

BOARD OF COUNTY COMMISSIONERS FOR
ADAMS COUNTY, STATE OF COLORADO

RESOLUTION TO ACCEPT A PROPOSAL AND AWARD A CONTRACT TO CHANDLER
ASSET MANAGEMENT FOR INVESTMENT ADVISORY SERVICES FOR THE ADAMS
COUNTY TREASURER'S OFFICE

Resolution No. 2014-034

WHEREAS, Proposals were opened on October 24, 2013, to consider companies for Investment Advisory Services for the Adams County Treasurer's Office; and,

WHEREAS, Chandler Asset Management has agreed to perform this work at the average rate of nine (9) basis points on a maximum of fifty million dollars (\$50,000,000) for the not to exceed amount of \$45,000 per year; and,

WHEREAS, Chandler Asset Management was evaluated and determined by the evaluation committee as the most responsive and responsible proposer for the following reasons:

Superior communication; and,

The most advanced computerized analytical software with online, real-time reporting of all transactions and account information; and,

Exceptional experience from both the company and the assigned representative; and,

Chandler Asset Management has the greatest degree of independence of all the submitting companies; and,

WHEREAS, The Treasurer met with the Board of County Commissioners on January 22, 2014, to discuss the RFP and the rationale behind the selection of Chandler Asset Management. The Board agreed that at this time in this market, it is a good business decision to make use of an Investment Advisor and agreed that Chandler Asset Management is the best choice.

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners, County of Adams, State of Colorado, that the award be made to the lowest, responsive and responsible Proposer, Chandler Asset Management, in the average amount of nine (9) basis points on a maximum of fifty million dollars (\$50,000,000) for the not to exceed amount of \$45,000 per year.

BE IT FURTHER RESOLVED that the Chairman is hereby authorized to sign the contract with CHANDLER ASSET MANAGEMENT after negotiation and approval as to form is completed by the County Attorney's Office.

Upon motion duly made and seconded the foregoing resolution was adopted by the following vote:

Henry _____ Aye
Tedesco _____ Aye
Hansen _____ Aye

Commissioners

STATE OF COLORADO)
County of Adams)

I, Karen Long, County Clerk and ex-officio Clerk of the Board of County Commissioners in and for the County and State aforesaid do hereby certify that the annexed and foregoing Order is truly copied from the Records of the Proceedings of the Board of County Commissioners for said Adams County, now in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County, at Brighton, Colorado this 27th day of January, A.D. 2014.

County Clerk and ex-officio Clerk of the Board of County Commissioners
Karen Long:



By:



Deputy

PURCHASE OF SERVICE AGREEMENT

THIS AGREEMENT ("Agreement") is made this 14 day of March 2014, by and between the Adams County Board of County Commissioners, located at 4430 South Adams County Parkway, Brighton, Colorado 80601, hereinafter referred to as the "County," and Chandler Asset Management, located at 6225 Lusk Blvd., San Diego, California 92121, hereinafter referred to as the "Contractor." The County and the Contractor may be collectively referred to herein as the "Parties".

The County and the Contractor, for the consideration herein set forth, agree as follows:

1. SERVICES OF THE CONTRACTOR:

- 1.1. All work shall be in accordance with the attached RFP 2013.246 Investment Advisory Service for the Adams County Treasurer's Office and the Contractor's response to the RFP 2013.246 attached hereto as Exhibit A, and incorporated herein by reference. Should there be any discrepancy between Exhibit A and this Agreement the terms and conditions of this Agreement shall prevail.
- 1.2. This agreement shall include Attachment One: Additional Provisions. Should there be any discrepancy between Attachment One and this Agreement the terms and conditions of this Agreement shall prevail.
- 1.3. Emergency Services: In the event the Adams County Board of County Commissioners declares an emergency, the County may request additional services (of the type described in this Agreement or otherwise within the expertise of Contractor) to be performed by Contractor. If County requests such additional services, Contractor shall provide such services in a timely fashion given the nature of the emergency, pursuant to the terms of this Agreement. Unless otherwise agreed to in writing by the parties, Contractor shall bill for such services at the rates provided for in this Agreement.

2. **RESPONSIBILITIES OF THE COUNTY:** The County shall provide information as necessary or requested by the Contractor to enable the Contractor's performance under this Agreement.

3. TERM:

- 3.1. Term of Agreement: The Term of this Agreement shall be for one-year from the date of this Agreement.
- 3.2. Extension Option: The County, at its sole option, may offer to extend this Agreement as necessary for up to two, one year extensions providing satisfactory service is given and all terms and conditions of this Agreement have been fulfilled. Such extensions must be mutually agreed upon in writing by the County and the Contractor, and approved by the Adams County Board of County Commissioners.

4. **PAYMENT AND FEE SCHEDULE:** The County shall pay the Contractor for services furnished under this Agreement, and the Contractor shall accept as full payment for those services, a fee calculated in accordance with the following schedule :
- 4.1. Ten (10) Basis Points for the first Twenty Five Million Dollars (\$25,000,000) under management; and,
 - 4.2. Eight (8) Basis Points for the next Twenty Five Million Dollars (\$25,000,000) under management; and,
 - 4.3. Seven (7) Basis Points for assets in excess of Fifty Million Dollars (\$50,000,000).
 - 4.4. The fee is calculated using the average market value of County's assets under Consultant's direct management, including accrued interest and is billed monthly in arrears.
 - 4.5. All funds to be placed under management with the Contractor must be approved by the Adams County Treasurer in writing.
 - 4.6. Payment pursuant to this Agreement, whether in full or in part, is subject to and contingent upon the continuing availability of County funds for the purposes hereof. In the event that funds become unavailable, as determined by the County, the County may immediately terminate this Agreement or amend it accordingly.
5. **INDEPENDENT CONTRACTOR:** In providing services under this Agreement, the Contractor acts as an independent contractor and not as an employee of the County. The Contractor shall be solely and entirely responsible for his/her acts and the acts of his/her employees, agents, servants, and subcontractors during the term and performance of this Agreement. No employee, agent, servant, or subcontractor of the Contractor shall be deemed to be an employee, or servant of the County because of the performance of any services or work under this Agreement. The Contractor, at its expense, shall procure and maintain workers' compensation insurance as required by law. **Pursuant to the Workers' Compensation Act § 8-40-202(2)(b)(IV), C.R.S., as amended, the Contractor understands that it and its employees and servants are not entitled to workers' compensation benefits from the County. The Contractor further understands that it is solely obligated for the payment of federal and state income tax on any moneys earned pursuant to this Agreement.**
6. **NONDISCRIMINATION:**
- 6.1. **The Contractor shall not discriminate against any employee or qualified applicant for employment because of age, race, color, religion, marital status, disability, sex, or national origin. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices provided by the local public agency setting forth the provisions of this nondiscrimination clause. Adams County is an equal opportunity employer.**
 - 6.2. **The Contractor will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will**

be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

7. **INDEMNIFICATION:** The Contractor agrees to indemnify and hold harmless the County, its officers, agents, and employees for, from, and against any and all claims, suits, expenses, damages, or other liabilities, including reasonable attorney fees and court costs, arising out of damage or injury to persons, entities, or property, caused or sustained by any person(s) as a result of the Contractor's performance or failure to perform pursuant to the terms of this Agreement or as a result of any subcontractors' performance or failure to perform pursuant to the terms of this Agreement.

8. **INSURANCE:** The Contractor agrees to maintain insurance of the following types and amounts:
 - 8.1. **Commercial General Liability Insurance:** to include products liability, completed operations, contractual, broad form property damage and personal injury.
 - 8.1.1. Each Occurrence: \$1,000,000
 - 8.1.2. General Aggregate: \$2,000,000

 - 8.2. **Comprehensive Automobile Liability Insurance:** to include all motor vehicles owned, hired, leased, or borrowed.
 - 8.2.1. Bodily Injury/Property Damage: \$1,000,000 (each accident)
 - 8.2.2. Personal Injury Protection: Per Colorado Statutes

 - 8.3. **Workers' Compensation Insurance:** Per Colorado Statutes

 - 8.4. **Professional Liability Insurance:** to include coverage for damages or claims for damages arising out of the rendering, or failure to render, any professional services, as applicable.
 - 8.4.1. Each Occurrence: \$1,000,000
 - 8.4.2. This insurance requirement applies only to Contractors who are performing services under this Agreement as professionals licensed under the laws of the State of Colorado, such as physicians, lawyers, engineers, nurses, mental health providers, and any other licensed professionals.

 - 8.5. **Adams County as "Additional Insured":** The Contractor's commercial general liability, comprehensive automobile liability, and professional liability insurance policies and/or certificates of insurance shall be issued to include Adams County as an "additional insured" and shall include the following provisions:
 - 8.5.1. Underwriters shall have no right of recovery or subrogation against the County, it being the intent of the parties that the insurance policies so affected shall protect both parties and be primary coverage for any and all losses resulting from the actions or negligence of the Contractor.
 - 8.5.2. The insurance companies issuing the policy or policies shall have no recourse against the County for payment of any premiums due or for any assessments under any form of any policy.
 - 8.5.3. Any and all deductibles contained in any insurance policy shall be assumed by and at the sole risk of the Contractor.

8.6. Licensed Insurers: All insurers of the Contractor must be licensed or approved to do business in the State of Colorado. Upon failure of the Contractor to furnish, deliver and/or maintain such insurance as provided herein, this Agreement, at the election of the County, may be immediately declared suspended, discontinued, or terminated. Failure of the Contractor in obtaining and/or maintaining any required insurance shall not relieve the Contractor from any liability under this Agreement, nor shall the insurance requirements be construed to conflict with the obligations of the Contractor concerning indemnification.

8.7. Endorsement: Each insurance policy herein required shall be endorsed to state that coverage shall not be suspended, voided, or canceled without thirty (30) days prior written notice by certified mail, return receipt requested, to the County.

8.8. Proof of Insurance: At any time during the term of this Agreement, the County may require the Contractor to provide proof of the insurance coverage or policies required under this Agreement.

9. TERMINATION:

9.1. For Cause: If, through any cause, the Contractor fails to fulfill its obligations under this Agreement in a timely and proper manner, or if the Contractor violates any of the covenants, conditions, or stipulations of this Agreement, the County shall thereupon have the right to immediately terminate this Agreement, upon giving written notice to the Contractor of such termination and specifying the effective date thereof.

9.2. For Convenience: The County may terminate this Agreement at any time by giving written notice as specified herein to the other party, which notice shall be given at least thirty (30) days prior to the effective date of the termination. If this Agreement is terminated by the County, the Contractor will be paid an amount that bears the same ratio to the total compensation as the services actually performed bear to the total services the Contractor was to perform under this Agreement, less payments previously made to the Contractor under this Agreement.

10. MUTUAL UNDERSTANDINGS:

10.1. Jurisdiction and Venue: The laws of the State of Colorado shall govern as to the interpretation, validity, and effect of this Agreement. The parties agree that jurisdiction and venue for any disputes arising under this Agreement shall be with Adams County, Colorado.

10.2. Compliance with Laws: During the performance of this Agreement, the Contractor agrees to strictly adhere to all applicable federal, state, and local laws, rules and regulations, including all licensing and permit requirements. The parties hereto aver that they are familiar with § 18-8-301, et seq., C.R.S. (Bribery and Corrupt Influences), as amended, and § 18-8-401, et seq., C.R.S. (Abuse of Public Office), as amended, and that no violation of such provisions are present. Contractor warrants that it is in compliance with the residency requirements in §§ 8-17.5-101, et seq., C.R.S. Without limiting the generality of the foregoing, the Contractor expressly agrees to comply with

the privacy and security requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA).

- 10.3. OSHA: Contractor shall comply with the requirements of the Occupational Safety and Health Act (OSHA) and shall review and comply with the County's safety regulations while on any County property. Failure to comply with any applicable federal, state or local law, rule, or regulation shall give the County the right to terminate this agreement for cause.
- 10.4. Record Retention: The Contractor shall maintain records and documentation of the services provided under this Agreement, including fiscal records, and shall retain the records for a period of three (3) years from the date this Agreement is terminated. Said records and documents shall be subject at all reasonable times to inspection, review, or audit by authorized Federal, State, or County personnel.
- 10.5. Assign Ability: Neither this Agreement, nor any rights hereunder, in whole or in part, shall be assignable or otherwise transferable by the Contractor without the prior written consent of the County.
- 10.6. Waiver: Waiver of strict performance or the breach of any provision of this Agreement shall not be deemed a waiver, nor shall it prejudice the waiving party's right to require strict performance of the same provision, or any other provision in the future, unless such waiver has rendered future performance commercially impossible.
- 10.7. Force Majeure: Neither party shall be liable for any delay or failure to perform its obligations hereunder to the extent that such delay or failure is caused by a force or event beyond the control of such party including, without limitation, war, embargoes, strikes, governmental restrictions, riots, fires, floods, earthquakes, or other acts of God.
- 10.8. Notice: Any notices given under this Agreement are deemed to have been received and to be effective: (1) Three (3) days after the same shall have been mailed by certified mail, return receipt requested; (2) Immediately upon hand delivery; or (3) Immediately upon receipt of confirmation that an E-mail was received. For the purposes of this Agreement, any and all notices shall be addressed to the contacts listed below:

Department: Adams County Treasurer's Office
Contact: Ms. Brigitte Grimm, Adams County Treasurer
Address: 4430 South Adams County Parkway
City, State, Zip: Brighton, Colorado 80601
Phone: 720-523-6166
E-mail: bgrimm@adcogov.org

Department: Adams County Purchasing
Contact: Ms. Liz Estrada, Contract Administrator
Address: 4430 South Adams County Parkway
City, State, Zip: Brighton, Colorado 80601
Phone: 720-523-6052
E-mail: lestrada@adcogov.org

Department: Adams County Attorney's Office
Address: 4430 South Adams County Parkway
City, State, Zip: Brighton, Colorado 80601
Phone: 720-523-6116

Contractor: Chandler Asset Management
Contact: Nicole Dragoo, COO and Chief Compliance Officer
Address: 6225 Lusk Blvd
City, State, Zip: San Diego, California 92121
Phone: 858-546-3737
E-mail: nicole.dragoo@chandlerasset.com

10.9. Integration of Understanding: This Agreement contains the entire understanding of the parties hereto and neither it, nor the rights and obligations hereunder, may be changed, modified, or waived except by an instrument in writing that is signed by the parties hereto.

10.10. Severability: If any provision of this Agreement is determined to be unenforceable or invalid for any reason, the remainder of this Agreement shall remain in effect, unless otherwise terminated in accordance with the terms contained herein.

10.11. Authorization: Each party represents and warrants that it has the power and ability to enter into this Agreement, to grant the rights granted herein, and to perform the duties and obligations herein described.

11. CHANGE ORDERS OR EXTENSIONS:

11.1. Change Orders: The County may, from time to time, require changes in the scope of the services of the Contractor to be performed herein including, but not limited to, additional instructions, additional work, and the omission of work previously ordered. The Contractor shall be compensated for all authorized changes in services, pursuant to the applicable provision in the Invitation to Bid, or, if no provision exists, pursuant to the terms of the Change Order.

11.2. Extensions: The County may, upon mutual written agreement by the parties, extend the time of completion of services to be performed by the Contractor.

12. COMPLIANCE WITH C.R.S. § 8-17.5-101, ET. SEQ. AS AMENDED 5/13/08: Pursuant to Colorado Revised Statute (C.R.S.), § 8-17.5-101, *et. seq.*, as amended May 13, 2008, the Contractor shall meet the following requirements prior to signing this Agreement (public contract for service) and for the duration thereof:

12.1. The Contractor shall certify participation in the E-Verify Program (the electronic employment verification program that is authorized in 8 U.S.C. § 1324a and jointly administered by the United States Department of Homeland Security and the Social Security Administration, or its successor program) or the Department Program (the employment verification program established by the Colorado Department of Labor and Employment pursuant to C.R.S. § 8-17.5-102(5)) on the attached certification.

- 12.2. The Contractor shall not knowingly employ or contract with an illegal alien to perform work under this public contract for services.
- 12.3. The Contractor shall not enter into a contract with a subcontractor that fails to certify to the Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this public contract for services.
- 12.4. At the time of signing this public contract for services, the Contractor has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under this public contract for services through participation in either the E-Verify Program or the Department Program.
- 12.5. The Contractor shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job applicants while this public contract for services is being performed.
- 12.6. If Contractor obtains actual knowledge that a subcontractor performing work under this public contract for services knowingly employs or contracts with an illegal alien, the Contractor shall: notify the subcontractor and the County within three (3) days that the Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and terminate the subcontract with the subcontractor if within three days of receiving the notice required pursuant to the previous paragraph, the subcontractor does not stop employing or contracting with the illegal alien; except that the contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.
- 12.7. Contractor shall comply with any reasonable requests by the Department of Labor and Employment (the Department) made in the course of an investigation that the Department is undertaking pursuant to the authority established in C.R.S. § 8-17.5-102(5).
- 12.8. If Contractor violates this Section, of this Agreement, the County may terminate this Agreement for breach of contract. If the Agreement is so terminated, the Contractor shall be liable for actual and consequential damages to the County.

Attachment One Additional Provisions:

1. County Representative. In its capacity as investment manager, Consultant shall receive all instructions, directions and other communications on County's behalf respecting County's account from Brigitte Grimm, Treasurer (Representative). Consultant is hereby authorized to rely and act upon all such instructions, directions and communications from such Representative or any agent of such Representative.
2. Investment Policy. In investing and reinvesting County's assets, Consultant shall comply with County's Investment Policy, which is attached hereto as Exhibit B.
3. Authority of Consultant. Consultant is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to the instructions given or guidelines set by Representative.
4. Electronic Delivery. From time to time, Consultant may be required to deliver certain documents to County such as account information, notices and required disclosures. County hereby consents to Consultant's use of electronic means, such as email, to make such delivery. This delivery may include notification of the availability of such document(s) on a website, and County agrees that such notification will constitute "delivery". County further agrees to provide Consultant with County's email address(s) and to keep this information current at all times by promptly notifying Consultant of any change in email address(s).

County email address(s): bgrimm@adcogov.org

5. Proxy Voting. Consultant will vote proxies on behalf of County unless otherwise instructed. Consultant has adopted and implemented written policies and procedures and will provide County with a description of the proxy voting procedures upon request. Consultant will provide information regarding how County's proxies were voted upon request. To request proxy policies or other information, please contact us by mail at the address provided, by calling 800-317-4747 or by emailing your request to info@chandlerasset.com.
6. Custody of Securities and Funds. Consultant shall not have custody or possession of the funds or securities that County has placed under its management. County shall appoint a custodian to take and have possession of its assets. County recognizes the importance of comparing statements received from the appointed custodian to statements received from Consultant. County recognizes that the fees expressed above do not include fees County will incur for custodial services.
7. Valuation. Consultant will value securities held in portfolios managed by Consultant no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Consultant to reflect fair market value.
8. Investment Advice. County recognizes that the opinions, recommendations and actions of Consultant will be based on information deemed by it to be reliable, but not guaranteed to or by it. Provided that Consultant acts in good faith, County agrees that Consultant will not in any way be liable for any error in judgment or for any act or omission, except as may otherwise be provided for under the Federal Securities laws or other applicable laws.

9. Payment of Commissions. Consultant may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Consultant to strive for the best price and execution and for commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities and Exchange Act. Nevertheless, it is understood that Consultant may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Consultant makes no warranty or representation regarding commissions paid on transactions hereunder.
10. Other Clients. It is further understood that Consultant may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for County's portfolio may differ from those made or recommended with respect to other accounts and clients even though the investment objectives may be the same or similar. Accordingly, it is agreed that Consultant will have no obligation to purchase or sell for County's account any securities which it may purchase or sell for other clients.
11. Confidential Relationship. The terms and conditions of this Agreement, and all information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except (i) as required by law, rule, or regulation, (ii) as requested by a regulatory authority, (iii) for disclosures by either party of information that has become public by means other than wrongful conduct by such party or its officers, employees, or other personnel, (iv) for disclosures by either party to its legal counsel, accountants, or other professional advisers, (v) as necessary for Consultant to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.
12. Receipt of Brochure and Privacy Policy. County has received the disclosure statement or "brochure" and "brochure supplement" also known as Part 2A and Part 2B of Form ADV, required to be delivered pursuant to Rule 204-3 of the Investment Advisers Act of 1940 (Brochure). County has received a copy of Consultant's Privacy Policy.

IN WITNESS WHEREOF, the Parties have caused their names to be affixed hereto:

Board of County Commissioners

[Signature] 3/14/2014
Chairman Date

Chandler Asset Management

[Signature] 3/13/14
Signature Date

Martin Cassell CEO & Chief Investment Officer
Title

Attest:

Karen Long, Clerk and Recorder

[Signature]
Deputy Clerk



Approved as to Form: [Signature]
Adams County Attorney's Office

NOTARIZATION OF CONTRACTOR'S SIGNATURE:

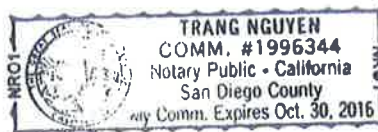
COUNTY OF SAN DIEGO)

STATE OF CALIFORNIA)SS.

Signed and sworn to before me this 13th day of March, 2014,

by MARTIN D. CASSELL,

[Signature]
Notary Public



My commission expires on: OCTOBER 30, 2016

CONTRACTOR'S CERTIFICATION OF COMPLIANCE

Pursuant to Colorado Revised Statute, § 8-17.5-101, *et. seq.*, as amended 5/13/08, as a prerequisite to entering into a contract for services with Adams County, Colorado, the undersigned Contractor hereby certifies that at the time of this certification, Contractor does not knowingly employ or contract with an illegal alien who will perform work under the attached contract for services and that the Contractor will participate in the E-Verify Program or Department program, as those terms are defined in C.R.S. § 8-17.5-101, *et. seq.* in order to confirm the employment eligibility of all employees who are newly hired for employment to perform work under the attached contract for services.

CONTRACTOR:

Chandler Asset Management

3/13/2014

Company Name

Date



Signature

Martin D. Cassell

Name (Print or Type)

CEO & Chief Investment Officer

Title

Note: Registration for the E-Verify Program can be completed at: <https://www.vis-dhs.com/employerregistration>. It is recommended that employers review the sample "memorandum of understanding" available at the website prior to registering