

COOPERATIVE PURCHASE CONTRACT
PFM Asset Management Services
Contract No.2016-48

This Cooperative Purchase Contract is made and entered into this 1st day of July, 2016 by and between the City of Flagstaff, Arizona, a political subdivision of the State of Arizona ("City") and PFM Asset Management LLC ("Contractor").

RECITALS:

- A. Contractor has a contract with Arizona Board of Regents/University of Arizona to supply materials and/or services ("Agency Contract"), which was awarded through a competitive and open procurement process;
- B. the City has authority to enter into a cooperative purchase contract with Contractor utilizing the Agency Contract;

AGREEMENT:

NOW THEREFORE, in consideration for the mutual promises contained herein, the parties agree as follows:

1. Materials and or Services Purchased. Contractor shall provide to City the materials and or services, as specified in the Purchase Order(s) submitted by the City in accordance with the Agency Contract. General description of materials and or services being purchased: **Asset Management Services**
2. Specific Requirements of City. Contractor shall comply with all specific purchase and delivery requirements and/or options of City, as specified in the Purchase Order(s) submitted to Contractor or Exhibit A attached hereto and incorporated by reference.
3. Payment. Payment to the Contractor for the materials and or services provided shall be made in accordance with the price list and terms set forth in the Agency Contract. Payment is monthly based on Agency Contract rates.
4. Terms and Conditions of Agency Contract Apply. All provisions of the Agency Contract documents, including any amendments, are incorporated in and shall apply to this Contract as though fully set forth herein: the University of Arizona RFP#3061422, and resulting contract and any amendments thereto. The Agency Contract documents may be located at the following website: <http://mesaaz.gov/about-us/advanced-components/search?q=2015006> and or may be set forth in Exhibit B attached hereto and incorporated by reference. Contractor is responsible for promptly notifying City in writing of any changes to the Agency Contract.
5. Certificates of Insurance. All insurance provisions of the Agency Contract shall apply, including any requirement to name the City as an additional insured. Prior to commencing performance under this Contract, Contractor shall furnish City with a copy of the current Certificate of Insurance set forth in Exhibit C required by the Agency Contract.
1. Term. The services rendered pursuant to this Cooperative Purchase Contract shall commence on July 1, 2016 and shall continue until expiration or termination of the underlying Agency Contract, unless sooner terminated by City in writing.

2. Renewal. This Cooperative Purchase Contract shall be automatically renewed if the underlying Agency Contract is renewed, for the same renewal period, unless City provides advance written notice to Contractor of its intention to non-renew.

CONTRACTOR:

By: _____

Title: _____

CITY OF FLAGSTAFF

By: _____

Title: _____

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney's Office

**EXHIBIT A
SPECIFIC REQUIREMENTS OF CITY**

SCOPE OF WORK

- Analyze the City's current portfolio and prepare recommendations for optimization. Consider applicable City and State of Arizona policies, as well as bond resolutions, for the portfolio with regard to fund and asset class objectives, risk tolerance and authorized investment restrictions and asset allocation guidelines.
- Prepare analyses and make recommendations on investment of the City's funds to include asset allocation, performance measurement and alternative investments.
- Perform quarterly reporting/evaluations of asset allocations, giving consideration to market conditions, asset class performance, benchmarks, actual and policy asset allocation, financial flows in and out of the funds and performance attributions.
- Assist in developing and implementing investment strategies that will enhance portfolio performance under current and anticipated changes in market conditions within the parameters of established investment guidelines, bond resolutions and cash flow needs.
- Make presentations to City staff to support recommendations relating to investment strategy. Assist in the implementation of approved investment strategies.
- Upon request, attend Audit Committee, Budget, Leadership or City Council meetings and present quarterly performance reports which shall include current information regarding the creditworthiness of investments in the portfolio, total return comparisons of the portfolio to an established index for the quarter and since inception; and market commentary and future outlook as it pertains to the City's portfolio.
- Review and evaluate money market and other cash investment accounts for policy compliance, quality and diversification, management experience and risk controls, and competitive yield in relation to expense ratios and service capabilities.
- Perform investment research and analysis.
- Provide recommendations in the annual review of the investment policy/guideline, procedures and processes for investment of the City's funds.
- Provide detailed monthly reports, in a format acceptable to the City.
- Assist in conducting informational meetings and presentations for the City, City Council, or other involved parties.
- Provide on-going support to the City, as required, in areas related to investing activities.
- Assist the City in planning investments to meet liquidity needs.
- Review and recommend changes to the City's Investment Policy.

Notices: All notices to City shall be sent to:

Senior Procurement Specialist: Damian Gallegos
Purchasing Department
211 W. Aspen Drive
Flagstaff, Arizona 86001
(928) 213-2279

Each party will designate an assigned contact person for communications related to the asset management services to be performed pursuant to this Contract.

Attach: Certificate of Insurance

EXHIBIT B
AGENCY CONTRACT

Investment Advisory Agreement dated July 1, 2014 (7 pages);

Rider to Investment Advisory Agreement (Consent to Future Constructive Assignment) dated July 2, 2014;

Amendment dated August 3, 2015 (3 pages);

The University of Arizona RFP#3061422 (30 pages).