



**AG + OPEN SPACE**  
SONOMA COUNTY

Investment Advisor Services  
REQUEST FOR PROPOSALS (RFP)

The Sonoma County Agricultural Preservation and Open Space District (“Ag + Open Space”) and the Sonoma County Auditor-Controller-Treasurer-Tax Collector (“ACTTC” or “the County”) invite interested and qualified parties to respond to a Request for Proposals for discretionary investment advisory and management services for the County and the Ag + Open Space District.

Proposals must be received no later than **2:00 PM PST on April 29, 2026**.

**A. Introduction/Purpose**

**1. Ag + Open Space Background**

Ag + Open Space is a dependent special district of the County of Sonoma. In 1990, the voters of Sonoma County created Ag + Open Space to protect the greenbelts, scenic views, farms, ranches, and natural areas of Sonoma County. Ag + Open Space uses funds generated from a voter-approved, quarter-cent sales tax to protect agricultural and open space lands. The quarter-cent sales tax was originally approved by Sonoma County voters in November 1990 and, in 2006, Sonoma County voters approved Measure F, which extended and authorized the quarter-cent sales tax through 2031. Ag + Open Space anticipates returning to Sonoma County voters for re-authorization of the sales tax measure prior to the expiration of Measure F.

Ag + Open Space’s primary conservation tool is the conservation easement, which protects land through the purchase of development rights from willing sellers in areas prioritized for protection. In addition, Ag + Open Space sometimes accepts open space easements granted through the County permitting process. Ag + Open Space’s Stewardship Program is responsible for ensuring the perpetual protection of these lands through regular monitoring visits and, if necessary, enforcement procedures. Since its inception, Ag + Open Space has protected over 124,730 acres with an acquisition cost of \$522.1 million, and today, ranks as one of the top open space and farmland conservation programs in the nation.

Funds generated through Measure F are held within the Sonoma County Treasury Investment Pool and are managed under the authority of the Auditor-Controller-Treasurer-Tax Collector (ACTTC). The County's Investment Policy Statement ("IPS") governs the investment of these public funds primarily in fixed-income securities and short-term liquid funds, as allowed under Government Code § 53601, prioritizing safety, liquidity, and a reasonable rate of return.

As of June 30, 2025, the County's Investment Pool was approximately \$3.7 billion with a weighted average maturity of approximately 2 years, generally reflecting the liquidity needs of its Pool participants.

Ag + Open Space maintains certain endowment-like and stewardship reserve funds that are not expected to be drawn upon for operational or near-term needs. These funds present an opportunity for Ag + Open Space to benefit from more active portfolio management by potentially investing in longer-dated securities that are within approved guidelines to:

- Maximize long-term investment returns;
- Preserve capital; and
- Align with the Ag + Open Space's perpetual land conservation mission.

It is currently contemplated that \$15 million of Ag + Open Space funds would initially be placed in a separately managed account with an investment management firm (referred to hereafter as "Investment Advisor"), with an approximate incremental contribution of \$7.5 million annually through 2031.

While the current IPS allows the selected Investment Advisor to invest Ag + Open Space funds in securities with maturities of up to five (5) years, there may be an opportunity in the future, with Board approval, to amend the County's IPS to permit a portion of these funds to be invested in certain securities with maturities in excess of five (5) years, as permitted by the California Government Code (e.g., U.S. Treasuries and Agency securities), given the endowment-like nature of these funds.

At this time, however, it is not definitive or guaranteed that the County's IPS will be amended to enable any such change.

The County expects the Investment Advisor to be highly experienced, to be a leader and innovator in the management of investments, and to provide comprehensive investment advisory and accounting services for this specified portion of the County's Investment Pool.

## **2. Description of Services**

Ag + Open Space and the County are soliciting proposals from one or more Investment Advisors for a maximum five-year (5-year) contract to provide discretionary investment management services, which shall include investing the Sonoma County Ag + Open Space funds (or portion thereof). Such funds shall be invested and actively managed in accordance with the County's Investment Policy Statement (IPS).

As established in this RFP, the County realizes that criteria other than price are important and the County will award contract(s) based on the proposal that best meets its needs. The County seeks the optimal combination of quality, price, and various qualitative elements of the required services that will provide the County and Ag + Open Space the greatest or best value for its money while also matching its desired objectives.

## **B. Statement of Requirements**

### **1. Scope of Work**

Ag + Open Space is a current participant in the Sonoma County Investment Pool, which is managed and overseen by the Sonoma County ACTTC. Investment objectives and criteria are included in the Sonoma County IPS. The IPS is reviewed at least annually and approved by the County Board of Supervisors.

### **Deliverables/Requirements**

- (a) The Investment Advisor shall actively manage the funds of Ag + Open Space in accordance with the laws of the State of California, the County's IPS and any other investment policies and procedures established by the County.
- (b) The Investment Advisor shall continuously monitor investment opportunities and evaluate Ag + Open Space's excess working capital and such other funds (hereafter, the "Managed Funds").
- (c) The Investment Advisor shall not take possession or act as a custodian for the cash, securities or other assets of the County, but solely act as a fiduciary for the Managed Funds of Ag + Open Space.
- (d) The Investment Advisor must have extensive experience and expertise in the investment of municipal funds within the State of California and represents that it is a registered Financial Adviser under the Securities and Exchange Commission's Investment Advisers Act of 1940, as amended.
- (e) The Investment Advisor will provide investment research and supervision of the Managed Funds and conduct a continuous program of investment, evaluation and, when appropriate, sale and reinvestment of the Managed Funds assets. The Investment Advisor shall furnish both the County and Ag + Open Space with information and reports with respect to the investments of the Managed Funds, as well as cost-based and market-based valuations of all investments held in the Managed Funds' accounts

monthly, or at such other times as reasonably required by the County. Additionally, an annual report for the fiscal year will be provided to Ag + Open Space.

- (f) The Investment Advisor will invest the Managed Funds in a manner that anticipates expected cash flows and the liquidity needs of Ag + Open Space. The Investment Advisor is expected to invest the Funds in a manner that produces a long-term return on the Funds, as measured by an amortized cost-basis book-value method, that is consistent with the long-term goals of the County and Ag + Open Space. Market Value based returns and measures will be considered secondary to Book Value based returns and measures.
- (g) The Investment Advisor will provide monthly reports on the portfolio holdings, including investment activity (purchases, sales, and calls), book value and market value of the portfolio, earnings, and the portfolio's rate of return. The County requires reporting on an amortized cost basis reflecting the book value of the securities. Sufficient detail must be provided for accounting (recording and management reporting) and financial statement (auditing) purposes. Additional analytics provided should include credit quality, diversification, and maturity structure and measurements to show compliance with the County's IPS. Reports may be distributed in whole or in part to the Board of Supervisors, Treasury Oversight Committee or others on a monthly basis.
- (h) The Investment Advisor will demonstrate monthly compliance with the County's IPS (compliance required at time of security purchase) and notify the ACTTC if any investment is either purchased or subsequently falls out of compliance with Policy. (Note: any security purchased outside of compliance with the IPS may require the Investment Advisor to reimburse the County if it results in a financial loss).
- (i) The Investment Advisor will communicate regularly with the County and Ag + Open Space on investment decisions and strategy.
- (j) The Investment Advisor will interface with the County's custodian and staff to assure the coordination of investments, delivery of securities and availability of funds as needed. (All securities will be held by a third-party custodian in the name of the County and all transactions will settle on a "delivery versus payment" basis. The Investment Advisor will not provide custodial services or safekeeping.)
- (k) The Investment Advisor will provide information on current and forecasted market and economic conditions, as needed.

In Addition to the services described in the RFP, the consultant may provide other related supplemental services as addressed in their proposal as requested by the District/County and agreed to by the Consultant in writing, which services shall be deemed part of the Scope of Work and governed by the agreement.

- (l) The Investment Advisor shall provide a written acknowledgment that it has received the County's IPS at least annually or when changes are made to the Policy.

## 2. Invoices

The Investment Advisor shall provide a detailed invoice to the County and Ag + Open Space on a monthly basis for services performed. Please refer to Attachment 2 Sample Agreement, Section 2.2 Invoicing and Payment Terms.

### Local Preference

It is the policy of Ag + Open Space and the County to promote employment and business opportunities for local residents and firms on all contracts and give preference to local residents, workers, businesses and consultants to the extent consistent with the law and interests of the public. A Local Service Provider is defined as a business or consultant who has a valid physical address located within Sonoma County from which the vendor or consultant operates or performs business on a day-to-day basis, and holds a valid business license if required by a city within the jurisdiction of Sonoma County.

For quantitative evaluations of proposals, the locality of the service provider shall be included as an evaluation criterion in RFPs. Extra percentage weighting of 5% shall be provided in the total rating score for local service providers. For qualitative evaluations of proposals, Departments shall consider the locality of consultants or businesses and their sub-consultants along with other criteria identified in the RFP. If there is more than one service provider being considered and the providers are competitively matched in terms of other criteria, local service providers should be selected. If hiring sub-consultants, Ag + Open Space strongly encourages using local service providers.

More information about the County's purchasing policies can be found on: More information about the County's [Local Preference Policy for Services](https://dentalesfundamental.com/development-services/sonoma-public-infrastructure/divisions/purchasing-working-with-the-county/local-preference) can be found on <https://dentalesfundamental.com/development-services/sonoma-public-infrastructure/divisions/purchasing-working-with-the-county/local-preference>

### C. Schedule

The following schedule is subject to change. Except as provided below, changes will only be made by written amendment to this Request for Proposals. The amendment shall be issued to all parties by Ag + Open Space.

Date	Event
March 24, 2026	Release Request for Proposals
April 8, 2026 by by 2:00 PM PST	Deadline for Proposer's Questions
April 22, 2026	The County and Ag + Open Space's Responses to Questions Due
April 29, 2026 by 2:00 PM PST	Proposals Due
May 11, 2026 - May 15, 2026	Proposals Evaluated by the County and Ag + Open Space

June 4, 2026	Notice of Intent to Award <i>(subject to delay without notice to proposers)</i>
July 14, 2026	Board of Directors Awards Contract <i>(subject to delay without notice to proposers)</i>

#### **D. Pre-Proposal Conference**

Not Applicable.

#### **E. Questions**

Proposers will be required to submit all questions in writing before **2:00 p.m. PST on April 8, 2026** in order for staff to prepare written responses to all proposers. Written answers will be shared with all potential proposers through an updated attachment on the County's supplier portal and email notification. Questions should be sent via email directly to [aos-adminaide@sonomacounty.gov](mailto:aos-adminaide@sonomacounty.gov). Questions will not be accepted by phone.

#### **G. Corrections and Addenda**

1. If a proposer discovers any ambiguity, conflict, discrepancy, omission, or other error in this RFP, the proposer shall immediately notify the contact person of such error in writing and request clarification or modification of the document. Modifications will be made by addenda as indicated below to all parties in receipt of this RFP.
2. If a proposer fails to notify the contact person prior to the date fixed for submission of proposals of a known error in the RFP, or an error that reasonably should have been known, the proposer shall submit a proposal at their own risk, and if the proposer is awarded a contract they shall not be entitled to additional compensation or time by reason of the error or its subsequent correction.
3. Addenda issued by the County or Ag + Open Space interpreting or changing any of the items in this RFP, including all modifications thereof, shall be incorporated in the proposal. The proposer shall submit the addenda cover sheet with the proposal. Any oral communication by the County or Ag + Open Space's designated contact person or any other County or Ag + Open Space staff member concerning this RFP is not binding on the County or Ag + Open Space and shall in no way modify this RFP or any obligations arising hereunder.

#### **H. Proposal Submittal**

##### **1. Form**

Proposers must submit one (1) electronic copy to the County of Sonoma's [Supplier Portal](#). The link to the Supplier Portal is: <https://esupplier.sonomacounty.ca.gov/>. Hard copy, faxed, and/or emailed submissions will not be accepted.

Note: Proposers must be registered to submit electronic proposals. See registration instructions on the Supplier Portal link above.

## **2. Due Date**

Proposals must be received **no later than 2:00 p.m. on April 29, 2026**. The proposal due date is subject to change. If the proposal due date is changed, all known recipients of the original RFP will be notified of the new date.

## **3. General Instructions**

To receive consideration, proposals shall be made in accordance with the following general instructions:

- a. The completed proposal shall be without alterations or erasures.
- b. No oral or telephonic proposals will be considered.
- c. The submission of a proposal shall be an indication that the proposer has investigated and satisfied him/herself as to the conditions to be encountered, the character, quality and scope of the work to be performed, and the requirements of Ag + Open Space and the County, including all terms and conditions contained within this RFP.

## **4. Proposal Format and Contents**

For ease of review and to facilitate evaluation, the proposals for this project should be organized and presented in the order requested as follows:

### **Section 1. Organizational Information**

Provide specific information concerning the firm in this section, including the legal name, address and telephone number of your company and the type of entity (sole proprietorship, partnership, or corporation and whether public or private). Include the name and telephone number of the person(s) in your company authorized to execute the proposed contract. In addition, describe the ownership of your firm, the type of services offered, and date founded. Specify the number of years your organization has been providing investment advisory and management services and specify the number of employees within the firm. Include the number of portfolio managers, portfolio strategists, credit researchers and investment accountants. **Please include your ADV Part 2 as an attachment.**

### **Section 2. Qualifications and Experience**

Provide specific information in this section concerning the Investment Advisor's experience, qualifications and certifications in the services described in this RFP, preferably within the State of California. Examples may include but are not limited to total years of investment experience number of municipal clients or special districts served, total assets under management, number of advisors within your firm with certifications, etc.. For staff assigned to the anticipated Scope of Work, please provide detailed information regarding their qualifications, certifications and experience, including relevant work history. **References are**

**required.** Please provide names, addresses, and telephone numbers of contact persons within three (3) client agencies/groups for whom similar services have been provided.

Debarment or Other Disqualification. Proposer must disclose any debarment or other disqualification as a vendor for any federal, state or local entities. Proposer must describe the nature of the debarment/disqualification, including where and how to find such detailed information

*Page limit for Section 2 - Qualifications and Experience: 5 pages.*

### **Section 3. Reporting/Performance Measurement**

Describe and include samples of the reports that the County would typically receive. What is the frequency of these reports? Please identify if any reporting is customizable. If there is an online portal or dashboard that would be accessible to the County, please describe the information that is available and provide snapshots with examples of available information. Describe how you typically report performance. Please include a copy of a quarterly performance report to a client similar to the County. (Note: you do not need to identify the client and may redact any client names within the sample reports).

### **Section 4. Cost of Service**

Proposers must submit a Fee Proposal, including any break-points based upon assets under management, other management fees or reimbursable costs. Fully describe how fees are determined. The Fee Proposal shall apply for five years.

*Page limit for Section 3 - Cost of Service: 2 pages.*

### **Section 5. Identification of Subcontractors**

List any subcontractors you intend to use for the proposed scope(s) of work. For each subcontractor listed, Contractors shall indicate (1) what products and/or services are to be supplied by that subcontractor, (2) what percentage of the overall scope of work that subcontractor will perform, (3) the qualifications of each sub-contractor and assigned staff to carry out the work; and (4) the subcontractor's costs of service as outlined in Section 4 below.

*Page limit for Section 4 - Identification of Subcontractors: 5 pages.*

### **Section 6. Insurance**

Please fully describe your firm's professional liability insurance/Errors & Omissions coverage and Fiduciary Liability insurance coverage. The selected proposer will be required to submit and comply with all insurance as described in *Attachment 2 Sample Service Agreement, Exhibit C Insurance Requirements*. Securing this insurance is a condition of award for this contract.

**Section 7. Declaration of Local Business for Services and Living Wage Forms**

Please complete *Attachment 3 Declaration of Local Business for Services* and *Attachment 4 Living Wage Evaluation Preference Form*.

**Section 8. Additional Information**

Include any other information you believe to be pertinent but not required.

**Section 9. Contract Terms**

Proposers must include a statement acknowledging their willingness to accept the sample contract terms (*Attachment 1: Proposal Cover Sheet*) or identify specific exceptions to the sample agreement.

**I. Selection Process**

1. All proposals received by the specified deadline will be reviewed by Ag + Open Space and the County for content, including but not limited to rates, related experience and professional qualifications of the proposing Investment Advisors.
2. Ag + Open Space and County employees will not participate in the selection process when those employees have a relationship with a person or business entity submitting a proposal which would subject those employees to the prohibition of Section 87100 of the Government Code. Any person or business entity submitting a proposal who has such a relationship with an Ag + Open Space or County employee who may be involved in the selection process shall advise Ag + Open Space and the County of the name of the Ag + Open Space or County employee in the proposal.
3. Proposals may be evaluated using the following criteria (note that there is no value or ranking implied in the order of this list):
  - a. Quality of the proposal
  - b. Demonstrated ability to perform the services described;
  - c. Experience, qualifications and expertise;
  - d. Quality of work as verified by references;
  - e. Quality of reports and performance management reporting;
  - f. Fees;
  - g. A demonstrated history of providing similar services to comparable entities in a high quality manner;
  - h. The locality of the Investment Advisor;
  - i. Insurance coverage;
  - j. Willingness to accept the County and Ag + Open Space's contract terms; and

- k. Any other factors the evaluation committee deems relevant. (When such criteria are used for evaluation purposes, the basis for scoring will be clearly documented and will become part of the public record.)
4. The ACTTC and/or the Administrative and Fiscal Services Manager of Ag + Open Space reserve the right, at his/her sole discretion, to take any of the following actions at any time before selection: waive informalities or minor irregularities in any proposals received, reject any and all proposals, cancel the RFP, or modify and re-issue the RFP. Failure to furnish all information requested or to follow the format requested herein may disqualify the Investment Advisor, in the sole discretion of the County or Ag + Open Space. False, incomplete, misleading or unresponsive statements in a proposal may also be sufficient cause for a proposal's rejection.
5. Ag + Open Space and the County may, during the evaluation process, request from any Proposer additional information which they deem necessary to determine the Proposer's ability to perform the required services. If such information is requested, the Proposer will have three (3) business days to submit the information requested.
6. An error in the proposal may cause the rejection of that proposal; however, Ag + Open Space and/or the County may, in its sole discretion, retain the proposal and make certain corrections. In determining if a correction will be made, the County and/or Ag + Open Space will consider the conformance of the proposal to the format and content required by the RFP, and any unusual complexity of the format and content required by the RFP. If the proposer's intent is clearly established based on review of the complete proposal submittal, the County and/or Ag + Open Space may, at its sole option, correct an error based on that established content. The County and/or Ag + Open Space may also correct obvious clerical errors. The County and/or Ag + Open Space may also request clarification from a proposer on any item in a proposal that Ag + Open Space believes to be in error.
7. The County and Ag + Open Space reserve the right to select the proposal(s) which in its sole judgment best meets the needs of the County and Ag + Open Space and will award the contract to one submittal. The lowest proposed cost is not the sole criterion for recommending contract award.
8. All Proposers responding to this RFP will be notified of their selection or non-selection after the evaluation committee has completed the selection process.
9. Generally, the Investment Advisor selected by the evaluation committee will be recommended to the Board of Supervisors (also the Ag + Open Space Board of Directors) for proposed contract(s), but the Board is not bound to accept the recommendation or award the contract(s) to the recommended Investment Advisor.

10. The County and Ag + Open Space reserve the right to award contracts to multiple Investment Advisors for similar work and to award contracts for a more limited scope of services than an Investment Advisor proposes to perform.

## **J. Finalist Interviews**

After initial screening, the evaluation committee may select those firms deemed most qualified for this project for further evaluation. Interviews of these selected firms may be conducted as part of the final selection process. Interviews may or may not have their own separate scoring during the evaluation process.

## **K. General Information**

### **1. Rules and Regulations**

- a. The issuance of this solicitation does not constitute an award commitment on the part of the County or Ag + Open Space, and the County and Ag + Open Space shall not pay for costs incurred in the preparation or submission of proposals. All costs and expenses associated with the preparation of this proposal shall be borne by the proposer.
- b. The County and Ag + Open Space reserves the right to reject any or all proposals or portions thereof if they determine that it is in their best interest to do so.
- c. The County and Ag + Open Space may waive any deviation in a proposal. The County and Ag + Open Space's waiver of a deviation shall in no way modify the RFP requirements nor excuse the successful proposer from full compliance with any resultant agreement requirements or obligations. The County and Ag + Open Space reserve the right to reject any or all proposals, or to waive any defect or irregularity in a proposal. The County and Ag + Open Space further reserves the right to award the agreement to the proposer or proposers that, in their judgment, best serves the needs of the County and Ag + Open Space.
- d. All proposers submit their proposals to the Evaluation Committee with the understanding that the recommended selection of the committee is final and subject only to review and final approval by the ACTTC and Ag + Open Space Administrative and Fiscal Services Manager (or their delegate(s)).
- e. Upon submission, all proposals shall be treated as confidential documents until the selection process is completed. Once the notice of intent to award is issued by the County and Ag + Open Space, all proposals shall be deemed public record. In the event that a proposer desires to claim portions of its proposal exempt from disclosure, it is incumbent upon the proposer to clearly identify those portions with the word "Confidential" printed on the top right hand corner of each page for which such privilege is claimed, and to clearly identify the information claimed confidential by highlighting, underlining, or bracketing it, etc. Examples of confidential materials

include trade secrets. Each page shall be clearly marked and readily separable from the proposal in order to facilitate public inspection of the non-confidential portion of the proposal. The County and Ag + Open Space will consider a proposer's request for exemptions from disclosure; however, the County and Ag + Open Space will make their decision based upon applicable laws. An assertion by a proposer that the entire proposal, large portions of the proposal, or a significant element of the proposal, are exempt from disclosure will not be honored and the proposal may be rejected as non-responsive.

- f. The County and Ag + Open Space will endeavor to restrict distribution of material designated as confidential to only those individuals involved in the review and analysis of the proposals. Proposers are cautioned that materials designated as confidential may nevertheless be subject to disclosure. Proposers are advised that the County and Ag + Open Space do not wish to receive confidential or proprietary information and those proposers are not to supply such information except when it is absolutely necessary. If any information or materials in any proposal submitted are labeled confidential or proprietary, the proposal shall include the following clause:

[Legal name of proposer] shall indemnify, defend and hold harmless the County of Sonoma and the Sonoma County Agricultural Preservation and Open Space Ag + Open Space, its officers, agents and employees from and against any request, action or proceeding of any nature and any damages or liability of any nature, specifically including attorneys' fees awarded under the California Public Records Act (Government Code §6250 et seq.) Arising out of, concerning or in any way involving any materials or information in this proposal that [legal name of proposer] has labeled as confidential, proprietary or otherwise not subject to disclosure as a public record.

## **2. Nonliability of County and Ag + Open Space**

The County and Ag + Open Space shall not be liable for any pre-contractual expenses incurred by the proposer or selected contractor or contractors. The County and Ag + Open Space shall be held harmless and free from any and all liability, claims, or expenses whatsoever incurred by, or on behalf of, any person or organization responding to this RFP.

## **3. Proposal Alternatives**

Proposers may not take exception or make material alterations to any requirement of the RFP. Alternatives to the RFP may be submitted as separate proposals and so noted on the cover of the proposal. The County and Ag + Open Space reserves the right to consider such alternative proposals, and to award an agreement based thereon if it is determined to be in the County and Ag + Open Space's best interest and such proposal satisfies all minimum qualifications specified in the RFP. Please indicate clearly in the proposal that the proposal offers an alternative to the RFP.

## **4. Lobbying**

Any party submitting a proposal or a party representing a proposer shall not influence or attempt to influence any member of the selection committee, any member of the Board of Directors, or any employee of the County of Sonoma or Sonoma County Agricultural Preservation and Open Space District, with regard to the acceptance of a proposal. Any party attempting to influence the RFP process through ex-parte contact may be subject to rejection of their proposal.

## **5. Form of Agreement**

- a. No agreement with the County and Ag + Open Space shall have any effect until a contract has been signed by all three parties. Pursuant to Sonoma County Code Section 1-11, County personnel are without authorization to waive or modify agreement requirements.
- b. A sample of the agreement is included as *Attachment 2*. Proposers must be willing to provide the required insurance and accept the terms of this sample agreement. With few exceptions, the terms of the County's standard agreement will not be negotiated. Indemnification language will not be negotiated.
- c. Proposals submitted shall include a statement that (i) the proposer has reviewed the sample agreement and will agree to the terms contained therein if selected, or (ii) all terms and conditions are acceptable to the proposer except as noted specifically in the proposal. A proposer taking exception to the County and Ag + Open Space's sample agreement must also provide alternative language for those provisions considered objectionable to the proposer. Please note that any exceptions or changes requested to the Agreement may constitute grounds to reject the proposal.
- d. Failure to address exceptions to the sample agreement in your proposal will be construed as acceptance of all terms and conditions contained therein.
- e. Submission of additional contract exceptions after the proposal submission deadline may result in rejection of the consultant's proposal.

## **6. Duration of Proposal; Cancellation of Awards; Time of the Essence**

- a. All proposals will remain in effect and shall be legally binding for at least ninety (90) days.
- b. Unless otherwise authorized by the County and Ag + Open Space, the selected proposer will be required to execute an agreement with the County and Ag + Open Space for the services requested within sixty (60) days of Ag + Open Space's notice of intent to award. If agreement on terms and conditions acceptable to the County and Ag + Open Space cannot be achieved within that timeframe, or if, after reasonable attempts to negotiate such terms and conditions, it appears that an agreement will not be possible, as determined at the sole discretion of the County

and Ag + Open Space, they reserve the right to retract any notice of intent to award and proceed with the award to another investment advisor, or not award at all.

### **7. Withdrawal and Submission of Modified Proposal**

A proposer may withdraw a proposal at any time prior to the submission deadline by submitting a written notification of withdrawal signed by the proposer or his/her authorized agent. Another proposal may be submitted prior to the deadline. A proposal may not be changed after the designated deadline for submission of proposals.

## **L. Protest Process**

Any and all protests must be in writing and must comply with the timelines and procedures set forth at: [Protests and Appeals for Goods and Professional Services Procurements](#).

## **M. Living Wage**

The contractor/franchisee/economic development assistance recipient shall comply with any and all federal, state, and local laws – including, but not limited to the County of Sonoma Living Wage Ordinance – affecting the services provided by this contract/franchise agreement. Without limiting the generality of the foregoing, the contractor/franchisee/economic development assistance recipient expressly acknowledges and agrees that this contract/franchise/economic development assistance agreement is subject to the provisions of Article XXVI of Chapter 2 of the Sonoma County Code, requiring payment of a living wage to covered employees. Noncompliance during the term of the contract/franchise/economic development assistance agreement will be considered a material breach and may result in termination of the contract/franchise/economic development assistance agreement or pursuit of other legal or administrative remedies.

The link to the [Living Wage Ordinance](#) is: <https://sonomacounty.gov/development-services/sonoma-public-infrastructure/living-wage>

## **N. ARTIFICIAL INTELLIGENCE**

The County may consider the use of Artificial Intelligence (AI) technologies to support the services to be provided under the awarded contract. However, any proposed AI technologies and their use must comply with all requirements set forth in the County's Administrative Policy 9-6: Information Technology Artificial Intelligence (AI) Policy, including human oversight to review output, restrictions on use of confidential, restricted, or protected data, and legal compliance. That policy is available [here](#). County pre-approval must be obtained for use of AI on the awarded contract and County reserves all rights with regard to reviewing any proposed AI use, including but not limited to comprehensive reviews of the AI technologies' security, privacy, ethical use, and legal compliance prior to approval, in County's sole discretion.

## **O. Attachments**

Attachment 1: Proposal Cover Sheet

Attachment 2: Sample Agreement for Services

Exhibit A: Scope of Work (To be agreed to by Proposer, District and County.)

Exhibit B: Rate Sheet (To Be Provided by Proposer, Approved by District/County)

Exhibit C: Insurance Requirements

Attachment 3: County of Sonoma Investment Policy Statement

Attachment 4: Declaration of Local Business for Services

## Proposal Cover Sheet



### Acceptance of Ag + Open Space Contract Form

A sample agreement is contained as Attachment 2 to the Ag + Open Space’s Request for Proposals. Although the attached draft is subject to revision before execution, by submission of a proposal, the undersigned indicates that, except as specifically and expressly noted in its proposal, the proposer has no objection to the attached draft or any of its provisions such that, if selected, the proposer will enter into a final agreement based substantially upon the attached draft.

### Certification of Authority

By signing below, the person executing the certificate on behalf of the proposer affirmatively represents that s/he has the requisite legal authority to do so on behalf of the proposer. Both the person executing this proposal on behalf of the proposer and proposer understand that the District is relying on this representation in receiving and considering this proposal. The person signing below hereby acknowledges that s/he has read the entire Request for Proposals document and has complied with all requirements listed therein.

Official Authorized to Sign for Proposal/Consultant

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Signature

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Title

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Date

**PROFESSIONAL SERVICES AGREEMENT**

This agreement ("Agreement"), effective upon execution by the District General Manager ("Effective Date") is by and between the County of Sonoma, a political subdivision of the State of California (hereinafter "County"), the Sonoma County Agricultural Preservation and Open Space District, a California special district (hereinafter "District"), and **Consultant Name, type of business** (hereinafter "Consultant").

**RECITALS**

WHEREAS, Consultant represents that it is a duly qualified in **discretionary investment advisory and management services for the County and the Ag + Open Space District**; and

WHEREAS, in the judgment of the County and the District, it is necessary and desirable to employ the services of Consultant to provide discretionary investment management services, which shall include investing and actively managing the Sonoma County Ag + Open Space funds in accordance with the County’s Investment Policy Statement (IPS).; and

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

**AGREEMENT**

1. Scope of Services.

1.1 Consultant's Specified Services. Consultant shall perform the services described in Exhibit A, attached hereto and incorporated herein by this reference (hereinafter "Scope of Work"), and within the times or by the dates provided for in Exhibit A and pursuant to Article 8, Prosecution of Work. In the event of a conflict between the body of this Agreement and Exhibit "A", the provisions in the body of this Agreement shall control.

1.2 Cooperation With District. Consultant shall cooperate with County and District and County and District staff in the performance of all work hereunder. Consultant shall coordinate the work with the District’s Project Lead, per the contact information and mailing addresses below:

<b>COUNTY/ DISTRICT PROJECT LEAD</b>	<b>CONSULTANT PROJECT LEAD</b>
Name: <b>Julie Mefferd</b>	Name: <b>Consultant Name</b>
Address: 747 Mendocino Avenue – Suite 100 Santa Rosa, CA 95401	Address: <b>Consultant Address</b> <b>Consultant Address</b>
Phone: <b>707-565-7368</b>	Phone: <b>Consultant Phone</b>
Email: <b>julie.mefferd@sonoma-county.org</b>	Email: <b>Consultant Name</b>

1.3 Performance Standard. Consultant shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Consultant's profession. County and District have relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby agrees to provide all services under this Agreement in accordance with generally accepted professional practices and standards of care, as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor's work by County and District shall not operate as a waiver or release. If County and District determine that any of Consultant's work is not in accordance with such level of competency and standard of care, County and District, in their sole discretion, shall have the right to do any or all of the following: (a) require Consultant to meet with County and District to review the quality of the work and resolve matters of concern; (b) require Consultant to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 5; or (d) pursue any and all other remedies at law or in equity.

1.4 Assigned Personnel.

- a. Consultant shall assign only competent personnel to perform work hereunder. In the event that at any time County and District, in their sole discretion, desire the removal of any person or persons assigned by Consultant to perform work hereunder, Consultant shall remove such person or persons immediately upon receiving written notice from County and District.
- b. Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder are deemed by County and District to be key personnel whose services were a material inducement to County and District to enter into this Agreement, and without whose services District would not have entered into this Agreement. Consultant shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of County and District. With respect to performance under this Agreement, Consultant shall employ the following key personnel: **Consultant Name, and associated staff described in Exhibit A, Scope of Work.**
- c. In the event that any of Consultant's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Consultant's control, Consultant shall be responsible for timely provision of adequately qualified replacements.

2. Payment. For all services and incidental costs required hereunder, Consultant shall be paid in accordance with the following terms:

## 2.1 Fees for Services

For services provided in Exhibit A (“Scope of Work”), Consultant shall be paid a fee calculated as a percentage of the assets under management invested with Consultant (“Assets Under Management” or “AUM”), in accordance with the fee schedule set forth in Exhibit B (the “Fee Schedule”). The Fee Schedule may include tiered or sliding-scale rates based on the level of AUM. In no event shall Consultant’s total compensation exceed the maximum amounts, if any, expressly set forth in Exhibit B.

## 2.2 Invoicing and Payment Terms

Consultant shall invoice County and District **quarterly in arrears** for fees earned during the applicable calendar quarter, based on the AUM as of the valuation date(s) specified in Exhibit B. Each invoice shall include reasonable supporting detail showing the calculation of fees in accordance with the Fee Schedule. District shall remit payment on behalf of County and District, within [ ] days of receipt of a correct and undisputed invoice.

Under no circumstances shall Consultant deduct or withdraw its fees directly from the Assets Under Management or from any investment account, unless expressly authorized in writing by County and District.

The invoices shall show or include:

- Consultant Name: **Consultant Name**
- Name of Project: **Name of Project**
- District Contract Number: **Contract #**
- Payment remittance address
- Description of services performed
- The hourly rate or rates of the persons performing the task, not-to-exceed the rates set forth in **Exhibit B, Rate Sheet**
- The time in quarter hours devoted to the task(s)
- Copies of receipts for reimbursable materials/expenses, if any, and
- Any other information requested by the District or County.

## 2.3 Expenses.

Expenses not expressly authorized by the Agreement shall not be reimbursed. Unless otherwise noted in this Agreement, payments shall be made within the normal course of County and District business after presentation of an invoice in a form approved by the District for services performed. Payments shall be made only upon the satisfactory completion of the services as determined by the County and District in their sole discretion.

Pursuant to California Revenue and Taxation code (R&TC) Section 18662, the County and District shall withhold seven percent of the income paid to Consultant for services performed within the State of California under this agreement, for payment and reporting to the California Franchise Tax Board, if Consultant does not qualify as: (1) a corporation with its principal place of business in California, (2) an LLC or Partnership with a permanent place of business in California, (3) a corporation/LLC or Partnership qualified to do business in California by the Secretary of State, or (4) an individual with a permanent residence in the State of California.

If Consultant does not qualify, County and District requires that a completed and signed Form 587 be provided by the Consultant in order for payments to be made. If Consultant is qualified, then the District requires a completed Form 590. Forms 587 and 590 remain valid for the duration of the Agreement provided there is no material change in facts. By signing either form, the Consultant agrees to promptly notify the County and District of any changes in the facts. Forms should be sent to the County and District pursuant to Article 3. To reduce the amount withheld, Consultant has the option to provide District with either a full or partial waiver from the State of California.

#### 2.4 No Other Compensation.

Except as expressly provided in this Agreement, Consultant shall not be entitled to any additional fees, commissions, or compensation of any kind.

3. Method and Place of Giving Notice, Submitting Bills and Making Payments. All notices, bills, and payments shall be made in writing and shall be given by personal delivery or by U.S. Mail or courier service. Notices, bills, and payments shall be addressed as follows:

TO DISTRICT:	Sonoma County Agricultural Preservation and Open Space District 747 Mendocino Avenue Santa Rosa, CA 95401
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Invoices may be electronically submitted to: [aposd.ap@sonoma-county.org](mailto:aposd.ap@sonoma-county.org)

TO CONSULTANT:	Consultant Name Consultant Address Consultant City, State, Zip Email: Consultant Email Phone: Consultant Phone
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When a notice, bill or payment is given by a generally recognized overnight courier service, the notice, bill or payment shall be deemed received on the next business day. When a copy of a notice, bill or payment is sent by facsimile or email, the notice, bill or payment shall be deemed received upon transmission as long as (1) the original copy of the notice, bill or payment is

promptly deposited in the U.S. mail and postmarked on the date of the facsimile or email (for a payment, on or before the due date), (2) the sender has a written confirmation of the facsimile transmission or email, and (3) the facsimile or email is transmitted before 5 p.m. (recipient's time). In all other instances, notices, bills and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

4. Term of Agreement. This Agreement shall have a term of five (5) years, commencing on the Effective Date and ending five (5) years thereafter, unless terminated earlier in accordance with the provisions of Article 5 below.

5. Termination.

5.1 Termination Without Cause. Notwithstanding any other provision of this Agreement, at any time and without cause, County and District shall have the right, in their sole discretions, to terminate this Agreement by giving 5 days written notice to Consultant.

5.2 Termination for Cause. Notwithstanding any other provision of this Agreement, should Consultant fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, County and District may immediately terminate this Agreement by giving Consultant written notice of such termination, stating the reason for termination.

5.3 Delivery of Work Product and Final Payment Upon Termination. In the event of termination, Consultant, within 14 days following the date of termination, shall deliver to County and District all reports, original drawings, graphics, plans, studies, and other data or documents, in whatever form or format, assembled or prepared by Consultant or Consultant's subcontractors, consultants, and other agents in connection with this Agreement and shall submit to County and District an invoice showing the services performed, hours worked, and copies of receipts for reimbursable expenses up to the date of termination.

5.4 Payment Upon Termination. Upon termination of this Agreement by County and District, Consultant shall be entitled to receive as full payment for all services satisfactorily rendered and reimbursable expenses properly incurred hereunder, an amount which bears the same ratio to the total payment specified in the Agreement as the services satisfactorily rendered hereunder by Consultant bear to the total services otherwise required to be performed for such total payment; provided, however, that if services which have been satisfactorily rendered are to be paid on a per-hour or per-day basis, Consultant shall be entitled to receive as full payment an amount equal to the number of hours or days actually worked prior to the termination times the applicable hourly or daily rate; and further provided, however, that if County and District terminates the Agreement for cause pursuant to Section 5.2, County and District shall deduct from such amount the amount of damage, if

any, sustained by County and District by virtue of the breach of the Agreement by Consultant.

5.5 Authority to Terminate. The County of Sonoma Board of Supervisors and the Board of Directors of the Sonoma County Agricultural Preservation and Open Space District has the authority to terminate this Agreement on behalf of the County and District. In addition, the General Manager, in consultation with County Counsel, shall have the authority to terminate this Agreement on behalf of the County and District.

6. Indemnification. Consultant agrees to accept all responsibility for loss or damage to any person or entity, including District, and to indemnify, hold harmless, and release County and District, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Consultant, that arise out of, pertain to, or relate to Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant agrees to provide a complete defense for any claim or action brought against County and District based upon a claim relating to such Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant's obligations under this Section apply whether or not there is concurrent or contributory negligence on County or District's part, but to the extent required by law, excluding liability due to County or District's conduct. County and District shall have the right to select its legal counsel at Consultant's expense, subject to Consultant's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.

7. Insurance. With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in Exhibit C, Insurance Requirements which is attached hereto and incorporated herein by this reference.

8. Prosecution of Work. The execution of this Agreement shall constitute Consultant's authority to proceed immediately with the performance of this Agreement. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Consultant's performance of this Agreement shall be extended by a number of days equal to the number of days Consultant has been delayed.

9. Extra or Changed Work. Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. Minor changes, which do not increase the amount paid under the Agreement, and which do not

significantly change the scope of work or significantly lengthen time schedules may be executed by the General Manager in a form approved by County Counsel. The County's Board of Supervisors and the District's Board of Directors must authorize all other extra or changed work. The parties expressly recognize that, pursuant to Sonoma County Code Section 1-11, District personnel are without authorization to order extra or changed work or waive Agreement requirements. Failure of Consultant to secure such written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Consultant shall be entitled to no compensation whatsoever for the performance of such work. Consultant further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization of the County and District.

#### 10. Representations of Consultant.

10.1 Standard of Care. County and District have relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Consultant's work by County and District shall not operate as a waiver or release.

10.2 Status of Consultant. The parties intend that Consultant, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Consultant is not to be considered an agent or employee of County and District and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits County and/or District provides its employees. In the event District exercises its right to terminate this Agreement pursuant to Article 5, above, Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

10.3 No Suspension or Debarment. Consultant warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Consultant also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration. If the Consultant becomes debarred, consultant has the obligation to inform the County and District.

10.4 Taxes. Consultant agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal

income and FICA taxes. Consultant agrees to indemnify and hold County and District harmless from any liability which it may incur to the United States or to the State of California as a consequence of Consultant's failure to pay, when due, all such taxes and obligations. In case County or District is audited for compliance regarding any withholding or other applicable taxes, Consultant agrees to furnish County or District with proof of payment of taxes on these earnings.

**10.5 Records Maintenance.** Consultant shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to County and District for inspection at any reasonable time. Consultant shall maintain such records for a period of four (4) years following completion of work hereunder.

**10.6 Conflict of Interest.** Consultant covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Consultant further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if requested to do so by County or District, Consultant shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with County and District disclosing Consultant's or such other person's financial interests.

**10.7 Statutory Compliance/Living Wage Ordinance.** Consultant agrees to comply, and to ensure compliance by its subconsultants or subconsultants, with all applicable federal, state and local laws, regulations, statutes and policies, including but not limited to the County of Sonoma Living Wage Ordinance, applicable to the services provided under this Agreement as they exist now and as they are changed, amended or modified during the term of this Agreement. Without limiting the generality of the foregoing, Consultant expressly acknowledges and agrees that this Agreement may be subject to the provisions of Article XXVI of Chapter 2 of the Sonoma County Code, requiring payment of a living wage to covered employees. Noncompliance during the term of the Agreement will be considered a material breach and may result in termination of the Agreement or pursuit of other legal or administrative remedies.

**10.8 Nondiscrimination.** Without limiting any other provision hereunder, Consultant shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religious creed, belief or grooming, sex (including sexual orientation, gender identity, gender expression, transgender, pregnancy, childbirth, medical conditions related to pregnancy, childbirth or breast feeding), marital status, age, medical condition, physical or mental disability, genetic information, military or veteran status, or any other legally protected category or prohibited basis, including without limitation, the County of Sonoma's Non-

Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.

**10.9 AIDS Discrimination.** Consultant agrees to comply with the provisions of Chapter 19, Article II, of the Sonoma County Code prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.

**10.10 Assignment of Rights.** Consultant assigns to County and District all rights throughout the world in perpetuity in the nature of copyright, trademark, patent, right to ideas, in and to all versions of the plans and specifications, if any, now or later prepared by Consultant in connection with this Agreement. Consultant agrees to take such actions as are necessary to protect the rights assigned to County and District in this Agreement, and to refrain from taking any action which would impair those rights. Consultant's responsibilities under this provision include, but are not limited to, placing proper notice of copyright on all versions of the plans and specifications as County or District may direct, and refraining from disclosing any versions of the plans and specifications to any third party without first obtaining written permission of County or District. Consultant shall not use or permit another to use the plans and specifications in connection with this or any other project without first obtaining written permission of District.

**10.11 Ownership and Disclosure of Work Product.** All reports, original drawings, graphics, plans, studies, and other data or documents ("documents"), in whatever form or format, assembled or prepared by Consultant or Consultant's subcontractors, consultants, and other agents in connection with this Agreement shall be the property of County and District. County and District shall be entitled to immediate possession of such documents upon completion of the work pursuant to this Agreement. Upon expiration or termination of this Agreement, Consultant shall promptly deliver to County and District all such documents, which have not already been provided to District in such form or format, as District deems appropriate. Such documents shall be and will remain the property of District without restriction or limitation. Consultant may retain copies of the above-described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of County and District.

**10.12 Authority.** The undersigned hereby represents and warrants that he or she has authority to execute and deliver this Agreement on behalf of Consultant.

**11. Demand for Assurance.** Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not

been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Article limits District's right to terminate this Agreement pursuant to Article 5.

12. Assignment and Delegation. Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.

13. Miscellaneous Provisions.

13.1 No Waiver of Breach. The waiver by County and District of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

13.2 Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Consultant and County and District acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Consultant and County and District acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

13.3 Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

13.4 No Third Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

13.5 Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement or for the

breach thereof shall be brought and tried in Santa Rosa or the forum nearest to the city of Santa Rosa, in the County of Sonoma.

13.6 Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

13.7 Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. Each Party acknowledges that, in entering into this Agreement, it has not relied on any representation or undertaking, whether oral or in writing, other than those which are expressly set forth in this Agreement. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

13.8. Survival of Terms. All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.

13.9 Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

13.10. Counterpart; Electronic Signatures. The parties agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and together which when executed by the requisite parties shall be deemed to be a complete original agreement. Counterparts may be delivered via facsimile, electronic mail (including PDF) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered, be valid and effective for all purposes, and shall have the same legal force and effect as an original document. This Agreement, and any counterpart, may be electronically signed by each or any of the parties through the use of any commercially-available digital and/or electronic signature software or other electronic signature method in compliance with the U.S. federal E-SIGN Act of 2000, California's Uniform Electronic Transactions Act (Cal. Civil Code § 1633.1 et seq.), or other applicable law. By its use of any electronic signature below, the signing party agrees to have conducted this transaction and to execution of this Agreement by electronic means.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

CONSULTANT: **Consultant Business Name.**

COUNTY: County of Sonoma

By:

Erick Roeser,  
Auditor/ Controller/Treasurer/Tax  
Collector

By: \_\_\_\_\_

**Responsible Party Name, Title**

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

SONOMA COUNTY AGRICULTURAL  
PRESERVATION AND OPEN SPACE DISTRICT

By: \_\_\_\_\_

Misti Arias,  
General Manager

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

APPROVED AS TO FORM FOR DISTRICT AND  
COUNTY:

By: \_\_\_\_\_

**Lisa Pheatt,**  
Deputy County Counsel

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

APPROVED AS TO SUBSTANCE FOR DISTRICT:

By: \_\_\_\_\_

**Julie Mefferd,**  
**Administrative and Fiscal Services**  
**Manager**

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

APPROVED AS TO SUBSTANCE FOR COUNTY:

By: \_\_\_\_\_

Kathleen Parnell,  
Assistant Auditor/ Controller/Treasurer/Tax  
Collector

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

CERTIFICATES OF INSURANCE ON  
FILE WITH THE DISTRICT/COUNTY:

By: \_\_\_\_\_

Michelle Nozzari,  
Administrative Aide

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

**Exhibit A**  
Scope of Work

*[Scope of work agreed to by District and Consultant will be included here. Will include deliverables from RFP Section B Statement of Requirements]*

**Exhibit B**  
Rate Sheet

*[Rate Sheet to be provided by proposer and approved by District/County. Rate Sheet should include details about cost of services, identification of key personnel, hourly rate of staff.]*

### Exhibit C - Insurance Requirements

With respect to the performance of work under this Agreement, the Consultant shall maintain, and shall require all subcontractors, contractors, and agents to maintain, insurance as described below, unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*. Any requirement for insurance to be maintained after completion of the work shall survive termination or completion of this Agreement.

The County of Sonoma reserves the right, but has no obligation, to review any of the required insurance policies and endorsements. The County's failure to demand evidence of full compliance with these requirements, or failure to identify any deficiency in the provided insurance, shall not relieve the Consultant from, nor be construed as a waiver of, the obligation to maintain all required insurance at all times during the performance of this Agreement.

#### 1. Workers' Compensation and Employers Liability Insurance

- a. Required if Consultant has employees as defined by the Labor Code of the State of California.
- b. Workers' Compensation insurance with statutory limits as required by the Labor Code of the State of California.
- c. Employers Liability with minimum limits of \$1,000,000 per Accident; \$1,000,000 Disease per employee; \$1,000,000 Disease per policy.
- d. Required Evidence of Insurance:
  - Certificate of Insurance evidencing coverage meeting the above requirements.

If Consultant currently has no employees as defined by the Labor Code of the State of California, Consultant agrees to obtain the above-specified Workers' Compensation and Employers Liability insurance should employees be engaged during the term of this Agreement or any extensions of the term.

#### 2. General Liability Insurance

- a. Commercial General Liability Insurance written on an occurrence form, no less broad than ISO form CG 00 01 or equivalent. Coverage shall include premises and operations, products and completed operations, contractual liability, and personal and advertising injury.
- b. Minimum Limits: \$1,000,000 per Occurrence; \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Excess or Commercial Umbrella Liability Insurance. If Consultant maintains higher limits than the specified minimum limits, County requires and shall be entitled to coverage for the higher limits maintained by Consultant.
- c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$100,000 it must be approved in advance by County. Consultant is responsible for any deductible or self-insured retention and shall fund it upon County's written request, regardless of whether Consultant has a claim against the insurance or is named as a party in any action involving the County.
- d. **County of Sonoma and Sonoma County Agricultural Preservation and Open Space District, their officers, agents and employees** shall be included as additional insureds for liability arising out of operations by or on behalf of the Consultant in the performance of this Agreement by endorsement or under policy language providing automatic coverage to any person or organization required by written

contract to be an additional insured.

- e. The insurance provided to the additional insureds shall apply on a primary and non-contributory basis with respect to any insurance or self-insurance program maintained by the contracting entity.
- f. The policy definition of “insured contract” shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the “f” definition of insured contract in ISO form CG 00 01, or equivalent).
- g. The policy shall cover inter-insured suits between the additional insureds and Consultant and include a “separation of insureds” or “severability” clause which treats each insured separately.
- h. Required Evidence of Insurance:
  - Certificate of Insurance evidencing coverage meeting the above requirements.

### 3. Automobile Liability Insurance

- a. Minimum Limit: \$1,000,000 combined single limit per accident. The required limits may be provided by a combination of Automobile Liability Insurance and Commercial Excess or Commercial Umbrella Liability Insurance.
- b. Insurance shall cover all owned autos. If Consultant currently owns no autos, Consultant agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions of the term.
- c. Insurance shall cover hired and non-owned autos.
- d. Required Evidence of Insurance:
  - Certificate of Insurance; or
  - Copy of Auto Policy Declarations Page

### 4. Professional Liability/Errors and Omissions Insurance

- a. Minimum Limit: \$7,000,000 per claim or per occurrence. Coverage shall apply to liability arising out of the Consultant’s professional acts, errors, or omissions in the performance of services under this Agreement
- b. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$100,000 it must be approved in advance by County.
- c. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work.
- d. Coverage applicable to the work performed under this Agreement shall be continued for two (2) years after completion of the work. Such continuation coverage may be provided by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.
- e. Required Evidence of Insurance:
  - Certificate of Insurance specifying the limits and the claims-made retroactive date.

### 5. Commercial Crime Insurance

- a. Minimum Limit: \$5,000,000 per claim or per occurrence. Coverage shall include employee dishonesty and theft, and disappearance and destruction of money and securities, in the performance of services under this Agreement
- b. This requirement may be satisfied by the provision of a Fidelity Bond.
- c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds \$100,000 it must be approved in advance by County.
- d. Required Evidence of Insurance:

- Certificate of Insurance specifying the limits and the claims-made retroactive date.

## 6. Cyber Liability - Network Security and Privacy Liability Insurance

- a. Minimum Limit: \$2,000,000 per claim per occurrence, \$2,000,000.00 aggregate
- b. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant in this agreement and shall include, but not be limited to, claims involving security breach, system failure, funds transfer fraud, ransomware extortion, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic information. The policy shall provide coverage for breach response costs (including notification costs), regulatory fines and penalties as well as credit monitoring expenses.
- c. If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work.
- d. Coverage applicable to the work performed under this Agreement shall be continued for two (2) years after completion of the work. Such continuation coverage may be provided by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.
- e. Required Evidence of Insurance:
  - Certificate of Insurance specifying the limits and the claims-made retroactive date.

## 7. Standards for Insurance Companies

Insurers, other than the California State Compensation Insurance Fund, shall have an A.M. Best's rating of at least A:VII.

## 8. Documentation

- a. The Certificate of Insurance must include the following reference: [\[TBD contract number \] Investment Advisor Services](#).
- b. All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Consultant agrees to maintain current Evidence of Insurance on file with County for the entire term of this Agreement and any additional periods if specified in Sections 1 – 4 above.
- c. The name and address for Additional Insured endorsements and Certificates of Insurance is:

### **County of Sonoma**

Attn: [Kathleen Parnell](#)

[Auditor-Controller-Treasurer-Tax Collector](#)

[County of Sonoma and their officers, agents, and employees; 585 Fiscal Drive, Suite 100, Santa Rosa, CA 95403](#)

### **Sonoma County Agricultural Preservation and Open Space District**

Attn: [Julie Mefferd](#)

[Sonoma County Agricultural Preservation and Open Space District, and their officers, agents, and](#)

employees; 747 Mendocino Avenue, Suite 100, Santa Rosa, CA 95401

- d. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.
- e. Consultant shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.
- f. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

#### **9. Policy Obligations**

Consultant's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

#### **10. Material Breach**

If Consultant fails to maintain insurance which is required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. County, at its sole option, may terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, County may purchase the required insurance, and without further notice to Consultant, County may deduct from sums due to Consultant any premium costs advanced by County for such insurance. These remedies shall be in addition to any other remedies available to County.

# COUNTY OF SONOMA



## STATEMENT OF INVESTMENT POLICY

Effective 01-01-2026

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# COUNTY OF SONOMA

## STATEMENT OF INVESTMENT POLICY

Under the authority delegated to the County Treasurer by the Board of Supervisors to invest and reinvest all of the funds in the County Treasury and, in accordance with the California Government Code, the following sets forth the investment policy of the County of Sonoma:

### **1. POLICY STATEMENT**

The purpose of this Investment Policy (Policy) is to establish cash management and investment guidelines for the County Treasurer, who is responsible for the stewardship of the Sonoma County Pooled Investment Fund (Pooled Investment Fund). Each transaction and the entire portfolio must comply with California Government Code Section 53601, et. seq., Section 53635, et. seq., and this policy. All portfolio activities will be judged by the standards of the Policy and ranking of investment objectives.

### **2. STANDARDS OF CARE**

The County Treasurer is the Trustee of the Pooled Investment Fund and, therefore, a fiduciary subject to the prudent investor standard as per Gov Code Sections 27000.3 and 53600.3. These sections declare that each Treasurer or Governing body authorized to make investment decisions on behalf of local agencies, to be a fiduciary subject to the prudent investor standard.

The standard requires that “when investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the County Treasurer or the Board of Supervisors, as applicable, shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the County and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the county and the other depositors. With the limitations of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.” This standard shall be applied in the context of managing the overall portfolio.

The County Treasurer, employees involved in the investment process and the members of the Treasury Oversight Committee (Oversight Committee) shall refrain from all personal business activity that could conflict with the management of the investment program.

### **3. INVESTMENT OBJECTIVES**

The Pooled Investment Fund shall be prudently invested in order to earn a reasonable return, while awaiting application for governmental purposes. The specific objectives for the Pooled Investment Fund are ranked in order of importance:

- [a] **SAFETY OF CAPITAL** - The preservation of capital is the primary objective. Each transaction shall seek to ensure that capital losses are avoided, whether they be from securities default or erosion of market value.

- [b] **LIQUIDITY** - As a second objective, the Pooled Investment Fund should remain sufficiently flexible to ensure the County Treasurer meets all operating requirements, which may be reasonably anticipated in any depositor's fund.
- [c] **RATE OF RETURN** - As the third objective, the Pooled Investment Fund should be designed to attain a reasonable rate of return through budgetary and economic cycles, consistent within the context and principals [a] and [b] of this Section, Safety and Liquidity, and within appropriate risk limitations, diversification, prudent investment principles and cash flow characteristics identified herein.

Social and Environmental Consideration: Whenever possible and consistent with the above statutory objectives, investment opportunities will be evaluated for social and environmental impacts. The intent of this consideration is to create positive impacts by investing in socially and environmentally responsible agencies and corporations as defined by priorities set by the Board of Supervisors.

#### **4. CASH FLOW ANALYSIS**

In order to comply with the requirement to certify that the Pooled Investment Fund can meet expected cash disbursements for the ensuing six months in each Quarterly Report, the County Treasurer shall require Investment staff to prepare and maintain projections of estimated cash flows. Investment staff will use these projections as part of the analysis to determine the construction of the Pooled Investment Fund.

#### **5. IMPLEMENTATION**

In order to provide direction to those responsible for management of the Pooled Investment Fund, the County Treasurer has established this Policy and presented it to the Treasury Oversight Committee. The County Board of Supervisors shall approve this Policy and any changes to it. The County Treasurer shall provide this policy to the legislative body of local agencies that participate in the Pooled Investment Fund.

The Policy defines investible funds; authorized instruments; credit quality required; maximum maturities; diversification and concentrations; collateral requirements; qualifications of broker-dealers and financial institutions doing business with, or on behalf of, the County; limits on gifts and honoraria; the reporting requirements; the Treasury Oversight Committee; the manner of appropriating costs; and the criteria to request withdrawal of funds.

#### **6. PARTICIPANTS**

- [a] **STATUTORY PARTICIPANTS** - General Participants are those government agencies within the County of Sonoma for which the Sonoma County Treasurer is statutorily designated as the Custodian of Funds.
- [b] **VOLUNTARY PARTICIPANTS** - Other local agencies, such as Special Districts and Cities for which the Treasurer is not the statutory designated Custodian of Funds, may participate in the Pooled Investment Fund. Such participation is subject to the consent of the County Treasurer and must be in accordance with the California Government Code

Section 53684, et seq. The agency must approve in writing the Pooled Investment Fund as an authorized investment and be provided with this Investment Policy.

## **7. AUTHORIZED PERSONS**

The Sonoma County Board of Supervisors, by resolution, has delegated investment responsibility for the Sonoma County Investment Program to the Auditor-Controller-Treasurer-Tax Collector. Daily management responsibility of the investment program has been assigned to the Assistant Auditor-Controller-Treasurer-Tax Collector designated as the Chief Deputy Investment Officer. The Treasury Manager and the Investment and Debt Officer are also authorized to initiate investment transactions.

## **8. AUTHORIZED INVESTMENTS**

Authorized investments shall match the general categories established by the California Government Code Section 53635, et. seq., and further defined by California Government Code Section 53601, et. seq. Authorized investments may also be further limited by this Investment Policy. Authorized investments shall also include, in accordance with California Government Code Section 16429.1, investments into the State Local Agency Investment Fund (LAIF). No investment shall be made in any security with a maturity greater than five years, unless the Board of Supervisors has granted express authority to make that investment. As stipulated in Government Code Section 53601, the maturity shall be measured as the time from the settlement date to final maturity, provided that the settlement date does not exceed 45 days from the trade or transaction date. As the California Government Code is amended, this Policy shall likewise become amended.

## **9. DIVERSIFICATION**

The Pooled Investment Fund shall hold a diversified portfolio of securities. Diversification shall be across various investment categories, including but not limited to: security sector (type), issuer, maturity and credit rating. The purpose of diversification is to reduce portfolio risk arising from overconcentration in any category of investment. Given that the United States Treasury and Agency issuers are the largest issuers and holdings of the Investment Pool, diversification across these issuers should be considered to the extent possible within the context of the other degrees of diversification. The main Investment Pool Objectives of Safety and Liquidity will be considered superior to diversification of assets.

## **10. PROHIBITED INVESTMENTS**

- (1) No investments shall be made that are prohibited by law.
- (2) No investments shall be authorized that have the possibility of returning a zero or negative yield if held to maturity. As per Government Code Section 53601.6 this shall include inverse floaters, range notes, and interest only strips derived from a pool of mortgages. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.) that are authorized for investment pursuant to California Government Code 53601.1.

(3) Notwithstanding the prohibition in paragraph (2), investments in securities issued by, or backed by, the United States government that could result in zero- or negative-interest accrual if held to maturity, shall be permitted in the event of, and for the duration of, a period of negative market interest rates. These instruments may be held until their maturity dates. This section shall remain in effect only until January 1, 2031, and as of that date is repealed; unless Section 53601.6(b)(2) is repealed or changed prior to that date, in which case this section will be repealed as of the date in Section 53601.6(b)(2).

## ***11. CREDIT RATINGS & DOWNGRADES***

Minimum Credit Ratings for various investment types are listed in the table in Appendix 1. For clarity, when a minimum credit is listed, it includes all modifiers to the credit rating. For example, if a rating category is listed as “A”, then any tier of that “A” rating, such as “A+”, “A-“, “A1”, “A2”, or “A3” would meet the criterion. The controlling credit rating is the highest credit rating issued by a National Recognized Statistic Rating Organization (NRSRO) at time of purchase (trade date) of the asset.

In the event of a downgrade of the credit-rating of a security held by the Investment Pool to a rating below the minimum criteria for purchase, Treasury staff will report the downgrade to the Auditor-Controller-Treasurer-Tax Collector promptly. Sale of the security is not mandatory, but an evaluation of the current situation of the issuer in the context of the market price, time to maturity and impact on the Pool will be considered in deciding whether to sell or hold the security. Any such security will be periodically re-evaluated, and as needed, as conditions change, until the security either matures or is sold.

## ***12. TRADING OR EARLY SALE OF SECURITIES***

It is expected that all securities purchased will be held to maturity. However, in an effort to minimize market or credit risks or to increase the total return of the portfolio, securities may be sold prior to maturity, with any gain or loss on sale being distributed to participants in the calendar quarter of the settlement of the transaction. All sales that will generate a realized loss will be discussed with the Auditor-Controller-Treasurer-Tax Collector prior to execution.

## ***13. MAXIMUM MATURITY***

The maximum maturities of permissible investments are described in Appendix A of this Investment Policy. In accordance with Government Code Section 53601, any maximum maturity limit in excess of five years needs to be approved by the County Board of Supervisors. The Sonoma County Board of Supervisors has approved investments in notes backed the Sonoma County Energy Independence Program (SCEIP) with maturities up to 20 years (Resolution 11-0137). SCEIP notes having maturities up to 20 years may be purchased for the County’s Pooled Investment Fund and/or Sonoma County Water Agency.

## ***14. COMMERCIAL PAPER***

All commercial paper issuers must maintain an “A-1” rating by Standard & Poor’s Corporation, a “P-1” rating by Moody’s Investor Service, or a “F-1” rating by Fitch Financial Services, issued by corporations operating within the United States, and having total assets in excess of five hundred million dollars (500,000,000.00). As used in this policy, “corporation” includes a limited

liability company. No more than 10% of the total assets of the investments held by a local agency may be invested in any one issuer's Commercial Paper.

**15. REPURCHASE AND REVERSE REPURCHASE AGREEMENTS / SECURITIES LENDING AGREEMENTS**

Under California Government Code Section 53601(j) and Section 53635, the County Treasurer may enter into repurchase agreements and reverse repurchase agreements / securities lending agreements. The maximum maturity of repurchase agreements shall be one year. The maximum maturity of a reverse repurchase agreement shall be 92 days, and the proceeds of reverse repurchase agreements / securities lending agreements may not be invested beyond the expiration of the agreement. The reverse repurchase agreements / securities lending agreements must be "matched to maturity."

**16. MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS**

A Mutual Fund managed by an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by Government Code Section 53601, subdivisions (a) to (k), inclusive, or subdivisions (m) to (o) and with assets under management in excess of five hundred million dollars (\$500,000,000.00). No more than 10% of the agency's funds may be invested in any one Mutual Fund.

**17. JOINT POWERS AGREEMENT**

With approval of the Board of Supervisors, the Treasurer is allowed to enter into a Joint Powers Agreement with governments whose policies are consistent with or more restrictive than Sonoma County's Statement of Investment Policy. Furthermore, the Treasurer is allowed to invest in an Investment Pool sponsored by a Joint Powers Agree as a participant, provided that the Investment Policy of such Investment Pool is consistent with or more restrictive than this Sonoma County Statement of Investment Policy, and complies with California Government Code.

**18. COLLATERAL**

Repurchase agreements executed with approved broker-dealers must be collateralized with either: (1) U.S. Treasuries or Agencies with a market value of 102% for collateral marked to market daily; or (2) money market instruments which are on the approved list of the County and which meet the qualifications of the Policy, with a market value of 102%. Use of mortgage-backed securities for collateral is not permitted. For purposes of investing the daily excess bank balance, the collateral provided by the County's depository bank can include mortgage-backed securities valued at 100%.

**19. CRITERIA FOR THE SELECTION OF BROKER/DEALERS AND FINANCIAL INSTITUTIONS**

All transactions initiated on behalf of the Pooled Investment Fund and Sonoma County shall be executed through either (1) government security dealers reporting as Primary Dealers to the Market Reports Division of the Federal Reserve Bank of New York, (2) financial institutions that directly issue their own securities which have been placed on the Approved List of Broker/Dealers and (3) Financial Institutions or broker/dealers in the State of California approved by the County Treasurer

based on the reputation and expertise of the company and individuals employed. All brokers/dealers and financial institutions must have a strong industry reputation and open lines of credit with other dealers. Further, these firms shall have an investment grade rating from at least one national rating service, if applicable.

In compliance with Government Code Sections 27133(c) and (d), broker/dealers and financial institutions which have exceeded the political contribution limits within a four year period to the County Treasurer or any member of the governing board of a local agency or any candidate for those offices, are prohibited from the Approved List of Broker/Dealers and Financial Institutions.

Each broker/dealer or financial institution will be sent a copy of this Policy and a list of those persons authorized to execute investment transactions. Each firm shall acknowledge receipt of such materials to qualify for the Approved List of Broker/Dealers and Financial Institutions.

Each broker/dealer and financial institution authorized to do business with Sonoma County shall, at least annually, supply the County Treasurer with updated financial statements.

## **20. WITHDRAWAL REQUESTS**

[a] **STATUTORY PARTICIPANTS** - The County Treasurer will honor all requests to withdraw funds for normal cash flow purposes that are approved by the Sonoma County Auditor-Controller at a Book Value. Any requests to withdraw funds for purposes other than cash flow, such as for external investing, shall be subject to the consent of the County Treasurer. In accordance with California Government Code Section 27136, et seq., such requests for withdrawals must first be made in writing to the County Treasurer. These requests are subject to the County Treasurer's consideration of the stability and predictability of the Pooled Investment Fund, and any potential adverse effect on the interests of the other depositors in the Pooled Investment Fund. In no event will withdrawal requests be redeemed at greater than Book Value.

[b] **VOLUNTARY PARTICIPANTS** - For outside participants who utilize Government Code Section 53684, where the County Treasurer does not serve as the agency's treasurer, withdrawal requests for regular cash flow purposes, which are predictable redemptions that have been communicated to the Treasurer, will be paid at Book Value. For all other withdrawal requests, the participant shall submit the request for withdrawal to the County Treasurer. These requests are subject to the County Treasurer's consideration of the stability and predictability of the Pooled Investment Fund, and any potential adverse effect on the interests of other depositors in the Pooled Investment Fund. In no event will withdrawal requests be redeemed at greater than Book Value. If the Treasurer deems appropriate, the deposits may be returned at any time.

## **21. DELIVERY & SAFEKEEPING**

Delivery of all securities shall be either to the County Treasurer or to a third party custodian. No securities shall be held in the safekeeping of a broker / dealer unless it is collateral for a reverse repurchase agreement.

## **22. APPORTIONMENT OF INTEREST & COSTS**

Earnings, consisting of interest, amortization, accretion, gains, losses or other income attributed to the Investment Pool shall be apportioned to all Pooled Investment Fund participants quarterly,

based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the Pooled Investment Fund. The amount of earnings apportioned shall be determined using the accrual method of accounting, whereby earnings will be apportioned for the quarter in which it was actually earned. The Treasurer shall deduct from the gross earnings those administrative costs relating to the investing, depositing, and handling of funds, including salaries and other compensation, banking costs, equipment costs, supplies, the cost of information services, audit and any other costs as provided by Section 27013 of the Government Code.

### **23      *TREASURY OVERSIGHT COMMITTEE***

In accordance with Government Code Section 27131, the Board of Supervisors has established a Treasury Oversight Committee. The Treasury Oversight Committee will render unbiased and objective opinions on matters involving the Treasurer's investment of public funds. Specifically, the law requires that the Treasury Oversight Committee meet to: (1) Review the Investment Policy Statement and proposed changes prior to submission to the Board of Supervisors for adoption; (2) Review the Treasurer's investment portfolio reports and the compliance of the portfolio with law and this Investment Policy; and (3) cause an annual audit to be conducted of the Treasury in accordance with Government Code Section 27134.

All meetings of the Treasury Oversight Committee are to be open to the public and subject to the Ralph M. Brown Act.

By law, the Treasury Oversight Committee is not allowed to direct individual investment decisions, nor select individual investment advisors, brokers or dealers, or impinge on the day-to-day operations of the County Treasury.

### **24.      *REVIEW, MONITORING AND REPORTING OF THE PORTFOLIO***

Quarterly, the County Treasurer will provide the Board of Supervisors a report on the Pooled Investment Fund. The report will list the type of investments, name of issuer, maturity date, par amount and dollar amount of the investment. For the total Pooled Investment Fund, the report will list average maturity, the market value and the credit rating. Additionally, the report will show any funds under the management of contracting parties, a statement of compliance to the Investment Policy and a statement of the Pooled Investment Fund's ability to meet the expected expenditure requirements for the next six months. The Quarterly Report is provided to the Treasury Oversight Committee at regularly scheduled meetings and is also made available on the County's Treasury Division webpage for any local agency participant or any member of the public.

Annually, the County Treasurer shall provide to the Treasury Oversight Committee a Statement of Investment Policy. Additionally, the County Treasurer will render a copy of the Statement of Investment Policy to the Board of Supervisors and to the legislative body of the local agencies that participate in the Pooled Investment Fund.

### **25.      *LIMITS ON HONORARIA, GIFTS AND GRATUITIES***

In accordance with California Government Code Section 27133 (d), et seq., this Policy hereby establishes limits for the County Treasurer, individuals responsible for management of the portfolios, and members of the Treasury Oversight Committee. Any individual who receives an aggregate total of gifts, honoraria and gratuities in excess of \$50 in a calendar 12 month time

period from a broker/dealer, bank or service provider to the Pooled Investment Fund must report the gifts, dates and firms to the County Treasurer and complete the appropriate state forms.

No individual may receive aggregate gifts, honoraria and gratuities in a calendar twelve (12) month time period in excess of the limits established by the Fair Political Practices Commission (FPPC). Any violation must be reported to the FPPC on an annual basis.

**26. AUDITS**

The Treasury Oversight Committee shall initiate an annual audit to ensure the County's Investment Portfolio is in compliance with its policy and state law.

**27. EXCEPTION TO POLICY**

The County Treasurer, except as prohibited by state law, can make exceptions to the investment purchasing limits when deemed to be in the best interest of all of the Pooled Investment Fund participants. All exceptions will be reported in the quarterly report. Any State of California legislative action that further restricts allowable maturities, investment type, or percentage allocations will become effective immediately.

**28. INVESTMENT OF BOND PROCEEDS**

The County Treasurer shall invest bond proceeds using the standards of the County of Sonoma's Investment Policy. The bond proceeds will be invested in securities permitted by the bond documents. If the bond documents are silent, the bond proceeds will be invested in securities permitted by the County of Sonoma's Investment Policy.

**29. DISASTER RECOVERY PLAN**

The County Treasurer's Disaster Recovery Plan includes contact information for the Treasury staff and key county personnel, as well as contact information for authorized banks and brokers. Copies of the plan have been distributed to the investment staff: Assistant Auditor-Controller-Treasurer-Tax Collector (Chief Deputy Investment Officer), Treasury Manager, and Investment and Debt Officer.

In the event we are unable to conduct normal business operations, the investment staff shall interact with one another by home phone, cell phone, or e-mail to decide on an alternate location from which to conduct daily operations. If unable to contact one another, the investment staff shall establish contact with one another through the County Office of Emergency Services.

## Appendix A: Investment Criteria Table

Investment Type	Maximum Maturity*	Maximum % of Pool	Minimum Rating	Code Section
U.S Treasury Securities	5 years	100	--	§53601(b)
U.S Agency Securities	5 years	100	--	§53601(f)
Obligations Issued or Unconditionally Guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation or Inter-American Development Bank	5 years	30	AA	§53601(q)
Bonds and Notes issued by the State of California	5 years	100	--	§53601(c)
Bonds and Notes issued by Sonoma County or Sonoma County agencies, departments, boards, authorities or districts	5 years	100	--	§53601(a)
Bonds and Notes issued by California agencies, departments, boards, authorities or districts outside of Sonoma County	5 years	100	--	§53601(e)
Bonds and Notes issued by any other State of the United States, including those issued by said State's agencies, departments, boards or authorities	5 years	100	--	§53601(d)
Commercial Paper (See Section 14)	397 days	40	A-1/F-1 /P-1	§53601(h) §53635(a)
Negotiable Certificates of Deposit	5 years	30	--	§53601(i)
Repurchase Agreements (See Section 15)	1 year	100	--	§53601(j)
Reverse Repurchase Agreements and Securities Lending Agreements (See Section 15)	92 days	20	--	§53601(j)
Medium Term Corporate Notes	5 years	30	A	§53601(k)
Mutual Funds & Money Market Mutual Funds (See Section 16)	--	20	Aaa & AAAM	§53601(l)
Mortgage Pass-Through Securities, Collateralized Mortgage Obligations, and Asset Backed Securities	5 years	20	AA	§53601(o)
Joint Powers Agreement (See Section 17)	--	100	--	§6509.7 §53601(p)
Local Agency Investment Fund (LAIF)	--	As limited by LAIF	--	§16429.1
Collateralized Time Deposits	5 years	N/A	--	§53649 et seq.

\*The Maximum Maturity for all investments is 5 years unless further restricted by this table, or explicitly allowed to exceed 5 years.

## **GLOSSARY OF TERMS**

### **ACCRUED INTEREST**

Interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

### **AGENCY ISSUES**

Securities Issued by federal agencies, those chartered by the federal government or government sponsored enterprises, that are considered to be backed by the federal government.

### **ASSET BACKED SECURITIES**

A financial security backed by a loan, lease or receivables against asset other than real estate or mortgaged backed securities.

### **BASIS POINT**

One basis point is equal to 1/100 of one percent. For example, if interest rates increase from 4.25% to 4.50%, the difference is referred to as a 25-basis-point increase.

### **BOOK VALUE**

The value of a held security as carried in the records of an investor. May differ from current market value of the security. Sonoma County uses accrual cost-basis to determine book value.

### **BROKER/DEALER**

Any person engaged in the business of effecting transactions in securities in this state for the account of others or for her/his own account. Broker/dealer also includes a person engaged in the regular business of issuing or guaranteeing options with regard to securities not of her/his own issue.

### **CERTIFICATE OF DEPOSIT**

An instrument representing a receipt from a bank for a deposit at a specified rate of interest for specified period of time.

### **COLLATERALIZATION**

Process by which a borrower pledges securities, property or other deposits for the purpose securing the repayment of a loan and/or security.

### **COMMERCIAL PAPER**

Short-term, unsecured promissory notes issued in either registered or bearer form and usually backed by a line of credit with a bank.

### **COUPON RATE**

The annual rate of interest payable on a security expressed as a percentage of the principal amount.

### **CREDIT RISK**

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

### **CURRENT YIELD**

The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

### **CUSIPS**

CUSIP is an acronym for Committee on Uniform Security Identification Procedures. CUSIP numbers are identification numbers assigned each maturity of a security issue and usually printed on the face of each individual security in the issue. The CUSIP numbers are intended to facilitate identification and clearance of securities.

### **DISCOUNT**

The amount by which the par value of a security exceeds the price paid for the security.

### **EARNINGS APPORTIONMENT**

The quarterly interest distribution to the Pooled Investment Fund Participants where the actual investment costs incurred by the Treasurer are deducted from the interest earnings of the Pooled Investment Fund.

### **FAIR VALUE**

The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### **FEDERAL FUNDS**

Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend Fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

### **FEDERAL FUNDS RATE**

Interest rate at which banks lend federal funds to each other.

### **FLOATING RATE NOTE**

A debt security whose interest rate is reset periodically (monthly, quarterly, annually) and is based on a market index (e.g. Treasury bills, SOFR, etc.).

### **GOVERNMENT OBLIGATIONS**

Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations, but involve Federal sponsorship or guarantees.

### **INTEREST**

The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

### **LOCAL AGENCY INVESTMENT FUND (LAIF)**

The State of California investment pool in which money of local agencies is pooled as a method for managing and investing local funds.

**LOCAL AGENCY OBLIGATION**

An indebtedness issued by a local agency, department, board or authority within the State of California.

**MARKET VALUE**

The price at which a security is trading and could presumably be purchased or sold. Sonoma County expresses the Market Value of the Pooled Investment Fund as a percentage of the Book Value (where 100% would indicate that the Book and Market Values are equal).

**MATURITY**

The date upon which the principal of a security becomes due and payable to the holder.

**MEDIUM TERM NOTE**

Notes and bonds that are debt obligations of corporations. This is a California Code designation that is not equivalent to financial market usage.

**MONEY MARKET MUTUAL FUND**

A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

**NATIONAL RECOGNIZED STATISTICAL RATING ORGANIZATION**

A category of credit rating agencies, called nationally recognized statistical rating organizations (NRSROs) was created by the Securities and Exchange Commission (SEC) in the mid-1970s when it was decided to use their credit ratings to assess the riskiness of securities for regulatory purposes. The SEC maintains a list of NRSROs at the following website:

<https://www.sec.gov/about/divisions-offices/office-credit-ratings/current-nrsros>

**PAR**

The stated maturity value, or face value, of a security.

**PAR VALUE**

The stated or face value of a security expressed as a specific dollar amount marked on the face of the security; the amount of money due at maturity. Par value should not be confused with market value.

**PREMIUM**

The amount by which the price paid for a security exceeds the security's par value.

**REPURCHASE AGREEMENT OR REPO**

An agreement consisting of two simultaneous transactions whereby the investor purchases securities from a bank or dealer and the bank or dealer agrees to repurchase the securities at the same price on a certain future date. The interest rate on a Repo is that which the dealer pays the investor for the use of his funds. Reverse repurchase agreements are the mirror image of the Repos when the bank or dealer purchases securities from the investor under an agreement to sell them back to the investor.

**Sonoma County Energy Independence Program (SCEIP)**

SCEIP offers financing to Sonoma County property owners, through the issuance of bonds, for property assessed clean energy (PACE), waster conservation, wildfire safety, and seismic improvements. SCEIP bonds are backed by property assessment liens and the Sonoma County Investment Pool and Sonoma County Water Agency are authorized by the Board of Supervisors to purchase SCEIP bonds, which have maturities of up to 20 years.

**SECURITIES LENDING**

A transaction wherein the Treasurer's Pooled Investment Fund transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

**SETTLEMENT DATE**

The date on which the purchase or sale of securities is executed. For example, in a purchase transaction, the day securities are physically delivered or wired to the buyer in exchange for cash is the settlement date.

**TRADE DATE**

The date and time corresponding to an investor's commitment to buy or sell a security.

**VOLUNTARY PARTICIPANT**

Local agencies that are not required to deposit their funds with the County Treasurer.

**WEIGHTED AVERAGE MATURITY**

The remaining average maturity of all securities held in a portfolio.



**COUNTY OF SONOMA**

**Sonoma County Public Infrastructure Purchasing Division**

2300 COUNTY CENTER DRIVE, SUITE A208  
SANTA ROSA, CALIFORNIA 95403  
(707) 565-2433 Fax: (707) 565-6107

**DECLARATION OF LOCAL BUSINESS FOR SERVICES**

Sonoma County gives local businesses a preference in formal solicitations of services as set forth in the County of Sonoma [Local Preference Policy for Services](#).

In order to qualify for this preference, a business must meet *all* of the following criteria:

1. For businesses with a location in a city within Sonoma County, a valid business license if required by the city; and
2. A valid physical address located within Sonoma County from which the supplier or consultant operates or performs business on a day-to-day basis.

By completing and signing this form, the undersigned states that, under penalty of perjury, the statements provided herein are true and correct and that the business meets the definition of a local business as set forth in the County of Sonoma Local Preference Policy for Services.

All information submitted is subject to investigation as well as disclosure to third parties under the California Public Records Act. Incomplete, unclear, or incomprehensible responses to the following will result in the bid not being considered for application of the County’s local preference policy. False or dishonest responses will cause the rejection of the bid and curtail the declarant’s ability to conduct business with the County in the future. It may also result in legal action.

1. Legal name of business: \_\_\_\_\_

2. Physical address of the principal place of business:  
\_\_\_\_\_  
\_\_\_\_\_

3. Business license issued by incorporated city within the County:  
License Number \_\_\_\_\_ Issued by: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name & Title: \_\_\_\_\_