



## Legislation Details (With Text)

<b>File #:</b>	21-0534	<b>Version:</b>	1	<b>Name:</b>	FM - RFP FM20-038 Investment Advisory & Management Service
<b>Type:</b>	Contract	<b>Status:</b>		<b>Status:</b>	CCIS
<b>File created:</b>	5/20/2021	<b>In control:</b>		<b>In control:</b>	City Council
<b>On agenda:</b>	6/15/2021	<b>Final action:</b>		<b>Final action:</b>	6/15/2021
<b>Title:</b>	Recommendation to adopt Specifications No. RFP FM20-038 and award a contract to Chandler Asset Management, Inc., of San Diego, CA, to provide overall investment advisory consultation and management of the Long Maturity portfolio portion of the City's pooled investments, in an annual amount of \$290,000, with a contingency in a monthly maximum amount of \$22,000, for a total annual contract amount not to exceed \$554,000, for a period of two years, with the option to renew for three additional one-year periods, at the discretion of the City Manager; and, authorize City Manager, or designee, to execute all documents necessary to enter into the contract including any necessary amendments. (Citywide)				
<b>Sponsors:</b>	Financial Management				
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	1. 061521-C-7sr.pdf				

Date	Ver.	Action By	Action	Result
6/15/2021	1	City Council	approve recommendation	Pass

Recommendation to adopt Specifications No. RFP FM20-038 and award a contract to Chandler Asset Management, Inc., of San Diego, CA, to provide overall investment advisory consultation and management of the Long Maturity portfolio portion of the City's pooled investments, in an annual amount of \$290,000, with a contingency in a monthly maximum amount of \$22,000, for a total annual contract amount not to exceed \$554,000, for a period of two years, with the option to renew for three additional one-year periods, at the discretion of the City Manager; and, authorize City Manager, or designee, to execute all documents necessary to enter into the contract including any necessary amendments. (Citywide)

City Council approval is requested to enter into a contract with Chandler Asset Management, Inc. (Chandler), to provide investment advisory and management services relating to the City's pooled investment portfolio and providing related services in the event City management staff is unable due to a declared emergency. The City aggregates all funds not immediately required for disbursement in a pool invested in various investment securities and vehicles.

The City directly invests in securities issued by the United States Treasury, Agencies of the United States, California's Local Agency Investment Fund (LAIF), and other similarly conservative alternatives permitted by the City's Investment Policy. Chandler will provide investment advice to the City, actively manage the Long Maturity portfolio on a discretionary basis, and monitor investments, financial markets, regulatory developments, investment strategy review, and performance evaluation.

A Request for Proposals (RFP) was advertised in the Long Beach Press-Telegram on November 25, 2020, and 409 potential proposers specializing in professional investment advisory and management services were notified of the RFP opportunity. Of those proposers, 23 downloaded the RFP document via the City's electronic bidding system. The RFP document was made available through the Purchasing Division, located on the sixth floor of City Hall, and the Division's website at [www.longbeach.gov/purchasing](http://www.longbeach.gov/purchasing) <<http://www.longbeach.gov/purchasing>>. An RFP announcement was also included in the Purchasing Division's weekly update of Open Bid Opportunities, which is sent to 35 local, minority-owned, and women-owned business groups. Seven proposals were received on January 18, 2021. Of those seven proposers, none were Minority-owned Business Enterprises (MBEs), one was a Women-owned Business Enterprise (WBE), one was a certified Small Business Certified (SBE), and none were Long Beach businesses (Local). The selection committee determined that Chandler Asset Management, Inc., of San Diego, CA (SBE), was the most qualified firm to provide the services.

Chandler was selected as the most qualified and responsive firm providing the best value to the City. Chandler's comprehensive scope of advisory and investment services will facilitate and enhance the City's investment services by providing additional investment monitoring, validation of trade reporting and portfolio compliance, and the application of portfolio optimization.

### **Local Business Outreach**

To align with the City's outreach goal, Long Beach businesses are encouraged to submit proposals for City contracts. The Purchasing Division also assists businesses with registering on the PlanetBids database to download RFP specifications. Through outreach, 11 Long Beach vendors were notified to submit proposals, of which one downloaded and none submitted a proposal. The Purchasing Division is committed to continuing to perform outreach to local vendors to expand the bidder pool.

This matter was reviewed by Deputy City Attorney Amy R. Webber on May 12, 2021, Business Services Bureau Manager Tara Mortensen on May 12, 2021, and by Revenue Management Officer Geraldine Alejo on May 15, 2021.

City Council action to adopt Specifications No. RFP FM20-038 and award a contract concurrently is requested on June 15, 2021, to ensure a contract is in place expeditiously.

The annual contract authority will not exceed \$554,000, inclusive of a \$22,000 contingency for a period of two years. Sufficient funds are budgeted in the General Fund Group in the Financial Management Department. The total annual contract amount is comprised of fees for overall investment advisory services and management of the Long Maturity portfolio in an amount up to \$290,000 and a contingency annual amount for as-needed emergency services in an amount up to \$264,000.

In the unlikely event that City management staff cannot perform investment management duties due to an emergency, the contingency plan is for Chandler to perform emergency trading and manage the Short and Intermediate Maturity portfolios. Chandler's emergency trading directive for the short and intermediate portfolios would only become effective upon authorization by the City and would continue only during an emergency. 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.

Approve recommendation.

[Enter Body Here]

JOHN GROSS  
INTERIM DIRECTOR OF FINANCIAL MANAGEMENT

APPROVED:

THOMAS B. MODICA  
CITY MANAGER