

**LOS ALAMOS COUNTY
PROCUREMENT DIVISION**

101 Camino Entrada, Building 3, Los Alamos, New Mexico 87544
(505) 663-3507

Advertised: May 2, 2024

Closing Date: May 17, 2024

Request for Proposals ("RFP")

RFP Number: 24-78

RFP Name: Utilities Investment Management and Advisory Services

GENERAL INFORMATION




1. Proposals in response to this RFP may be submitted either in paper form, in a sealed envelope, or electronically by email. Only one of the following submission methods is required:
2. **ELECTRONIC SUBMISSION:** Emails should be addressed to: lacbid@lacnm.us. Subject line **must** contain the following information: **RESPONSE – RFP24-78 Utilities Investment Management and Advisory Services.**

It is strongly recommended that a second, follow up email (without the proposal included or attached) be sent to Derrill Rodgers, Deputy Chief Purchasing Officer at derrill.rodgers@lacnm.us to confirm the Proposal was received.

The body of the email must contain enough information for the identity of the Proposer to be clear, including company name, name of person sending the email, and contact information including email address and phone number.

Only emails with proposals received in the lacbid@lacnm.us email box prior to **2:00 p.m. Mountain Time, May 17, 2024** will be reviewed.

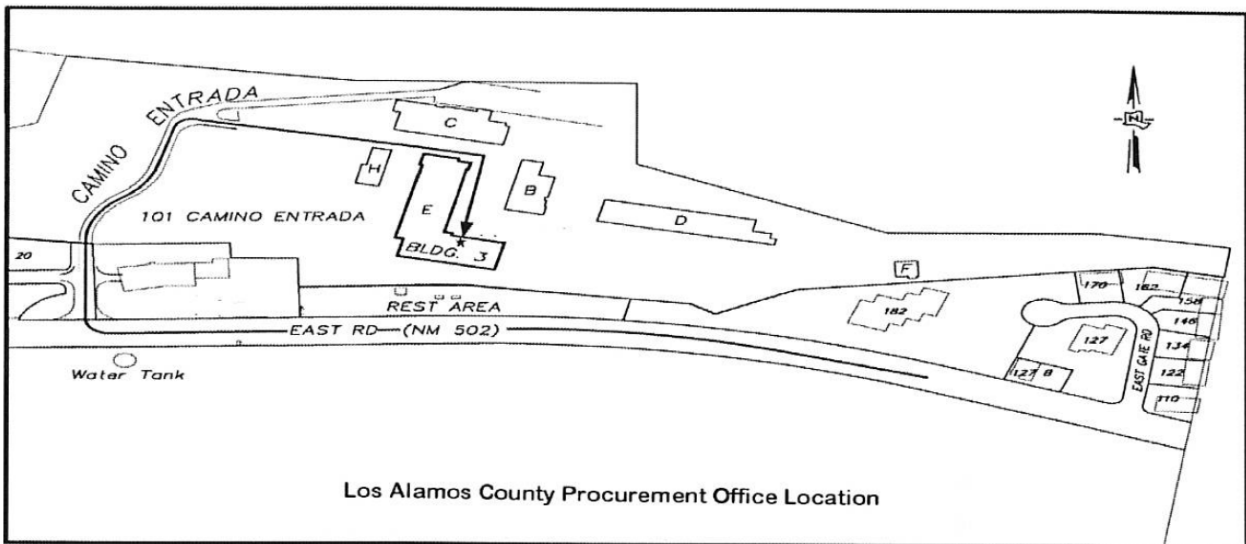
Proposals submitted by email will be opened only after the closing date and time stated in the solicitation document.

3. **PAPER FORM SUBMISSION:** Sealed proposals in one (1) clearly labeled unbound original, three (3) bound copies and one (1) USB flash drive or CD, will be accepted at the Office of the Chief Purchasing Officer, Procurement Division - 101 Camino Entrada, Building 3, Los Alamos, NM 87544, until **2:00 p.m. Mountain Time, May 17, 2024** for this solicitation. **Clearly mark the RFP Number and Name and Offeror on the outside of the sealed proposal, including outer envelope and/or shipping label.** The USB flash drive or CD should be clearly identified. It is the responsibility of the Offeror to assure that the information submitted in both its written response and the electronic version are consistent and accurate. If there is a discrepancy between what is provided on the paper document and the USB flash drive or CD, the written paper response shall govern.
4. Directions to Procurement office:
 1.  Drive WEST on NM-502 to Los Alamos.
 - o Camino Entrada (formerly known as Airport Basin) is 0.4 miles past East Gate Drive, just past East Entrance Park Rest Area.
 2.  Turn RIGHT on Camino Entrada.
 - o Road slopes downhill and curves to the right.
 3.  Take second RIGHT into driveway through gated fence (before the stone sign "Pajarito Cliffs Site").

The County of Los Alamos is an Equal Opportunity Employer

- Follow the signs to Building 3, the L-shaped building in the center of the complex.
- If you pass the Holiday Inn Express and the Airport, you've gone too far.

- 4. Enter glass door marked "PROCUREMENT." *See map below.*



5. The Incorporated County of Los Alamos ("County") invites Proposals from all qualified respondents. No Proposal may be withdrawn after the scheduled closing time. Proposals will not be accepted after the scheduled closing time. **Please make note of the submittal requirements outlined in this solicitation.** Read and follow the instructions carefully. **Include the required documents provided in this RFP as part of your submittal packet.** Any misinterpretation or failure to comply with the submittal requirements could result in rejection of the proposal. Proposal preparation is at the Offeror's expense.
6. Any change(s) to the solicitation will be conveyed through the written addenda process. Read carefully and follow all instructions provided on any addendum, as well as the instructions provided in the original solicitation.
7. Any questions must be received in writing at least five (5) days prior to the date fixed for when proposals are due.
8. County reserves the right, at its sole discretion, to accept or reject any proposals; to waive any and all irregularities in any or all statements or proposals; to request additional information from any or all respondents; and to award a contract to the responsible Offeror whose proposal is most beneficial to County. While County intends to execute a contract for the services listed herein, nothing in this document shall be interpreted as binding County to enter into a contract with any Offeror or Proposer.
9. Bids and Proposals are Public Records. Pursuant to the New Mexico Inspection of Public Records Act, NMSA 1978, Chapter 14, Article 2, all materials submitted under this RFP/IFB shall be presumed and considered public records. Except to the extent any information may be protected by state or federal law, proposals shall be considered public documents and available for review and copying by the public.
10. The County contemplates a multi-term contract as a result of this RFP. The term of the contract may be for a period of up to **seven** (7) years. This is the written determination of the Chief Purchasing Officer that: such a contract will serve the best interests of the County by promoting economies in County procurement.
11. Proposers are notified that they must propose pricing for each potential year of the contract.
12. Proposers/Offerors are informed that State law requires that all foreign corporations (NMSA 1978 §53-17-5) and limited liability corporations (NMSA 1978 §53-19-48) procure a certificate of authority to transact business in the state prior to transacting business in the state of New Mexico.

13. The Chief Purchasing Officer has determined a preference is applicable to this offer. A bidder or offeror must submit a written request for preference, with a copy of the state-issued preference certificate, with its proposal to qualify for this preference. Ref. County Code Section. 31-261(b) and Section 13-1-21 NMSA 1978 et al.

CONTACT INFORMATION

1. For project-specific information, contact Melissa Dadzie, Chief Financial Officer, at melissa.dadzie@lacnm.us; (505) 662-8018.
2. For procurement process information, contact Derrill Rodgers, Deputy Chief Purchasing Officer at derrill.rodgers@lacnm.us; (505) 663-3507.
3. Written questions submitted via e-mail should be sent to Derrill Rodgers and copied to Melissa Dadzie.
4. As an additional courtesy to interested parties, this RFP and related documents may also be downloaded from the County’s website at the address below.

<https://lacnm.com/bids>

NEED STATEMENT

The County is seeking a qualified firm to provide investment management and advisory services.

BACKGROUND

County of Los Alamos Department of Public Utilities (DPU) recently received a cash settlement in the amount of \$58 million. Los Alamos County is soliciting proposals from qualified firms for Investment Management and Advisory Services for approximately \$58 million. The County is seeking investment management and advisory services, under the direction of the County Chief Financial Officer, for approximately \$35.25 million of the settlement amount, primarily focusing on the fixed income securities. Assumptions for investment of the settlement amount are seen in the table below, note the reference to EP Reserves and ED Reserves are related to internal DPU funding needs for the Electric Production and Electric Distribution operations.

Assumptions: 10-Year Ladder (75%), LGIP (25%)	
	FY24
Settlement less Reserves	\$ 45,862,000
Fund EP Reserves	\$ 2,138,000
Fund ED Reserves	\$ 10,000,000
Total Settlement + Reserves	\$ 58,000,000
<i>Less Add'l Purch Power Costs</i>	<i>\$ (11,000,000)</i>
Total Invested	\$ 47,000,000
Investment in 10-Year Ladder	\$ 35,250,000
Investment in LGIP	\$ 11,750,000

Investment procedures and practices must comply with state law and the County’s Investment Policies and Code, which are included as Exhibit “F” & “G”.

STATEMENT OF WORK

The Successful Offeror Shall have responsibility for the following, for a period of up to seven (7) years beginning May 24, 2024:

1. Provide investment management and advisory services for the funds described above;
2. Develop and implement sound investment strategies that will maximize the portfolio's performance within the parameters of the County's adopted investment policies;
3. Assist the County with cash flow/maturity analysis;
4. Provide credit analysis of investment instruments in managed portfolio;
5. Provide to County general guidance on investment of security types as allowed by County policy;
6. Provide technical and fundamental market research including yield curve analysis;
7. Evaluate market risk and develop strategies that minimize the impact on the portfolio;
8. Provide assurance of portfolio compliance with applicable policies and laws;
9. Establish appropriate performance benchmarks;
10. Provide quarterly performance reports;
11. Provide monthly investment report(s) for the funds managed.
12. Designated County staff should have the ability and flexibility to access current investment information on the County's investment account on an as needed basis;
13. Attend semiannual meetings in Los Alamos with County staff;
14. If requested, semiannual presentation to DPU Board and/or County Council of the performance of the County DPU's portfolio.

PROPOSAL REVIEW AND EVALUATION

Proposals shall be handled so as to prevent disclosure of the identity of any Offeror or the contents of any proposal to competing Offerors during the process of negotiation.

After the RFP has closed, Procurement Division staff prepares a register of proposals containing the name of each Offeror, the number of modifications received, if any, and a description sufficient to identify the item offered. The register of proposals is open to public inspection only after contract award. Procurement Division staff delivers the RFP submittals to the Evaluation Committee Chairperson. The Evaluation Committee reviews and evaluates the submittals. Interviews are only for the purpose of clarification, and may be used for adjusting the final score. Discussions may be conducted with responsible offerors who submit proposals determined to be reasonably likely to be selected for award for the purpose of clarification to ensure full understanding and conformation with solicitation requirements for the purpose of obtaining best and final offers.

For proposals that qualify for Preference, the following procedure will apply; the total evaluation score with or without the cost factor of each proposal received from a qualifying offeror shall be multiplied by 1.05. After application of the factor, the contract shall be awarded to the highest score. If one or more scores are equal, the same procedure shall be followed with respect to the next category of offerors listed, and the next, until an offer qualifies for award. The priority of categories of offers is as follows:(1) Local business; (2) Resident business.

The Evaluation Committee Chairperson forwards the final evaluation results to the Procurement Division. Award shall be made to the responsible Offeror whose proposal is determined in writing by the Evaluation Committee to be the most advantageous to the County, taking into consideration the evaluation criteria set forth in the solicitation.

AWARD OF SOLICITATION

Following award of the solicitation by County Council, the successful Offeror will be required to execute a contract with County in accordance with the terms and conditions set forth in the Services Agreement, a sample of which is attached as Exhibit "A." Offeror may identify any exception or other requirements to the

terms and provisions in the Services Agreement, along with proposed alternative language addressing the exception; County, as a governmental entity is subject to certain laws and prohibitions and may, but is not required to, negotiate changes in contract terms and provisions, but will not agree to language that is in violation of the law. The Services Agreement as finally agreed upon must be in form and content acceptable to County.

OBLIGATIONS OF FEDERAL CONTRACTORS AND SUBCONTRACTORS; EQUAL OPPORTUNITY CLAUSES

Contractors and Subcontractor shall abide by the requirements of 41 CFR §§ 60-1.4, 60- 300.5 and 60-741. These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, sexual orientation, gender identity, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, protected veteran status or disability.

Contractors and subcontractors agree to comply with all the provisions set forth in 29 CFR Part 471, Appendix A to Subpart A.

ILLEGAL ACTS

The Los Alamos County Procurement Code, Article 9, imposes remedies and penalties for its violation. In addition, New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities, and kickbacks.

CERTIFICATION FORM REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

An Offeror is requested to complete the Certification Regarding Debarment, Suspension, and Other Responsibility Matters Form, attached as Exhibit "B," and submit with the proposal; if this exhibit is not included with the proposal, it must be provided prior to the evaluations of the received proposals, otherwise the Offeror's proposal will not be considered. This Form serves as a warrant of the Offeror's responsibility, and may not necessarily preclude the Offeror from consideration for award.

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

A Campaign Contribution Disclosure Form is attached as Exhibit "C." The Offeror is requested to complete and submit with the proposal. If Form is not submitted with the proposal, upon award, Contractor must submit this form, in accordance with Chapter 81 of the laws of 2006 of the State of New Mexico prior to County's obligation to pay for the Services.

VERIFICATION OF AUTHORIZED OFFEROR

A Verification of Authorized Offeror Form is attached as Exhibit "D." The Offeror is requested to complete and submit with the proposal. This Form provides County with the name and information of the authorized Officer who can obligate the selected firm in providing the services to Los Alamos County.

PROPOSAL FORMAT

In order to facilitate evaluation, please format your proposal in the same order indicated below. Proposals shall address the following items, in no more than 75 pages:

A. The Organization

1. Describe the ownership structure of your organization and any subsidiaries it may have. Identify the parent company or affiliations of the Offeror and identify any affiliated business enterprises. What is the primary business of the parent company and/or affiliates?

2. Provide a brief history of your company. When did the investment advisor and portfolio management functions begin?
3. Briefly describe your overall corporate philosophy.
4. Provide current ratings, as applicable, by outside agencies such as Moody's or Standard & Poor's for the last five (5) year period.
5. If requested, can you provide audited financial statements for the last three (3) years, as well as any other information that assures the financial stability of your organization?
6. Describe any regulatory censure or litigation involving business of your firm with relation to its county and municipal investment advisory services in the past ten (10) years.
7. Provide five (5) references of clients who use your investment advisory services. Include a contact name, title, and phone number, as well as the number of participants and assets served;
8. Describe your organization's unique strengths.

B. Experience and Assets Under Management

1. Describe your firm's experience in managing fixed income portfolios for governmental entities. Please do not include employee benefit plans (pensions, 403b, etc.)
2. Provide a summary of county and municipal assets under management (in millions) using the following table:

Year County and Municipal Assets (not employee benefit plans)

Offeror to complete the below table in their response:

Year	Investment Category	Investment Category	Investment Category	Total County and Municipal Assets
12/31/23				
12/31/22				
12/31/21				
12/31/20				

3. Indicate the number and size of county and municipal clients gained and lost during each of the past three (3) calendar years.
4. Describe the scope of services your organization traditionally provides for governmental organizations.
5. Does your firm act as a broker or as a primary dealer in securities or receive any other form of additional compensation (including soft dollars) for the client transactions aside from the direct fee paid by clients?
6. What is your firm's experience developing policies and portfolio management guidelines for government portfolios?

C. Staffing

1. What is the education, experience, licensure, and service level of the representatives who would handle our account? Please include resumes for those personnel who will be directly involved in the provision of services to the County.
2. Who would be responsible for the day-to-day activities?
3. Who, and at what level in your company, would have oversight responsibility ensuring the provision of services?
4. Indicate employee turnover rates for the last three (3) years.
5. Describe the level of investment advisory experience within your organization.
6. Describe actions taken by the firm to keep its investment professionals informed of developments relevant to government investment management and investments in general.
7. Describe your firm's local (Los Alamos) presence. From what business location will the services primarily be provided?

D. Investment Management Approach

1. Briefly describe your firm's philosophy for managing governmental portfolios, including your approach to this engagement.
2. Describe what assistance in strategy and/or guidance you will provide for the County's long-term investments allowed by County policy (including those invested in market securities and fixed income that are not managed directly).
3. How frequently do you formulate and review a fixed income strategy? How is that carried out and who is involved?
4. How are portfolios managed (e.g. by team or individual manager)? What is the back-up when the account manager is away?
5. What oversight is provided to portfolio managers?
6. Describe the primary strategies for adding value to a portfolio.
7. Describe the types of investment research the firm utilizes, and the methodology used to recommend investment decisions.
8. What role does interest-rate forecasting play in your investment management strategy?
9. How will you handle fluctuating cash flows and the cash forecasting process?
10. Describe any ongoing daily investment procedures proposed for the County including procedures for trades, security choice, controls, etc. and how you will provide liquidity.
11. How frequently would you suggest your staff meet with the County's staff? Who would you suggest attend these meetings?

E. Reporting

1. Describe the investment accounting and reporting system used by your firm. Can this system accommodate a third party being the trustee for the County's fixed income portfolio?
2. Describe the frequency and format of portfolio reports that you would provide to County staff. Please include samples.
3. What performance benchmarks would you suggest for this portfolio? Provide recommendations regarding performance benchmarks for a portfolio similar to the County's. What experience has your firm had in developing benchmarks for public operating portfolios?

F. Cost. Please note that the County Code of Ordinances, Sec. 31-111 – Types of Contracts states the following: "Subject to the limitations of this section, any type of contract which is appropriate to the procurement and which will promote the best interests of the county will be used, provided that the use of a cost-plus-a-percentage-of-cost contract is prohibited."

1. Using the Cost Summary Worksheet in Exhibit "E" or Offeror's own document, propose costs for all services, defined clearly in individual line items, and any optional services separated from base fees and clearly defined as "Optional." Include a narrative to describe cost sub-categories if applicable.
2. Fully describe the fee schedule (cost) that would apply to this account and propose the fee in its entirety, the cost should include either an annual cost or a mechanism to calculate the cost for each year being proposed up to seven (7) years.

G. Other Information/Considerations

1. Describe your firm's business continuity plan and how often it is updated.
2. Provide any terms and conditions aside from those set forth in this RFP that your firm requests or requires being included in an agreement for this service.
3. Describe any assistance your firm would provide in reviewing custodial and safekeeping arrangements.
4. Briefly describe any additional feature, service, attributes, or conditions which the County should consider in selection of your firm.

5. Describe any conflicts of interest your firm may have in performing the services described to the County.
6. How do you monitor client satisfaction? How is quality of service ensured?

Information provided in the Proposal may be used in the contract between the successful Offeror and the County.

DOCUMENTS TO SUBMIT WITH PROPOSAL

1. Any deviations to Exhibit A: Sample Services Agreement, identified in track changes.
2. Exhibit B: Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions.
3. Exhibit C: Campaign Contribution Disclosure Form
4. Exhibit D: Verification of Authorized Offeror

PROPOSAL EVALUATION CRITERIA: As described and/or demonstrated in the RFP response.

	Criteria	Weighted Points
1	The Organization	10
2	Experience and Assets under Management	15
3	Staffing	15
4	Investment Management Approach	25
5	Reporting	10
6	Cost	20
7	Other Information/Considerations	5
	Total Score	100

Exhibit A
SAMPLE SERVICES AGREEMENT
RFP NO: 24-78
RFP Name: Utilities Investment Management and Advisory Services

AGRXX-XX



**INCORPORATED COUNTY OF LOS ALAMOS
SERVICES AGREEMENT**

This **SERVICES AGREEMENT** ("Agreement") is entered into by and between the **Incorporated County of Los Alamos**, an incorporated county of the State of New Mexico ("County"), and _____, a _____ corporation ("Contractor"), collectively (the "Parties"), to be effective for all purposes _____, 202X ("Effective Date"). *[Alternate: to be effective on the date of last signature. Depending on timing of Services this alternate may be appropriate. Preferred practice is to use a defined date. If project schedule is time sensitive, recommend using a defined date.]*

WHEREAS, [FOP RFP'S] -- the County Purchasing Officer determined in writing that the use of competitive sealed bidding was either not practical or not advantageous to County for procurement of the Services and County issued Request for Proposals No. 2X-XX ("RFP") on _____, requesting proposals for _____, as described in the RFP

[FOR RFP'S ONLY] -- WHEREAS, Contractor timely responded to the RFP by submitting a response dated _____ ("Contractor's Response"); and

[FOR RFP'S ONLY] -- WHEREAS, based on the evaluation factors set out in the RFP, Contractor was the successful Offeror for the services listed in the RFP; and

[FOR CONTRACTS MORE THAN \$300,000.00] -- WHEREAS, the County Council approved this Agreement at a public meeting held on _____; and

WHEREAS, Contractor shall provide the Services, as described below, to County.

NOW, THEREFORE, for and in consideration of the premises and the covenants contained herein, County and Contractor agree as follows:

SECTION A. SERVICES: *[To be added based on services requested by County and proposed by Contractor and accepted by County.]*

SECTION B. TERM: The term of this Agreement shall commence _____ and shall continue through _____, unless sooner terminated, as provided herein. At County's sole option, the **[County Manager/County Utilities Manager]** may renew this Agreement for up to _____ (____) consecutive one-year period(s), unless sooner terminated, as provided therein.

SECTION C. COMPENSATION:

- 1. Amount of Compensation.** County shall pay compensation for performance of the Services in an amount not to exceed _____ (\$ _____), which amount does not include applicable New Mexico gross receipts taxes ("NMGRT"). Compensation shall be paid in accordance with the rate schedule set out in Exhibit A, attached hereto and made a part hereof for all purposes.
- 2. Monthly Invoices.** Contractor shall submit itemized *[monthly, per the completion of the Project Phase/Task, annually, or upon some other schedule proposed by Contractor and accepted by County]* invoices to County's Project Manager showing amount of compensation due, amount of any NMGRT, and total amount payable. Payment of undisputed amounts shall be due and payable thirty (30) days after County's receipt of the invoice.

SECTION D. TAXES: Contractor shall be solely responsible for timely and correctly billing, collecting and remitting all NMGRT levied on the amounts payable under this Agreement.

SECTION E. STATUS OF CONTRACTOR, STAFF, AND PERSONNEL: This Agreement calls for the performance of services by Contractor as an independent contractor. Contractor is not an agent or employee of County and shall not be considered an employee of County for any purpose. Contractor, its agents, or employees shall make no representation that they are County employees, nor shall they create the appearance of being employees by using a job or position title on a name plate, business cards, or in any other manner, bearing County's name or logo. Neither Contractor nor any employee of Contractor shall be entitled to any benefits or compensation other than the compensation specified herein. Contractor shall have no authority to bind County to any agreement, contract, duty, or obligation. Contractor shall make no representations that are intended to, or create the appearance of, binding County to any agreement, contract, duty, or obligation. Contractor shall have full power to continue any outside employment or business, to employ and discharge its employees or associates as it deems appropriate without interference from County; provided, however, that Contractor shall at all times during the term of this Agreement maintain the ability to perform the obligations in a professional, timely, and reliable manner.

SECTION F. STANDARD OF PERFORMANCE: Contractor agrees and represents that it has and shall maintain the personnel, experience, and knowledge necessary to qualify it for the particular duties to be performed under this Agreement. Contractor shall perform the Services described herein in accordance with a standard that meets the industry standard of care for performance of the Services.

SECTION G. DELIVERABLES AND USE OF DOCUMENTS: All deliverables required under this Agreement, including material, products, reports, policies, procedures, software improvements, databases, and any other products and processes, whether in written or electronic form, shall remain the exclusive property of and shall inure to the benefit of County as works for hire; Contractor shall not use, sell, disclose, or obtain any other compensation for such works for hire. In addition, Contractor may not, with regard to all work, work product, deliverables, or works for hire required by this Agreement, apply for, in its name or otherwise, any copyright, patent, or other property right, and acknowledges that any such property right created or developed remains the exclusive right of County. Contractor shall not use deliverables in any manner for any other purpose without the express written consent of County.

SECTION H. EMPLOYEES AND SUB-CONTRACTORS: Contractor shall be solely responsible for payment of wages, salary, or benefits to any and all employees or contractors retained by Contractor in the performance of the Services. Contractor agrees to indemnify, defend, and hold harmless County for any and all claims that may arise from Contractor's relationship to its employees and subcontractors.

SECTION I. INSURANCE: Contractor shall obtain and maintain insurance of the types and in the amounts set out below throughout the term of this Agreement with an insurer acceptable to County. Contractor shall assure that all subcontractors maintain like insurance. Compliance with the terms and conditions of this Section is a condition precedent to County's obligation to pay compensation for the Services, and Contractor shall not provide any Services under this Agreement unless and until Contractor has met the requirements of this Section. County requires Certificates of Insurance, or other evidence acceptable to County, stating that Contractor has met its obligation to obtain and maintain insurance and to assure that subcontractors maintain like insurance. Should any of the policies described below be cancelled before the expiration date thereof, notice shall be delivered in accordance with the policy provisions. General Liability Insurance, Automobile Liability Insurance, and Professional Liability Insurance shall name County as an additional insured

1. **General Liability Insurance:** ONE MILLION DOLLARS (\$1,000,000.00) per occurrence; TWO MILLION DOLLARS (\$2,000,000.00) aggregate.
2. **Workers' Compensation:** In an amount as may be required by law. County may immediately terminate this Agreement if Contractor fails to comply with the Worker's Compensation Act and applicable rules when required to do so.
3. **Automobile Liability Insurance for Contractor and its Employees:** ONE MILLION DOLLARS (\$1,000,000.00) combined single limit per occurrence; TWO MILLION DOLLARS (\$2,000,000.00) aggregate on any owned, and/or non-owned motor vehicles used in performing Services under this Agreement.
4. **Professional Liability Insurance,** with a limit of not less than \$1,000,000 each Claim, with a \$1,000,000 annual aggregate, and sufficient to provide coverage for a three (3) year period from completion of this contract, against any and all claims which may arise from the Contractor's negligent performance of work described herein.

SECTION J. RECORDS: Contractor shall maintain, throughout the term of this Agreement and for a period of six (6) years thereafter, records that indicate the date, time, and nature of the services rendered. Contractor shall make available, for inspection by County, all records, books of account, memoranda, and other documents pertaining to County at any reasonable time upon request.

SECTION K. DUTY TO ABIDE: Contractor shall abide by all applicable federal, state, and local laws, regulations, and policies and shall perform the Services in accordance with all applicable laws, regulations, and policies during the term of this Agreement.

SECTION L. NON-DISCRIMINATION: During the term of this Agreement, Contractor shall not discriminate against any employee or applicant for an employment position to be used in the performance of the obligations of Contractor under this Agreement, with regard to race, color, religion, sex, age, ethnicity, national origin, sexual orientation or gender identity, disability, or veteran status.

SECTION M. CHOICE OF LAW: The interpretation and enforcement of this Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico.

SECTION N. VENUE, FORUM NON-CONVENIENS, EXCLUSIVE STATE JURISDICTION: County and Contractor knowingly, voluntarily, intentionally, and irrevocably agree that any and all legal proceedings related to this Agreement, or to any rights or any relationship between the parties arising therefrom, shall be solely and exclusively initiated, filed, tried, and maintained in the First Judicial District Court of the State of New Mexico. County and Contractor each expressly and irrevocably waive any right otherwise provided by any applicable law to remove the matter to any other state or federal venue, consents to the jurisdiction of the First Judicial District Court of the State of New Mexico in any such legal proceeding, waives any objection it may have to the laying of the jurisdiction of any such legal proceeding. County and Contractor also agree that this term is a material inducement for each to enter this Agreement, and that both County and Contractor warrant and represent that each have had the opportunity to review this term with legal counsel.

SECTION O. WAIVER OF JURY TRIAL: In the event of any action or proceeding, (including without limitation, any claim, counterclaim, cross-claim or third party claim) arising out of or, relating to this Agreement, or the transaction contemplated by this Agreement, County and Contractor KNOWINGLY, VOLUNTARILY, INTENTIONALLY, AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL, and agree that a court shall determine and adjudicate all issues of law and fact with a jury trial being expressly waived. County and Contractor also agree that this waiver of a jury trial was a material inducement for each to enter this Agreement, and that both County and Contractor warrant and represent that each have had the opportunity to review this jury waiver with legal counsel.

SECTION P. INDEMNITY: Contractor shall indemnify, defend, and hold harmless County, its Council members, employees, agents, and representatives, from and against all liability, claims, demands, actions (legal or equitable), damages, losses, costs, or expenses, including attorney fees, of any kind or nature, to the extent that the liability, claims, demands, actions, damages, losses, costs, and expenses are caused by, or arise out of, the acts or omissions of the Contractor or Contractor's officers, employees, agents representatives, and subcontractors in the performance or breach of the Services under this Agreement.

SECTION Q. FORCE MAJEURE: Neither County nor Contractor shall be liable for any delay in the performance of this Agreement, nor for any other breach, nor for any loss or damage arising from uncontrollable forces such as fire, theft, storm, war, or any other force majeure that could not have been reasonably avoided by exercise of due diligence; provided, however, that the Party failing to perform shall (i) as soon as possible, inform the other Party of the occurrence of the circumstances preventing or delaying the performance of its obligations, and describe at a reasonable level of detail the circumstances causing such delay, and (ii) exert reasonable efforts to eliminate, cure, or overcome any of such causes and to resume performance of its Services with all possible speed. In such event, the non-performing Party may be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such Party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay.

SECTION R. NON-ASSIGNMENT: Contractor shall not assign this Agreement or any privileges or obligations herein and shall not novate this Agreement to another without the prior written consent of the [\[County Manager/County Utilities Manager\]](#).

SECTION S. LICENSES: Contractor shall maintain all required licenses including, without limitation, all necessary professional and business licenses, throughout the term of this Agreement. Contractor shall require and shall assure that all of Contractor's employees and subcontractors maintain all required licenses including, without limitation, all necessary professional and business licenses.

SECTION T. PROHIBITED INTERESTS: Contractor agrees that it presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of its services hereunder. Contractor further agrees that it shall not employ any person having such an interest to perform services under this Agreement. No County Council member or other elected official of County, or manager or employee of County shall solicit, demand, accept, or agree to accept, a gratuity or offer of employment contrary to Section 31-282 of the Los Alamos County Code.

SECTION U. TERMINATION:

- 1. Generally.** The **[County Manager/County Utilities Manager]** may terminate this Agreement with or without cause upon ten (10) days prior written notice to Contractor. Upon such termination, Contractor shall be paid for Services actually completed to the satisfaction of County at the rate set out in Section C. Contractor shall render a final report of the Services performed to the date of termination, and shall turn over to County originals of all materials prepared pursuant to this Agreement.
- 2. Funding.** This Agreement shall terminate without further action by County on the first day of any County fiscal year for which funds to pay compensation hereunder are not appropriated by County Council. County shall make reasonable efforts to give Contractor at least ninety (90) days advance notice that funds have not been and are not expected to be appropriated for that purpose.

SECTION V. NOTICE: Unless otherwise provided in this Agreement, any notices required under this Agreement shall be made in writing. Notices shall be sent via 1) hand-delivery; 2) registered or certified mail; 3) a nationally recognized overnight courier service; or 4) electronic mail (with copy by mail or courier). All notices shall be sent to each party at the addresses set out in this section or any address later provided by such party in writing, with postage prepaid by the sender, and shall be deemed delivered upon hand delivery, verified proof of delivery by courier, or three (3) days after deposit in the United States Mail.

County:
Project Manager
Incorporated County of Los Alamos
Address
Los Alamos, New Mexico 87544
E-mail:

Contractor:
Title
Company
Address

With a copy to:
County Attorney's Office
1000 Central Avenue, Suite 340
Los Alamos, New Mexico 87544
E-mail:

SECTION W. INVALIDITY OF PRIOR AGREEMENTS: This Agreement supersedes all prior contracts or agreements, either oral or written, that may exist between the parties with reference to the services described herein, and expresses the entire agreement and understanding between the parties with reference to said services. It cannot be modified or changed by any oral promise made by any person, officer, or employee, nor shall any written modification of it be binding on County until approved in writing by both authorized representatives of County and Contractor. In the event of any conflict between the terms, conditions, and provisions of this Agreement, and the terms, conditions and provisions of any exhibits or attachments, the terms, conditions and provisions of this Agreement shall control and take precedence.

SECTION X. NO IMPLIED WAIVERS: The failure of County to enforce any provision of this Agreement is not a waiver by County of the provisions, or of the right thereafter, to enforce any provision(s).

SECTION Y. SEVERABILITY: If any provision of this Agreement is held to be unenforceable for any reason: (i) such provision shall be reformed only to the extent necessary to make the intent of the language and purpose of the Agreement enforceable; and (ii) all other provisions of this Agreement shall remain in effect so long as the substantive purpose of the Agreement is possible.

SECTION Z. CAMPAIGN CONTRIBUTION DISCLOSURE FORM: A Campaign Contribution Disclosure Form is attached as Exhibit X. Contractor must submit this form with this Agreement, if applicable.

OR

SECTION Z. CAMPAIGN CONTRIBUTION DISCLOSURE FORM: A Campaign Contribution Disclosure Form was submitted as part of the Contractor's Response and is incorporated herein by reference for all purposes.

SECTION AA. LEGAL RECOGNITION OF ELECTRONIC SIGNATURES: Pursuant to NMSA 1978 § 14-16-7, this Agreement may be signed by electronic signature.

SECTION AB. DUPLICATE ORIGINAL DOCUMENTS: This document may be executed in two (2) counterparts, each of which shall be deemed an original.

SECTION AC. NEGOTIATED TERMS: This Agreement reflects negotiated terms between the parties, and each party has participated in the preparation of this Agreement with the opportunity to be represented by counsel, such that neither party shall be considered to be the drafter of this Agreement or any of its provisions for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter of this Agreement.

SECTION AD. CONFIDENTIAL INFORMATION: Any confidential information of one party that is provided to the other party during the term of this Agreement shall be kept confidential and shall not be made available to any individual or organization in accordance with the Confidential Information Disclosure Statement in Exhibit X. The Confidential Information Disclosure Statement shall be completed by Contractor as a condition precedent and submitted as part of this Agreement. Its terms shall govern as if fully set forth herein.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date(s) set forth opposite the signatures of their authorized representatives to be effective for all purposes on the date first written above.

ATTEST

INCORPORATED COUNTY OF LOS ALAMOS

NAOMI D. MAESTAS
COUNTY CLERK

BY: _____ **DATE**
ANNE W. LAURENT
COUNTY MANAGER

Approved as to form:

J. ALVIN LEAPHART
COUNTY ATTORNEY

_____, A _____ **CORPORATION**

BY: _____ **DATE**

NAME: _____

TITLE: _____

SAMPLE SERVICES AGREEMENT AGRXX-XXX
Exhibit X
Confidential Information Disclosure Statement

The Incorporated County of Los Alamos is a governmental entity subject to certain disclosure laws including, but not limited to, the New Mexico Inspection of Public Records Act, NMSA 1978, §§ 14-2-1, et seq. Nothing in this Agreement is intended to diminish or expand the application of any applicable disclosure laws to any proprietary or confidential information.

This Confidential Information Disclosure Statement (“Statement”) defines obligations and waivers related to Confidential Information disclosed pursuant to the above referenced Agreement between County and Contractor. County and Contractor agree to the following:

1. Statement Coordinator – Each party designates the following person as its Statement Coordinator for coordinating the disclosure or receipt of Confidential Information:

	Contractor	County
Name:		
Title:		
Address:		
City/State/Zip:		Los Alamos, New Mexico 87544
Email:		

2. Definitions:
 - a) **Confidential Information** - any form of information, in any format, disclosed by the Discloser to the Recipient and identified in writing as confidential.
 - b) **Discloser** - the party disclosing Confidential Information.
 - c) **Exception** – An exception is satisfied if the Confidential Information disclosed: (i) was in Recipient’s possession prior to receipt from Discloser, (ii) is publicly known or readily ascertainable by legal means, (iii) is lawfully received by Recipient from a third party without a duty of confidentiality, (iv) is disclosed by Discloser to a third party without a duty of confidentiality on the third party, (v) is independently developed or learned by Recipient, or (vi) is disclosed by Recipient with Discloser’s prior written approval.
 - d) **Recipient** – the party receiving Confidential Information.
3. Obligations – Recipient shall protect and ensure its participating subcontractors, agents, or associates shall protect all Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized use, dissemination, or publication of the Confidential Information as Recipient uses to protect its own information of a like nature. If any person or entity requests or demands, by subpoena or otherwise, all or any portion of the Confidential Information provided by one party to another, the party receiving such request shall immediately notify the Discloser of such request or demand. The party receiving the request or demand shall independently determine whether the information sought is subject to disclosure under applicable law including the New Mexico Inspection of Public Records Act. If the party receiving the request or demand determines that the information is subject to disclosure, it shall notify the Discloser of its intent to permit the disclosure with sufficient time to permit the Discloser to invoke the jurisdiction of an appropriate court or administrative body to raise any legitimate objections or defenses it may have to the disclosure. In the absence of an appropriate order prohibiting the disclosure, the party receiving

the request or demand shall permit and proceed with the disclosure without incurring any duty, obligation or liability to the Discloser.

Exhibit B

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND
OTHER RESPONSIBILITY MATTERS – PRIMARY COVERED TRANSACTIONS
RFP NO: 24-78**

RFP Name: Utilities Investment Management and Advisory Services

This document should be returned with RFP submittal.

- (1) I or We, _____ (the "Offeror/Bidder") hereby certify to the best of our knowledge and belief that neither the Offeror/Bidder nor any of its principals:
- (a) are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal, state, or local department or agency; and
 - (b) have, within a 3-year period preceding this certification, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes; or commission of embezzlement, theft, forgery, bribery; falsification or destruction of records; making false statements; or receiving stolen property; and
 - (c) are presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
 - (d) are not current or former County employees. If an Offeror/Bidder is a current or former county employee, Offeror/Bidder shall provide additional information as described in paragraph (2) of this certification; and
 - (e) are not considered to be an "immediate family member" of a County employee or public official. Immediate family means the employee's or public official's spouse, parents, step-parents, child, step-child, sibling, step-sibling, half-sibling, grandparent, grandchild, aunt, uncle, niece, nephew, or their in-laws, or an individual claimed by the public official or his/her spouse as a dependent under the United States Internal Revenue Code; and
 - (f) have within a 3-year period preceding this certification had one or more public transactions or contracts (federal, state, or local) terminated for cause or default.
- (2) If we are unable to certify to any of the statements in this certification, we shall attach an explanation hereto.
- (3) Certification to any of the statements in this certification will be thoroughly reviewed, and may not necessarily preclude the Offeror/Bidder from consideration for award.
- (4) Falsification of any statement in this Form shall constitute grounds for non-consideration of the Offeror's/Bidders proposal or bid or rescinding of a contract award.

Date

Authorized Representative's Signature

Print Name

Print Title

Exhibit C
Campaign Contribution Disclosure Form
RFP NO:24-78

RFP Name: Utilities Investment Management and Advisory Services

This document should be returned with RFP submittal.

Any prospective contractor seeking to enter into a contract with the Incorporated County of Los Alamos must file this form disclosing whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official during the two (2) years prior to the date on which prospective contractor submits a proposal or, in the case of a sole source or small purchase contract, the two (2) years prior to the date prospective contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds TWO HUNDRED FIFTY DOLLARS (\$250.00) over the two (2) year period.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

“Applicable public official” means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

“Campaign Contribution” means a gift, subscription, loan, advance or deposit of money or other things of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official’s behalf for the purpose of electing the official to either statewide or local office. “Campaign Contribution” includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.

“Contract” means any agreement for the procurement of items of tangible personal property, services, professional services, or construction.

“Family member” means a spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law of:
(a) a prospective contractor, if the prospective contractor is a natural person; or
(b) an owner of a prospective contractor.

“Pendency of the procurement process” means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

“Person” means any corporation, partnership, individual, joint venture, association or any other private legal entity.

“Prospective contractor” means a person who is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

“Representative of a prospective contractor” means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS: (Report any applicable contributions made to the following - COUNTY COUNCILORS: Theresa Cull; Denise Derkacs; Melanee Hand; Susie Havemann; Keith Lepsch; David Reagor; and Randal Ryti.)

Contribution Made By:			
Relation to Prospective Contractor:			
Name of Applicable Public Official:			
Contribution(s) Date(s)	Contribution Amount(s):	Nature of Contribution(s):	Purpose of Contribution(s):
	\$		
	\$		
	\$		
	\$		
	\$		

(Attach extra pages if necessary)

Please check the box next to the applicable statement.

	CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250.00) WERE MADE to an applicable public official by me, a family member or representative, and I have disclosed those contributions.
	NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250.00) WERE MADE to an applicable public official by me, a family member or representative.

Signature

Date

Title (position)

Exhibit D
VERIFICATION OF AUTHORIZED OFFEROR
RFP NO: 24-78
RFP Name: Utilities Investment Management and Advisory Services

This document should be returned with RFP submittal.

Sec. 31-261. - State and local preferences.

(a) *Definitions.* For the purposes of this section:

- (1) The terms "resident business" and "resident veteran business" shall be defined as set out in NMSA 1978, § 13-1-21;
- (2) The term "local" as applied to a business shall mean that it meets the requirements of the above definition, maintains its principal office and place of business in Los Alamos County, and has a required Los Alamos County business license.

(b) *Requirements for preference qualification.* The chief purchasing officer shall determine if a preference is applicable to a particular bid or offer on a case-by-case basis. A bidder or offeror must submit a written request for preference, with a copy of the state-issued preference certificate, with its bid or proposal to qualify for this preference.

- (1) If a corporation, it shall be incorporated in New Mexico and maintain its principal office and place of business in the state;
- (2) A person shall have qualified with the state chief purchasing officer as a resident business or resident veteran business and obtained a certification number as provided in NMSA 1978, § 13-1-22.

(c) *Preference factor.*

- (1) The preference factor for qualifying resident and local businesses applied to bids and proposals shall be five percent.
- (2) The preference factor for qualifying resident veteran businesses shall be in accordance with the requirements set forth in NMSA 1978, § 13-1-21.

(d) *Invitations for bids.* When bids are received, the price quoted by the qualifying vendor shall be multiplied by 0.95. After application of the preference factor, the contract shall be awarded to the lowest bidder. If one or more low prices are equal, the bid shall be awarded with respect to the next category of offerors listed below, and the next, until an offer qualifies for award. The priority of categories of offers is as follows:

- (1) Local business;
- (2) Resident business.

(e) *Requests for proposals.* When proposals are received, the total evaluation score with or without the cost factor of each proposal received from a qualifying vendor shall be multiplied by 1.05. After application of the factor, the contract shall be awarded to the highest score. If one or more scores are equal, the same procedure shall be followed with respect to the next category of offerors listed, and the next, until an offer qualifies for award. The priority of categories of offerors is the same as listed in subsection (d) of this section.

(f) *Exemptions from preferences.* The resident and local preference specified in this article shall not be applied:

- (1) To requests for qualifications;
- (2) To any purchase of goods or services in excess of \$500,000.00;

- (3) When the expenditure of federal funds designated in whole or in part for a specific purchase is involved;
or
- (4) When the expenditure of grant funds, a condition of which prohibits a local preference, is involved.

(Ord. No. 02-098, § 2, 12-2-2008; Ord. No. 02-305, § 8, 2-25-2020)

Are you requesting Preference?

YES NO

By answering "yes," the bidder or offeror is submitting a written request for preference.

A Bidder or Offeror must submit a copy of the state-issued preference certificate with its bid or proposal to qualify for this preference.

Having read the proposal conditions and examined the scope of services and deliverables for this RFP, this Proposal is hereby submitted by:

/

Signature and Printed Name of Authorized Offeror Title

Organization's Legal Name State of Incorporation

Email Address

Mailing Address City State Zip Code

Physical Address City State Zip Code

Telephone No.

Federal Tax I.D. # NM CRS # (if located in-state)

Contract Manager Printed Name, Title and Email Address

If your firm meets the definition of one or more of the types of business described below as defined by the Small Business Administration, please check the appropriate box:

- Small Business
- Woman-owned Business
- Minority-owned Business

**Exhibit E
COST SUMMARY SHEET
RFP NO: 24-78**

RFP Name: Utilities Investment Management and Advisory Services

This attachment or Offerors own cost document shall be returned with the RFP submittal.

Offeror (Company Name): _____

COST CATEGORY	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
	\$						
	\$						
	\$						

***Travel Guidelines**

If Offeror's travel costs are proposed as direct reimbursable costs, copies of all travel expenses must accompany invoices submitted to County and shall only include the following:

1. The most economical means of transportation shall be used, commercial airlines coach fare rates;
2. Business-related tolls and parking fees;
3. Rental car, taxi service or shuttle services;
4. Mileage shall be reimbursed at the standard mileage rate for business miles driven as established from time to time by the Internal Revenue Service;
5. Hotel or motel lodging;
6. Meals, per Los Alamos County Travel Policy, currently \$60.00 per diem daily;
7. Internet connectivity charges;
8. Any other reasonable costs directly associated with conducting business with County.
9. If reimbursement for lodging or airfare is sought and no receipt is furnished by Contractor showing the actual cost, the travel expense shall be deemed unreasonable and un-reimbursable.

Travel Expenses not allowed are as follows:

1. Entertainment; in-room movies, games, etc. and
2. Alcoholic beverages, mini bar refreshments or tobacco products.

Exhibit "F"
Investment Policy
RFP NO: 24-78

RFP Name: Utilities Investment Management and Advisory Services

INCORPORATED COUNTY OF LOS ALAMOS INVESTMENT POLICY

Updated May 24, 2005

I. SCOPE

This policy applies to the investment of funds of the Incorporated County of Los Alamos (the County).

II. GENERAL OBJECTIVES

1. Investment goals. County funds shall be invested by the investment officer in an effort to:

- a. Maximize investment returns while minimizing risk;
- b. Maintain a level of liquidity to ensure meeting unanticipated cash needs;
- c. Allow for diversification of the county's portfolio;
- d. Recognize the impact of the county's investment program on the local economy; and
- e. Minimize the amount of money in non-interest-bearing accounts.

2. Criteria for investment selection. The criteria for selecting investments shall be in the following order of priority safety, liquidity, and total return:

a. **Safety.** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to minimize credit risk and interest rate risk.

i. Credit Risk. The County will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:

- Limiting investments to securities as authorized in the County Code;
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the County will do business; and
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

ii. Interest Rate Risk. The County will minimize the risk that the market value of securities in the portfolio will fall due to changes in the general level of interest rates, by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and also satisfying requirements for cash reserves, thereby avoiding the need to sell securities on the open market prior to maturity.

b. **Liquidity.** The investment portfolio shall remain sufficiently liquid to meet all cash flow requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio of operating investments should consist largely of securities with active secondary or resale markets (dynamic liquidity).

c. **Total Return .** Return on investment is of secondary importance compared to the safety and liquidity objectives described above. Within the constraints of prudent safety and liquidity parameters listed above, the portfolio shall be designed with the objective of attaining a marketrate of return. Total returns will be maximized within these constraints.

3. **Trading Restrictions.** Securities shall not be sold prior to maturity with the following exceptions:

- a. A security with declining credit may be sold early to minimize loss of principal;
- b. A security swap would improve the quality, total return , or target duration in the portfolio; or
- c. Liquidity needs of the portfolio require that the security be sold.

III. SAFEKEEPING, CUSTODY, AND TRADING

1. **Authorized Financial Dealers and Institutions.** The finance division will maintain a list of financial institutions authorized to provide investment services and a list of approved security broker/dealers selected by creditworthiness. All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply each of the following:

- a. Audited financial statements,
- b. Proof of National Association of Securities Dealers (NASD) certification,
- c. Proof of New Mexico state registration,
- d. Completed broker/dealer questionnaire, and
- e. Certification of having read and understood and agreeing to comply with the County's investment policy.

An annual review of the financial condition and registration of qualified financial institutions and broker/dealers will be conducted by the investment officer.

2. **Internal Controls.** The investment officer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft or misuse. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by

management. An annual independent review by an external auditor shall assure compliance with policies and procedures.

The internal controls shall address the following points:

- a. Control of collusion,
- b. Separation of transaction authority from accounting and recordkeeping,
- c. Custodial safekeeping,
- d. Avoidance of physical delivery securities wherever possible,
- e. Clear delegation of authority to subordinate staff members,
- f. Written confirmation of transactions for investments and wire transfers, and
- g. Development of a wire transfer agreement with the lead bank and third-party custodian.

3. **Authorized Signatures.** The finance division will maintain a list of all authorized signatories for all authorized County bank and investment accounts. The County Council will approve this list at least annually or whenever a signature is added or deleted from the master list which ever is sooner.

4. **Trading Procedures .** The investment officer shall, whenever possible, obtain a minimum of three verbal or electronic bids/offers to obtain the best price for the County on all securities trades.

- a. To encourage local investing, at least one local Los Alamos broker will be included on all trades if available.
- b. Tie bids/offers will be decided by a coin toss, unless one of the tie firms proposed the trade or isa local broker.
- c. Brokers proposing a securities trade shall be protected if the trade is executed and will win anyties.
- d. Local brokers will win any remaining ties.
- e. Best price and execution will not be compromised.
- f. The winner on all trades will be included on the competing list for the following trade unless, in the judgment of the staff, the firm does not have good capabilities in the sector related the subsequent trade.
- g. Bond exchanges will be managed under the following guidelines:
 - i. Recognizing the value of original ideas, proposed bond exchanges will not be shopped among other brokerage firms.
 - ii. If uncertainty exists concerning the levels of the bid or offer prices on the proposed exchange, the level(s) should be checked with at least one otherfirm.
 - iii. If a higher bid or offer is found, the proposing firm shall be given the opportunity to improve their bid or offer. The proposing firm shall win any ties.

A bid/offer form will be completed which will include date, type of investment, purchase date, maturity date, amount to be invested, institution name, contact name, investment type, face value, discount, andcost. Authorization for all investments shall be in writing.

IV. AUTHORIZED INVESTMENTS

Authorized investments are defined in Section 20-403 of the County Code.

V. **INVESTMENT PARAMETERS**

1. **Diversification.** The investments shall be diversified by:

- a. limiting investments to avoid overconcentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- b. limiting investment in securities that have higher credit risks,
- c. investing in securities with varying maturities, and
- d. continuously investing a portion of the portfolio in readily available funds to ensure that appropriate liquidity is maintained in order to meet ongoing obligations.

e. To maintain adequate diversification, the investment portfolio shall not have more than 20% of the portfolio invested in securities of a single issuer with the following exceptions:

- i. U.S. Government Obligations, deposits with the New Mexico State Treasurer's Local Government Investment Pool, and investments with the New Mexico State Investment Council's Long-term Investment Funds;
- ii. Repurchase agreement associated with required debt service reserves that are collateralized in accordance with code section 20-406; and
- iii. Deposits in a local qualified financial institution that are 100% collateralized in accordance with Section 20-403 of the County Code. This exception recognizes the impact of the county's investment program on the local economy.

2. **Maximum Maturities.** To the extent possible, the investment officer shall attempt to match the investment maturities with the anticipated cash flow requirements of the County. Unless designated as long-term funds or matched to a specific cash flow, the County will not invest its pooled investment funds directly in securities maturing more than five (5) years from the date of purchase, other than the portion of the pooled funds determined to be long-term in nature.

3. **Long-term Investments.** The County has institutional balances that are inherently or explicitly long-term in nature, including balances in the general county pooled investments (no more than 50% of the total), the capital projects permanent fund, the cemetery fund, and the utility decommissioning account. These funds, reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding five (5) years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of funds. The intent to invest in securities with longer maturities shall be disclosed in writing to the County Council.

Investments in the New Mexico State Investment Council's long-term investment funds shall be made in accordance with the following asset allocation guidelines:

	<u>Target Weight</u>	<u>Target Range</u>
Fixed Income (Bonds)	30%	15-45%
Core Bond Fund	20%	10-35%
High Yield Bond Fund	10%	5-20%
Domestic Equity	55%	35-75%
Large Cap. Active and Index Funds	40%	20-60%
Mid/Small Cap. Active Fund	15%	5-30%
International Equity	15%	5-25%
Non-U.S. Active Fund	12%	5-20%
Emerging Markets Fund	3%	0-10%

It is recognized that economic and market conditions will cause the asset allocations to fluctuate within the target ranges.

4. **Collateralization.** New Mexico state law require that all certificates of deposit, money market, checking accounts, and any other investments not backed by the full faith and credit of the United States Government, other than investments in the New Mexico State Investment Council long-term investment funds, be secured by pledged collateral of at least 50 percent of the current market value. This collateral will be pledged in the name of the County and held by a third party institution, Federal Reserve Bank, or by a trust institution within the same bank as approved by the investment officer. The institution will issue safekeeping receipts to the County for securities held by a third party. The County will require that at all times, pledged collateral will be equal to, or greater than, 50 percent of the current market value of the County's applicable investments.

5. **Local Preference for Investing.** The investment officer will, whenever possible, try to invest funds which benefit the local economy on a competitive bid basis. The County code allows preference be given to local qualified financial institutions whenever competing bids from out-of-town qualified financial institutions do not exceed the highest bid from the local financial institutions.

VI. REPORTING

1. **Methods.** The investment officer shall prepare an investment report at least quarterly, including a management summary that provides an analysis of the status of the current investment portfolio and transactions made over the reporting period . This management summary will be prepared in a manner which will allow the County to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the County Administrator and the County Council. The report will include the following:

- a. Listing of individual securities held at the end of the reporting period.
- b. Changes from the previous report.
- c. Schedule of collateral.
- d. The cost and market value of individual securities.

- e. Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- f. Listing of investment by maturity date.
- g. Percentage of the total portfolio which each type of investment represents.

2. **Performance Standards.** The investment portfolio will be managed in accordance with the parameters specified within this policy. A set of appropriate benchmarks shall be selected to use in evaluating portfolio performance on a regular basis.

VII. POLICY CONSIDERATIONS

1. **Exemption.** Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

2. **Amendments.** This policy shall be reviewed by the investment officer on an annual basis and be revised to reflect changes in policy required by a changing investment market, changes required by federal, state or local laws, or changes to administrative policy. Any changes must be approved by the County Council.

First adopted by the Council, December 20, 1993 updated by Council action, July 10, 1995 updated by Council action, October 3, 2000 updated by Council action May 24, 2005

Exhibit "G"
County Code Sections Related to Investments
RFP NO: 24-78
RFP Name: Utilities Investment Management and Advisory Services

Sec. 20-361. Capital projects permanent fund.

- (a) *Creation.* The capital projects permanent fund is created.
- (b) *Investments.* The investment officer shall manage the investment of the capital projects permanent fund. The chief financial officer or his designee shall perform the duties of the investment officer.
- (c) *Standards for investment.* The standards for investment of the fund shall be the same as those contained in section 20-403 for investment of other county funds.
- (d) *Real value of principal.* Beginning in fiscal year 2001, the real value of the principal of the fund shall be computed by multiplying the principal at the end of the previous fiscal year by the sum of 100 percent, plus the percentage by which the implicit price deflator for the gross domestic product for state and local governments, published by the United States Department of Commerce for the most recent calendar year exceeds the implicit price deflator for the year preceding the most recent calendar year. If the implicit price deflator is no longer published, a similar index shall be used.
- (e) *Designated fund balance for income stabilization.* A portion of the capital projects permanent fund shall be designated for income stabilization and shall not be considered to be part of the principal of the fund. The purpose of this designated fund balance for income stabilization is to provide short-term annual stability to the amounts available for principal maintenance and for distributions. The initial transfer into the capital projects permanent fund to create the designated fund balance for income stabilization shall be an amount equal to ten percent of the principal of the fund as of June 30, 2000. Additions to and uses of the designated fund balance shall be made as provided in subsection (h) of this section. When the designated fund balance for income stabilization equals the sum of the amount of the initial transfer plus ten percent of the current principal of the fund, then the amount of the initial transfer shall be transferred to the capital improvement projects fund.
- (f) *Distributions.* Distributions shall be made from the capital projects permanent fund to the capital improvement projects fund to pay for capital projects as defined in this subsection. Unless otherwise limited by the provisions of subsection (h) of this section, the amount to be distributed shall be computed as follows:
- (1) In fiscal year 2001, the amount shall be equal to the amount budgeted for transfer from the capital projects permanent fund to the expenditure fund for capital projects in the fiscal year 2001 adopted budget.
 - (2) In fiscal years 2002 through 2005, the amount shall be equal to 105 percent of the prior fiscal year's distribution.
 - (3) In fiscal year 2006 and thereafter, the amount shall be equal to 4.7 percent of the average of the calendar year end market values of the capital projects permanent fund for the immediately preceding five calendar years.
- (g) *Distribution expenditure.* The distributions shall be expended solely to pay all or part of the cost of any capital project having a minimum aggregate cost of one percent of the total general fund operating budget for the year in which the project is approved by the council. Minimum aggregate cost means the amount of money projected to be needed for the completion of a capital project which involves a single principal functional purpose at a common, contiguous or discrete location. As used in this subsection, the term "capital project" means:

- (1) Constructing, purchasing, furnishing, equipping, rehabilitating, making additions to or making improvements to one or more public buildings or purchasing or improving their sites or grounds including, but not necessarily limited to, acquiring and improving parking and storage lots, or any combination of the foregoing;
- (2) Constructing, acquiring or improving municipal or public parking lots, structures or facilities, or any combination of the foregoing;
- (3) Constructing, acquiring, extending, enlarging, bettering or otherwise improving storm sewers, drainage facilities and erosion control facilities including, but not necessarily limited to, the acquisition of rights-of-way, or any combination of the foregoing;
- (4) Reconstructing existing alleys, streets, roads or bridges, or laying off, opening, constructing or otherwise acquiring new alleys, streets, roads, bridges, or traffic-control facilities including, but not necessarily limited to, the acquisition of rights-of-way, or any combination of the foregoing, but shall not include major street maintenance; and
- (5) Acquiring, constructing, purchasing, equipping, furnishing, making additions to, renovating, rehabilitating, beautifying or otherwise improving public parks, public recreational or cultural buildings or facilities or purchasing or improving their sites or grounds, or any combination of the foregoing.

As used in this subsection, the term "public building" shall include, but is not necessarily limited to, fire stations, criminal justice facilities, libraries, museums, auditoriums, convention halls, hospitals, buildings for administrative officers, city halls and garages for housing, repairing and maintaining county vehicles and equipment, but shall exclude utility facilities.

(h) Priority of the uses of income and the designated fund balance for income stabilization.

- (1) Income from investment of the capital projects permanent fund shall be used in the following order of priority:
 - a. First, to make additions to the principal in an amount which maintains the real value of the principal; and then, if any income remains;
 - b. Second, to make distributions for capital projects in accordance with subsection (g) of this section; and then, if any income remains;
 - c. Third, to make additions to the designated fund balance for income stabilization.
- (2) If the investment income in each fiscal year is less than the sum of the amounts needed to maintain the real value of the principal and to make distributions for capital projects, then the designated fund balance for income stabilization shall be reduced and used in the following order of priority:
 - a. First, to make additions to the principal in an amount that maintains the real value of the principal; and then, the extent that any designated fund balance remains;
 - b. Second, to make distributions for capital projects in accordance with subsection (g) of this section.
- (3) If the total of the investment income plus the designated fund balance is less than the amount needed to maintain the real value of the principal, then the county council shall adopt a plan under which the amount of the principal shall be equal to the real value by no later than the end of three fiscal years.
 - (i) Additions to principal from the general fund. Additions may be made to the principal of the capital projects permanent fund from the general fund to the extent that unexpended and unencumbered general fund balances, exclusive of budgeted reserves, exceed ten percent of the general fund operating budget for the year in which the addition to the capital projects permanent fund is to be made. No addition to the capital projects permanent fund from the general fund shall be made which would cause the total aggregate appropriations and contributions to the capital projects permanent fund to exceed ten times the general fund operating budget for the most recently completed fiscal year.

(Ord. No. 85-45, § 1, 1986; Ord. No. 85-72, § 1, 1988; Ord. No. 85-196, § 1, 1994; Code 1985, § 2.98.010; Ord. No. 85-285, § 1, 10-3-2000; Ord. No. 02-067, § 2, 5-24-2005)

ARTICLE IV. DEPOSIT AND INVESTMENT OF COUNTY FUNDS

Sec. 20-401. County investment policy adopted.

This article shall be known as the "Incorporated County of Los Alamos Investment Policy," adopted pursuant to art. X, § 6 of the state constitution and section 103 of the Charter. (Ord. No. 85-62, § 1, 1987; Code 1985, § 2.33.010)

Sec. 20-402. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Financial institution means a federally insured bank or savings and loan association.

Investment officer means the chief financial officer or his designee.

Local financial institution means those qualified financial institutions whose main office or manned branch office is located within the county corporate limits.

Net worth means as defined by the financial institutions division of the regulation and licensing department of the state.

Qualified financial institution means a financial institution which meets all of the following requirements to qualify as a depository for the county:

- (1) Equity-to-asset ratio is equal to or greater than the level recommended by the federal deposit insurance corporation;
- (2) A current audited annual financial statement has been submitted to the county;
- (3) No successive losses for two preceding years;
- (4) If not a local financial institution, its assets must be in excess of \$1,000,000,000.00; and
- (5) Not operating under a letter of agreement or cease and desist order issued by any regulatory agency.

Qualified repurchase agreement provider means a bank, investment banking firm, or insurance company whose long-term debt obligations (or claims-paying ability) are rated in one of the top two rating categories by Moody's Investors Service, Inc., and Standard & Poor's Corporation.

Repurchase agreement means a contract for the present purchase and resale at a specified time in the future of specific securities at specified prices, which price differential represents investment income.

SIPC means security investment protection corporation.

Special county funds means the capital projects permanent fund, the expenditures fund for capital projects, and the government operations assistance permanent fund.

Time deposit means a certificate of deposit or savings certificate deposited in a federally insured bank or savings and loan association.

U.S. government obligations means bonds, notes or other obligations of the United States government, its agencies, government-sponsored enterprises, corporations or instrumentalities and that portion of bonds, notes or other obligations guaranteed as to principal and interest and issued by the United States government, its agencies, government-sponsored enterprises, corporations or instrumentalities or issues pursuant to acts or programs authorized by the United States government.

(Ord. No. 85-62, § 1, 1987; Ord. No. 85-203, §§ 1-3, 1994; Code 1985, § 2.33.020; Ord. No. 85-284, § 1, 10-3-2000; Ord. No. 02-067, § 3, 5-24-2005)

Cross references: Definitions generally, § 1-2.

Sec. 20-403. Policy declarations.

- (a) *Investment goals.* County funds shall be invested by the investment officer in an effort to:
- (1) Maximize investment returns while minimizing risk;
 - (2) Maintain a level of liquidity to ensure meeting unanticipated cash needs;
 - (3) Allow for diversification of the county's portfolio;
 - (4) Recognize the impact of the county's investment program on the local economy; and
 - (5) Minimize the amount of money in noninterest-bearing accounts.
- (b) *Criteria for investment selection.* The criteria for selecting investments shall be in the following order of priority:
- (1) Safety;
 - (2) Liquidity; and
 - (3) Total return.
- (c) *Standard of prudence.* The standard of prudence to be applied by the investment officer shall be the prudent investor rule, which is: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived." The prudent investor rule shall be applied in the context of managing the overall investment portfolio.
- (d) *Responsibility.* The investment officer, acting in accordance with the county investment policy as approved by the county council and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported and that appropriate action is taken to control adverse developments.
- (e) *Allowed investment instruments.* The investment officer may invest county funds in the following types of accounts, securities, and instruments:
- (1) U.S. government obligations;
 - (2) Bonds or negotiable securities of the state or of any county, municipality or school district within the state which has a taxable valuation of real property for the last preceding year of at least \$100,000,000.00 and has not defaulted in the payment of any interest or sinking fund obligation and has not failed to meet any bonds at maturity at any time within five years last preceding;
 - (3) Time deposits in a qualified financial institution, and subject to the following:
 - a. In placing time deposit moneys, preference shall be given to the local qualified financial institutions whenever competing bids from out-of-town qualified financial institutions do not exceed the highest bid from the local qualified financial institutions.
 - b. The total of time deposits with any qualified financial institution shall not at any time exceed the net worth of the financial institution.
 - (4) Interest-bearing checking accounts in qualified financial institutions;
 - (5) Time deposits or interest-bearing checking accounts in any nonqualified financial institution up to the amount of federal deposit insurance coverage;
 - (6) State treasurer's local short-term investment fund; and
 - (7) State investment council's long-term investment funds.
- (f) *Security for deposits.* Any qualified financial institution designated as a county depository shall deliver securities of the type specified herein to the chief financial officer in an aggregate value equal to at least one-half of the amount of the county money to be received. No security is required for the deposit of money that is insured by the federal deposit insurance corporation or the national credit union administration. Deposits requiring security shall be secured by:
- (1) Securities of the United States, its agencies or instrumentalities;
 - (2) Securities of the State of New Mexico, its agencies, instrumentalities, counties, municipalities or other subdivisions;
 - (3) Securities, including student loans, that are guaranteed by the United States or the State

of New Mexico;

(4) Letters of credit issued by a federal home loan bank.

(g) *Safekeeping of securities.*

(1) No county funds to be invested in negotiable securities shall be paid out unless there is a simultaneous transfer of securities either by physical delivery or, in the case of uncertificated securities, by appropriate book entry on the books of the issuer, to the county or to a third party safekeeping financial institution acting as agent or trustee for the county, which agent or trustee shall furnish timely confirmation to the county. An investment management firm under contract with the county shall not also act as custodian for any securities purchased for the county.

(2) Notwithstanding the provisions of subsection (g)(1) of this section, securities may be held in street name with an SIPC-insured broker or dealer at a level not to exceed the amount of the SIPC insurance plus the amount of insurance provided by an insurance company which has received an A+ rating by A.M. Best & Company.

(Ord. No. 85-62, § 1, 1987; Code 1985, § 2.33.030; Ord. No. 85-284, § 1, 10-3-2000; Ord. No. 02-067, § 4, 5-24-2005)

Sec. 20-404. Investment management; contracts with private firms.

(a) The county may contract with one or more investment management firms to advise the investment officer and pay reasonable compensation for such services from funds so invested. The terms of any investment management services contract shall incorporate the county Charter, Code, policies, procedures and other legal requirements for investment of funds.

(b) The utilities board may join with the investment officer in utilizing the services of any such investment management firms under such terms and conditions as are mutually agreed to, subject to the policies, procedures and requirements specified in this article.

(Ord. No. 85-62, § 1, 1987; Code 1985, § 2.33.040; Ord. No. 85-284, § 1, 10-3-2000)

Sec. 20-405. Investment of county funds in repurchase agreements.

In addition to any other investment permitted under this article, amounts held in any county fund may be invested in repurchase agreements having a term not exceeding 25 years; provided, however, that the county (or the county's bond trustee) shall enter into a repurchase agreement only with financial institutions which constitute a qualified repurchase agreement provider at the time of the execution and delivery of the repurchase agreement.

(Ord. No. 85-203, § 4, 1994; Code 1985, § 2.33.050; Ord. No. 85-284, § 1, 10-3-2000)

Sec. 20-406. Collateralization of repurchase agreements.

Each repurchase agreement shall provide that the obligations of the qualified repurchase agreement provider under a repurchase agreement shall be fully collateralized by delivery against payment of U.S. treasury obligations or U.S. government agency obligations to a mutually agreeable independent custodian which shall be equal in market value (to be determined at least quarterly) to at least 102 percent of the investment amount under the repurchase agreement.

(Ord. No. 85-203, § 5, 1994; Code 1985, § 2.33.060; Ord. No. 85-284, § 1, 10-3-2000)