



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

**1. Agenda Item Number:**

19

**2. Council Meeting Date:**  
December 12, 2013

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** November 15, 2013

**THROUGH: CITY MANAGER**

**4. Requesting Department:** Management Services

**5. SUBJECT:** Extension of agreement with Wells Capital Management Services, Inc. for Investment Management Services.

**6. RECOMMENDATION:** Recommend approval of Addendum #1 to amend the agreement with Wells Capital Management Services, Inc. for Investment Management Services, to include two two-year options to extend the agreement and to exercise the first option to extend for a period of two (2) years.

**7. HISTORICAL BACKGROUND/DISCUSSION:** The City engages two (2) investment management firms to invest City funds that are not immediately expended. Each firm manages approximately half of the City's portfolio. The firms invest according to the City's investment policies to ensure safety, liquidity and yield objectives and maintain conformance with Arizona Revised Statutes. City staff meets quarterly with investment managers to review performance of the portfolios, discuss short- and long-term investment strategies and review cashflow projections.

Wells Capital Management, Inc. has been one of the City's investment managers since 2003. The current agreement is due to expire on December 31, 2013.

**8. EVALUATION PROCESS:** Council approved the current agreement with Wells Capital Management on January 26, 2012. Staff is satisfied with the investment management services being provided and are recommending a two-year extension. Wells Capital Management is in agreement to extend under the current terms and conditions of the agreement.

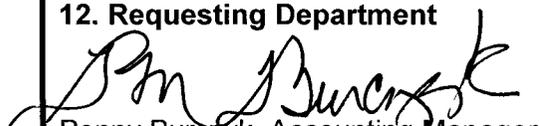
**9. FINANCIAL IMPLICATIONS:** Investment managers are compensated based on a percent of market value (8 basis points). The fee schedule remains unchanged.

**10. PROPOSED MOTION:** Move to approve Addendum #1 to extend the agreement with Wells Capital Management Services, Inc., for Investment Management Services, to include two two-year options to extend the agreement and to exercise the first option to extend for a period of two (2) years.

**11. ATTACHMENT:** Addendum #1

**APPROVALS**

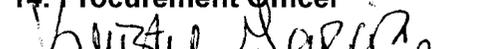
**12. Requesting Department**

  
Penny Burczyk, Accounting Manager

**13. Department Head**

  
Dawn Lang, Management Services Director

**14. Procurement Officer**

  
Robert Descheemaker, CPPB for

**15. City Manager**

  
Rich Dlugas

ADDENDUM NUMBER ONE (1)  
TO AGREEMENT BETWEEN THE CITY OF CHANDLER  
AND  
WELLS CAPITAL MANAGEMENT SERVICES, INC.  
FOR  
INVESTMENT MANAGEMENT SERVICES

This Addendum # 1 to that certain Agreement Between the City Of Chandler (CITY) and Wells Capital Management Services, Inc. (CONTRACTOR) for Investment Management Services dated January 30, 2013, and is entered into this \_\_\_\_ day of \_\_\_\_\_, 2013.

WHEREAS, the parties have agreed;

NOW THEREFORE, the parties agree as follows:

1. Add Paragraph 9.1.1 to Section 9, Term, Amendment and Termination, to the Agreement as follows:

9.1.1 After the initial term, Chandler may renew this Agreement for a 2 year term. After the second term, Chandler may renew this Agreement for another 2 year term. During any of these three terms, this Agreement may be terminated as described herein.

2. This contract is extended for a two-year period, January 1, 2014 through December 31, 2015.
3. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect. All terms and conditions in the original Agreement not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this \_\_\_\_ day of \_\_\_\_\_, 2013.

CITY OF CHANDLER:

By: \_\_\_\_\_  
Mayor

CONTRACTOR:  
CONSULTANT:

By: \_\_\_\_\_  
Title: SVP

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney (kb)

ATTEST:  
\_\_\_\_\_  
City Clerk

ATTEST: (If corporation)

\_\_\_\_\_  
Secretary Authorized Signor

WITNESS: (If individual or Partnership)  
\_\_\_\_\_

[SEAL]