. All futures positions will be reported to the Pension Review Committee on a monthly basis.

Attachment B

Internal Controls

I. Responsibilities of the Trustees and Pension Review Committee

A. The primary responsibilities of the Board of Trustees are:

1. As a primary objective, to ensure that sufficient assets are available to provide benefits promised to the Plan's participants and beneficiaries at the time they are payable;
2. As a secondary objective, to achieve an optimum level of return within specified risk tolerances; and
3. To accomplish 1 and 2 above effectively and prudently, in full compliance with all applicable laws and regulations.

B. The specific responsibilities of the Trustees in the investment process include, but are not limited to the following:

1. Complying with Florida statutes, City of Gainesville ordinances and fiduciary standards set forth in ERISA.
2. Determining the Fund's projected financial needs and communicating such to the Plan's actuary, investment consultant, investment managers and other service providers as necessary.
3. Expressing the collective risk tolerance of the Board, primarily through the Fund's asset allocation, and establishing the Fund's asset allocation (defined as determining an appropriate mix of the Fund's assets between asset classes and styles) in a manner to achieve the Fund's goals and objectives without excessive risk.
4. Developing sound and consistent investment policy guidelines, which the investment managers can use in formulating corresponding investment decisions.
5. Establishing realistic investment goals and objectives as well as reasonable investment policies and limitations.
6. Selecting qualified investment managers, actuaries, investment consultants, custodians and other service providers.

7. Maintaining all records dealing with the Plan and its assets and the investment of those assets.
 8. Monitoring and evaluating performance results to assure compliance with policy investment guidelines and that objectives are being met.
 9. Taking appropriate action to replace investment managers or other service providers as the Board determines is necessary or in the best interests of the Fund.
 10. Undertaking such work, studies and education as may be necessary, including attending continuing education seminars concerning matters related to investments and responsibilities of Board members.
- C. The Pension Review Committee (PRC) shall fill an advisory capacity to the Board in regards to investment oversight of the plan.
- D. The Board is authorized to delegate certain responsibilities to qualified service providers to assist in it properly meeting its fiduciary duties and responsibilities outlined above. The Board has appointed investment managers, an investment consultant, custodian(s) and actuary to perform various functions. These service providers shall have the specific duties and responsibilities assigned to them as outlined below.
- E. The attached investment policy objectives, goals and guidelines represent the current consensus of the Trustees' philosophy regarding the investment of the Fund's assets. The Statement of Investment Policy should be reviewed at least annually and possibly revised from time to time to ensure that the Statement continues to reflect the Trustees' attitudes, expectations and objectives.

II. Responsibilities of the Investment Managers

Each investment manager shall adhere to the requirements of this Policy as well as a set of individual investment manager instructions, contained in an addendum to this Policy. Such addenda will contain the manager's performance benchmark by which it is measured, and any necessary exceptions to this Policy that the PRC determines prudent. Each investment manager's responsibilities shall include, but not necessarily limited to the following:

- A. Adherence to Statement of Investment Policy:
1. The investment managers shall respect and observe the specific limitations, guidelines, attitudes, and philosophies expressed herein, or as expressed in any written addenda to this policy.
 2. The investment managers' acceptance of the responsibility to manage assets of the Fund will constitute an acceptance of this Policy,

affirming the belief that they are realistically capable of achieving the Fund's objectives within the guidelines and limitations stated herein.

B. Discretionary Authority:

1. The investment managers will be responsible for making all investment decisions on a fully discretionary basis regarding all assets placed under its control and will be held accountable for achieving the investment objectives indicated herein. Such discretion shall include decisions to buy, hold, and sell securities in amounts and proportions that are reflective of the investment manager's current investment strategy and compatible with the Fund's investment guidelines.
2. The investment managers will construct and manage investment portfolios consistent with the investment philosophy, style and discipline for which they were retained. They will also execute trades and allocate brokerage commissions according to this Policy and any applicable Addenda.

C. Communication:

1. Investment managers will keep the Trustees informed on a timely basis of: major changes in their investment outlook, investment strategy, asset allocation; tactical approaches; all legal, SEC and other proceedings affecting the firm; significant changes in the ownership, organizational structure, financial condition, or professional staffing of the Investment Management firm or investment product utilized; and other matters affecting their investment policies or philosophy.
2. Whenever investment managers believe that any particular guideline should be altered or deleted, it will be the investment manager's responsibility to initiate written communications with the Trustees expressing its views and recommendations.
3. Investment managers will meet with the Board at least annually, review past investment performance and performance attribution, evaluate the current investment outlook, and discuss portfolio structure and any inherent tactics (for example the significant over/under weighting of an economic sector relative to a market benchmark) in the portfolio as well as overall investment strategy with Trustees.

D. Reporting:

1. Each manager shall provide the Board with timely notices of transaction activities as may be required as well as quarterly

performance reports and commission summaries and annual reports on proxy voting.

2. In addition, any information needed to assist the Trustees in conducting their evaluation of the investment manager's performance as it relates to Fund assets will be presented on a timely basis.

E. Proxy Voting:

1. The Trustees, as a part of their duties and responsibilities, shall have the right to vote any and all proxies solicited in connection with securities held by the Fund, but hereby delegate to the investment manager the responsibility to vote any and all proxies. The Trustees and/or the investment manager, as applicable, have the responsibility to vote solely in the interest of the Fund participants and to protect the value of the securities within the Fund. The investment managers shall keep accurate records with respect to their voting of proxies. Investment managers shall forward to the Board on an annual basis a summarization of all proxy voting where votes were cast against management along with the manager's supporting rationale.

F. Compliance with Appropriate State and Federal Law:

1. The investment managers are responsible for strict compliance with the provisions of the Florida statutes and all other applicable state and federal laws, rules and regulations, including ERISA as adopted by this policy, as they pertain to investment manager's duties and responsibilities as a fiduciary.
2. The investment managers shall acknowledge in writing their recognition and acceptance of full responsibility as a fiduciary under applicable federal and state legislation with regard to Fund assets.

G. Investment Transactions:

1. All transactions shall be completed on a best price, best execution basis.
2. Understanding that the investment managers, as fiduciaries, have the responsibility to execute every transaction in the best interests of the Fund and its participants, the Trustees reserve the right to direct brokerage to firms which provide beneficial services directly to the Fund, recognizing that the cost of such services would otherwise have to be paid in hard dollars from the Fund. Commission discounts, therefore, will be competitively negotiated with this cost in mind to arrive at "best price" basis. The emphasis, however, shall be on "best

price, best execution” in all cases, i.e., the highest proceeds to the Fund and the lowest cost, net of all transaction expenses.

3. Also, the trustees may adopt an alternative approach whereby target average annual commission costs are established for the various equity portfolios.

III. Responsibilities of Trustee or Custodian

A. The Fund shall retain one or more trust companies or banks to act as trustee or custodian for the Fund’s assets. The duties and responsibilities of each such trustee/custodian with respect to the Fund’s assets it holds shall include, but not be limited to the following:

1. Safekeeping of Fund assets under trust or custodial arrangement;
2. Except to the extent delegated to the investment managers, perform and exercise such rights, privileges, duties and responsibilities possessed by any owner of bonds, other debt securities or equity securities;
3. Provide the Board and its investment consultant and managers a monthly valuation, transaction listing and accounting of Fund assets.
4. Settle all purchases and sales of securities and other related transactions by investment managers employed by the Fund;
5. Sweep all Fund accounts daily into a cash management account to ensure no Fund assets are left uninvested;
6. Make available and return all securities eligible to participate and loaned through the securities lending agent employed by the Fund;
7. Manage all uninvested cash and cash awaiting disbursement to the Fund’s managers in a liquid, safe, interest-bearing instrument;
8. Provide all other usual and customary custodial or trust services not specifically listed above necessary for the efficient investment, custody and administration of Fund assets; and
9. Ensure that: all securities purchased by and all collateral obtained by the Plan be properly designated as an asset of the Plan; no withdrawal of assets are made without proper Board authorization; securities

transactions between a broker-dealer and custodian are made on a “delivery vs. payment” basis.

IV. Responsibilities of the Investment Consultant

- A. The primary duty of the investment consultant is to work with the Board and PRC, supporting the Board’s management of the investment process. This includes meeting regularly with the Board and PRC to provide information, perspective and evaluation as to the Fund’s goals, objectives, investment structure and investment managers that encompass the development, implementation and monitoring of a properly diversified investment portfolio.
- B. Specific duties of the investment consultant include, but are not limited to, the following:
 - 1. Make recommendations to the Board or PRC of appropriate actions that will, over time, enhance the probability of achieving the Plan’s objectives, such as use of various asset classes, implementation of investment strategy, changes in policy or managers or other service providers.
 - 2. Assist the Board in developing an appropriate asset allocation through the use of regular studies that employ analysis of both the assets and liabilities of the Fund.
 - 3. Provide on a quarterly basis, comprehensive evaluation of the investment results of the total Fund and individual investment managers, in light of the investment guidelines and performance standards contained in this policy, and any addenda.
 - 4. Notify the Board of changes in the personnel, ownership, investment process or style of the managers serving the Fund, as the changes become know, and present a course of corrective action when necessary.
 - 5. Provide ad hoc investment research and other support as necessary to support the Board’s educational and informational needs.
 - 6. Assist the Board in screening and selecting investment managers or other service providers.

V. Responsibilities of the Actuary

- A. The Board’s designated actuary shall have the following responsibilities:
 - 1. Prepare an annual valuation of all the Fund’s assets and liabilities. Such valuation shall be provided to the Board to determine the

financial condition of the Fund and determine the necessary annual contribution.

2. Recommend to the Board adoption of certain assumptions including those concerning contribution rates, discount rates, death, disability, withdrawal, retirement and investment return.
3. Conduct, as requested by the Board, a study of the actual assumptions adopted by the Board and the actual Fund experience to determine the appropriateness of such assumptions.
4. Assist the investment consultant in the preparation of all asset-liability studies, specifically the analysis of the Fund's liabilities and Plan provisions.
5. Provide guidance and perspective regarding actuarial studies, valuations and all things of an actuarial nature as may be required by the Board.

VI. Investment Performance Review and Evaluation

- A. Performance results for the investment managers shall be measured on at least a quarterly basis.
- B. Total Fund performance will be measured on at least a quarterly basis. Performance benchmarks shall include those stated in the Investment Goals section above as well as comparisons to other public pension funds with similar market value and asset allocation.
- C. The investment performance of the investment managers' portfolios will be measured as previously stated in this policy and any applicable manager addendums to this policy.
- D. Investment performance will be compared using a statistically valid universe provided by the investment consultant as authorized by the Trustees.
- E. Consideration shall be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this Statement.
- F. While the Trustees intend to fairly evaluate the portfolio performance, they reserve the right to change investment managers without liability except payment of current charges for any reason, which in the exercise of the

Trustees' discretion is deemed sufficient including but not limited to those stated below:

1. Change of Trustees' investment philosophy;
2. Unacceptable justification for poor results;
3. Failure to meet stated performance goals;
4. Failure to meet Trustees' communication and reporting requirements;
5. Deviation from the stated investment philosophy or style of the investment management firm; or
6. Change of decision-making personnel or ownership of the investment management firm;
7. Violations of investment policies.

VII. Communications

A. Investment managers' Communications with the Fund:

1. Provide portfolio valuation and transaction listings on at least a quarterly basis.
2. Meet at least annually with the Trustees, or as requested by them.
3. Communicate as necessary regarding all other issues.

B. Trustee Communication with Investment Managers:

1. On a timely basis, the Trustees will provide the investment managers with changes to the Statement of Investment Policy.
2. Meet regularly with the investment managers to:
 - a. Review and discuss any modifications and changes to the Fund's investment objectives, goals and guidelines;
 - b. Identify any significant anticipated changes in the Fund's cash flow or plan circumstances; and
 - c. Any other matters which may bear upon the Fund's assets.

C. Miscellaneous Provisions

1. Upon adoption by the Board, this Investment Policy shall be promptly filed with the Florida Division of Retirement and the Boards Actuary.

Attachment C

Asset Allocations

Asset Class	Long-Term Target Allocation (Based on Market Value)		Permitted Range (Based on Market Value)
Domestic Equity	47%		35% - 60%
Large Cap Equity	30%		15% - 40%
Large Cap Value	15%		5% - 25%
Large Cap Growth	15%		5% - 25%
Non-Large Cap Equity	17%		10% - 25%
Non-Large Cap Value	8%		2% - 15%
Non-Large Cap Growth	9%		2% - 15%
International Developed Equity	23%		15% - 40%
International Value	14%		5% - 20%
International Growth	9%		5% - 20%
International Emerging Equity	5%		0% - 10%
Total Equity	75%		60% - 80%
Real Estate	12%		0% - 15%
Master Limited Partnerships	5%		0% - 10%
Global Fixed Income	8%		0% - 20%
Asset Class	Target*	Range*	Benchmark Index
Domestic Large Value Equity	15%	5% - 25%	Russell 1000V
Domestic Large Growth Equity	15%	5% - 25%	Russell 1000G
Domestic Non-Large Cap Value	8%	2% - 15%	Russell 2000V
Domestic Non-Large Cap Growth	9%	2% - 15%	Russell Mid Cap Growth
Total Domestic Equity	47%	35% - 60%	Russell 3000
International Developed Value Equity	14%	5% - 20%	MSCI EAFE Value
International Developed Growth Equity	9%	5% - 20%	MSCI EAFE Growth

Total Developed International Equity	23%	15% - 40%	MSCI EAFE
Emerging Market Equity	5%	0% - 10%	MSCI Emerging Markets Equity
Total International Equity	28%	15% - 45%	MSCI ACWI x US
Total Equity	75%	60% - 80%	
Domestic Fixed Income	8%	0% - 20%	B. Barclays Aggregate Bond
Total Fixed Income	8%	0% - 20%	B. Barclays Aggregate Bond
Real Estate ¹	12%	0% - 15%	NCREIF ODCE Eq. Wt.
Alternative Investments ¹	5%	0% - 10%	Strategy Index ²
Total Real Estate & Alternatives	17%	0% - 25%	
Cash & Equivalents*	0%	0% - 10%	90 Day U.S. T-Bill

1. Absent of a full allocation to these segments, the “real estate” benchmark will default to “domestic fixed income” and the “alternative investments” benchmark will default to “domestic equity” with the corresponding +/-5% allowable range around the adjusted targets for both asset groups.

2. The “strategy index” for alternative investments is defined as the most appropriate index, combination of indices, or absolute return target for the investment(s) in question.

*Targets and ranges above are based on market value of total Plan assets.