

MDX PROCUREMENT/CONTRACT NO.: <u>RFP-15-05</u>

MDX PROJECT/SERVICE TITLE: INVESTMENT ADVISORY SERVICES

EXHIBIT D METHOD OF COMPENSATION

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1.0 PURPOSE:

This Exhibit D, Method of Compensation of the Agreement outlines the manner in which the Consultant will be compensated for providing the Services described in the Scope of Services included as Exhibit A of the Agreement (the "Services"). In case of conflicts between the Method of Compensation and the Agreement, the language of the Agreement shall govern.

2.0 COMPENSATION:

The Authority agrees to pay the Consultant for the Services the Quarterly Fee as detailed in the attached Fee Schedule.

3.0 INVOICE SUBMITTAL:

- A. The Consultant shall submit an invoice requesting payment after quarter end.
- B. The Consultant shall submit properly documented invoices that, at a minimum, include a progress report as justification for billable time.
- C. When submitting any invoice, the Consultant shall certify under oath and in writing, in accordance with the formalities required by Florida law, that the invoice is submitted in good faith, that the supportive data are accurate and complete to the Consultant's best knowledge and belief, and that the amount of the invoice accurately reflects what the Consultant in good faith believes to be MDX's liability.

Such certification must be made by an officer or director of the Consultant with the authority to bind the Consultant. The Consultant also agrees to indemnify MDX for any costs and expenses, including but not limited to audit costs, attorneys' fees and expert witness fees that MDX incurs due to any fraudulent statements made by Consultant in said invoices.

- D. Consultant shall not bill MDX for time expended in the preparation of invoices.
- E. Invoice submittals shall include the following forms. If only one invoice is required for a particular Task Authorization, all forms below must be submitted with the invoice.
 - MDX Invoice Tracking Form
 - Certificate of Partial Payment/Final Payment, Waiver and Release From Contractor/Consultant*
 - Certification of Disbursement to Subcontractors/Subconsultants/Suppliers*
 - Contractor's/Consultant's Final Release and Affidavit* (*this form is only applicable to the final payment under a Task Authorization or the Agreement*)

*These forms are not required for the first invoice.

Failure to submit the above forms properly executed may be cause for rejection of the invoice.

All forms may be downloaded from the MDX website at www.mdxway.com/doing_business/procurement.

- F. Invoices shall be paid in accordance with Florida Statutes and MDX's Invoice Dispute Resolution Procedure, found in the MDX Procurement Policy.
- G. The Consultant shall maintain an accounting system that can properly track and report all activities associated with the Agreement.

4.0 TRAVEL EXPENSES:

Whenever reimbursement is sought for travel expenses on behalf of MDX, a written preapproval by the MDX contract manager or designee is required, and such pre-approval shall accompany invoices which shall be submitted and paid in accordance with the MDX Business Travel Policy, as may be amended from time to time. MDX will not pay Consultant for travel time. In any conflict between the MDX Business Travel Policy and the Agreement, the language of the Agreement shall govern.

5.0 OTHER TERMS & CONDITIONS:

The Consultant guarantees the payment of all just claims for materials, supplies, tools, or labor and other just claims against him or any Subconsultant in connection with the Agreement.

The Contract or Task Authorization will be considered completed when all Services and any corrections to the Services, if required, has been accepted by MDX.

The Consultant agrees to be bound by MDX's Invoice Dispute Resolution Procedure, as amended.

The multiple staffing of Consultant at meetings will not be compensated unless the Consultant has received prior written authorization from the MDX Executive Director or his designee.

6.0 <u>CONTRACT AUDIT:</u>

If requested, the Consultant shall permit MDX to perform or have performed an audit of the records of the Consultant and any or all Subconsultants to support the compensation paid the Consultant. The audit will be performed as soon as practical after completion and acceptance of the Services. In the event funds paid to the Consultant under the Contract are subsequently properly disallowed by MDX because of accounting errors or charges not in conformity with the Contract, the Consultant agrees that such disallowed funds are due to MDX upon demand. Further, MDX shall have the right to deduct, from any amount due the Consultant under the Agreement or any other contract, any amount due MDX. Final payment to the Consultant shall be adjusted for audit results.

ATTACHMENTS:

A - Fee Schedule

Attachment A to MOC

MDX PROCUREMENT/CONTRACT NO. RFP-15-05 MDX PROJECT/SERVICE TITLE: INVESTMENT ADVISORY SERVICES

FEE SCHEDULE

MDX will compensate the Consultant for the Services on a quarterly basis based on the proposed Basis Points calculated by using the average of the sum of the month end book value for each of the 3 months of the quarter (the "Quarterly Fee"). See below for a sample calculation.

Ouarterly Portfolio Balance (OPB)

\$0 to \$550 million

Proposed Quarterly Basis Points

0.75 bp (3 bps annual divided by 4 = 0.75 bp quarterly) 0.50 bp (2 bps annual divided by 4 = 0.50 bp quarterly)

\$551 million and over

Sample Quarterly Fee Calculation:

Assuming 7 basis points (.07%), the fee will be calculated as follows:

| Month | Book Value Ending Balance*** | |
|-----------------------------|------------------------------|--|
| 1 | \$28,000,000 | |
| 2 | \$36,000,000 | |
| 3 | \$35,000,000 | |
| ∑Subtotal | \$99,000,000 | |
| (÷) the Number of Months | 3 | |
| (=) Average for the Quarter | \$33,000,000 | |
| (x)Basis Points | .0007 | |
| Quarterly Fee | \$23,100 | |

Any other fee earned by the Consultant relating to MDX transactions, shall be disclosed to MDX.

*** Excludes balances from State Fund Pools, Money Market Funds or other investments/transaction invested by MDX.

MDX reserves the right to negotiate down and/or cap the Basis Points for the Contract.

The Basis Points provided for QPB \$0 to \$550 million will be utilized for Evaluation Purposes as described in the RFP section entitled Proposal Evaluation Criteria.

Proposers that propose zero basis point, submit information using a methodology other than basis points, or deviates in any way from the requirements related to the Fee Schedule, will receive zero points for this criterion.

THIS EXHIBIT MUST BE SUBMITTED IN A SEPARATE SEALED ENVELOPE WITH THE PROPOSAL

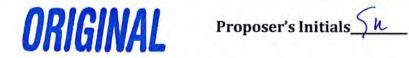


Exhibit I - Fee Schedule