



INVITATION TO NEGOTIATE

FOR

Financial Advisor Services for the Florida
Hurricane Catastrophe Fund

Issue Date: June 28, 2022

State Board of Administration
1801 Hermitage Blvd., Suite 100
Tallahassee, FL 32308

CONTENTS

1	ITN TIMELINE	3
2	DESIGNATED CONTACT	3
3	PURPOSE	4
4	GENERAL INFORMATION AND BACKGROUND	4
4.1	GENERAL INFORMATION.....	4
4.2	OVERVIEW OF THE SBA.....	5
5	SOLICITATION REQUIREMENTS	8
5.1	REQUESTS FOR CLARIFICATION	8
5.2	DISCLOSURE OF RESPONSE CONTENTS.....	9
5.3	CONTRACT CLAUSES	9
5.4	RESPONDENT GUARANTEES.....	9
5.5	ORAL INTERVIEWS/PRESENTATIONS.....	10
5.6	CONFLICTS OF INTEREST	10
5.7	SUBCONTRACTORS	11
5.8	QUIET PERIOD	11
5.9	FEE PROPOSAL.....	11
5.10	SCOPE OF SERVICES	11
5.11	CLIENT SERVICE	12
5.12	MINIMUM QUALIFICATIONS.....	12
6	ADDITIONAL INFORMATION	13
6.1	RESPONSE OWNERSHIP	13
6.2	RESPONDENT’S COST	13
6.3	RIGHT TO AMEND AND/OR WITHDRAW.....	13
6.4	WOMEN- AND MINORITY-OWNED BUSINESSES	13
7	RESPONSE SUBMISSION REQUIREMENTS	14
7.1	RESPONSE PACKAGE REQUIREMENTS	14
7.2	REQUESTS FOR MODIFICATION OF A RESPONSE.....	14
7.3	RESPONSE FORMAT AND CONTENT.....	14
8	EVALUATION	15
8.1	EVALUATION CRITERIA	15
8.2	EVALUATION PROCESS	15
8.3	NEGOTIATION PROCESS.....	16
9	AWARD	16
9.1	REJECTION/ACCEPTANCE OF RESPONSES.....	16
9.2	ORAL AGREEMENTS.....	17
9.3	FINAL CONTRACT NEGOTIATION.....	17
9.4	CONTRACT TRANSPARENCY	17
9.5	CONTRACT TERM	17

NOTE: TO VIEW ATTACHMENTS, DOWNLOAD FILE AND OPEN WITH ADOBE, NOT A WEB BROWSER

ATTACHMENTS:

APPENDIX A – SCOPE OF SERVICES

APPENDIX B – STANDARD CLAUSES FOR SBA CONTRACTS

EXHIBIT 1 – AFFIRMATIONS AND EXCEPTIONS/DISCLOSURES

EXHIBIT 2 – SERVICES QUESTIONNAIRE

EXHIBIT 3 – VENDOR QUESTIONNAIRE

EXHIBIT 4 – FEE PROPOSAL

EXHIBIT 5 – TECHNOLOGY QUESTIONNAIRE

RESPONSE CHECKLIST

1 ITN TIMELINE

ITN Time Schedule and Deadlines – all activities are by 5:00 pm Eastern Time Zone

Issuance of ITN	June 28, 2022
Last Date for Request for Clarification	July 6, 2022
Responses to Requests for Clarification	July 13, 2022
ITN Response Deadline	July 27, 2022
Selection of Finalist(s)	August 17, 2022
Interviews/Presentations at SBA (if necessary)	August 22 – 26, 2022
Final Selection by SBA on or before	August 30, 2022

Note: The SBA reserves the right, in its discretion to change the ITN Timeline without liability. Changes will be posted on the SBA website, and may be provided directly to Respondents/Finalists upon request via email. The timing and sequence of events resulting from this ITN will be determined solely by the SBA.

2 DESIGNATED CONTACT

Jennifer Williams
State Board of Administration of Florida
1801 Hermitage Boulevard, Suite 100
Tallahassee, Florida 32308
Phone: 850-413-1281
Email: procurement@sbafla.com

Do not contact other SBA staff or any member of the SBA’s Board of Trustees (or their respective staff) regarding this solicitation request. Direct all correspondence during the solicitation process to the contact listed above.

3 PURPOSE

The purpose of this Invitation to Negotiate (ITN) is to solicit competitive responses from qualified firms (hereinafter referred to as Respondents) offering financial advisor services to the Florida Hurricane Catastrophe Fund and the State Board of Administration Finance Corporation, as further described in the Scope of Services in Appendix A.

4 GENERAL INFORMATION AND BACKGROUND

4.1 GENERAL INFORMATION

The SBA intends to enter into a contract with one Vendor. If a Respondent desires to work in concert with one or more vendors, then each vendor must separately complete the exhibits set forth in this solicitation in order for all vendors to be considered as Respondents for this engagement. The final fee and the basis thereof will be determined during contract review and negotiation.

The issuance of this solicitation is merely the beginning of the negotiation process. Alternate means of accomplishing the requirements specified herein, with reasonable assurance of satisfactory results, will be considered and may be accepted, at the SBA's sole discretion, without further addendum to the solicitation. The SBA may, at its sole discretion, enter into one or more contracts that include terms (including terms relating to pricing and services) that are materially different from the requirements of this solicitation or the terms of any response submitted under this solicitation.

As a result, the SBA may consider any and all responses (including modifications to any response), any information obtained from oral interviews or on-site reviews (if any), the negotiation process between the SBA and one or more of the Respondents, or information from any other source or alternative in determining whether to enter into one or more contracts and the terms and provisions of such contract.

Any contract that shall serve as the agreement between the parties will be developed through the negotiation process, and will not be binding until reduced to writing and executed by the parties.

The SBA may enter into negotiations with the Respondent(s) in order to achieve the most desired results. The SBA reserves the right to negotiate concurrently or separately with competing Respondents any time after the finalists are selected. The SBA reserves the right to accept portions of a competing Respondent's response and use such portions to form an overall program in the best interest of the SBA. Furthermore, the SBA shall have the right to use any or all ideas or adaptations of the ideas presented in any response received pursuant to this solicitation. Selection or rejection of a response will not affect this right. The SBA reserves the right to reject any and all responses or portions thereof. The SBA reserves the right to withdraw this solicitation or a portion of this solicitation without selecting a vendor. The right of the SBA to set aside submitted responses and re-negotiate with its existing vendors is retained without exception.

This document contains instructions governing the responses to be submitted and the materials to be included therein, a description of services to be provided to the SBA, requirements that must be met to be eligible for consideration, general evaluation criteria, and other requirements to be met by each Respondent.

Responses to this solicitation should be sufficiently detailed to demonstrate the Respondent's expertise, experience and capabilities to provide the requested services. The SBA reserves the right to withdraw this solicitation or a portion of this solicitation, at any time prior to the final award.

4.2 OVERVIEW OF THE SBA

The State Board of Administration of Florida (the "SBA") is a component of Florida state government that provides a variety of investment services to various governmental entities. These include managing the assets of the Florida Retirement System (FRS) Pension Plan (a defined benefit plan) and Investment Plan (a defined contribution plan), the Lawton Chiles Endowment Fund, the Local Government Surplus Funds Trust Fund (Florida PRIME), the Florida Hurricane Catastrophe Fund, the Lottery Fund and a variety of smaller funds.

A Board of Trustees (the "Trustees") governs the SBA and is comprised of elected officials of the State of Florida: the Governor, as Chair; the Chief Financial Officer, and the Attorney General. The Trustees have ultimate authority and oversight for the SBA's overall strategy.

The Trustees delegate authority to the SBA's Executive Director and Chief Investment Officer, who serves at the discretion of the Trustees and is responsible for managing and directing all administrative, personnel, budgeting, investment policy, and investment functions. The Executive Director oversees more than 200 professional and administrative support staff.

The Trustees appoint nine members to serve on the Investment Advisory Council (the "Council"). The Council reviews investments made by the staff of the SBA and makes recommendations regarding investment policy, strategy and procedures. The Council meets on an ongoing basis to discuss general investment policies and broad topics related to the general economic outlook.

The Trustees appoint three members to serve on the SBA Audit Committee. The Audit Committee assists the Trustees in fulfilling their oversight responsibilities in the areas of financial reporting, internal controls and risks assessment, audit processes, and compliance. The Audit Committee meets at least on a quarterly basis.

The SBA provides investment management of assets of the Florida Retirement System (FRS) Trust Fund. The Division of Retirement of the Department of Management Services, the administrative agency for the FRS Pension Plan, provides full accounting and administration of benefits and contributions for the FRS Pension Plan. The Division of Retirement initiates actuarial studies, recommends benefit and contribution changes, and proposes rules for the administration of the FRS Pension Plan.

The SBA is the administrator of the FRS Investment Plan. The State Legislature has the responsibility of setting contribution and benefit levels and providing statutory guidance for the administration of the FRS, as applicable.

Florida Hurricane Catastrophe Fund

The Florida Hurricane Catastrophe Fund (FHCF) was created by Section 215.555, Florida Statutes, in November 1993, for the purpose of reimbursing certain insurers writing policies covering residential property in the State of Florida for a portion of their catastrophic hurricane losses. The FHCF is a trust fund established for bond covenants, indentures or resolutions within the meaning of Article III, Section 19 (f) of the Florida Constitution.

The FHCF is administered by the SBA; the management and day-to-day operations of the FHCF are the responsibility of the FHCF Chief Operating Officer, who reports directly to the SBA's Executive Director and Chief Investment Officer. The Chief Operating Officer currently manages thirteen professional and administrative support staff.

All authorized insurers in Florida that write covered policies are required annually to enter into a reimbursement contract with the SBA, to report their exposure, and to pay an actuarially indicated premium. Each year, participating insurers are sent the FHCF data call instructions, which outline how their exposure data is required to be reported. In the event of a hurricane with losses large enough to exceed an insurer's retention and thus trigger FHCF coverage, insurers are required to report their losses by calendar year end and quarterly thereafter. In general, the FHCF reimburses insurers based on paid losses. The law also provides for advances to certain insurers under the limited circumstances outlined therein.

Funding for reimbursable losses comes predominantly from the available cash balance, reimbursement premium due from participating insurers, reinsurance contracts, if any, and the issuance of revenue bonds.

The FHCF's potential obligation to reimburse participating insurers is set statutorily, for each contract year. The current maximum statutory obligation for a single season is \$17 billion. However, the FHCF's obligation is limited to its actual claims-paying capacity, which is the balance of the fund at year end, plus any reinsurance purchased and the amount the FHCF is able to raise through the issuance of revenue bonds.

If the cash balance of the FHCF is anticipated to be insufficient to pay its obligations under the reimbursement contracts, the FHCF governing law provides for the issuance of post-event revenue bonds and the levy of an emergency assessment as funding source for the repayment of the bonds. In the case of such an event, the SBA directs the Office of Insurance Regulation to levy an emergency assessment of up to 6% per year or 10% for all years on all property and casualty lines of insurance in the state, including surplus lines, but excluding workers compensation, medical malpractice, flood, and accident and health insurance policies. In the absence of a hurricane, pre-event revenue bonds may be issued to maximize the FHCF's ability to meet future obligations. The debt service on pre-event revenue bonds is paid from reimbursement premiums and investment earnings on the bond proceeds.

The SBA may also procure reinsurance from reinsurers acceptable to the Office of Insurance Regulation for the purpose of maximizing the capacity of the FHCF. In an effort to transfer a portion of the FHCF's risk to the global markets, the FHCF purchased annual aggregate excess catastrophe reinsurance from 2015 through 2019 of approximately \$1 billion in each year. The FHCF is not required under the law to purchase reinsurance each year.

Additional information regarding the SBA and the FHCF is available on the FHCF's website at www.sbafla.com/fhcf.

State Board of Administration Finance Corporation

The State Board of Administration Finance Corporation (Corporation) was created in the FHCF statute as a public benefits corporation to provide a mechanism for the cost-effective and efficient issuance of bonds and other financial transactions. The Corporation has a United States Internal Revenue Service private letter ruling providing the ability to issue post-event tax-exempt debt.

The Corporation serves as a conduit issuer for the FHCF and facilitates the issuance of revenue bonds on either a pre-event or post-event basis as discussed above.

The Corporation has issued the following series of debt; however, only the Series 2020A Revenue Bonds are currently outstanding:

- First Supplemental Indenture: \$1.350 billion tax-exempt, post-event Series 2006A Revenue Bonds in July 2006, with a final maturity date of July 2012;
- Second Supplemental Indenture: \$2.8 billion taxable, Extendible Floating Rate pre-event Series 2006B Notes in July 2006, with a final redemption in February 2009;
- Third Supplemental Indenture: \$3.5 billion taxable, Floating Rate pre-event Series 2007A Notes in October 2007, with a final maturity date of October 2012;
- Fourth Supplemental Indenture: \$0.625 billion tax-exempt, post-event Series 2008A Revenue Bonds in July 2008, with a final maturity date of July 2014;
- Fifth Supplemental Indenture: \$0.676 billion tax-exempt, post-event Series 2010A Revenue Bonds in May 2010, with a final maturity date of July 2016;
- Sixth Supplemental Indenture: \$2.0 billion taxable, pre-event fixed rate Series 2013A Revenue Bonds in April 2013, with a final maturity date of July 2020;
- Seventh Supplemental Indenture: \$1.2 billion taxable, pre-event fixed rate Series 2016A Revenue Bonds in March 2016, with a final maturity date of July 2021;
- Eighth Supplemental Indenture: \$3.5 billion taxable, pre-event fixed rate Series 2020A Revenue Bonds in September 2020, with a final maturity date of July 2030.

The Revenue Bonds and Notes were issued on a parity basis. For the 2004 and 2005 hurricane seasons, the FHCF paid over \$9.3 billion in loss reimbursements, requiring three tranches of post-event bonds. The debt service on the post-event revenue bonds was funded through an initial 1.0% emergency assessment, which was subsequently increased to 1.3%. All claims for the 2004 and 2005 hurricane seasons have now been settled and the emergency assessment has been terminated. The FHCF is currently reimbursing companies from its available cash balance for losses resulting from storms that occurred during the 2017 and 2018 hurricane seasons. The expected ultimate FHCF payout from those storms is \$9.25 billion.

Currently, the Corporation has long-term credit ratings of AA/AA from Standard and Poor's and Fitch, respectively.

The SBA currently invests the Corporation's portfolios, which include the proceeds of the \$3.5 billion Series 2020A Revenue Bonds, as well as the FHCF's cash balance, which is comprised of unspent reimbursement premiums and invest income thereon, with an approximate market value of \$13.2 billion as of December 31, 2021.

If the Respondent would like to obtain copies of other financing documents, notify the Designated Contact.

Division of Bond Finance

The Division of Bond Finance (Division) was created by the Legislature in 1969 to issue bonds on behalf of local governments and agencies of the State of Florida. The Division has been administratively housed within the State Board of Administration since 1992 and operates under the control of a governing board which consists of the Governor and Cabinet.

The Division provides the financial, legal, and marketing services necessary for the issuance and sale of bonds. In addition to performing financial analyses, structuring bond issues, and conducting bond sales, the Division also collects, maintains, and disseminates information on tax-exempt bonds issued by units of local government and the State; administers the Private Activity Bond Allocation Program as required by federal law; and is responsible for ensuring that all tax-exempt bonds issued by the State and its agencies comply with federal arbitrage laws.

The Division takes the lead role in revenue bond transactions for the Corporation including, but not limited to: rating agency coordination and presentations, investor presentations, coordinating the activities and compensation of the underwriting team, pricing the bonds, and closing the transaction. The financial advisor assists the Division, the FHCF, and the Corporation in revenue bond transactions.

5 SOLICITATION REQUIREMENTS

5.1 REQUESTS FOR CLARIFICATION

- 5.1.1 If a Respondent discovers any ambiguity, conflict, discrepancy, omission or other error in this solicitation, the Respondent should promptly notify the Designated Contact of such ambiguity, conflict, discrepancy, omission or other error and affirmatively request in writing a clarification or modification of the document.
- 5.1.2 Requests for clarification regarding the specifications and/or requirements of this solicitation should be sent to the Designated Contact. Issues concerning the solicitation should be clearly identified in the subject line as related to this solicitation. All requests for clarification must be received by the date set forth in Section 1.
- 5.1.3 The SBA reserves the right to accept or reject any or all requests for clarification, either in whole or in part, and may require requests to be clarified or supplemented through additional written submissions. Respondents will be notified of the rejection of their request for clarification. Oral requests for clarification will not be accepted.
- 5.1.4 Written requests for clarification accepted by the SBA, along with the corresponding responses, will be posted on the SBA website at www.sbafla.com, and the FHCF website at www.sbafla.com/fhcf. Respondents unable to download clarification responses should direct their requests for copies via e-mail to the Designated Contact. Such clarification responses shall be considered an addendum to and, as such, an integral part of this solicitation.
- 5.1.5 The SBA does not guarantee the validity or reliability of information obtained from other sources. If it becomes necessary to revise any part of this solicitation, an addendum will be posted on the SBA and FHCF websites and may be provided directly to the Respondents. The Respondents are responsible for checking the website for any addendums or updates.

5.2 DISCLOSURE OF RESPONSE CONTENTS

- 5.2.1 Florida places a high priority on the public's right of access to governmental meetings and records. Pursuant to Chapter 119, Florida Statutes, the Florida Public Records Law, documents and records made and received by the SBA in response to this solicitation are public records and must be made available for inspection in accordance with the provisions of Chapter 119, unless an exemption is applicable.
- 5.2.2 If information is provided that could reasonably be ruled a "trade secret" as defined in Section 812.081 or Section 688.002, Florida Statutes, include such information in a separate redacted version clearly marked – "Trade Secret Information." Designation of items as "trade secret" by Respondents is not dispositive and does not guarantee that the items will not ultimately be disclosed pursuant to Chapter 119, Florida Statutes.
- 5.2.3 By submitting a response, each Respondent further understands and agrees that the SBA shall have the right to use any and all information, records, documentation, or items, including any derivation or adaptation thereof or knowledge gained thereby, presented by any Respondent in any response, during any oral presentation, or otherwise in connection with this solicitation in negotiating and entering into any contract or for any purpose.
- 5.2.4 The SBA shall have such rights regardless of whether the SBA enters into any contract with such Respondent or any Respondent under this solicitation, successfully negotiates any contract with any Respondent, rejects any or all responses to this solicitation, amends or withdraws this solicitation at any time, or otherwise satisfies its needs through alternative means.

5.3 CONTRACT CLAUSES

- 5.3.1 The selected Respondent must accept and enter into a written services contract with the SBA to include the specific scope of work and SBA specific terms and conditions. See **Standard Clauses for SBA Contracts**, attached hereto as Appendix B.
- 5.3.2 If Respondent does not agree to any terms specified within this solicitation, including the **Standard Clauses for SBA Contracts** (Appendix B), Respondent shall specifically identify exceptions or submit a red-line addendum containing all proposed changes with response. Final language will be negotiated in the contract negotiation phase.
- 5.3.3 The contract will not include exculpatory clauses absolving the Respondent from liability arising from its actions.
- 5.3.4 The contract will not include binding arbitration provisions, such as those typically found in Alternative Dispute Resolution Procedures.
- 5.3.5 Any contract awarded as a result of this solicitation must be in full conformance with statutory and other legal requirements of the State of Florida.

5.4 RESPONDENT GUARANTEES

- 5.4.1 All terms and conditions submitted in response to the solicitation (all parts) must be guaranteed to remain effective and may not be changed, amended, modified, qualified, or otherwise altered by the selected Respondent(s) for a period beginning on the date of the response filing deadline for this solicitation, and ending at the execution of the related, negotiated contract.

- 5.4.2 The submission of a response indicates the Respondent's acceptance of the conditions contained in this solicitation, unless clearly and specifically noted in the response submitted and confirmed in the contract between the SBA and the Respondent selected. All responses shall remain valid and binding for at least 180 days from the date of submission.
- 5.4.3 Any response which contains false or misleading statements, or which provides references which do not support an attribute, condition, or capability claimed in the response document, will not be considered by the SBA if, in the opinion of the SBA, such false or misleading statement was intended to mislead the SBA in its evaluation of the response.
- 5.4.4 The submission of a response indicates that the response is not made in connection with any competing Respondent submitting a separate response to the solicitation and is in all respects fair and without collusion or fraud. The Respondent will not directly or indirectly induce any party to submit a false or sham response or to refrain from responding. In addition, the Respondent must affirm that it did not participate in the solicitation development process, had no knowledge of the specific contents of the solicitation prior to its issuance, and that no employee of the SBA participated directly or indirectly in the Respondent's response preparation. Information provided by a Respondent to the SBA pursuant to a related Request for Information does not exclude a Respondent from submitting a response.

5.5 ORAL INTERVIEWS/PRESENTATIONS

Respondents selected as finalists in response to this solicitation may be required to conduct an oral interview/presentation with respect to their responses to the SBA. At the oral interview/presentation, each selected Respondent will be given an opportunity to clarify or elaborate on its response. The SBA will determine the occurrence, date, time, and location of such interviews/presentations. The oral interview/presentation will be used to assess the capability in satisfying the requirements set forth within this solicitation and will be audio recorded. Audio recorded sessions will be subject to Florida public records laws prescribed in Chapter 119, Florida Statutes.

5.6 CONFLICTS OF INTEREST

- 5.6.1 The Respondent must disclose whether any officer, director, employee, or agent is also a current or former employee of the SBA. All Respondents must further disclose any factors, financial or otherwise, known to them which may give rise to a conflict of interest between the Respondent and the SBA and its employees, or have the effect of impacting the ability of the Respondent to meet its responsibilities, duties, and obligations to the SBA, as set forth in this solicitation.
- 5.6.2 The Respondent must explain in detail any potential for conflict of interest that would be created if the company provided services for the SBA. Include any activities of affiliated, subsidiary or parent organizations as well as other client relationships that might inhibit services to the SBA. Please disclose any business relationships and/or financial arrangements with any compliance system provider or investment manager that currently provides, or might be eligible to provide, compliance or investment management services to the SBA.

5.7 SUBCONTRACTORS

The Respondent shall disclose any subcontractor(s) that may be used to provide any portion of the services outlined in this solicitation.

5.8 QUIET PERIOD

- 5.8.1 The Respondent (its agents, officers, principals, and employees, including any individual assisting the Respondent in this process) will not engage in any written or verbal communication during the “selection period” (defined below) with the SBA (including the Executive Director and Chief Investment Officer of the SBA, the Evaluation Team, or any SBA employee, whether or not such individual or employee is assisting in the selection of the Respondent) regarding the merits of the Respondent, or regarding whether the SBA should retain or select the Respondent. An exception is given for the Designated Contact of the SBA Vendor Management Office and designated members of the Evaluation Team and Negotiation Team. Any unauthorized contact may disqualify the Respondent from further consideration. Normal business communications are allowed for current SBA service providers who are also solicitation respondents.
- 5.8.2 The Respondent will not engage in any lobbying efforts or other attempts to influence the SBA, the Executive Director of the SBA, the Evaluation Team, or SBA employees, in an effort to be selected. Any and all such efforts made by the Respondent or its agents, officers, principals, employees, or lobbyists will be promptly disclosed to the Executive Director and Chief Investment Officer of the SBA.
- 5.8.3 The “selection period” for this solicitation begins on issuance date of the solicitation per Section 1, ITN Timeline, and will continue until the final selection has been announced or the selection process is otherwise concluded.
- 5.8.4 Nothing herein shall preclude a Respondent from seeking a request for clarification as provided herein. Nothing herein shall preclude the SBA from seeking clarification about the substance of the response to the solicitation as provided and within the time frame provided herein.

5.9 FEE PROPOSAL

Each Respondent is required to submit a separate fee proposal as part of the Response Package, including all necessary expenses needed to complete the services based on the Scope of Services as well as elaboration or explanation of the fees.

5.10 SCOPE OF SERVICES

In response to this solicitation, the successful Respondent must demonstrate exceptional credentials and expertise in the area described in the Scope of Services. The full Scope of Services is specified in Appendix A.

5.11 CLIENT SERVICE

The selected Respondent's client servicing philosophy is expected to be best in class and incorporate industry's best practices. The SBA expects to be assigned a specific client services team who is knowledgeable, experienced, and responsive. Please refer to Appendix A, for specific Project Management requirements.

5.12 MINIMUM QUALIFICATIONS

- 5.12.1 The Respondent(s) must be determined by the SBA, at its sole determination, to be financially capable of providing the services required in this solicitation. A Respondent, if requested, must be prepared to present evidence of experience, ability, service facilities, and financial standing necessary to satisfactorily meet the requirements set forth or implied in its response.
- 5.12.2 The Respondent(s) must have existed for and have been providing services similar to those contemplated in the solicitation for at least five years.
- 5.12.3 Consistent with applicable laws and rules governing the actions and duties of financial advisors and municipal advisors, including without limitation Section 15B of the Securities Exchange Act and rules promulgated thereunder, the Respondent(s) must agree and acknowledge that it is a fiduciary of the SBA and the FHCF and it shall discharge its advisory duties in compliance with such applicable laws and rules. The Respondent(s) shall be duly registered as a municipal advisor with, and in full compliance with all applicable requirements of all applicable federal, state, and other regulatory bodies, including, without limitation, the United States Securities and Exchange Commission
- 5.12.4 The Respondent(s) must agree to the prohibition from serving as: an investment manager to the FHCF, an underwriter in any FHCF financings, or as a reinsurance broker during the term of its contract with the SBA related to the FHCF.
- 5.12.5 The Respondent(s) must agree not to engage in activities in connection with services for the FHCF which produce direct or indirect financial gain for the firm other than for the agreed upon compensation without the SBA's written consent after being fully informed of such activities in writing.
- 5.12.6 The Respondent(s) must have special expertise with respect to the property and casualty insurance industry and/or experience with state sponsored catastrophic loss programs and risk transfer programs.
- 5.12.7 The Respondent(s) must have experience in advising governmental issuers on the financial aspects involved with the issuance of taxable and tax-exempt bonds, risk transfer transactions, and other financing arrangements that have been of the magnitude of \$500,000,000 or greater or senior managing the underwriting of taxable or tax-exempt bond issues of \$500,000,000 or greater.

6 ADDITIONAL INFORMATION

6.1 RESPONSE OWNERSHIP

All material submitted by Respondents in conjunction with this solicitation shall become the property of the SBA and will not be returned. Responses submitted may be reviewed and evaluated by persons designated by the SBA, in its sole discretion. The SBA reserves the right to use any portions of the Respondent's response not specifically noted as proprietary.

6.2 RESPONDENT'S COST

The SBA shall not be liable or responsible for any costs incurred by any Respondent for preparing and submitting any response to this solicitation, attending any oral interview or hosting any on-site visit, if necessary, or for any other activities or occurrences related in any way to this solicitation on or prior to the issuance of a contract. The SBA shall pay the selected Respondent(s) after the execution of the contract in accordance with the compensation schedule agreed upon by the SBA and the successful Respondent. The SBA will not pay expenses and costs incurred outside the scope of the applicable compensation schedule.

6.3 RIGHT TO AMEND AND/OR WITHDRAW

- 6.3.1 The SBA, in its sole discretion, reserves the right to amend or withdraw this solicitation at any time and for any reason. Issuance of this solicitation in no way constitutes a commitment by or obligation of the SBA to enter into any contract, and the SBA may, in its sole discretion, reject all responses to this solicitation for any reason whatsoever.
- 6.3.2 The SBA reserves the right to correct inaccurate awards resulting from its clerical errors.
- 6.3.3 Any corrections or changes to this solicitation will be issued by the SBA, will be identified as a correction or change, and will be posted on the SBA and FHCF websites. Corrections or changes made in any other manner will not be binding. It is the responsibility of the Respondent to obtain all corrections and changes.

6.4 WOMEN- AND MINORITY-OWNED BUSINESSES

The SBA supports and encourages diversity and participation of small and minority business enterprises in contracting. Respondents are encouraged to identify their company as potential women- and minority-owned business partners in Exhibit 3, Vendor Questionnaire.

7 RESPONSE SUBMISSION REQUIREMENTS

7.1 RESPONSE PACKAGE REQUIREMENTS

- 7.1.1 Respondent(s) must submit a complete response to this solicitation in conformance with the format and content requirements set forth herein. Failure to conform may be considered appropriate cause for rejection of the response.
- 7.1.2 The Designated Contact must receive all responses by the response deadline specified in Section 1, ITN Timeline.
- 7.1.3 Late responses may not be considered. Respondents assume all risks for timely, properly submitted bid deliveries, and are encouraged to submit responses prior to the due date.
- 7.1.4 Failure to utilize the forms provided or follow the format described herein may result in disqualification of response.
- 7.1.5 The SBA does not require, nor desire, any excessive promotional material which does not specifically address the response requirements of the solicitation. Respondents are asked to keep their submissions to the shortest length consistent with making a complete presentation of qualifications.

7.2 REQUESTS FOR MODIFICATION OF A RESPONSE

- 7.2.1 A Respondent to this solicitation may withdraw and modify its response prior to the Response Deadline specified in Section 1, only upon prior approval by the SBA. A request for modification of any response must be in writing, addressed to the Designated Contact, and must adequately explain the reason(s) for the request to modify the response. If the SBA approves the request, a modified response may then be submitted.
- 7.2.2 The SBA will not consider modifications offered in any other manner, whether oral or written. Under no circumstances may the Respondent modify a response unilaterally at a date or time subsequent to the Response Deadline specified in Section 1. The SBA may, however, permit any Respondent to modify its response after the deadline specified in Section 1, if the SBA determines that such modification is in the best interests of the SBA.

7.3 RESPONSE FORMAT AND CONTENT

Provide the following information in the order requested and using the forms provided, where applicable. Responses must be submitted in Adobe Acrobat .pdf format via email to the Designated Contact.

- 7.3.1 Cover page with firm name and ITN name
- 7.3.2 Redlined version of standard clauses in Appendix B, as applicable
- 7.3.3 Redacted response, as applicable
- 7.3.4 Respondent Affirmations and Disclosures (Exhibit 1)
- 7.3.5 Services Questionnaire (Exhibit 2)
- 7.3.6 Vendor Questionnaire (Exhibit 3)
- 7.3.7 Fee Proposal (Exhibit 4)

8 EVALUATION

8.1 EVALUATION CRITERIA

Responses to this solicitation will be independently evaluated by an evaluation team (the “Evaluation Team”) on the basis of the written responses to this solicitation and additional written information as requested. The score of each member of the Evaluation Team will be aggregated to establish an overall ranking to create a short list of Respondents to interview, if needed. If the Evaluation Team, in its sole discretion, decides not to conduct interviews, the overall ranking shall be used to identify the company selected to negotiate a final contract to implement the proposed solution. Additionally, oral interviews/presentations and on-site reviews will be evaluated by the Evaluation Team in the Evaluation Team’s sole discretion.

The Evaluation Team will utilize the following broad scoring categories:

Experience and qualifications of the Respondent’s organization/firm	30%
Respondent’s personnel/professional staff experience, qualifications, specialized capabilities and expertise (including support)	25%
Respondent’s capability and resources to deliver the services outlined in the Scope of Services	25%
Fee Proposal	10%
Quality, clarity and responsiveness of the proposal	5%
Adherence to ITN Requirements	5%
Total	100%

8.2 EVALUATION PROCESS

8.2.1 Using the scoring and evaluation criteria identified, the Evaluation Team may identify a short-list of Respondents. The Evaluation Team, in its discretion, may conduct oral interviews with any or all of the short-listed Respondents. Commitments made by Respondents during the interviews will be considered binding.

8.2.2 Each member of the Evaluation Team will provide a final score for each Respondent. This final score will be based on the written response, any additional written information submitted by a Respondent, and any other information available to the Evaluation Team. The final scores (one for each Evaluation Team member) will be aggregated to establish an overall final ranking by the Evaluation Team. The Evaluation Team will present the final scores and rankings in a public meeting, and make a recommendation to the Negotiation Team to move forward with negotiating terms with the selected Respondent(s).

8.3 NEGOTIATION PROCESS

- 8.3.1 Upon selection of the Respondent(s) by the Evaluation Team, the Negotiation Team may commence negotiations as contemplated by this solicitation with the Respondent(s).
- 8.3.2 During negotiations, the Negotiation Team will evaluate service levels, fee proposals, and contract terms within the context of each Respondent's response (e.g. the submitted response, additional written information submitted by Respondent and interviews), fee evaluation and any other information available to the Negotiation Team.
- 8.3.3 When agreed-upon terms are negotiated with the selected Respondent, the Negotiation Team will present the final selection, rankings, and scores to the Executive Director and Chief Investment Officer with a recommendation that the SBA enter into an agreement with the Respondent. The Executive Director and Chief Investment Officer shall have sole authority, in his discretion, to determine whether the SBA will enter into any agreement with any Respondent and to make all final decisions regarding the services contemplated by this solicitation. The SBA will not be required to select the lowest-cost Respondent.

9 AWARD

9.1 REJECTION/ACCEPTANCE OF RESPONSES

- 9.1.1 The SBA will be the sole judge of the Respondent's responsiveness to the solicitation and reserves the right to reject, in whole or in part, any or all responses, with or without cause, without incurring any liability whatsoever.
- 9.1.2 The SBA may also waive any material or immaterial defect in a response or deviation from the requirements of this solicitation. Any waiver exercised under this section will not modify any provision of this solicitation. There is no guarantee that the SBA will waive an omission or deviation, or that any Respondent with a response containing a deviation or omission will be considered for award.
- 9.1.3 The SBA reserves the right to reject the response of any Respondent that is in default of any prior contract, for misrepresentation or otherwise, as may be determined by the SBA (or its designee).
- 9.1.4 The SBA reserves the right to reject a response by a Respondent that has previously provided work to the SBA or whose personnel includes individuals previously rejected by the SBA for services.
- 9.1.5 The SBA may make investigations, as deemed necessary, to determine the ability of the Respondent to perform the services specified in this solicitation. The SBA reserves the right to reject any response if the evidence submitted by, or investigation of, the Respondent fails to satisfy the SBA that the Respondent is properly qualified to carry out the obligations of the contract.

9.2 ORAL AGREEMENTS

- 9.2.1 Any alleged oral agreement or arrangement made by a Respondent with the SBA or any employee of the SBA shall be superseded by the written contract between the SBA and such Respondent.

9.3 FINAL CONTRACT NEGOTIATION

- 9.3.1 The SBA will enter into final contract negotiations with the selected Respondent(s) to finalize terms, fees, and conditions. This solicitation and the selected Respondent's response, or any part thereof, may be included in and made a part of the final contract.
- 9.3.2 If, in the sole opinion of the SBA, an acceptable contract with the selected Respondent(s) cannot be reached, the SBA reserves the right to negotiate with the next preferred Respondent or to take any other actions, in its sole discretion, as contemplated by this solicitation.

9.4 CONTRACT TRANSPARENCY

- 9.4.1 The resulting contract and all attachments shall be considered a public document and subject to Florida public records laws pursuant to Chapter 119, Florida Statutes.
- 9.4.2 Consistent with the Florida Transparency in Contracting Initiative, the SBA posts certain operational agreements on its website, and the resulting contract will be one of the agreements posted.

9.5 CONTRACT TERM

The SBA intends to enter into a five (5) year contract with the selected Respondent, unless renewed, extended, or terminated according to the SBA's Procurement Policy. Any contract entered into will be subject to periodic review and revision.