



## Legislation Text

File #: 15-0480, Version: 1

Resolution to Approve Agreement with Cutwater Asset Management (Approximately \$675,000.00; \$135, 000.00 annually for 5 years with a 2-Year Optional Renewal)  
Attached for your review and approval is a resolution to approve a professional services agreement with Cutwater Asset Management., for investment advisory services.

The City issued RFP #926 in March 2015 for investment advisory services. Responses were received from five companies: Cutwater Asset Management, Heber Fuger Wendin, PFM Asset Management, Public Fund Advisors, and Robinson Capital. Treasury staff reviewed and evaluated the responses.

After evaluating the responses, Cutwater Asset Management, Heber Fuger Wendin, and PFM Asset Management scored the highest, and were deemed acceptable proposals. Cost proposals for those three responses were then opened and evaluated. The results are summarized below:

Consultant	Initial Score 85 possible points	Cost Proposal in basis points*	Total Score 100 possible points
Cutwater Asset Management	85	6	100
PFM Asset Management	76	6.89	89
Heber Fuger Wendin	72	7	84
Public Fund Advisors	64	NA	NA
Robinson Capital	53	NA	NA

\* A basis point is 1/100th of 1%.

Cutwater Asset Management's fee proposal of 6 basis points represents an annual cost of approximately \$135,000. This is significantly less than it would cost the City to hire an investment manager and provide the necessary technology solutions to facilitate in-house investment management. The proposal of 6 basis points is a reduction of 1.5 basis points (20%) from the existing agreement, and is 0.89 basis points (13%) less than the next lowest respondent.

Cutwater Asset Management is the incumbent firm, and has been providing exceptional investment advisory services to the City since 1994. Their proposal meets all City requirements. Cutwater Asset Management received Human Rights approval on April 15, 2015, and complies with the City's living wage ordinance.

The term of the contract is five years, with an option to extend the term an additional two years, at the City's pleasure. Approval of this resolution is recommended.

Prepared by: Matthew V. Horning, City Treasurer

Reviewed by: Tom Crawford, Financial Services Administrator and CFO

Approved by: Steven D. Powers, City Administrator

Whereas, The City issued RFP #926 and determined Cutwater Asset Management to be the most qualified respondent;

Whereas, The parties have negotiated a contract which incorporates RFP #926 and Cutwater Asset Management's response thereto;

Whereas, Cutwater Asset Management complies with the requirements of the non-discrimination and living wage ordinances; and

Whereas, Funds for this purpose are budgeted and available in all City funds that participate in the City's pool of investments;

RESOLVED, That City Council approve the Professional Services Agreement with Cutwater Asset Management;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the contract after approval as to substance by the City Administrator and approval as to form by the City Attorney; and

RESOLVED, That the City Administrator be authorized to take all necessary actions to implement this Resolution.