

CONSENT ITEM

CONTRACT ID:	Investment Management Services Firms: Vendors listed below						
BUDGETED	Yes						
CONTRACT AMOUNT	<p>Fees are based entirely on the total average annual assets under management. The fee will be calculated as a basis point fee of the aggregate amount of assets:</p> <p>Yearly fees for all 16 contracts are estimated at \$4,500,000, based on the amount of assets under management which now stands at \$9,435,000,000.</p> <table border="1"><thead><tr><th>ASSETS</th><th>FEE</th></tr></thead><tbody><tr><td>All assets up to \$750,000,000</td><td>5 Basis Points</td></tr><tr><td>All assets above \$750,000,000</td><td>4 Basis Points</td></tr></tbody></table> <p>Total fees paid will fluctuate based on the total market value of Citizens' assets.</p>	ASSETS	FEE	All assets up to \$750,000,000	5 Basis Points	All assets above \$750,000,000	4 Basis Points
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All assets up to \$750,000,000	5 Basis Points						
All assets above \$750,000,000	4 Basis Points						
CONTRACT HISTORY	<p>The Board, on January 29, 2014, approved the estimated fees of \$33,250,000 for the life of the contracts, including renewal terms based on a \$13.5 billion managed portfolio. Contracts were executed April 1, 2014 with 16 Investment Management Services Vendors. As stated in the original Action Item for services, fees will be and are calculated on the total market value of Citizens' assets.</p>						
CONTRACT TERM(S)	<p>Contracts were approved by the Board on January 29, 2014 for a three-year base term with optional two, one-year renewals.</p>						
PURPOSE/SCOPE	<p>The purpose of this Consent Item is to inform the Board that Citizens intends to activate the second, one-year renewal option.</p> <p>Staff recommends all (16) Investment Management Services firms for one-year renewal:</p> <ul style="list-style-type: none">• Blackrock Capital Management, Inc.(14-13-0002-01)• BlackRock Investment Management, LLC (400409)• Insight Asset Management (14-13-0002-03)• Eaton Vance Management (14-13-0002-04)• Federated Investment Counseling (14-13-0002-05)• NEAM- New England Asset Management (14-13-0002-06)• Hartford Investment Managers (14-13-0002-07)• Northern Trust Investments, Inc. (14-13-0002-08)• PFM Asset Management LLC (14-13-0002-09)• Payden & Rygel (14-13-0002-10)• RBC Asset Management U.S. Inc. (14-13-0002-11)• Standish Mellon Asset Management Company LLC (14-13-0002-12)• UBS Asset Management (Americas) Inc. (14-13-0002-13)• US Bancorp Asset Management, Inc. Inc. (14-13-0002-14)• Wellington Management, LLP (14-13-0002-15)• Wells Capital Management (14-13-0002-16) <p>The second, one-year renewal period will be from April 1, 2018 to March 31, 2019.</p>						

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PROCUREMENT METHOD	On September 14, 2013, Citizens issued Invitation to Negotiate (“ITN”) No. 13-0002 for Investment Management Services with responses due by October 2, 2013. Citizens received 36 proposals. The proposals were evaluated by a four member evaluation team. Sixteen firms were recommended to the January 14, 2014 Board for approval.
RECOMMENDATION	Staff recommends Citizens Board: a) Approve the recommended second-year renewal for the named Investment Management Services firms; and b) Authorize staff to take any appropriate or necessary actions consistent with this Consent Item.
CONTACTS	Jennifer Montero, Chief Financial Officer