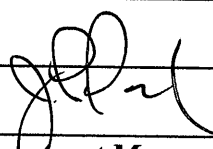


# M · E · M · O

## Alameda Corridor Transportation Authority

September 12, 2019

<b>To:</b>	Governing Board
<b>From:</b>	James P. Preusch, Chief Financial Officer 
<b>Subject:</b>	<i>Approval of Agreement No. C0887 with Chandler Asset Management for Investment Management Services (APPROVAL)</i>

**Recommendation:**

Approve Agreement No. C0887 with Chandler Asset Management for Investment Management Services in an amount not-to-exceed \$500,000 for a five-year period term; and authorize the Chief Executive Officer or Chief Financial Officer to execute said agreement.

**Discussion:**

The Investment Manager selects the securities in which ACTA funds are invested in a manner consistent with ACTA's two Investment Policies. The Investment Manager does not handle or serve as custodian of any ACTA funds.

ACTA posted a Request for Proposals (RFP) for Investment Management Services to its website and advertised in two local publications that the RFP was available. The RFP was also posted by the City of Los Angeles on its contracting opportunities website. Seven responses were received on or before the July 31, 2019 due date. A three-member panel consisting of ACTA's Chief Financial Officer, Treasurer, and Director of Systems, Revenue, and Finance reviewed and evaluated the written proposals. No firms were interviewed because the written proposals provided adequate information to evaluate the proposers. Each firm was evaluated on the basis of firm qualifications; personnel; conceptual approach and understanding; compensation; and clarity and comprehensiveness of the proposal. Scoring and ranking were generally consistent among panel members, and Chandler Asset Management (CAM) was unanimously ranked as the recommended firm to provide the services.

The annual asset management fee that CAM has proposed is 6 basis points for the first \$100 million in assets under management and 5 basis points for all assets over \$100 million. Based upon that proposal, staff has estimated fees in a not-to-exceed amount of \$500,000 for the five-year term. The proposed fees represent no increase over the last investment management services contract.



The Board is asked to authorize the Chief Executive Officer or Chief Financial Officer to execute the attached agreement with CAM to provide Investment Management Services.

A summary of the scoring and ranking of the proposals and the proposed agreement with CAM are attached to this board report.

**Background:**

In 1997, the Board retained the services of US Trust to serve as investment manager. ACTA issued an RFP in August 2004, and in September 2004 the Board authorized the selection of two firms, PFM Asset Management and Chandler Asset Management (CAM), as ACTA's investment managers. In October 2005, the Board authorized the consolidation of all services with CAM. CAM's contract was subsequently extended with Board approval through June 30, 2010. ACTA issued a new RFP in January 2010, and in June 2010 the Board approved the selection of CAM for a new five-year contract through June 30, 2015. In June 2015, the Board authorized a one-year extension through June 30, 2016 followed by a June 2016 six-month extension through December 31, 2016. A subsequent RFP led to the Board-approved selection of CAM for a three-year term beginning November 7, 2016.

**Budget Impact:**

Investment management costs for the current fiscal year are included in the FY20 Program and Operating Budget.

**Co-General Counsel:**

ACTA's Co-General Counsel has reviewed and approved the proposed Agreement as to form.

Transmittals:

Transmittal 1 – Scoring and Ranking Matrix

Transmittal 2 – Investment Management Services Agreement No. C0887