THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair to exercise the option to renew the agreement with PFM Asset Management, LLC (PFM) to serve as the Investment Advisor for City Colleges of Chicago for the period from July 1, 2014 through June 30, 2015, at a total cost not to exceed $250,000.

VENDOR: PFM Asset Management, LLC
222 North LaSalle Street Suite 910
Chicago Illinois 60601

USERS: Office of Finance
District Office

TERM:
The term of this agreement commenced on July 1, 2011 and shall end on June 30, 2014, with an option to renew for an additional three (3) one-year periods subject to the Board’s approval.

RENEWAL TERM:
The renewal term of this agreement shall begin on July 1, 2014 and shall continue through June 30, 2015.

SCOPE OF SERVICES:
PFM will continue to serve as the City Colleges of Chicago Investment Advisor with responsibilities including but not limited to:

- Compliance with all City Colleges investment guidelines and policies and the statutes of State of Illinois, identifying current or anticipated changes in the market and adjusting the portfolio accordingly
- Providing monthly statements
- Providing custodial and safekeeping reviews
- Conducting broker/dealer due diligence
- Performing credit analyses of security issuers and financial institutions
- Reviewing and evaluating cash flow projections prepared by City Colleges of Chicago
- Providing on-going support services
- Offering staff training and education as needed
- Conducting other special projects or investment support services

**BENEFITS TO CITY COLLEGES OF CHICAGO:**
The Office of Finance has determined that PFM will continue to assist the Treasurer and Chief Financial Officer in managing the current investment portfolio and providing the necessary data and benchmarks to adequately grow the portfolio and provide the Office of Finance the opportunity to forecast and provide the Board of Trustees with improved cash flow analysis.

**VENDOR SELECTION CRITERIA:**
A Request for Proposal (RFP) was prepared and advertised through the Office of Procurement Services in October 28, 2010. The RFP was mailed to 113 firms and (10) responses were received from the following firms: 1) PFM Asset Management, LLC; 2) Chandler Asset Management; 3) Ramirez Asset Management; 4) Fifth Third Asset Management Inc.; 5) American Beacon Advisors; 6) Estrada Hinojosa & Company Inc.; 7) Seagall, Bryant & Hamill; 8) Cypress Asset Management; 9) JPMorgan Chase Asset Management; and 10) Affirm HealthCare. Affirm HealthCare was deemed non-responsive as the firm failed to provide the required submittal documentation.

Each of the ten firms were required to present their qualifications and respond to ten (10) written committee questions via an oral presentation held on February 7, 2011. The evaluation committee individually scored each proposal and recommended the following top three ranking firms as the District’s finalists: 1) PFM Asset Management, LLC; 2) Ramirez Asset Management; and 3) Chandler Asset Management. The evaluation committee reviewed the responses and recommended PFM Asset Management, LLC based on the criteria set forth in the RFP including:

- Responsiveness to the RFP
- Qualification of the Firm and Project Team
- Demonstrated Investment Performance
- Portfolio Management Resources and Investment Philosophy
- Proposed Methodology and Approach
- Minority and Women Business Enterprise Participation
- Compliance with All Applicable Laws, Ordinances and Statutes
- Price/Cost/Fees (Proposed Cost of Services)

The evaluation committee then conducted an additional evaluation at the request of the Board regarding the size of the District’s portfolio in relation to the total assets that would be under management by the firms. Following this evaluation process which also considered the above listed criteria, PFM Management, LLC was selected as the recommended vendor.
MBE/WBE COMPLIANCE:
The Office of M/WBE Contract Compliance has reviewed the renewal request and has determined that PFM is in compliance with the Board Approved Participation Plan and will continue to utilize the following firms:

<table>
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<th>Vendor</th>
<th>MBE or WBE</th>
<th>%</th>
<th>Participation</th>
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<td>Williams Capital Management</td>
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<td>Peralta Garcia Solutions</td>
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<td>Direct</td>
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GENERAL CONDITIONS:
Inspector General – It shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General’s authority under Article 2, Section 2.7.4(b) of the Board Bylaws

Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions of the Board’s Ethics Policy adopted January 7, 1993, and an amended by the Board.

Contingent Liability – Pursuant to Section 7-14 of the Illinois Public Community Act all agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year.

FINANCIAL:
Total: $250,000
Charge To: Office of Finance
Source of Funds: Education Fund
FY15: 532100-00003-0010026-82000

Respectfully submitted,
Cheryl L. Hyman
Chancellor

May 1, 2014 – Office of Finance