DATE: March 12, 2007

TO: Qualified Investment Consulting Firm

FROM: University of South Florida


As of this date, the University of South Florida Purchasing Office has issued an Invitation to Negotiate 7-011-D - Investment Consulting Services.

The Invitation to Negotiate is attached together with Appendix A – Questions for Consultants and Appendix B – Special Conditions.

If you are interested in submitting a proposal, please submit a signed proposal and 8 copies, plus one unbound copy by 3:00 PM, EST, Wednesday, April 4, 2007, to:

University of South Florida
Purchasing and Property Services
4202 E. Fowler Avenue AOC 200
Tampa, Florida 33620-9000
usfweb.usf.edu/purchasing/purch2.htm

Vendors are encouraged to check the following University web site at for any notices, changes, additions or addenda to this negotiation:

usfweb.usf.edu/purchasing/purch2.htm

Thank you for your interest in the University of South Florida.
INVITATION TO NEGOTIATE

CONSULTING SERVICES
FOR
INVESTMENT PROGRAM

UNIVERSITY OF SOUTH FLORIDA
INVESTMENT COMMITTEE

NAME
COMPANY
ADDRESS

ISSUE DATE March 12, 2007

The Investment Committee of the University of South Florida is requesting proposals from qualified firms interested in providing general consulting services, as further specified herein, for its investment program.

If you are interested in submitting a proposal, please submit a signed proposal and 8 copies, plus one unbound copy by 3:00 PM, EST, Wednesday, April 4, 2007, to:

University of South Florida
Purchasing and Property Services
4202 E. Fowler Avenue AOC 200
Tampa, Florida 33620-9000
usfweb.usf.edu/purchasing/purch2.htm

Vendors are required to include a DVD/CD ROM in PDF format of the proposal and related documents in the submitted package.

Inquiries concerning the Invitation to Negotiate must be submitted by e-mail by 3:00 PM, EST, Wednesday, March 28, 2007, as follows:

tdibella@admin.usf.edu
I. DESCRIPTION OF THE UNIVERSITY

The University of South Florida (“University”) is one of the nation’s fastest growing research universities. With more than 43,000 students and four campuses, the University is the third largest university in the southeast US and is among the top 10 largest in the nation.

Pursuant to Florida Statutes, the University Board of Trustees has the authority to govern the University and its direct support organizations and other affiliates and is responsible for the management of investments. The Board of Trustees appoints the University President, principal officers and, with the advice of the President, certain other officers. The Board of Trustees has adopted an investment policy, the purpose of which is to establish an investment program for the investment of funds of the University and its direct support organizations and other affiliates. The investment policy provides for the appointment of an Investment Committee of the University (“Investment Committee”) and investment committees of the affiliates and the adoption of investment policy statements and investment guidelines. The University Chief Financial Officer and the University Treasurer are authorized to manage the University’s investments.

The University’s investment portfolio consists of cash assets totaling approximately $300 million. The combined investment portfolio of the University and its affiliates is approximately $875 million, consisting of endowment and cash assets.

II. SCOPE OF SERVICES

This Invitation to Negotiate 7-011-D (“ITN”) is to be submitted by qualified firms interested in contracting with the University to provide full service investment consulting for the University’s investment portfolio, and possibly for the investment portfolios of certain other affiliated University legal entities (“Consultant” or “Vendor”).

The selected Consultant will report to the Investment Committee of the University of South Florida, through staff, and may also report to the investment committees of certain other affiliated University legal entities. The Consultant will also work closely with the Chief Financial Officer and the Treasurer.

The Consultant would be expected to provide the following required services:

1. Perform periodic (at least annual) evaluations of the University’s asset allocation plan, giving consideration to market conditions, manager performance, the financial condition of the individual funds under management, risk tolerance, and other relevant considerations, such as cash flow requirements and overall plan liability. The evaluation would be expected to include a review of the objective for each asset class currently in the plan as well as others that may be considered.

2. Examine the appropriateness of the investment benchmarks that are being used to assess investment performance and review investment performance against appropriate benchmarks, including investment performance for each asset class.

3. Provide, on a quarterly basis and in a form acceptable to the Investment Committee, an evaluation of the performance of the funds included in the scope above. The reports will consist of an executive summary for each fund and an analytical review of the investment portfolios, including both returns and risk.
4. Work with staff to develop a coherent investment policy statement for all funds and investment guidelines for all asset classes, including governance and delegation of authority, performance objectives and the tolerance for and management of risk. Provide assistance and recommendations in the periodic review of policies, procedures and guidelines, including manager continuation policies and securities lending policies.

5. Perform specialized studies, provide capital market forecasts and produce reports on specific investment matters, as may be requested by the Investment Committee.

6. Report on investment policies, compliance and performance as may be requested by the Investment Committee.

7. Provide the Investment Committee and staff access to general investment research.

8. Provide evaluation and recommendations in the selection / retention and monitoring of external investment management firms, and recommendations concerning custodial arrangements and brokerage issues.

Performance of the required services will, at a minimum, necessitate the Consultant to attend and make presentations at four Investment Committee meetings each year.

In addition, the Consultant may attend and make presentations at certain other affiliated entity board or investment committee meetings and may be requested to attend various meetings where investment management issues are discussed, such as at the Finance & Audit Workgroup of the Board of Trustees.

III. BASIS FOR SELECTION OF CONSULTANT

It is the intention of the Investment Committee, if it accepts a proposal, to accept the proposal that it considers to be in the best interest of the University. While cost is a consideration in selecting a Consultant to provide these services, the Investment Committee will consider all information made available to the Investment Committee. Such information will include, without limitation, the Consultant’s knowledge, expertise, professional reputation and responsiveness to this Invitation to Negotiate. The Investment Committee will evaluate all such information in an effort to determine which, if any, of the proposals serve the University’s needs and objectives. The Investment Committee may request that Consultants participate in an oral interview as part of the selection process and may request that one or more Consultants appear at the University to make oral presentations. The University has the right to enter into negotiations with one or more Consultants whose proposals appear to be in the best interest of the University. Negotiations could include but are not limited to price and the terms and conditions of this Invitation to Negotiate. The University reserves the right to terminate negotiations, to reject the proposal(s) and to continue negotiations with other responsive Consultants that may lead to a final agreement. The selection will be based on the best “value” proposal, not strictly on the lowest cost proposal.

The Investment Committee will determine the specific methodology and criteria by which submitted proposals will be evaluated. Selection of finalists and determinations of compliance with minimum qualifications is solely and exclusively within the judgment of the Investment Committee and may be made solely on the basis of the Investment Committee’s evaluation of a candidate’s suitability.
The following is a summary of the general considerations that will be used to determine the Consultants that will be selected as finalists:

- Objectivity of investment advice
- Understanding of the University and ability to deliver services in a timely manner
- Consultant experience and client relevant experience
- Analytical tools, research and process
- Consultant personnel and proposed Consultant team
- Client and industry feedback

IV. TERM OF AGREEMENT

The contract for the Consultant’s services will be a three (3) year contract, containing a provision giving the University the right to terminate the agreement without cause with a 30 day notification, with a two (2) year extension issued at the discretion of the University.

V. QUALIFICATIONS OF THE CONSULTANT

The University’s objective in considering the engagement of a Consultant to provide these services is to assure itself that the University’s investment programs meet or surpass prevailing industry standards. Accordingly, the Consultant selected must demonstrate superior knowledge of investment management programs and organizational structure, market performance and asset allocation strategies. The Consultant should also have extensive experience in reviewing and providing advice with respect to investment programs at organizations of comparable size and complexity to the University of South Florida. The Consultant should be currently providing consulting services for at least four clients who each have portfolios of $1 billion or more. The Consultant must have been in business a minimum of five years. The Consultant’s principal place of business must be in the United States. The Consultant must serve as a “fiduciary” with respect to the University.

VI. CONTENT OF PROPOSALS

Those submitting proposals should provide the following information in their proposals:

1. Executive Summary of not more than three pages identifying and substantiating the basis for the proposer’s contention that it is best qualified to provide the requested services for the University. Please address what the firm offers to the University that competing firms cannot offer.

2. Answers to the questions posed in Appendix A to this ITN in the order that they are presented.

3. Six references, including at least three present clients and at least three clients for which services have been provided for at least three years. Please include contact information.

4. Please provide a description of any litigation, regulatory or other legal proceedings, or government investigation, or disciplinary action in which your firm, the Consultant, or officer or principal is presently engaged or was subject to in the past five years that involved a sum of $100,000 or more or for which you are subject to any professional disciplinary action.
5. Please describe any current situation you reasonably believe may present a conflict of interest or create the appearance of a conflict of interest in the event that your firm is selected to perform the services called for under this ITN. **THE CONSULTING FIRM THAT WILL PROVIDE THESE SERVICES TO THE UNIVERSITY MAY NOT ALSO CONCURRENTLY PROVIDE INVESTMENT MANAGEMENT SERVICES TO THE INVESTMENT COMMITTEE OR TRUSTEES.**

6. Proposed fees to be charged the University for providing the services called for by this ITN:

   a. The Consultant should submit an all inclusive annual flat fee for all professional fees, travel, taxes and other expenses required to perform the services.
   
   b. The fee proposal should be an all inclusive flat fee guaranteed for a period of not less than three (3) years from the effective date of the contract. The required services described herein should form the basis for the proposed fees and should be referred to for a detailed description of the services required of the successful proposer. The fee proposal should present the all inclusive annual flat fee for all services for the years ending December 31, 2007, 2008 and 2009, and the two (2) following years if extension is issued.
   
   c. Provide additional special project fees per project, such as attendance at affiliate investment committee meetings at which the Consultant may make presentations at four investment committee meetings each year for each of the following affiliated University legal entity investment portfolios: $100 million cash assets portfolio, $33 million cash assets portfolio and $12 million cash assets portfolio.

VII. ADDITIONAL PROPOSAL SPECIFICATIONS

1. The University will require Consultant’s adherence to Special Conditions attached hereto as Appendix B, including Consultant’s agreement to certain terms and conditions specified therein, which will be necessary in any contract entered into between the University and Consultant. Consultant should indicate any objections to such terms or conditions in its proposal.

2. The University will require the Consultant to indemnify the University, without limitation, for its acts or omissions. The Consultant must carry Errors and Omissions coverage satisfactory to the University.

3. All Vendors are required to submit an executed copy of the following Representations and Warranties:

   a. Consultant warrants that it will not delegate its fiduciary responsibilities if it is selected. The Consultant must be directly responsible for the management of the account and all personnel responsible for the account must be employees of the Consultant.

   b. Consultant warrants that it has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by a governmental authority in order to perform the services offered in the proposal.

   c. The Consultant must be a registered investment advisor under the Investment Company Act of 1940.
VIII. OTHER

Intention to Participate. If you intend to reply to the ITN, please send the Purchasing Department an e-mail at tdibella@admin.usf.edu, attaching a letter stating that your organization will be replying to the ITN.

If you have any questions, please contact the Purchasing Department by e-mail.
Appendix A – Questions for Consultants

I. CONSULTING FIRM

History

1. Please list your firm’s complete name, address, telephone and fax numbers. Include the name and title of your proposed primary consultant and the location where the consulting work will be done.

2. Please provide a brief history, from inception, of your firm and your parent organization. Within the past three years, have there been any significant developments in your organization, such as changes in ownership, restructuring or personnel reorganizations? Do you anticipate future significant changes in your organization?

Ownership

1. Describe the ownership structure of your organization, giving specific details with regard to your parent and any affiliated companies.

2. Include an ownership organizational chart showing this structure. Show and describe, if any, the distinct lines of business of your firm which are in addition to your investment consulting line of business.

Organization

1. Describe the line(s) of business of your firm, your parent organization and any affiliated companies. How many employees are involved in each line of business? What percentage of your total business is represented by investment consulting services?

2. Describe your firm’s overall business strengths, weaknesses and competitive advantages.

3. Is your firm, its parent or affiliate a registered investment advisor with the SEC under the Investment Advisors Act of 1940? If not, what is your fiduciary classification? Please provide form ADV Part I and II.

4. Are there any circumstances specifically related to your investment consulting activities under which your firm, its officers or employees receive direct or indirect compensation from investment managers? If so, describe in detail.

5. Does your firm, its parent or affiliate sell information or any other services to investment managers? If so, describe in detail.

6. If your firm, its parent or affiliate is a broker/dealer, do you trade for client accounts through this broker/dealer? Can you assure the University that your firm’s brokerage affiliate, if any, will not execute trades for Investment Committee or Trustee members? Please explain how.

7. Describe the levels of coverage for errors and omissions insurance or bonding and any other fiduciary or professional liability insurance the firm carries. List your insurance carriers. Have any claims been filed in
the last five years? If so, provide an explanation and indicate current status.

Employees

1. Provide an organizational chart, across all offices, of the investment consulting portion of your firm’s business. List the number of employees, professional and support, in each function and/or location. Indicate any areas of special investment consulting expertise that these individuals possess.

2. Provide an organizational chart, specific to the consulting group, which would be handling University and/or affiliate accounts, including all individuals, functions, positions and titles.

3. Provide biographies of the key individuals within each functional area. Identify and provide brief biographies of the professional staff (consultants, research analysts, client service officers, etc.) who will be involved with the services on this account. How is a servicing team structured around clients? How will this team be structured to best serve the needs of the University? List the primary consultant’s current clients and engagements by asset size, type of client and type of engagement.

4. Explain how the dedicated consultant(s) would function, including lead person, back-up, quality control procedures and support services. Provide an estimate of the percentage of the primary consultant’s time as well as other consultant’s time dedicated to the University’s account.

5. List senior staff hires and departures over the last three years. For departures, indicate the reason for termination.

6. Describe your hiring and internal retention procedures for client consultants and research analysts.

7. Provide a breakdown of your client-to-consultant ratio.

8. Does your firm have a written code of conduct or ethics? If so, please provide a copy. How is it monitored and enforced? How many CFA’s or CFA candidates do you have on staff? Do the consultants comply with the Code of Ethics and Standards of Professional Conduct of the CFA Institute?

9. Provide a summary of your firm’s compliance policy.

10. Describe your firm’s compensation arrangement for professional staff. How does this arrangement encourage the retention of key individuals?

11. Describe your firm’s policy on changing staff assigned to a project. The eventual contract will specify that the replacement of staff involved with services on the University account will require pre-approval by the University.

II. CONSULTING CAPABILITIES

Asset Allocation & Investment Policy Analysis

1. Outline your approach to the development of an investment policy. Provide a sample investment policy with your response. Describe how you articulate the fiduciaries’ risk tolerance in the policy document. Describe your general approach to controlling risk, e.g., do you favor the use of asset weight limits or risk
limits, or a combination?

2. Describe your firm’s involvement in preparing guidelines for investment managers.

3. Discuss in detail the theory and methodology of the asset allocation models you employ. How does your firm develop asset class assumptions? Provide a sample asset allocation report in the appendix of your response.

4. How do you factor in the characteristics of plan liabilities in your asset allocation process?

5. Describe your process for recommending an overall portfolio structure. Give particular attention to its relationship with investment policy and asset allocation. How are consultant’s recommendations to clients reviewed and monitored by your firm?

6. What role does passive management play in your firm’s view of the asset allocation process for clients?

7. How many active managers does your average client retain?

8. Discuss the role of alternative investments within a portfolio. Describe the due diligence process for assessing the merits of alternative investments.

9. Outline your process for maintaining and providing a continuous review of the investment policy, asset allocation and portfolio structure.

**Performance Reporting**

1. How long has your organization been providing performance reporting services? How many clients do you currently have using this service and how many employees are assigned? What are the market values of your largest three performance evaluation clients?

2. Give a brief overview of the hardware and software systems used in the production of performance reports. Does your system operate at the individual transaction and asset level, or do you aggregate transactions and assets for entry into the system? Is the software developed in-house? What is the current version number and how often is it updated? Is any production work subcontracted to another firm? Do you offer on-line capability to clients?

3. Discuss the international equity, international fixed income and emerging markets capabilities of your performance evaluation system. Do you have the capability of handling currencies other than the US dollar and how many clients use this capability?

4. Discuss the capabilities for performance reporting for derivatives, long/short portfolios and leveraged portfolios.

5. What methods and sources of data do you use in calculating investment performance for a client’s portfolio? Do you comply with AIMR standards for rate calculation? Do you reconcile your calculated performance with investment managers and custodians? Describe this process.
6. Describe how benchmarks are chosen or developed and how performance is compared to similar portfolios. Can your firm provide custom/style benchmarks and universes? Please list all available universes against which performance and other attributes can be measured. Are the returns in your universe actual client returns or composite returns as reported by managers?

7. What amount of input may the client have in the content and format of an investment performance evaluation report? Is there flexibility in producing non-calendar period results?

8. How often are performance reports produced and delivered? What quality control processes and written procedures do you have in place? Include a sample performance evaluation report in the appendix to your response.

9. Discuss the portfolio analytics your firm is capable of providing. How can they be used in evaluating manager performance?

10. Discuss your capabilities to evaluate, measure and report on risk. Discuss your capabilities to provide return attribution, for both equity and fixed income.

11. Give an overview of your firm’s approach and criteria for recommending a manager be placed on probation, removed from probation, or replaced.

12. Does your report provide an executive summary section which makes specific recommendations and calls to the client’s attention any issues which need to be investigated or discussed? Does your performance report monitor investment manager compliance with the investment policy? Explain.

**Investment Manager and Custodian/Trustee Search**

1. Does your firm maintain an in-house database of investment managers? If not, from which vendor do you purchase the database? How many managers are contained in the database? What asset classes are covered? Are non-US managers (i.e., managers located outside of the US) included?

2. Describe how your firm or your vendor gathers, verifies, updates and maintains the data collected on managers for the database.

3. Do you or your vendor charge direct or indirect fees for investment managers to be included in your firm’s database? What are the fees? How do you prevent conflicts of interest?

4. If you have an in-house database, do you sell it to third parties? How do you receive compensation?

5. Do you have individuals dedicated to manager research within your firm? If so, how many and where are they located? Describe their role in the manager search process.

6. Give an overview of your firm’s approach and criteria for placing a manager on a watch list. Under what conditions would the manager be removed from the watch list?

7. How many manager searches have you completed within the last 12 months? Describe in detail your firm’s process for evaluation and selection of investment managers. Give a list of criteria you use to screen
your database. Detail some of the key issues you would examine in the process. Include an example of a manager search report with your response.

8. Do you charge investment managers any direct or indirect fees when they are successful in manager searches that you conduct on behalf of your clients? What are the fees? How do you prevent conflicts of interest?

9. Discuss your custodian/trustee search capabilities and procedures. How many of these searches have you done in the past three years?

Research

1. Describe the internal structure and organization of your research department. If no separate department exists, describe how this function is performed.

2. Describe the manner in which external resources and sources of information are used in the research process. How does your firm integrate internal and external research? Outline your process for monitoring and reporting on market trends.

3. Please describe in detail the type and frequency of research that would be provided to the Investment Committee. Through what media would it be provided?

4. Describe your computer capabilities and relate them to your consulting services and products. Do you provide any customized computer-based analytical tools to your clients?

5. Describe the educational alternatives provided to your clients. Give details on whether one-on-one, classroom or seminar environments are available. Do you use internal staff or external resources?

III. CLIENTS

Current Clients

1. Please provide a current list of your top 25 consulting clients, noting the asset value and term of the relationship.

Former Clients / New Clients

2. Please provide a list of the clients who have terminated your firm’s consulting services in the last three years. Provide the reasons for termination.

3. Please provide a list of the new consulting clients gained in the last three years.
Appendix B - SPECIAL CONDITIONS

1. INVITATION TO NEGOTIATION OPENING

Vendor’s response to this Invitation to Negotiate (“ITN”) shall be delivered to the Purchasing and Property Services, University of South Florida, AOC 200, 4202 East Fowler Avenue, Tampa, Florida 33620-9000, no later than 3:00 P.M. on April 4, 2007 according to the official clock located in the University’s Purchasing Department. No other time-keeping source will be considered for this purpose. The University shall not extend or waive this time requirement for any reason whatsoever. Responses to the ITN that arrive after 3:00 P.M. on April 4, 2007 will not be accepted/considered for any reason whatsoever. These proposals will be returned unopened to the Vendor. Telephone, inclusive of facsimile, and electronic mail and telegraphic proposals and/or amendments will not be accepted at any time. At 3:00 P.M. on April 4, 2007 all timely ITN Proposals received will be opened and recorded.

All proposals must be submitted on our standard Invitation to Negotiate Form and signed by an authorized signer (see page 18).

If Vendor elects to mail/ship its ITN Proposal package, the Vendor must allow sufficient time to ensure the University’s proper receipt of the proposal package by the time specified above. Regardless of the form of delivery, it is solely the responsibility of the Vendor to ensure that the ITN Proposal package arrives at the University’s Purchasing Department no later than 3:00 P.M. on April 4, 2007.

ITN Proposals will be accepted up to, and no proposals may be withdrawn after, the deadline for proposals submission time and date shown above.

The Vendor whose proposal is accepted will be asked to enter into an applicable contract for products and/or services ("Contract") with terms no less desirable than Vendor’s proposal. By submitting a proposal, Vendor agrees that such Contract shall include terms and conditions specified in this ITN.

ITN Proposals must be delivered in sealed envelopes/packages clearly marked: ITN Proposal No. 7-011-D.

2. INQUIRIES

The University will not give verbal answers to inquiries regarding negotiation considerations or verbal instructions prior to or after the selection process of this Invitation to Negotiate. A verbal statement regarding same by any person shall be non-binding. The University is not liable for any cost incurred by the Vendor in connection with the preparation, production, or submission of their ITN Proposal including any increased costs resulting from the Vendor accepting verbal direction. All University changes to the ITN terms or specifications, if necessary, shall be made by written addendum to the Invitation to Negotiate and distributed electronically by e-mail only.

Note: Vendors are responsible to insure that the University has their point of contact as well as their name, title, company name, address, telephone, and e-mail address in order to receive any addenda. Direct all inquiries to the Sole Point of Contact, Tom DiBella.

3. SOLE POINT OF CONTACT

Any questions concerning this Invitation to Negotiate should be emailed to Tom DiBella, Director Purchasing & Property Services, AOC-200, telephone number (813) 974-3305, e-mail address: tdibella@admin.usf.edu

With the following exception, firms that intend to submit a proposal should not contact any member of the Board of Trustees, the Chief Financial Officer, the Office of the Treasurer, or members of the University Investment Committee. The exception to this rule would be those firms that currently do business with the University or its affiliates and have a regular need for such contacts, or are requested by the Chief Financial Officer or members
of the investment committees of the University affiliates for such contact, but then only in the capacity, course, and scope of their current contract engagement. Such contact made by such firms must not relate to this ITN.

4. ADDENDA

The University may issue written addenda prior to the proposal opening date, supplementing, modifying or interpreting any portion of this Invitation to Negotiate. No verbal or written information from any source other than the Purchasing & Property Services addenda is authorized as representing the University.

Vendor’s failure to return any and all addenda shall result in disqualification of that Vendor’s Invitation to Negotiate.

PLEASE NOTE: Any vendors who received this bid/proposal/negotiation from the Department of Purchasing and Property Services or bidders who have downloaded this Bid/proposal/negotiation from the Purchasing and Property web site http://usfweb.usf/purchasing/purch2.htm, are solely responsible to check the website forty-eight (48) hours before the closing time of this bid/proposal/negotiation to verify that they have downloaded any and all addenda that may have been issued for this bid/proposal or negotiation.

5. MEETINGS

Notice of meetings regarding the Invitation to Negotiate will be posted on the bulletin board located outside the Purchasing & Property Services Department located at 4202 E Fowler Avenue AOC-200, Tampa, Fl 33620 and posted electronically on the USF Purchasing Bid website five business days prior to the meeting: usfweb.usf.edu/purchasing/purch2.htm. For the purpose of this ITN, meeting notices will be noticed (posted) by e-mail to the ITN vendor list.

6. AWARD

Vendor’s proposals will be evaluated based on the requirements set forth in this Invitation to Negotiate. The University reserves the right to reject any or all proposals.

7. CONFLICT OF INTEREST

The award hereunder is subject to the provisions of Chapter 112, of the Florida Statutes. All Vendors must disclose with their ITN the name of any officer, director, or agent who is also an employee of the University. Further, all vendors must disclose the name of any University employee who owns, directly or indirectly, an interest of five percent (5%) or more in the vendor’s firm or any of its branches.

By submitting a response to this ITN without such information, the Vendor certifies that to the best of its knowledge and belief no individual employed by it or subcontracted by it has an immediate relation to any employee of the University who was directly or indirectly involved in the procurement of said services. Violation of this section by Vendor shall be grounds for cancellation of the Contract.

8. PROPOSAL TABULATION

Vendors desiring a copy of the proposal tabulation for the Invitation to Negotiate may request same by enclosing a self-addressed stamped envelope with their proposal. Proposal results will not be given out over the telephone.

9. THE INVITATION TO NEGOTIATE PROCESS

The ITN process is a flexible procurement process that is used when highly specialized services are required. Negotiations offer an opportunity for selected Vendor(s) to discuss their responses with an evaluation committee and present a “best and final offer” that may lead to a negotiated agreement. The goal of this comprehensive process is for identification of the optimal outcome or the solution that best meets the needs of the University. Only representatives of the participating Vendors who are authorized to negotiate and make agreements shall be involved in negotiations.
10. **VENDOR’S RESPONSIBILITY**

   It is understood and the Vendor hereby agrees that it shall be solely responsible for all services that it proposes, notwithstanding the detail presented in the Invitation to Negotiate.

11. **VENDOR’S EXPENSE**

   All proposals submitted in response to the ITN must be submitted at the sole expense of the Vendor, whether or not any agreement is signed as a result of this Invitation to Negotiate. Vendor will pay all costs associated with the preparation of proposals and necessary visits to campus and other required site visits.

12. **NOTICE OF ITN PROTEST BONDING REQUIREMENT**

   Any person who files an action protesting a decision or intended decision pertaining to contracts administered by the University pursuant to Section 120 F.S., shall post with the University at the time of filing the formal written protest, a bond payable to the University in an amount equal to 10 percent of the University's estimate of the total volume of the contract or $10,000 whichever is less, which bond shall be conditioned upon the payment of all costs which may be adjudged against it in the administrative hearing in which the action is brought and in any subsequent appellate court proceeding. For protest of decisions or intended decisions of the University pertaining to requests for approval of exceptional purchases, the bond shall be in the amount equal to 10 percent of the requesting agency's estimate of the contract amount for the exceptional purchase requested or $10,000, whichever is less. In lieu of a bond, the University may, in either case, accept a cashier's check or money order in the amount of the bond. Failure to file the proper bond at the time of filing the formal protest will result in a denial of the protest.

13. **PROPOSAL REJECTION**

   The University shall have the right to reject any or all ITN proposals and in particular to reject an ITN proposal not accompanied by data required by the Invitation to Negotiate or an ITN proposal in any way incomplete or irregular including the omission of pricing information. Conditional ITN proposals may be considered non-responsive.

14. **WAIVER/CURE OF INFORMALITIES; ERRORS AND OMISSIONS**

   The University reserves the right to waive or permit cure of informalities, errors or omissions prior to its acceptance of an offer, and to conduct discussions with any proposers, and to take any other measures with respect to this ITN in any manner which the University, in its exclusive discretion, deems to be in the best interest of the University and it beneficiaries.

15. **OPEN COMPETITION**

   The University encourages free and open competition among vendors. Whenever possible, specifications, invitations to negotiate, and conditions are designed to accomplish this objective, consistent with the necessity to satisfy the University’s needs and the accomplishment of a sound economical operation. The Vendor’s signature on their ITN proposal guarantees that the prices quoted have been established without collusion with other Vendors and without effort to preclude the University from obtaining the lowest possible competitive price.

16. **INTERPRETATIONS/DISPUTES**

   Any questions concerning conditions and specifications shall be directed in writing to Purchasing and Property Services office for receipt no later than forty-eight (48) hours prior to the ITN opening. Inquiries must reference the date of ITN opening and ITN number. No interpretation shall be considered binding unless provided in writing by the University in response to requests in full compliance with this provision. Any person who is adversely affected by the Agency's decision or intended decision concerning a procurement solicitation or contract award and who wants to protest such decision or intended decision shall file a protest in compliance with USF Regulation 4.02050(3). Failure to file a protest within the time prescribed in Florida Statutes Section 120.57(3), shall constitute a waiver of proceedings under Chapter 120, F.S.
17. **MISTAKES**

Vendors must check their proposals for any errors. Failure to do so will be at the Vendor's risk.

In the event a mistake results in the written request from a Vendor withdrawing any part of the proposal, the Vendor must withdraw the entire proposal package and the University will not consider that proposal for award of ANY of the subject ITN. This applies to all requests for withdrawal. The only exception to this policy would be a case where the mistake was the result of misinformation unknowingly supplied by the University. In this event, a waiver of policy must be approved by the Director of Purchasing & Property Services whose decision shall be final.

18. **AVAILABILITY OF FUNDS**

By submitting a proposal, Vendor acknowledges that the University's performance and obligation to pay under the Contract will be contingent upon an annual appropriation by the Legislature.

19. **INSURANCE**

The Vendor will be required to provide evidence of insurance coverage deemed by the University to be appropriate, in scope and size, for this engagement.

20. **STANDARDS OF CONDUCT**

It is a breach of ethical standards for any employee of the University to accept, solicit, or agree to accept a gratuity of any kind, form or type in connection with any contract for commodities or services. It is also a breach of ethical standards for any potential vendor to offer an employee of the University a gratuity of any kind, form or type to influence the development of a contract or potential contract for commodities or services.

21. **GOVERNMENTAL RESTRICTIONS**

In the event any governmental restrictions may be imposed which would necessitate alteration of the material, quality, workmanship or performance of the items offered on this ITN prior to their delivery, it shall be the responsibility of the Vendor to notify Purchasing and Property Services at once, indicating in the notice the specific regulation which required an alteration. The University reserves the right to accept any such alteration, including any price adjustments occasioned thereby, or to cancel the contract at no further expense to the University.

22. **PATENTS, COPYRIGHTS, TRADEMARKS, ROYALTIES AND OTHER INTELLECTUAL PROPERTY:**

To the extent that intellectual property of Vendor will be sold or licensed as a part of the products or services offered, the Vendor, without exception, shall indemnify and save harmless the purchaser and its employees from liability of any nature or kind, including cost and expenses for or on account of any copyrighted, patented, trademarked or unpatented invention, process, or article manufactured or supplied by the vendor.

23. **PUBLIC RECORDS**

Sealed proposal responses received by an agency pursuant to Invitations to Negotiate are exempt from the provisions of the Florida Statute Chapter 119 until such time as the agency provides notice of a decision or intended decision pursuant to Florida Statute Chapter 120 or within ten (10) days after the proposal opening, whichever is earlier.

At such time, any material submitted in response to this invitation to ITN will become a public document pursuant to Florida Statutes Section 119.07. This includes material, which the responding vendor might consider to be confidential, or a trade secret. Any claim of confidentiality is waived upon submission, effective after opening pursuant to Florida Statute Section 119.07.

The University will reserve the right to unilaterally cancel the Contract for refusal by the Vendor(s) to allow public access to all documents, papers, letters, or other materials subject to the provisions of Chapter 119 and made or
received by the Vendor(s) in conjunction with this resulting contract.

24. PUBLIC ENTITY CRIMES

Any person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime, may not submit a proposal on a contract to provide any goods or services to a public entity, may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real property to a public entity, may not be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and may not transact business with any public entity in excess of the threshold amount provided in the University Regulation 4.02030(1), for a period of 36 months from the date of being placed on the convicted vendor list.

25. FEDERAL SUSPENSION AND DEBARRMENT

By submitting a response to this ITN, Vendor certifies to best of its knowledge and belief, that neither it nor its principals are not presently debarred, suspended, proposed for debarment ineligible, or voluntarily excluded by any Federal Department or Agency. To the extent this assertion proves inaccurate, USF may, in its sole discretion, terminate the Contract without penalty to USF.

26. LOBBYING

Vendor shall disclose in its response to this ITN if it currently engages in any lobbying activity (directly or indirectly) with the Legislature or any other agency of the State of Florida.

27. TAXES

The University is a tax immune sovereign and exempt from the payment of sales, use or excise taxes. To the extent applicable in the Contract, the Vendor shall pay all personal property taxes on leased equipment and all taxes based upon net income.

28. LICENSES

In the event either party is required to obtain from any governmental authority any permit, license, or authorization as a prerequisite to performing its obligations hereunder, the cost thereof shall be borne by the party required to obtain such permit, license, or authorization.

29. DEFAULT

Once your proposal to this ITN is accepted by the University, your failure to perform according to the proposal and/or resulting contract shall be cause for your firm to be found in default in which event any and all re-procurement costs may be charged against your firm. Any violations of these stipulations may also result in: a) Vendor’s name being removed from Purchasing and Property Services vendor mailing list; and b) All University agencies being advised not to do business with the vendors without written approval of Purchasing and Property Services.

30. INDEMNIFICATION

By submitting a response to this ITN, Vendor agrees to indemnify and hold harmless, and defend the State of Florida, the State Board of Education, the State Board of Governors, the University of South Florida, and the University of South Florida Board of Trustees, a public body corporate, and their officers, employees and agents, from and against any and all actions, claims, liabilities, assertions of liability, losses, costs and expenses, which in any manner directly or indirectly may arise or be alleged to have arisen, or resulted or alleged to have resulted from the presence, activities and promotions of every kind and nature whatsoever of Vendor and/or Vendor’s officers, employees, agents and contractors, in connection with this ITN.

31. RELATIONSHIP OF PARTIES

It is understood and agreed that nothing herein contained is intended, or should be construed, as creating or establishing the relationship of partners or joint ventures, or any similar relationships between the parties hereto,
or as constituting Vendor as the agent or representative of the University for any purpose in any manner whatsoever. Vendor is not authorized to bind University to any contracts or other obligations. Vendor shall not expressly or impliedly represent to any party that Vendor and University are partners or that Vendor is the agent or representative of University or of the Board of Trustees for any purpose or in any manner whatsoever.

32. **USF WEBSITES**

University financial information can be found at the following websites:
- Financial Information: [http://usfweb2.usf.edu/pfs/accounting.htm](http://usfweb2.usf.edu/pfs/accounting.htm)

33. **PURCHASES BY OTHER UNIVERSITY ENTITIES**

With the consent and agreement of the successful Vendor(s), purchases may be made under the contract resulting from this ITN by other University of South Florida affiliated entities. Such purchases shall be governed by the same terms and conditions stated in the proposal solicitation. If the period of time is not defined within the solicitation, the prices, terms and conditions shall be firm for **120 days** from the date of award. Vendors shall note exceptions to the above paragraph, if any.

34. **COMPLIANCE WITH LAWS**

Vendor shall comply with applicable Federal, State, and local laws and regulations and University Regulations and Policies with respect to its participation in the ITN process. If Vendor receives an award as a result of the ITN, Vendor shall continue to comply with the foregoing laws, regulations, and policies. If Vendor fails to comply with the requirements of the proceeding sentences, the University, in its sole discretion, may disqualify Vendor, or, if Vendor has been awarded a contract pursuant to the ITN, the University, in its sole discretion, may determine that Vendor is in default.

35. **MINORITY BUSINESS ENTERPRISE PARTICIPATION**

The University of South Florida actively encourages the continued development and economic growth of small, minority and women-owned businesses. Central to this initiative is the participation of a diverse group of vendors doing business with the University. To this end, it is vital that small, minority and women-owned business enterprises participate in the State’s procurement process as both prime contractors and subcontractors under prime contracts. Small, minority and women-owned businesses are strongly encouraged to submit replies to this solicitation, or to contact larger suppliers about subcontracting opportunities.

To the extent applicable, the Vendor should submit documentation addressing the Governor’s One Florida Initiative. Please refer to the Governor’s “Equity in Contracting Plan” when preparing this documentation:


If your firm qualifies as a “Minority Business Enterprise” defined as a business concern engaged in commercial transactions which is domiciled in Florida, and which is at least fifty-one (51%) percent owned by minority person and whose management and daily operations are controlled by such persons, please fill out the attached Request for Business Classification Information and return it with your proposal.

36. **REQUIRED FORMS**:  

1. Vendors are required to submit a completed **Invitation to Negotiate Acknowledgement Form** (attached hereto) with their Invitation to Negotiate proposal.

2. **W-9 Form** - Vendors are required to complete and return the W-9 Form attached herein with their proposal response.
3. **Request for Business Classification Information** – complete as applicable.

Failure to return the completed and signed Invitation to Negotiate Acknowledgement Form, W9 - the Request for Taxpayer Identification and Certification form, and all addenda shall disqualify your Invitation to Negotiate for consideration.
SUBMIT PROPOSAL TO:
UNIVERSITY OF SOUTH FLORIDA
DIVISION OF PURCHASING AND PROPERTY SERVICES
4202 E FOWLER AVENUE AOC-200
TAMPA, FL 33620-9000
Telephone Number: (813) 974-2481
Web Address: usfweb.usf.edu/purchasing/purch2.htm

ITN WILL BE OPENED 3:00 P.M., April 4, 2007
and may not be withdrawn within 45 days after such date and time.

UNIVERSITY MAILING DATE: March 12, 2007
ITN TITLE: Consulting Services for Investment Program

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<thead>
<tr>
<th>FEID NUMBER OR S.S. NUMBER</th>
<th>CASH DISCOUNT TERMS</th>
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<tr>
<th>VENDOR NAME</th>
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<tr>
<th>VENDOR REMITTANCE ADDRESS</th>
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<th>CITY-STATE-ZIP</th>
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<th>WEB ADDRESS:</th>
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<th>AREA CODE</th>
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<th>TELEPHONE NUMBER</th>
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<th>TOLL-FREE NUMBER</th>
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I certify that this ITN is made without prior understanding, agreement, or connection with any corporation firm, or person submitting an ITN for the same materials, supplies or equipment, and is in all respects fair without collusion or fraud. I agree to abide by all conditions of this ITN and certify that I am authorized to sign this ITN for the vendor and that the vendor is in compliance with all requirements of the Invitation to Negotiate, including but not limited to, certification requirements. In submitting an ITN on behalf of the Board of Trustees, hereinafter known as the University, the vendor offers and agrees that if the ITN is accepted, the vendor will convey, sell, assign, or transfer to the University all rights, title and interest in and to all causes of action it may now or hereafter acquire under the Anti-trust laws of the United States and the University for price fixing relating to the particular commodities or services purchased or acquired by the University. At the University's discretion, such assignment shall be made and become effective at the time the purchasing agency tenders final payment to the vendor.

AUTHORIZED SIGNATURE (MANUAL)

AUTHORIZED SIGNATURE (TYPED) TITLE

E-MAIL ADDRESS: ____________________________________
### Instructions:

1. Use this form only if you are a U.S. person (including U.S. resident aliens). If you are a foreign person, use the appropriate Form W-8.
2. Complete Part 3 by completing the one row of boxes that corresponds to your tax status.
3. Complete Part 2 by providing your Payment Remittance Address.
4. Complete Part 4 if you are exempt from Form 1099 reporting.
5. Complete Part 4 by signing & dating form.

#### Part 1 – Tax Status: (complete ONLY ONE ROW of boxes)

<table>
<thead>
<tr>
<th>Individuals: (Fill out this row)</th>
<th>Sole Proprietor: (Fill out this row)</th>
<th>Partnership: (Fill out this row)</th>
<th>Corporation, exempt charity or other entity: (Fill out this row)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual’s Name: (first name, middle initial, last name)</td>
<td>Business Owner’s Name: (REQUIRED)</td>
<td>Name of Partnership:</td>
<td>Name of Corporation or Entity:</td>
</tr>
<tr>
<td>Individual’s Social Security Number</td>
<td>Business Owner’s Social Security Number</td>
<td>Partnership’s Employer ID Number</td>
<td>Employer ID Number</td>
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<tr>
<td></td>
<td>Business or Trade Name (OPTIONAL)</td>
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<td>Are you incorporated? YES NO</td>
</tr>
<tr>
<td></td>
<td>OR Employer ID Number</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>(First Name) (Middle Initial)</td>
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<td>A corporation may use an abbreviated name or its initials, but its legal name is the name on the articles of incorporation. D.B.A. or T.A. companies? Attach all of the business names.</td>
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</tbody>
</table>

#### Part 2 – A. Ordering Address: (Address where Purchase Orders should be mailed)

__________________________________________________________

#### B. Payment Remittance Address: (Address where Payments should be mailed)

__________________________________________________________

#### C. Business Contact Information:

<table>
<thead>
<tr>
<th>Business Phone #</th>
<th>Contact Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Fax #</td>
<td>Contact Phone #</td>
</tr>
<tr>
<td>Business Website Address</td>
<td>Contact Fax #</td>
</tr>
</tbody>
</table>

#### Part 3 – Exemption: If exempt from Form 1099 reporting, check here: AND circle your qualifying exemption reason below:

1. Corporation
2. Tax Exempt Tax Exempt Charity under 501(a) (includes 501(c)(3)), or IRA
3. The United States or any of its agencies or instrumentalities
4. The United States or any of its agencies or instrumentalities
5. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions.
6. A foreign government or any of its political subdivisions.

#### Part 4 – Certification: Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and Internal Revenue Service (IRS) that I am subject to backup withholding and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the IRS that I am subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Certification Instructions – You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Name of Person completing this form: ____________________________________________

Signature: ____________________________ Date: ____________________________

Address: ____________________________________________

City: ____________________________ State: __________ ZIP: ____________________________

Name of Person completing this form: ____________________________________________

Phone: (_______) ____________________________

E-Mail Address: ____________________________
University of South Florida
Purchasing & Property Services
Request for Business Classification Information

**Business Classification**

Small, Minority or Women-Owned Business? __________YES  __________NO

If answered yes above, please circle classification that applies:

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<tbody>
<tr>
<td>SBA 8(a) Certification</td>
<td>African American</td>
<td>African American</td>
<td>Minority Board</td>
</tr>
<tr>
<td>Small Disadvantaged Business Certification</td>
<td>Hispanic</td>
<td>Hispanic</td>
<td>Minority Employees</td>
</tr>
<tr>
<td>HUBZone Certification</td>
<td>Asian/Hawaiian</td>
<td>Asian/Hawaiian</td>
<td>Minority Community</td>
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<tr>
<td>Veteran</td>
<td>Native American</td>
<td>Native American</td>
<td>Other- Non Profit</td>
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<tr>
<td>Service Disabled Veteran</td>
<td>American Woman</td>
<td>American Woman</td>
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<tr>
<td>Vietnam Veteran</td>
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<tr>
<td>Women Owned</td>
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<tr>
<td>Minority Owned Business</td>
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</table>

- If you select a classification that is certified by a Federal or State agency, please provide a copy of your certification for each agency along with this application.

- To determine your Federal Size Standard, please access the U.S. Small Business Administration’s website: [http://www.sba.gov/starting/indexwhatis.html](http://www.sba.gov/starting/indexwhatis.html) or go to the SBA’s [http://www.sba.gov/size](http://www.sba.gov/size) to look up your North American Industry Classification Systems (NAICS) Code and the qualifying number of employee’s or annual dollar amount.

- If you are using Federal Size Standards, please specify the codes used:
  
  NAICS Code: _______  Number of Employees: ___________  or  Annual Amount: ________

- If you are not a State of Florida Certified Minority Business Enterprise and would like to download the application for certification of Minority Business Enterprise for the State of Florida and view the State of Florida’s Eligibility criteria, please go the Office of Supplier Diversity’s website at: [http://osd.dms.state.fl.us](http://osd.dms.state.fl.us).