



TO: Honorable Mayor & Members
Fort Lauderdale City Commission

FROM: Lee Feldman, City Manager

DATE: September 5, 2012

TITLE: Motion to approve five-year contracts for investment management services –
Request for Proposal 125-10899 - \$315,000

Recommendation

It is recommended that the City Commission approve five-year contracts to the four top-ranked proposers. The following estimated amounts are predicated on the percentage and tier basis points bid by Sterling Capital Management, LLC in the estimated annual amount of \$80,000, Garcia Hamilton & Associates, L.P. in the estimated annual amount of \$90,000, Sawgrass Asset Management, LLC in the estimated annual amount of \$65,000 and Wells Capital Management in the estimated annual amount of \$80,000, for a total estimated annual amount of \$315,000, for investment management services, based upon an estimated \$100,000,000 investment portfolio each, and authorize the City Manager or designee to approve renewal options.

Background

A request for proposal (RFP) for investment management services was issued March 26, 2012 seeking proposals from qualified firms to provide investment management services with up to four firms.

The evaluation committee voting members were Darlene Pfeiffer, Financial Administrator – Chair; Lt. Michael Dew, Police Department; and Pamela Winston, Senior Accountant.

On May 31, 2012 the evaluation committee met and discussed the 31 proposals and made a recommendation to short-list the top ten ranked proposers, and requested a best and final offer and allow for oral presentations. On June 15th and June 21st oral presentations were conducted with the top ten ranked proposers.

They included the following firms: FTN Financial Main Street Advisors, Cutwater Investor Corporation, Sterling Capital Management, LLC, Wells Capital Management, Sawgrass Asset Management, LLC, Columbia Management Investment Advisors, NCM Capital Advisors, Inc., Ridgeworth Capital Management, LLC, Mesirow Financial Management,

Inc., and Garcia Hamilton & Associates, L.P.

The evaluation committee met after the oral presentations and discussed each of the top ten short-listed proposers' presentations, re-scored, and made a motion for a recommendation to award to the top four-ranked proposers. They were Sterling Capital Management, LLC, Garcia Hamilton & Associates, L.P., Sawgrass Asset Management, LLC and Wells Capital Management, for Investment Management Services. A second best and final offer was requested from the four recommended proposers on August 15, 2012. The four short-listed proposers provided an additional reduction to their rates, for an estimated additional cost reduction of \$85,000 per year.

These firms will be investing the City's idle funds within the City's Investment Policy criteria. The City has two investment managers whose contracts expire on August 31, 2012; PFM Asset Management at an estimated annual cost of \$67,000 and Cutwater Investor Services at an estimated annual cost of \$80,000, with each currently having a portfolio value not to exceed \$100,000,000.

Resource Impact

There is a fiscal impact to the City in the estimated annual amount of \$315,000.

Funding for this item is contingent upon approval of budget and appropriation of the FY 2013 budget as follows.

FUNDS AVAILABILITY LOCATION:								
		SUB			SUB			
FY Year	FUND	FUND	FUND NAME	INDEX #	INDEX NAME	OBJECT #	SUBOBJECT NAME	AMOUNT
2013	001	01	GENERAL FUND	FIN040101	TREASURY ACCTS RECEIVABLE	3116	INVESTMENT MGMT SVS	\$ 315,000
					TOTAL			\$ 315,000

Attachment(s)

- Exhibit 1 – Evaluation Committee Tabulation 125-10899
- Exhibit 2 – Best & Final - Basis Points Calculation Spreadsheet

Prepared By: Michael Walker, Procurement & Contracts Manager

Department Director: Douglas R. Wood, Finance