

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Please mark one: ☐ Bill Request or ☒ Resolution Request Date of Request: 1/21/2020

1. Type of Request:

- ☒ Contract/Grant Agreement ☐ Intergovernmental Agreement (IGA) ☐ Rezoning/Text Amendment
☐ Dedication/Vacation ☐ Appropriation/Supplemental ☐ DRMC Change
☐ Other:

2. **Title:** A resolution requesting approval of contract FINAN-201952298, between the City and County of Denver and Chandler Asset Management to provide investment advisory and management services.

3. **Requesting Agency:** Department of Finance - Cash, Risk & Capital Funding

4. Contact Person:

Contact person with knowledge of proposed ordinance/resolution	Contact person to present item at Mayor-Council and Council
Name: Gregory T. King	Name: Gregory T. King
Email: Gregory.King@Denvergov.org 720-913-9348	Email: Gregory.King@Denvergov.org 720-913-9348

5. General description or background of proposed request. Attach executive summary if more space needed:

A competitive RFP process was conducted in 2019 by the City's Purchasing & Procurement Division to obtain investment advisory and consulting services. Chandler Asset Management's proposal was determined to be the best value with the highest technical score. The requested resolution approves contracting with Chandler to provide services through 2024 if the City executes each renewal period. Chandler will manage approximately \$400 million of the City \$5.6 billion investment portfolio and be approximately \$240,000 per year. The annual cost represents 0.16% of the annual investment earnings generated by the Investment Team's management of the portfolio. If all annual renewals are executed, the City will pay Chandler \$1,200,000 for the life of the contract (5-years). Chandler has successfully served in this capacity since 2009, and provides investment research analysis, credit analysis, advice, and reporting.

6. City Attorney assigned to this request (if applicable):

Laurie Heydman

7. City Council District:

All districts impacted

8. ****For all contracts, fill out and submit accompanying Key Contract Terms worksheet****

Key Contract Terms

Type of Contract: Professional Services

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR20 0127

Date Entered: _____

Vendor/Contractor Name: Chandler Asset Management

Contract control number: FINAN-201952298

Location: N/A

Is this a new contract? ☒ Yes ☐ No **Is this an Amendment?** ☐ Yes ☒ No **If yes, how many?** _____

Contract Term/Duration (for amended contracts, include existing term dates and amended dates): January 1, 2020 – December 31, 2024

Contract Amount (indicate existing amount, amended amount and new contract total): \$1,200,000.00 to be paid at the rate of \$240,000 per year for 5 years.

<i>Current Contract Amount</i>	<i>Additional Funds</i>	<i>Total Contract Amount</i>
(A)	(B)	(A+B)
N/A	N/A	\$1,200,000.00

<i>Current Contract Term</i>	<i>Added Time</i>	<i>Ending Date</i>
N/A	N/A	December 31, 2024

Scope of work:

The services Chandler will provide under the contract include:

- Ongoing investment recommendations that fit the City's conservative risk profile
- Production of monthly and quarterly performance reports
- Portfolio analytics with respect to individual security selection and valuation
- Periodic reviews of the City's procedures and investment infrastructure
- Staff education on a variety of subjects including proprietary tools Chandler uses in managing fixed income portfolios
- Advice on the appropriate stratification of the City's portfolio
- Discretionary management of \$400 million constrained to the City's Investment Policy and at no time have access to City funds
- Verification and recommendations regarding the City's performance calculations
- Market and portfolio updates
- Periodic meetings with the Investment Advisory Committee and CFO
- Support for City staff as a general resource and subject matter expert

Was this contractor selected by competitive process? Yes

Has this contractor provided these services to the City before? ☒ Yes ☐ No

Source of funds: Department of Finance funds budget annually for investment advisory services.

Is this contract subject to: ☐ W/MBE ☐ DBE ☐ SBE ☒ XO101 ☐ ACDBE ☐ N/A

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: RR20 0127

Date Entered: _____



DENVER
THE MILE HIGH CITY
MICHAEL B. HANCOCK
Mayor

DEPARTMENT OF FINANCE

BRENDAN J. HANLON
CHIEF FINANCIAL OFFICER

201 W. COLFAX AVE. Dept. 1010
DENVER, COLORADO 80202
PHONE: (720) 913-5000

Executive Summary

**A RESOLUTION APPROVING AN AGREEMENT BETWEEN THE CITY AND COUNTY OF DENVER
AND CHANDLER ASSET MANAGEMENT TO MAINTAIN ADVISORY AND INVESTMENT
MANAGEMENT SERVICES.**

After a competitive RFP process conducted during 2019 by the Purchasing Division, the City's investment staff and CFO recommend awarding the services to Chandler Asset Management to provide investment advisory and management services to the City's CFO and Investment Officers. Chandler served in this capacity since 2009. Chandler helped the City implement the 2014 Charter Change allowing the City to invest in new asset classes consistent with securities the Colorado State Treasurer is allowed to invest. The new permissible investments generated additional investment earnings and diversification benefits within the City's portfolio.

The services Chandler will provide under the contract include:

- Production of monthly and quarterly performance reports
- Portfolio analytics with respect to individual security selection and valuation
- Ongoing investment recommendations that fit the City's conservative risk profile
- Periodic reviews of the City's procedures and investment infrastructure
- Staff education on a variety of subjects including proprietary tools Chandler uses in managing fixed income portfolios
- Advice on the appropriate stratification of the City's portfolio
- Discretionary management of \$400 million constrained to the City's Investment Policy
- Verification and recommendations regarding the City's performance methodology
- Market and portfolio updates on a weekly basis
- Periodic meetings with the Investment Advisory Committee and CFO
- Support for City staff as a general resource and subject matter expert

The initial term is from January 1, 2020 through December 31, 2020 with four annual Renewal Terms and an expiration date of December 31, 2024. Chandler had the best overall RFP response among the four vendors submitting proposals based on Chandler's technical ability and managerial fees.

Chandler is paid 6 basis points (0.06%) on the \$400 million of assets they invest, which equates to approximately \$240,000 in fees per year. The funds Chandler invests are structured on a delivery versus payment whereby Chandler has no access to City funds.

To be completed by Mayor's Legislative Team: