

ACTION ITEM

Finance & Investment Committee Meeting, September 25, 2018
Board of Governors Meeting, September 26, 2018

CONTRACT ID:	Investment Management Services ITN No. 18-0018 MULTIPLE VENDOR AWARD - ATTACHMENT "A"						
BUDGETED ITEM	Yes						
CONTRACT AMOUNT	<p>Estimated fees of \$25,050,000 for the life of the contracts, including renewal terms, is based on Citizens' current \$8.66 billion managed portfolio. Fees will fluctuate based on the total market value of Citizens' assets:</p> <ul style="list-style-type: none">Yearly estimated fees of \$4,175,000Fees are based entirely on the total average annual assets under management. Fees will be calculated on the aggregate amount of assets: <table border="1"><thead><tr><th>ASSETS</th><th>FEE</th></tr></thead><tbody><tr><td>All assets up to \$750 Million</td><td>5 basis points (.05%)</td></tr><tr><td>All assets above \$750 Million</td><td>4 basis points (.04%)</td></tr></tbody></table>	ASSETS	FEE	All assets up to \$750 Million	5 basis points (.05%)	All assets above \$750 Million	4 basis points (.04%)
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All assets up to \$750 Million	5 basis points (.05%)						
All assets above \$750 Million	4 basis points (.04%)						
PURPOSE / SCOPE	<p>Purpose: This Action Item seeks Board approval for Citizens to enter into contracts with multiple qualified vendors to provide Investment Management Services.</p> <p>Scope: This engagement will require selected Vendors to make investment decisions and ensure strict compliance with Citizens' Investment Policies for Taxable and/or Tax-Exempt Funds. Citizens has over \$8.66 billion of total managed assets pursuant to its Taxable and Tax-Exempt Investment Policies that are focused on safety, stability, liquidity and competitive returns. The current breakdown of the \$8.66 billion in assets is approximately 83% taxable and 17% tax-exempt. Citizens' Investment Policies are reviewed at least annually and may be amended from time to time as deemed appropriate and necessary, with approval from Citizens' Board.</p>						
CONTRACT TERM(S)	The contract term for each recommended vendor will be three (3) years, with three (3) one (1) year renewal options.						
PROCUREMENT METHOD	On May 3, 2018, Citizens released Invitation to Negotiate No.: 18-0018 for Investment Management Services. Responses were received and evaluated by an Evaluation Committee. The Evaluation Committee recommended award to vendors on August 24, 2018. A listing of the vendors recommended for award in the Notice of Intent to Award is attached as Attachment "A"						
RECOMMENDATION	Staff recommends that Citizens' Board of Governors: <ul style="list-style-type: none">a) Approve the contracts including renewal periods for Investment Management Services, INT No. 18-0018, to the list of Vendors in Attachment "A", as set forth in this Action Item;b) Authorize staff to take any appropriate or necessary actions consistent with this Action Item; and						

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	<p>c) Approve this Action Item for the three (3) year period and three (3) optional one (1) year renewals for fees based on the total average annual assets under management. All assets up to \$750 Million at 5 basis and all assets above \$750 Million at 4 basis points, for an estimated yearly annual fee of \$4,175,000.</p>
CONTACTS	Jennifer Montero, Chief Financial Officer