



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

21

2. Council Meeting Date:

January 14, 2016

TO: MAYOR & COUNCIL

3. Date Prepared: December 8, 2015

THROUGH: CITY MANAGER

4. Requesting Department: Management Services

5. SUBJECT: Addendum No. 2 to Agreement No. 2042, with Wells Capital Management Services, Inc., for investment management services.

6. RECOMMENDATION: Staff recommends City Council approve Addendum No. 2 to Agreement No. 2042, with Wells Capital Management Services, Inc., for investment management services, extending the agreement for the final term of two (2) years.

7. 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 policy 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 cash-flow projections. Wells Capital Management, Inc., has been one of the City's investment managers since 2003 and staff is pleased with the continued high level of customer service and online reporting services.

8. EVALUATION PROCESS: On January 26, 2012, City Council approved the current agreement with Wells Capital Management Services, Inc., for investment management services. Addendum No. 1 was approved December 12, 2013, which added the ability to extend the agreement for two, two year extensions and exercise the first option to extend for a period of two (2) years. Wells Capital Management Services, Inc., has agreed to extend for the final extension term of two (2) years with the same terms, conditions and pricing.

Staff recommends extension of this agreement for the term of January 1, 2016, through December 31, 2017. This is the final extension of the agreement.

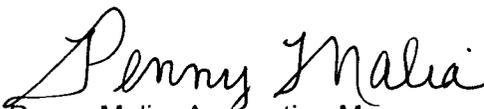
9. FINANCIAL IMPLICATIONS: Wells Capital Management Services, Inc., is compensated an annual fee, in monthly installments, based on a percent (8 basis points or .08%) of portfolio market value. The fee schedule remains unchanged.

10. PROPOSED MOTION: Move City Council approve Addendum No. 2 to Agreement No. 2042, with Wells Capital Management Services, Inc., for investment management services, extending the agreement for the final term of two (2) years.

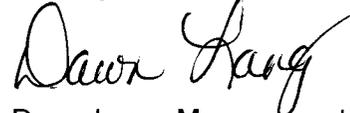
Attachment(s): Addendum No. 2

APPROVALS

11. Requesting Department


Penny Malia, Accounting Manager

13. Department Head


Dawn Lang, Management Services Director

12. Procurement Officer


Carolee Stees, CPPB

14. Acting City Manager


Marsha Reed

ADDENDUM NUMBER TWO
TO AGREEMENT BETWEEN THE CITY OF CHANDLER
AND
WELLS CAPITAL MANAGEMENT SERVICES, INC.
FOR
INVESTMENT MANAGEMENT SERVICES

This Addendum No. 2 to that certain Agreement between the City Of Chandler (City) and Wells Capital Management Services, Inc. (Contractor) for Investment Services dated February 2, 2012 and is entered into this 18th day of December, 2015.

WHEREAS, the parties have agreed;

NOW THEREFORE, the parties agree as follows:

1. This Agreement is extended for a two-year period, January 1, 2016 through December 31, 2017.
2. 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 18th day of December, 2015.

CITY OF CHANDLER:

By: _____
Mayor

APPROVED AS TO FORM:

City Attorney *CH*

ATTEST:

City Clerk

CONTRACTOR:

By: _____
Title: Client Service Manager

ATTEST: (If corporation)

Secretary

WITNESS: (If individual or Partnership)

[Signature]

[SEAL]