

CITY OF BEVERLY HILLS



BROKER/DEALER REQUEST FOR INFORMATION FY 2018/19

SECTION I: BACKGROUND INFORMATION AND SELECTION PROCESS
SECTION II: APPLICATION DEADLINE AND REQUIRED DOCUMENTS
SECTION III: APPLICATION

**CITY OF BEVERLY HILLS
455 North Rexford Drive
Beverly Hills, CA 90210**

SECTION I: BACKGROUND INFORMATION AND SELECTION PROCESS

The City of Beverly Hills (hereafter referred to as the “City”) actively manages an operational portfolio in accordance with the California Government Code and the Treasurer’s Statement of Investment Policy. As of June 30, 2018, total assets of the portfolio were approximately \$684 million consisting of U.S. Treasury, Corporate, and Agency obligations, as well as selected money market instruments. The Statement of Investment Policy may be obtained at: <http://beverlyhills.org/cbhfiles/storage/files/7260180841162107164/FinalInvestmentPolicy18-19.pdf>

The City Treasurer’s Office only transacts securities with broker/dealers that are on the City’s approved broker/dealer list. To select new broker/dealers, the City Treasurer’s Office uses a competitive process. The intent is to enter into a long-term relationship. Therefore, the integrity of the firm and the personnel assigned to the City’s account is of primary importance. The RFI process ensures an open, competitive process for all interested broker/dealers to compete for placement on the City’s approved list.

To be considered, broker/dealers must complete the requirements provided in this RFI. The firms that successfully pass the initial screening will be invited to participate in a trading trial. During the trading trial period, the City will assess the attributes of each broker/dealer, including but not limited to their level of service, quality of research and analysis, and security inventory. On a very limited basis, the City will consider the broker/dealers participating in the trial period to be eligible to transact securities. So, any firm providing the lowest offering price for a security during the trading trial period shall be prepared to deliver the security at the offered price. At the end of the trial period, those broker/dealers that provided the best match to the City’s needs would be added to the approved broker/dealer list.

SECTION II: APPLICATION DEADLINE AND REQUIRED DOCUMENTS

To be considered, each broker/dealer candidate must submit *one hard copy and one electronic copy (i.e. CD or flash drive)* of the completed application and all of the following attachments *no later than 4pm on September 10, 2018* –

ATTACHMENT A. Confirmation that the account representative(s) is(are) a member of the Financial Industry Regulatory Authority (FINRA)

ATTACHMENT B. Confirmation that the firm is a member of the Financial Industry Regulatory Authority (FINRA)

ATTACHMENT C. Confirmation of registration with the Securities & Exchange Commission (SEC).

ATTACHMENT D. Confirmation of registration with the State

ATTACHMENT E. Confirmation of all other required licenses.

ATTACHMENT F. A copy of the last two years of SEC rule 15c3-1 – net capital requirement for broker dealers

ATTACHMENT G. A copy of the firm's two most recent audited annual financial statements

These documents may be delivered in person, by post, or by courier to:

City of Beverly Hills – Broker/Dealer RFI
Attention: Sivan Levin
455 North Rexford Drive
Beverly Hills, CA 90210

For inquiries and comments concerning the RFI, call 310.285.2453.

SECTION III: APPLICATION

- 1. Name of firm: _____
- 2. Address of trading office: _____
- 3. Address of corporate headquarters: _____
- 4. Telephone Numbers:
 - Trading office #: () _____
 - (800) or toll-free #: () _____
 - Headquarters #: () _____
- 5. Contact personnel / authorized account representative(s) (provide an attachment if more space is required):
 - Name: _____
 - Title: _____
 - Telephone #: _____ Email: _____

Employment History & Years of Experience with Municipalities

Official Licenses/Certificates

History and details of any disciplinary actions or complaints and the disposition as well as the history of any arbitration or litigation, the nature of the case and status or disposition.

- 6. Professional references from California public sector clients who are most comparable to the City and have established relationships with the sales representative listed above.

Reference 1. Name _____

Organization _____ Title _____

Telephone #: _____ Email: _____

Reference 2. Name _____

Organization _____ Title _____

Telephone #: _____ Email: _____

7. Is your firm: *(check one)*

A Dealer A Broker A Broker/Dealer

8. Does your firm regularly report to the Market Reports Division of the Federal Reserve Bank of New York as a “primary dealer”? *(check one)*

Yes No

If “yes”, how long has your firm been a primary dealer? _____

9. Does your firm have a net capital position in excess of \$10 million? *(check one)*

Yes No

10. Has your firm been in existence for more than five years? *(check one)*

Yes No

11. Is your firm owned by a holding company? *(check one)*

Yes No

If “yes”, what is the holding company’s name and its net capitalization?

12. Please indicate the staffing level for your office.

Management: _____

Trading: _____

Sales: _____

Operations: _____

13. Which of the following instruments does your trading desk regularly trade? (*check all that apply*)

T-Bills

Commercial Paper

T-Notes

Corporate Medium-Term Notes

Certificates of Deposit

Agencies

Repurchase Agreements

Supranational Agencies

Other _____

14. Please describe the capital line and trading limits of the branch office of your firm that would be trading with the City.

15. Is your firm a member of the Securities Investor Protection Corporation (“SIPC”) and/or participate in any program that provides securities insurance coverage for a public sector client which buys the financial instruments that are listed in Question 14?

Yes No

16. Has this firm, or the representatives assigned to this account, been subject to a regulatory agency, state or federal investigation for alleged improper, disreputable, unfair or fraudulent activities related to the sale of securities or money market instruments that resulted in a suspension or censure?

Yes No If “yes”, please describe each matter briefly on a separate page.

17. Has your firm been subject to a regulatory, state, or federal agency investigation, within the last five years, for alleged improper, fraudulent, disreputable, or unfair activities related to the purchase or sale of securities?

Yes No If “yes”, please describe each matter briefly on a separate page.

ACKNOWLEDGEMENT AND CERTIFICATION

My firm will notify the City immediately, by telephone and in writing, in the event of a material adverse change in my firm’s financial condition, or of any violation of Municipal Securities Rulemaking Board Rule G-37.

I hereby certify that I have personally read the City’s Investment Policy for FY 18 - 19 and the California Government Codes pertaining to the investments of the City. I will disclose to the City any potential risks or conflicts with the Investment Policy that might arise out of business transactions between my firm and the City. I will undertake reasonable efforts to prevent imprudent transactions involving funds of the City that are prohibited by the Investment Policy and any California statutes governing the investment of public funds. I understand that repeated violations of the City’s investment policy and/or California Government Code may preclude my firm from being included in future transactions. I will endeavor to keep familiar with the City’s objectives and constraints as they exist from time to time. Furthermore, I understand that submission of this certificate is not a guarantee that the City of Beverly Hills will approve my firm for future dealings.

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

Firm Name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

*Note that the foregoing form must be signed by a registered principal or an individual with signing authority on behalf of your firm.