

MINNESOTA SPORTS FACILITIES AUTHORITY

900 South 5th Street
Minneapolis, MN 55415

Request for Proposal
Investment Portfolio Manager

July 2013

Minnesota Sports Facilities Authority
("MSFA")

Request for Proposal
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Request for Proposal

Financial Service Firm to provide portfolio management services for MSFA

In 2012, the State of Minnesota enacted 2012 Minnesota laws, Chapter 299, to establish the Minnesota Sports Facilities Authority (“MSFA”) and to provide for the construction, financing and long-term use of a new stadium (the “Stadium”) and related stadium infrastructure (the “Stadium Infrastructure”) as a venue for professional football and a broad range of other civic, community, athletic, educational, cultural, and commercial activities.

The MSFA is soliciting proposals from financial service firms to provide portfolio management services for the MSFA’s operating funds. MSFA operating funds are generated by management of stadium events. MSFA operating funds do not include Stadium construction funds. A copy of the MSFA’s investment balances at 06/30/2013 is attached as Exhibit A for your information.

Investment practices and procedures must comply with Minnesota state statutes and the MSFA’s written investment policy; see copy of the MSFA’s current Investment Policy attached as Exhibit B. Firms responding to this request for proposal are invited to suggest changes that might be appropriate in the investment policies that would govern the segment of this portfolio to be managed externally.

The Director of Finance, Mary Fox-Stroman, CPA, under the supervision of the CEO/Executive Director of the MSFA, will be responsible for the daily operations of the investment portfolio.

Objective

The objective of this process is to solicit competitive proposals from financial services firms to provide portfolio manager services. The Authority intends to engage an outside financial services firm to manage its operating portfolio.

Scope of Services

The MSFA wishes to engage a financial services firm for all or a portion of the services listed below:

- A. Develop an investment strategy to achieve the MSFA’s investment objectives, including safety of principal, liquidity to meet the MSFA’s needs, and yield to achieve a market rate of return.
- B. Provide active discretionary management for the MSFA’s intermediate and long term funds.

- C. All investments shall comply with all federal laws, State of Minnesota laws, and be in accordance with Minnesota Statutes, 118A.01 – 118A.08 and the MSFA’s Investment Policy (see Exhibit B).
- D. Provide monthly reporting of investment activity and portfolio performance.
- E. Meet with MSFA staff and consultants as needed to review and refine portfolio strategy and performance.
- F. Assist MSFA staff with the preparation of cash flow forecasts.
- G. Reconcile monthly portfolio manager reports to custodial reports.
- H. Provide additional services as agreed to assist the MSFA in achieving its investment objectives including: review existing investment policies, investment procedures, safekeeping practices and all third party contracts and recommend changes, if needed, to improve internal control and investment practices.
- I. Provide investment education and training for MSFA staff when needed.

Format for Proposals

Please format your response to this request in the following order to facilitate comparisons between respondents:

A. Organization

1. Provide a brief description and history of the firm including the ownership and any subsidiaries and affiliates which may be relevant to the MSFA.
2. Please provide copies of the firm’s ADV Parts I and II.
3. Confirm that your firm is registered to do business in Minnesota.
4. Please provide the firm’s web address.
5. Describe any other business affiliations (e.g., subsidiaries, joint ventures, “soft dollar” arrangements with brokers) that would affect investment performance of the MSFA account. Would you pay a finder’s fee to any third party for business related to this account?
6. Describe your firm’s primary sources of revenue, categorized if possible between retail and institutional accounts.
7. Describe any SEC or regulatory censure or litigation within the past three years involving institutional business your firm conducts with governmental investors or regulatory censure or litigation involving any individuals added to the firm in the past three years.
8. Identify and provide background information on the key person or personnel who take the most active role(s) in the administration and management of the firm.

9. Identify the types of accounts primarily sought by your firm. Please provide the names and descriptions of major clients for which the firm is presently or has previously been under contract for similar investment mandates.
10. Describe your firm's research capabilities and resources. Does your firm assign credit research to a specialist?
11. Describe your credit review process. Who reviews portfolio lists for credit approved?
12. Summarize fidelity bond coverage, errors and omissions, employee dishonesty, fiduciary liability insurance, or other fiduciary coverage your firm carries.
13. If the firm is public, please attach your most recent audited financial statements. If the firm is not public, please attach a letter from your auditor indicating that the financial statements have been audited and verified.

B. Personnel

1. Identify the number of investment professionals (portfolio managers, analysts, and researchers) employed by your firm, by classification, and specify the average number of accounts handled by portfolio managers. Are there any established limits on accounts or assets under management?
2. Identify the number and key personnel of your staff committed to the public sector, along with their credentials.
3. Provide biographical information on investment professionals that will be directly involved in the decision-making process for the portfolio.
4. What efforts does your firm make to keep portfolio managers informed of developments relevant to government investment managers?
5. Has there been any turnover of professional staff in the firm in the last 12 months? Have there been any additions?

C. Assets Under Management

1. Summarize your institutional investment management totals by category for your latest reporting period in the following table. Please provide number of clients in each category as well.

Category	Number of Clients	Cash	Short Duration	Intermediate Duration	Long Duration	Other
Government/Public						
Corporate						
Endowment/Foundation						
High Net Worth						

2. Summarize your assets under management (Governmental and Other Institutional only) over the past five years. Categorize as appropriate (expand) to include cash component.
3. Does your firm offer a liquidity/money market fund, and if so please describe. Is the balance of this fund included in the asset summary of question 2?
4. Provide relevant performance statistics on operating funds, and compare with industry averages or benchmarks, if appropriate.
5. List your five largest clients and most representative governmental clients and include all Minnesota government clients. Identify those that are exclusively retirement fund relationships and those that are operating fund relationships along with contact names for each.
6. How many accounts have you gained in the last 36 months? How many accounts have been lost in the last 36 months and why?

D. Investment Management Approach and Discipline

1. In your investment decision-making process, are there one or more people who predominate?
2. Describe how your firm organizes its investment management process. What oversight is provided to portfolio managers?
3. What are the primary strategies for adding value to portfolios (e.g., market timing, credit research, trading)?
4. Describe the process you would recommend for establishing the investment objectives and constraints for this account.
5. How would your firm respond to emergency cash calls?
6. What is your firm's experience in developing investment policies and portfolio management guidelines for governmental funds?

7. How frequently would you suggest your staff meet with the MSFA's staff? Who will attend briefings?
8. What percentage of your research is conducted in-house? Describe your research capability.
9. What role does interest-rate forecasting take in your bond management strategy?
10. What technical analysis (if any) do you use?
11. How frequently do you formulate and review fixed income strategy? How is that carried out and who is involved?
12. How are portfolios managed (e.g., team, individual manager)? What is the back-up when the manager is away?

E. Value Added

1. Describe the method you would recommend for determining the value added by your firm as the MSFA's portfolio manager.
2. Include a sample report which the MSFA can prepare periodically to communicate the value added by your service.
3. What performance benchmarks would you suggest for this portfolio?

F. Reporting

Describe the frequency (including normal date of delivery) and format of reports that you would provide to the MSFA's staff.

G. Fees

1. Provide the fee schedule that would apply to this account.
2. What expenses would be covered through the fee structure.
3. What additional costs could be required in order to implement your program (e.g., bank custodial fees, wire transfer fees, travel and expenses, etc)?

H. Implementation Plan

1. Describe your plan, including relevant time lines and action steps, for working with the MSFA to implement the proposed investment management services. Identify any issues or concerns that would affect your ability to implement the plan.

I. References

1. Provide three references (identify as short-, intermediate- and/or long-term funds), including length of time you have managed their assets, client name, contact personnel, address and phone number.
2. Provide references, if appropriate, from non-client organizations that can attest to the professional reputation of your firm and its personnel.

Minimum Qualifications

- A. Respondents must be registered with the SEC as an investment advisor.
- B. Respondents must have experience as advisors with government clients in Minnesota.
- C. Respondents must have greater than \$200 million of government funds under management.
- D. Respondents must conduct their portfolio management and trading activity in Minnesota.
- E. Respondents must have a minimum of \$3 million in E&O or professional advisor liability coverage.

NOTE: The MSFA reserves the right to waive these minimum qualification requirements, in its sole discretion, for otherwise qualified respondents.

Proposal Process

Submission Deadline

Please send 5 hard copies and 1 electronic copy of your proposal accompanied by your most recent audited annual financial report to:

Mary Fox-Stroman, CPA
Director of Finance
Minnesota Sports Facilities Authority
900 South Fifth Street
Minneapolis, MN 55415
E-mail: mary.fox-stroman@msfa.com
Phone: 612-335-3311

Please send one electronic copy of your proposal to Charles Langhoff at clanghoff@springsted.com

The deadline for proposals is 10:30 am, August 8, 2013.

The MSFA has made every effort to include enough information within this proposal request for a financial services firm to prepare a responsive proposal. The MSFA encourages all portfolio managers to submit the most comprehensive and competitive proposal possible. If additional information would be of benefit the MSFA requests that all questions be submitted in writing to the Authority's Investment Advisor, Charles Langhoff, Springsted Investment Advisors at 303-893-5800, Fax: 303-771-1334, email: clanghoff@springsted.com. Addenda containing additional information in response to these questions will be posted to all respondents.

July 22, 2013	RFP Release
July 31, 2013	Deadline for questions
August 8, 2013	Proposals Due (10:30 AM, Central Time)
Anticipated time frame for selection process	
August 9, 2013	Selection of finalists
Week of August 12	Interviews
August 23	Award
September 20	Contract Negotiation and Completion
October 1	Portfolio Management Begins

The MSFA will send written notification to all respondents regarding the outcome of the contract award process once a recommendation is made for approval by the MSFA.

Note: When responding to this RFP, please follow all instructions carefully. Please submit proposal contents according to the outline specified and submit all hard copy and electronic documents according to the instructions. Failure to follow these instructions may be considered an unresponsive proposal and may result in immediate elimination from further consideration. Respondents should not withhold any information from the written response in anticipation of presenting the information orally, since interviews may not be conducted with all respondents.

All proposals submitted shall become the property of the MSFA. At the discretion of the MSFA, firms submitting proposals may be requested to make presentations as part of the evaluation process. The MSFA will not reimburse the respondents to this RFP for any costs associated with the preparation and submission of said proposals or in the preparations for attendance at a presentation. The MSFA reserves the right to request any firm submitting a proposal to clarify its proposal or to supply additional information necessary to assist in the MSFA selection. All firms must be able to meet all of the requirements set aside in this RFP.

Guidelines

- A.** The MSFA reserves the right to reject any or all proposals if it determines that select proposals are not responsive to the RFP or if the proposals themselves are judged not to be in the best interests of the MSFA. Moreover, the MSFA reserves the right to reconsider any proposal submitted at any phase of the procurement. It also reserves the right to meet with the respondent at any time to gather additional information. Furthermore, the MSFA reserves the right to delete or add services up until the final contract signing.
- B.** In an effort to maintain fairness in the process, all inquiries concerning this procurement are to be directed only to the MSFA's Investment Advisor, Springsted Investment Advisors at 303-893-5800, fax 303-771-1334 or email at clanghoff@springsted.com. Please do not contact MSFA officials or MSFA employees with questions regarding this procurement.
- C.** This procurement involves a negotiated professional services contract. As such, the MSFA will negotiate with respondent throughout the procurement to get the best price and business terms for its purposes. The MSFA will consider all cost and business terms to be negotiable and not artificially constrained by internal corporate policies of respondents.
- D.** The respondent hereby certifies that it has carefully examined all of the documents for the project, has carefully and thoroughly reviewed this RFP, and understands the nature and scope of the work to be done; and that this proposal is based upon the terms, specifications, requirements, and conditions of the RFP. The respondent further agrees that the performance time specified is a reasonable time, having carefully considered the nature and scope of the project as aforesaid.
- E.** The respondent certifies that this proposal is submitted without collusion, fraud or misrepresentation of the respondent, so that all proposals for the project will be the result of free, open and competitive proposing among all vendors. See attached exhibit E.
- F.** By submitting a response, the respondent certifies at the time of submittal that none of its owners, directors, officers or principals is or is closely related to any elected MSFA official or to any MSFA employee who has or may appear to have any control over the award, management or evaluation of a contract resulting from this procurement. Respondent also certifies that, if awarded a contract pursuant to this procurement, in the performance of services pursuant to the contract it will not engage in any conduct or accept any remuneration that is in conflict, direct or indirect, with the interests of the MSFA.

G. Interpretations, Discrepancies, Omissions

Should any respondent find discrepancies, omissions or ambiguities in this RFP, the respondent should at once request in writing an interpretation from the MSFA's Investment Advisor, Springsted Investment Advisors at 303-893-5800. All questions will be answered to the extent possible in the form of addenda to the specifications. All written requests for clarification should be addressed to: Charles Langhoff, Springsted Investment Advisors, at 380 Jackson St., Suite 300, Saint Paul, MN 55101-2887, 303-893-5800, fax number 303-771-1334, email clanghoff@springsted.com. Requests received after 5:00 p.m. on July 31, 2013, will not be considered.

Evaluation of Proposals

- A.** The proposals will be evaluated by a committee comprised of MSFA staff, and representatives from Springsted Investment Advisors.
- B.** Proper Submission of Proposal. The proposal must be submitted and received by the MSFA Director of Finance by the due date outlined in this proposal. It is the responsibility of the financial services firm to ensure proper and timely delivery of all required material. Late submissions will not be considered or evaluated.
- C.** Elements for evaluation.
 - 1.** Comprehensiveness of Service Capabilities. The MSFA's evaluation of the overall capabilities of the financial services firm to meet the required service levels described in this RFP.
 - 2.** Related Experience. The financial services firm's related experience in providing services comparable to the MSFA's needs.
 - 3.** Firm Stability. The financial services firm's financial standing among its peers.
 - 4.** Account Analysis. The quality of the respondent's standard account analysis statement.
 - 5.** Charges for Services relative to services provided.
 - 6.** Service Enhancements. The respondent's efforts to understand the MSFA's investment needs and goals and the creativity the respondent shows in introducing new technologies and/or efficiencies to the MSFA to improve current practices and procedures.
 - 7.** The level of understanding of the MSFA's overall investment program and the investment objectives and constraints unique to the MSFA.
 - 8.** Experience of the firm in managing state/local government operating funds. In evaluating the firm's expertise, past performance data will be evaluated in the context of portfolio objectives and constraints, as well as risks.

9. Recommended approach to management of the MSFA's portfolio.
10. Additional investment or financial services offered or available through affiliation.
11. Other Factors. Any other factors that the MSFA believes would be in the best interest of the MSFA to consider which were not previously described.
12. Quantity and quality of support staff.

D. The MSFA reserves the right to contact any reference or any client listed in the documents for information which may be helpful to the MSFA in evaluating the Respondent's performance on previous assignments.

Service Contract Term

- A. The contract will be for a three-year period with an option to extend for two additional terms of two years each.
- B. Either party, for any reason, upon thirty (30) calendar days written notice by MSFA or 90 calendar days written notice by provider, may cancel the contract.
- C. The conditions of the proposal must remain valid for a minimum contract of three years.

Contract Requirements

This section outlines the technical and contract requirements as stipulated by the MSFA.

- A. MSFA reserves the right to accept, reject, or request changes in proposals. The MSFA will work closely with the selected Respondent to develop or refine a detailed scope of work, schedule for completion of tasks and costs associated with completed work included in the contract documents. The MSFA is not liable for any costs incurred by the respondent prior to contract issuance.
- B. The respondent must comply with all applicable Federal and State laws pertaining to contracts entered into by governmental agencies, including nondiscrimination in employment. Contracts entered into based on submitted proposals are revocable if contrary to law. Respondent must complete Minnesota "Notification to Broker and Certification by Broker" form (see Exhibit C).

- C. A contractual agreement constitutes the MSFA's offer to the respondent upon the terms and conditions stated herein, and will become binding meeting the terms set forth herein when it is accepted by approval of the MSFA Board.
- D. Upon acceptance of a contract, the MSFA will issue an award made in reference to this document. Contract documents will be subject to any regulations governed by the laws of the State of Minnesota. Any dispute arising out of the contract documents or their interpretation will be litigated only with the courts of the State of Minnesota.
- E. After the award, if the successful respondent refuses or fails to complete deliveries of the materials and/or professional services stated within the contractual agreement, the MSFA may, by written notice, terminate the contract under the terms of the contract.
- F. The contents of the proposal of the successful respondent may become contractual obligations if the MSFA wishes to execute a contract based on the submitted proposal. Failure of the successful respondent to accept these obligations in a contract may result in cancellation of the award and such respondent may be removed from future solicitations.
- G. Standard Contract: see contract template attached as Exhibit D.**
- H. Severability and Survival

If any of the provisions contained in the Contract are held illegal, invalid, or unenforceable, the enforceability of the remaining provisions shall not be impaired thereby. Limitations of liability and indemnities shall survive termination of the Contract for any cause. If a part of this Contract is valid, all valid parts that are severable from the invalid part remain in effect. If a part of this Contract is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

I. Public Records and Requests of Confidentiality

Pursuant to the Minnesota Government Data Practices Act, Minn. Stat § 13.591, the names of all entities that submitted a timely proposal to the MSFA will be public once the proposals have been opened. All other information contained in the proposals remains private until the MSFA has completed negotiation of a contract with the selected consultant. After a contract has been negotiated, all information in all of the proposals is public, except “trade secret” information as defined at Minn. Stat. § 13.37.

Requests for release of information held by the MSFA are subject to the provisions of the Minnesota Government Data Practices Act, Minn. Stat. ch 13. Respondents are encouraged to familiarize themselves with these provisions before submitting a proposal.

All information submitted by a respondent eventually will be treated as public information by the MSFA unless the respondent properly requests, and the MSFA agrees, that information be treated as private or confidential. A respondent making such a request must include the name, address and telephone number of the individual authorized by the respondent to answer inquiries by the MSFA concerning the request. The MSFA reserves the right to make the final determination of whether the data identified in such request is private or confidential within the meaning of the Minnesota Government Data Practices Act. A respondent’s failure to request private or confidential treatment of information pursuant to this section will be deemed by the MSFA as a waiver by the respondent of any private or confidential treatment of information included in the proposal

J. Minnesota Affirmative Action Data Page (attached Exhibit F). Include form with proposal.



ASSET SUMMARY

INVESTMENT CATEGORY	COST VALUE	MARKET VALUE	% TOTAL MARKET	UNREALIZED GAIN/LOSS	ESTIMATED ANNUAL INCOME	CURRENT YIELD	ACCRUED INCOME
CASH	0.00	0.00	0.00				
CASH EQUIVALENTS	458,678.65	458,678.65	5.39	0.00	46	0.01	5.03
BONDS AND NOTES	7,964,318.34	8,047,389.85	94.61	83,071.51	512,230	6.37	44,129.25
TOTAL INVESTMENTS	8,422,996.99	8,506,068.50	100.00	83,071.51	512,276	6.02	44,134.28
TOTAL ACCRUALS	44,134.28	44,134.28					
TOTAL ACCRUALS AND INVESTMENTS	8,467,131.27	8,550,202.78		83,071.51	512,276	6.02	44,134.28

EXHIBIT B

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MINNESOTA SPORTS FACILITIES AUTHORITY

POLICY STATEMENT

SUBJECT:	POLICY CODE NO.	EFFECTIVE DATE	REVISED DATE	PAGE
Investment Policy		08/01/2012	N/A	

PURPOSE

This policy serves as a reference for management of the Minnesota Sports Facilities Authority (MSFA) investments.

POLICY

The MSFA will invest public funds in a manner which provides for the following in order of importance: Safety; Liquidity; and Yield while complying with all federal, state, and local regulations governing the investment of public funds.

IMPLEMENTATION/ACCOUNTABILITY

The CEO/Executive Director has overall responsibility for the MSFA's investments. Responsibility for administering the investment policies has been delegated to the Director of Finance. Individuals who are assigned to perform tasks and consultants who manage or advise on investments must comply with the investment policy. MSFA staff responsible for the management of investments are also referred to as investments officers.

INVESTMENT OBJECTIVES:

The MSFA shall invest funds in accordance with the following priorities, ranked from highest to lowest:

1. Compliance. All investments shall comply with the rules and regulations of the State of Minnesota and all other applicable governing and regulatory bodies.
2. Safety: Safety of principal is the primary objective of the investment program. Investments shall be purchased and managed in a manner that ensures the preservation of capital in the overall portfolio.
3. Liquidity: To meet its short-term cashflow needs, the investment portfolio will remain sufficiently liquid to enable the MSFA to meet anticipated cash requirements without the occurrence of significant investment losses. To meet the MSFA's long-term cashflow needs, the average duration of the investment portfolio should match the average duration of liabilities, subject to regulatory requirements.



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4. Diversification: The investment portfolio will be diversified to avoid the risk of losses resulting from an over-concentration of assets in a specific maturity, issuer, or class of securities.
5. Yield: The MSFA will seek the highest possible yield on its invested assets (net of expenses) after meeting its objectives for compliance, safety, liquidity and diversification.

PRUDENCE

Investments shall be consistent with these investment policies and procedures and when making any investment the investment officers shall adhere to the “prudent investor” standards set forth in Minnesota Statute Section 501B.151 which shall be applied in the context of managing the overall portfolio of MFSA. Investment officers acting in accordance with the prudent investor standards and these written investment policies and procedures shall be relieved of personal liability with respect to the investment decisions made on behalf of MFSA. .

ETHICS AND CONFLICTS OF INTEREST

Investment officers shall refrain from conducting personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Investment staff shall annually disclose to the CEO/Executive Director any material financial interests as required by state statute on an annual Statement of Economic Interest form. Investment officers shall subordinate their personal investment transactions to those of the MSFA, particularly with regard to the time of purchase and sales, and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the MSFA.



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POLICY STATEMENT

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Investment Policy		08/01/2012	N/A	

AUTHORIZED AND SUITABLE INVESTMENTS

Investment instruments purchased by the MSFA must comply with Minnesota Statutes 118A, provided MSFA may establish requirements that may be more restrictive than state law. The MSFA will limit its investments to the following:

A. Money Market Funds	Money Market Funds may be held with next day withdrawal capacity to provide for daily liquidity requirements. These money markets must be AA rated and invest in securities with a final maturity no longer than 13 months.
B. Savings/Demand Deposits	A financial institution that is qualified as a “depository” of public funds of government entities. The MSFA may hold balances in qualified bank deposits. Funds may be held in savings accounts at approved depository banks. If balances are greater than the FDIC limit, collateral of 110 percent will be held for the excess balances.
C. Bankers Acceptances	Bankers acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. Maximum maturity will be 270 days. If the banker’s acceptance is rated by more than two NRSROs, it must have the highest rating from all the organizations.
D. Commercial Paper	Short-term unsecured debt which has been issued by a United States corporation or their Canadian subsidiaries. Maturities typically range from one day to 270 days. Only commercial paper with two of the three highest quality ratings of A1, P1, F1 and the underlying issuer of the commercial paper must have a long-term debt rating of AA to be utilized.
E. U.S. Treasury Obligations	U.S. Treasury obligations including bonds, notes, Treasury bills, or other securities which are direct obligations of the United States. Instruments sold and issued by the U.S. Government carry the full faith guarantee of the U.S. Government. These instruments provide the highest quality available to purchase and are highly liquid.
F. U.S. Agency Securities GSE’s (Government Sponsored Enterprises)	U.S. Agency securities GSE’s are instrumentalities, or organizations created by an act of Congress. Government Sponsored Enterprise securities have the implied guarantee of the United States Government and are privileged to certain access to capital and support of government programs. The issuers are generally considered to have the second highest credit quality in the fixed income markets and provided higher yields than U.S. treasury obligations.



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Investment Policy		08/01/2012	N/A	

	<p>The ratings on all the agencies that the MSFA can invest are the highest available and include the following specific issuers.</p> <ol style="list-style-type: none"> 1. FHLB: The Federal Home Loan Bank System (FHLB) was created by Congress in 1932 and acts as a source of funds for its nearly 8,000 member banks. FHLB does not purchase home mortgages to the same extent as Freddie Mac and Fannie Mae, but primarily lends money to homeowners through its members financial institutions. FHLB System members include commercial banks, thrifts, credit unions and insurance companies. 2. FHLMC: The Federal Home Loan Mortgage Corporation encompasses Freddie Mac; it is a housing GSE created by Congress in 1970 to provide liquidity and stability in the home mortgage market, thereby increasing the flow of funds available to mortgage borrowers. Freddie Mac purchases mortgages from lenders, thereby allowing them to lend the proceeds to more homebuyers. Freddie Mac is regulated by the Secretary of Housing and Urban Development (HUD) and by the Office of Federal Housing Enterprise Oversight (OFHEO). 3. FFCB: The Federal Farm Credit Bureau is an agency of the federal government set up to supply credit to various classes of institutions and individuals such as farmers and farm cooperatives. 4. FNMA: Federal National Mortgage Association chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal. 5. Other issuers: There are other GSE issuers, however, they issue fewer securities and are less active in the marketplace.
G. Municipal Securities	<p>Municipal Securities are registered securities of state/county/local and other governmental agencies.</p> <ul style="list-style-type: none"> • General Obligation rated A or better • Revenue Bonds rated AA/Aa or better



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H. Repurchase agreements	Repurchase agreements consisting of collateral allowable in Minnesota Statute, section 118A
I. Guaranteed Investment Contracts	Specific project monies may be invested in guaranteed investment contracts if they are issued or guaranteed by United States commercial banks, domestic branches of foreign banks, United States insurance companies, or their Canadian subsidiaries, or the domestic affiliates of any of the foregoing. The credit quality of the issuer's or guarantor's short and long-term unsecured debt must be rated in one of the two highest categories by a nationally recognized rating agency. Should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights.

PROHIBITED INVESTMENTS

Prohibited investments include inverse floaters, range notes, interest only strips derived from a pool of mortgages (collateralized mortgage obligations), and any security that could result in a zero interest accrual if held to maturity.

Specifically restricts:

- A. Obligations whose coupon payments are determined largely or entirely by an embedded range accumulation option. For example, range notes; these securities are used primarily to enhance interest rates when an investor is confident in a forecast.
- B. Obligations whose payment represents the principal stream cash flow from underlying mortgage backed securities collateral, for example, Collateralized Mortgage Obligations (CMO).
- C. Obligations that the interest rate and principal repayment adjusts opposite to the changes in the market, for example, inverse floaters.
- D. Obligations that under certain environments may pay no interest, for example, principal only securities.
- E. Obligations that have a maturity that will extend longer than five years under certain rate environments, for example, mortgage backed securities. Additionally, mortgage-backed securities that are defined as high risk or in certificates of deposit secured by letters of credit issued by federal home loan banks are not permissible investments.



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Investment Policy		08/01/2012	N/A	

SAFEKEEPING AND CUSTODY

Securities purchased shall be held in a segregated account for the MSFA's benefit at a third party trustee as safekeeping agent. The investment dealer or bank in which the security is purchased shall issue a confirmation ticket to the MSFA listing the specific instrument, issuer, coupon, maturity, CUSIP number, purchase or sale price, transaction date, and other pertinent information. The investment advisor or financial service provider which executes the transaction on the MSFA's behalf shall deliver all securities on a delivery versus payment method (DVP) to the designated third party. The DVP is a way of controlling the risk to which securities market participant are exposed. Delivery of securities (i.e. the change in ownership) is done simultaneously with payment. This means that neither the buyer nor the seller is exposed to the risk that the other will default.

Investments, contracts, and agreements may be held in safekeeping with:

- any Federal Reserve Bank
- any bank authorized under the laws of the United States or any state to exercise the corporate trust powers, including, but not limited to, the bank from which the investment is purchased.

INTERNAL CONTROLS

The Director of Finance shall establish a system of internal controls and monitoring procedures. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the MSFA. The Director of Finance shall oversee designated staff who manage the portfolio on a day-to-day basis.

INVESTMENT ADVISER

The MSFA will engage the services of one or more external investment managers to assist in the management of the investment portfolio in a manner consistent with MSFA's objectives. Such external managers may be granted discretion to purchase and sell investment securities in accordance with the MSFA's Investment Policy. Such Managers must be registered under the Investment Advisers Act of 1940.



MINNESOTA SPORTS FACILITIES AUTHORITY

POLICY STATEMENT

SUBJECT:	POLICY CODE NO.	EFFECTIVE DATE	REVISED DATE	PAGE
Investment Policy		08/01/2012	N/A	

The investment manager shall cooperate and comply with periodic audits of and reviews by outside independent consultants.

BANK AND SECURITIES BROKER RELATIONSHIPS

All banks and brokerage companies doing business with the MSFA, whether they are receiving funds as deposits or for investments, must be approved annually by the MSFA before they receive MSFA funds.

To comply with State Statutes, the MSFA, prior to completing an initial transaction with a broker, shall receive from said brokerage company a fully executed "Notification to Broker and Certification by Broker" form. A listing of all Authorized Financial Institutions shall be maintained by the Finance Department.

DIVERSIFICATION

The MSFA will reduce the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, institution, or class of securities. Diversification policies and strategies will be established by the MSFA with the advice of MSFA's Investment Advisors.

Due to fluctuations in the value of the portfolio, maximum percentages for a particular investment type may be exceeded at a point in time subsequent to the purchase of maturity of a particular security. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made.

CONCENTRATION OF CREDIT RISK

The MSFA will substantially reduce risk of loss resulting from over-concentration of assets in a specific maturity, issuer, institution or class of securities. No more than 50% of the MSFA's total investment portfolio will be invested in a single security type or with a single financial institution. No more than 5% of the overall portfolio may be invested in the securities of a single issuer, except for the securities of the United States government or an external investment pool.



MINNESOTA SPORTS FACILITIES AUTHORITY

POLICY STATEMENT

SUBJECT:	POLICY CODE NO.	EFFECTIVE DATE	REVISED DATE	PAGE
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MAXIMUM MATURITIES

- A minimum of 5% will mature within 30 days.
- Total funds will be invested to a maximum maturity of five years.
- Total weighted average will be 3.5 years.

Exception to the maximum maturity is in reserve funds, which may be invested to a maturity date that coincides as nearly as practicable with the expected use of the funds.

ASSET ALLOCATION

The Intermediate and Long-Term portfolios may be managed by Investment Advisors in order to maximize earnings within the guidelines of this policy. The MSFA will receive recommendations from its Investment Advisors as to the appropriate target portfolio weightings among the various asset classes (e.g., stocks, bonds, alternatives, and cash) and among investment managers. Such recommendations will include a plan for periodic rebalancing of asset weightings and manager weightings. The Cash Equivalent category is expected to be managed by the Finance staff.

BENCHMARKS

The investment portfolio will be managed conservatively. The MSFA, based on appropriate current indexes and yields reported by similar entities with similar restrictions on investments, will develop benchmarks to determine whether market yields are being achieved.

REPORTING

On a quarterly basis, the Director of Finance will present to the MSFA an investment summary that provides a listing of the securities held, name of broker agent, maturity date, yield percentage of total portfolio by investment type, gains or losses mark to market of all securities, number of investment placed, term, benchmark performance, and other information as requested by the Authority.

ANNUAL REVIEW

This policy shall be reviewed at least annually by the Director of Finance. Any policy changes will be recommended to the Authority for its consideration in a timely manner.



MINNESOTA SPORTS FACILITIES AUTHORITY

POLICY STATEMENT

SUBJECT:	POLICY CODE NO.	EFFECTIVE DATE	REVISED DATE	PAGE
Investment Policy		08/01/2012	N/A	

APPROVAL AND REVISION DATES

Original adoption on 08/01/2012

REFERENCE

- Minnesota Statute 118A

EXHIBIT C

NOTIFICATION TO BROKER AND CERTIFICATION BY BROKER PURSUANT TO MINN. STAT. § 118.04

I. Broker Information

Name of Firm: «Company»
Local Address: «Address1» «Address2» «City» «State»
National Address:
Telephone Local: «WorkPhone» National:
Primary Representative
Name & Title: «FirstName» «LastName», «JobTitle»

II. Statement of Investment Restrictions:

To: «FirstName» «LastName»
Minnesota Sports Facilities Authority is only authorized to invest in those investments complying with the requirements of Minn. Stat. §§ 118A.04, 118A.05 and 118A.06.

Mary Fox-Stroman, CPA,
Director of Finance

Date

III. Statement of Additional Investment Restrictions:

Further be advised that Minnesota Sports Facilities Authority restricts its investments as provided in the attached Investment Policy dated 8/1/2012. Minnesota Sports Facilities Authority will provide to the broker copies of any changes to the Investment Policies as they occur.

Mary Fox-Stroman, CPA,
Director of Finance

Date

IV. Certification

We agree to conduct your investment transactions in accordance with the Minn. Stat. §§ 118A.04, 118A.05 and 118A.06 and the provision of any Additional Restrictions set forth above.

Signature of Authorized Representative or Broker

Date

EXHIBIT D

This agreement provides a Template to be used as example

PROFESSIONAL SERVICES AGREEMENT

DATE: _____, 2013

BETWEEN: **MINNESOTA SPORTS FACILITIES AUTHORITY, a public body, corporate and politic and political subdivision of the State of Minnesota**

900 South Fifth Street
Minneapolis, Minnesota 55414 (“Authority”)

AND: _____ (“Contractor”)

WITNESSETH

WHEREAS, the Authority was established pursuant to 2012 Minnesota Laws, Chapter 299 (the “Act”) to perform the functions described in the Act.

WHEREAS, the Authority is in need of a broad range of insurance consulting, brokerage, and administration services in connection with the evaluation, placement, and administration of an insurance program for its operations and facilities including, but not limited to, the Hubert H. Humphrey Metrodome (“Metrodome”), and other current or future facilities owned by the Authority.

WHEREAS, Contractor represents that it has the requisite expertise and experience to perform the services required of Contractor as further set forth herein, and that it is duly qualified, is lawfully authorized, and holds all applicable licenses, to perform all services described in this Agreement to the satisfaction of the Authority.

WHEREAS, the Authority and Contractor desire to enter into this Professional Services Agreement (“Agreement”)

NOW THEREFORE, in consideration of the foregoing recitals, which are an integral part of this Agreement, the following terms and conditions, and other and further consideration, receipt of which is acknowledged, it is agreed as follows.

1. **Defined Terms:** As used in this Agreement, the following terms have the following meanings:

“Applicable Laws” means all applicable federal, state, and local laws, ordinances, rules, and regulations that apply to any and all services provided by the Contractor pursuant to this Agreement.

“Application for Payment” means the submittal of a request for payment on the Authority’s form and in conformity with the guidelines for receiving payment under this Agreement.

“Authority” means the Minnesota Sports Facilities Authority established pursuant to 2012 Minnesota Laws, Chapter 299 (the “Act”).

“Contractor” means [insert for each individual contract]

“OCIP” means Owner Controlled Insurance Program.

“Required Services” all of the obligations undertaken by Contractor in this Agreement and its exhibits, including, but not limited to the services identified in Section 2, Scope of Service and Section 4, Contractor’s Duties.

“Stadium” means the Metrodome or any current or future facility owned by the Authority.

“Standard of Care” means that standard of professional care, skill, diligence and quality that prevails among similarly situated insurance brokers, insurance consultants, and administrators engaged in the planning, placement, and administration of insurance programs on facilities of similar scope, function, size, quality, complexity and detail as the Stadium including performance in accordance with all applicable federal, state and local laws.

“Team” means the Minnesota Vikings Football, LLC, a Delaware limited liability company authorized and doing business in the State of Minnesota.

2. **Scope of Services:** Contractor shall timely perform the Required Services for the Authority pursuant to the Standard of Care and to the satisfaction of the Authority. Contractor shall only allow competent, trained employees to perform the Required Services, and Contractor shall adequately supervise its employees to perform the Required Services on its behalf. All such employees shall be properly licensed and/or certified, if required by applicable law, for the work they are to perform. The Required Services shall include, but not be limited to:

- 2.1 Evaluation of the existing Authority property and casualty insurance program and suggest recommendations for additions or changes to coverages and limits of insurance.
- 2.2 Marketing the Authority property and casualty insurance program and obtaining competitive quotes.
- 2.3 Presenting a written report to document the quotes received from the various carriers.

- 2.4 Reviewing the individual policies for accuracy and completeness prior to delivery to Authority.
- 2.5 Advising, reporting, handling all claims and monitoring the claims.
- 2.6 Performing a semi-annual loss review and presenting a semi-annual loss report.
- 2.7 Coordination with OCIP Insurance Broker who will have responsibilities to place insurance coverage for a new Stadium.
- 2.8 Performing all services customarily provided by Contractors pursuant to the Standard of Care.

3. **Term of the Agreement:**

- 3.1 Effective date: _____. The Contractor must not begin work under this Agreement until the Agreement is fully executed and the Contractor has been notified by the Authority to begin the work.
- 3.2 Expiration date: _____, or until all obligations have been satisfactorily fulfilled, whichever occurs first.
- 3.3 Survival of Terms. The following paragraphs survive the expiration or cancellation of this Agreement: 10. Insurance; 12. Audits; 13. Intellectual Property and Government Data Practices; 15. Publicity and Endorsement; 17 Contractor's Records and Data Safeguarding; and 18. Governing Law and Dispute Resolution.

4. **Contractor's Duties:**

- 4.1 The Contractor, who is not an employee of the Authority or the Team, will perform all Required Services in a timely manner in full accordance with the Contractor's Standard of Care.
- 4.2 Consistent and in full compliance with its Standard of Care, the Contractor shall use its expertise to perform the Required Services in an expeditious and economical manner and in furtherance of the interests of the Authority.
- 4.3 Contractor warrants that it now has all personnel required to perform the Required Services. Contractor's principal-in-charge for this Agreement shall be _____, and shall materially participate in the performance of the Required Services.

5. **Time:**

- 5.1 In the performance of this Agreement, time is of the essence.

6. **Consideration and Payment:**

6.1 The Authority will pay for all services performed by the Contractor under this Agreement as follows:

6.1.1 Compensation. The Contractor will be paid on the following basis:

6.1.2 Total Obligation. Notwithstanding any term in this Agreement to the contrary, the total obligation of the Authority for all compensation and reimbursements to the Contractor under this Agreement will not exceed \$_____.

6.2 Prior to being entitled to receive payments, the Contractor shall submit to the Authority or its designee itemized Applications for Payment in a format to be approved by the Authority in its sole discretion, supported by such data as the Authority may deem reasonably necessary to substantiate the Contractor's right to payment. The Contractor shall submit an Application for Payment only during the last five (5) business days of any month. Applications for Payment submitted at any other time during the month will be deemed to have been submitted on the last day of that month. The Authority or its designee shall approve or reject all or part of Contractor's Application for Payment on or before the 10th day of the following month.

6.3 Such amounts as the Authority may approve, consistent with the terms hereof, shall be payable to Contractor not later than forty-five (45) days from the date upon which the Application for Payment is approved by the Authority and payment is made to any applicable disbursing agent by the Authority.

6.4 Contractor shall maintain an accounting system which accounts for costs in accordance with generally accepted accounting principles.

7. **Conditions of Payment:**

7.1 All services provided by the Contractor under this Agreement must be performed to the Authority's satisfaction, as determined at the sole discretion of the Authority and in accordance with all Applicable Laws. The Contractor will not receive payment for work found by the Authority to be unsatisfactory or performed in violation of Applicable Law(s).

8. **Assignment, Amendments, Waiver, and Complete and Integrated Agreement:**

- 8.1 Assignment. The Contractor may neither assign nor transfer any rights or obligations under this Agreement without the prior consent of the Authority and a fully executed assignment agreement, executed and approved by the same parties who executed and approved this Agreement, or their successors in office. Any attempted assignment without said consent shall be void and of no effect.
- 8.2 Amendments. Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original Agreement, or their successors in office.
- 8.3 Waiver. If the Authority fails to enforce any provision of this Agreement, that failure does not waive the provision or its right to enforce it. No waiver shall be effective against the Authority unless in writing specifically expressing such waiver signed by a person duly authorized by the Authority in advance to sign such waiver.
- 8.4 Complete and Integrated Agreement. This Agreement contains all negotiations and agreements between the Authority and the Contractor. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.

9. **Indemnification:**

- 9.1 Contractor shall defend, indemnify, save, and hold harmless the Authority and its directors, officers, agents, attorneys, and employees from and against any claims, damages, liabilities, losses, causes of action, judgments, costs and expenses (specifically including attorneys' fees and costs, court fees and costs, and arbitration fees and costs incurred to defend the Authority) arising from the negligent acts errors or omissions of the Contractor or the Contractor's agents, employees, subcontractors or delegates, or the Contractor's breach of this Agreement, and the Contractor's liability shall not be limited by the amount of limit of insurance Contractor procures to insure its obligations under this paragraph 9.1.
- 9.2 Contractor acknowledges and agrees that it has an independent obligation under this Agreement to procure and maintain insurance as will insure the Contractor's obligations in this Agreement including paragraph 9.1, and further agrees that such insurance is commercially available.
- 9.3 Contractor's obligation to defend as set forth in paragraph 9.1 includes the obligation to provide and pay for attorneys to defend the Authority or its directors, officers, agents, attorneys, and employees entitled to indemnification under paragraph 9.1, which attorneys shall be selected by the Authority.

10. **Insurance:**

10.1 Without limiting any liabilities or any other obligations, Contractor, at its own expense, shall provide and maintain for all work performed pursuant to the Statement of Work or for the Authority the minimum insurance coverage of the types and amounts listed below. Not later than one week prior to the Effective Date of this Agreement, the Contractor shall provide a Certificate of Insurance to the Authority evidencing such insurance coverage.

10.2 Commercial General Liability (CGL) and Excess Liability

10.2.1 Contractor shall maintain CGL and, if necessary, commercial excess liability insurance with a limit of not less than \$1,000,000 each occurrence and \$2,000,000 aggregate. The Authority shall be included as an additional insured under the CGL and under the commercial excess coverage, if any.

10.2.2 CGL insurance shall be written on Insurance Services Office, Inc. (ISO) occurrence form CG 00 01 12 04 (or a substitute form providing equivalent coverage). The Authority shall be included as an insureds under the CGL using ISO additional insured endorsement CG 20 10 or a substitute providing equivalent coverage, and under any excess liability policy and endorsement CG 20 37 or equivalent.

10.3.3 This insurance shall apply as primary insurance with respect to any other insurance or self-insurance programs afforded to the Authority. There shall be no endorsement or modification of the commercial general liability to make it excess over other available insurance; alternatively, if the commercial general liability states it is excess or pro rata, the policy shall be endorsed to be primary with respect to the additional insureds.

10.4.4 There shall be no endorsement or modification of the commercial general liability limiting the scope of coverage for liability assumed under this Agreement.

10.3 Commercial or Business Automobile Liability and Excess Liability

10.3.1 Contractor shall maintain business/commercial automobile liability and, if necessary, commercial umbrella liability insurance with a limit of not less than \$1,000,000 each accident. Such insurance shall cover liability arising out of any auto (including owned, hired, and non-owned vehicles).

10.3.2 Coverage as required by this section shall be written on a standard ISO business auto, garage, truckers, or motor carrier policy form. Insurance coverage as required by this section shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a

substitute form providing equivalent liability coverage. Contractor shall effect insured status for the Authority under coverage required by this section using ISO endorsement CA 20 48 or an equivalent form.

10.3.3 Contractor waives all rights against the Authority, their agents, officers, employees, and volunteers for recovery of damages to the extent such damages are covered by the business automobile liability or commercial excess liability insurance obtained by Contractor pursuant to this Agreement.

10.4 Workers' Compensation and Employer's Liability

10.4.1 Contractor shall maintain workers' compensation and employer's liability insurance.

10.4.2 The workers compensation coverage shall be in an amount no less than the applicable state's statutory requirements.

10.4.3 The commercial umbrella/or employer's liability limits shall not be less than \$1,000,000 each accident for bodily injury by accident or \$1,000,000 each employee for bodily injury by disease.

10.4.4 Contractor waives all rights against the Authority, and their employees, officers, directors and agents for recovery of damages to the extent these damages are covered by the workers' compensation and employer's liability or commercial umbrella liability insurance obtained by Contractor pursuant to this section. Contractor shall obtain an endorsement equivalent to WC 00 03 13 to affect this waiver.

10.4.5 The Contractor certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Contractor's employees and agents will not be considered Authority employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the Authority's obligation or responsibility.

10.5 Professional Liability (Errors and Omissions Coverage)

10.5.1 Minimum limits of insurance under this section shall be \$2,000,000 per claim, \$2,000,000 aggregate.

10.6 Evidence of Insurance

10.6.1 Contractor shall, prior to commencement of any services related to this Agreement, furnish the Authority with Certificate(s) of Insurance executed by a duly authorized representative of respective insurer(s) showing compliance with the requirements set forth above. Such Certificate(s) of Insurance shall be presented not later than one week prior to the Effective Service Date of this Agreement.

10.6.2 All Certificates of Insurance shall provide for thirty (30) days written notice to Authority prior to cancellation or material change of any insurance referred to therein.

10.6.3 The Description of Operations Section of Certificate of Insurance shall reference the individuals from the Authority who will be in charge of administration of the Agreement.

11. **Independent Contractors:**

11.1 All of Contractor's employees furnishing services to the Authority shall be deemed employees solely of Contractor and shall not be deemed for any purposes whatsoever employees or agents of, acting for or on behalf of the Authority. Contractor shall perform all services as an independent contractor and shall assume all its liabilities as such. No acts performed or representations, whether oral or written, made by Contractor with respect to third parties shall be binding on the Authority. Contractor will make all purchases in its own name and shall not attempt in any way to bind the Authority in its contractual agreements, whether written or oral. The relationship between Contractor and Authority is that of independent contracting entities. Neither shall be construed to be the employee of the other.

11.2 Contractor and its agents and employees shall at all times be independent contractors and shall not, under any circumstances, be considered or hold themselves out to be agents or employees of the Authority. Contractor further agrees that no tax assessment or legal liability of Contractor or of its agents or employees shall become an obligation of the Authority by reason of this Agreement.

11.3 Contractor shall be fully responsible for the acts of its employees, independent contractors, and agents and shall take all reasonable precautions to prevent injury or loss and shall be responsible for all damage caused by Contractor or its employees, or agents. Further, Contractor assumes all liability arising out of proven dishonesty of its employees or subcontractors.

12. **Audits:**

- 12.1 Audits During the Agreement's Term: Contractor agrees that the Authority, or any of its duly authorized representatives, at any time during the term of the Agreement, shall have access to, and the right to audit and examine, with reasonable notice, any pertinent books, documents, papers, and records of Contractor related to Contractor's charges and performance under this Agreement. Contractor agrees to refund to the Authority any overpayment disclosed by such audit within thirty (30) days of notice by the Authority, and, in the event any such audit shall disclose an overpayment by the Authority of greater than 10% of the amount properly owed, the Contractor shall pay the cost of such audit.
- 12.2 Contractor's Duty to Maintain Records After the Agreement's Term: The Contractor's books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by the Authority as appropriate, for a minimum of twelve (12) years from the end of the Agreement. The Contractor agrees to make such books, records, documents, procedures and practices available to the Authority during normal business hours upon request.

13. **Intellectual Property and Government Data Practices:**

- 13.1 Intellectual Property Rights. The Authority owns all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the Works and Documents created and paid for under this Agreement. Works means all inventions, improvements, discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks conceived, reduced to practice, created or originated by the Contractor, its employees, agents, and subcontractors, either individually or jointly with others in the performance of this Agreement. Works includes "Documents." Documents are the originals of any databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, disks, or other materials, whether in tangible or electronic forms, prepared by the Contractor, its employees, agents, or subcontractors, in the performance of this contract. The Documents will be the exclusive property of the Authority and all such Documents must be immediately returned to the Authority by the Contractor upon completion or cancellation of this Agreement. To the extent possible, those Works eligible for copyright protection under the United States Copyright Act will be deemed to be "works made for hire." The Contractor assigns all right, title, and interest it may have in the Works and the Documents to the Authority. The Contractor must, at the request of the Authority, execute all papers and perform all other acts necessary to transfer or record the Authority's ownership interest in the Works and Documents.
- 13.2 Obligations Regarding Intellectual Property
- 13.2.1 Notification. Whenever any invention, improvement, or discovery (whether or not patentable) is made or conceived for the first time or actually or constructively reduced to practice by the Contractor, including

its employees and subcontractors, in the performance of this Agreement, the Contractor will immediately give the Authority written notice thereof, and must promptly furnish the Authority with complete information and/or disclosure thereon.

13.2.2 Representation. The Contractor must perform all acts, and take all steps necessary to ensure that all intellectual property rights in the Works and Documents are the sole property of the Authority, and that neither Contractor nor its employees, agents, or subcontractors retain any interest in and to the Works and Documents. The Contractor represents and warrants that the Works and Documents do not and will not infringe upon any intellectual property rights of other persons or entities. The Contractor will indemnify; defend; and hold harmless the Authority, at the Contractor's expense, from any action or claim brought against the Authority to the extent that it is based on a claim that all or part of the Works or Documents infringe upon the intellectual property rights of others. The Contractor will be responsible for payment of any and all such claims, demands, obligations, liabilities, costs, and damages, including but not limited to, attorney fees. If such a claim or action arises, or in the Contractor's or the Authority's opinion is likely to arise, the Contractor must, at the Authority's discretion, either procure for the Authority the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing Works or Documents as necessary and appropriate to obviate the infringement claim. This remedy of the Authority will be in addition to and not exclusive of other remedies provided by law.

13.3 Government Data Practices: Contractor acknowledges that any records received, maintained or controlled by the Authority are subject to the Minnesota Government Data Practices Act, Minnesota Statutes chapter 13. Contractor shall cooperate with the Authority to respond to valid requests pursuant to the Data Practices Act.

14. **Equal Opportunity:**

14.1 The Contractor shall comply with all Applicable Laws and any special requirements regarding equal employment opportunity, including but not limited to the completing the Minnesota Affirmative Action Data Page referenced in the Request for Qualifications/Proposals (RFQ/RFP) for Insurance Broker Services for Property and Casualty Program.

15. **Publicity and Endorsement:**

- 15.1 Publicity. Any publicity regarding the subject matter of this Agreement must identify the Authority as the sponsoring agency and must not be released without prior written approval from the Authority. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Contractor individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Agreement.
- 15.2 Endorsement. The Contractor must not claim that the Authority endorses its products or services.

16. **Compliance with Laws:**

- 16.1 Contractor shall comply with all Applicable Laws, ordinances, codes, and regulations of any federal, state, county, or municipal government, bureau, or department, including any applicable regulations, relative to all of its activities and shall obtain and maintain all necessary licenses and permits at its sole cost and expense. The Authority shall have no responsibility for fines, penalties or sanctions incurred due to acts or omissions of Contractor, its employees, agents, or subcontractors.

17. **Contractor's Records and Data Safeguarding:**

- 17.1 The Authority shall be permitted access to all of the Contractor's records, books, vouchers, correspondence, instructions, drawings, receipts, memoranda and similar materials relating to this Agreement. Contractor shall preserve all such material for a period of two years after final payment under this Agreement. The reports, data, information, documents, plans, computer models and specifications prepared by the Contractor pursuant to this Agreement shall become and remain the property of the Authority.
- 17.2 Contractor (including their respective officers, trustees, employees, agents, subcontractors, and assigns) shall keep confidential any and all information which is marked "Confidential" and obtained from the Authority concerning the assets, properties, business, services, clients, trade secrets, organizational structure, philosophy, objectives, financial plans and results, and other information relating to the other party (the "Confidential Information") and shall not use such information (including without limitation this Agreement) for any purpose other than that purpose contemplated under this Agreement. However, any such information may be disclosed to employees and agents of Contractor to the extent that such persons, in Contractor's considered judgment, need access to such information to enable Contractor to perform its obligations under this Agreement. This covenant shall survive the termination of this Agreement.

17.3 Contractor shall take all steps necessary to safeguard any data, files, reports, or other information from loss, destruction, erasure, or release to outside parties, including but not limited to any and all Confidential Information. All costs, expenses, or damages resulting from the loss of such data shall be borne by the Contractor when such loss or damage occurred through the negligence of the Contractor. Any personally identifiable information including personal contact information may not be used for any purpose other than servicing this Agreement. The Contractor may not make any disclosures of it to anyone other than the Authority without providing notice to the Authority and complying with applicable law.

18. **Governing Law and Dispute Resolution:**

18.1 Minnesota law, without regard to its choice-of-law provisions, governs this Agreement. Notwithstanding anything in this Agreement to the contrary, the Authority does not waive any statutory limited immunity from municipal tort liability available to it under Minnesota Statutes, Chapter 466, or otherwise. Such statutory limited immunity shall apply whether an action, claim, demand or lawsuit is initiated by Contractor or any third party.

18.2 The Authority and Contractor agree that if a dispute of any nature arises out of this Agreement, they will first try to settle the dispute by mediation administered by the American Arbitration Association under its Commercial Mediation Rules. If the dispute is not resolved by mediation, Contractor agrees that the Authority shall have the sole and exclusive discretion to determine whether the dispute shall be litigated in a court of competent jurisdiction in Hennepin County, Minnesota, or arbitrated pursuant to the Commercial Rules of the American Arbitration Association. To the extent a dispute involves common questions of fact or law that involve third parties whose presence is necessary for complete relief, Contractor consents to the joinder in arbitration of such third parties by the Authority.

19. **Termination:**

19.1 Termination by the Authority. The Authority may cancel this Agreement at any time, with or without cause, upon 30 days' written notice to the Contractor. Upon termination, the Contractor will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed as Contractor's sole and exclusive remedy. In the event the Authority terminates for cause, and such termination is later determined to have been unjustified, then such termination shall be deemed to have been for convenience and the Contractor's remedies shall be limited to the sole and exclusive remedy specified in this paragraph 19.1. In no event shall the Authority be liable for lost anticipated profits or consequential damages.

20. **Notices:**

20.1 All notices, demands, consents or approvals required or permitted under this Agreement shall be in writing and shall be deemed effective (a) when personally delivered, (b) when sent by facsimile with receipt acknowledged, (c) one business day after being deposited with any nationally recognized overnight courier which routinely issues receipts, addressed to the party at the address stated below, or (d) three business days after being placed in the United States mails by certified mail, return receipt requested, postage prepaid, addressed to the party at the address stated below:

Authority at: Minnesota Sports Facilities Authority
900 South Fifth Street
Minneapolis, Minnesota 55415
Attention: Ted Mondale, CEO/Executive Director
Facsimile No. (612) 332- 8334

Contractor at: _____

Attention: _____
Facsimile No. _____

or at such other place or places as either party may hereafter designate in writing.

21. **Independence of the Contractor and Authority:**

21.1 Contractor represents and warrants that no trustee, officer, employee, student or agent of the Authority has been or will be employed, retained or paid a fee, or otherwise receive or will receive any personal compensation or consideration of any kind by or from Contractor's directors, officers, employees, or agents in connection with obtaining, arranging, negotiating, or performing this Agreement.

21.2 No person or persons other than those employed by Contractor shall have any financial or personal interest in Contractor's performance hereunder.

21.3 No person acting for or employed by the Authority is now or will hereafter be directly or indirectly involved on behalf of Contractor in this Agreement, or in the service and work to which it relates, or in any portion of the profits thereof in any manner.

22. **Miscellaneous:**

22.1 The persons executing this Agreement on behalf of each party hereto warrant and represent that they have full power and authority to do so.

22.2 Section headings herein are inserted only for convenience of reference, and shall in no way define, limit, or prescribe the scope or extent of any provisions of this Agreement.

- 22.3 In the event of any conflict between this Agreement and anything contained in the Exhibits hereto, the provisions of this Agreement shall govern.
- 22.4 All covenants, agreements, indemnities, guarantees and warranties made by Contractor shall survive the expiration or termination of this Agreement.
- 22.5 If any term or provisions of this Agreement shall be held to be invalid or unenforceable, the remaining terms and provisions of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- 22.6 The failure of either party to enforce at any time or for any period of time any of the provisions of this Agreement shall not be construed as a waiver of such provisions or of the right of the party thereafter to enforce each and every such provision.
- 22.7 Obligations pursuant hereto shall survive the completion of the services to be performed by it and the date of termination hereof.
- 22.8 The rights and remedies provided for in this Agreement are in addition to any other rights and remedies provided by law.
- 22.9 In the execution of the Agreement, the Contractor agrees, consistent with the policies of the Authority, not to discriminate on the grounds of race, color, sex, national origin or citizenship status, age, disability, or veteran status and to provide reasonable accommodations to qualified individuals with disabilities upon request.
- 22.10 This is a non-exclusive Agreement. The Authority may contract with more than one contractor for similar services provided during the term of this Agreement. Contractor acknowledges that entry into an Agreement to provide services to the Authority does not obligate the Authority to purchase products or services from Contractor any minimum number of occasions, or at all, during the Agreement term.
- 22.11 Contractor is free to contract for similar services with other parties while this Agreement is in force; provided, however that Contractor shall not contract with other parties whose interests would be in conflict with the Authority without the Authority's prior written consent after full disclosure of the proposed contract by Contractor. Contractor represents that it has no conflicts of interest with respect to this Agreement.

[THE REST OF THIS PAGE IS INTENTIONALLY BLANK.]

IN WITNESS WHEREOF, Authority and Contractor have executed this Agreement as of the date at the beginning of this Agreement.

CONTRACTOR:

By: _____

Its: _____

MINNESOTA SPORTS FACILITIES AUTHORITY

By: _____

Name: Michele Kelm-Helgen

Title: Chair

By: _____

Name: Ted Mondale

Title: CEO/Executive Director

EXHIBIT E

NON-COLLUSION STATEMENT

STATE OF _____

CITY/COUNTY OF _____

_____ being first duly sworn, deposes and says that he or she is

Title of Person Signing
of _____

Name of Proposer

that all statements made and facts set out in the proposal for the above project are true and correct; and the bidder (The person, firm, association, or corporation making said bid) has not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with said bid or any contract which may result from its acceptance.

Affiant further certifies that proposer is not financially interested in, or financially affiliated with, any other proposer for the above project.

BY _____

ITS _____

SWORN to before me this _____ day of _____ 20 ____.

Notary Public

My Commission Expires _____

EXHIBIT F

State Of Minnesota – Affirmative Action Data Page (For responses in excess of \$100,000 only)

If your response to this solicitation is in excess of \$100,000, please complete the information requested below to determine whether you are subject to the Minnesota Human Rights Act (Minnesota Statutes 363.073) certification requirement, and to provide documentation of compliance if necessary. *It is your sole responsibility to provide this information and—if required—to apply for Human Rights certification prior to the due date and time of the bid or proposal and to obtain Human Rights certification prior to the execution of the contract.*

How to determine which boxes to complete on this form:

Then you must complete these boxes...	BOX A	BOX B	BOX C	BOX D
On any single working day within the past 12 months, if your company...				
Employed more than 40 full-time employees in Minnesota	•			•
Did not employ more than 40 full-time employees in Minnesota, but did employ more than 40 full-time employees in the state where you have your primary place of business		•		•
Did not employ more than 40 full-time employees in Minnesota or in the state where you have your primary place of business.			•	•

BOX A – For companies which have employed more than 40 full-time employees within Minnesota on any single working day during the previous 12 months

Your response will be rejected unless your business:

has a current Certificate of Compliance issued by the Minnesota Department of Human Rights (MDHR)

–or–

has submitted an affirmative action plan to the MDHR, which the Department received prior to the date and time the responses are due.

Check one of the following statements if you have employed more than 40 full-time employees in Minnesota on any single working day during the previous 12 months:

- We have a current Certificate of Compliance issued by the MDHR. **Proceed to BOX D.** Include a copy of your certificate with your response.
- We do not have a current Certificate of Compliance. However, we submitted an Affirmative Action Plan to the MDHR for approval, which the Department received on _____ (date) at _____ (time). [If you do not know when the Department received your Plan, contact the Department.] We acknowledge that the plan must be approved by the MDHR before any contract or agreement can be executed. **Proceed to BOX D.**
- We do not have a Certificate of Compliance, nor has the MDHR received an Affirmative Action Plan from our company. *We acknowledge that our response will be rejected.* **Proceed to BOX D. Call the Minnesota Department of Human Rights for assistance.**

Please note: Certificates of Compliance must be issued by the Minnesota Department of Human Rights. Affirmative Action Plans approved by the Federal government, a county, or a municipality must still be reviewed and approved by the Minnesota Department of Human Rights before a certificate can be issued.

BOX B – For companies which *have not* had more than 40 full-time employees in Minnesota but *have* employed more than 40 full-time employees on any single working day during the previous 12 months in the state where they have their primary place of business
You may achieve compliance with the Minnesota Human Rights Act by certifying that you are in compliance with applicable Federal Affirmative Action requirements.

Check one of the following statements if you have not employed more than 40 full-time employees in Minnesota but you have employed more than 40 full-time employees on any single working day during the previous 12 months in the state where you have your primary place of business:

- We are not subject to Federal Affirmative Action requirements. **Proceed to BOX D.**
- We are subject to Federal Affirmative Action requirements, and we are in compliance with those requirements. **Proceed to BOX D.**

BOX C – For those companies not described in BOX A or BOX B

Check below. You are not subject to the Minnesota Human Rights Act certification requirement.

- We have not employed more than 40 full-time employees on any single working day in Minnesota or in the state of our primary place of business within the previous 12 months.

Proceed to BOX D

BOX D – For all companies

By signing this statement, you certify that the information provided is accurate and that you are authorized to sign on behalf of the responder.

Name of Company: _____

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____ Telephone number: _____

For further information regarding Minnesota Human Rights Act requirements, contact:

Minnesota Department of Human Rights, Compliance Services Section

Mail: 190 East 5th Street, Suite 700
St. Paul, MN 55101

Metro: (651) 296-5663
Toll Free: 800-657-3704

Fax: (651) 296-9042
TTY: (651) 296-1283

Website: www.humanrights.state.mn.us

Email: employerinfo@therightsplace.net