

City and County of San Francisco

Request for Proposals for

Investment Advisory Services



RFP #FY20-Investment Advisor

Date issued:
Proposal due:

December 31st, 2019
February 28th, 2019 (5pm)

Request for Proposals for **Investment Advisory Services**

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Appendices:

- A. Standard Forms: Listing and Internet addresses of Forms related to Taxpayer Identification Number and Certification, to Business Tax Declaration, and to Chapters 12B and 12C, and 14B of the S.F. Administrative Code.

- B. Agreement for Professional Services (form P-600) separate document

- C. Model Portfolio for Investment Management separate document

Request for Proposals for Investment Advisory Services

I. Introduction and Schedule

General Terms Used in the RFP

The “Proposer” refers to any entity submitting a proposal to this Request for Proposals (“RFP”). The “Contractor” refers to the Proposer awarded a contract for services under this RFP. Other abbreviations used throughout this RFP include:

- “City” – the City and County of San Francisco
- “Treasurer-Tax Collector” – the Office of the Treasurer and Tax Collector
- “Pooled Fund” – the commingled funds managed by the Treasurer-Tax Collector

A. General

San Francisco is the fourth largest city in California and serves as a center for business, commerce and culture for the West Coast. The City and County of San Francisco (“the City”), established by Charter in 1850, is a legal subdivision of the State of California with the governmental powers of both a city and a county under California law. The City’s powers are exercised through a Board of Supervisors serving as the legislative authority, and a Mayor and other independent elected officials serving as the executive authority.

The Office of the Treasurer & Tax Collector (“Treasurer-Tax Collector”) serves as banker, tax collector, collection agent, and investment officer for the City and County of San Francisco. The Treasurer-Tax Collector manages all city funds according to the objectives of safety, liquidity, and generation of a market rate of return without undue compromise to the first two objectives.

The Treasurer-Tax Collector seeks Proposers with demonstrated experience as an independent investment advisor for public agencies, registered with the Securities and Exchange Commission (SEC) or the State of California, and not a broker/dealer.

The contract shall have an original term of 5 years. In addition, the City shall have 1 option to extend the term for a period of 5 years each, which the City may exercise in its sole, absolute discretion.

B. Schedule

The anticipated schedule for selecting a consultant is:

<u>Proposal Phase</u>	<u>Date</u>
RFP is issued by the City	12/31/2019
Deadline for submission of written questions or requests for clarification	1/24/2020 (12 pm)
Answers posted online	1/31/2020 (5 pm)
Proposals due	2/28/2020 (5 pm)
Oral interview with firms selected for further consideration	3/9/2020-3/13/2020
Contract award intent notification	4/15/2020
Contract begins	6/1/2020

C. Contractors Unable to do Business with the City

1. Generally

Contractors that do not comply with laws set forth in San Francisco’s Municipal Codes may be unable to enter into a contract with the City. Some of the laws are included in this RFP, or in the sample terms and conditions attached.

2. Companies Headquartered in Certain States

This Contract is subject to the requirements of Administrative Code Chapter 12X, which prohibits the City from entering into contracts with companies headquartered in states with laws that perpetuate discrimination against LGBT populations where any or all of the work on the contract will be performed in any of those states. Proposers are hereby advised that Proposers which have their United States headquarters in a state on the Covered State List, as that term is defined in Administrative Code Section 12X.3, or where any or all of the work on the contract will be performed in a state on the Covered State List may not enter into contracts with the City. A list of states on the Covered State List is available at the website of the City Administrator here:

<https://sfgsa.org/chapter-12x-state-ban-list>.

II. Statement of Need and Intent

The Treasurer-Tax Collector has statutory responsibility for the collection, deposit and investment of all funds held in the Pooled Fund. The Investment staff manages a short-term, fixed income portfolio (the “Pooled Fund”) that has grown from \$6.8 billion in 2014 to \$12.0 billion in 2019 and is expected to remain near this level through fiscal year 2019-2020. Concomitant with this substantial increase in assets under management, investment management has become increasingly challenging as a result of historical low interest rates, decreasing issuance from federal agencies, decreasing creditworthiness of many financial institutions, and an onslaught of new regulation.

The Treasurer-Tax Collector is requesting proposals to provide investment advisory services to the City. Proposers should provide technical and strategic advice that will supplement the Investment staff's duties to manage the Pooled Fund. This is not a solicitation for the management of any of the City's funds. Specifically, the advice shall pertain to the areas of:

- portfolio optimization techniques,
- regulatory changes,
- global and macroeconomic events,
- benchmarking / performance measurement,
- cash flow forecasting, and
- compliance

In addition, the selected Contractor must be able to provide daily and monthly accounting and compliance reports, which include analyses of projected income from maturities and callable securities for a prolonged time period.

In evaluating proposals, the Treasurer-Tax Collector will consider breadth, depth, and quality of the responses, the quality and usefulness of sample reports, Proposer experience, including client references, and pricing.

A. Roles of City Departments in this RFP

The Treasurer-Tax Collector serves as banker, tax collector, collection agent, and investment officer for the City. The Treasurer-Tax Collector manages city funds according to the objectives of safety, liquidity, and generation of a market rate of return without undue compromise to the first two objectives.

The Investment Department of the Treasurer-Tax Collector consists of the Chief Investment Officer, Asst. Portfolio Manager, Credit Analyst and an Investment Analyst, with the Treasurer and Chief Assistant Treasurer providing oversight. Additional administrative and investment staff is expected in the coming fiscal years. The staff is responsible for all aspects of managing the \$12.0 billion portfolio, including portfolio strategy, economic and financial analysis, credit evaluation, trading, settlement, reconciliation, investment accounting, investment reporting, cash flow forecasting, and is additionally involved in certain aspects of banking operations, bond issuance, audits, and

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investment advisory services for other City departments. All investments are made by Investment staff.

It is the policy of the Treasurer-Tax Collector to invest public funds in a manner which will preserve capital, meet the daily cash flow demands of the City, and provide a market rate of return while conforming to all state and local statutes governing the investment of public funds.

The primary objectives, in priority order, of the Treasurer's Office's investment activities are:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the Treasurer's Office shall be undertaken in a manner that seeks to ensure the preservation of capital. To attain this objective, the Treasurer's Office will diversify its investments;
2. **Liquidity:** The Treasurer's Office investment portfolio will remain sufficiently liquid to enable the Treasurer's Office to meet cash flow needs which might be reasonably anticipated; and
3. **Return on Investments:** The portfolio shall be designed with the objective of generating a market rate of return without undue compromise of the first two objectives.

The Pooled Fund is actively managed in accordance with the California Government Code, the Treasurer's Statement of Investment Policy, and internal investment guidelines. The Investment Policy is reviewed annually by the City's Treasury Oversight Committee. The Treasurer's Office uses the following investment strategies in managing the Pool:

- Relative value analysis;
- Immunization;
- Bond swaps; and
- Duration management

The \$12.0 billion portfolio consists primarily of U.S. Treasury and federal agency (government sponsored enterprise) securities, but also, may at times, have exposure to municipal government obligations, commercial paper, certificates of deposit (including FDIC-insured, collateralized, negotiable domestic, and negotiable Yankee), bankers acceptances, corporate notes, Supranationals and money market funds,. Investments are subject to California Government Code section 56301 et. al. and the Investment Policy, attached as Appendix A.

In addition, the Treasurer-Tax Collector recognizes the contribution of entities that support community well-being through safe and environmentally sound practices and fair

labor practices; and entities that promote community economic development. Investment in such entities is encouraged.

The Treasurer's eligible broker/dealer list contains roughly twenty-five firms, and five direct issuer relationships. The Investment staff employs a rigorous credit approval and monitoring process when considering or investing in potential repo counterparties, commercial paper, corporate notes and negotiable certificates of deposit. Investment staff uses a short pre-approved issuer list of commercial paper issuers and banks for holders of negotiable certificates of deposit.

Portfolio information for the Pooled Fund is available on the Treasurer's website at <http://www.sftreasurer.org/> under "Reports and Plans" in the "About" tab.

III. Scope of Work

This scope of work is a general guide to the work the City expects to be performed and is not a complete listing of all services that may be required or desired.

To minimize duplication of effort and to allow the City to coordinate data requests and data available for the services requested within this RFP, as well as for previous and future projects, the selected Contractor's findings and data may be shared by the City with other City Contractors, at the general public's request.

A. Contractor Tasks

The selected Contractor will assist and supplement the Investment staff by providing technical and strategic advice to staff in managing the Pooled Fund. The selected Contractor will provide advice only and will not manage funds. The Contractor will perform the following tasks in the functional areas:

Investment Policy Development

- Assist in the review of and make recommendations for the City's Investment Policy as needed.
- Prepare an annual report of legislative changes that could directly impact the management of the Pooled Fund, due in September of each contract year. This report shall include all updates to relevant sections of State code that will be effective in January of the following year, as well as a summary of the potential impacts of proposed Federal legislative initiatives and relevant legislation in other local jurisdictions outside California, including a probability analysis on the likelihood of adoption.

Market Analysis

- Prepare a biweekly report containing strategic investment advice to staff to include a market commentary, review of macroeconomic trends, regulatory developments on a Federal, State and local level, review of spreads for various sectors and maturities, and specific strategic and tactical advice and supporting analysis regarding management of the Pooled Fund.

Compliance and Reporting

- By 6:00 am (Pacific Time), provide two daily spreadsheet reports via e-mail to the Investment staff to document compliance and aid in daily investment activities.
 - Investment report must include the following:
 - Callable security report indicating the probability of call feature being exercised, by security and maturity date.
 - Comparative graphs depicting the results of the Contractor's callable probability analysis, which show the current expected maturity structures (withcalls exercised) vs. current actual maturity structures (to maturity).
 - Graph showing the current maturity structure with unsettled securities.
 - Detailed portfolio holdings report by maturity date.
 - Summary statistics page depicting Pooled fund AUM (current and with unsettled trades), duration to call and maturity, effective duration, current and prior (expected and actual) WAM, callable exposure, percentage of maturities under 6- and 12-months, floater exposure, credit and sector exposure tables.
 - Compliance report: Table and chart by sector, issuer, and maturity, to be calculated on market and book value.
- Prepare quarterly total return analysis based on custom benchmark.

Communications

- Be available to attend meetings of the Treasury Oversight Committee (no more than four times per year).
- Be available to answer questions of City staff on an as-needed basis.
- Advise the Investment staff in the management of broker and bank relationships.
- Advise the Investment staff in credit analysis regarding security issuers, as needed.

The above list is not meant to constitute an exhaustive list of duties. The contract negotiated with the firm selected may include other services, as needed. Proposers are invited to describe other services or functions they would recommend for the Treasurer's Office. Selected Proposer will work closely with the Investment staff to determine the need for, and scope of additional services, should it arise. The selected Proposer will also maintain the service level agreement as established when contracted.

IV. Submission Requirements

A. Time and Place for Submission of Proposals

Proposals and all related materials must be received by 5 pm PT on Friday, February 28, 2020. Proposals may be delivered to the Reception Desk at City Hall, Room 140 or to:

*Robert L. Shaw
Office of the Treasurer and Tax Collector
City Hall, Room 140
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102*

Important Notations Regarding Submissions:

Postmarks will not be considered in judging the timeliness of submissions.

Proposals submitted by e-mail or fax will not be accepted.

Late submissions will not be considered, including those submitted late due to postal or delivery service failure.

Proposers hand-delivering proposals to City Hall may be required to open and make packages accessible for examination by security staff.

1. Proposal Package

The following items must be included in your proposal and packaged in a box or envelope clearly marked **Investment Advisory Services RFP**.

Complete, but concise, proposals are recommended for ease of review by the Evaluation Team. Proposals should provide a straightforward, concise description of the Proposer's capabilities to satisfy the requirements of the RFP. Marketing and sales type information should be excluded. All parts, pages, figures, and tables should be numbered and clearly labeled.

- A. **One (1) original printed proposal (with original signatures) labeled as "Original."**
The pages should be bound by a method in which the sheets may be easily separated (e.g. 3-hole binder, binder clip, comb binding, velo binding, etc).
- B. **One (1) digital proposal (CD-ROM or USB memory stick) containing entire contents of proposal, including all RFP Attachments.** The media device and electronic files on the media device must be labeled with the Proposer's name. All files should be submitted in unprotected PDF, Word, Excel, or JPEG format. Electronic files should include signatures, where applicable.
- C. **Three (3) printed copies of proposal labeled as "Copy".** The pages may be bound by a method of the Proposer's choosing. Proposers are advised to review RFP requirements before beginning work on the proposal to ensure they can meet the City's requirements.

2. Content

Firms interested in responding to this RFP must submit the following information, in the order specified below. Additionally, a model portfolio is provided in Appendix C.

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All demonstrations/graphics/statistics should be based on this portfolio. The questions listed within in each section, below, are minimum inclusion requirements. Please include all (and only) relevant information. There is a maximum of 20 pages of text. The page limit excludes report samples of the Proposer's abilities.

A. Executive Summary (<1 page)

Summarize the firm, its structure and history, and the services being offered. Provide a brief summary of each team member's qualifications, including an organizational chart. Specify who will be the day-to-day contact for Treasurer-Tax Collector staff, if contracted.

B. Services and Timeline (<2 pages)

Describe the firm's level of expertise and identify each staff member's specific contribution in providing the services and products described in Section III A. Contractor Tasks. Explain any limitations or hindrances to delivering the tasks in a timely manner as outlined.

C. Detailed Reports (<10 pages per report + 1-2 pages explanation)

Develop the following sample reports using the model portfolio in Appendix C, as explained in greater detail in the various sections:

- Annual regulatory update (Investment Policy Development section)
- Biweekly commentary (Market Analysis section)
- Daily Investment Report (Compliance and Reporting)
- Daily Compliance Report (Compliance and Reporting)

D. References (<1 page)

Please provide five (5) references (name and contact information) of current clients receiving similar services for at least two years. At least three (3) of the references should be Treasury departments of a California local governmental agency.

E. Financial Status

Proposer must provide the Company's Annual Report for the last two years. Vendor must also include independently audited financial statements for the most recent completed fiscal year. If audited financial statements are not available, please provide un-audited financial statements along with a certification from the owners and the Firm's accountant that the information accurately reflects the company's current financial status. If the business is a sole proprietorship, please provide Schedule C of the Internal Revenue Service forms as well as a certification from the owner and the accountant that the information accurately reflects the business' current financial status.

F. Price (must use template below)

The duration of the contract is expected to be 5 years, with options for an additional 5 years. To be able to make pricing comparable, the template below must be used. A single number should be under each year. This number should represent the annual fee, 1/12th of which will be paid monthly. Please include a list of products/services that will be included.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u> <u>(optional)</u>	<u>Year 5</u> <u>(optional)</u>
Payment (\$)	\$	\$	\$	\$	\$

3. Certification of Headquarters in Accordance with Administrative Code Chapter 12X.

Proposals **must** contain the following statement:

“I certify that my company is headquartered at the following address _____
_____. I will notify the City if my company's headquarters moves.”

V. Evaluation and Selection Criteria

This section describes the guidelines used for analyzing and evaluating the proposals. It is the Treasurer-Tax Collector's intent to select Proposer(s) for contract negotiations that will provide the best overall service package inclusive of fee considerations. Proposers selected for contract negotiations are not guaranteed a contract. This RFP does not in any way limit the Treasurer-Tax Collector's right to solicit contracts for similar or identical services if, in the Treasurer-Tax Collector's sole and absolute discretion, it determines the proposals are inadequate to satisfy its needs.

Evaluation Team

City representatives will serve as the Evaluation Team responsible for evaluating Proposers. Specifically, the team will be responsible for the evaluation and rating of the proposals, for conducting reference checks, and for interviews, if desired by the Treasurer-Tax Collector.

A. Minimum Qualifications

Any proposal that does not demonstrate that the Proposer meets the minimum qualifications by the proposal deadline may be considered non-responsive and may not be evaluated or eligible for award of any subsequent contract(s).

The minimum qualifications of the Proposer/product are as follows:

- The Proposer must have been in the business of developing, marketing, and distributing investment advisory services for at least five years;
- The Proposer must have demonstrated experience as an independent investment advisor for public agencies for the past five years;
- The Proposer must be registered with the Securities and Exchange Commission (SEC) or the State of California;
- **The Proposer may not be a broker/dealer;** and
- The Proposer must have either an advisory, discretionary or non-discretionary relationship to accounts totaling at least \$10 billion of fixed income securities.

Proposals should clearly demonstrate that the qualifications are met. Insufficient or incomplete information may result in a proposal being considered non-responsive and may not be eligible for award of the contract. If required information is complete, but the department determines that the proposer does not meet minimum qualifications, proposer may be deemed non-responsive.

B. Proposal Evaluation Criteria (100 points)

Proposals will be evaluated in accordance with the information provided by the Proposer utilizing the criteria below.

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- Executive Summary (15 points);
- Services and Timeline (30 points);
- Detailed Reports (45 points); and
- References and Price (10 points).

C. Contractor Selection Processes

Selection Interviews

Following the Proposal Evaluation process, up to three of the highest scoring Proposers may be invited to interviews with the Evaluation Team. Interviews, if pursued by the Treasurer-Tax Collector, will consist of standard questions asked of all selected Proposers, and specific questions regarding individual proposals. If interviews are conducted, they will be worth 100 points based on a set of criteria established following review of written proposals. The 100 Points possible awarded for interviews will be separate from the 100 points awarded during the Proposal Evaluation process. The lead staff members that will be assigned to the project should be present for the interview.

The Treasurer-Tax Collector has sole and absolute discretion over whether interviews will be conducted or not to select Proposers for contract negotiations.

Reference Checks

Reference checks may be used to confirm the applicability of Proposer experience to the services the Treasurer-Tax Collector is requesting and the quality of services and staffing provided to prior clients, as well as adherence to schedules/budgets and Proposer's problem-solving, project management and communication abilities, as well as performance on deliverables and outcomes. Proposers are required to sign a release to facilitate reference checks.

Other Terms and Conditions

The selection of any Proposer for contract negotiations shall not imply acceptance by the Treasurer-Tax Collector or the City of all terms of the proposal, which may be subject to further negotiation and approvals before the Treasurer-Tax Collector or the City may be legally bound thereby.

The Treasurer-Tax Collector will select the most qualified and responsive Proposer with whom the Treasurer-Tax Collector staff will commence contract negotiations. If a satisfactory contract cannot be negotiated in a reasonable time with the selected Proposer, then the Treasurer-Tax Collector, in its sole discretion, may terminate negotiations and begin contract negotiations with the next highest scoring Proposers it deems qualified. The Treasurer-Tax Collector, in its sole discretion, has the right to approve or disapprove any staff person assigned to its projects before and throughout the contract term. The Treasurer-Tax Collector reserves the right at any time to approve, disapprove, or modify proposed project plans, timelines and deliverables, provided that all modifications are within the scope of services sought by this RFP.

VI. Pre-proposal Conference and Contract award

A. Pre-Proposal Conference

In lieu of a pre-proposal conference and to ensure fair and equal access to information about this RFP, e-mail your questions to bob.shaw@sfgov.org.

Questions must be in writing and received before 12 pm on 1/24/2020. No questions will be accepted after this time with the exception of City vendor compliance or Human Rights Commission questions.

A summary of the questions and answers pertaining to this RFP will be posted on the Treasurer-Tax Collector website at <http://www.sftreasurer.org> in the “About” section under “Request for Proposal” and on the City Partner Website at

<https://sfcitypartner.sfgov.org/pages/Events-BS3/event-search.aspx>
under the “View Opportunities” section.

Question and Answer Period

Proposers shall submit all questions concerning this Request for Proposal in writing by email only during the Question and Answer Period, ending 1/24/2020, no later than 12 pm PST and directed to: bob.shaw@sfgov.org. Questions and Answers will be posted publicly no later than 1/31/2020 (5 pm).

Please reference RFP No. FY20-Investment Advisor.

It is the responsibility of the Proposer to check for any RFP Addendums, Q&A postings, and other updates which will be posted on the City’s Bid and Contracts website and the Office of the Treasurer and Tax Collector’s website:

<https://sfcitypartner.sfgov.org/pages/index.aspx>

<http://www.sftreasurer.org/about-us/request-proposals>

B. Contract Award

The Office of the Treasurer and Tax Collector will select a proposer with whom the Office of the Treasurer and Tax Collector staff shall commence contract negotiations. The selection of any proposal shall not imply acceptance by the City of all terms of the proposal, which may be subject to further negotiations and approvals before the City may be legally bound thereby. If a satisfactory contract cannot be negotiated in a reasonable time the Office of the Treasurer and Tax Collector, in its sole discretion, may terminate negotiations with the highest ranked proposer and begin contract negotiations with the next highest ranked proposer.

VII. Terms and Conditions for Receipt of Proposals

A. Errors and Omissions in RFP

Proposers are responsible for reviewing all portions of this RFP. Proposers are to promptly notify the Department, in writing, if the proposer discovers any ambiguity, discrepancy, omission, or other error in the RFP. Any such notification should be directed to the Department promptly after discovery, but in no event later than 72 hours prior to the date that proposals are due. Modifications and clarifications will be made by addenda as provided below.

B. Inquiries Regarding RFP

Proposers shall submit all questions concerning this Contract Proposal, scope of services or requirements in writing by email only during the Question and Answer Period, ending 1/24/2020, no later than 12 pm PST and directed to: bob.shaw@sfgov.org. All Proposer questions concerning the bid process shall be submitted no later than 72 hours prior to the bid deadline 2/28/2020 (5pm). Proposers who fail to do so will waive all further rights to protest, based on these specifications and conditions.

C. Objections to RFP Terms

Should a proposer object on any ground to any provision or legal requirement set forth in this RFP, the proposer must, not less than 72 hours prior to the RFP deadline, provide written notice to the Department setting forth with specificity the grounds for the objection. The failure of a proposer to object in the manner set forth in this paragraph shall constitute a complete and irrevocable waiver of any such objection.

D. Change Notices

The Department may modify the RFP, prior to the proposal due date, by issuing an Addendum to the RFP, which will be posted on the website. The proposer shall be responsible for ensuring that its proposal reflects any and all Bid Addendum(s) issued by the Department prior to the proposal due date regardless of when the proposal is submitted. Therefore, the City recommends that the proposer consult the website frequently, including shortly before the proposal due date, to determine if the proposer has downloaded all Bid Addendum(s). It is the responsibility of the Proposer to check for any RFP Addendums, Q&A postings, and other updates which will be posted on the City's [Bid and Contracts](#) website and the Office of the Treasurer and Tax Collector's website:

<https://sfcitypartner.sfgov.org/pages/index.aspx>

<http://www.sftreasurer.org/about-us/request-proposals>

E. Term of Proposal

Submission of a proposal signifies that the proposed services and prices are valid for 180 calendar days from the proposal due date and that the quoted prices are genuine and not the result of collusion or any other anti-competitive activity. At Proposer's election, the proposal may remain valid beyond the 180 day period in the circumstance of extended negotiations.

F. Revision of Proposal

A proposer may revise a proposal on the proposer's own initiative at any time before the deadline for submission of proposals. The proposer must submit the revised proposal in the same manner as the original. A revised proposal must be received on or before, but no later than the proposal due date and time.

In no case will a statement of intent to submit a revised proposal, or commencement of a revision process, extend the proposal due date for any proposer.

At any time during the proposal evaluation process, the Department may require a proposer to provide oral or written clarification of its proposal. The Department reserves the right to make an award without further clarifications of proposals received.

G. Errors and Omissions in Proposal

Failure by the Department to object to an error, omission, or deviation in the proposal will in no way modify the RFP or excuse the vendor from full compliance with the specifications of the RFP or any contract awarded pursuant to the RFP.

H. Financial Responsibility

The City accepts no financial responsibility for any costs incurred by a firm in responding to this RFP. Submissions of the RFP will become the property of the City and may be used by the City in any way deemed appropriate.

I. Proposer's Obligations under the Campaign Reform Ordinance

Proposers must comply with Section 1.126 of the S.F. Campaign and Governmental Conduct Code, which states:

No person who contracts with the City and County of San Francisco for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and the later of either (1) the termination of negotiations for such contract, or (2) three months have elapsed from the date the contract is approved by the City elective officer or the board on which that City elective officer serves.

If a proposer is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period the proposer is prohibited from making contributions to:

- the officer's re-election campaign
- a candidate for that officer's office
- a committee controlled by the officer or candidate.

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a contractor approaches any city officer or employee about a particular contract, or a city officer or employee initiates communication with a potential contractor about a contract. The negotiation period ends when a contract is awarded or not awarded to the contractor. Examples of initial contacts include: (1) a vendor contacts a city officer or employee to promote himself or herself as a candidate for a contract; and (2) a city officer or employee contacts a contractor to propose that the contractor apply for a contract. Inquiries for information about a particular contract, requests for documents relating to a Request for Proposal, and requests to be placed on a mailing list do not constitute negotiations.

Violation of Section 1.126 may result in the following criminal, civil, or administrative penalties:

1. Criminal. Any person who knowingly or willfully violates section 1.126 is subject to a fine of up to \$5,000 and a jail term of not more than six months, or both.
2. Civil. Any person who intentionally or negligently violates section 1.126 may be held liable in a civil action brought by the civil prosecutor for an amount up to \$5,000.
3. Administrative. Any person who intentionally or negligently violates section 1.126 may be held liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to \$5,000 for each violation.

For further information, proposers should contact the San Francisco Ethics Commission at (415) 581-2300.

J. Sunshine Ordinance

In accordance with S.F. Administrative Code Section 67.24(e), contractors' bids, responses to RFPs and all other records of communications between the City and persons or firms seeking contracts shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefits until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

K. Public Access to Meetings and Records

If a proposer is a non-profit entity that receives a cumulative total per year of at least \$250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the S.F. Administrative Code, the proposer must comply with Chapter 12L. The proposer must include in its proposal (1) a statement describing its efforts to comply with the Chapter 12L provisions regarding public access to proposer's meetings and records, and (2) a summary of all complaints concerning the proposer's compliance with Chapter 12L that were filed with the City in the last two years and deemed by the City to be substantiated. The summary shall also describe the disposition of each complaint. If no such complaints were filed, the proposer shall include a statement to that effect. Failure to comply with the reporting requirements of Chapter 12L or material misrepresentation in proposer's Chapter 12L submissions shall be grounds for rejection of the proposal and/or termination of any subsequent Agreement reached on the basis of the proposal.

L. Reservations of Rights by the City

The issuance of this RFP does not constitute an agreement by the City that any contract will actually be entered into by the City. The City expressly reserves the right at any time to:

1. Waive or correct any defect or informality in any response, proposal, or proposal procedure;
2. Reject any or all proposals;
3. Reissue a Request for Proposals;
4. Prior to submission deadline for proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the proposals;
5. Procure any materials, equipment or services specified in this RFP by any other means; or
6. Determine that no project will be pursued.

M. No Waiver

No waiver by the City of any provision of this RFP shall be implied from any failure by the City to recognize or take action on account of any failure by a proposer to observe any provision of this RFP.

VIII. Contract Requirements

A. Standard Contract Provisions

The successful proposer will be required to enter into a contract substantially in the form of the Agreement for Professional Services, attached hereto as Appendix B. Failure to timely execute the contract, or to furnish any and all insurance certificates and policy endorsement, surety bonds or other materials required in the contract, shall be deemed an abandonment of a contract offer. The City, in its sole discretion, may select another firm and may proceed against the original selectee for damages.

B. Nondiscrimination in Contracts and Benefits

The successful proposer will be required to agree to comply fully with and be bound by the provisions of Chapters 12B and 12C of the San Francisco Administrative Code. Generally, Chapter 12B prohibits the City and County of San Francisco from entering into contracts or leases with any entity that discriminates in the provision of benefits between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of employees. The Chapter 12C requires nondiscrimination in contracts in public accommodation. Additional information on Chapters 12B and 12C is available on the CMD's website at <http://sfgov.org/cmd/>.

C. Minimum Compensation Ordinance (MCO)

The successful proposer will be required to agree to comply fully with and be bound by the provisions of the Minimum Compensation Ordinance (MCO), as set forth in S.F. Administrative Code Chapter 12P. Generally, this Ordinance requires contractors to provide employees covered by the Ordinance who do work funded under the contract with hourly gross compensation and paid and unpaid time off that meet certain minimum requirements. For the amount of hourly gross compensation currently required under the MCO, see www.sfgov.org/olse/mco. Note that this hourly rate may increase on January 1 of each year and that contractors will be required to pay any such increases to covered employees during the term of the contract.

Additional information regarding the MCO is available on the web at www.sfgov.org/olse/mco.

D. Health Care Accountability Ordinance (HCAO)

The successful proposer will be required to agree to comply fully with and be bound by the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in S.F. Administrative Code Chapter 12Q. Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the HCAO is available on the web at www.sfgov.org/olse/hcao.

E. First Source Hiring Program (FSHP)

If the contract is for more than \$50,000, then the First Source Hiring Program (Admin. Code Chapter 83) may apply. Generally, this ordinance requires contractors to notify the First Source Hiring Program of available entry-level jobs and provide the Workforce Development System with the first opportunity to refer qualified individuals for employment.

Contractors should consult the San Francisco Administrative Code to determine their compliance obligations under this chapter. Additional information regarding the FSHP is available on the web at <http://oewd.org/first-source> and from the First Source Hiring Administrator, (415) 701-4848.

F. Conflicts of Interest

The successful proposer will be required to agree to comply fully with and be bound by the applicable provisions of state and local laws related to conflicts of interest, including Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California. The successful proposer will be required to acknowledge that it is familiar with these laws; certify that it does not know of any facts that constitute a violation of said provisions; and agree to immediately notify the City if it becomes aware of any such fact during the term of the Agreement.

Individuals who will perform work for the City on behalf of the successful proposer might be deemed consultants under state and local conflict of interest laws. If so, such individuals will be required to submit a Statement of Economic Interests, California Fair Political Practices Commission Form 700, to the City within ten calendar days of the City notifying the successful proposer that the City has selected the proposer.

IX. Protest Procedures

A. Protest of Non-Responsiveness Determination

Within five working days of the City's issuance of a notice of non-responsiveness, any firm that has submitted a proposal and believes that the City has incorrectly determined that its proposal is non-responsive may submit a written notice of protest. Such notice of protest must be received by the City on or before the fifth working day following the City's issuance of the notice of non-responsiveness. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

B. Protest of Non-Responsible Determination

Within five working days of the City's issuance of a notice of a determination of non-responsibility, a vendor that would otherwise be the lowest responsive proposer may submit a written notice of protest. The vendor will be notified of any evidence reflecting upon their responsibility received from others or adduced as a result of independent investigation. The vendor will be afforded an opportunity to rebut such adverse evidence and will be permitted to present evidence that they are qualified to perform the contract. Such notice of protest must be received by the City on or before the fifth working day following the City's issuance of the notice of non-responsibility. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

C. Protest of Contract Award

Within five working days of the City's issuance of a notice of intent to award the contract, any firm that has submitted a responsive proposal and believes that the City has incorrectly selected another proposer for award may submit a written notice of protest by e-mail to bob.shaw@sfgov.org. Such notice of protest must be received by the City on or before the fifth working day after the City's issuance of the notice of intent to award.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the proposer, and must cite the law, rule, local ordinance, procedure or RFP provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

Appendix A

Standard Forms

A. How to become Eligible to Do Business with the City:

Before the City can award a contract, all proposers must meet the minimum requirements described below. There may be additional requirements placed upon a supplier depending on the type of good or service to be purchased.

B. Mandatory Forms:

At a minimum, in order to become eligible to do business with the City, a proposer must submit the following documents to the Supplier Support Division via the City’s supplier portal located at <https://sfcitypartner.sfgov.org/>:



1. [San Francisco Business Tax Registration](#)
2. [12B Equal Benefits Declaration](#)

Detailed instructions on how to become an eligible to do business with the City can be found here: [A Step by Step Guide to Becoming an Approved Supplier](#)

C. Supplier Eligibility and Invoice Payment:

Suppliers must have a City-issued Supplier number, have all compliance paperwork submitted and approved by the City, and have an executed contract or purchase order before payments can be made. Once a supplier number has been assigned, an email notification will be provided by the City's Supplier File Support Division. This notification will include instructions on how to sign up to receive payments through the City's supplier portal located at <https://sfcitypartner.sfgov.org/>.

D. Supplemental Forms:

Form:	Required If:
Minimum Compensation Ordinance (MCO) Declaration ( MCO_Declaration_10_1_18.pdf)	You have at least \$25,000 in cumulative annual business with a City department and have more than 5 employees, including employees of any parent, subsidiaries and subcontractors.
Health Care Accountability Ordinance (HCAO) Declaration ( HCAO_Declaration_10_1_18.pdf)	You have at least \$25,000 (\$50,000 for non-profit organizations) in cumulative annual business with a City department or departments and have more than 20 employees (more than 50 employees for nonprofit organizations), including employees of any parent, subsidiaries or subcontractors.

RFP for Investment Advisory Services

Insurance Requirements (pdf)	The solicitation requires the successful bidder to demonstrate proof of insurance.
Payment (Labor and Material) Bond (pdf)	The solicitation requires the awarded vendor to post a Payment (Labor and Material) bond.
Performance Bond (pdf)	The solicitation requires the awarded vendor to post a Performance bond.
Local Business Enterprise Program Application (Contract Monitoring Division)	You desire to participate in the City's Local Business Enterprise Program which helps certain financially disadvantaged businesses increase their ability to compete effectively for City contracts.
Nondiscrimination in Contracts (Equal Benefits)	12B Compliance is required on nearly all City contracts. If a supplier is not compliant, the City can only do business with them if the Contract Monitoring Division grants a waiver.

For further guidance, refer to the City's supplier training videos that are located online at: <https://sfcitypartner.sfgov.org/> .