



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

Kenneth Hahn Hall of Administration
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ttc.lacounty.gov and propertytax.lacounty.gov

ELIZABETH BUENROSTRO GINSBERG
INTERIM TREASURER AND TAX COLLECTOR

Board of Supervisors
HILDA L. SOLIS
First District
HOLLY J. MITCHELL
Second District
LINDSEY P. HORVATH
Third District
JANICE HAHN
Fourth District
KATHRYN BARGER
Fifth District

April 23, 2024

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**REQUEST TO EXECUTE A SOLE SOURCE AMENDMENT
TO EXTEND CONTRACT WITH CITIBANK, N.A.
FOR INVESTMENT CUSTODY AND SECURITIES LENDING SERVICES
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

The recommended action is to authorize the Department of Treasurer and Tax Collector (TTC) to execute a sole source Amendment (Amendment) to Contract Number 78807 (Contract) with Citibank, N.A. (Citibank) for Investment Custody and Securities Lending (ICSL) Services. The Amendment will extend the current term of the Contract, which expires on May 31, 2024, to allow the TTC to complete solicitation of, negotiate, award, and implement a new contract to meet this service need.

IT IS RECOMMENDED THAT THE BOARD:

1. Delegate authority to the Treasurer and Tax Collector, or their designee, to execute the attached Amendment Number Four (Attachment I) to Contract Number 78807 with Citibank for ICSL Services, extending the Contract Term for an additional one-year option period from June 1, 2024, through May 31, 2025, with an annual contract amount not to exceed \$250,000.
2. Delegate authority to the Treasurer and Tax Collector, or their designee, to: (i) add, delete, and/or revise certain terms and conditions as required under federal, or state, or local law or regulation, or as required by the Board and/or Chief Executive Office (CEO); (ii) approve assignment and delegation of the contract, resulting from acquisitions, mergers, or other changes in ownership; (iii) make changes to the Statement of Work, as operationally necessary; and (iv) terminate the Contract for convenience, with all actions subject to prior approval as to form by County Counsel.

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

26 April 23, 2024


JEFF LEVINSON
INTERIM EXECUTIVE OFFICER

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The TTC, in its capacity as County of Los Angeles' (County) Treasurer, is statutorily authorized and responsible for the investment and accountability of public funds within its control. This includes County funds as well as funds of other depositors, including the Sanitation Districts, the Metropolitan Transportation Authority, the South Coast Air Quality Management District, and certain other municipal agencies. Collectively, these funds are known as the "Treasury." The Treasury invests excess funds on a daily basis to ensure the safety of principal, provide sufficient cash to meet disbursement needs, and achieve a return. The TTC requires investment custody services to transact, safekeep, and manage the cashflow requirements of the Treasury's investments.

The Amendment to extend the term of the Contract with Citibank is necessary for TTC to continue utilizing ICSL Services in fulfilling its responsibilities of maintaining custody and safekeeping Treasury assets while the TTC completes solicitation, negotiation, award, and implementation of a new contract to meet this service need.

Implementation of Strategic Plan Goals

The recommendations support the County Strategic Plan Strategy III.3 – Pursue Operational Effectiveness, Fiscal Responsibility, and Accountability.

FISCAL IMPACT/FINANCING

The cost for extending the Contract term for one additional year will not exceed \$250,000. An appropriation of \$250,000 for this service has been included in the Fiscal Year 2024-25 Budget. The cost of this service is considered part of Treasury Management Expense, and is netted from interest earnings prior to distribution, as authorized per California Government Code Section 27013.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On May 1, 2018, the Board approved Contract Number 78807 with Citibank. The Contract was for an initial three-year period commencing on June 1, 2018, with three additional one-year periods, for a maximum contract term of six years, expiring on May 31, 2024. The Contract is now in its third and final option year.

The recommended Amendment will continue the Contract's current requirements and conditions through May 31, 2025. Pursuant to the Amendment, Citibank will continue to provide investment custody services to transact, safekeep, and manage the cashflow requirements of the Treasury's investments.

County Counsel has reviewed and approved the Amendment as to form.

CONTRACTING PROCESS

In August 2017, TTC issued a competitive solicitation for the provision of ICSL Services for the Treasury and Citibank was selected. On May 1, 2018, the Board authorized a contract with Citibank for a three-year term commencing on June 1, 2018, with three optional one-year extensions. The Contract is set to expire on May 31, 2024.

In accordance with your Board's Policy Number 5.100, Sole Source Contracts and Amendments, a Notice of Intent to Negotiate Sole Source Contract Extension was delivered to your Board on December 1, 2023. After four weeks, the TTC began negotiations with Citibank in January 2024 to extend the existing Contract to ensure continuity of services.

The required Sole Source Checklist approved by the CEO is attached to this Board letter as Attachment II.

On July 21, 2023, the TTC issued a new competitive solicitation for the provision of ICSL Services. The Contract extension will allow TTC time to complete negotiation, award, and implementation of a new contract to meet this critical service need without disruption. TTC anticipates awarding a contract by December 2024.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended actions will ensure that TTC can continue safekeeping Treasury assets without disruption during the negotiation and implementation of the new ICSL Services contract.

Respectfully submitted,



ELIZABETH BUENROSTRO GINSBERG
Interim Treasurer and Tax Collector

EBG:DJJ:VN:MV:lac

c: Chief Executive Officer
Interim Executive Officer, Board of Supervisors
County Counsel

**AMENDMENT NUMBER FOUR
TO CONTRACT NUMBER 78807
FOR INVESTMENT CUSTODY AND SECURITIES LENDING SERVICES**

This Amendment Number Four to Contract Number 78807 (Amendment Number Four) is made and entered into this ___ day of _____, 2024, by and between the County of Los Angeles, herein referred to as County, and Citibank, N.A., hereinafter referred to as Contractor, and is effective as set forth above and based on the following recitals:

RECITALS

WHEREAS, on May 1, 2018, the County and the Contractor entered into Contract Number 78807 (Contract) to provide Investment Custody and Securities Lending Services; and

WHEREAS, pursuant to Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.1, Change Notices and Amendments, Subparagraph 8.1.3, the parties hereto are executing this Amendment Number Four to revise Paragraph 4.0, Term of Contract, Subparagraph 4.2, by adding an additional one-year option period to the Contract Term increasing the total option periods to four additional one-year periods, and exercising that option extending the term to May 31, 2025; and

NOW THEREFORE, pursuant to Paragraph 4.0, Term of Contract, Subparagraph 4.2, and Paragraph 8.0, Standard Terms and Conditions, Subparagraph 8.1, Change Notices and Amendments, Subparagraph 8.1.3 and Subparagraph 8.1.4, of the Contract, and in consideration of the foregoing recitals and mutual promises, covenants and conditions contained herein, the County and the Contractor hereby agree that the Contract is amended as follows:

CONTRACT

1. The County exercises its fourth one-year extension, extending the term of the Contract to May 31, 2025.
2. Contract, Paragraph 4.0, Term of Contract, is amended to delete existing Subparagraph 4.2 in its entirety and replace with new Subparagraph 4.2 in the Contract as follows:

4.0 TERM OF CONTRACT

- 4.2** After the initial term, the County has the sole option to extend the Contract Term for up to four additional one-year periods, for a maximum total Contract Term of seven years. The County may exercise each such extension option at its sole discretion. In the event the County desires to renew the Contract by exercising an option term, the County will provide Contractor with a written notice of intent to renew the Contract 30 calendar days prior to the expiration of the then current term of the Contract. The

option to renew will be set forth in writing, as provided in Subparagraph 8.1, Change Notices and Amendments in this Contract.

3. Exhibit E, County's Administration, is amended to delete existing Exhibit E, County's Administration, in its entirety and replace with new Exhibit E, County's Administration, in the Contract.
4. Exhibit F, Contractor's Administration, is amended to delete existing Exhibit F, Contractor's Administration, in its entirety and replace with new Exhibit F, Contractor's Administration, in the Contract.
5. Except as expressly provided in this Amendment Number Four, all other terms and conditions of the Contract will remain the same and in full force and effect.
6. This Amendment Number Four may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

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IN WITNESS WHEREOF, the Contractor and the County, by order of its Board of Supervisors, has caused this Amendment Number Four to be executed on its behalf, as of the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
ELIZABETH BUENROSTRO GINSBERG
Interim Treasurer and Tax Collector

CITIBANK, N.A.

By _____
GARY D. SCHNEIDER
Managing Director

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By _____
DEBBIE CHO
Senior Deputy County Counsel

Date

EXHIBITS TO THE CONTRACT

EXHIBIT E

COUNTY'S ADMINISTRATION

CONTRACT NO. 78807

COUNTY CONTRACT ADMINISTRATOR:

Name: Damia J. Johnson
Title: Assistant Treasurer and Tax Collector
Address: 500 West Temple Street, Room 462
Los Angeles, CA 90012
Telephone: (213) 974-2139
Facsimile: (213) 626-1701
E-Mail Address: djohnson@ttc.lacounty.gov

COUNTY CONTRACT MANAGER:

Name: Jennifer Koai
Title: Operations Chief
Address: 500 West Temple Street, Room 462
Los Angeles, CA 90012
Telephone: (213) 974-3385
Facsimile: (213) 626-1701
E-Mail Address: jkoai@ttc.lacounty.gov

COUNTY CONTRACT MONITOR:

Name: Marivic Liwag
Title: Assistant Operations Chief
Address: 500 West Temple Street, Room 462
Los Angeles, CA 90012
Telephone: (213) 584-1252
Facsimile: (213) 626-1701
E-Mail Address: mliwag@ttc.lacounty.gov

EXHIBITS TO THE CONTRACT

EXHIBIT E

COUNTY'S ADMINISTRATION

COUNTY DEPARTMENTAL CHIEF INFORMATION OFFICER (DCIO):

Name: Matthew Der
Title: Departmental Chief Information Officer
Address: 500 West Temple Street, Room 409
Los Angeles, CA 90012
Telephone: (213) 866-5783
Facsimile: (213) 217-4974
E-Mail Address: mders@ttc.lacounty.gov

COUNTY DEPARTMENTAL INFORMATION SECURITY OFFICER (DISO):

Name: Chamnan So
Title: Departmental Information Security Officer
Address: 500 West Temple Street, Room 409
Los Angeles, CA 90012
Telephone: (213) 584-1484
Facsimile: (213) 217-4974
E-Mail Address: csos@ttc.lacounty.gov

EXHIBITS TO THE CONTRACT

EXHIBIT F

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME: CITIBANK, N.A.

CONTRACT NO: 78807

CONTRACTOR'S CONTRACT ADMINISTRATOR:

Name: Andy Taylor
Title: Managing Director
Address: 1921 Freedom Drive, Suite 850
Reston, VA 20190
Telephone: (703) 234-7313
Facsimile: (866) 829-8380
E-Mail Address: Andy1.Taylor@citi.com

CONTRACTOR'S CONTRACT MANAGER:

Name: Gary D. Schneider
Title: Managing Director
Address: 1921 Freedom Drive, Suite 850
Reston, VA 20190
Telephone: (703) 234-7311
Facsimile: (866) 829-8380
E-Mail Address: Gary.D.Schneider@citi.com

ALTERNATE CONTRACTOR'S CONTRACT MANAGER:

Name: Erin Means-Reynoso
Title: Vice President
Address: One Sansome Street, 25th Floor
San Francisco, CA 94104
Telephone: (347) 510-7610
Facsimile: (866) 570-6185
E-Mail Address: erin.meansreynoso@citi.com

EXHIBITS TO THE CONTRACT

EXHIBIT F

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S FINANCIAL MANAGER:

Name: Deborah Mercer-Miller
Title: Director
Address: 390 Greenwich Street, 3rd Floor
New York, NY 10013
Telephone: (212) 829-6861
Facsimile: (212) 816-6979
E-Mail Address: deborah.mercermiller@citi.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Gary D. Schneider
Title: Managing Director
Address: 1921 Freedom Drive, Suite 850
Reston, VA 20190
Telephone: (703) 234-7311
Facsimile: (866) 829-8380
E-Mail Address: Gary.D.Schneider@citi.com

Name: Deborah Mercer-Miller
Title: Director
Address: 390 Greenwich Street, 3rd Floor
New York, NY 10013
Telephone: (212) 829-6861
Facsimile: (212) 816-6979
E-Mail Address: deborah.mercermiller@citi.com

Name: Andy Taylor
Title: Managing Director
Address: 1921 Freedom Drive, Suite 850
Reston, VA 20190
Telephone: (703) 234-7313
Facsimile: (866) 829-8380
E-Mail Address: Andy1.Taylor@citi.com

EXHIBITS TO THE CONTRACT
EXHIBIT F
CONTRACTOR'S ADMINISTRATION

Notices to Contractor shall be sent to the following:

Name: Andy Taylor
Title: Managing Director
Address: 1921 Freedom Drive, Suite 850
Reston, VA 20190
Telephone: (703) 234-7313
Facsimile: (866) 829-8380
E-Mail Address: Andy1.taylor@citi.com