

C-3

August 11, 2020

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION

Authorize the City Manager, or designee, to execute all documents necessary to amend Agreement No. 33749, with Chandler Asset Management, Inc., of San Diego, CA, for investment advisory and management services, to extend the contract term by adding two one-year renewal options, in an annual amount not to exceed \$468,000, at the discretion of the City Manager. (Citywide)

DISCUSSION

City Council approval is requested to amend Agreement No. 33749 with Chandler Asset Management, Inc. (Chandler), to add two one-year optional periods in an annual amount not to exceed \$468,000 for investment advisory and management services.

On January 20, 2015, the City Council awarded a contract to Chandler to provide investment advisory and management services to the City of Long Beach (City), in an annual amount not to exceed \$300,000, for a period of two years, with the option to renew for two additional one-year periods. The current agreement will expire on December 31, 2020.

On May 5, 2020, the City Council approved an amendment to include authorization for Chandler to provide as-needed trading and managing of short and intermediate investment portfolios as part of City's emergency contingency plan and increased the annual contract amount by \$168,000, for a revised annual amount not to exceed \$468,000, for the term ending on December 31, 2020. To date, the additional services have not been required and an amendment has not been issued.

Following the City's emergency declaration related to the COVID-19 pandemic on March 4, 2020 and its resurgence, the demand on City resources has been tremendous. Considering the impact and continued demands of the ongoing pandemic on the City's limited resources, it would be prudent for the City to extend the original contract to ensure continuity of services while continuing to respond to the public emergency. The addition of the two optional one-year extensions will facilitate service continuity, while still maximizing the opportunity to initiate a Request for Proposal in accordance with the City's procurement policies should resources become available as the pandemic eases. The not to exceed annual contract amount of \$468,000 would extend through each renewal year through December 31, 2022.

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This matter was reviewed by Deputy City Attorney Amy R. Webber on July 27, 2020, Deputy Finance Director Sandy Tsang-Palmer on July 20, 2020, and by Budget Management Officer Rhutu Amin Gharib on July 24, 2020.

TIMING CONSIDERATIONS

City Council action to amend Agreement No. 33749 is requested on August 11, 2020, to allow for uninterrupted continuation of services.

FISCAL IMPACT

The requested amendment will extend the current contract with Chandler for two one-year optional renewal periods, in an annual amount not to exceed \$468,000. Sufficient funds are budgeted in the General Fund Group in the Financial Management Department. Any work not currently budgeted is subject to appropriation approval by the City Council. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN GROSS
DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:



THOMAS B. MODICA
CITY MANAGER

