



November 29, 2023

**REQUEST FOR PROPOSAL  
RP041-23**

The Gwinnett County Board of Commissioners is soliciting competitive sealed proposals from qualified service providers for the **Provision of Broker Dealer Services for Fixed Income Securities on an Annual Contract with Four (4) Options to Renew** for the Department of Financial Services.

Proposals must be returned in a sealed container marked on the outside with the Request for Proposal number and Company Name. Proposals will be received until **2:50 P.M. local time on December 21, 2023** at the Gwinnett County Financial Services - Purchasing Division – 2nd Floor, 75 Langley Drive, Lawrenceville, Georgia 30046. Any proposal received after this date and time will not be accepted. Proposals will be publicly opened and only names of submitting firms will be read at 3:00 P.M. A list of firms submitting proposals will be available the following business day on our website [www.gwinnettcounty.com](http://www.gwinnettcounty.com).

Questions regarding proposals should be directed to Casey Beauston at [casey.beauston@gwinnettcounty.com](mailto:casey.beauston@gwinnettcounty.com), or by calling 770-822-7995, no later than **3:00 p.m. on December 7, 2023**. Proposals are legal and binding upon the proposer when submitted. One unbound single sided original, four (4) bound copies, and one (1) electronic copy on a flash drive should be submitted.

Successful service provider will be required to meet insurance requirements. The Insurance Company should be authorized to do business in Georgia by the Georgia Insurance Department and must have an A.M. Best rating of A-5 or higher.

Gwinnett County does not discriminate on the basis of disability in the admission or access to its programs or activities. Any requests for reasonable accommodations required by individuals to fully participate in any open meeting, program or activity of Gwinnett County Government should be directed to the ADA Coordinator at the Gwinnett County Justice and Administration Center, 770-822-8165.

The written proposal documents supersede any verbal or written prior communications between the parties.

Selection criteria are outlined in the request for proposal documents. Gwinnett County reserves the right to reject any or all proposals to waive technicalities and to make an award deemed in its best interest.

Award notification will be posted after award on the County website, [www.gwinnettcounty.com](http://www.gwinnettcounty.com), and companies submitting a proposal will be notified via email.

We look forward to your proposal and appreciate your interest in Gwinnett County.

Casey Beauston  
Purchasing Associate II

The following pages should be returned as part of your proposal:

**Exhibit A, Pages 7-12**  
**Contractor Affidavit & Agreement, Page 33**  
**Code of Ethics, Page 34**  
**Cost Proposal (Separate Sealed Envelope), Page 35**

**Purpose**

The Board of Commissioners of Gwinnett County, Georgia through the Department of Financial Services (DOFS) is seeking proposals from qualified broker dealers that specialize in selling high quality domestic fixed income products for municipal investment portfolios. This request for proposal is not an offer to contract but seeks the submission of proposals from qualified, professional firms that may form the basis for negotiation of a Broker Dealer Contract with one or more Broker Dealers.

**Background**

Gwinnett County's investment program is managed in accordance with all applicable laws, specifically O.C.G.A. §36-80-3, O.C.G.A. §36-80-4, and in conformity with covenants referenced in O.C.G.A. §36-82-7. The County's Investment Policy, adopted by the Board of Commissioners on December 6, 2022, provides a framework for making prudent investment decisions. Primary among the County's investment objectives is the preservation of principal and capital. The program also seeks to maintain adequate liquidity, comply with the laws of the State of Georgia, and maximize the return on investment.

Gwinnett County requires sound investment options for both operating funds (short-term) and capital project funds (medium-term) as the County continues to expand its infrastructure to meet increased demand and population. The County maintains investment policies for operating funds, capital project funds and bond proceeds. A copy of the Investment Policy adopted by the Board of Commissioners on December 6, 2022, is attached.

**Overview**

The County's portfolio is split into three categories: the Liquidity Portfolio, Bond Portfolio, and Investment Portfolio.

**Liquidity Portfolio**

The Liquidity Portfolio includes cash and certificates of deposit and securities with a maturity of less than one year and is the primary investment portfolio for the County's operating funds and short-term capital projects. Cash includes funds on deposit in checking and savings accounts at Wells Fargo, and balances on deposit with other financial institutions. The State of Georgia Local Government Investment Pool, Georgia Fund 1, provides the primary short-term investment vehicle for the portfolio, but the County also holds a significant amount of short-term securities. The securities in the Liquidity Portfolio are limited to a final maturity of 1 year or less at the time of purchase.

The Liquidity Portfolio totaled \$1.2 billion, or about 56% of Total Portfolio as of June 30, 2023.

**Bond Portfolio**

The Bond portfolio is made up of restricted construction fund proceeds and sinking fund deposits related to the County's debt issuances. These deposits are governed by both the Investment Policy as well as bond covenants. Georgia Fund 1 serves as the primary vehicle for these deposits unless a construction fund has a long-term time horizon.

As of June 30, 2023, the Bond Portfolio represented about 6% of Total Portfolio or \$122 million.

**Investment Portfolio**

The Investment Portfolio is intended for deposits that have a long-term time horizon and is mostly made up of fund reserves and longer-term capital projects. The investment portfolio is limited to maturities less than five years, or Federal Agency mortgage-backed securities (MBS) are permitted up to an average life of 5 years. This portfolio is split between internally managed securities and external investment managers.

The County contracts with two external investment managers for the investment of up to \$500 million of the investment portfolio. These investment managers have their own approved broker lists from which they purchase securities, and this portion of the Investment Portfolio is not within the scope of this proposal.

As of June 30, 2023, the investment portfolio had a nominal value of \$823 million, or 38.3% of Total Portfolio.

Each individual portfolio is adequately diversified to limit exposure to issuer risk.

## I. INSTRUCTIONS

- A. Please submit **one (1) unbound original (secured by binder clip or rubber band), four (4) complete and exact bound copies, and one (1) electronic copy on a flash drive of the original proposal.** The **Cost Proposal** should be submitted in a separate, sealed envelope inside the regular proposal submittal envelope or container. The separate, sealed envelope should be marked as **"Cost Proposal."** Be sure to mark **RP041-23** and the service provider's name.
- B. The full cost for proposal preparation is to be borne by the proposing service provider. Proposals should be signed in ink by a company official that has authorization to commit company resources.
- C. Any proprietary information contained in the proposal should be indicated; however, a general indication that the entire contents, or a major portion, of the proposal is proprietary will not be honored. All service providers should be aware that this proposal and the responses thereto are subject to Georgia open record laws. All proposals received in response to this proposal will become the property of the County and will not be returned to respondents.
- D. To be considered, each service provider must complete a response to this proposal. Responses cannot be faxed or emailed. Any proposed pricing must remain firm for the duration of the initial one-year term and the basis for any subsequent escalations at annual renewals must be clearly defined. Proposals submitted are not publicly available until after award.
- E. By submitting a proposal, the service provider certifies that it has fully read and understands the proposal method and has full knowledge of the scope, nature, and quality of work to be performed.
- F. Individuals, service providers, and businesses responding to this proposal may not initiate or continue any verbal or written communications regarding this solicitation with any County officer, elected official, employee, or other County representative without permission of the Purchasing Associate named in the solicitation between the date of the issuance of the solicitation and the date of the final contract award by the Investment Committee.
- G. If a service provider is currently an authorized broker dealer for Gwinnett County, the service provider may continue any normal daily communications, including trading activity, and may continue to provide other assistance as requested by the Department of Financial Services. The service provider must refrain from any communications with any County officer, elected official, employee, or other County representative regarding this solicitation. The Purchasing Director will review violations. If determined that such communication has compromised the evaluation process, the offer submitted by the individual, service provider or business may be disqualified from consideration for award.

## II. MINIMUM REQUIREMENTS FOR SUBMISSION

Proposals should include a typed response to all questions asked in this proposal document and include all documentation requested in **Exhibit A – Broker Dealer Questionnaire**. Questions should be repeated, and all answers numbered in the EXACT same order as presented and specifically answered, with no reference such as "see proposal" being made. Each page of the response to this proposal and to the Questionnaire should have the service provider's name on it. Responses by fax or email will not be accepted. Any service provider deviating from these instructions may be automatically disqualified. Service providers should answer each question concisely. Respond clearly and concisely to all questions without referring to preprinted materials (unless the proposal specifically requests the service provider to do so) as a response. Service providers are encouraged to submit clear and concise responses, and excessive length or extraneous information is discouraged. To ensure the County's ability to evaluate and choose a successful service provider for this project, service providers are encouraged to be responsive to the specific range of issues requested in this solicitation. Submission of excessive "boilerplate" information, including sales brochures, is discouraged. Service providers should not submit website links in lieu of written responses. Website links and any information contained within may not be reviewed or considered by Gwinnett County.

**III. PROPOSAL EVALUATION PROCESS AND SELECTION CRITERIA**

The evaluation process is structured to secure compatible, highly skilled, and experienced personnel who would be most effective in delivering quality broker dealer services. The primary objective of the evaluation process is to select a broker dealer that meets the following:

- Clearly demonstrates a thorough understanding of the Investment Policy and the laws of the State of Georgia.
- Possesses adequate resources to handle extenuating requests that may result during the contract period.
- Proposes highly skilled and experienced personnel.
- Maintains an untarnished reputation for providing quality broker dealer services to the public sector.
- Demonstrates exceptional value for the cost of services proposed.

**NOTE: Any exceptions must be clearly stated in the submittal.** The County will take into account any exceptions in its scoring and evaluation process and service providers are strongly encouraged to address and comply with the requirements included herein. Taking exceptions to the provisions and requirements of this proposal, as well as failure to address the items of this proposal, may result in a response receiving a substantially lower score.

Please verify e-mail addresses and other contact information for references prior to submission. Inability to obtain reference information will be considered in the evaluation process.

**Evaluation Process**

Proposals will be evaluated based on their relative responsiveness to the criteria described below and with the corresponding maximum point values.

<b>Part 1</b>		<b>Points</b>
1.	Technical Approach and Understanding - Responsiveness to and demonstrated understanding of the proposal requirements and proposed methodology.	25
2.	Qualifications & Experience - Demonstrated ability, capability, and skill of broker dealer to accomplish requested services, tasks and support.	25
3.	References – Demonstrated experience and expertise of broker dealer by providing other experience with similar size, scope, and nature as that of Gwinnett County.	20
4.	Product Mix – Demonstrate that the broker dealer’s firm makes a market in a diverse set of securities that is within the scope of the Investment Policy.	10
<b>Subtotal</b>		<b>80</b>
<b>Part 2</b>		
5.	Cost and Financial Considerations – Company’s financial strength and regulatory compliance will be considered. Provide total costs of providing services, individual trades, method of billing, and value of services proposed.	5
6.	Value Added – Additional services available outside of buying and selling securities.	15
<b>Subtotal</b>		<b>100</b>
<b>Part 3</b>		
7.	Optional Interview	10
<b>TOTAL</b>		<b>110</b>

*Part 1:* Evaluation Committee will evaluate responses according to the criteria as described above, and score and rank the proposals. Evaluation Committee may shortlist the highest-ranking service providers.

*Part 2:* The shortlisted service providers' Cost Proposals will then be opened, scored, and the results will be combined with the results of Part 1 scoring. After this scoring, a number of the highest-ranking proposers may again be shortlisted with the highest-ranking service providers at the discretion of the Evaluation Committee.

*Part 3:* At the discretion of the Evaluation Committee, a presentation may be scheduled to provide a brief explanation of the service provider's services and how the service provider proposes to provide this service for the County. If interviews are necessary, details on the scoring criteria for interviews will be provided along with notification of the scheduled interview. Interviews should be conducted within five (5) business days after request. All presentations/interviews will be the sole responsibility of the proposing service provider(s) and at no cost to Gwinnett County.

If an agreement with the highest-ranked firm cannot be reached, Gwinnett may then negotiate with the second-ranked firm, and so on, until a satisfactory agreement has been reached.

#### IV. AWARD AND CONTRACT

Any agreements required to transact business as an Authorized Broker Dealer should be submitted with the response to the proposal. Agreements in addition to the answers to this request for proposal will remain in force until services are discontinued. The Service Provider, by signing these forms, acknowledges acceptance of all terms and conditions contained, including:

- Gwinnett County Department of Financial Services will review broker dealers annually.
- Authorized broker dealers will provide services on an annual basis with four (4) additional one-year options to renew.
- The dealer will cease to provide broker dealer services in the event of merger, acquisition, or dissolution. The surviving entity should make a written request to the Department of Financial Services Treasury Division for review and inclusion as an authorized dealer.
- Each individual broker is approved with a specific dealer. If a broker ceases to be employed by the dealer for any reason, the broker and the dealer will cease to provide broker dealer services and will become unauthorized. The broker should make a written request to the Department of Financial Services - Treasury Division for review and inclusion as an authorized broker.
- Costs specified in the proposal **must** remain firm for the initial term, and any increases for the four (4) renewal options must be listed in the proposal submittal as a specific percentage increase.

Proposals submitted in response to this solicitation must contain certain information essential to understanding, evaluating, and scoring the proposals. The intent is not to limit the content of the proposals; however, unnecessarily lengthy proposals will not enhance the evaluation process. Therefore, service providers are encouraged to restrain from unnecessary boilerplate information. The emphasis should be on the broker dealer's ability to satisfy the requirements of this proposal. Information submitted in the proposal must be current, complete, and accurate.

#### **Summary**

This proposal is not soliciting investment managers, investment consultants, investment advisors, safekeeping agents, outsourced CIOs, custodians, or portfolio managers. Money managers cannot serve as authorized broker dealers.

Members of an evaluation committee will review and score responses to this request for proposal. The evaluation committee will recommend a list of up to ten (10) broker dealers to the Investment Committee for approval. The Investment Committee will vote, and once the required documentation is executed, it is anticipated that new broker dealers will be in place to begin on May 1, 2024.

Consideration will be given to the broker dealers whose responses comply with the requirements set forth in the solicitation, and whose responses best meet the needs of the County. All aspects of the proposals will be taken into consideration.

Gwinnett County reserves the right to negotiate price, scope, schedule, and any exceptions noted in the proposal with the selected broker dealer(s). Gwinnett County reserves the right to reject any or all proposals, to waive technicalities, and to make an award in whole or in part as deemed in its best interest. Broker dealers will be reviewed annually.

Copies of the following documents are included in this request for proposal:

- (a) Gwinnett County Investment Policy adopted and enacted by the Board of Commissioners of Gwinnett County, Revised December 6, 2022.
- (b) Questionnaire which includes certification and reference sheets.

The County requires that each prospective broker dealer submit written responses to questions contained in this Request for Proposal, including providing answers to questions in **Exhibit A – Broker Dealer Questionnaire** including certification and references as a prerequisite to the County establishing an account relationship with that party or continuing an existing relationship.

## Exhibit A – Broker Dealer Questionnaire

Please answer all questions completely in the format provided.

### Section I: Request for General Information from Broker Dealer Candidate

1. Contact Information:
  - a. Name of firm, address, telephone number, and fax number for local office and for headquarters.
  - b. Name, telephone number, and e-mail address for compliance officers.
  - c. Name, telephone number, fax number, and e-mail address of representative(s) that will be assigned to the Gwinnett County account.
    - i. Provide a brief resume and employment history for this individual.
    - ii. Please include licenses, certifications and any specialized training or expertise.
    - iii. Describe in depth the history and details of any disciplinary action or complaint, the history of any arbitration or litigation, and the nature of the case and disposition.
    - iv. Provide the name of the immediate supervisor.
2. If the proposing service provider is not a bank, please provide the following information regarding the principal banking relationship:
  - Bank Name
  - Address
  - Contact Information, telephone number, fax number and e-mail address
  - Length of relationship
3. List the instruments for which the service provider makes an active market.
  - a. Does the service provider make an active market in the following securities? Please indicate if the service is a primary dealer for each.
    - i. Treasury and Federal Agency Bonds
    - ii. Agency Discount Notes
    - iii. Agency Issued Mortgage-Backed Securities
    - iv. Municipal Bonds
    - v. Repurchase Agreements (REPOs)
    - vi. Brokered CDs
  - b. Does the service provider specialize in any of these instruments?
  - c. What was the service provider's total volume in U.S. government and agency securities traded last year?
  - d. Include number of transactions and total volume for local office and firm wide.
4. For which issuers and security types does the service provider act as a primary market participant?
5. What unique quality or service does the service provider offer that gives a competitive edge?
  - a. Is the service provider currently or has previously been an authorized broker dealer for Gwinnett County?
  - b. Is the service provider currently or has previously been an authorized broker dealer for any County in Georgia or for the State of Georgia Office of Treasury and Fiscal Services?
6. How does the service provider obtain market prices?
7. Does the service provider keep an inventory of securities, or act solely as a market facilitator?
8. Which portfolio management system does the service provider use?
9. Please provide a sample trade ticket/trade confirmation.

**Exhibit A – Broker Dealer Questionnaire**

10. Describe the service provider fee and invoice process. Do not include any pricing in response to this question. All pricing must be included in the Cost Proposal, submitted in a separate, sealed envelope.
  - a. How are fees calculated, if any?
  - b. Are fees hard or soft dollar?
11. Please explain the service providers normal custody and delivery procedures.
12. What are the time deadlines or constraints for implementing agency/treasury cash trades (same day settlement); agency/treasury next day settlement; agency/treasury corporate settlement?
13. Who does the service provider use as a tri-party custodian for Repurchase Agreements (REPOS)?
14. What percentage of total transactions failed for the year ended 12/31/22?
15. Has any public sector client serviced by individuals in Question #1 reported to the service provider, verbally or in writing, that a loss was sustained on a securities transaction due to a misunderstanding or misrepresentation of the risk characteristics of the instrument? If so, please explain.

**Section II: Request for General Information regarding Disclosure**

1. Describe the capital line and trading limits that support or limit the office that would conduct business with Gwinnett County.
2. Is the service provider compliant with SEC rules 15C3-1 and 15C3-3?
3. Have there been any “material” litigation, arbitration, or regulatory proceedings, either pending, adjudicated, or settled, that the service provider has been subject to within the last five (5) years that involved issues concerning the suitability of the sale of securities to an institutional client?  
  
If so, please describe each matter briefly. For purposes of this section, proceedings are “material” if the independent accountant applying generally accepted accounting principles determines that such proceedings required disclosure in the service provider’s financial statements.
4. Is the service provider aware of any irregularities with any audited financial statements filed within the last three (3) years? Please explain.
5. Has the service provider been censured, fined, or investigated by the Securities and Exchange Commission? Please explain.
6. What type of training will the service provider offer to Gwinnett County investment staff? Provide cost as part of the Cost Proposal.
7. What additional services does the service provider brokerage offer (customer training, online portfolio reporting, online trading, etc.)?



**Exhibit A – Broker Dealer Questionnaire**

**Section III: Certification**

- 1. All account representatives are required to be familiar with the current policies that relate to investment and trade activities. Multiple lines are included below if multiple representatives will review and certify their acknowledgement. The Investment Policy dated December 6, 2022, is attached.

The service provider must certify that assigned executives and representatives have received, read, and will abide by the Investment Policy. Complete and return the certificate included as Exhibit B as part of the proposal response.

**I have received, read, and will abide by the Investment Policy adopted or dated December 6, 2022.**

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Date:

I hereby certify that the above is true and correct to the best of my knowledge and that I am authorized to execute this request for the information on behalf of:

Name of Firm \_\_\_\_\_

Print Name/Title\* \_\_\_\_\_

Signature\* \_\_\_\_\_ Date \_\_\_\_\_

**\*Must be signed by a registered principal of the proposing firm.**

## Exhibit A – Broker Dealer Questionnaire

### Section IV: Documentation and Attachments

1. The following items should be marked “Legal Agreements” for review by the Gwinnett County Law Department.

Include copies of the service provider trading agreements, authorization forms, certificates, signing authorities, tri-party clearing agreements, third party clearing agreements, and any other documentation that Gwinnett County and the Broker/Dealer will be required to execute at contract date.

2. Include copies of the following items as part of the response to this request for proposal.
  - a. Cash settlement and RVP/DVP instructions.
  - b. Samples of research reports related to instruments listed in #3 that are provided to public sector clients.
  - c. For those broker/dealers that prepare and submit financial statements to the NASD, SEC, FDIC, NYSE, please provide copies of publicly available financial documents filed at 12/31/22.
  - d. Please provide certified audited financial statements at 12/31/22 or the service provider’s calendar year end.
  - e. Provide a PDF copy of the organization’s most recent SOC1 or equivalent audit report.
  - f. Please provide copies of all required licenses to operate as a broker/dealer in the State of Georgia.

**Note:**

As an authorized broker dealer, periodically Gwinnett County may request information about bank, holding company or operations and may request materials such as an Annual Report, Focus Report, SEC filings or Statement on Auditing Standards No. 70 (SAS 70), Type I or II.

**Exhibit A – Broker Dealer Questionnaire**

**Section V: References**

Gwinnett County requests a minimum of three (3) references where work of a similar size and scope has been completed for public sector clients. All information provided should be current, complete, and easily verifiable.

1. Company Name: \_\_\_\_\_

Brief description of contract, including dollar value of trades executed during calendar years 2020, 2021 & 2022

\_\_\_\_\_  
\_\_\_\_\_

Contract Dates: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

2. Company Name: \_\_\_\_\_

Brief description of contract, including dollar value of trades executed during calendar years 2020, 2021 & 2022

\_\_\_\_\_  
\_\_\_\_\_

Contract Dates: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

3. Company Name: \_\_\_\_\_

Brief description of contract, including dollar value of trades executed during calendar years 2020, 2021 & 2022

\_\_\_\_\_  
\_\_\_\_\_

Contract Dates: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

**SERVICE PROVIDER NAME** \_\_\_\_\_

**Exhibit A – Broker Dealer Questionnaire**

**FAILURE TO RETURN THIS PAGE AS PART OF YOUR PROPOSAL DOCUMENT MAY RESULT IN REJECTION OF PROPOSAL.**

Certification of Non-collusion in Proposal Preparation \_\_\_\_\_  
(Signature) (Date)

The undersigned acknowledges receipt of the following addenda, listed by number and date as issued appearing on each:

Addendum No.	Date	Addendum No.	Date
_____	_____	_____	_____
_____	_____	_____	_____

The Department of Financial Services will make a recommendation to the Investment Committee regarding term, price, and contract conditions of this procurement. In compliance with the attached specifications, the undersigned offers and agrees, if this proposal is officially accepted within one hundred twenty (120) days of the date of proposal opening, to furnish any or all of the items within the time specified and per the conditions of the proposal document.

Legal Business Name \_\_\_\_\_  
*(If your company is an LLC, you must identify all principals to include addresses and phone numbers in your submittal)*

Address \_\_\_\_\_

Does your company currently have a location within Gwinnett County? Yes  No

Representative Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Telephone Number \_\_\_\_\_

E-mail Address \_\_\_\_\_



# Gwinnett County Government Department of Financial Services

## Investment Policy

Hardcopies are considered to be "Uncontrolled Documents."

User must verify latest version by accessing online document before use.

**Document #:** 01-04.040.0000

**Version #:** 1.3

**Effective Date:** 12/06/2022

### I. **Authority:**

The Chairperson and the Board of Commissioners are responsible for legislation, policy formulation, and overall direction setting of the government. This includes the approval of financial policies which establish and direct the operations of Gwinnett County. The County Administrator is responsible for carrying out the policy directives of the Board of Commissioners and managing the day-to-day operations of the executive departments, including the Department of Financial Services. This policy shall be administered on behalf of the County Administrator by the Director of Financial Services or the Chief Financial Officer (CFO).

This policy was reviewed and recommended for approval by the Gwinnett County Investment Committee.

### II. **Purpose:**

The purpose of this policy is to set forth the investment and operational policies for the management of the public funds of Gwinnett County, Georgia (hereinafter the "County"). These policies have been adopted by and can be changed only by a Resolution of the Board of Commissioners.

These guidelines shall govern the investment and reinvestment of funds and the sale and liquidation of investment securities, as well as the monitoring, maintenance, accounting, reporting and internal controls by and of the County with respect to these investment securities.

These policies are designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices. Gwinnett County has a fiduciary responsibility to protect public funds and to prudently manage cash and investments to achieve the investment objectives of safety, liquidity, compliance and return. The protection of principal against default and investment risk is paramount.

### III. **Applicability and Scope:**

This policy applies to the entire Gwinnett County organization to which the Chairperson and the Board of Commissioners have authority and control.

#### **IV. Definitions and Acronyms:**

- A. **Benchmark** – Unmanaged investment index that consists of a predetermined set of securities whose performance can be easily tracked and compared to a similar actively managed portfolio.
- B. **Chief Financial Officer (hereinafter the “CFO”)** – The second most senior chief appointed management official in the County, reporting to the County Administrator. This person could also serve as the Director of Financial Services.
- C. **County Administrator** – The most senior and chief appointed management official in the County who has supervisory responsibility for County operations.
- D. **Department** – The Department of Financial Services.
- E. **Director of Financial Services (hereinafter the “Director”)** – The senior financial management official of the Department, having supervisory responsibility for the Department.
- F. **Investment Committee** – A committee comprised of (1) the Chairperson, Board of Commissioners, (2) the County Administrator, (3) the CFO and/or Director, (4) a Deputy Director of the Department, (5) the Director of the Treasury Division of the Department or Investment Manager, (6) the County contracted Financial Advisor, or someone having appropriate skills and experience as nominated by a member of the Investment Committee to serve in this capacity and approved by the Investment Committee, and (7) a representative of a comparable agency within the Atlanta metropolitan area which is similar in complexity and size to Gwinnett County, as nominated by a member of the Investment Committee to serve in this capacity and approved by the Investment Committee. The Committee members shall select a chairperson. The Department shall provide administrative support for the Committee. The outside Investment Committee members should have sufficient experience and/or credentials (such as CFA, CCM, or CTP designation) to support and advise the Investment Committee.
- G. **Investment Consultant** – An individual or firm hired to advise the Investment Committee, to assist the Department, and to represent the interests of the County in managing and monitoring the work and performance of Investment Managers. The Consultant may provide related services such as asset allocation modeling or other service the County may need from time to time.
- H. **Investment Manager** – An employee, individual, group, or firm possessing appropriate experience, credentials, resources and infrastructure, and who are engaged professionally in providing investment advice or in directly managing (buying, selling, holding) a portfolio of securities. Investment Manager can refer to private sector professionals who manage portfolios, to the Georgia Office of Treasury and Fiscal Services or equivalent, or to any entity the County engages to manage a portfolio of cash or cash equivalents.

- I. Investment Portfolio – A portfolio of investments with average maturities or durations that match longer-term liabilities and with expected cash flows that match the attendant funding requirements. For example, this portfolio might hold securities matching the cash flow needs of large capital projects with long lead-in periods. It is expected that the investment horizon for the Investment Portfolio will change based upon changing circumstances and cash flow requirements but will be generally within the 1-5 year maturity range.
- J. Investment Risk – Risks such as Interest Rate Risk, Credit Risk, Reinvestment Risk, Prepayment Risk and Liquidity Risk
  1. Interest Rate Risk - The potential for fluctuations in bond prices due to changes in interest rates.
  2. Credit Risk - The possibility that an issuer will fail to make timely payment of either interest or principal or whose prospects to make payments have diminished since the time of purchase.
  3. Reinvestment Risk - The potential for a decline in the portfolio's income due to falling market interest rates.
  4. Prepayment Risk - For Collateralized Mortgage Obligations ("CMOs") and Asset Backed Securities ("ABS") or Call Risk (for some agency and corporate bonds), the likelihood that, during periods of falling interest rates, securities with high stated interest rates will be prepaid or called prior to maturity, requiring the portfolio to reinvest the proceeds at generally lower interest rates.
  5. Liquidity Risk - The possibility that the liquidity of the market for a security may decline thereby:
    - a. making it more difficult to dispose of the security promptly;
    - b. presenting difficulties in valuation of the security; and
    - c. causing the security to experience greater price volatility.
  6. Duration - A measurement of a financial asset's price sensitivity to changes in yield.
  7. FFIEC High-Risk Security Test - The Federal Financial Institutions Examination Council (FFIEC) has derived three tests, an average life test, an average life sensitivity test, and a price sensitivity test to determine whether a derivative mortgage security is "high-risk," and thus ineligible to be held as an investment by US depository institutions.
- K. Liquidity Portfolio – The Liquidity Portfolio consists of cash, money market accounts, "money market-like" funds such as Georgia Fund 1, Georgia Extended Asset Pool, and may include other investments such as short-term Treasury notes, customized and collateralized bank products or other investments with

maturities that are generally less than one year. The purpose of the Liquidity Portfolio is to provide for operating or other near-term cash needs and to obtain a short-term market return on significant portions of operating reserves.

- L. Non-Recurring Item – An expenditure that has not occurred in the previous two years and is not expected to occur in the following year.
- M. Restricted Deposit Portfolio – A portfolio of investments with average maturities or durations that match longer-term liabilities and with expected cash flows that match the attendant funding requirements. This portfolio holds securities designated for specific construction projects and debt service payments. These investments must be segregated from other funds for compliance with the bond covenants.
  - 1. Sinking Fund Accounts – Restricted accounts where installment payments are made in advance of debt service payments
  - 2. Construction Fund Accounts – Bond proceed deposits held for project expenditures
  - 3. Debt Reserve Accounts – Custody accounts with debt-supporting deposits including Debt Service Reserves and Capitalized Interest
- N. Securities – Refers to marketable investment securities that meet the legal mandates of Georgia law and the requirements of this Policy.

**V. Related Documents and References:**

- A. Budget Resolution
- B. Debt Policy
- C. Ethics Ordinance
- D. Georgia Record Retention Policy
- E. Operating Reserve Policy
- F. Post Issuance Compliance Policy
- G. Additional County Administrator policies as applicable

**VI. Policy:**

- A. Roles and Responsibilities
  - 1. County Administrator - The County Administrator or designee shall oversee the investment activities of the Director and is hereby delegated



the authority as necessary to carry out the various components of this Policy. The County Administrator or designee may execute agreements or documents necessary to effectively administer the investment program.

2. Director - Georgia law provides for assigning the Director, who is subject to the supervision of the County Administrator, with the direct responsibility for the management of the County's investment assets, including discretionary investment management decisions to buy, sell or hold individual investment securities within this Policy. The Director shall have the authority to establish and implement the necessary organization structure and financial reporting and controls in order to achieve the objectives of this Policy. Procedures should include references to safekeeping, delivery vs. payment, investment accounting and banking services. The specific responsibilities of the Director relating to the investment management of the Portfolio assets include:
  - a. Projecting and forecasting the County's overall financial and cash flow needs, and incorporating such requirements into the investment program.
  - b. Determining the County's risk tolerance and investment horizon, and communicating relevant information to the appropriate parties who are engaged in management and investment of County funds.
  - c. Recommending to the Investment Committee, when appropriate, qualified investment professionals. The Investment Committee shall have final authority over the hiring of external private sector professionals that provide investment management or investment consulting services.
  - d. Regularly evaluating the administration and performance of the investment program for adherence to policies and achievement of objectives.
  - e. Developing and monitoring controls and management procedures.
  - f. Making provision for financial audits and other reviews of the investment program.
3. Investment Committee - The County shall have an Investment Committee that serves in an advisory capacity. The Committee is responsible for adequately communicating appropriate objectives and goals to the Chairperson, Board of Commissioners, County Administrator, CFO and the Director. The Investment Committee will be charged with the following activities:
  - a. Establish procedures for calling and conducting its meetings.
  - b. Meet at least annually to review the administration and performance of the County's investment program.

- c. Evaluate and approve changes to the Investment Policy.
- d. Periodically deliberate such topics as economic outlook, portfolio diversification, risks and returns.
- e. Ensure adequate controls are in place and the County is in compliance with current law and internal policies.

The Department shall provide administrative support to the Investment Committee. The Department will maintain written records of the Committee's activities and will provide investment reports pursuant to this Investment Policy.

The Investment Committee may directly select, contract for services and otherwise engage Investment Managers, Investment Consultants and other professionals to assist in managing County funds. Such Investment Manager must be registered under the Investment Advisers Act of 1940 or exempt from registration.

4. Investment Manager - Each third-party Investment Manager engaged to provide professional investment management services must acknowledge in writing its acceptance of responsibility as fiduciary under applicable regulations. Each Investment Manager will have discretion to make investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Specific responsibilities of the Investment Manager(s) include:
  - a. Discretionary investment management including decisions to buy, sell, or hold individual securities, within the guidelines established in this statement.
  - b. Reporting, on a timely basis, the quarterly investment performance results of the portfolio, comparisons to the appropriate benchmark(s), and other reports or information that may reasonably be requested.
  - c. Promptly communicating any major changes to economic outlook, investment strategy, or any other factors, which affect implementation of the investment process, or the investment objective progress of the County's investment management to the Department.
  - d. Promptly informing the Director regarding any material change in the investment organization. Examples include, but are not limited to, changes in portfolio management personnel, ownership structure and investment philosophy.
5. Investment Consultant – If the Investment Committee should choose to engage an Investment Consultant, a third-party Investment Consultant's

role shall be two-fold. The first and primary function is that of an Investment Advisor to the Investment Committee. The second duty is that of a Consultant assisting the Director in the management, operations and administration of the investment program. An Investment Consultant may represent only the interests of the County and any other relationship that might provide basis for a conflict is expressly prohibited. Specific responsibilities of the Investment Consultant might include:

- a. Assisting the Investment Committee in the development of a periodic review of all aspects of the investment program, including benchmarking and establishment of investment goals.
  - b. Conducting Investment Manager search when requested by the Department.
  - c. Monitoring the performance of the Investment Manager(s) and reporting same to the Director and the Investment Committee.
- B. General Information – This investment policy is comprehensive and is intended to govern the overall administration and investment management of those funds held in the County’s Liquidity, Investment, and Restricted Deposit Portfolios (the “County Portfolio”), excluding pension and other post employee benefit trusts. This policy shall apply to such funds from the time of receipt until the time the funds ultimately leave the County’s accounts. The County Portfolio includes assets in various operating and capital funds that are under the direct control of the Department, including, but not limited to, the following:
1. General Fund
  2. Special Revenue Funds
  3. Debt Service and Bond Proceeds
  4. Enterprise Funds
  5. Capital Project Funds
  6. Internal Service Funds

The guidance set forth herein is to be strictly followed by all those responsible for any aspect of the management or administration of these funds.

Excess cash balances of individual operating funds and capital funds may be commingled and placed in individual depository or investment accounts, unless otherwise restricted by law, policy or debt covenants. Bond funds should be deposited or invested according to applicable laws and bond covenants.

Interest income earned on depository balances will be allocated and credited to participating funds monthly based on the average daily cash balances held during the month. Investment income earned on investment securities and paid

on interest payment dates will be credited to the funds at the time of payment. Market value adjustments and interest accruals between interest payment dates will be made at the end of each month.

- C. Investment Objectives – The investment objectives of the County are set forth below in order of priority and are applicable to both the Liquidity Portfolio and Investment Portfolio:
1. Safety of Principal - The single most important objective of the County's investment program is the preservation of principal of those funds within the portfolio. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.
  2. Adequate Liquidity - The portfolio shall be managed in such a manner that assures that funds are available as needed to meet those immediate and/or future operating requirements of the County, including but not limited to payroll, accounts payable, capital projects, debt service and any other payments.
  3. Legality - County funds will at all times be invested in conformity with the laws of the State of Georgia, specifically O.C.G.A. §36-80-3, O.C.G.A. §36-80-4, and O.C.G.A. §36-83-4; and in conformity with bond ordinances or covenants, referenced in O.C.G.A. §36-82-7, this Investment Policy and the Department's written administrative procedures. Where there are policies contained in Debt Covenants and Official Statements, those provisions shall apply only to those funds, and are incorporated by reference within this policy.
  4. Return on Investment - The portfolio shall be managed in such a fashion as to maximize the return on investments within the context and parameters set forth by objectives 1, 2, and 3 above.

- D. Standard of Prudence – The standard of prudence to be applied to the investment of the County's Portfolio shall be the "Prudent Expert" rule (404(a)(1)(B)) of the Employee Retirement Income Security Act (ERISA) that states:

*"Investments shall be made with the care, skill, prudence and diligence, under circumstances then prevailing, which prudent persons acting in like capacities and familiar with such matters would use in the conduct of an enterprise of like character and with like aims – not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived."*

The Director and other County employees and officials involved in the investment process acting in accordance with the Code of Georgia, this policy and any other written procedures pertaining to the administration and management of the County's Portfolio and who exercise the proper due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that any negative deviations are reported in a timely fashion to the County's Investment Committee and that reasonable and prudent action is taken to control and prevent any further adverse developments.

E. Ethics and Conflicts of Interest – External contracted investment professionals in addition to Committee Members, management and staff involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of Gwinnett County.

F. Authorized Investments – In accordance with the laws of the State of Georgia O.C.G.A. §36-80-3, O.C.G.A. §36-80-4, and O.C.G.A. §36-83-4, the County shall be permitted to invest in any of the following securities:

1. US Treasury Obligations - United States Treasury bills, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States.

US Treasury Obligations shall be limited to a maximum maturity of five (5) years at the time of purchase.

2. US Federal Agency Obligations - Debentures (bonds, notes, or other non-mortgage-backed obligations) and mortgage-backed securities issued by a federal government agency or instrumentality that are:

- a. Rated equal to or higher than the US Government.
- b. Limited to a maximum maturity of five (5) years for debentures and an average life of five (5) years for mortgage-backed securities.
- c. CMOs backed by single family home loans must pass the FFIEC tests one and two at all times using Bloomberg dealer median prepayment speeds.

3. Repurchase Agreements - Contracts for the present purchase and subsequent resale at a specified time in the future of specific securities at specified prices at a price differential representing the interest income to be earned by the County. Such contracts shall be invested in only if the following conditions are met:

- a. The repurchase agreement has a term to maturity of no greater than three hundred sixty (360) days or may be open-ended with an automatic overnight maturity;
- b. The contract is fully secured by deliverable US Treasury or Federal Agency obligations as described in (1) and (2) above (without limit to maturity), having a market value at all times of at

least one hundred two percent (102%) of the amount of the contract;

- c. A master repurchase agreement or specific written repurchase agreement governs the transaction;
- d. The securities are held free and clear of any lien and by an independent third-party custodian acting solely as agent for the County (which may include a tri-party arrangement) and is:
  - i. A Federal Reserve Bank; or
  - ii. A bank which is a member of the Federal Deposit Insurance Corporation and which has combined capital, surplus and undivided profits of not less than \$25 million;
- e. A perfected first security interest under the Uniform Commercial Code in accordance with book entry procedures prescribed at 31 C.F.R. 306.1 et seq. in such securities is created for the benefit of the County;
- f. For repurchase agreements with terms to maturity of greater than one (1) day, the County will value the collateral securities continuously and require that if additional collateral is required then that collateral must be delivered within one business day (if a collateral deficiency is not corrected within this time frame, the collateral securities will be liquidated);
- g. The County will enter into repurchase agreements only with reputable firms that have a short-term debt rating of 'A-1' or higher or have a long-term debt rating of at least 'AA' from a Nationally Recognized Statistical Rating Organization (NRSRO) that rates the issuer and are;
- h. Primary government securities dealers who are members of the National Association of Securities Dealers, report daily to the Federal Reserve Bank of New York and have \$25 billion in assets and \$350 million in capital;
- i. A bank, savings bank or savings and loan association having \$5 billion in assets and \$500 million in capital and regulated by the Superintendent of Financial Institutions, or through an institution regulated by the Comptroller of the Currency, Federal Deposit Insurance Corporation, or Board of Governors of the Federal Reserve System; or
- j. Diversified securities broker-dealers who are members of the National Association of Securities Dealers having \$5 billion in assets and \$350 million in capital and subject to regulation of capital standards by any state or federal regulatory agency.

4. Prime Bankers' Acceptances – Prime Bankers' Acceptances issued by a domestic bank or a federally chartered domestic office of a foreign bank, which are eligible for purchase by the Federal Reserve System may be purchased if the following conditions are met:
  - a. The maturity is no greater than two hundred seventy (270) days;
  - b. The short-term paper of which is rated not lower than P-1 by Moody's Investor Services or A-1 by Standard & Poor's Corporation; and,
  - c. The amount invested in any single bank will not exceed five percent (5%) of the total funds available for investment (based on book value on the date of acquisition).
5. Municipal Obligations - Bonds, notes and other evidences of indebtedness of the State of Georgia or other political subdivisions of the state upon which there is no default and that meet the following criteria:
  - a. Have a final maturity on the date of investment not to exceed five (5) years.
  - b. Rated in either of the two highest rating categories by a NRSRO.
6. Certificates of Deposit (CDs) - deposits insured by the Federal Deposit Insurance Corporation; provided however, that the portion of such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation shall be collateralized or secured by direct obligations of this state or the United States which are of a par value equal to that portion of such certificates of deposit which would be uninsured in accordance with O.C.G.A. §36-80-3. While a maximum of 40% of the County's Total Portfolio may be invested in CDs and up to a maximum of 50% of the County's Total Portfolio may be invested with each approved County Depository Bank, no more than 5% of the County's Total Portfolio may be invested in certificates of deposit and investment securities issued by a single Depository Bank. This requirement excludes IntraFi placements through IntraFi Network as each CD placement is limited to a maximum value of Federal Deposit Insurance Corporation (FDIC) coverage of \$250,000, and BNY Mellon is record-keeper for the FDIC.
7. Local Government Investment Pool - as established by O.C.G.A. §36-83-8 managed by the Office of Treasury and Fiscal Services.
8. Bank Deposits – Bank deposits must be in a national banking association, federal savings and loan association, trust company, savings institution or federal savings bank located in Georgia or organized under Georgia law. This includes customized, collateralized short-term bank products offered by a County approved depository bank or qualified institution that is a member of the Federal Reserve System and/or regulated by the Comptroller of the Currency, the FDIC or a Federal Reserve Bank.

Bank Deposits will be secured in accordance with the O.C.G.A. §45-8-1, O.C.G.A. §45-8-12, O.C.G.A. §45-8-13, and O.C.G.A. §50-17-59 that requires:

- a. Collateralization through multibank pooling of depositories administered through the State Depository Board, or
  - b. Dedicated collateralization or single-bank pooling of collateral on all deposits of County funds in excess of the amount protected by federal deposit insurance or a surety bond with a market value equal to not less than 110 percent of the funds being secured, and
  - c. Collateralization in the form of:
    - i. bonds, bills certificates of indebtedness, notes, or other direct obligations of the United States or of this state;
    - ii. bonds, bills, certificates of indebtedness, notes or other obligations of the counties or municipalities of this state;
    - iii. bonds of any public authority created by the laws of this state, if the statute creating such authority provides that the bonds of the authority may be used for this purpose and the bonds have been duly validated as provided by law, and as to which there has been no default in payment, either of principal or interest;
    - iv. industrial revenue bonds or bonds of development authorities created by the law of this state, which bonds have been duly validated as provided by law and as to which there has been no default in payment, either principal or interest;
    - v. bonds, bills, certificates of indebtedness, notes or other obligations of a subsidiary corporation of the United States government, which are fully guaranteed by the United States government both as to principal and interest, or debt obligations issued by or securities guaranteed by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, the Central Bank of Cooperatives, the Farm Credit Banks, the Federal Home Loan Mortgage Corporation, or the Federal National Mortgage Association.
- G. Portfolio Diversification – The County’s Portfolio shall be diversified by security type and institution. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each eligible security is as follows:

- |                            |              |
|----------------------------|--------------|
| 1. US Treasury Obligations | 100% Maximum |
|----------------------------|--------------|



2. Federal Agency Debentures	100% Maximum
3. Federal Agency Mortgage Backed Securities	25% Maximum
4. Local Government Investment Pool	100% Maximum
5. Repurchase Agreements	50% Maximum
6. Municipal Obligations	25% Maximum
7. Bankers Acceptance	20% Maximum
8. Certificates of Deposit	40% Maximum

The County's Portfolio will be further diversified to limit the exposure to any one issuer. No more than 5% of the County's Portfolio will be invested in the securities of any single issuer with the following exceptions:

1. U.S. Treasury	100% Maximum
2. Each Federal Agency	35% Maximum
3. Each Approved County Depository Bank	50% Maximum
4. Georgia Fund 1	80% Maximum
5. Georgia Extended Asset Pool	10% Maximum
6. Each Repurchase Agreement Counterparty	20% Maximum

H. Maximum Maturity – Maintenance of adequate liquidity to meet the cash flow needs of the County is essential. Accordingly, the portfolio will be structured in a manner that ensures sufficient cash is available to meet anticipated liquidity needs. Selection of investment maturities must be consistent with the cash requirements of the County in order to avoid the forced sale of securities prior to maturity.

Assets of the County shall be segregated into three categories based on expected liquidity needs and purposes – Liquidity Portfolio, Investment Portfolio, and Bond Proceeds.

1. Liquidity Portfolio - the Liquidity Portfolio consists of cash, money market accounts, "money market-like" funds such as Georgia Fund 1, Georgia Extended Asset Pool, and may include other investments such as short-term Treasury notes, customized and collateralized bank products or other investments with maturities that are generally less than one year. The purpose of the Liquidity Portfolio is to provide for operating or other near-term cash needs and to obtain a short-term market return on significant portions of operating reserves.

Notwithstanding any other reserve policies, the Director shall at all times endeavor to maintain a liquidity reserve set at a minimum of 1/12 of the total expenditures of the immediately preceding fiscal year, excluding significant Non-Recurring Items. The reserve shall be held intact, to be used exclusively for emergencies or extraordinary unforeseen circumstances. This liquidity requirement applies to all major operating funds, which includes tax supported general government operating funds; certain special revenue funds; enterprise operating; and internal service funds. Balances shall be placed only in liquid investments with an overall maturity not exceeding 60 days. In the event of a drawdown of an emergency liquidity fund, the Director shall promptly and without delay initiate measures to replenish such liquidity account.

The Director may establish more restrictive temporary guidelines as may be required by the prevailing circumstances. The forgoing shall be construed to apply to the County's operating funds and not to capital projects funds. For this policy, a major operating fund is any fund whose annual revenues are 10 percent or more of the total operating revenues.

2. Investment Portfolio – The Investment Portfolio will be invested in permitted investments with a stated maturity of no more than 5 years from the date of purchase. At the time of purchase, mortgage-backed securities shall have an average life of no more than 5 years. To control the volatility of the core portfolio, the Investment Committee will determine a duration target, not to exceed 3 years.

Notwithstanding these limitations, in no case will the assets in either category be invested in securities with a term to maturity that exceeds the expected disbursement date of those funds.

3. Bond Proceeds – Proceeds from the sale of bonds will be invested in compliance with the specific requirements of the bond covenants without further restriction as to the maximum term to maturity of securities purchased. However, the duration of the Bond Proceeds portfolio will not exceed 2 years without the approval of the Investment Committee.

I. Prohibited Investments and Investment Practices

1. Short Sales (selling a specific security before it has been legally purchased);
2. Borrowing funds for the sole purpose of reinvesting the proceeds of such borrowing;
3. Commodities and Futures Contracts;
4. Private Placements;
5. Options;
6. Letter Stock;

7. Speculative Securities;
  8. Investments not specifically addressed by this statement are forbidden without the Investment Committee's written consent;
  9. Domestic or International Equity Securities;
  10. Fixed Income Mutual Funds;
  11. Any derivative of any instrument that does not pass the FFIEC High Risk Security Tests 1 and 2 at any time using Bloomberg median pre-payment speeds; and
  12. Any other investment instrument prohibited by state law O.C.G.A 36-80-3.
- J. Investment of Bond Proceeds – The County intends to comply with all applicable sections of the Internal Revenue Code of 1986, Arbitrage Rebate Regulations and bond covenants with regard to the investment of bond proceeds. Accounting records will be maintained in a form and for a period of time sufficient to document compliance with these regulations.

Bond proceeds investments will be limited to those securities authorized by O.C.G.A. §36-82-7 and include the following securities:

1. Full Faith & Credit of U.S. Government Obligations - Bonds or other obligations of the United States or of subsidiary corporations of the United States Government which are fully guaranteed by such government.
2. Money Market Mutual Funds - No load, open-end management type investment company or investment trust registered under the Investment Company Act of 1940 invested in obligations referenced in "A" above and repurchase agreements fully collateralized by any such obligations.
3. Select Federal Agency Obligations - Obligations of agencies of the United States government issued by the Federal Land Bank, the Federal Home Loan Bank, the Federal Intermediate Credit Bank, and the Central Bank for Cooperatives.
4. Local Government Investment Pools – Local Investment Pools created in O.C.G.A. §36-83.
5. Municipal Obligations - Bonds or obligations of such county, Municipal Corporation, school district, political subdivision, authority, or body or bonds or obligations of this state or of other counties, municipal corporations, and political subdivisions of the state.
6. Public Housing Agencies - Bonds or other obligations issued by any public housing agency or municipal corporation of the United States.

7. Certificates of Deposit (CDs) - CDs secured or collateralized by securities in an aggregate principal amount equal to at least to the amount of excess of insurance in:

- a. direct and general obligations of this state or of any County or Municipal Corporation of this state,
- b. obligations of the United States or subsidiary corporations from 1 above,
- c. obligations of the agencies of the United States government from 3 above, and
- d. bonds, obligations, or project notes of public housing agencies, urban renewal agencies, or municipalities.

K. Selection, Approval of Brokers, Qualified Financial Institutions – The Director and/or the County’s Investment Manager shall maintain a list of financial institutions and broker dealers that are approved for investment purposes (“Qualified Institutions”). Since banking and finance vendors are exempt from the Purchasing Ordinance, selection may be done through an RFP or Department selection. However, all selected vendors should be approved by the Investment Committee.

Interested depository institutions must meet the following requirements to be eligible to serve as a Qualified Institution:

1. A national banking association, federal savings and loan association, savings institution, trust company or federal savings bank located in Georgia or organized under Georgia law or any County approved depository bank or qualified institution that is a member of the Federal Reserve System, and/or regulated by the Comptroller of the Currency, the Federal Deposit Insurance Corporation or a Federal Reserve Bank.
2. Capital of no less than \$10,000,000.
3. The firm and assigned account representative have been engaged in the business of providing bank services and bank products for at least 5 consecutive years.

Interested broker/dealers must meet the following requirements to be eligible to serve as a Qualified Institution:

1. “Primary” dealers and regional dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule) and Rule 15C3-3 (Customer Protection Rule);
2. Registered as a dealer under the Securities Exchange Act of 1934;
3. Member of the National Association of Dealers (NASD);

4. Registered to sell securities in Georgia; and,
5. The firm and assigned broker have been engaged in the business of effecting transactions in the U.S. government and agency obligations for at least 5 consecutive years.

All brokers, dealers and other financial institutions deemed to be Qualified Institutions shall be provided with current copies of the County's Investment Policy. A current audited financial statement is required to be on file for each financial institution and broker/dealer with which the County transacts business.

In addition, all financial institutions interested in transacting securities trades with the County are required to complete a "Broker/Dealer Questionnaire and Certification." Investment staff shall conduct an annual review of the financial condition of approved financial institutions and broker/dealers to ensure they continue to meet the County's guidelines for qualifications.

- L. **Competitive Selection of Investment Instruments** – It will be the policy of the County to transact all securities purchases/sales only with Qualified Institutions through a formal and competitive process requiring the solicitation and evaluation of at least three bids/offers. The County will accept the offer which (a) has the highest rate of return within the maturity required; and (b) optimizes the investment objective of the overall portfolio. When selling a security, the County will select the bid that generates the highest sale price.

It will be the responsibility of the personnel involved with each purchase/sale to produce and retain written records of each transaction including the name of the financial institutions solicited, rate quoted, description of the security, investment selected, and any special considerations that had an impact on the decision. If the lowest priced security (highest yield) was not selected for purchase, an explanation describing the rationale will be included in this record.

Primary fixed price federal agency offerings may be purchased from the list of Qualified Institutions without competitive solicitation if it is determined that no agency obligations meeting the County's requirements are available in the secondary market at a higher yield.

- M. **Safekeeping and Custody** – All investment securities purchased by the County or held as collateral on deposits or investments shall be held by the County or by a third-party custodial agent who may not otherwise be counterparty to the investment transaction.

The Director shall employ safekeeping agents and custodian(s) who will directly (or through agreement with a sub-custodian) maintain actual possession of securities owned by the County, who will collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales, all on behalf of the County.

All securities in the County's Portfolio shall be held in the name of the County and will be free and clear of any lien. Further, all investment transactions will be conducted on a delivery-vs.-payment basis. The custodial agent shall issue a

safekeeping receipt to the County listing the specific instrument, rate, maturity and other pertinent information. On a monthly basis, the custodial agent will also provide reports which list all securities held for the County, the par value of holdings, and the market value as of month-end.

Appropriate County officials and representatives of the custodial agent responsible for, or in any manner involved with, the safekeeping and custody process of the County shall be bonded in such fashion as to protect the County from losses from malfeasance and misfeasance.

- N. Performance Standards – The Investment Portfolio shall be designed and managed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and cash flow needs of the County. Short-term funds and other funds that must maintain a high degree of liquidity will be compared to the return of the Georgia Fund One (GA1) plus 10 basis points and to the S&P Rated Government Investment Pool (GIP) Index. The investment portfolio will be compared to an index of U.S. Treasury securities having a similar duration or other appropriate benchmark.
- O. Reporting – The Director or Investment Manager shall prepare an investment report not less than quarterly for the Investment Committee. The Investment Committee selected electronic dissemination of reports and information as the preferred method of distribution and notification. The investment report shall include: (1) a listing of the existing portfolio in terms of investment securities, amortized book value, maturity date, yield-on-cost, market value, credit rating and other features deemed relevant and (2) a listing of all transactions executed during the month if so requested. For purposes of internal reporting, the Liquidity Portfolio will consist of cash, money market accounts, “money market-like” funds such as Georgia Fund 1, Georgia Extended Asset Pool, and may include other investments such as short-term Treasury notes, customized and collateralized bank products or other investments with maturities that are generally less than one year. The Investment Portfolio will consist of all investments with a maturity of greater than one year. The internal categories may not necessarily agree with GASB reporting requirements, however all information will be maintained in order to provide for GASB reporting.

The Director and/or Investment Manager shall prepare and submit to the Investment Committee a “Semi-Annual Investment Report” that summarizes (1) recent market conditions, economic developments and anticipated investment conditions, (2) the investment strategies employed in the most recent quarter, (3) a description of all securities held in investment portfolios at month-end, (4) the total rate of return for each quarter and year-to-date versus appropriate benchmarks, and (5) any areas of policy concern warranting possible revisions to current or planned investment strategies. The market values presented in these reports will be consistent with accounting guidelines in GASB statement 31 pertaining to the valuation of investments and the treatment of unrealized gains/losses. Detailed cash and investment transactions are available on request.

**VII. Quality Control and Quality Assurance:**

It is the responsibility of the Director to ensure the presence of, and compliance with, procedures that provide sufficient guidance to affected County personnel to fulfill the intent of this policy.

**VIII. Metrics:**

See "Performance Standards" section VI – N.

**IX. Records:**

There are no records associated with this policy.

**X. Forms:**

There are no forms associated with this policy.

**XI. Appendices:**

There are no appendices associated with this policy.

**XII. Version Control:**

<b>Version Number</b>	<b>Date Created/Modified</b>	<b>Reason for Creation/Modification</b>	<b>Document Custodian</b>
1.0	04/17/2012	Formally document policy	Paul Turner (Treasury Director)
1.1	09/19/2017	Clarify requirements and better define scope. Update to be consistent with State law.	Jim Frihart (Treasury Director)
1.2	10/02/2018	Modify section IV – J Investment Committee to include Investment Manager.	Michael Poole (Investment Manager)
1.3	08/25/2022	General updates for clarification	Michael Poole (Investment Manager)

This the 15<sup>th</sup> day of December, 2022.

Gwinnett County Board of Commissioners

By: *Nicole L. Hendrickson*  
Nicole L. Hendrickson  
Chairwoman, Board of Commissioners

Attest:

By: *Jina M King*  
County Clerk / Deputy County clerk



Approved As To Form:

By: *[Signature]*  
Gwinnett County Staff Attorney





**RP041-23 Provision of Broker Dealer Services for Fixed Income Securities on an Annual Contract Page 33**

**CONTRACTOR AFFIDAVIT AND AGREEMENT**  
**(THIS FORM SHOULD BE FULLY COMPLETED AND RETURNED WITH YOUR SUBMITTAL)**

By executing this affidavit, the undersigned contractor verifies its compliance with The Illegal Immigration Reform Enhancements for 2013, stating affirmatively that the individual, firm, or corporation which is contracting with the Gwinnett County Board of Commissioners has registered with and is participating in a federal work authorization program\* [any of the electronic verification of work authorization programs operated by the United States Department of Homeland Security or any equivalent federal work authorization program operated by the United States Department of Homeland Security] to verify information of newly hired employees, pursuant to the Immigration Reform and Control Act, in accordance with the applicability provisions and deadlines established therein.

The undersigned further agrees that, should it employ or contract with any subcontractor(s) in connection with the physical performance of services or the performance of labor pursuant to this contract with the Gwinnett County Board of Commissioners, contractor will secure from such subcontractor(s) similar verification of compliance with the Illegal Immigration Reform and Enforcement Act on the Subcontractor Affidavit provided in Rule 300-10-01-.08 or a substantially similar form. Contractor further agrees to maintain records of such compliance and provide a copy of each such verification to the Gwinnett County Board of Commissioners at the time the subcontractor(s) is retained to perform such service.

\_\_\_\_\_  
 E-Verify \* User Identification Number                      Date Registered

\_\_\_\_\_  
 Legal Company Name

\_\_\_\_\_  
 Street Address

\_\_\_\_\_  
 City/State/Zip Code

BY: \_\_\_\_\_  
 Authorized Officer or Agent                                      Date  
 (Contractor Signature)

\_\_\_\_\_  
 Title of Authorized Officer or Agent of Contractor

\_\_\_\_\_  
 Printed Name of Authorized Officer or Agent

SUBSCRIBED AND SWORN  
 BEFORE ME ON THIS THE  
 \_\_\_\_\_ DAY OF \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
 Notary Public  
 My Commission Expires: \_\_\_\_\_

**For Gwinnett County Use Only:**

**Document ID #** \_\_\_\_\_

**Issue Date:** \_\_\_\_\_

**Initials:** \_\_\_\_\_

\* As of the effective date of O.C.G.A. 13-10-91, the applicable federal work authorization program is "E-Verify" operated by the U.S. Citizenship and Immigration Services Bureau of the U.S. Department of Homeland Security, in conjunction with the Social Security Administration (SSA).



### CODE OF ETHICS AFFIDAVIT

PLEASE RETURN THIS FORM COMPLETED WITH YOUR SUBMITTAL. SUBMITTED FORMS ARE REQUIRED PRIOR TO EVALUATION.

In accordance with Section 54-33 of the Gwinnett County Code of Ordinances the undersigned bidder/proposer makes the following full and complete disclosure under oath, to the best of their knowledge, of the name(s) of all elected officials whom it employs or who have a direct or indirect pecuniary interest in or with the vendor, its affiliates or its subcontractors:

1. \_\_\_\_\_  
Company Submitting Bid/Proposal

- 2. Please select one of the following:
  - No information to disclose (*complete only section 4 below*)
  - Disclosed information below (*complete section 3 & section 4 below*)

3. If additional space is required, please attach list: \_

\_\_\_\_\_  
Gwinnett County Elected Official Name

\_\_\_\_\_  
Gwinnett County Elected Official Name

\_\_\_\_\_  
Gwinnett County Elected Official Name

\_\_\_\_\_  
Gwinnett County Elected Official Name

4. BY: \_\_\_\_\_

Authorized Officer or Agent Signature

Sworn to and subscribed before me this

\_\_\_\_\_  
Printed Name of Authorized Officer or Agent

\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
Title of Authorized Officer or Agent of Contractor

\_\_\_\_\_  
Notary Public

(seal)

Note: See Gwinnett County Code of Ethics Ordinance EO2011, Sec. 54-33. The ordinance will be available to view in its' entirety at [GwinnettCounty.com](http://GwinnettCounty.com)

**COST PROPOSAL**

**Remember to submit your cost in a separate sealed envelope.**

The cost proposal should include any cost associated with the services outlined in this proposal as well as the below table.

The Department of Financial Services will make a recommendation to the Investment Committee regarding term, price, and contract conditions of this procurement. All terms, price and conditions listed in the Broker Dealer's proposal are to remain firm for the duration of the initial term of the contract. Failure to hold firm for the initial term of the contract will be sufficient cause for proposal to be deemed non-responsive.

Unless otherwise noted, quoted prices will remain firm for four (4) additional one-year periods. If a percentage increase/decrease will be a part of the renewal option periods, please note this in the space provided together with an explanation.

**Renewal Options:**

Renewal Option #1 (year two of contract period):	_____ % Increase	_____ % Decrease
Renewal Option #2 (year three of contract period):	_____ % Increase	_____ % Decrease
Renewal Option #3 (year four of contract period):	_____ % Increase	_____ % Decrease
Renewal Option #4 (year five of contract period):	_____ % Increase	_____ % Decrease

## PROFESSIONAL SERVICES INSURANCE REQUIREMENTS

(For projects less than \$5,000,000)

1. Statutory Workers' Compensation Insurance
  - (a) Employers Liability:
    - ✓ Bodily Injury by Accident - \$100,000 each accident
    - ✓ Bodily Injury by Disease - \$500,000 policy limit
    - ✓ Bodily Injury by Disease - \$100,000 each employee
  
2. Commercial General Liability Insurance
  - (a) \$1,000,000 limit of liability per occurrence for bodily injury and property damage
  - (b) The following additional coverage must apply:
    - ✓ 1986 (or later) ISO Commercial General Liability Form
    - ✓ Dedicated Limits per Project Site or Location (CG 25 03 or CG 25 04)
    - ✓ Additional Insured Endorsement (Form B CG 20 10 with a modification for completed operations or a separate endorsement covering Completed Operations)
    - ✓ Blanket Contractual Liability
    - ✓ Broad Form Property Damage
    - ✓ Severability of Interest
    - ✓ Underground, explosion, and collapse coverage
    - ✓ Personal Injury (deleting both contractual and employee exclusions)
    - ✓ Incidental Medical Malpractice
    - ✓ Hostile Fire Pollution Wording
  
3. Auto Liability Insurance
  - (a) \$500,000 limit of liability per occurrence for bodily injury and property damage
  - (b) Comprehensive form covering all owned, nonowned, leased, hired, and borrowed vehicles
  - (c) Additional Insured Endorsement
  - (d) Contractual Liability
  
4. Professional Liability Insurance - \$1,000,000 (project specific for the Gwinnett County project) limit of liability per claim/aggregate or a limit of \$1,000,000 per occurrence and \$2,000,000 aggregate.
  - ✓ Insurance company must be authorized to do business in the State of Georgia.
  - ✓ Dedicated Limits per Project Site or Location (CG 25 03 or CG 25 04 or some other form)
  
5. Gwinnett County Board of Commissioners (and any applicable Authority) should be shown as an additional insured on General Liability and Auto Liability policies.
  
6. The cancellation should provide 10 days' notice for nonpayment and 30 days' notice of cancellation.
  
7. Certificate Holder should read:
  - Gwinnett County Board of Commissioners
  - 75 Langley Drive
  - Lawrenceville, GA 30046-6935
  
8. Insurance Company, except Worker' Compensation carrier, must have an A.M. Best Rating of A-5 or higher. Certain Workers' Comp funds may be acceptable by the approval of the Insurance Unit. European markets including those based in London and domestic surplus lines markets that operate on a non-admitted basis are exempt from this requirement provided that the contractor's broker/agent can provide financial data to establish that a market is equal to or exceeds the financial strengths associated with the A.M. Best's rating of A-5 or better.
  
9. Insurance Company should be licensed to do business by the Georgia Department of Insurance.  
\*See above note regarding Professional Liability
  
10. Certificates of Insurance, and any subsequent renewals, must reference specific bid/contract by project name and project/bid number.

11. The Contractor shall agree to provide complete certified copies of current insurance policy (ies) or a certified letter from the insurance company (ies) if requested by the County to verify the compliance with these insurance requirements.
12. All insurance coverages required to be provided by the Contractor will be primary over any insurance program carried by the County.
13. Contractor shall incorporate a copy of the insurance requirements as herein provided in each and every subcontract with each and every Subcontractor in any tier, and shall require each and every Subcontractor of any tier to comply with all such requirements. Contractor agrees that if for any reason Subcontractor fails to procure and maintain insurance as required, all such required Insurance shall be procured and maintained by Contractor at Contractor's expense.
14. No Contractor or Subcontractor shall commence any work of any kind under this Contract until all insurance requirements contained in this Contract have been complied with and until evidence of such compliance satisfactory to Gwinnett County as to form and content has been filed with Gwinnett County. **The Acord Certificate of Insurance or a preapproved substitute is the required form in all cases where reference is made to a Certificate of Insurance or an approved substitute.**
15. The Contractor shall agree to waive all rights of subrogation against the County, the Board of Commissioners, its officers, officials, employees, and volunteers from losses arising from work performed by the contractor for the County.
16. Special Form Contractors' Equipment and Contents Insurance covering owned, used, and leased equipment, tools, supplies, and contents required to perform the services called for in the Contract. The coverage must be on a replacement cost basis. The County will be included as a Loss Payee in this coverage for County owned equipment, tools, supplies, and contents.
17. The Contractor shall make available to the County, through its records or records of their insurer, information regarding a specific claim related to any County project. Any loss run information available from the contractor or their insurer relating to a County project will be made available to the county upon their request.
18. Compliance by the Contractor and all subcontractors with the foregoing requirements as to carrying insurance shall not relieve the Contractor and all Subcontractors of their liability provisions of the Contract.
19. The Contractor and all Subcontractors are to comply with the Occupational Safety and Health Act of 1970, Public Law 91-956, and any other laws that may apply to this Contract.
20. The Contractor shall at a minimum apply risk management practices accepted by the contractors' industry.

#### Surety Bonds (If Required)

All of the surety requirements will stay the same except the Surety Company must have the same rating as item 8 above.

FAILURE TO RETURN THIS PAGE MAY RESULT IN THE REMOVAL OF YOUR COMPANY FROM THE COMMODITY LISTING

## RP041-23

### Buyer Initials: CB

IF YOU DESIRE TO SUBMIT A "NO BID" IN RESPONSE TO THIS PACKAGE, PLEASE INDICATE BY CHECKING ONE OR MORE OF THE REASONS LISTED BELOW AND EXPLAIN.

- Do not offer this product or service; remove us from your bidder's list for this item only.
- Specifications too "tight"; geared toward one brand or manufacturer only.
- Specifications are unclear.
- Unable to meet specifications
- Unable to meet bond requirements
- Unable to meet insurance requirements
- Our schedule would not permit us to perform.
- Insufficient time to respond.
- Other

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COMPANY NAME \_\_\_\_\_

AUTHORIZED REPRESENTATIVE \_\_\_\_\_

SIGNATURE

**GWINNETT COUNTY  
DEPARTMENT OF FINANCIAL SERVICES – PURCHASING DIVISION  
GENERAL INSTRUCTIONS FOR VENDORS, TERMS AND CONDITIONS**

**\*\*\*ATTENTION\*\*\***

FAILURE TO RETURN THE FOLLOWING DOCUMENTS MAY RESULT IN SUBMITTAL BEING DEEMED NON-RESPONSIVE AND AUTOMATIC REJECTION. THE COUNTY SHALL BE THE SOLE DETERMINANT OF TECHNICALITY VS. NON-RESPONSIVE SUBMITTAL:

1. FAILURE TO USE COUNTY QUOTE/BID/FEE SCHEDULE.
2. FAILURE TO RETURN OR ACKNOWLEDGE APPLICABLE COMPLIANCE/SPECIFICATION SHEETS.
3. FAILURE TO RETURN OR ACKNOWLEDGE APPLICABLE ADDENDA.
4. FAILURE TO PROVIDE INFORMATION ON ALTERNATES OR EQUIVALENTS.
5. FAILURE TO PROVIDE BID BOND, WHEN REQUIRED, WILL RESULT IN SUBMITTAL BEING DEEMED NON-RESPONSIVE AND AUTOMATIC REJECTION. BID BONDS ARE NOT REQUIRED ON ALL SOLICITATIONS. BOND REQUIREMENTS ARE CLEARLY STATED ON THE INVITATION PAGE. IF CLARIFICATION IS NEEDED, CONTACT THE PURCHASING ASSOCIATE LISTED IN THE INVITATION. **IF BONDS ARE REQUIRED, FORMS WILL BE PROVIDED IN THIS SOLICITATION DOCUMENT.**
6. FAILURE TO PROVIDE CONTRACTOR AFFIDAVIT AND AGREEMENT, WHEN REQUIRED, MAY RESULT IN SUBMITTAL BEING DEEMED NON-RESPONSIVE AND REJECTED. THE CONTRACTOR AFFIDAVIT AND AGREEMENT IS NOT REQUIRED ON ALL SOLICITATIONS. IF CLARIFICATION IS NEEDED, CONTACT THE PURCHASING ASSOCIATE LISTED IN THE INVITATION.
7. FAILURE TO PROVIDE AN ETHICS AFFIDAVIT WHEN REQUIRED, MAY RESULT IN SUBMITTAL BEING DEEMED NON-RESPONSIVE AND REJECTED. THE ETHICS AFFIDAVIT IS REQUIRED ON ALL FORMAL SOLICITATIONS OVER \$100,000.00. IF CLARIFICATION IS NEEDED, CONTACT THE PURCHASING ASSOCIATE LISTED IN THE INVITATION.

## **I. PREPARATION OF SUBMITTAL**

- A. Each vendor shall examine the drawings, specifications, schedule, and all instructions. Failure to do so will be at the vendor's risk, as the vendor will be held accountable for their submittal.
- B. Each vendor shall furnish all information required by the solicitation form or document. Each vendor shall sign the submittal and print or type his or her name on the quote/bid/fee schedule. The person signing the submittal should initial erasures or other changes. An authorized agent of the vendor must sign the submittal.
- C. Fee schedule pricing should have only two decimal places unless otherwise stated. In the event of a calculation error in total price, the unit pricing prevails.
- D. Except for solicitations for the sale of real property, individuals, firms, and businesses seeking an award of a Gwinnett County contract may not initiate or continue any verbal or written communications regarding a solicitation with any County officer, elected official, employee, or other County representative other than the Purchasing Associate named in the solicitation between the date of the issuance of the solicitation and the date of the final award. The Purchasing Director will review violations. If determined that such communication has compromised the competitive process, the offer submitted by the individual, firm or business may be disqualified from consideration for award. Solicitations for the sale of real property may allow for verbal or written communications with the appropriate Gwinnett County representative.
- E. Sample contracts (if pertinent) are attached. These do NOT have to be filled out with the submittal but are contained for informational purposes only. If awarded, the successful vendor(s) will be required to execute these documents prior to County execution.
- F. Effective July 1, 2013 and in accordance with the Georgia Illegal Immigration Reform Enhancements for 2013, an original signed, notarized and fully completed Contractor Affidavit and Agreement should be included with vendor's submittal, if the solicitation is for the physical performance of services for all labor or service contract(s) that exceed \$2,499.99 (except for services performed by an individual who is licensed pursuant to Title 26, Title 43, or the State Bar of Georgia). Failure to provide the Contractor Affidavit and Agreement with your submittal may result in being deemed non-responsive and automatic rejection.

## **II. DELIVERY**

- A. Each vendor should state time of proposed delivery of goods or services.
- B. Words such as "immediate," "as soon as possible," etc. should not be used. The known earliest date or the minimum number of calendar days required after receipt of order (delivery A.R.O.) should be stated. If calendar days are used, include Saturday, Sunday, and holidays in the number.

## **III. EXPLANATION TO VENDORS**

Any explanation desired by a vendor regarding the meaning or interpretation of the solicitation, drawings, specifications, etc. must be requested by the question cutoff deadline stated in the solicitation for a reply to reach all vendors before the deadline of the solicitation. Any information given to a prospective vendor concerning a solicitation will be furnished to all prospective vendors as an addendum to the solicitation if such information is necessary or if the lack of such information would be prejudicial to uninformed vendors. The written solicitation documents supersede any verbal or written communications between the parties. Receipt of addenda should



be acknowledged in the submittal. **It is the vendor's responsibility to ensure they have all applicable addenda prior to their submittal.** This may be accomplished by contacting the assigned Purchasing Associate prior to the submittal or visiting the Gwinnett County website.

#### **IV. SUBMISSION OF FORMAL OFFERS/SUBMITTALS**

- A. Formal bid and proposal submittals shall be enclosed in a sealed package or envelope, addressed to the Gwinnett County Purchasing Division with the name of the vendor, the date and hour of opening and the solicitation number on the face of the package or envelope. Facsimile or emailed submittals will not be considered. Any addenda should be enclosed in the sealed envelopes as well.
- B. ADD/DEDUCT: Add or deduct amounts indicated on the outside of the envelope are allowed and will be applied to the lump sum amount. Amount shall be clearly stated and should be initialed by an authorized representative.
- C. Samples of items, when required, must be submitted within the time specified and, unless otherwise specified by the County, at no expense to the County. Unless otherwise specified, samples will be returned at the vendor's request and expense, if items are not destroyed by testing.
- D. Items offered must meet required specifications and must be of a quality that will adequately serve the use and purpose for which intended.
- E. Full identification of each item submitted, including brand name, model, catalog number, etc. must be furnished to identify exactly what the vendor is offering. Manufacturer's literature may be furnished but vendor should not submit excessive marketing material.
- F. The vendor must certify that items to be furnished are new and that the quality has not deteriorated to impair its usefulness.
- G. Unsigned submittals will not be considered except in cases where it is enclosed with other documents that have been signed. The County will determine acceptability in these cases.
- H. Gwinnett County is exempt from federal excise tax and Georgia sales tax regarding goods and services purchased directly by Gwinnett County. Vendors are responsible for federal excise tax and sales tax, including taxes for materials incorporated in county construction projects. Vendors should contact the State of Georgia Sales Tax Division for additional information. Agreements where there is a cost-plus mark-up, mark-up will not be paid on taxes.
- I. Information submitted by a vendor in the solicitation process shall be subject to disclosure after the public opening in accordance with the Georgia Open Records Act.

#### **V. WITHDRAWAL DUE TO ERRORS**

Vendors must give Gwinnett County Purchasing Division written notice within two (2) business days of completion of the opening stating that they wish to withdraw their submittal without penalty for an obvious clerical or calculation error. Submittal may be withdrawn from consideration if the price was substantially lower than the other submittals due solely to a mistake therein, provided pricing was submitted in good faith, and the mistake was a clerical mistake as opposed to a judgment mistake and was due to an unintentional arithmetic error or an unintentional omission of a quantity of work, labor or material made directly in the compilation of the submittal. The unintentional arithmetic error or omission can be clearly proven through inspection of the original work papers, documents, and materials used in preparing the submittal.

sought to be withdrawn. The vendor's original work papers shall be the sole acceptable evidence of error and mistake if a vendor elects to withdraw their submittal. If a quote or bid submittal is withdrawn under the authority of this provision, the lowest remaining responsive offer shall be deemed to be low bid.

No vendor who is permitted to withdraw their submittal shall, for compensation, supply any material or labor or perform any subcontract or other work agreement for the person or firm to whom the contract is awarded or otherwise benefit, directly or indirectly, from the performance of the project for which the withdrawn bid or proposal was submitted.

Vendors who fail to request withdrawal by the required forty-eight (48) hours may automatically forfeit bid bond if a bond was required. Bid may not be withdrawn otherwise.

Withdrawal is not automatically granted and will be allowed solely at Gwinnett County's discretion.

#### **VI. TESTING AND INSPECTION**

Since tests may require several days for completion, the County reserves the right to use a portion of any supplies before the results of the tests are determined. Cost of inspections and tests of any item that fails to meet the specifications, shall be borne by the vendor.

#### **VII. F.O.B. POINT**

Unless otherwise stated in the request for invitation and any resulting contract, or unless qualified by the vendor, items shall be shipped F.O.B. Destination, Freight Prepaid and Allowed. The seller shall retain title for the risk of transportation, including the filing for loss or damages. The invoice covering the items is not payable until items are delivered and the contract of carriage has been completed. Unless the F.O.B. clause states otherwise, the seller assumes transportation and related charges either by payment or allowance.

#### **VIII. PATENT INDEMNITY**

The vendor guarantees to hold the County, its agents, officers, or employees harmless from liability of any nature or kind for use of any copyrighted or uncopyrighted composition, secret process, patented or unpatented invention, articles or appliances furnished or used in the performance of the contract, for which the vendor is not the patentee, assignee, or licensee.

#### **IX. BID BONDS AND PAYMENT AND PERFORMANCE BONDS (IF REQUIRED, FORMS WILL BE PROVIDED IN THIS DOCUMENT)**

A five percent (5%) bid bond, a one hundred percent (100%) performance bond, and a one hundred percent (100%) payment bond must be furnished to Gwinnett County for any solicitation as required in the solicitation package or document. **Failure to submit a bid bond with the proper rating will result in submittal being deemed non-responsive.** Bonding company must be authorized to do business in Georgia by the Georgia Insurance Commission, listed in the Department of the Treasury's publication of companies holding certificates of authority as acceptable surety on Federal bonds and as acceptable reinsuring companies, and have an A.M. Best rating as stated in the insurance requirement of the solicitation. **The bid bond, payment bond, and performance bond must have the proper A.M. Best rating as stated in the solicitation document.**

#### **X. DISCOUNTS**

- A. Time payment discounts may be considered in arriving at net prices and in award of solicitations. Offers of discounts for payment within ten (10) days following the end of the month are preferred.

- B. In connection with any discount offered, time will be computed from the date of delivery and acceptance at destination, or from the date correct invoice or voucher is received, whichever is the later date. Payment is deemed to be made for the purpose of earning the discount on the date of the County check.

#### **XI. AWARD**

- A. Award will be made to either the highest scoring firm (for proposals) or the lowest responsive and responsible vendor (for quotes/bids). The quality of the articles to be supplied, their conformity with the specifications, their suitability to the requirements of the County, and the delivery terms will be taken into consideration in making the award. The County may make such investigations as it deems necessary to determine the ability of the vendor to perform, and the vendor shall furnish to the County all such information and data for this purpose as the County may request. The County reserves the right to reject any submittal if the evidence submitted by, or investigation of such vendor fails to satisfy the County that such vendor is properly qualified to carry out the obligations of the contract.
- B. The County reserves the right to reject or accept any or all offers and to waive technicalities, informalities and minor irregularities in the submittals received.
- C. The County reserves the right to make an award as deemed in its best interest, which may include awarding to a single vendor or multiple vendors; or to award the whole solicitation agreement, only part of the agreement, or none of the agreement, based on its sole discretion of its best interest.
- D. In the event of proposal scores rounded to the nearest whole number result in a tie score, the award will be based on lowest cost.
- E. If proposal negotiations with the highest ranked firm are unsuccessful, the County may then negotiate with the second ranked firm and so on until a satisfactory agreement has been reached.

#### **XII. DELIVERY FAILURES**

Failure of a vendor to deliver within the time specified or within reasonable time as interpreted by the Purchasing Director, or failure to make replacement of rejected articles/services when so requested, immediately or as directed by the Purchasing Director, shall constitute authority for the Purchasing Director to purchase in the open market articles/services of comparable grade to replace the articles/services rejected or not delivered. On all such purchases, the vendor shall reimburse the County within a reasonable time specified by the Purchasing Director for any expense incurred in excess of the contract prices, or the County shall have the right to deduct such amount from monies owed the defaulting vendor. Alternatively, the County may penalize the vendor one percent (1%) per day for a period of up to ten (10) days for each day that delivery or replacement is late. Should public necessity demand it, the County reserves the right to use or consume articles/services delivered which are substandard in quality, subject to an adjustment in price to be determined by the Purchasing Director.

#### **XIII. COUNTY FURNISHED PROPERTY**

No material, labor or facilities will be furnished by the County unless so provided in the solicitation package.

#### **XIV. REJECTION OF SUBMITTALS**

Failure to observe any of the instructions or conditions in this solicitation package may constitute grounds for rejection.

## **XV. CONTRACT**

Each submittal is received with the understanding that the acceptance in writing by the County of the offer to furnish any or all the commodities or services described therein shall constitute a contract between the vendor and the County which shall bind the vendor on his part to furnish and deliver the articles quoted at the prices stated in accordance with the conditions of said accepted submittal. The County, on its part, may order from such vendor, except for cause beyond reasonable control, and to pay for, at the agreed prices, all articles specified and delivered.

Upon receipt of a solicitation package containing a Gwinnett County "Sample Contract" as part of the requirements, it is understood that the vendor has reviewed the documents with the understanding that Gwinnett County requires that all agreements between the parties must be entered into via this document. If any exceptions are taken to any part, each must be stated in detail and submitted as part of the vendor's submittal. If no exceptions are stated, it is assumed that the vendor fully agrees to the provisions contained in the "Sample Contract" in its entirety.

Any Consultant as defined in O.C.G.A. §36-80-28 that is engaged to develop or draft specifications/requirements or serve in a consultative role during the procurement process for any County procurement method, by entering into such an arrangement or executing a contract, the consultant agrees to abide by the current state law and: 1) Avoid any appearance of impropriety and shall follow all policies and procedures of the County, 2) Disclose to the County any material transaction or relationship pursuant to §36-80-28, that is considered a conflict of interest, any involvement in litigation or other dispute, relationship, or financial interest not disclosed in the ethics affidavit, and 3) Acknowledge that any violation or threatened violation of the agreement may cause irreparable injury to the County, entitling the County to seek injunctive relief in addition to all other legal remedies.

When the vendor has performed in accordance with the provisions of this agreement, Gwinnett County shall pay to the vendor, within thirty (30) days of receipt of any department approved payment request and based upon work completed or service provided pursuant to the contract, the sum so requested, less the retainage stated in this agreement, if any. If Gwinnett County fails to pay the vendor within sixty (60) days of receipt of a pay request based upon work completed or service provided pursuant to the contract, the County shall pay the vendor interest at the rate of ½% per month or pro rata fraction thereof, beginning the sixty-first (61<sup>st</sup>) day following receipt of pay requests. The vendor's acceptance of progress payments or final payment shall release all claims for interest on said payment.

The parties agree that this Contract shall be governed and construed in accordance with the laws of the State of Georgia.

## **XVI. NON-COLLUSION**

Vendor declares that the submittal is not made in connection with any other vendor's submittal for the same commodity or commodities, and that the submittal is bona fide and is in all respects fair and without collusion or fraud. An affidavit of non-collusion shall be executed by each vendor. Collusion and fraud in submittal preparation shall be reported to the State of Georgia Attorney General and the United States Justice Department.

## **XVII. DEFAULT**

The contract may be canceled or annulled by the Purchasing Director in whole or in part by written notice of default to the vendor upon non-performance or violation of contract terms. An award may be made to the next low responsive and responsible vendor, or the next highest scoring responsive and responsible proposer, or articles specified may be purchased on the open market similar to those so terminated. In either event, the defaulting vendor (or their surety) shall be liable to the County for costs to the County in excess of the defaulted contract prices; provided, however,

that the vendor shall continue the performance of this contract to the extent not terminated under the provisions of this clause. Failure of the vendor to deliver materials or services within the time stipulated on their offer, unless extended in writing by the Purchasing Director, shall constitute contract default.

**XVIII. TERMINATION FOR CAUSE**

The County may terminate this agreement for cause upon ten days prior written notice to the vendor of the vendor's default in the performance of any term of this agreement. Such termination shall be without prejudice to any of the County's rights or remedies by law.

**XIX. TERMINATION FOR CONVENIENCE**

The County may terminate this agreement for its convenience at any time upon 30 days written notice to the vendor. In the event of the County's termination of this agreement for convenience, the vendor will be paid for those services actually performed. Partially completed performance of the agreement will be compensated based upon a signed statement of completion to be submitted by the vendor, which shall itemize each element of performance.

**XX. SUBSTITUTIONS**

Vendors offering substitutions or who are deviating from the attached specifications shall list such deviations on a separate sheet to be submitted with their offer. The absence of such a substitution list shall indicate that the vendor has taken no exception to the specifications contained herein.

**XXI. INELIGIBLE VENDORS**

The County may choose not to accept the offer by an individual, firm, or business who is in default on the payment of taxes, licenses, or other monies owed to the County. Additionally, vendors or persons placed on an Ineligible Source List for reasons listed in Part 6, Section II of the Gwinnett County Purchasing Ordinance shall not be eligible to provide any commodities or services to the County during the period such person remains on the Ineligible Source List.

**XXII. PENDING LITIGATION**

An individual, firm, or business that has litigation pending against the County, or anyone representing a firm or business in litigation against the County, not arising out of the procurement process, will be disqualified.

**XXIII. OCCUPATION TAX CERTIFICATE**

Each successful vendor must have a valid Gwinnett County occupation tax certificate if the vendor maintains an office within the unincorporated area of Gwinnett County. Incorporated, out of County, and out of State vendors are required to have any and all certificates necessary to do business in any town, County or municipality in the State of Georgia, or as otherwise required by County ordinance or resolution. Vendors may be required to provide evidence of valid certificates. Out of State vendors are required to have a certificate in the Georgia jurisdiction where they receive the most revenue.

**XXIV. PURCHASING POLICY AND REVIEW COMMITTEE**

The Purchasing Policy & Review Committee has been established to review purchasing procedures and make recommendations for changes; resolve problems regarding the purchasing process; make recommendations for standardization of commodities, schedule buying, qualified products list, annual contracts, supplier performance (Ineligible Source List), and other problems or requirements related to purchasing. The Purchasing Policy & Review Committee has authority to place vendors on the Ineligible Source List for reasons listed in Part 6, Section II of the Gwinnett County Purchasing Ordinance, for a period not to exceed three (3) years.

**XXV. AMERICANS WITH DISABILITIES ACT**

All vendors for Gwinnett County are required to comply with all applicable sections of the Americans with Disabilities Act (ADA) as an equal opportunity employer. In compliance with the Americans with Disabilities Act (ADA), Gwinnett County provides reasonable accommodations to permit a qualified applicant with a disability to enjoy the privileges of employment equal to those employees without disabilities. Disabled individuals must satisfy job requirements for education background, employment experience, and must be able to perform those tasks that are essential to the job with or without reasonable accommodations. Any requests for the reasonable accommodations required by individuals to fully participate in any open meeting, program or activity of Gwinnett County should be directed to the ADA Coordinator, 75 Langley Drive, Lawrenceville, Georgia 30046, 770-822-8165.

**XXVI. ALTERATIONS OF SOLICITATION AND ASSOCIATED DOCUMENTS**

Alterations of County documents are strictly prohibited and will result in automatic disqualification of the vendor's solicitation response. If there are "exceptions" or comments to any of the solicitation requirements or other language, then the firm may make notes to those areas, but may not materially alter any document language.

**XXVII. TAX LIABILITY**

Local and state governmental entities must notify vendors of their use tax liability on public works projects. Under Georgia law, private vendors are responsible for paying a use tax equal to the sales tax rate on material and equipment purchased under a governmental exemption that is incorporated into a government construction project: excluding material and equipment provided for the installation, repair, or expansion of a public water, gas, or sewer system when the property is installed for general distribution purposes. To the extent the tangible personal property maintains its character (for example, the installation of a kitchen stove), it remains tax-exempt. However, if the installation incorporates the tangible personal property into realty (for example, the installation of sheetrock), it becomes taxable to the private vendor. See O.C.G.A. §48-8-3(2) and O.C.G.A. §48-8-63.

**XXVIII. STATE AND FEDERAL LAW REGARDING WORKER VERIFICATION**

Effective July 1, 2013 State Law requires that all who enter into a contract for the physical performance of services for all labor or service contract(s) that exceed \$2,499.99 (except for services performed by an individual who is licensed pursuant to Title 26, Title 43, or the State Bar of Georgia) and that all who enter into a contract for public works as defined by O.C.G.A. §36-91-2(12) for the County, must satisfy the Illegal Immigration Reform Enhancements for 2013 in conjunction with the Federal Immigration Reform and Control Act (IRCA) of 1986, in all manner, and such are conditions of the contract.

The Purchasing Division Director with the assistance of the Internal Audit Division shall be authorized to conduct random audits of a vendor's or subcontractors' compliance with the Illegal Immigration Reform Enhancements for 2013 and the rules and regulations of the Georgia Department of Labor. The vendor and subcontractors shall retain all documents and records of its compliance for a period of five (5) years following completion of the contract or shall abide by the current time requirements at the time of the contract. This requirement shall apply to all contracts for all public works, labor or service contracts that exceed \$2,499.99 except for services performed by an individual who is licensed pursuant to Title 26, Title 43, or the State Bar of Georgia.

Whenever it appears that a vendor's or subcontractor's records are not sufficient to verify the work eligibility of any individual in the employment of such vendor or subcontractor, the Purchasing Director shall report same to the Department of Homeland Security and may result in termination of the contract if it is determined at any time during the work that the vendor or subcontractor is no longer in compliance with worker verification.

By submitting an offer to the County, vendor agrees that, in the event the vendor employs or contracts with any subcontractor(s) in connection with the covered contract, the vendor will secure from the subcontractor(s) such subcontractor(s)' indication of the employee-number category applicable to the subcontractor, as well as attestation(s) from such subcontractor(s) that they follow the Illegal Immigration Reform Enhancements for 2013 in conjunction with all federal requirements. Original signed, notarized Subcontractor Affidavits and Agreements must be maintained by the vendor awarded the contract.

A vendor's or subcontractor's failure to participate in the federal work authorization program as defined above shall be subject to termination of the contract. A vendor's failure to follow Gwinnett County's instruction to terminate a subcontractor that is not participating in the federal work authorization program may be subject to termination of the contract.

**XXIX. SOLID WASTE ORDINANCE**

No individual, partnership, corporation, or other entity shall engage in solid waste handling except in such a manner as to conform to and comply with the current Gwinnett County Solid Waste Ordinance and all other applicable local, state and federal legislation, rules, regulation, and orders.

**XXX. GENERAL CONTRACTORS LICENSE**

Effective July 1, 2008: All General Contractors must have a current valid license from the State Licensing Board for Residential and General Contractors, unless specifically exempted from holding such license pursuant to Georgia law (O.C.G.A. §43-41-17).

**XXXI. PRODUCTS MANUFACTURED IN GEORGIA**

When contracting for or purchasing supplies, materials, equipment, or agricultural products that exceeds \$100,000.00, excluding beverages for immediate consumption, Gwinnett County shall give preference as far as may be reasonable and practicable to such supplies, materials, equipment, and agricultural products as may be manufactured or produced in this state. Such preference shall not sacrifice quality. Gwinnett County Board of Commissioners shall consider, among other factors, information submitted by the vendor which may include the vendor's estimate of the multiplier effect on gross state domestic product and the effect on public revenues of the state and the effect on public revenues of political subdivisions resulting from acceptance of an offer to sell Georgia manufactured or produced goods as opposed to out-of-state manufactured or produced goods. Any such estimates shall be in writing. (O.C.G.A. §36-84-1).

**XXXII. INDEMNIFICATION**

To the fullest extent permitted by law, the vendor shall, at his sole cost and expense, indemnify, defend, satisfy all judgments, and hold harmless the County, its commissioners, officers, agents, and employees from and against all claims, damages, actions, judgments, costs, penalties, liabilities, losses and expenses, including, but not limited to, attorney's fees arising out of or resulting from the performance of the work, provided that any such claim, damage, action, judgment, cost, penalty, liability, loss or expense (1) is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the work itself) including the loss of use resulting therefrom, and (2) is caused in whole or in part by the negligent acts, errors by any act or omission of the vendor, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, regardless whether such claim is caused in part by a party indemnified hereunder. Such obligation shall not be construed to negate, abridge, or otherwise reduce any of the rights or obligations of indemnity which would otherwise exist as to any party or person described in this agreement. In any and all claims against the County, its commissioners, officers, agents, and employees by any employee of the vendor, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the indemnification obligation contained herein shall not

be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for the vendor or any subcontractor under Worker's Compensation Acts, disability benefit acts, or other employee benefit acts.

Vendor shall also indemnify, hold harmless, insure, and defend the County for damages, losses, or expenses to the extent caused by or resulting from the negligence, recklessness, or intentionally wrongful conduct of the vendor or other persons employed or utilized by the vendor in the performance of a contract that utilizes survey services.

### **XXXIII. CODE OF ETHICS**

Vendors shall disclose under oath the name of all elected officials whom it employs or who have a direct or indirect pecuniary interest in the business entity, its affiliates, or its subcontractors. (This shall not apply to informal purchases as defined by the Purchasing Ordinance.) The vendor shall execute a Code of Ethics affidavit. Failure to submit the affidavit during the procurement process shall render the offer non-responsive.

Any business entity holding a contract with Gwinnett County that after execution of the contract or issuance of the purchase order employs, subcontracts with, or transfers a direct or indirect pecuniary interest in the business entity to an elected official shall within five (5) days disclose such fact in writing under oath to the Clerk of the Board of Commissioners. Failure to comply, or vendors submitting false information or omitting material information shall be referred to the Purchasing Policy & Review Committee for action pursuant to the Purchasing Ordinance or to the District Attorney for possible criminal prosecution. Note: See Gwinnett County Code of Ethics Ordinance E02011, Sec. 54-33. The ordinance is available to view in its entirety at [www.gwinnettcountry.com](http://www.gwinnettcountry.com).

### **XXXIV. ELECTRONIC PAYMENT**

Vendors accepting procurements should select one of Gwinnett County's electronic payment options.

- A. A vendor may select ePayables payment process which allows acceptance of Gwinnett County's virtual credit card as payment for outstanding invoices. The authorized vendor representative must send an email to: [vendorelectronicpayment@gwinnettcountry.com](mailto:vendorelectronicpayment@gwinnettcountry.com) and indicate the desire to enroll in Gwinnett County's virtual credit card payment process.
- B. A vendor may select Direct Deposit payment process and the payment will be deposited directly into an account at their designated financial institution. To securely enroll in Direct Deposit, either access your online Vendor Login and Registration on the County's web site and update the requested information on the Direct Deposit tab or mail a Direct Deposit Authorization Agreement form.

The County will send a Payment Advice notification via email for both payment types. For more information about Electronic Payments, please visit the Gwinnett County Treasury Division page or click here -> [Gwinnett County Electronic Payments](#).

### **DIRECTIONS TO GJAC BUILDING FROM I-85**

Take I-85 to Georgia Highway 316 (Lawrenceville/Athens exit). Exit Highway 120 (Lawrenceville/Duluth exit) and turn right. At seventh traffic light, turn right onto Langley Drive. Cross Highway 29 through the traffic light and proceed through the roundabout. Visitors can either proceed to the front parking area on the left or to the parking deck behind the building. Click [here](#) for additional information about parking. The Purchasing Division is located on the second floor, West Wing.