

0150-09715-0001

TRANSMITTAL

TO
The Council

DATE
APR 29 2014

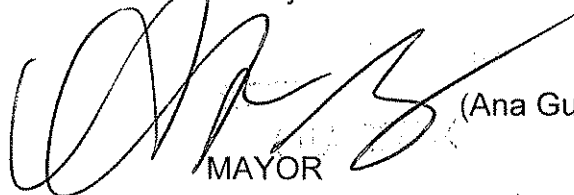
COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
n/a

Authority for the Director of Finance to amend contract number C-118850 with FTN Financial Main Street Advisors, LLC for investment advisory services.

Transmitted for your consideration. See City Administrative Officer report attached.


(Ana Guerrero)
MAYOR

APR 29 2014

CAO

Report From
OFFICE OF THE CITY ADMINISTRATIVE OFFICER
Analysis of Proposed Contract
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 04-23-14	C.D. No. n/a	CAO File No.: 0150-09715-0001
Contracting Department/Bureau: Office of Finance		Contact: Thomas Juarez or Ken White	
Reference: Transmittal from the Office of Finance dated January 30, 2014			
Purpose of Contract: Investment advisory services			
Type of Contract: () New contract (x) Amendment		Contract Term Dates: May 1, 2011 through April 30, 2016 (two-year extension)	
Contract/Amendment Amount: \$540,000 over the term of the contact (\$216,000 increase)			
Source of funds: Department 39, Fund 100, Account 3040 (Contractual Services)			
Name of Contractor: FTN Financial Main Street Capital Advisors, LLC 10655 Park Run Drive, Suite 120, Las Vegas, NV 89144			
	Yes	No	N/A*
1. Council has approved the purpose	x		
2. Appropriated funds are available	x		
3. Charter Section 1022 findings completed	x		
4. Proposals have been requested	x		
5. Risk Management review completed	x		
6. Standard Provisions for City Contracts included	x		
7. Workforce that resides in the City: 0%			
8. Contractor has complied with:	Yes	No	N/A*
a. Equal Employmt. Oppty./Affirm. Action	x		
b. Business Inclusion Outreach	x		
c. Equal Benefits Ordinance	x		
d. Contractor Responsibility Ordinance	x		
e. Slavery Disclosure Ordinance	x		
f. Bidder Certification CEC Form 50	x		
g. Bidder Contributions CEC Form 55			x
*N/A = not applicable			

COMMENTS

The Office of Finance (Department) requests approval to amend Contract No. C-118850 with FTN Financial Main Street Capital Advisors, LLC (Contractor) to exercise two one-year options to extend the term of the contract through April 30, 2016. The amendment will increase the total contract amount by \$216,000, from \$324,000 to \$540,000.

The Contractor was selected through a request for proposal process. This is the second amendment. The first amendment was executed in 2012 to reflect a name change from Main Street Capital Advisors, LLC, to FTN Financial Main Street Capital Advisors, LLC. All other terms and conditions will remain the same. The proposed second amendment will only increase the compensation amount and extend the term of the contract.

Under the terms of the agreement, the Contractor prepares monthly reports on the status of the City's portfolio that include strategies to optimize return and minimize risk and an evaluation of the City's securities lending program. In the event of an emergency, the Contractor is authorized to execute transactions and assume overall management of City funds. Compensation will remain \$27,000 per

			
ECM	Analyst	Assistant CAO	City Administrative Officer

quarter. Funding for this contact is available in the Department's 2013-14 Adopted Budget and included in the 2014-15 Proposed Budget.

In accordance with Los Angeles Municipal Code Section 49.7.35(a)(5), the Contractor is not required to submit the Bidder Contributions CEC Form 55 because the contract was executed before the form was required and the amendment will not make the total value of the contract more than \$100,000 for the first time.

In accordance with Los Angeles Administrative Code Section 10.5(a), Council approval of the proposed agreement is required because the amended contract will exceed three years. To the best of our knowledge, the Contractor has complied with all standard provisions for City contracts, as well as City contracting requirements.

The City Attorney reviewed and approved the agreement as to form and content.

RECOMMENDATION

That the Council, subject to the approval of the Mayor, authorize the Director of Finance, or designee, to amend Contract No. C-118850 with FTN Financial Main Street Capital Advisors, LLC for a term of May 1, 2011 through April 30, 2016 and a total amount not to exceed \$540,000.

FISCAL IMPACT STATEMENT

Funding is available in Department 39, Fund 100, Account 3040 (Contractual Services). This recommendation is in compliance with the City's Financial Policies in that there is no additional impact on the General Fund.

Attachment

ANTOINETTE CHRISTOVALE
DIRECTOR of FINANCE
CITY TREASURER

CITY OF LOS ANGELES
CALIFORNIA

OFFICE OF FINANCE
200 N. SPRING ST.
ROOM 220 – CITY HALL
LOS ANGELES, CA 90012

(213) 978-1774



ERIC GARCETTI
MAYOR

2014 JAN 31 PM 3:30
CITY ADMINISTRATIVE OFFICER

January 30, 2014

The Honorable Eric Garcetti
Mayor of the City of Los Angeles
200 North Spring Street, Room 303
Los Angeles, CA 90012

Attention: Mandy Morales, Legislative Coordinator

Subject: Approval to Execute Amendment No. 2 – FTN Financial Main Street Advisors

Dear Mayor Garcetti:

As required by Executive Directive No. 3, the attached proposed Amendment No. 2 to Contract No. C-118850 with FTN Financial Main Street Advisors, LLC for investment advisory services is being submitted for your review and approval. The current term of the contract expires April 30, 2014. Therefore, the proposed amendment would exercise the option provided in the contract to extend the term of the contract by two years resulting in a total term of five years. All other terms and conditions of the contract will remain unchanged. The amendment is currently under review by the City Attorney.

The investment advisory services provided by this contractor are a crucial component to the Office of Finance, Investment Division's management of the City's investment pool. Funds have been included in the Office of Finance budget for this program. Also attached for your reference is a copy of Contract No. C-118850 and Amendment No. 1.

If you require any further information regarding this matter, please contact Thomas Juarez, Chief Investment Officer, at (213) 978-4039 or via email at tom.juarez@lacity.org or Ken White, Senior Management Analyst, at (213) 978-1510 or via email at ken.white@lacity.org.

Respectfully,

Antoinette Christovale, CPA
Director of Finance/City Treasurer

Attachment

cc: Ana Guerrero, Mayor's Chief of Staff
Rick Cole, Deputy Mayor of Budget and Innovation
Zara Burikin, Deputy Budget Director, Mayor's Office
Emily Mayeda, Senior Administrative Analyst, Office of the City Administrative Officer