



Report to City Council

TO: Mayor and City Council

FROM: Launa Jimenez, Assistant City Manager
(Administration)

AGENDA DATE: January 20, 2026

TITLE: ACCEPTANCE OF RFP 2025-035 FOR INVESTMENT SERVICES AND AUTHORIZATION TO AWARD AGREEMENT (REPORT OF: FINANCIAL & MANAGEMENT SERVICES) (DISTRICTS: ALL DISTRICTS)

TITLE SUMMARY: Acceptance of RFP 2025-035 For Investment Management Services and Authorization to Award Agreement

DISTRICT: All Districts

Recommendation(s)

That the City Council:

1. Accept RFP 2025-035 for Investment Management Services; and
2. Award a five-year term agreement to Chandler Asset Management, Inc. for Investment Management Services; and
3. Authorize the City Manager to execute a professional services agreement with Chandler Asset Management, Inc.; and
4. Authorize up to two optional extension periods, each for a term of one year; and
5. Authorize the issuance of a purchase order to Chandler Asset Management, Inc. for Investment Management Services; and

6. Authorize the City Manager to execute any subsequent amendments to the agreement with Chandler Asset Management, Inc. up to the City Council approved annual budgeted amounts for Financial & Management services including the authority to authorize the associated purchase orders in accordance with the terms of the agreement, subject to the approval of the City Attorney.

SUMMARY

The City issued Request for Proposal (RFP) No. 2025-035 for Investment Management Services on October 13, 2025. The City has utilized third-party investment management services since 2009.

This Staff Report recommends acceptance of RFP No. 2025-035 and authorization to award an agreement to Chandler Asset Management, Inc. for the management of the City's investment portfolio.

DISCUSSION

The City identified the need to utilize outside expertise for the management of its investment portfolio. The City requires the services of a professional investment firm with experience in investing public funds to manage the City's general portfolio on a discretionary basis, in compliance with the State of California Government Code, the City's adopted Investment Policy, and the investment strategy developed by City management.

A Request for Proposals (RFP) for investment management services was advertised on October 13, 2025. The solicitation was conducted in full compliance with the Public Contract Code. Proposals were submitted electronically through the City's bid management system, PlanetBids, on November 17, 2025. In response to the City's RFP, staff received seven proposals, as outlined below:

1. Allspring Global Investments
2. Chandler Asset Management, Inc.
3. Garcia Hamilton & Associates, L.P.
4. Insight Investment
5. Meeder Investment Management
6. Public Trust Advisors, LLC
7. U.S. Bancorp Asset Management, Inc.

The proposals were evaluated in accordance with the following criteria and assigned

weighting:

Evaluation Criteria	Weight
Responsiveness to the RFP <ul style="list-style-type: none"> Communicating an understanding of the overall program and services required. 	20%
Experience of Firm <ul style="list-style-type: none"> Demonstration of a full understanding of the work to be performed. Ability to provide and meet the requirements of the Scope of Work. Firm qualifications. 	25%
Experience of Key Personnel <ul style="list-style-type: none"> Experience, qualifications and capabilities of the assigned project team members. 	20%
Approach to Project <ul style="list-style-type: none"> Description of project approach. The quality of the firm's standard statements and reports. Online reporting tools. The ability to provide a smooth transition from the current advisors. 	25%
Fees	10%

Following a thorough evaluation of the proposals, staff determined that Chandler Asset Management, Inc., is the most qualified firm to manage the City's investment portfolio. This determination was based on the firm's relevant experience, expertise, project approach and demonstrated understanding of investing public funds.

Chandler Asset Management, Inc. is the City's current investment manager and has provided investment management services since 2010. During this time, Chandler has achieved a cumulative total return of approximately 29.77%, outperforming the benchmark return of 24.93%. In dollar terms, this performance has generated approximately \$8.7 million in returns above the benchmark.

Chandler Asset Management, Inc. is headquartered in San Diego, California, which provides added value to the City through California-specific expertise and enhanced responsiveness to City staff due to its proximity.

Based on this performance and experience, staff recommends acceptance of RFP No. 2025-035 and approval to award a five-year agreement to Chandler Asset Management, Inc.

Currently, Chandler Asset Management, Inc.'s fee structure is below, which is billed monthly in arrears based on the average balance of assets under its direct management:

- First \$50 million of assets under management - .006 of 1% (6 basis points)
- Over \$50 million of assets under management - .005 of 1% (5 basis points)

Below is a summary of the proposed fees, which will be billed monthly in arrears based on the average balance of assets under the direct management of Chandler Asset Management, Inc.:

- First \$200 million of assets under management - .005 of 1% (5 basis points)
- Next \$100 million of assets under management - .004 of 1% (4 basis points)
- Over \$300 million of assets under management - .003 of 1% (3 basis points)

As a demonstration of its commitment to the City, Chandler Asset Management, Inc. is offering a 20% discount during the first 12 months of the engagement, followed by a 10% discount for years two through five of the contract.

ALTERNATIVES

1. Approve and authorize the recommended actions set forth in this staff report to provide ongoing investment management services for the City. **Staff recommends this alternative.**
2. Do not approve or authorize the recommended actions set forth in this staff report, which would result in the discontinuation of investment management services and could negatively impact the City's investment activities. **Staff does not recommend this alternative.**

FISCAL IMPACT

The cost of investment management services is included in the Financial & Management Services operating budget (fund 1010).

NOTIFICATION

Publication of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Patty Yhuit
Financial Operations Division Manager

Department Head Approval:
Launa Jimenez
Assistant City Manager (Administration)

CITY COUNCIL GOALS

Revenue Diversification and Preservation: Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

CITY COUNCIL STRATEGIC PRIORITIES

- 1. Economic Development**
- 2. Public Safety**
- 3. Library**
- 4. Infrastructure**
- 5. Beautification, Community Engagement, and Quality of Life**
- 6. Youth Programs**

Report Approval Details

Document Title:	STAFFREPORT_FMS_INVESTMENTMGTSVS_JAN2026.docx
Attachments:	- Chandler Asset Mgmt_Agreement_Investment Services_DRAFT_1.12.26.docx
Final Approval Date:	Jan 14, 2026

This report and all of its attachments were approved and signed as outlined below:

Natalia Lopez

Launa Jimenez

Brian Mohan

Patty Rodriguez