



SMUD

SACRAMENTO MUNICIPAL UTILITY DISTRICT
The Power To Do More.SM

P.O. Box 15830, Sacramento, CA 95852-1830; 1-888-742-SMUD (7683)

Prepared By

SUPPLY CHAIN SERVICES

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REQUEST FOR PROPOSAL, INSTRUCTIONS TO PROPOSERS,
PROPOSAL FORMS, CONTRACT FORMS, AND
SCOPE OF SERVICES

REQUEST FOR PROPOSAL NO. 090337JS

DEFERRED COMPENSATION INVESTMENT CONSULTING SERVICES

* * *

NO PRE-PROPOSAL CONFERENCE IS SCHEDULED

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Proposals are due at **5:00 P. M.**, Local Time, **Tuesday, October 20, 2009**, in the Supply Chain Services Office at 6201 S Street, Sacramento, California

PROPOSAL NO. 090337JS

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1. REQUEST FOR PROPOSALS

NO. 090337JS

The Sacramento Municipal Utility District, hereinafter referred to as the District, is soliciting proposals for **DEFERRED COMPENSATION INVESTMENT CONSULTING SERVICES**.

This Request for Proposal provides instructions to contractors for submitting proposals and establishes terms and conditions under which the District will contract for such services.

Proposals responding to this Request for Proposal will be due at **5:00 P. M.**, Local Time, **Tuesday, October 20, 2009** in the Supply Chain Services Office at the District at 6201 S Street, Sacramento, California.

All proposals must strictly conform to the requirements described in this Request for Proposal.

PROPOSERS SHALL PAY PARTICULAR ATTENTION TO THE FOLLOWING REQUIREMENTS:

ENVIRONMENTAL PROCUREMENT:

The District has adopted an Environmental Protection Policy in which it commits to environmental stewardship, the conservation of natural resources, reductions in the use of hazardous substances, reductions in mobile sources of NOx emissions, and recycling and responsible disposal. The District will promote environmental procurement practices that will minimize environmental impacts, conserve natural resources, and reward environmentally conscious manufacturers and contractors, while remaining fiscally responsive. To further its policy the District will favor environmentally preferable procurements when price, quality and availability are equal. To this end, the District will endeavor to reward environmentally conscious manufacturers, suppliers and contractors with contracting opportunities that address these policy goals in addition to providing the District and its customer-owners fiscally responsible procurement options.

SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT (SEED) PROGRAM:

The District is committed to achieving full and equal contracting opportunities for ratepayers doing business with the District and has adopted the program described in this solicitation to help fulfill that commitment.

SAFETY PROGRAM REQUIREMENT:

The personal safety and health of the general public, District employees, and Contractor employees is of paramount importance. Included within this specification are safety instructions that have been prepared to aid a Contractor or Contractor's employees to comply with the safety requirements and regulations which are necessary to avoid personal injury to the general public, District employees, and Contractor employees and to prevent damage to District buildings, equipment or materials while performing this contract.

SACRAMENTO MUNICIPAL UTILITY DISTRICT

By: "Signed"

Name: Johnny Smothers

Title: Sr Procurement Professional

Date: September 28, 2009

2. SCOPE OF SERVICES

2.1. GENERAL

The Proposer shall provide all labor, material, and equipment required to perform the Service described as: DEFERRED COMPENSATION INVESTMENT CONSULTING SERVICES. This solicitation seeks a qualified contractor to provide investment consulting services regarding the District's 457 and 401(k) investment plans. Services will be requested and coordinated by the District's Treasury Department. Examples, which are more clearly listed below, include monitoring the performance of existing funds, providing a recommended replacement for funds the consultant believes should be deleted from the plans, selecting appropriate benchmarks to monitor fund performance, reviewing and commenting on the plans' investment policy and negotiating fees with the plan administrator/recordkeeper. Services will be provided from approximately January 1, 2010, through December 31, 2012, with an option to extend through December 31, 2014. The District intends to award one contract for all the services described in this Request For Proposal.

2.2. BACKGROUND INFORMATION

The Sacramento Municipal Utility District was formed by vote of the electors under provisions of the Municipal Utility District Act (Act). The District commenced operations in 1947 with the primary activity being the acquisition, generation, transmission and distribution of electric energy. The District serves Sacramento County and part of Placer County, a 900 square mile service area comprising over 1,000,000 people. The District is governed by a Board of Directors, which consists of seven directors elected by ward for staggered four-year terms. The Board of Directors has full power to establish electric service rates and set other policy for District operations.

The District has approximately 2,200 employees, nearly all of whom have civil service status and are participants in the California Public Employee's Retirement System (PERS) and are covered by Social Security. The District's employees other than managers, supervisors, and professional employees are represented by recognized employee organizations of their own choosing. Physical force employees are represented by the International Brotherhood of Electrical Workers (IBEW), and clerical, technical and some administrative employees are represented by the Organization of SMUD Employees (OSE). The District's fiscal year ends on December 31 and its employees are paid biweekly using an automated payroll system.

DEFERRED COMPENSATION PROGRAM The District offers a Deferred Compensation Program, which consists of both Internal Revenue Code Section 401(k) Plan and Internal Revenue Code Section 457 Plan. The General Manager has responsibility for the overall administration of the Plans, with a Deferred Compensation Committee to oversee the day-to-day administration of the Plans. Both Plans are currently administered by Great-West Life. A brief description of those plans and current fund offerings are described below.

The 401(k) Plan was placed into effect during the first quarter of calendar year 1993. The approximate value of the Plan at June 30, 2009 was \$118 million dollars. The Plan offers a loan provision, with approximately \$4.2 million in outstanding loans.

The 457 Plan was established in 1974. In accordance with the Small Business Job Protection Act, the District’s 457 Plan is now held in a custodial trust with Wells Fargo Bank. The approximate value of the Plan at June 30, 2009 was \$59 million dollars. The Plan offers a loan provision, with approximately \$0.9 million in outstanding loans.

The same funds are offered in the 457 and 401(K) plans. Below is a Fund listing.

CATEGORY	FUND	TICKER
Stable Value	Wells Fargo Stable Return Fund	N/A
Bond	Barclays Global Investors Bond Index PIMCO Total Return	WFBIX PTRAX
Balanced/Lifecycle Funds	Amer. Century Strategic Alloc.- Aggressive Amer. Century Strategic Alloc.- Moderate Amer. Century Strategic Alloc.- Conservative	TWSAX TWSMX TWSCX
Large Cap Value	Davis NY Venture Dodge & Cox Stock	NYVTX DODGX
Large Cap Core	SsgA S&P 500 Index Vanguard Growth & Income	N/A VGIAX
Large Cap Growth	American Funds Growth	AGTHX
Mid/Small Cap Value Stock	Artisan Midcap Value Perkins Small Cap Value	ARTQX JSCVX
Mid/Small Cap Growth Stock	Turner Mid Cap Growth Morgan Stanley Inst Small Co Growth	TMGFX MSSMX
International Equity	EuroPacific Growth	AEPGX
Socially Responsible	Winslow Green Growth	WGGFX

2.3. SCOPE OF SERVICES

Contractor will issue within 45 days a report (in 10 copies) for the preceding calendar quarter (unless otherwise specified below) to the SMUD Deferred Compensation Committee (DCC) that includes at a minimum items 1-3 below:

1. Recommendations:

- a) Ensure the Plans’ list of investment options is appropriate. Recommend whether each fund should remain in the Plans, go on watch list, or be deleted from the Plans in accordance with guidelines in the investment policy. This would be based on required performance requirements in the investment policy and

qualitative investment consultant input for such factors as style change, loss of key staff, etc.

- b) Recommend Contractor-selected fund replacements on an as-needed basis. This includes providing a search report supporting the recommended fund after a recommendation is made to change funds
- c) Recommendation on appropriate changes to benchmarks

2. Performance/Observations:

- a) Comments on how the funds performed and why
- b) Comments and observations including whether the fund manager adhered to stated investment policies, objectives and/or style and identify any deviations from stated investment policies, objectives and/or style, if any, and comments as to changes in key personnel such as investment manager, research team, etc.
- c) Rates of return for each fund measured net of investment manager fees and all fund expenses compared with performance for a peer group universe (benchmark) and other relevant market indices for the following time periods: 3 months, 1 year, 3 years, 5 years, and 10 years
- d) Risk adjusted performance
- e) Provide a brief statement as to whether any significant changes occurred on a fund such as change in manager, fund fees, significant change in investment allocation.
- f) Fund operating expenses expressed in basis points or percentage
- g) Fund characteristics including name of manager, duration of manager with the fund, fund objective, style and description of fund performance
- h) Overview of marketplace trends (as needed, but at least annually)
- i) Notify the DCC and/or its designees about significant issues regarding funds and issues affecting the plan.
- j) A summary of the market and economic environment for the most recent calendar period covered by the report
- k) Notices of pertinent investment manager news/activity occurring between formal reporting periods and recommendations if action is warranted

3. Size/allocations

- a) The market value of the plan assets as of the last business day of the report period
- b) The portion of the plan assets allocated to each investment fund as of the last day of the report period

4. Meetings:

- a) Meet in person with DCC at District headquarters (at least twice during year) and by telephone call (up to twice during year) to discuss the report and recommendations

5. Administrative:

- a) Review the investment policy to provide DCC any recommended changes (annually)
- b) Assist the DCC in annually assessing and negotiating with administrator (fees and/or services)

6. Other:

- a) Other services as requested by the DCC through the Contract Manager.

2.4. DISTRICT/CONTRACTOR COORDINATION

The District’s Contract Manager for this requirement is Ron Jelicich at (916) 732-6287. Ron will be the primary contact between the District and the Contractor. Although various District employees may interface with the Contractor during the contract, Ron will be the principal District contact and is the only District employee authorized to give technical direction to the Contractor. In addition, the Contract Manager will be responsible for rejecting unsatisfactory work and requesting the Contractor to re-perform the services at no additional cost to the District.

2.5. BUSINESS HOURS & HOLIDAYS

The District’s business hours are 8:00 a.m. until 5:00 p.m., on Mondays through Fridays. In addition, the District will observe and be closed on the following holidays:

- A. New Years Day
- B. Martin Luther King Day
- C. President’s Day
- D. Memorial Day
- E. Independence Day
- F. Labor Day
- G. Thanksgiving Day
- H. The Day after Thanksgiving Day
- I. Christmas Day

3. INSTRUCTIONS TO PROPOSERS

3.1. TIME AND MANNER OF SUBMISSION

The Proposal shall be submitted to and received by the District's Supply Chain Services office no later than **5:00 P. M.**, Local Time, **Tuesday, October 20, 2009** .

Proposals must be enclosed in a sealed envelope and addressed as follows:

By Mail:

Sacramento Municipal Utility District
Supply Chain Services Office:
Attention: Johnny Smothers (MS B204)
Request for Proposal No. **090337JS**
PO Box 15830
6201 S Street
Sacramento, CA 95852-1830

By Overnight/Hand Delivery:

Sacramento Municipal Utility District
Supply Chain Services Office
Attention: Johnny Smothers (MS B204)
Request for Proposal No. **090337JS**
6201 S Street
Sacramento, CA 95817-1899

The proposal-mailing envelope must be clearly marked as a proposal responding to District Request for Proposal No. **090337JS**; **ATTENTION:** Johnny Smothers. The envelope shall also show the Contractor's name and address.

Each proposal shall give the full business address of the Proposer and shall be signed by an authorized official of the company. The name of each person signing the proposal shall be typed or printed below the signature. When requested by the District, satisfactory evidence of the authority of the person signing on behalf of the Proposer shall be furnished.

Proposals shall cover the entire scope of the Request for Proposals, shall be printed one-sided 8-1/2 X 11" size and easily removable from any binding -- E.G. no glued or spiral binding.

All proposals submitted become the property of the District.

3.2. EXPLANATIONS TO PROPOSERS

Should the Proposer find discrepancies in or omissions from this document, or should the intent or meaning appear to the Proposer to be obscure or ambiguous, the Proposer should immediately send the District a written request for interpretation, clarification or correction thereof before submitting a proposal. The Proposer making such a request will be solely responsible for the timely receipt of the written request by the District. Replies to such inquiries will be made only in the form of addenda to this Request for Proposal, and will be issued simultaneously to all business firms or persons who have obtained a copy of the Request for Proposal from the District. Verbal requests for information during the period of proposal preparation are acceptable if made sufficiently in advance of the proposal opening date to allow issuance of an addendum to the Request for Proposal. Direct all communications regarding questions on this Request for Proposal prior to the due date to the following, as appropriate:

Contact	CONTRACTUAL	TECHNICAL	SUPPLIER DIVERSITY
Contact Name	Johnny Smothers	Ron Jelicich	Frank Martinez
Phone number	(916) 732-5617	(916) 732-6287	(916) 732-5604
FAX number	(916) 732-5601	(916) 732-5601	(916) 732-5601

The District will not be bound by any oral interpretation of the Request for Proposal, which may be made by any of its representatives or employees, unless such interpretations are subsequently issued in the form of an addendum to this Request for Proposal.

3.3. WITHDRAWAL OR MODIFICATION OF PROPOSALS

Proposals may be modified or withdrawn only by a written or telecopy request received by the District prior to the Request for Proposal due date.

3.4. REVISIONS AND SUPPLEMENTS

3.4.1 Addenda: If it becomes necessary to revise or supplement any part of this Request for Proposal an addendum will be provided.

3.4.2 Acknowledgment of Addenda: Receipt of an addendum to this Request for Proposal by a Proposer must be acknowledged by signing and submitting the addendum signature sheet as part of the Proposer’s Proposal.

3.5. SITE INSPECTION AND CONDITIONS

In addition to examination of this Request for Proposal, each Proposer shall make whatever other arrangements are necessary to become fully informed regarding all existing and expected conditions and matters which, during the contract time period, could affect in any way, the work, performance of work, or the cost thereof. Any failure to fully investigate the work site or the foregoing conditions shall not relieve the Proposer from responsibilities for properly estimating the difficulty or cost of successfully performing the work. The District assumes no responsibility for any representation made by its representatives or agents, during or prior to the execution of a contract pursuant to this Request for Proposal, unless such information is in writing in the form of an addendum to this Request for Proposal.

3.6. PRE-PROPOSAL CONFERENCE

No Pre-Proposal Conference is scheduled for this Request For Proposal.

3.7. PROPOSAL EVALUATION AND SELECTION PROCESS

The proposals submitted in response to this solicitation shall be evaluated for award based on the criteria described in the Proposal Evaluation Criteria section of this Request for Proposal.

The District may request additional information from any or all Proposers after the initial evaluation of the proposals to clarify terms and conditions.

Based on the District's review of the proposals received, a short listed group of Proposers may be selected. The short listed firms may be required to make verbal presentations of their qualification to the District. If a presentation is determined to be required, the presentation will be considered in the overall technical rating.

The contract will be awarded to the best-qualified Proposer, after price and other factors have been considered, provided that the proposal is reasonable and is in the best interests of the District to accept it.

The right is reserved, as the interest of the District may require, to reject any or all proposals and to waive any irregularity in the proposals received.

The District will furnish all Proposers a written Notice of Proposed Contract Award after evaluating all proposals. After receipt of such Notice of Proposed Contract Award, any unsuccessful Proposers may request the reason(s) their proposal was not selected. In the event a Proposer elects to protest the District's selection, the protest must be submitted in writing to the District's Manager, General Services, within five (5) business days of the Notice of Proposed Contract Award. The District's Contract Award and Protest Policy is available upon written request to the Supply Chain Services Department.

Within fourteen (14) calendar days after notice of award, the successful Proposer shall deliver to the District the required insurance certificates and the signed copies of the contract. The contract forms will be forwarded to the Proposer with the award notification. The District will not issue the Notice to Proceed until the District has received all the above-required documents.

3.8. NON EXCLUSIVE AGREEMENT

This Request for Proposal does NOT establish an exclusive arrangement between the District and the Proposer. The District reserves, among others, the following rights:

- The right to use others to perform work and services described in this Request for Proposal.
- The right to request proposals from other contractors for work described in the Request for Proposal without requesting a proposal from the Contractor.
- The unrestricted right to bid any work or services described herein.

3.9. DURATION OF CONTRACT

This contract shall be for approximately a three year period, with an option for the District to extend for up to two additional years, unless otherwise mutually agreed upon in writing.

3.10. QUALIFICATIONS OF PROPOSERS

The District expressly reserves the right to reject any proposal if it determines that the business and technical organization, equipment, financial and other resources, or experience of the Proposer, compared to the work proposed justifies such rejection.

3.11. PROPOSAL PREPARATION COSTS

The costs of developing proposals are entirely the responsibility of the Proposer and shall not be charged in any manner to the District.

3.12. ALTERNATE PROPOSALS

Proposals shall meet the requirements and conform to the format described in the Proposal Requirements section of this Request for Proposal. However, Proposers are encouraged to submit alternate proposals in addition to the base proposal, when they consider the alternative to be technically better or more cost effective. The alternate proposal should be submitted as an amendment to the base proposal package.

3.13. CONFLICTS

If conflicts exist between the contract and the other elements of this Request for Proposal, the contract prevails. If conflict exists within the contract itself, the Terms and Conditions govern, followed by Scope of Services. If conflict exists between the contract and applicable Federal or State law, rule, regulation, order, or code; the law, rule, regulation, order or code shall control. Varying levels of control between the Terms and Conditions, drawings and documents, laws, rules, regulations, orders, or codes are not deemed conflicts, and the most stringent requirement(s) shall control.

3.14. BID SCHEDULE

The Proposer shall be reimbursed for work performed under the contract in accordance with the items described in the [Bid Schedule](#) section of this Request for Proposal.

3.15. MANNER AND TIME OF PAYMENT

Billing shall be submitted in accordance with the above referenced provision of the Sample Contract section of this Request For Proposal. Proposer will also be required to submit (concurrently) a project status report describing the current status of each task, an updated schedule, and major project issues.

3.16. SUBCONTRACTORS

The Proposers must describe in their proposals the areas that they anticipate subcontracting to specialty firms. Identify the firms and describe how Proposer will manage these subcontracts.

The firms shall be listed on the [Designation of Prime, Subcontractors, and Suppliers form](#), which is included in the Proposal forms section of this Request For Proposal.

3.17. FRANCHISE TAX FORM 590

The Proposer to whom the contract award is made shall furnish the District with a completed State of California Franchise Tax Form 590. A blank Form 590 will be provided with the contract documents.

3.18. NOTICE RELATED TO PROPRIETARY/CONFIDENTIAL DATA

Proposers are advised that the California Public Records Act (the “Act”, Government Code §§ 6250 et seq.) provides that any person may inspect or be provided a copy of any identifiable public record or document that is not exempted from disclosure by the express provisions of the Act. Each Proposer shall clearly identify any information within its submission that it intends to ask the District to withhold as exempt under the Act. Any information contained in a Proposer’s submission which the Proposer believes qualifies for exemption from public disclosure as “proprietary” or “confidential” must be identified as such at the time of first submission of the Proposer’s response to this RFP. A failure to identify information contained in a Proposer’s submission to this RFP as “proprietary” or “confidential” shall constitute a waiver of Proposer’s right to object to the release of such information upon request under the Act. The District favors full and open disclosure of all such records. The District will not expend public funds defending claims for access to, inspection of, or to be provided copies of any such records.

3.19. CONTRACT

The District’s standard contract is included in the Sample Contract section of this Request for Proposal. The District may reject proposals that contain exceptions to the Terms and Conditions included in the sample contract.

3.20. SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT (SEED) PROGRAM

3.20.1 POLICY STATEMENT

The Sacramento Municipal Utility District (the District) is committed to achieving full and equal contracting opportunity for ratepayers doing business with the District. The District recognizes the economic benefit provided by its contracting activity and has adopted this policy to promote the economic development of its ratepayer businesses. This program will provide direct economic benefit to the District’s customer-owners, and will complement other District economic development programs.

3.20.2 REQUIREMENTS AND PROGRAM ELEMENTS

A description of the District’s Supplier Education & Economic Development Program is included in this Request for Proposal. Proposers must comply with all the requirements

specified in the program description and complete the form titled, [“Designation of Prime Contractor, Subcontractors and Suppliers”](#).

3.21. ENVIRONMENTAL PROCUREMENT

The District has adopted an Environmental Protection Policy in which it commits to environmental stewardship, the conservation of natural resources, reductions in the use of hazardous substances, reductions in mobile sources of NOx emissions, and recycling and responsible disposal. The District will promote environmental procurement practices that will minimize environmental impacts, conserve natural resources, and reward environmentally conscious manufacturers and contractors, while remaining fiscally responsive. To further its policy the District will favor environmentally preferable procurements when price, quality and availability are equal. To this end, the District will endeavor to reward environmentally conscious manufacturers, suppliers and contractors with contracting opportunities that address these policy goals in addition to providing the District and its customer-owners fiscally responsible procurement options.

3.22. SAFETY PROGRAM

All Proposers shall execute and submit with their Proposal the form titled, [“Safety Compliance Certificate”](#). Submittal of this completed form will certify that the Proposer has:

- 3.22.1 An effective Injury and Illness Prevention Program, which meets the requirements of all applicable laws and regulations, including but not limited to, California Labor Code Section 6401.7;
- 3.22.2 Proposer agrees that it is fully responsible for the acts and omissions of its subcontractors and all persons either directly or indirectly employed by Proposer.

Such certification shall be made by the person with the authority and responsibility for implementing and administering Proposer's Injury and Illness Prevention Program.

4. SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT (SEED) PROGRAM

4.1. INTRODUCTION

The Sacramento Municipal Utility District (the District) is committed to achieving full and equal contracting opportunity for ratepayers doing business with the District. The District recognizes the economic benefit provided by its contracting activity and has adopted this policy to promote the economic development of its ratepayer businesses. This program will provide direct economic benefit to the District's customer-owners, and will complement other District economic development programs.

4.2. OVERVIEW

The District's SEED Program creates contracting opportunities for local small businesses. To qualify, a business must be certified as a Small Business or Microbusiness by the state Department of General Services (DGS) and must be a SMUD ratepayer for the past six months at the DGS certification address of record. Additional features are described below.

4.3. PROGRAM GOALS AND INCENTIVES

The District promotes a goal of 20% SEED participation in District contracts. To achieve this, the District has established the following program incentives:

- 4.3.1 SEED Price Advantage- SEED qualified bidders will receive a price advantage which is 5% of the lowest responsible bid as determined by the District. This amount will be subtracted from all SEED qualified bids for evaluation purposes. The maximum SEED price advantage is \$250,000, which is 5% of a bid of \$5 Million.
- 4.3.2 RFP SEED Evaluation Points-(if applicable) Request for Proposal (RFP) solicitations are evaluated using published criteria and are evaluated on a 100 point scale. Ten evaluation points are awarded to SEED qualified prime Proposers. Non- SEED prime Proposers may earn up to 10 evaluation points for proposing 20% or more SEED subcontracting. Proposals with less than 20% SEED subcontracting will be awarded a pro-rata share of these points for the percentage of proposed SEED subcontracting.
- 4.3.3 SEED Subcontracting- Non- SEED bidders may participate in the SEED program by subcontracting with SEED vendors. The District currently promotes a goal of 20% SEED subcontracting.
- 4.3.4 Non- SEED bidders proposing less than 20% SEED subcontracting will receive a price advantage of 5% of the total value of all its SEED subcontracting bids. This advantage is

capped at \$250,000 but will not exceed the calculated price advantage available to SEED primes if it is less.

- 4.3.5 Non-SEED bidders proposing 20% SEED subcontracting or more will receive the full calculated price advantage available to SEED prime bidders.
- 4.3.6 To receive SEED subcontracting credit, non-SEED bidders and Proposers must submit the District’s “Designation of Prime, Subcontractors and Suppliers Form” (see forms in Section 3) and must list the SEED subcontractors they propose to utilize. In addition, prime bidders and Proposers are responsible for completing a SEED Program Qualification form for each SEED-qualified vendor listed.
- 4.3.7 “Subcontractor” refers to firms named in a proposal and listed on the “Designation of Prime, Subcontractors and Suppliers Form”, who will perform specific tasks of the contracted work. For District construction contracts the definition of Subcontractor as prescribed by the Public Contract Code shall apply. For all other District contracts, a Subcontractor is defined as an individual or firm providing supplies or services to the Proposer, which are specific to a District solicitation, and provided under a separate contract agreement with the Proposer and having no employment relationship with the Proposer. As such, payments made by the Proposer to subcontractor individuals must not be subject to payroll withholding taxes. SEED subcontractors must fulfill a commercially useful function. Business arrangements where SEED subcontractors do not add substantial, identifiable value to the deliverable product or service are not acceptable.
- 4.3.8 In consideration of the price and evaluation points provided for SEED subcontracting, the Proposer, upon contract award, will be legally obligated to subcontract with all firms listed on the “Designation of Prime, Subcontractors and Suppliers” form in the proposal. The District, at its option, will monitor the utilization of subcontractors as declared by the prime contractor in its proposal.
- 4.3.9 Substitution of any subcontractor requires prior written approval from the District. If the winning bidder or Proposer received SEED subcontractor price advantage(s) or evaluation points, the District, at its option, may require the Proposer to replace the rejected SEED subcontractor with another qualified SEED subcontractor.

4.4. SEED PROGRAM QUALIFICATION

- 4.4.1 Vendors must meet both of the following qualifications to participate in the SEED Program:
- 4.4.2 Certification- the California Department of General Services (DGS), Office of Small Business and DVBE certification must certify the vendor as a Small Business or Microbusiness. This is the only certification accepted by the District. Vendors must be

certified by the bid-opening date (IFBs) or proposal due date (RFPs) as applicable, to qualify for the SEED Program.

- 4.4.3 Ratepayer Qualification- the vendor must qualify as a SMUD ratepayer for the preceding 6 months prior to the bid or proposal due date. This will be based on the physical address of the business as recorded by the Department of General Services in its Small Business certification record. As a general rule this will be the address shown on the DGS Small Business certificate. The District will make a qualification determination where the address shown on the Small Business certificate is a post office box, other mail receiving only address or a leased facility where utilities are included in the lease agreement.

4.5. CONTRACT COMPLIANCE

The District may conduct post-award monitoring of any contract, which includes SEED participation. Contractors are required to maintain certified payroll reports by the contractor and all subcontractors, regardless of contract amount. The District may require the contractor to provide other related documentation to verify SEED participation equal to or greater than the participation levels stated at the time of award.

4.6. FALSIFICATION OF INFORMATION

Falsification of information on the forms required by this solicitation may cause the District to cancel any existing contracts with the Proposer/vendor and may disqualify the vendor from contracting with the District in the future.

A firm claiming SEED/ratepayer status under false pretenses will be disqualified from doing business with the District for a period of not less than one year and not more than five years unless the District's General Manager determines that the offending firm should be permanently barred from bidding on a District contract. False pretenses include designating SEED subcontractors for scopes of work that they will not fully perform, using SEED firms as a "pass-through" to inflate actual participation, or any other action that subverts the District's intended benefits to SEED participation. The District may seek all legal remedies available under the law against such Proposers.

4.7. ADDITIONAL INFORMATION

The District's Supplier Diversity Unit is responsible for the administration of the SEED Program. The Supplier Diversity Unit is available during regular District business hours, to provide all SEED Program participants with additional information resources to encourage participation in the SEED Program. The Supplier Diversity Unit can be contacted by telephone at (916) 732-5604. In addition, the District publishes current procurement opportunities and program information on its Internet website at www.bids.SMUD.org.

5. PROPOSAL EVALUATION CRITERIA

PROPOSAL EVALUATION CRITERIA: The proposals submitted in response to this Request for Proposals shall be evaluated for award based on the following criteria and weighting. If applicable the price will be adjusted for evaluation purposes in accordance with the SEED Program price advantages described in Section 4 of this document.

Item	Criteria Description	Weighting
1.	Proposer's Minimum Experience & Qualifications ***	Pass/Fail
2.	SEED Program Evaluation Points	10%
3.	Proposer's Experience and Qualifications	20%
4.	Experience and Qualifications of Key Project Personnel.	20%
5.	Technical Approach.	25%
6.	Commercial Terms (Price)**and Compliance with District Contractual Terms*	25%
	Total	100%

Notes:

*** Proposer must achieve a "Pass" score on Evaluation Criteria #1 above to be declared responsible. Proposals that do not receive a pass will be rejected and will not be considered further in the evaluation process and will not be eligible for award of the contract.

** More weight has been given to the management and technical ability of the Proposer than on price. In the event it is evident that the prices proposed are unbalanced as to items charged or are otherwise determined by the District to be unfair or unreasonable, the District reserves the right to reject the proposal and award to the Proposer who otherwise meets the requirements of this Request for Proposal.

* Non compliance may result in the District's rejection of a Proposer's proposal.

6. PROPOSAL REQUIREMENTS

TO FACILITATE THE DISTRICT'S PROPOSAL REVIEW PROCESS, IT IS REQUIRED THAT EACH PROPOSAL CONTAINS ALL OF THE INFORMATION WITHIN THIS SECTION AND IS ORGANIZED IN THE SEQUENCE THAT THE ITEMS APPEAR IN THIS SECTION.

THE PROPOSER SHALL SUBMIT Four (4) copies OF THE PROPOSAL IN HARD COPY AND ONE (1) IN ELECTRONIC (ON CD) FORMAT.

SEE THE TABLE OF CONTENTS FOR A LISTING OF THE CONTENTS WITHIN THIS SECTION.

PROPOSALS SHALL BE PRINTED ONE-SIDED, 8-1/2 X 11" SIZE AND EASILY REMOVABLE FROM ANY BINDING -- E.G. no glued or spiral binding.

The District will provide an electronic copy of the Proposal Forms in MS Word 7.0 (or newer) which contains fill-in fields. The document is labeled *RFP Proposal Fill-in Forms*. Proposers may use the Forms provided to submit Proposals. Please provide responses to all questions in the block (fill-in fields) following every question. The fill-in fields will expand to accommodate your answer. Pictures, charts and graphs may also be inserted into the fill-in fields or may be attached as a separate documents if necessary

Note: The content of the *RFP Proposal Fill-in Forms* is identical to that posted in Adobe format on the EBSS Web site. Page numbering may vary when complete as a result of the fill-in-fields.

6.1. PROPOSAL AGREEMENT NO. 090337JS

PROPOSAL AGREEMENT: In compliance with Request for Proposal No. **090337JS**, **DEFERRED COMPENSATION INVESTMENT CONSULTING SERVICES**, the undersigned hereby proposes and agrees to provide the services described, at the rates and dollar limits defined in the Proposal Rate Schedule attached hereto.

It is understood that this proposal constitutes a firm offer that cannot be withdrawn for ninety (90) calendar days after the submission date for the proposals.

The undersigned certifies that he/she has examined and is familiar with the content of this Request for Proposal; also that he/she has checked all the figures shown in the proposed Rate Schedule and other attachments hereto and understands that the Sacramento Municipal Utility District will not be responsible for any errors or omissions on Contractor's part in preparing this proposal.

The undersigned further agrees, if awarded the contract, that he/she will commence the work within the time set forth and will perform the work in accordance with the contract documents attached to this Request for Proposal.

Attached hereto and made a part thereof by this reference are proposal forms pages 6-3 through 6-15, the Detailed Proposal and the Bid Schedule.

PROPOSER:

Company:		
Street Address:		
City:	State:	Zip:
Signed:		
Print Name:		
Title:		
Telephone:	Fax:	
Email:	Date:	

6.2. SAFETY COMPLIANCE CERTIFICATE

I, _____ the undersigned,

(Print Company Representative Name)

of

(Print Company Representative Title)

hereby certify the

(Print Company Name)

information contained herein and that undersigned is duly authorized to certify the that:

A. Contractor has an effective Injury and Illness Prevention Program which meets the requirements of all applicable laws and regulations, including, but not limited to, California Labor Code Section 6401.7. (This section does not apply if Contractor does not perform any work under this agreement within the State of California.) and

<http://www.leginfo.ca.gov/cgi-bin/displaycode?section=lab&group=06001-07000&file=6400-6413.5>

B. Contractor agrees that it is fully responsible for the acts and omissions of its subcontractors and all persons either directly or indirectly employed by Contractor.

C. The above-named person has the authority and responsibility for implementing and administering Contractor’s Injury and Illness Prevention Program.

IN WITNESS WHEREOF, the undersigned has executed this Safety Compliance Certificate under the penalty of perjury of the laws of the State of California on:

Signed:
Print Name:
Date:

6.3. NONCOLLUSION STATEMENT

TO BE EXECUTED BY PROPOSER AND SUBMITTED WITH PROPOSAL

I, _____ am the

 (Print Company Representative Name)

_____ of

 (Print Company Representative Title)

_____ the party making the

 (Print Company Name)

foregoing bid, that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the Bidder has not directly or indirectly induced or solicited any other Bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any Bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the Bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the Bidder or any other Bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other Bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the Bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Signed:
Print Name:
Title:

6.4. PROMPT PAYMENT PROGRAM

The District has a prompt payment program for small businesses which are certified by the State Department of General Services.

Under the program, the District will guarantee payment of invoices within 20 calendar days from the date of inspection and acceptance by the District or the date correct invoices are received, whichever is later.

If the District fails to meet the 20 calendar days payment guarantee, the small business will be paid interest on the unpaid invoice at prime plus 2% APR. Late interest payments, if applicable, will be made without an additional invoice from the small business.

To participate in this program, please indicate “prompt payment” below and provide evidence of certification with your bid.

Bidder is eligible for, and is requesting, a prompt payment program:

YES NO

PROPOSER:

Company:
Signed:
Print Name:

6.5. SEED PROGRAM SMALL BUSINESS DECLARATION

Complete this form to apply for SEED Program consideration. To qualify for the SEED Program, a firm must have a current certification as a Small Business from the California Department of General Services. In addition, the firm must qualify as a SMUD ratepayer for the preceding six months by receiving SMUD electric service at the principal office* listed by the Department of General Services. If your firm or one of your proposed subcontractors qualifies under these criteria, SMUD will validate all submitted information and determine the proposing firm’s SEED Program qualification.

To expedite the verification process:

- 1) **Submit a copy of the most recent SMUD statement for the principal office shown on your DGS Small Business application**
- OR**
- 2) **_____ If the firm leases its principal space from a property management company or a landlord and the SMUD utilities are included in the lease, please initial in the blank space provided above and attach a copy of the current lease showing the dates of occupancy, principal office of property and signatures of both parties**

AND

Submit a copy of the current Small Business certification notice from the California Department of General Services.

Proposed SEED firm:
Contact Name:
Title:
Phone Number:

I hereby certify that this firm qualifies for the SEED Program as defined above. This firm has been certified as a Small Business by the California Department of General Services.

I hereby swear that I am duly authorized to legally act on behalf of the above named company.

Signed:
Print Name:
Title:
Date:

If you or one of your proposed subcontractors is not certified by DGS and would like to become certified for future contracting opportunities, please refer to <http://www.smud.org/suppliers/supplier/seed.html> or contact SMUD Supplier Diversity at (916) 732-5623 or email SEEDmgr@smud.org .

***Principal office** means where the business is headquartered and conducts the management and operations of the business.

6.6. DESIGNATION OF PRIME CONTRACTOR, SUBCONTRACTORS AND SUPPLIERS

(TO BE COMPLETE BY ALL BIDDERS/PROPOSERS)

The following are the names and business locations of the prime contractor and all subcontractors who will perform work or labor or render service to the Proposer in or about the work, or who will specially fabricate and install a portion of the work or improvement according to detailed drawings contained in the plans and specifications (as applicable) together with a statement of the portion of the work to be done by each subcontractor.

SEED Program - The Proposer may only count toward its SEED Program subcontracting credit those expenditures to subcontractors or contractors under a subcontractor that perform a commercially useful function. In addition, each contractor or subcontractor claiming SEED Program qualification shall complete the SEED PROGRAM SMALL BUSINESS DECLARATION.

	Firm (Name and Address)	Work, Material or Service (Provide Brief Description)	Supplier Diversity/SEED Program Status	Percent (%) (Of Total Proposal Price)	Dollar Amount (Of This Firm's Work, Material or Service)
1.	<p>PROPOSER/PRIME CONTRACTOR</p> <p>Name _____ Address _____ City, State, Zip _____ Primary Contact _____ Phone # _____ License Number & Classification _____</p>	_____	<p>SEED Qualified</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	_____ % of Total Proposal	\$ _____ Amount of Total Proposal
2.	<p>SUBCONTRACTOR</p> <p>Name _____ Address _____ City, State, Zip _____ Primary Contact _____ Phone # _____ License Number & Classification _____</p>	_____	<p>SEED Qualified</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	_____ % of Total Proposal	\$ _____ Amount of Total Proposal
3.	<p>SUBCONTRACTOR</p> <p>Name _____ Address _____ City, State, Zip _____ Primary Contact _____ Phone # _____ License Number & Classification _____</p>	_____	<p>SEED Qualified</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	_____ % of Total Proposal	\$ _____ Amount of Total Proposal
4.	<p>SUBCONTRACTOR</p> <p>Name _____ Address _____ City, State, Zip _____ Primary Contact _____ Phone # _____ License Number & Classification _____</p>	_____	<p>SEED Qualified</p> <p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	_____ % of Total Proposal	\$ _____ Amount of Total Proposal

6.7. DETAILED PROPOSAL

6.7.1 Evaluation Criteria #1 Proposer’s Minimum Experience & Qualifications

Note: This is a Pass/Fail Requirements

Proposer shall respond to the items below in their proposal to verify that they meet the following minimum Contractor qualifications:

A. The Contractor (company submitting a proposal) is required to have a minimum of 8 years experience (including the period 2002-2009) performing the following for 457 or 401(k) plans for a minimum of 10 clients for each of the 8 years, and each of the 10 clients having a minimum plan size of \$100 million during each of the 8 years:

1. Recommending whether client fixed income and equity mutual funds should remain in the plan, go on watch list, or be deleted from the plan, and in general ensuring the plan’s list of investment options is appropriate. See Scope Of Services 1a).

Response:

2. Preparing search reports for clients to recommend new or replacement funds. See Scope Of Services 1b).

Response:

3. Identifying appropriate benchmarks used by the Contractor to compare performance with client mutual funds. See Scope Of Services 1c).

Response:

4. Informing the client how the 457 or 401(k) plan mutual funds performed and why, preparing a report to support the evaluation. See Scope Of Services 2a).

Response:

5. Performing face to face on-site research visits with mutual fund managers used by Contractor's clients to assist in evaluating the mutual fund and its management.

Response:

B. The individual assigned to our account that will be directly responsible for making quarterly presentations to our Deferred Compensation Committee must have a minimum of 5 years experience performing items 1 – 4, in A above for a minimum of 5 clients with a minimum plan size of \$100 million during each of the 5 years.

Response:

6.7.2 Evaluation Criteria #2 SEED Program Evaluation Points

Ten evaluation points will be awarded to SEED qualified prime Proposers. Non-SEED prime Proposers will receive up to ten evaluation points on a pro-rata basis for proposing at least 20% subcontracting which utilizes SEED subcontractors. Details are in the Supplier Education & Economic Development section of this document.

6.7.3 Evaluation Criteria #3 Proposer's Experience and Qualifications

This section shall include, but is not limited to, the following information:

A. Provide a brief description and history of your organization.

Response:

B. Describe your experience in investment evaluation and strategic consulting for 401(k)/457 plans (include the years).

Response:

C. Identify the range of services your firm provides to your clients.

Response:

D. State the number of defined contributions clients to whom your firm currently provides investment consulting services. Also, identify the portion of these that are governmental clients.

Response:

E. Describe the added value, in terms of additional services and expertise, your firm provides that other consulting firms may not offer.

Response:

F. Provide a representative list of current investment consulting clients. Also, provide three references (contact name, title, address and telephone number) from clients for which you provided service within the past 24 months, similar to the Scope of Services contained herein. Specifically state which parts of the Scope of Services were performed for each client listed.

Response:

G. Provide the names of all organizations for which services were discontinued within the past 24 months due to contract expirations or other reasons. Only include those where you were under contract for a period greater than one year for services similar to the Scope of Services contained herein. Please also include a brief explanation of the reason for the contract termination. We reserve the right to subsequently request contact information.

Response:

H. Provide a sample report demonstrating your firm's ability to evaluate mutual fund performance relative to established benchmarks and communicate recommendations.

Response:

I. What is the average turnover rate of employees in the investment consulting area of your firm for each of the past 3 years?

Response:

J. Has the SEC or any other governing body investigated your firm sometime during the last 10 years? If so, what was the result of that investigation?

Response:

K. Do you have any associations, alliances or ownership interest in any fund managers or plan administrators? If so, please describe.

Response:

L. Please provide your firm’s audited Financial Statements for the previous 2 years.

Response:

M. Will your firm be able to increase its compensation from sources other than our company if you are awarded the contract with our company? If so, please explain.

Response:

N. Describe your firm’s process for monitoring legislative, industry, and market trends to support the consulting practice. Describe how the implications/conclusions of this information is disseminated to the consultant(s) assigned to our account.

Response:

O. Attach as an appendix three samples of your firm’s recent presentations, articles, or publications that demonstrate your firm’s relevant expertise in 401(k) and 457 plans.

Response:

6.7.4 Evaluation Criteria #4 Experience and Qualifications of Key Project Personnel

A. Provide resumes of key personnel proposed for this project. Identify the person that will be giving the quarterly presentation to the Deferred Compensation Committee. Special emphasis should be placed on explaining the extent to which personnel assigned have experience with the Scope of Services. Be thorough in your response describing example assignments.

Response:

B. Describe 1) experience of assigned personnel in interviewing fund managers and / or conducting onsite research visits, and 2) the process used, including frequency of interviews / research visits.

If someone other than the assigned personnel performs this function, then describe 1) the experience of the individual(s) that do perform this function, 2) the process used, including frequency of interviews / research visits, and 3) how the assigned personnel are made aware of the results of the fund manager interviews so that the results can be effectively communicated to clients.

Response:

C. For each client with a very similar scope of services served by the consultants(s) assigned to our account, identify 1) the type of plan, 2) size of the plan, and 3) whether the plan is a governmental plan.

Response:

D. Provide an example search report, prepared by the consultant(s) assigned to our account, recommending a mutual fund to a 457 or 401(k) plan.

Response:

6.7.5 Evaluation Criteria #5 Technical Approach

A. What approach and analysis do you apply in recommending a new investment option? Include a description of the methodology used by your firm to evaluate investment managers. Be specific about your approach.

Response:

B. What do you consider in recommending the removal of an investment option?

Response:

C. Does a team, committee or individual perform your analysis of investment options?

Response:

D. Describe your approach in providing the proper universe for determining benchmarks for investment options.

Response:

E. Provide a detailed description of the tools used by your firm to evaluate fund managers.

Response:

F. Discuss your process for assessing the reasonableness of fees charged by a) fund managers and b) plan administrators and record keepers.

Response:

6.7.6 Evaluation Criteria #6 Commercial Terms (Price) and Compliance with District's Contractual Terms

- A. This section includes the cost information contained in the Bid Schedule section of this Request for Proposal.
- B. The Proposer shall note all exceptions taken to this Request for Proposal including the contract terms and conditions of the contract included in the Sample Contract section of this Request for Proposal. The District reserves the right to reject any proposal based on noncompliance with the attached contract terms and conditions.

List Exceptions Here:

6.8. BID SCHEDULE

RFP No. 090337JS

In accordance with this Request for Proposal, the Proposer agrees to provide the services described in the Scope of Services, at the rates shown in this Schedule. The costs to the District below shall include all labor, transportation, insurance, printing, overhead, profits and etc., including all subcontractors and other services required or necessary to accomplish the services described in the Scope of Services and this Request For Proposal.

ITEM NO.	DESCRIPTION	EST. QTY.	UNITS	UNIT PRICE	TOTAL AMOUNT
1.	Provide services per Scope of Services in 2010, including anticipated travel costs.	12	Monthly Rate	\$	\$
2.	Provide services per Scope of Services in 2011, including anticipated travel costs.	12	Monthly Rate	\$	\$
3.	Provide services per Scope of Services in 2012, including anticipated travel costs.	12	Monthly Rate	\$	\$
4.	Additional District directed work. (See note below.)	N/A	N/A	N/A	Not to exceed \$5,000.00
5.	TOTAL COSTS (Items 1 through 4 above.)				\$

Note: The District’s evaluations for award will include SEED Price Advantage calculations

A. Optional Items: The Proposer is to provide pricing for the below optional service period. However, the Optional period and pricing will not be considered in the Proposal Evaluation and original contract award.

6.	Provide services per Scope of Services in 2013, including anticipated travel costs.	12	Monthly Rate	\$	\$
7.	Provide services per Scope of Services in 2014, including anticipated travel costs.	12	Monthly Rate	\$	\$

B. Optional Items: The Proposer is to provide pricing for the below optional item. The pricing will not be included in the Proposal Price Evaluation. However, the District reserves the right to add this optional item in the award of the contract.

8.	Can you obtain \$10,000,000 in E& O Insurance?	Yes	No
9.	If you can obtain the above insurance, what is the additional cost to the District?	\$	

Notes:

Additional District directed work: The Contractor’s bid is to be considered all-inclusive to perform the work of this contract, as described in the Scope of Services. The District may, at its discretion, determine that additional services are required. The Contractor, when so directed by the District, will perform such additional work as part of this contract and will be reimbursed at the rates approved by the Contract Manager.

Discrepancy in price: In case of discrepancy between the unit prices bid and the extensions thereon, the unit prices shall govern. In case of an error in the addition of the total bid amount for all bid items the corrected total shall govern.

Fixed rates: The rates proposed above shall remain fixed for the duration of the contract unless otherwise approved in writing by the District.

PROPOSER:

Company:		
Street Address:		
City:	State:	Zip:
Signed:		
Print Name:		
Title:		
Telephone:	Fax:	
Email:	Date:	

7. SAMPLE CONTRACT

Note: The Sample Contract is attached as a separate document.