



Florida's Warmest Welcome  
August 9, 2013

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**City of Pompano Beach, Purchasing Division  
1190 N.E. 3rd Avenue, Building C  
Pompano Beach, Florida, 33060**

**ADDENDUM #3, RFP H-53-13  
INVESTMENT MANAGEMENT SERVICES**

To Whom It May Concern,

Please review the following question and City response regarding the Request for Proposals solicitation.

No further technical specification questions will be accepted for this project.

1. Question: In looking at the City's current cash and core portfolios, it is clear that preservation of principal and minimizing interest rate risk are key objectives for the City. Given the City's current investment guidelines, virtually all RFP respondents will be able to manage a cash portfolio and core portfolio of mostly US Government securities, US agencies, and high quality mortgage, asset-backed and corporate securities without much differentiation.....duration will likely be around 2 years and the portfolios will yield 50-75 bps.

Dana currently manages cash/fixed income portfolios for over 50 Florida municipalities and we have managed a Limited Volatility strategy for nearly 35 years. This strategy has a duration of approximately 1 year and yields 75-100 bps with Aaa average credit quality using variable rate securities with final maturities in some cases exceeding the City's current maturity maximums.

If our assumption of the City's objectives for these portfolios is correct, we thought it would be very compelling if the Finance Director could reduce the interest rate risk of the cash and core portfolios for the City, but match or likely improve the current yield on these monies. If the City was intrigued with this solution, Dana meets all the other qualifications for this RFP and would eagerly submit a proposal for consideration.

Response: The City of Pompano Beach will not commit to any strategy changes at this point. The RFP itself states that proposers should propose any recommended changes to the city's current investment policy. This will allow the committee to review all strategy proposed changes from all proposers.

Proposers should acknowledge receipt of this Addendum in the area provided on the RFP Proposal Signature page.

Very truly yours,

Leeta Hardin  
General Services Director

cc: website  
file