

RESOLUTION NO. 2006-571

Adopted by the Sacramento City Council

August 1, 2006

AUTHORIZING THE OFFICE OF THE CITY TREASURER TO CONTINUE ITS CONTRACT WITH BLOOMBERG L.P. IN ORDER TO PROVIDE INVESTMENT MANAGEMENT SERVICES

BACKGROUND:

Since 1991 the City Treasurer's Office is using Bloomberg L.P. as sole-source provider for financial market data in managing city-wide investment portfolios.

The contract is an open ended rolling lease agreement with Bloomberg L.P., Lessor, and the services provided are; software, data, and equipment. The agreement has been effective from the date it was accepted by Lessor, City of Sacramento, and shall remain in full force and effect and automatically renewed unless earlier terminated by Lessee or Lessor at any time immediately upon written notice to Lessee in the event of a breach by Lessee of any of the provisions of the agreement.

Lessee, City of Sacramento, agrees to pay Lessor, Bloomberg L.P., the amount indicated on the monthly schedule. The City Treasurer reviews the charges on monthly and determines its accuracy. For example, the total annual fees paid to Lessor past four fiscal years were: FY 03 - \$69,772.98, FY 04 - \$71,661.36, FY 05 - \$87,964.24, and FY 06 - \$104,592.86.

It appears that the contract fees going up approximately 2 ½ % to 3% annually with the exception of FY-05 which we added a new terminal and services related to it and FY-06 we added Bloomberg-Any-Where service for key employees to have portable access to market data.

We expect to continue our relationship with Bloomberg L.P. for the foreseeable future so long as we are managing City's investment portfolios. We like to mention that this fee is absorbed by the management fees we charge to SCERS portfolios.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

Section 1. The City Council finds and determines that the statements in the Background are true

Section 2. The Office of the City Treasurer is hereby authorized to continue it's contract with Bloomberg L.P. in order to provide investment management services

Adopted by the City of Sacramento City Council on August 1, 2006 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Waters, and Mayor Fargo

Noes: None

Abstain: None

Absent: Tretheway.



Mayor, Heather Fargo

Attest:



Shirley Concollino, City Clerk