



Monterey County

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Board Report

Legistar File Number: 15-1000

September 29, 2015

Introduced: 9/14/2015

Version: 1

Current Status: Consent Agenda

Matter Type: General Agenda Item

1. Approve and Authorize the Contract Purchasing Officer or his designee to sign Amendment Number 2 to the Contractual Agreement No. A 13-291 expanding the Scope of Work to include Investment and Financial Advisory Services, and to extend the Agreement for an additional Two years between the County of Monterey and PFM Asset Management LLC (PFM), dated December 3, 2013, in an amount not to exceed \$300,000 a year under a new pricing methodology for the period October 1, 2015 through October 31, 2017.
2. Authorize the Treasurer-Tax Collector to execute all necessary additional institutional standard financial documentation/authorizations with PFM and applicable financial institutions to facilitate performance under the Agreement as amended

RECOMMENDATION:

It is recommended that the Board of Supervisors:

1. Approve and Authorize the Contract Purchasing Officer or his designee to sign Amendment Number 2 to the Contractual Agreement No. A 13-291 expanding the Scope of Work to include Investment and Financial Advisory Services, and to extend the Agreement for an additional Two years between the County of Monterey and PFM Asset Management LLC (PFM), dated December 3, 2013, in an amount not to exceed \$300,000 a year under a new pricing methodology in FY 15-16 for the period October 1, 2015 through October 31, 2017.
2. Authorize the Treasurer-Tax Collector to execute all necessary additional institutional standard financial documentation/authorizations with PFM and applicable financial institutions to facilitate performance under the Agreement as amended.

SUMMARY:

In December 2013, the Board authorized the County to enter into an agreement with PFM for the provision of Investment Consulting and Advisory Services. The Treasurer-Tax Collector (TTC) now desires to temporarily increase the scope of said services and the related fees for those services.

DISCUSSION:

In 2014, the Board approved Amendment No. 1 which authorized the department to extend the term of the original contract.

At this time, it is requested that the Board approve the proposed Amendment No. 2 to the existing agreement to extend the Agreement for two more years and to temporarily increase the scope of work to include certain analytical and transactional investment services. The temporary expansion of services will provide continuity of critical investment analysis and transactional functions following the retirement of two key departmental executive managers (first retirement was effective 6/30/15 and the second retirement will be effective 12/30/15) who were otherwise temporarily responsible for those functions. A recruitment to replace the

first retired executive, the position of Treasury Manager, was unsuccessful and the Department has determined that it is unable to permanently fill the vacated position at this time.

The increase in service scope will meet emergent departmental and investment pool participant needs. Expanding the scope of service at this time is a prudent business practice that will provide multiple benefits to the County. These benefits include increased transparency, redundancy in critical investment activities, service delivery continuity and the improved ability to leverage professional analytical tools.

As a part of the restructuring of the Agreement and increase in the applicable scope of work, the Amendment also modifies the payment provisions from a flat fee to a fee based on proportional payment to the Contractor based on the dollar value of funds managed.

As included in the Amendment No. 2, and as part of regular financial transactions, additional documentation will need to be processed and executed on behalf of the County and to complete the Treasurer-Tax Collector's functions. The additional requested authority delegates the authority for the Treasurer-Tax Collector to execute those institutional standard custody bank and other processing documents to facilitate the performance under the Agreement as amended by this action.

OTHER AGENCY INVOLVEMENT:

The Contract Purchasing Officer and County Counsel have reviewed and approved the amendment as to form. The Treasury Oversight Committee and the Monterey County Office of Education have been informed and are supportive of this contract.

FINANCING:

There is no impact to the General Fund as the department has existing appropriations to meet contract commitments in FY 2015-16.

Prepared by: Richard N. Smith, Assistant Treasurer-Tax Collector, ext 5836

Approved by: Mary A. Zeeb, Treasurer-Tax Collector, ext 5015

cc: County Administrative Office
County Counsel

Attachments:

Agreement
Amendment 1
Proposed Amendment 2
Exhibit A