

BOARD OF TRUSTEES OF COMMUNITY COLLEGE DISTRICT NO. 508
County of Cook and State of Illinois

Investment Management Services Agreement
Office of Finance
District Office

THE CHANCELLOR

REPORTS

that a Request for Proposal (RFP) was issued in March 2007 to solicit proposals from qualified entities to provide investment management services to the City Colleges of Chicago (CCC) for a three-year period, with a one year option to renew; and

that the Request for Proposal (RFP) was advertised on March 29, 2007, and a pre-proposal conference was conducted on April 18, 2007 and that six (6) firms responded to the RFP on April 25, 2007: Smith Graham & Company, Lehman Brothers, Holland Capital Management, Voyageur Asset Management, PFM Asset Management LLC, and Chicago Equity Partners. The RFP requested the selected firm(s) serve as the City Colleges of Chicago Investment Advisor(s), comply with all City Colleges investment guidelines and policies and the statutes of State of Illinois, identify current or anticipated changes in the market and adjust the portfolio accordingly, provide monthly statements, provide custodial and safekeeping reviews, conduct broker/dealer due diligence, perform credit analyses of security issuers and financial institutions, review and evaluate cash flow projections prepared by the City Colleges, provide on going support services, offer staff training and education as needed and conduct other special projects or investment support services; and

that the submitted proposals were reviewed, evaluated and ranked by a committee including Finance and M/WBE staff in accordance with evaluation criteria outlined in the RFP, which includes responsiveness, methodology and approach, qualifications, investment performance, portfolio management and resources and investment philosophy; and the committee invited the top two firms, PFM Asset Management LLC and Chicago Equity Partners for an oral presentation; after final evaluation PFM Asset Management LLC received the highest score, and the committee recommends acceptance of the proposal from PFM Asset Management LLC to provide investment management services to CCC for a three (3) year period with a one year option to renew with the provision for termination by convenience at any time. The fees will be 10 basis points (bps) of the fund under management; and

that the Office of M/WBE Contract Compliance has reviewed the above referenced investment management proposal and PFM Asset Management LLC and since they are partnering with D.J. Mosier & Assoc. a certified WBE for 20%, it is recommended that PFM Asset Management LLC letter for a waiver from compliance from the MBE component of the Participation Plan be approved.

THE CHANCELLOR

RECOMMENDS

that the Board of Trustees authorize the Chairman to enter into an agreement with PFM Asset Management LLC for a three year period beginning July 1, 2007 through June 30, 2010 with a one year option to renew with the provision for termination by convenience at any time. Fees will be 10 basis points (bps) of the fund under management (no fees for money invested using the Illinois Funds).

FINANCIAL

Educational Fund-00003-0010026-00082-00000-00000000-539100

Respectfully submitted,

Wayne D. Watson
Chancellor

June 20, 2007-Office of Finance- CFO