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REQUEST FOR  
QUALIFICATIONS (RFQ)

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Investment Broker-Dealer Services  
RFQ No. 2022BrokerSrvs04

Prepared By:  
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<https://www.kilgore.edu/about/offices/procurement-services>

**REQUEST FOR QUALIFICATIONS (RFQ) No. 2022BrokerSrvs04  
Investment Broker-Dealer Services**

**PROPOSED SOLICITATION SCHEDULE**

*This schedule may be modified or changed at the sole discretion of KC.*

<b>DATE</b>	<b>ACTION</b>
March 31, 2023	RFQ issued by Procurement Services Office, Manager Betsy Hansard for Business Office. Posted online at <a href="https://www.kilgore.edu/about/offices/procurement-services">https://www.kilgore.edu/about/offices/procurement-services</a> .
April 19, 2023	<b>Questions and/or Clarifications Deadline</b> Requests for questions and clarifications regarding RFQ documents shall be submitted through email only to <b><i>bhansard@kilgore.edu</i></b> by 5:00 p.m. Central Time to be considered.
April 27, 2023	Issuance of final addendum, if necessary.
May 1, 2023	<b>Qualifications Statement Submission Deadline</b> All qualification statements and required documents shall be submitted by mail or hand delivery before 2:00 p.m. Central Time to:  Kilgore College Attn: Betsy Hansard 108 Choice St. Kilgore, TX 75662 REF: REQ-2022BrokerSrvs04
	Recommendation of award and approval to enter into contract. Award will be announced after approval received following June Board of Trustees meeting.

## SCOPE OF WORK AND SPECIFICATIONS

### 1. General

Kilgore College ("KC" or "College") reserves the right to select one or more contractors based on the best value, as determined by KC, overall response(s) submitted to the College, with consideration given to proposals that best meet the desired scope of work and specifications set forth in this quote request.

The awarded contractor(s) shall be paid only for the services authorized and approved in writing by the authorized College representative.

All work performed must be in compliance with existing federal, state and local codes, statutes and requirements.

### 2. Scope of Work

This scope of work covers the requirements to provide investment broker-dealer services to Kilgore College on an "as-needed basis." The "as-needed" Request for Qualifications (RFQ) allows the College to pre-qualify firms for specific investment broker-dealer services in accordance with the Investment Policy and PFIA. Investment broker-dealer services shall include, but are not limited to all work necessary to:

- Review and keep the College abreast of market trends and expectations in an effort to make proficient and efficient recommendations.
- Maintain a proficient working knowledge of the Public Funds Investment Act (PFIA).
- Facilitate investment strategies that retain liquidity, while producing the highest possible returns.
- Maximize portfolio returns in line with KC's investment objectives by gathering price execution for investments.
- Facilitate and scaffold a secure, structured, and profitable business organization.
- Facilitate and scaffold effective and timely settlement policies and procedures.
- Comply with the primary objectives of the College's Investment Policy as indicated in **Exhibit A** of this RFQ.

The following attachments, which are directly related to the primary objectives of the College's Investment Policy, and which are also listed in **Exhibit A**, can be found online under Requests for Proposal section at <https://www.kilgore.edu/about/offices/procurement-services> .

- Attachment 1 – Investment Policy CAK (LEGAL & LOCAL)
- Attachment 2 - Kilgore College Annual Operating & Capital Budget Report
- Attachment 3 – Conflict of Interest form

### 3. Certifications Required

Each respondent must show proof of the following investment-broker certifications:

- Proof of membership in the Securities Investor Protection Corporation
- Proof of registration with the Texas State Securities Board
- Proof of Financial Industry Regulatory Authority (FINRA) Report

### 4. Contract Term

The contract term, if any, for contract(s) awarded from this solicitation will be one (1) year with renewal **options** of four (4) one-year time periods.

## EVALUATION CRITERIA

An Evaluation Committee will review all statements of qualifications according to the criteria stated herein. The committee's evaluations will be based on all available information including qualification statements, subsequent interviews/presentations, reports, discussions, reference checks, and other appropriate review.

Each item will be rated by assigning a point value between 1 (not acceptable/poor) and 10 (excellent). Each of the point values will then be multiplied by the weighted value to produce a score for that criterion. The College reserves the right to conduct interviews with as many firms as they deem necessary.

Selection will be via the one-step evaluation process, pursuant to Texas Government Code Chapter 2269.

Responses will be evaluated using the following criteria:

<b>Factor</b>	<b>Weight</b>
Section 1: Qualifications and Experience of Firm	<b>30%</b>
Section 2: Qualifications and Experience of Personnel	<b>25%</b>
Section 3: Project Understanding, Approach, and Management	<b>30%</b>
Section 4: References	<b>10%</b>
Section 5: Certifications	<b>5%</b>
<b>Total</b>	<b>100%</b>

KC will select the most highly qualified provider(s) from the finalists on the basis of demonstrated competence and qualifications.

## **QUALIFICATIONS STATEMENT FORMAT REQUIREMENTS**

Qualification statements shall be submitted as a **Response Attachment** with response packet by the date and time deadline specified in this solicitation.

Responses shall be a single document with easily referenced page numbered sections in order and clearly labeled as outlined below.

Failure to provide the required information with the response may deem the respondent non-responsive and disqualify the response from consideration for award.

### **Section 1. Qualifications and Experience of Firm**

- a. Include a description of the firm including firm's history and size. Provide information regarding how long the respondent has provided the services requested in this solicitation. If the respondent is a corporation, limited partnership, limited liability company, or other formally organized entity, indicate the state in which the entity is chartered and the respondent's principal place of business.
- b. Describe previous experience with KC or other public entities and/or colleges. Include how many public entities and/or college accounts are in your current client base. Did your company perform satisfactorily to the terms and conditions of the last award given to your company? Were there any discrepancies, issues or complaints reported concerning your organization's performance?
- c. Describe your organization related to other competitors who may be submitting responses. How do you differ? What are your strengths? How do you perceive that your service philosophy differs from other organizations?
- d. Address customer service strategies for delivering a high level of customer service and handling customer complaints. Describe how your organization handles complaints, comments, or suggestions received.
- e. The following statements shall be written on firm's letterhead from the firm's president, owner, or financial officer and shall be submitted as separate **Response Attachments** in response packet:
  - 1) The respondent shall certify that the firm has, or has the ability to, obtain adequate financial resources during the performance of any contract and is in good financial standing.
  - 2) The respondent shall certify that the firm is not delinquent in any taxes owed under Chapter 171, Tax Code to the State of Texas and is current in all payment of taxes and fees.
  - 3) The respondent shall certify that the firm is not currently in default on any loan or financial agreement with any bank, financial institution, or other entity and the company is not currently in default on any loan or financial agreement.

### **Section 2. Qualifications and Experience of Personnel**

- a. This section shall include a project-staffing plan and organizational chart for all proposed key staff members who will be assigned to this project. Identify their respective responsibilities for this project. If personnel substitutions are contemplated on a contingency basis, they should also be identified.
- b. Provide brief resumes for key staff members outlining direct qualifications and experience. Provide certification cards, if required. Enhancements such as graphics, charts, or other visuals are acceptable, but not mandatory unless otherwise stated.

- c. Provide a list of accounts where key staff members have provided similar investment-broker services as detailed in this RFQ. Include a description of their express roles, as well as, length of time spent on each aforementioned account.
- d. Describe the training that is provided to personnel. Who undergoes the training and how often?
- e. Describe the frequency your firm evaluates staff and what type of performance evaluation system is used.

### **Section 3. Project Understanding, Approach, and Management**

- a. Include the management and technical approach as well as a description of all services offered by the respondent. Include details pertaining to your firm's approach, implementation, product identification, and capabilities as are relevant to this response, as respondent anticipates performing.
- b. Explain the proposed methodology to identify the key metrics used to measure your firm's performance in delivering investment-broker services required in this RFQ to KC. Include the frequency of measurement and how such measurements will be utilized to improve performance, monitor quality of work, decipher customer satisfaction, and track problems both externally and internally.
- c. Describe the various technological tools, methods and expertise that your firm will provide to KC.

### **Section 4. References**

- a. The respondent shall provide at least three references on recent projects for which the respondent's company is currently providing or has provided the same type and level of service required in this RFQ within the past three years. The name, address, telephone number, and **valid email address** of a reference person who may be contacted for further information must be included. It is highly preferable that these references are other colleges or public sector accounts comparable in size or larger.
- b. All references will be contacted by email. Evaluations will be based on responses received from references. It is advisable to notify your references ahead of time that a reference will be requested by email.

### **Section 5. Certifications**

The following certifications shall be submitted as separate **Response Attachments** in response packet:

- a. Proof of membership in the Securities Investor Protection Corporation.
- b. Proof of registration with the Texas State Securities Board
- c. Proof of Financial Industry Regulatory Authority (FINRA) Report and FINRA's Central Depository Registration (CRD) number.
- d. Annual current year audited financial statements.

### **List of Response Attachments:**

- Firm's Written Proposal (Sections 1-3)
- References (Section 4)
- Conflict of Interest Questionnaire
- Proof of Insurance
- Additional Costs (optional)
- Proof of membership in the Securities Investor Protection Corporation.
- Proof of registration with the Texas State Securities Board

- Proof of Financial Industry Regulatory Authority (FINRA) Report and FINRA's Central Depository Registration (CRD) number
- Annual current year audited financial statements
- Statement the company is in good financial standing.
- Statement the company is current in all payment of taxes and fees.
- Statement the company is not currently in default on any loan or financial agreement.

## **Exhibit A**

### Investments

#### Inventory Holdings Report (Operating and Others)

Kilgore College investment portfolio is in compliance with the Texas Public Funds Investment Act (PFIA) and is approved annually by the Board of Trustees. The College will use various investment products and anticipated cash flow requirements to structure its portfolio. KC's total portfolio ranges from Ten Million (\$10,000,000) to Thirty Million (\$30,000,000) and is a compilation of local government pools, cash, agencies, and U.S. treasuries.

- Attachment 1 - Investment Policy CAK (LEGAL & LOCAL)
- Attachment 2 - Kilgore College Annual Operating & Capital Budget Report can be found, viewed online <https://www.kilgore.edu/about-kc/institutional-information/public-notice-and-investment-disclosures> .
- Attachment 3 – Conflict of Interest Questionnaire



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**Public Funds  
Investment Act**

A college district must comply with the Public Funds Investment Act, Government Code Chapter 2256.

**Investment  
Compliance**

All investments made by investing entities, including college districts, shall comply with Government Code Chapter 2256, Subchapter A, and all federal, state, and local statutes, rules, or regulations. *Gov't Code 2256.026*

**Written Policies**

The governing body of an investing entity shall adopt by rule, order, ordinance, or resolution, as appropriate, a written investment policy regarding the investment of its funds under its control. The investment policies must be written; primarily emphasize safety of principal and liquidity; and address investment diversification, yield, and maturity and the quality and capability of investment management; and include:

1. A list of the types of authorized investments in which the investing entity's funds may be invested;
2. The maximum allowable stated maturity of any individual investment owned by the entity;
3. For pooled fund groups, the maximum dollar-weighted average maturity allowed based on the stated maturity date of the portfolio;
4. Methods to monitor the market price of investments acquired with public funds;
5. A requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis; and
6. Procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the provisions of Government Code 2256.021 [see Loss of Required Rating, below].

*Gov't Code 2256.005(a)–(b)*

**Annual Review**

The governing body of an investing entity shall review its investment policy and investment strategies not less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies. *Education Code 51.0032; Gov't Code 2256.005(e)*

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Investment  
Strategies

As an integral part of the investment policy, the governing body shall adopt a separate written investment strategy for each of the funds or group of funds under its control. Each investment strategy must describe the investment objectives for the particular fund using the following priorities in order of importance:

1. Understanding of the suitability of the investment to the financial requirements of the entity;
2. Preservation and safety of principal;
3. Liquidity;
4. Marketability of the investment if the need arises to liquidate the investment before maturity;
5. Diversification of the investment portfolio; and
6. Yield.

*Gov't Code 2256.005(d)*

Investment Officer

Each investing entity shall designate, by rule, order, ordinance, or resolution, as appropriate, one or more officers or employees as investment officer to be responsible for the investment of its funds consistent with the investment policy adopted by the entity. If the governing body of an investing entity has contracted with another investing entity to invest its funds, the investment officer of the other investing entity is considered to be the investment officer of the first investing entity for purposes of Government Code Chapter 2256. Authority granted to a person to invest an entity's funds is effective until rescinded by the investing entity, until the expiration of the officer's term or the termination of the person's employment by the investing entity, or if an investment management firm, until the expiration of the contract with the investing entity. In the administration of the duties of an investment officer, the person designated as investment officer shall exercise the judgment and care, under prevailing circumstances, that a prudent person would exercise in the management of the person's own affairs, but the governing body of the investing entity retains the ultimate responsibility as fiduciaries of the assets of the investing entity. Unless authorized by law, a person may not deposit, withdraw, transfer, or manage in any other manner the funds of the investing entity. *Gov't Code 2256.005(f)*

Government Code Chapter 2256 does not prohibit an investing entity or investment officer from using the entity's employees or the services of a contractor of the entity to aid the investment officer in the execution of the officer's duties under Government Code Chapter 2256. *Gov't Code 2256.003(c)*

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**Investment Training**

Initial Training for  
Board Members  
and Investment  
Officer

Each member of the governing board of a state agency and its investment officer shall attend at least one training session relating to the person's responsibilities under Government Code Chapter 2256 within six months after taking office or assuming duties. The Coordinating Board shall provide the training under Government Code 2256.007. The training must include education in:

1. Investment controls;
2. Security risks;
3. Strategy risks;
4. Market risks;
5. Diversification of investment portfolio; and
6. Compliance with Chapter 2256.

*Gov't Code 2256.007(a)–(c)*

Biennial Training for  
Investment Officer

The investment officer shall attend a training session not less than once each state fiscal biennium and may receive training from any independent source approved by the governing body of the state agency. *Gov't Code 2256.007(d)*

Training for  
Investment Officer  
and Other College  
Officials

The treasurer, the chief financial officer if the treasurer is not the chief financial officer, and the investment officer of a local government shall:

1. Attend at least one training session from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government and containing at least ten hours of instruction relating to the treasurer's or officer's responsibilities under Government Code Chapter 2256, Subchapter A within 12 months after taking office or assuming duties; and
2. Attend an investment training session not less than once in a two-year period that begins on the first day of that local government's fiscal year and consists of the two consecutive fiscal years after that date, and receive not less than ten hours of instruction relating to investment responsibilities under Chapter 2256, Subchapter A from an independent source approved by the governing body of the local government or a designated investment committee advising the investment officer as provided for in the investment policy of the local government.

The training must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with Government Code Chapter 2256.

*Gov't Code 2256.008(a), (c)*

**Standard of Care**

Investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of his or her own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following objectives in order of priority:

1. Preservation and safety of principal;
2. Liquidity; and
3. Yield.

In determining whether an investment officer has exercised prudence with respect to an investment decision, the following shall be taken into consideration:

1. The investment of all funds, or funds under the entity's control over which the officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. Whether the investment decision was consistent with the written investment policy of the entity.

*Gov't Code 2256.006*

**Personal Interest**

An investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. An investment officer who is related within the second degree by affinity or consanguinity, as determined by Government Code Chapter 573, to an individual seeking to sell an investment to the investment officer's entity shall file a statement disclosing that relationship. A required statement must be filed with the Texas Ethics Commission and the governing body of the entity. For purposes of this policy, an investment officer has a personal business relationship with a business organization if:

1. The investment officer owns ten percent or more of the voting stock or shares of the business organization or owns \$5,000 or more of the fair market value of the business organization;

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2. Funds received by the investment officer from the business organization exceed ten percent of the investment officer's gross income for the previous year; or
3. The investment officer has acquired from the business organization during the previous year investments with a book value of \$2,500 or more for the personal account of the investment officer.

*Gov't Code 2256.005(i)*

**Reports**

Quarterly Reports

Not less than quarterly, the investment officer shall prepare and submit to the governing body of the entity a written report of investment transactions for all funds covered by the Public Funds Investment Act for the preceding reporting period. This report shall be presented not less than quarterly to the governing body and the chief executive officer of the entity within a reasonable time after the end of the period. The report must:

1. Describe in detail the investment position of the entity on the date of the report;
2. Be prepared jointly by all investment officers of the entity;
3. Be signed by each investment officer of the entity;
4. Contain a summary statement for each pooled fund group (i.e., each internally created fund of an investing entity in which one or more institutional accounts of the investing entity are invested) that states the:
  - a. Beginning market value for the reporting period;
  - b. Ending market value for the period; and
  - c. Fully accrued interest for the reporting period;
5. State the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
6. State the maturity date of each separately invested asset that has a maturity date;
7. State the account or fund or pooled group fund in the state agency or local government for which each individual investment was acquired; and
8. State the compliance of the investment portfolio of the state agency or local government as it relates to the investment

strategy expressed in the agency's or local government's investment policy and relevant provisions of Government Code Chapter 2256.

If the entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, or money market accounts or similar accounts, the reports prepared by the investment officer under Government Code Chapter 2256 shall be formally reviewed at least annually by an independent auditor, and the result of the review shall be reported to the governing body by that auditor.

*Education Code 51.0032; Gov't Code 2256.001, .002 (9), .023*

**Biennial Report**

The investment officer shall prepare a report on Government Code Chapter 2256, Subchapter A and deliver it to the governing body of the state agency no later than the 180th day after the last day of each regular session of the legislature. *Gov't Code 2256.007(d)*

**Selection of Broker**

The governing body of an entity subject to Government Code Chapter 2256, Subchapter A or a designated investment committee, shall, at least annually, review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the entity. *Gov't Code 2256.025*

**Authorized Investments**

Each governing body of a local government or a state agency may purchase, sell, and invest its funds and funds under its control in investments described below, in compliance with investment policies approved by the governing body and according to the standard of care set out in this policy. The governing body of an investing entity may specify in its investment policy that any investment authorized by Government Code Chapter 2256 is not suitable. Investments may be made directly by the governing body or by a nonprofit corporation acting on behalf of the governing body or an investment pool acting on behalf of two or more local governments, state agencies, or a combination of those entities.

In the exercise of these powers, the governing body of an investing entity may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control. A contract made for such purpose may not be for a term longer than two years. A renewal or extension of the contract must be made by the governing body of an investing entity by order, ordinance, or resolution.

*Gov't Code 2256.003(a)–(b), .005(j)*

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Obligations

Except as provided below, the following are authorized investments under the Public Funds Investment Act:

1. Obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks;
2. Direct obligations of this state or its agencies and instrumentalities;
3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;
4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the state of Texas, the United States, or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (FDIC) or by the explicit full faith and credit of the United States;
5. Obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent;
6. Bonds issued, assumed, or guaranteed by the state of Israel;
7. Interest-bearing banking deposits that are guaranteed or insured by:
  - a. The FDIC or its successor; or
  - b. The National Credit Union Share Insurance Fund or its successor; and
8. Interest-bearing banking deposits other than those described by item 7 if:
  - a. The funds invested in the banking deposits are invested through a broker with a main office or branch office in this state that the investing entity selects from a list the governing body or designated investment committee of the entity adopts as required by Government Code 2256.025 or a depository institution with a main office or branch office in this state that the investing entity selects;

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- b. The selected broker or depository institution arranges for the deposit of the funds in the banking deposits in one or more federally insured depository institutions, regardless of where located, for the investing entity's account;
- c. The full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States; and
- d. The investing entity appoints as the entity's custodian of the banking deposits issued for the entity's account the selected depository institution, an entity described by Government Code 2257.041(d), or a clearing broker dealer registered with the Securities and Exchange Commission and operating under Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. 240.15c3-3).

*Gov't Code 2256.009(a)*

The following investments are not authorized:

1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.
2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.
3. Collateralized mortgage obligations that have a stated final maturity date of greater than ten years.
4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

*Gov't Code 2256.009(b)*

Certificates of  
Deposit and Share  
Certificates

A certificate of deposit or share certificate is an authorized investment if the certificate is issued by a depository institution that has its main office or a branch office in Texas and is:

1. Guaranteed or insured by the FDIC or its successor or the National Credit Union Share Insurance Fund or its successor;
2. Secured by obligations described by Government Code 2256.009(a) above, including mortgage-backed securities directly issued by a federal agency or instrumentality that have a market value of not less than the principal amount of the



certificates, but excluding those mortgage-backed securities of the nature described by Section 2256.009(b); or

3. Secured in accordance with Government Code Chapter 2257 or in any other manner and amount provided by law for the deposits of the investing entity.

In addition to the authority to invest funds in certificates of deposit under the previous section, an investment in certificates of deposit made in accordance with the following conditions is an authorized investment under Government Code 2256.010:

1. The funds are invested by an investing entity through a broker that has its main office or a branch office in this state and is selected from a list adopted by the investing entity as required by Government Code 2256.025, or a depository institution that has its main office or a branch office in this state and that is selected by the investing entity;
2. The broker or depository institution selected by the investing entity arranges for the deposit of the funds in certificates of deposit in one or more federally insured depository institutions, wherever located, for the account of the investing entity;
3. The full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and
4. The investing entity appoints the depository institution selected by the investing entity under paragraph a above or a clearing broker-dealer registered with the Securities and Exchange Commission and operating pursuant to Securities and Exchange Commission Rule 15c3-3 (17 C.F.R. 240.15c3-3) as custodian for the investing entity with respect to the certificates of deposit issued for the account of the investing entity.

*Gov't Code 2256.010*

The investment policies may provide that bids for certificates of deposit be solicited orally, in writing, electronically, or in any combination of those methods. *Gov't Code 2256.005(c)*

Repurchase  
Agreements

A fully collateralized repurchase agreement is an authorized investment under the Public Funds Investment Act if the repurchase agreement:

1. Has a defined termination date;
2. Is secured by a combination of cash and obligations described by Government Code 2256.009(a)(1) or 2256.013 or, if applicable, 2256.0204;

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3. Requires the securities being purchased by the entity or cash held by the entity to be pledged to the entity, held in the entity's name, and deposited with the entity or a third party selected and approved by the entity; and
4. Is placed through a primary government securities dealer, as defined by the Federal Reserve or a financial institution doing business in Texas.

Notwithstanding any other law, the term of any reverse security repurchase agreement may not exceed 90 days after the date the reverse security repurchase agreement is delivered. Money received by an entity under the terms of a reverse security repurchase agreement shall be used to acquire additional authorized investments, but the term of the authorized investments acquired must mature not later than the expiration date stated in the reverse security repurchase agreement.

Government Code 1371.059(c) applies to the execution of a repurchase agreement by an investing entity.

A "repurchase agreement" means a simultaneous agreement to buy, hold for a specified time, and sell back at a future date obligations described by Section 2256.009(a)(1) or 2256.013 or, if applicable, 2256.0204, at a market value at the time the funds are disbursed of not less than the principal amount of the funds disbursed. The term includes a direct security repurchase agreement and a reverse security repurchase agreement.

*Gov't Code 2256.011*

Securities Lending  
Program

A securities lending program is an authorized investment if:

1. The value of securities loaned must not be less than 100 percent collateralized, including accrued income, and the loan must allow for termination at any time;
2. The loan must be secured by:
  - a. Pledged securities described by Government Code 2256.009;
  - b. Pledged irrevocable letters of credit issued by a bank that is organized and existing under the laws of the United States or any other state and continuously rated by at least one nationally recognized investment rating firm at not less than A or its equivalent; or
  - c. Cash invested in accordance with Government Code 2256.009, 2256.013, 2256.014, or 2256.016;

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3. The terms of the loan require that the securities being held as collateral be pledged to the investing entity, held in the investing entity's name, and deposited at the time the investment is made with the entity or with a third party selected by or approved by the investing entity; and
4. The loan must be placed through a primary government securities dealer, as defined by 5 C.F.R. 6801.102(f), as that regulation existed on September 1, 2003, or a financial institution doing business in this state.

An agreement to lend securities under a securities lending program must have a term of one year or less.

*Gov't Code 2256.0115*

Banker's  
Acceptance

A banker's acceptance is an authorized investment if the banker's acceptance:

1. Has a stated maturity of 270 days or fewer from the date of issuance;
2. Will be, in accordance with its terms, liquidated in full at maturity;
3. Is eligible for collateral for borrowing from a Federal Reserve Bank; and
4. Is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.

*Gov't Code 2256.012*

Commercial Paper

Commercial paper is an authorized investment if the commercial paper:

1. Has a stated maturity of 365 days or fewer from the date of issuance; and
2. Is rated not less than A1-1 or P-1 or an equivalent rating by at least two nationally recognized credit rating agencies, or by one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state.

*Gov't Code 2256.013*

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Mutual Funds

A no-load money market mutual fund is an authorized investment if the mutual fund:

1. Is registered with and regulated by the Securities and Exchange Commission;
2. Provides the investing entity with a prospectus and other information required by the Securities and Exchange Act of 1934 (15 U.S.C. 78a et seq.) or the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.); and
3. Complies with federal Securities and Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-1 et seq.).

A no-load mutual fund is an authorized investment if the mutual fund:

1. Is registered with the Securities and Exchange Commission;
2. Has an average weighted maturity of less than two years; and
3. Either has a duration of one year or more and is invested exclusively in obligations approved by Government Code Chapter 2256, Subchapter A, regarding authorized investments (Public Funds Investment Act) or has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities.

Investments in no-load money market mutual funds shall be limited to the percentages authorized by Government Code 2256.014(c). In addition, the investing entity may not invest any portion of bond proceeds, reserves, and funds held for debt service, in no-load mutual funds.

*Gov't Code 2256.014*

Guaranteed  
Investment  
Contracts

A guaranteed investment contract is an authorized investment for bond proceeds if the guaranteed investment contract:

1. Has a defined termination date;
2. Is secured by obligations described by Government Code 2256.009(a)(1), excluding those obligations described by Section 2256.009(b), in an amount at least equal to the amount of bond proceeds invested under the contract; and
3. Is pledged to the entity and deposited with the entity or with a third party selected and approved by the entity.

Bond proceeds, other than bond proceeds representing reserves and funds maintained for debt service purposes, may not be invested in a guaranteed investment contract with a term longer than five years from the date of issuance of the bonds.

To be eligible as an authorized investment:

1. The governing body of the entity must specifically authorize guaranteed investment contracts as eligible investments in the order, ordinance, or resolution authorizing the issuance of bonds;
2. The entity must receive bids from at least three separate providers with no material financial interest in the bonds from which proceeds were received;
3. The entity must purchase the highest yielding guaranteed investment contract for which a qualifying bid is received;
4. The price of the guaranteed investment contract must take into account the reasonably expected drawdown schedule for the bond proceeds to be invested; and
5. The provider must certify the administrative costs reasonably expected to be paid to third parties in connection with the guaranteed investment contract.

Government Code 1371.059(c) applies to the execution of a guaranteed investment contract by an investing entity.

*Gov't Code 2256.015*

Investment Pools

A public funds investment pool is an authorized investment if it meets the requirements of Government Code 2256.016 and 2256.019, including that the governing body of the entity authorizes the investment in the particular pool by rule, order, ordinance, or resolution, as appropriate. *Gov't Code 2256.016, .019*

Hedging  
Transactions

A hedging transaction is an authorized investment if an eligible entity meets the requirements of Government Code 2256.0206.

"Eligible entity" means a political subdivision, including a college district, that has:

1. A principal amount of at least \$250 million in outstanding long-term indebtedness, long-term indebtedness proposed to be issued, or a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued; and
2. Outstanding long-term indebtedness that is rated in one of the four highest rating categories for long-term debt instruments

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by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation.

*Gov't Code 2256.0206*

Funds from Mineral Rights

The governing board of a public junior college district may invest funds received by the district from a lease or contract for the management and development of land owned by the district and leased for oil, gas, or other mineral development in any investment authorized to be made by a trustee under Property Code Title 9, Subtitle B (Texas Trust Code).

Funds invested by the governing board of a public junior college district under this section shall be segregated and accounted for separately from other funds of the district.

*Gov't Code 2256.0207*

Authorized Investments Specific to Institutions of Higher Education

In addition to the authorized investments permitted by Government Code Chapter 2256, Subchapter A, an institution of higher education may purchase, sell, and invest its funds and funds under its control in the following:

1. Cash management and fixed income funds sponsored by organizations exempt from federal income taxation under Section 501(f), Internal Revenue Code of 1986, 26 U.S.C. Section (f);
2. Negotiable certificates of deposit issued by a bank that has a certificate of deposit rating of at least 1 or the equivalent by a nationally recognized credit rating agency or that is associated with a holding company having a commercial paper rating of at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency; and
3. Corporate bonds, debentures, or similar debt obligations rated by a nationally recognized investment rating firm in one of the two highest long-term rating categories, without regard to gradations within those categories.

*Gov't Code 2256.020*

Change in Law

Except as provided by Government Code Chapter 2270, an entity is not required to liquidate investments that were authorized investments at the time of purchase. *Gov't Code 2256.017*

Loss of Required Rating

An investment that requires a minimum rating under Government Code Chapter 2256, Subchapter A does not qualify as an authorized investment during the period the investment does not have the

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minimum rating. An entity shall take all prudent measures that are consistent with its investment policy to liquidate an investment that does not have the minimum rating. *Gov't Code 2256.021*

**Investment of Bond Proceeds and Pledged Revenue**

The investment officer of a local government, including a college district, may invest bond proceeds or pledged revenue only to the extent permitted by Government Code Chapter 2256, in accordance with:

1. Statutory provisions governing the debt issuance or the agreement, as applicable; and
2. The local government's investment policy regarding the debt issuance or the agreement, as applicable.

"Pledged revenue" means money pledged to the payment of or as security for bonds or other indebtedness issued by a local government; obligations under a lease, installment sale, or other agreement of a local government; or certificates of participation in a debt or obligation.

*Gov't Code 2256.0208*

**Investment of Debt Service Funds**

A school district, including a junior college district, may enter into a contract with a term not to exceed seven years to purchase investments with the proceeds of taxes levied or to be levied by the district for the purpose of paying debt service on bonds issued by the district.

A contract under this section may provide for the purchase of investments at a stated yield or yields.

Before entering a contract under this section, a school district must solicit and receive bids from at least three separate providers. The district must accept the qualifying bid that provides for the highest yield investments over the term of the contract.

A contract under this section may provide only for the purchase of an obligation described by Government Code 2256.009(a)(1), other than an obligation described by Government Code 2256.009(b).

*Education Code 45.112*

**General Deposits**

The governing board of each institution of higher education may invest the funds received as general deposits authorized by Education Code 54.502 in the manner provided under either Education Code 51.003 or 51.0031. *Education Code 54.5022*

**Sellers of  
Investments**

A written copy of the investment policy shall be presented to any business organization offering to engage in an investment transaction with an investing entity. For purposes of this section, "business organization" means an investment pool or an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio that has accepted authority granted by the entity under the contract to exercise investment discretion in regard to the investing entity's funds. The qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

1. Received and reviewed the investment policy of the entity; and
2. Acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards, or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.

The investment officer of an entity may not acquire or otherwise obtain any authorized investment described in the investment policy of the investing entity from a business organization that has not delivered to the entity the instrument described above.

*Gov't Code 2256.005(k)-(l)*

**Donations**

Government Code Chapter 2256, Subchapter A does not apply to an investment donated to an investing entity for a particular purpose or under terms of use specified by the donor. *Gov't Code 2256.004(b)*

**Electronic Funds  
Transfer**

Any local government, including a college district, may use electronic means to transfer or invest all funds collected or controlled by the local government. *Gov't Code 2256.051*

**Private Auditor**

Notwithstanding any other law, a state agency, including a college district, shall employ a private auditor if authorized by the legislative audit committee either on the committee's initiative or on request of the governing body of the agency. *Gov't Code 2256.052*



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**Investment Authority** The College President, chief financial officer, or other person designated by Board resolution shall serve as the investment officer of the College District and shall invest College District funds as directed by the Board and in accordance with the College District's written investment policy and generally accepted accounting procedures. All investment transactions except investment pool funds and mutual funds shall be settled on a delivery versus payment basis.

**Approved Investment Instruments** From those investments authorized by law and described further in CAK(LEGAL) under Authorized Investments, the Board shall permit investment of College District funds, including bond proceeds and pledged revenue to the extent allowed by law, in only the following investment types, consistent with the strategies and maturities defined in this policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011.
4. A securities lending program as permitted by Government Code 2256.0115.
5. Banker's acceptances as permitted by Government Code 2256.012.
6. Commercial paper as permitted by Government Code 2256.013.
7. No-load mutual funds, except for bond proceeds, and no-load money market mutual funds as permitted by Government Code 2256.014.
8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015.
9. Public funds investment pools as permitted by Government Code 2256.016.
10. Cash management and fixed income funds as permitted by Government Code 2256.020.
11. Negotiable certificates of deposit as permitted by Government Code 2256.020.

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12. Corporate bonds, debentures, or similar debt obligations as permitted by Government Code 2256.020.

**Safety**

The primary goal of the investment program is to ensure safety of principal, to maintain liquidity, and to maximize financial returns within current market conditions in accordance with this policy. Investments shall be made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. No individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio.

**Investment Management**

In accordance with Government Code 2256.005(b)(3), the quality and capability of investment management for College District funds shall be in accordance with the standard of care, investment training, and other requirements set forth in Government Code Chapter 2256.

**Liquidity and Maturity**

Any internally created pool fund group of the College District shall have a maximum dollar weighted maturity of 180 days. The maximum allowable stated maturity of any other individual investment owned by the College District shall not exceed one year from the time of purchase. The Board may specifically authorize a longer maturity for a given investment, within legal limits.

The College District's investment portfolio shall have sufficient liquidity to meet anticipated cash flow requirements.

**Diversity**

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer.

**Monitoring Market Prices**

The investment officer shall monitor the investment portfolio and shall keep the Board informed of significant changes in the market value of the College District's investment portfolio. Information sources may include financial/investment publications and electronic media, available software for tracking investments, depository banks, commercial or investment banks, financial advisers, and representatives/advisers of investment pools or money market funds. Monitoring shall be done monthly or more often as economic conditions warrant by using appropriate reports, indices, or benchmarks for the type of investment.

**Monitoring Rating Changes**

In accordance with Government Code 2256.005(b), the investment officer shall develop a procedure to monitor changes in investment ratings and to liquidate investments that do not maintain satisfactory ratings.

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<b>Funds / Strategies</b>	Investments of the following fund categories shall be consistent with this policy and in accordance with the applicable strategy defined below. All strategies described below for the investment of a particular fund should be based on an understanding of the suitability of an investment to the financial requirements of the College District and consider preservation and safety of principal, liquidity, marketability of an investment if the need arises to liquidate before maturity, diversification of the investment portfolio, and yield.
Operating Funds	Investment strategies for operating funds (including any commingled pools containing operating funds) shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
Custodial Funds	Investment strategies for custodial funds shall have as their primary objectives preservation and safety of principal, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements.
Debt Service Funds	Investment strategies for debt service funds shall have as their primary objective sufficient investment liquidity to timely meet debt service payment obligations in accordance with provisions in the bond documents. Maturities longer than one year are authorized provided legal limits are not exceeded.
Capital Project Funds	Investment strategies for capital project funds shall have as their primary objective sufficient investment liquidity to timely meet capital project obligations. Maturities longer than one year are authorized provided legal limits are not exceeded.
<b>Safekeeping and Custody</b>	The College District shall retain clearly marked receipts providing proof of the College District's ownership. The College District may delegate, however, to an investment pool the authority to hold legal title as custodian of investments purchased with College District funds by the investment pool.
<b>Sellers of Investments</b>	<p>Prior to handling investments on behalf of the College District, a broker/dealer or a qualified representative of a business organization must submit required written documents in accordance with law.</p> <p>Representatives of brokers/dealers shall be registered with the Texas State Securities Board and must have membership in the Securities Investor Protection Corporation (SIPC), and be in good standing with the Financial Industry Regulatory Authority (FINRA).</p>
<b>Soliciting Bids for CDs</b>	In order to get the best return on its investments, the College District may solicit bids for certificates of deposit in writing, by telephone, or electronically, or by a combination of these methods.

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**Interest Rate Risk**

To reduce exposure to changes in interest rates that could adversely affect the value of investments, the College District shall use final and weighted-average-maturity limits and diversification.

The College District shall monitor interest rate risk using weighted average maturity and specific identification.

**Internal Controls**

A system of internal controls shall be established and documented in writing and must include specific procedures designating who has authority to withdraw funds. Also, they shall be designed to protect against 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 College District. Controls deemed most important shall include:

1. Separation of transaction authority from accounting and recordkeeping and electronic transfer of funds.
2. Avoidance of collusion.
3. Custodial safekeeping.
4. Clear delegation of authority.
5. Written confirmation of telephone transactions.
6. Documentation of dealer questionnaires, quotations and bids, evaluations, transactions, and rationale.
7. Avoidance of bearer-form securities.

These controls shall be reviewed by the College District's independent auditing firm.

**Annual Review**

The Board shall review this investment policy and investment strategies not less than annually and shall document its review in writing, which shall include whether any changes were made to either the investment policy or investment strategies.

**Annual Audit**

In conjunction with the annual financial audit, the College District shall perform a compliance audit of management controls on investments and adherence to the College District's established investment policies.

## CONFLICT OF INTEREST QUESTIONNAIRE

<b>CONFLICT OF INTEREST QUESTIONNAIRE</b> For vendor doing business with local governmental entity		<b>FORM CIQ</b>
<p><b>This questionnaire reflects changes made to the law by H.B. 23, 84th Leg., Regular Session.</b></p> <p>This questionnaire is being filed in accordance with Chapter 176, Local Government Code, by a vendor who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the vendor meets requirements under Section 176.006(a).</p> <p>By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the vendor becomes aware of facts that require the statement to be filed. See Section 176.006(a-1), Local Government Code.</p> <p>A vendor commits an offense if the vendor knowingly violates Section 176.006, Local Government Code. An offense under this section is a misdemeanor.</p>	<b>OFFICE USE ONLY</b>  Date Received	
<b>1</b> Name of vendor who has a business relationship with local governmental entity.		
<b>2</b> <input type="checkbox"/> Check this box if you are filing an update to a previously filed questionnaire. (The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date on which you became aware that the originally filed questionnaire was incomplete or inaccurate.)		
<b>3</b> Name of local government officer about whom the information is being disclosed.	_____ Name of Officer	
<b>4</b> Describe each employment or other business relationship with the local government officer, or a family member of the officer, as described by Section 176.003(a)(2)(A). Also describe any family relationship with the local government officer. Complete subparts A and B for each employment or business relationship described. Attach additional pages to this Form CIQ as necessary.		
A. Is the local government officer or a family member of the officer receiving or likely to receive taxable income, other than investment income, from the vendor?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
B. Is the vendor receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer or a family member of the officer AND the taxable income is not received from the local governmental entity?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>5</b> Describe each employment or business relationship that the vendor named in Section 1 maintains with a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership interest of one percent or more.		
<b>6</b> <input type="checkbox"/> Check this box if the vendor has given the local government officer or a family member of the officer one or more gifts as described in Section 176.003(a)(2)(B), excluding gifts described in Section 176.003(a-1).		
<b>7</b>	_____ Signature of vendor doing business with the governmental entity	
	_____ Date	

NOTE: When completing this Questionnaire, please be certain to answer each and every question; indicate "Not Applicable", if appropriate. Please sign and date.

**FINANCIAL INTERESTS AND POTENTIAL CONFLICTS OF INTERESTS**

Texas Local Government Code Chapter 176 requires that vendors desiring to enter into certain contracts with a local governmental entity must disclose the financial and potential conflict of interest information as specified below.

Vendor shall disclose the financial interest and potential conflict of interest information identified in Sections one (1) through three (3) below as a condition of receiving an award or contract. Submit this information along with your proposal, proposal, or offer. **This form must be received included in the vendor’s proposal/proposal packet, to be considered for evaluation.** Completed forms must be **NOTARIZED** and delivered to:

This requirement applies to contracts with a value exceeding \$50,000.

**1 - Disclosure of Financial Interest in the Vendor**

a. If any officers or employees of KC (“individuals”) have one of the following financial interests in the vendor (or its principal) or its subcontractor(s), please show their name and address and check all that apply and (include additional documents if needed):

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

b. For each individual named above, show the type of ownership/distributable income share:

- Ownership interest of at least 10% ( \_\_\_\_\_ )
- Ownership interest of at least \$15,000 or more of the fair market value of vendor ( \_\_\_\_\_ )
- Distributive Income Share from Vendor exceeding 10% of individual’s gross income ( \_\_\_\_\_ )
- Real property interest with fair market value of at least \$2,500 ( \_\_\_\_\_ )
- Person related within first degree of affinity to individual has the following ownership or real property interest in Vendor: ( \_\_\_\_\_ )
  - 1. Ownership interest of at least 10%
  - 2. Ownership interest of at least \$15,000 or more of the fair market value of vendor
  - 3. Distributive Income Share from Vendor exceeding 10% of the individual’s gross income
  - 4. Real property interest with fair market value of at least \$2,500

No individuals have any of the above financial interests (If none go to Section 4) ( \_\_\_\_\_ )

c. For each individual named above, show the **dollar value or proportionate share** of the ownership interest in the vendor (or its principal) or its subcontractor (s) as follows:

If the proportionate share of the named individual(s) in the ownership of the vendor (or its principal) or subcontractor of vendor is 10% or less, and if the value of the ownership interest of the named individual(s) is \$15,000 or less of the fair market value of vendor, check here ( \_\_\_\_\_ ).

If the proportionate share of ownership exceeds 10%, or the value of the ownership interest exceeds \$15,000 of the fair market value of vendor, show either:

The percent of ownership \_\_\_\_\_ percentage, or the value of ownership interest \$ \_\_\_\_\_.

**2 - Disclosure of Potential Conflicts of Interest**

For each of the individuals having the level of financial interest identified in Section 1 above, and for any other KC individual not identified in Section 1 above check "Yes" or "No" to indicate which, if any, of the following potential conflict of interest relationships apply. If "Yes", please describe (use space under applicable section-attach additional pages as necessary).

a. Employment, currently or in the previous 3 years, including but not limited to contractual employment for services for vendor.  
Yes \_\_\_\_\_ No \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. Employment of individual's spouse, father, mother, son, or daughter, including but not limited to contractual employment for services for vendor in the previous 2 years.  
Yes \_\_\_\_\_ No \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**3- Disclosure of Gifts**

For each of the individuals having the level of financial interest identified in Section 1 above, and for any other KC individual not identified in Section 1 above check "Yes" or "No" to indicate which, if any, of the following potential conflict of interest relationships apply. If "Yes", please describe (use space under applicable section-attach additional pages as necessary).

a. Received a gift from vendor (or principal), or subcontractor of vendor, of \$250 or more within the preceding 12 months.  
Yes \_\_\_\_\_ No \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. Individual's spouse, father, mother, son, or daughter has received a gift from vendor (or principal), or subcontractor of vendor, of \$250 or more within the preceding 12 months.  
Yes \_\_\_\_\_ No \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**4- Other Contract and Procurement Related Information**

Vendor shall disclose the information identified below as a condition of receiving an award or contract.

This requirement is applicable to only those contracts with a value exceeding \$50,000. You must submit this information along with your proposal, proposal, or offer.

a. Vendor shall identify whether vendor (or its principal), or its subcontractor(s), has current contracts (including leases) with other government agencies of the State of Texas by checking:  
Yes \_\_\_\_\_ No \_\_\_\_\_

b. If "yes" is checked, identify each contract by showing agency name and other descriptive information such as purchase order or contract reference number (attach additional pages as necessary).

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c. Vendor shall identify whether vendor (or its principal) or its subcontractor(s) has pending contracts (including leases), proposals, proposal, or other ongoing procurement relationships with other government agencies of the State of Texas by checking:

Yes \_\_\_\_\_ No \_\_\_\_\_

d. If "yes" is checked, identify each such relationship by showing agency name and other descriptive information such as proposal or project number (attach additional pages as necessary).

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This disclosure is submitted on behalf of:

\_\_\_\_\_  
(Name of Vendor)

**Certification.** I hereby certify that to the best of my knowledge and belief the information provided by me in this disclosure statement is true and correct. I understand that failure to disclose the information requested may result in my proposal, proposal, or offer, being rejected, and/or may result in prosecution for knowingly violating the requirements of **Texas Local Government Code Chapter 176**. I understand that it is my responsibility to comply with the requirements set forth by KC as it relates to this disclosure. I also understand that I must submit an updated disclosure form within seven (7) days of discovering changes in the significant financial interests of the individuals I identified in Section 1 of this disclosure or if individuals that were not identified, later receive a financial interest in my company or is a subcontractor of my company.

Official authorized to sign on behalf of vendor:

Name (Printed or Typed) \_\_\_\_\_ Title \_\_\_\_\_

Signature \_\_\_\_\_ Date \_\_\_\_\_

**"NOTE: PROPOSER MUST COMPLETE THE ABOVE "FINANCIAL INTERESTS AND POTENTIAL CONFLICTS OF INTERESTS" FORM. FAILURE TO COMPLETE AND RETURN THIS FORM WITH YOUR OFFER SHALL RESULT IN YOUR OFFER BEING CONSIDERED AS "NON-RESPONSIVE" TO THIS SOLICITATION."**

Signed By: \_\_\_\_\_ Name: \_\_\_\_\_

Title: \_\_\_\_\_ State of: \_\_\_\_\_

Sworn to and subscribed before me at \_\_\_\_\_ (City) \_\_\_\_\_ (State)

this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

Notary Public of the State of: \_\_\_\_\_