



City of Apopka

CITY COUNCIL STAFF REPORT

Type of Form: Business

Meeting Date: May 3, 2023

Department: Finance

SUBJECT:

Investment Advisory Services. Quote 2023-A-49

REQUEST:

Award a contract to Morgan Stanley.

SUMMARY:

The Finance Department received electronic quotes via the OpenGov procurement portal on April 2, 2023, this electronic quote request is to establish a qualified firm who will provide Investment Advisory Services to the City of Apopka for a period of one year. The advertisement schedule and statistics are as follows:

- Release Project Date: March 1, 2023
- Question Submission Deadline: March 24, 2023, 4:00pm
- Proposal Submission Deadline: April 2, 2023, 11:30pm
- Notified Users: 1,223
- Project View Count: 411
- Vendors Following the Project: 18

Ten (10) Firms responded to the quote. Three (3) firms submitted a “no bid” response as follows:

Firm	“No Bid” Response:
PFM Asset Management LLC.	The terms and conditions of the contract are not acceptable.
Garcia Hamilton & Associates, L.P.	Unable to meet the \$50,000 fee requirement.
Lasting Blueprint Productions, LLC.	Do not offer the products/services sought.

Seven (7) Firms submitted quote pricing as follows:

Firm	Total Bid Amount
First Tryon Advisors	\$14,500
Morgan Stanley	\$45,000
PMA Asset Management	\$45,000
Public Trust Advisors, LLC	\$48,000
Causey Demgen & Moore P.C.	\$50,000
Chandler Asset Management, Inc.	\$50,000
Hilltop Securities Asset Management LLC	\$50,000

All seven (7) Firms who submitted quotes were required to respond to the following items:

Vendor Response Requirements

1. Licensing *Upload applicable or necessary licenses:
 - a. Be registered with the Securities and Exchange Commission under the Investment Advisor's Act of 1940. Upload Part II of your most recent Form ADV.
 - b. Registered to sell securities in Florida, upload your license.
 - c. Any other applicable/appropriate licensing or certifications.
2. Length of time quote prices will be in effect.
3. Certificate of Insurance.
4. Financial Qualifications Per Section 3.2.3. Qualifications: Be financially solvent and appropriately capitalized to be able to service the City for the duration assigned.
5. Registered Advisor: Please confirm that your Firm is registered as an Advisor.
6. Experience: Submit the minimum of five (5) years' experience in managing fixed income assets for at least five (5) Florida government agencies or units.
7. Account Manager Experience: The account manager assigned to the City account must have a minimum of five (5) years' experience in public funds investment management in Florida, who is familiar with all applicable Florida statutes regarding qualified investments for public entities. Please upload the name and resume of assigned Account Manager.
8. Financial: We are financially solvent and appropriately capitalized to be able to service the City for the duration assigned.
9. Professional Ethics Codes: We adhere to the Code of Professional and Ethical Standards in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
10. Registration – SEC: We are registered with the Securities and Exchange Commission under the Investment Advisor's Act of 1940 and are uploading the most recent Form ADV in question #1.
11. Payments: Indicate how payment to your Firm will be supplied (Monthly, Quarterly, Annually)?
12. Maximum Hours: Indicate the maximum amount of hours for the services being provided (unlimited, per week, per month, annually)?
13. Hourly Fees: Indicate any hourly fees that will be necessary outside of the dollar amount submitted?
14. Miscellaneous: Please upload any additional information or documents as it pertains to this quote. (Not required, only if needed).

The seven (7) Firms were evaluated based on each item indicated above and were assigned a Pass/Fail designation. Two firms were considered non-responsive based on the requirements of the quote: First Tryon Advisors, Causey Demgen & Moore P.C.. A non-responsive designation was assigned when a Firm's submittal did not support significant quote requirements, such as: licensing, Florida registration or Florida based experience.

Evaluation of Vendor Response Requirements		
Non-Responsive Firms		
	First Tryon	Causey Demgen & Moore P.C.
1	Fail	Fail
2	Pass	Pass
3	Pass	Pass
4	Pass	Pass
5	Fail	Pass
6	Fail	Fail
7	Fail	Fail
8	Pass	Pass
9	Pass	Pass
10	Fail	Pass

11	Pass	Pass
12	Pass	Pass
13	Pass	Pass
14	Pass	Pass

Evaluation of Vendor Response Requirements Responsive Firms					
	Morgan Stanley	PMA Asset Mgmt.	Public Trust Advisors, LLC.	Chandler Asset Mgmt., Inc.	Hilltop Securities Asset Mgmt. LLC.
1	Pass	Pass	Pass	Pass	Pass
2	Pass	Pass	Pass	Pass	Pass
3	Pass	Pass	Pass	Pass	Pass
4	Pass	Pass	Pass	Pass	Pass
5	Pass	Pass	Pass	Pass	Pass
6	Pass	Pass	Pass	Pass	Pass
7	Pass	Pass	Fail	Pass	Pass
8	Pass	Pass	Pass	Pass	Pass
9	Pass	Pass	Pass	Pass	Pass
10	Pass	Pass	Pass	Pass	Pass
11	Pass	Pass	Pass	Pass	Pass
12	Pass	Pass	Pass	Pass	Pass
13	Pass	Pass	Pass	Pass	Pass
14	Pass	Pass	Pass	Pass	Pass

Morgan Stanley and PMA Asset Management tied equally, both submitting \$45,000 for annual investment advisory services. The City of Apopka Purchasing Policy provides the following section for the selection of vendors: 107.3.9.3. LEVEL III – FORMAL QUOTE REQUEST: “selection and award shall be based on qualifications of the vendor, acceptability of the product, delivery time, inventories, past performance, degree of compliance with requirements, price and other circumstances that will encourage delivery of the best goods and services.

All other items and qualifications being equal for Morgan Stanley and PMA Asset Management, the recommendation is being provided to the firm that provided the Investment Advisor with the most verifiable years of experience per the U.S. Securities and Exchange Commission. The Investment Advisor for PMA Asset Management held seventeen (17) years of experience and the Morgan Stanley Investment Advisor held twenty-four (24) years of experience. The recommendation for the Investment Advisor contract award is for Morgan Stanley in the amount of \$45,000.

FUNDING SOURCE:

\$45,000 FY23 Finance Professional Services

RECOMMENDED MOTION:

Approve a contract award in the amount of \$45,000 to Morgan Stanley

ATTACHMENTS:

- Not Applicable