

**REQUEST FOR QUALIFICATIONS (RFQ) 2017-05**

**INVESTMENT MANAGER SERVICES**

**for**

**FLORIDA HOUSING FINANCE CORPORATION**

**June 26, 2017**

## **SECTION ONE INTRODUCTION**

Florida Housing Finance Corporation (“Florida Housing”) is soliciting competitive, sealed responses from qualified firms to provide investment manager services in accordance with the terms and conditions set forth in this Request for Qualifications (RFQ), and any other term and condition in any contract subsequently awarded. Respondents will be selected and determined through Florida Housing’s review of each response, considering the factors identified in this RFQ. Florida Housing expects to select one or more Respondents that propose to provide all of the services specified in this RFQ.

## **SECTION TWO DEFINITIONS**

For purposes of this document, the following terms will be defined as follows:

“Board”	The Board of Directors of Florida Housing Finance Corporation.
“Committee”	The review committee composed only of employees of Florida Housing that is established pursuant to Rule 67-49.007, Fla. Admin. Code.
“Contractor”	A person or entity providing the professional services described in Section Four of this RFQ.
“Days”	Calendar days, unless otherwise specified.
“Effective Date”	The date the last party signs the contract that is awarded as a result of this RFQ.
“Florida Housing”	Florida Housing Finance Corporation, a public corporation and public body corporate and politic created by Section 420.504, Fla. Stat.
“IRS”	Internal Revenue Service.
“Respondent”	Any person or entity who has the capability in all respects to perform fully the requirements contained in this RFQ, and submits a response to this RFQ.
“Response”	The written submission by an Respondent to this RFQ.
“RFQ”	This RFQ, including all exhibits referenced in this document and all other documents incorporated by reference.
“SSAE”	Statements on Standards of Attestation Engagements

“SEC” Securities Exchange Commission

“Website” The Florida Housing Finance Corporation website,  
the URL of which is [www.floridahousing.org](http://www.floridahousing.org).

### **SECTION THREE PROCEDURES AND PROVISIONS**

A. The Respondent must submit an original and three copies of the Response to the Contract Administrator in a sealed envelope marked “RFQ 2017-05.” Each envelope or package containing Responses must clearly state the name of the Respondent. The Response that is the original must be clearly indicated on that Response. An electronic copy of the Response must also be submitted on a CD or flash drive. Florida Housing will not accept a faxed or e-mailed Response. Florida Housing must receive any Responses on or before 2:00 p.m., Eastern Time, on July 19, 2017. Responses will be opened at that time.

Contract Administrator  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301-1329  
(850) 488-4197  
Email: [Contract.Admin@floridahousing.org](mailto:Contract.Admin@floridahousing.org)

B. This RFQ does not commit Florida Housing to award a contract to any Respondent or to pay any costs incurred in the preparation or mailing of a Response.

C. All services under the contract awarded are to be performed solely by the Contractor, unless subcontracted or assigned with the prior written approval and consent of Florida Housing.

D. Florida Housing reserves the right to:

1. Waive minor deficiencies and informalities;
2. Accept or reject any or all Responses received as a result of this RFQ;
3. Obtain information concerning any or all Respondents from any source;
4. Request an oral interview before the Board from any or all Respondents;
5. Select for contract negotiation or for award a Response other than (or in addition to) that with the highest score in order to serve the best interests of Florida Housing and the public; and
6. Negotiate with the successful Respondent with respect to any additional terms or conditions of the contract.

E. Any interested party may submit any question regarding this RFQ in writing via mail or e-mail to the Contract Administrator at the address given in Section Three, Item A. All questions must be submitted no later than 2:00 p.m., Eastern Time, on July 5, 2017. Phone calls will not be accepted. Florida Housing expects to respond to all questions in writing by 5:00 p.m., Eastern Time, on July 12, 2017. Florida Housing will post a copy of all questions received and the corresponding answers on Florida Housing's website at:

<http://www.floridahousing.org/legal/procurements/request-for-qualifications>.

Only written responses or statements from the Contract Administrator that are posted on our website will bind Florida Housing. No other means of communication, whether oral or written, may be construed as an official response or statement from Florida Housing.

F. Between the release of the solicitation and the end of the 72-hour period following the posting of the notice of intended award, respondents to this solicitation or persons acting on their behalf may not contact any member of Florida Housing's Board of Directors or any Florida Housing employee concerning any aspect of this solicitation, except in writing to the Contract Administrator. Violation of this provision may be grounds for rejecting a response.

G. Any person who wishes to protest the specifications of this RFQ must file a protest in compliance with Section 120.57(3), Fla. Stat., and Rule Chapter 28-110, Fla. Admin. Code. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., will constitute a waiver of proceedings under Chapter 120, Fla. Stat.

H. The term of the contract will be for three years, subject to satisfactory performance at the sole discretion of Florida Housing. If the parties mutually agree in writing, the contract may be renewed once for an additional three years.

I. Florida Housing is not required to use the services of any selected Contractor or to assign any work to such provider, and may terminate the contract with any selected Contractor without cause and without penalty.

J. Pursuant to Fla. Admin. Code R. 67-49.004, Florida Housing may modify the terms of the RFQ at any point prior to the due date for Responses. A notice of such modification will be posted on Florida Housing's Website and will be provided to potential Respondents who requested copies of the RFQ. Any Respondent will have at least seven days from the date of the posting of the notice of the modification to submit or modify its Response.

K. The terms of this RFQ, and any modifications thereto, will be incorporated into any contract offered as a result of this RFQ. Failure of a successful Respondent to accept these obligations in the final contract may result in cancellation of the award.

## **SECTION FOUR SCOPE OF SERVICES**

The services that the Investment Manager shall perform include, but are not limited to, the following:

### **A. INVESTMENT MANAGER**

1. Florida Housing shall appoint the Investment Manager as its attorney-in-fact to invest the investment account assets in accordance with Florida Housing Finance Corporation's Investment Guidelines, which may be amended from time to time; the authorized investments per the 1995 Master Trust Indenture, Homeowner Mortgage Revenue Bonds, Article I Section 1.01 (as amended); and the Master Trust Indenture, Homeowner Mortgage Revenue Bonds (Special Program), Article I Section 1.01 (as amended).

2. The Investment Manager shall perform the duties in this section with the care, skill, prudence and diligence under the 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.

### **B. INVESTMENT GUIDELINES**

The Investment Manager shall make recommendations to Florida Housing for amending the Florida Housing Finance Corporation Investment Guidelines as needed or requested.

### **C. INVESTMENT ACCOUNT ASSETS**

The Investment Account Assets shall consist of the cash and investments which Florida Housing may from time to time place in its account, plus all investments, reinvestment and proceeds of the sale of any investments, all dividends and interest earned, and all appreciation and additions, less any withdrawals.

### **D. PROCEDURES**

All transactions will be consummated by payment or delivery of cash and/or securities to or from the investment account.

### **E. RECORDS RETENTION**

The Investment Manager shall retain investment accounts supporting documentation and reports of investments on file for a period of ten fiscal years. Documentation of investments includes: trust statements, investment income analysis, investment income allocation, and investment activity spreadsheets.

## F. MEETINGS

Florida Housing and the Investment Manager shall meet periodically, at such times as Florida Housing may reasonably request, concerning the Investment Account(s). The Investment Manager shall be available to attend regularly scheduled meetings of Florida Housing's Board of Directors upon request. Attendance at one to two meetings per year for investment update presentations is anticipated.

## G. REPORTS

The content and format of each report must be acceptable to Florida Housing. Reports shall include, but are not limited to, the following monthly reports:

1. Summary report of account assets;
2. Summary report of account activity;
3. List of all securities in the portfolio at month end, showing cost, market value and rating of each security;
4. Securities transactions journals including brokerage firm utilized;
5. Income earned analysis;
6. Computation of monthly expenses;
7. Actual performance compared to benchmarks for the month and calendar year to date; and
8. Portfolio compliance with Florida Housing Finance Corporation Investment Guidelines.

There may be other reports requested by Florida Housing during the course of any Contract term including, but not limited to, market outlook and portfolio review summaries.

## **SECTION FIVE CERTIFICATION**

Do not reproduce the language of Section Five in the Response. By inclusion and execution of the statement provided in Section Six, subsection I, of this RFQ, each Respondent certifies that:

A. The Respondent submits this Response without prior understanding, agreement, or connection with any person or entity submitting a separate Response for the same services. However, any agreement with a person or entity with whom the Response is jointly filed and such joint filing is made clear on the face of the Response will be an exception so long as the Response is in all respects fair and without collusion or fraud.

B. Any material submitted in response to this RFQ is a public record pursuant to Chapter 119, Fla. Stat., and subject to examination upon request, but only after Florida Housing provides a notice of decision pursuant to Section 120.57(3), Fla. Stat., or within 30 days after the Response is opened, whichever is earlier.

C. The Respondent, if awarded a contract under this RFQ, will comply with Section 420.512(5), Fla. Stat. For the purpose of Section 420.512(5), Fla. Stat., "Prohibited Business

Solicitation Communications” is defined by Section 420.503(32), Fla. Stat.

D. The Respondent is in compliance with Section 287.133(2)(a), Fla. Stat.

E. The Respondent understands and agrees to cooperate with any audits conducted in accordance with the provisions set forth in Section 20.055(5), Fla. Stat.

F. Pursuant to Section 119.0701(2)(b), Fla. Stat., the Respondent, if awarded a contract under this RFQ, will be required “to comply with public records laws, specifically to:

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 upon termination of the contract 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 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.”

Notwithstanding anything contained herein to the contrary, the provisions and requirements of this paragraph will only apply if and when the Contractor is acting on behalf of Florida Housing.

G. The Respondent acknowledges that if awarded a contract it will be prohibited from engaging in activities in connection with services related to Florida Housing transactions that produce direct or indirect financial gain for the Respondent other than for the compensation agreed upon in the contract that results from this RFQ, unless that Respondent has Florida Housing’s written consent after Florida Housing has been fully informed of such activities in writing.

H. The Respondent acknowledges that if awarded a contract it will be prohibited from engaging in any actual, apparent, or potential conflict of interest. Should any such actual, apparent, or potential conflict of interest come into being subsequent to the effective date of the contract and prior to the conclusion of the contract, the Respondent will provide notification (Notice of Conflict of Interest) to Florida Housing, through first class certified mail, return receipt requested, within

ten (10) working days, seeking consent from Florida Housing’s Executive Director. If the Respondent is found to be in non-compliance with this provision, without written consent from Florida Housing’s Executive Director, any compensation received in connection with the contract will be subject to forfeiture to Florida Housing.

I. The Respondent, in submitting this Response, acknowledges and agrees that the terms and conditions of this RFQ, as well as any modifications thereto, will be incorporated into any contract offered as a result of this RFQ.

J. CERTIFICATION STATEMENT:

**THE FOLLOWING WILL BE REPEATED IN THE RESPONDENT’S RESPONSE AND SIGNED BY AN INDIVIDUAL AUTHORIZED TO BIND THE RESPONDENT. THIS IS A THRESHOLD ITEM AND FAILURE TO INCLUDE THE CERTIFICATION STATEMENT BEARING AN ORIGINAL SIGNATURE WILL RESULT IN REJECTION OF THE RESPONSE.**

“I agree to abide by all conditions of RFQ 2017-05 and certify that all information provided in this Response is true and correct, that I am authorized to sign this Response as the Respondent and that I am in compliance with all requirements of the RFQ, including but not limited to, the certification requirements stated in Section Five of this RFQ.”

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Authorized Signature (Original)

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Print Name and Title

**SECTION SIX  
INFORMATION TO BE PROVIDED IN RESPONSE**

In providing the following information, restate each item and sub-item (with its letter and number), and limit your Response to one bound volume, not to exceed 40 pages. Responses to the items must be included immediately after the restated items without any reference to any appendix.

A. COVER LETTER

Each proposal must be accompanied by a cover letter that contains a general statement of the purpose of submission and includes the following information.

1. The name, job title, address, office and cellular telephone numbers, and e-mail address of a primary contact person, who will be responsible for day-to-day contact with Florida Housing, and any backup personnel who would be accessible if the primary contact cannot be reached.

2. Legal business status (individual, partnership, corporation, etc.) and address and



telephone number of the Respondent.

## B. GENERAL INFORMATION

1. Provide a brief history of the Respondent, including the year organized, ownership, affiliated companies and relationships, and the total number of employees.
2. Provide evidence that the Respondent is qualified to do business in the State of Florida.
3. Describe the Respondent's experience with providing services or engaging in activities as they relate to the work being requested in Section Four of this RFQ.
4. Provide a description of the primary account manager, and the description and contact information of any backup personnel that would be accessible to Florida Housing if the Respondent's primary contact cannot be reached.
5. Identify the services and requirements referenced in this RFQ that the Respondent is unable to fully perform, if any, and state reasons for the same.
6. Provide a summary of fidelity bond coverage, errors and omissions, employee dishonesty, fiduciary liability insurance, cybercrime coverage, or other fiduciary coverage your firm carries.
7. Provide a description of any recent (defined as the 6 months prior to the submission date of the Respondent's Response) or announced downsizing, merger, or acquisition pertaining to the Respondent.
8. Provide a description of any transaction during the five-year period ending on July 19, 2017, in which a proposed team member or the Respondent, including all holding companies and subsidiaries, was involved in the performance of investment manager services that was or is the subject of an adverse determination by or settlement agreement with the SEC, IRS, or U.S. Department of Treasury and a description of the results.
9. Provide a narrative regarding any conviction or plea of nolo contendere of a proposed team member or the Respondent, including all holding companies and subsidiaries, of fraud or any other felony in violation of state or Federal criminal statutes for which sentence has been imposed during the last five-year period ending on July 19, 2017. Such narrative should include the position held by the individual, date of offense, date of conviction, citation to the law violated, and any other information the Respondent feels would assist Florida Housing in its decision making. Respondents whose staff have been convicted of a crime or pled nolo contendere, within the relevant time period, to an offense related to fraud, misrepresentation, or misuse of employer funds will not be considered for contract award, at Florida Housing's sole discretion.

10. Provide a description of to what extent, if any, the Respondent, including all holding companies and subsidiaries, or any officers or directors or other key personnel, is now, or has been during the five years ending July 19, 2017, under indictment, investigation, or order issued by a regulatory or governmental Agency, or engaged in litigation, or subject to an order from a court of competent jurisdiction. If any such condition exists, or existed, in the time period specified, discuss the outcome, if one has occurred, or probable outcome, and to what extent this could impair the level of service of the Respondent. In addition, describe any allegations made against the Respondent and any impending litigation of which Florida Housing should be made aware.

11. Provide a discussion of your firm's philosophy of average duration, maturity and yield for management of existing client portfolios similar to Florida Housing.

12. Provide a list of all clients, identifying the type of business, for which the Respondent has performed services that are similar in scope of services and size of portfolio to be provided to Florida Housing pursuant to this RFQ.

13. Provide a complete reference list of any canceled or non-renewed clients for the three years ending on the submission date of the Respondent's Response. State the reason(s) for each cancellation or non-renewal.

14. Provide a description of any new or proposed regulatory criteria or legislation that could affect Florida Housing in structuring its cash management operations.

15. Provide your firm's quarterly investment record for the past five years for the following:

a. Short Duration Composite vs. Bank of America Merrill Lynch 1-3 Year Treasury Benchmark; and

b. Intermediate Duration Composite vs. Barclays Intermediate Government Benchmark.

#### 16. Reporting Requirement

Provide an attestation report, in accordance with the Statement on Standards for Attestation Engagements No. 18 AT-C Section 320, Reporting on an Examination of Controls at a Service Organization Relevant to User Entities' Internal Control Over Financial Reporting (SSAE 18), as issued by the AICPA, or superseding guidance, addressing controls at the organization, controls at inclusive subservice organizations, if applicable, and complementary subservice organization controls at carved-out subservice organizations, if applicable, supporting the organization's processing relevant to Florida Housing's financial reporting. This report, at a minimum a SOC 1 Type 2 report, should be performed at least annually covering a period of 12 months. The report must cover, at a minimum, 6 months of the Florida Housing fiscal year (January through December) being audited. If a minimum of 6 months of the Florida Housing fiscal year is not covered by the report, a

bridge letter for the period not covered must be provided. A copy of the report, and bridge letter when required, should be provided to Florida Housing's contracts administrator upon issuance but must be provided no later than the last day of the first quarter of each calendar year.

#### C. QUALIFICATIONS OF PERSONNEL

Provide an organizational chart and an overview of no more than five of the key individuals (team members) proposed to be assigned to Florida Housing's account. The overview shall include the following information for each individual:

1. Name of individual, title and role on this engagement;
2. Office street address, e-mail address, and office telephone number;
3. Total years' experience with this Respondent and other entities, and a list of various roles and/or duties;
4. Specific qualifications and expertise brought to this project; and
5. A description of the individuals' educational and professional accomplishments.

#### D. WORK PLAN FOR SCOPE OF SERVICES

1. Describe the Respondent's plan to provide the services requested in Section Four of this RFQ.
2. Describe the Respondent's ability to provide the services requested in Section Four of this RFQ immediately upon award of the Contract. Include a detailed implementation plan for assuming the responsibilities of an existing Investment Manager with a timeline of activities.
3. Provide information about staffing levels in the required areas as they relate to the services to be performed and other resources that shall be needed to complete the services requested in Section Four of this RFQ.
4. Provide a description of any planned use of contract services, such as trust custodial services.
5. Provide sample reports you propose to provide to Florida Housing.
6. Provide a statement of any other qualifications or services, which the Respondent considers to be significant, innovative or otherwise relevant to Florida Housing.
7. Identify any initial or future problems that the Respondent foresees in the engagement and discuss the Respondent's method for dealing with these problems.

8. Describe any unique approaches that are designed to increase earnings or save Florida Housing time and/or money.

**E. TECHNOLOGY**

1. Describe the Respondent’s technology capabilities with regard to equipment and systems.
2. Provide documentation of the business continuity plan of the Respondent including sufficient detail to cover the services requested in this RFQ.
3. Describe electronic account access systems or online services provided for clients.

**F. FEES**

Provide a detailed proposal as to the Respondent’s requested total compensation. Fee structure may be tiered based on the amount of investments under management. Respondents must specify if their fee structure based on total assets under management, regardless of the number of accounts, or if it is per account. Total assets may be comprised of one or more separate investment accounts. Respondents must specify how proposed fees apply to multiple accounts. NOTE: Fees proposed must include all charges relating to the services required under the contract and all out-of-pocket expenses, such as telephone, postage and shipping, printing and/or copy costs, and travel, if any. No such costs will be reimbursed under the contract.

Additionally, please provide calculated fees for managed portfolios of \$50 million, \$150 million, and \$250 million in Table A below.

<b>TABLE A PROPOSED FEES</b>	
<b>Managed Portfolio Value</b>	<b>Fees</b>
\$50 million	\$
\$150 million	\$
\$250 million	\$

*FINAL FEE SCHEDULE WILL BE SUBJECT TO NEGOTIATION.*

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G. DRUG-FREE WORKPLACE

If the Respondent has implemented a drug-free workplace program, the Respondent must submit the following certification indicating that it meets all of the requirements of Section 287.087, Fla. Stat.:

I hereby certify on behalf of the Respondent, under the terms of RFQ 2017-05, that the Respondent has implemented a drug-free workplace program pursuant to Section 287.087, Fla. Stat.

Authorized Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Print Title: \_\_\_\_\_

H. MINORITY BUSINESS ENTERPRISE

If the Respondent is a minority business enterprise as defined in Section 288.703, Fla. Stat., the Respondent must submit the following certification:

I hereby certify on behalf of the Respondent, under the terms of RFQ 2017-05, that the Respondent is a “minority business enterprise” as defined in Section 288.703(3), Fla. Stat.

Authorized Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Print Title: \_\_\_\_\_

I. CERTIFICATION (Mandatory Item)

**FAILURE TO INCLUDE THE CERTIFICATION STATEMENT LOCATED IN SECTION FIVE OF THIS RFQ BEARING AN ORIGINAL SIGNATURE WILL RESULT IN REJECTION OF THE RESPONSE.**

**SECTION SEVEN  
EVALUATION PROCESS**

The individual Committee members will independently evaluate the Responses by reviewing the answers to each of the items identified in Section Six of this RFQ and assigning points up to the maximum points allowed for each item. The points available for items in Section Six are to be evaluated are as follows:

<u>Item Reference</u>	<u>Maximum Points</u>
B. General Information .....	10
C. Qualifications of Personnel .....	30
D. Work Plan for Scope of Services .....	40

E. Technology .....	10
F. Fees/Costs.....	10
<b>Total Points Available.....</b>	<b>100</b>

In the event of a tie, Florida Housing will give preference in the award process to the Response certifying a drug-free workplace has been implemented in accordance with Section 287.087, Fla. Stat. If a tie continues to exist, Florida Housing will give preference to minority business enterprises as defined in Section 288.703, Fla. Stat.

The Committee will conduct one or more public meetings during which members will discuss their evaluations and develop a recommendation or series of recommendations to the Board. The Committee’s recommendation will be based on the cumulative scoring and information gathered from the non-scored items. The Board may use the Responses, the Committee’s scoring, the non-scored items in the Responses, any other information or recommendation provided by the Committee or staff, and any other information the Board deems relevant in its selection of Respondents to whom to award a contract.

**SECTION EIGHT  
AWARD PROCESS**

Florida Housing will provide notice of its decision, or intended decision, for this RFQ on Florida Housing’s Website the next business day after the applicable Board vote. After posting, an unsuccessful applicant may file a notice of protest and a formal written protest in accordance with Section 120.57(3), Fla. Stat. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat. or failure to post the bond or other security required by law within the time allowed for filing a bond will constitute a waiver of proceedings under Chapter 120, Fla. Stat.