

Business Operations
Ofelia San Pedro, Deputy Superintendent

SUBJECT: AUTHORIZATION TO ENTER INTO A CONTRACTUAL SERVICES AGREEMENT BETWEEN THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA, AND SWAP FINANCIAL GROUP, LLC, PURSUANT TO REQUEST FOR PROPOSALS NO. 023-FF10 – DERIVATIVES FINANCIAL ADVISOR

COMMITTEE: INNOVATION, EFFICIENCY & GOVERNMENTAL RELATIONS

Request For Proposals No. 023-FF10 - DERIVATIVES FINANCIAL ADVISOR, opened on November 15, 2005, is to obtain the services of a firm to provide financial advisory services. The services include derivative products evaluation, procurement and overall risk-management strategies designed to improve the financial performance of the District while minimizing risks. It is anticipated that only a minimal volume of transactions will be executed to mitigate interest rate risks arising from the anticipated high volume of financing associated with the Five-Year Facilities Work Program approved by the School Board at the September 7, 2005, School Board meeting. This is a term proposal. Of 17 proposers sent proposal forms or card notices of this advertised proposal, 7 responded.

The Derivatives Financial Advisor will provide services consisting of advice and assistance regarding derivative products, including but not limited to the following:

- Derivatives Policies
- Portfolio Analysis
- Evaluation & Review of Derivative Products
- Execution of Derivative Transactions
- Training and ongoing monitoring and evaluation of risk management strategies

Additionally, the Derivatives Financial Advisor will provide day-to-day advice and recommendations on various swap-related matters to the District's Treasury staff members, including but not limited to tracking rates, monitoring termination value, verifying swap payments or receipts, counterparty credit, and contract compliance.

A meeting of the selection committee to evaluate proposals received in response to the Request For Proposals was held on November 29, 2005. Seven proposals were presented for consideration: Bond Logistix, LLC/P.G. Corbin & Company, Inc.; Rubin/Chambers, Dunhill Insurance Services, Inc., d.b.a. CDR Financial Products; First Southwest Company; Investment Management Advisory Group, Inc.; PFM Asset Management, LLC; Sound Capital Management, Inc./National Minority Consultants, Inc.; and Swap Financial Group, LLC. The Selection Committee was composed of members of the Investment Advisory Committee, as well as staff from Procurement Management Services, and Business Development and Assistance. After significant discussion, a motion was passed to recommend the firm of Swap Financial Group, LLC for award.

Fund Source
0369-LOML 2005-06

M/WBE Eligibility
None

RECOMMENDED: That The School Board of Miami-Dade County, Florida, **AUTHORIZE** the Superintendent to enter into a contractual services agreement between The School Board of Miami-Dade County, Florida, and Swap Financial Group, LLC, pursuant to Request for Proposals 023-FF10 – DERIVATIVES FINANCIAL ADVISOR, to provide financial advisory services. The services include derivative products evaluation, procurement and overall risk-management strategies, during the term of the proposal, effective December 14, 2005, through December 13, 2007, which may be extended, upon mutual agreement for two additional one-year periods, as follows:

1. SWAP FINANCIAL GROUP, LLC
76 SOUTH ORANGE AVENUE, SUITE 6
SOUTH ORANGE, NJ 07079
OWNER: PETER SHAPIRO, MANAGING DIRECTOR

Highest Rated Proposal.

2. Authorize Procurement Management Services to purchase up to the estimated amount of \$250,000.

OSP/lja