



# Department of Administrative Services

## Purchasing and Contracts

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Sabra Smith Newby, Chief Administrative Officer  
Adleen B. Stidhum, Purchasing Administrator



CLARK COUNTY, NEVADA  
RFP NO. 603046 -13

CONTRACT FOR INSTITUTIONAL FIXED INCOME CASH AND INVESTMENT MANAGER; OPTIONAL SEPARATE CORPORATE BOND PORTFOLIO INVESTMENT MANAGER; OPTIONAL SEPARATE MORTGAGE-BACKED SECURITIES AND ASSET-BACKED SECURITIES PORTFOLIO INVESTMENT MANAGER

September 4, 2013

### ADDENDUM NO. 2

#### REQUEST FOR PROPOSAL

1. The RFP opening date of Friday, September 13, 2013 at 3:00:00 p.m. **remains unchanged.**

#### QUESTIONS AND ANSWERS

- Q1. It appears as though there is currently only one investment manager for each sub-portfolio. Are you considering splitting any of the portfolios to diversify money managers?
- a. Example: will the \$2.8 Billion Core portfolio be awarded in entirety or it is possible that it could be broken down into smaller sub-portfolio's among multiple managers?
  - b. If it is awarded to multiple managers what is the smallest sub-portfolio that a manager could expect?
- A1: **This RFP provides the option for the selection of a separate Corporate Bond portfolio investment manager and/or a separate MBS/ABS portfolio investment manager. If either or both of these options are selected, these portfolios will be considered sub-portfolios of the Investment Pool, with anticipated funding of \$150 million up to \$500 million. The remainder of the "Total Portfolio" (including the Investment Pool Cash Management and Core sub-portfolios) will be managed by the Cash and Investment Manager.**
- Q2 Is sub-accounting by the Investment manager reported according to each of the four individual pools or is it segregated to the individual trusts.
- A2: **The Cash and Investment Manager prepares investment accounting reports for each of the Investment Pool sub-portfolios. Individual investment accounting reports are not prepared for each corporate trust account, but rather, the activity in these accounts is reported in the aggregate in the respective County Bond Funds or Airport Bond Funds portfolios.**

- Q3: Is the prior winning proposal available on line or available to be distributed for the winning bid on the previous RFP's for these services?  
A3: **Firms interested in obtaining this information will be required to complete the Request for Public Records form, which is attached.**
- Q4: How many department interactions are required to determine cash flows and how frequently?  
A4: **The Cash and Investment Manager communicates primarily with appropriate financial staff in the Treasurer's Office, Finance Dept., Comptroller's Office, Airport, Water Reclamation District, and the Regional Transportation Commission.**
- Q5: Can Clark County provide sample reports of what the treasurer receives today?  
A5: **County is interested in seeing what Proposers offer their clients.**
- Q6: How many bank accounts is there that must be monitored for cash flows?  
A6: **The County's bank accounts are structured so that three main accounts are monitored for daily cash flow/funding purposes.**
- Q7: Will the successful bidder have any responsibility for investing any of the corporate trust accounts? If so, please explain.  
A7: **Yes. The successful Cash and Investment Manager works closely with appropriate County department staff and corporate trustee representatives to review bond documents and analyze cash flows, and invests accordingly.**
- Q8: To what extent do cash flow projections include the corporate trust accounts and who produces and reports those cash flows?  
A8: **Cash flow projections include the activity in the various corporate trust accounts. Cash flow information is provided by and discussed with staff of various departments and corporate trustee representatives.**
- Q9: Would the selected manager be responsible for the entire \$160 million sub-portfolio or a portion of these assets? If a portion, what is the estimated mandate size?  
A9: **If an Investment Manager for a separate MBS/ABS portfolio is selected, that manager will be responsible for a portfolio ranging from \$150 million to \$500 million (size to be determined). This separate portfolio will be a sub-portfolio of the Investment Pool.**
- Q10: Would Clark County be willing to provide the guidelines from their existing mandate(s) and do you envisage the prospective mandate to be run in a similar fashion?  
A10: **Guidelines are under review and will be discussed with successful manager.**
- Q11: For the ABS/MBS mandate, does the plan expect to make regular withdrawals from the account to manage liquidity? If so, is there a range of amount and frequency expected?  
A11: **No. Earnings are reinvested.**
- Q12: Is the ABS/MBS account tax sensitive and thus managers would need to manage unrealized losses?  
A12: **No, the MBS/ABS portfolio is not tax sensitive.**
- Q13: Under Section C. Minimum Qualifications - #3 states "Have at least 5 years experience managing municipal operating portfolios and bond issue proceeds" We understand that this qualification is most relevant for the Cash and Investment Manager contract. We are submitting to serve as an Investment Manager of a separate ABS/MBS portfolio only. Do we still need to meet this qualification?  
A13: **Yes. Investment managers for any of the portfolios must have demonstrated experience managing municipal operating funds and bond proceeds.**

- Q14: Exhibit 2 Questionnaire: With regards to Book Rate of Return and GASB reporting, we think that these only apply to the Cash and Investment Manager role. Is that correct? If not, is this reporting ability a minimum requirement for the ABS/MBS only manager?
- A14: **While not a specific minimum requirement for MBS/ABS-only manager, this capability is desirable.**
- Q15: Investment Policy – For Agency MBS is the maturity restriction a 10 year legal final or a 10 year average life. In addition, we did not see any maturity restriction for ABS. Please confirm whether or not there is one.
- A15: **Agency pass-throughs--stated final maturity of 10 years; Agency CMOs--no stated final maturity; ABS--no stated final maturity**
- Q16: If a manager can conform to all of the daily required services with the exception of providing Treasurer a brief explanation/justification of buys and sells, with the expectation that these explanations could be provided on either a monthly or quarterly basis, would that manager be excluded from being able to participate in the search?
- A16: **Providing this information only monthly or quarterly is insufficient. A brief explanation written on the trade ticket (or via e-mail) will suffice. This will be discussed more with successful managers.**
- Q17: Could you please clarify/define "material events" that would justify reporting to the Treasurer within the Daily Reporting sections.
- A17: **News or information that will probably have an impact on the portfolio. This will be discussed with successful manager.**
- Q18: Under the monthly reporting section, what portfolio analysis would be expected in the Monthly Report to the Treasurer?
- A18: **County is interested in seeing what Proposers offer their clients. Specifics will be discussed with successful manager.**
- Q19: Under the monthly reporting section, please define "approved list" of issuers of corporate bonds etc. Would not providing this information exclude a manager from consideration?
- A19: **Not necessarily, however, providing this list is preferred. Frequency/content of list to be discussed with successful managers.**
- Q20: Under the daily reporting section, does the following requirement pertain solely to the cash portfolio: Provide firm's approved list of commercial paper, negotiable certificate of deposit, asset-backed securities, corporate bond issuers, and repurchase agreement counterparties.
- A20: **This applies to all but County and Airport Bond portfolios. Frequency/content of list to be discussed with successful managers.**
- Q21: For the MBS/ABS mandate, could an expected benchmark for this portfolio be provided? Is there a targeted range/mix of MBS and ABS for the portfolio.
- A21: **Benchmark for this portfolio is currently under review and will be discussed with successful manager.**
- Q22: For the MBS/ABS mandate, could a list of eligible MBS and ABS asset classes be provided?
- A22: **MBS (including CMOs) must be Agency-issued and rated AAA or its equivalent. ABS must be rated AAA or its equivalent. ABS sectors will be discussed with successful manager**
- Q23: Submittal Requirements: What distinction are you making with the original proposal and the 5 copies? We are wondering if you want only 1 copy in a binder with tabs and the other 5 copies presented in a different way?
- A23: **The five (5) copies should be identical to the original proposal, with the exception of word "Original" and "copy" noted on the face of the proposals.**

Except as modified herein, all other RFP specifications, terms and conditions shall remain the same.

Should you have any questions, I can be reached at (702) 455-2729 or [chetanc@clarkcountynv.gov](mailto:chetanc@clarkcountynv.gov).

ISSUED BY:

A handwritten signature in black ink, appearing to read "Chetan Champneri", with a long horizontal flourish extending to the right.

CHETAN CHAMPANERI  
Purchasing Analyst II

Attachment: Public Records Request form

cc: Laura Fitzpatrick, Treasurer  
Drew Solomon, Treasurer's Office



DEPARTMENT OF FINANCE
Purchasing and Contracts Division

Phone: (702) 455-2897



REQUEST FOR PUBLIC RECORDS

The following information must be completed by the requestor.

Incomplete forms will not be accepted!

PURSUANT TO THE NEVADA PUBLIC RECORDS LAW, I REQUEST THE FOLLOWING INFORMATION
RELEVANT TO CONTRACT NO. 600119-06 TITLE Contract for Cash and Investment Manager

I UNDERSTAND THAT THERE IS A FEE FOR COPIES OF \*\$1.00 PER PAGE AND THAT NO COPIES SHALL BE
MADE UNTIL FULL PAYMENT IS RECEIVED. REVIEW OF DOCUMENTS IS BY APPOINTMENT ONLY!

Date: Name/Title:

Company Name: IS THIS FOR A POSSIBLE PROTEST? Yes No

Address: City/State/Zip:

Area Code/Phone Number: Area Code/Fax Number:

E-mail Address:

Please check the documents you want to: Review? Yes No Copy? Yes No

- Original Solicitation
Awarded CBE, RFP, Bid
Other Submittal(s)
Addenda
BCC Agenda / Award Authorization
Renewal Letter(s), if applicable
Extension Letter(s), if applicable
Price Increase Letter(s), if applicable
Insurance submittals, if applicable
Other

PLEASE FAX OR EMAIL THIS COMPLETED FORM TO: (702) 386- 4914 or CountyPurchasing@clarkcountynv.gov

\*Personal, Business, or Cashier Checks should be made payable to Clark County Treasurer. We will accept cash if it is exact change only. The Purchasing Division does not have cash to make change.

Pursuant to Chapter 239 of the Nevada Revised Statutes, requests for review or copying of Public Records will be responded to within 5 business days of our receipt of your written request.

Please visit our website for forms and other important information at: http://www.ClarkCountyNV.gov/Purchasing

FOR INTERNAL USE ONLY:

Date of appointment: Time:

PAGE COUNT: AMOUNT DUE: \$ PAYMENT METHOD:

Date/Time Completed: Initials: Version Date: 08/16/2011