

| <p>CONTRACT ID:</p> | <p>Financial Advisory and Investment Consulting Services Recommended Vendor: Raymond James & Associates</p> | | | | | | | | | | | | | | | | |
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| <p>BUDGETED:</p> | <p>Yes</p> | | | | | | | | | | | | | | | | |
| <p>CONTRACT AMOUNT:</p> | <p>Service Fees:</p> <ul style="list-style-type: none"> Financial Advisory: Original and Renewal Terms - \$2,340,000 Investment Consulting: Original and Renewal Terms - \$3,780,000 <p>Financial Advisory and Investment Consulting Service Fees, including renewals, not to exceed: \$6,120,000.</p> <p>Transaction Fees: Paid to the Vendor as follows, if and when Citizens issues a Pre- and/or Post- event Bond(s) and/or if and when Citizens acts as a sponsor in the issuance of a Catastrophe Bond(s). Citizens may issue (Pre- and/or Post-event Bonds) and sponsor (Catastrophe Bonds) a combination of these instruments during the term of the contract however, there is no guarantee of issuance and sponsoring and issuance and sponsoring will be dependent on business and market circumstances.</p> <table border="1" data-bbox="435 1052 1365 1255"> <thead> <tr> <th>Transaction Type</th> <th>Transaction Amount (illustrative)</th> <th>Fee Per Each \$1000 Unit</th> <th>Total Fee in Dollars</th> </tr> </thead> <tbody> <tr> <td>Pre-Post Event Bond Issue</td> <td>\$1,000,000</td> <td>\$1.00</td> <td>\$1,000</td> </tr> <tr> <td>Catastrophe Bond</td> <td>\$500,000,000</td> <td>\$1.25</td> <td>\$625,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>\$626,000</td> </tr> </tbody> </table> | Transaction Type | Transaction Amount (illustrative) | Fee Per Each \$1000 Unit | Total Fee in Dollars | Pre-Post Event Bond Issue | \$1,000,000 | \$1.00 | \$1,000 | Catastrophe Bond | \$500,000,000 | \$1.25 | \$625,000 | | | | \$626,000 |
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| Pre-Post Event Bond Issue | \$1,000,000 | \$1.00 | \$1,000 | | | | | | | | | | | | | | |
| Catastrophe Bond | \$500,000,000 | \$1.25 | \$625,000 | | | | | | | | | | | | | | |
| | | | \$626,000 | | | | | | | | | | | | | | |
| <p>PURPOSE / SCOPE</p> | <p>Purpose: This Action Item seeks Board approval to engage the services of Raymond James and Associates to provide Financial Advisory and Investment Consulting Services listed in the contract resulting from Invitation to Negotiate 16-0004 and briefly described below.</p> <p>Scope: The recommended vendor will: participate in the development of Citizens' capital structure, which includes working with Citizens' Financial and Corporate Analytics staff to determine the correct mix of liquidity from surplus funds, bond proceeds and risk transfer in the traditional and capital markets; issuance of pre and post event debt; sponsoring the issuance of insurance linked securities in capital markets; assist in advising for risk transfer in the traditional and capital markets; assist with presentations to rating agencies and other entities as necessary; advising on the structure of the underwriting team and other financing teams; evaluation of potential investment policies as well as assisting Citizens' staff in the drafting of these policies; recommend specific portfolio transactions and/or positions; providing testimony as requested to the Florida legislature and cabinet; provide daily advice and expertise to management and staff as a member of Citizens' Internal investment Committee; and assistance with preparation for and attendance at Citizens' Board of Governors and Committee meetings, including presentations.</p> | | | | | | | | | | | | | | | | |

ACTION ITEM

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| CONTRACT TERM(S): | The contract term is anticipated to be five (5) years, and, at Citizens' discretion, have two (2) optional two-year renewal terms. |
| PROCUREMENT METHOD | On February 19, 2016, Citizens issued Invitation to Negotiate (ITN) No.16-0004 for Financial Advisory and Investment Consulting Services. Vendor Responses were due by March 29, 2016 and one proposal was submitted. This proposal was reviewed and scored by an Evaluation Committee. After a negotiation regarding annual fees, the Evaluation Committee recommended the award of the contract to Raymond James and Associates. |
| RECOMMENDATION: | It is recommended that Citizens' Board: <ul style="list-style-type: none">a) Approve the recommended award and resulting contract, including the renewal terms, as set forth in Financial Advisory and Investment Consulting Services Action Item;b) Authorize staff to take any appropriate or necessary action consistent with this Action Item. |
| CONTACTS: | Jennifer Montero, Chief Financial Officer |