

0150-11040-0001

**T R A N S M I T T A L**

TO The City Council	DATE 06/18/21	COUNCIL FILE NO.
FROM The Mayor	COUNCIL DISTRICT All	

**First Amendment to the Professional Services Agreement No. C-130589 with ICMA Retirement Corporation and Matrix Trust Company to provide third party administrator and investment management services and trustee services for the City of Los Angeles Pension Savings Plan.**

Transmitted for your consideration. The Council has 60 days from the date of receipt to act, otherwise the contract will be deemed approved pursuant to Administrative Code Section 10.5(a). Please see the City Administrative Officer report attached.

  
 \_\_\_\_\_  
 MAYOR

(Ana Guerrero for)

RHL:RR:11210051t

**Report From**  
**OFFICE OF THE CITY ADMINISTRATIVE OFFICER**  
**Analysis of Proposed Contract**  
(\$25,000 or Greater and Longer than Three Months)

To: The Mayor	Date: 05-20-21	C.D. No. All	CAO File No.: 0150-11040-0001				
Contracting Department/Bureau: Personnel Department		Contact: Steve Montagna (213) 978-1621 Sherry Cox (213) 473-9122					
Reference: Personnel Department transmittal dated December 14, 2020; referred for report by the Mayor on February 9, 2021; revised contract submitted on March 30, 2021.							
Purpose of Contract: To provide third party administrator, investment management, and trustee services for the City of Los Angeles Pension Savings Plan for part-time, temporary, and seasonal employees							
Type of Contract: ( ) New contract (X) Amendment C-130589		Contract Term Dates: Original Term: December 18, 2017 through December 17, 2020 Proposed Term: December 18, 2017 through December 17, 2023					
Contract/Amendment Amount: ICMA is currently paid 1.40 percent of the interest rate of the Plan's sole investment option, the VantageTrust PLUS Fund. The proposed amendment reduces the amount to 1.33 percent. Matrix Trust Company's fee is included in ICMA's fee.							
Proposed amount \$ N/A + Prior award(s) \$ N/A = Total annual contract amount is based on a percent of the interest rate earned in the VantageTrust PLUS Fund.							
Source of funds: No City funds – Participant fees collected by third party administrators directly support contractual expenses for the Pension Savings Plan.							
Name of Contractors: ICMA Retirement Corporation (Third Party Administrator and Investment Management Services) Address: 777 North Capitol Street, NE, Suite 600, Washington, DC 20002  Matrix Trust Company (Trustee Services) Address: 717 17th Street, Suite 1300, Denver, CO 80202							
	Yes	No	N/A	Contractor has complied with:	Yes	No	N/A
1. Council has approved the purpose	X			8. Business Inclusion Program	X		
2. Appropriated funds are available			X	9. Equal Benefits & First Source Hiring Ordinances	X		
3. Charter Section 1022 findings completed	X			10. Contractor Responsibility Ordinance	X		
4. Proposals have been requested	X			11. Disclosure Ordinances	X		
5. Risk Management review completed	X			12. Bidder Certification CEC Form 50	X		
6. Standard Provisions for City Contracts included	X			13. Prohibited Contributors (Bidders) CEC Form 55	X		
7. Workforce that resides in the City: 0%				14. CA Iran Contracting Act of 2010	X		

**RECOMMENDATIONS**

That the Council:

1. Approve, and authorize the General Manager of the Personnel Department to execute, the proposed First Amendment to the Professional Services Agreement No. C-130589 with ICMA Retirement Corporation to extend the term by three years providing a six-year term effective December 17, 2017 through December 17, 2023, for the provision of third party administrator and investment management services for the City of Los Angeles Pension Savings Plan, subject to City Attorney approval as to form;
2. Approve, and authorize the General Manager of the Personnel Department to execute, the proposed First Amendment to the Professional Services Agreement No. C-130589 with Matrix Trust Company to extend the term by three years providing a six-year term effective December

Robert Roth			
RR	Analyst	11210051	City Administrative Officer

17, 2017 through December 17, 2023, for the provision of trustee services for the City of Los Angeles Pension Savings Plan, subject to City Attorney approval as to form; and,

3. Instruct the Personnel Department to insert a ratification clause in the proposed First Amendments to the Professional Services Agreements No. C-130589 with ICMA Retirement Corporation and the Matrix Trust Company to include services performed prior to executing the proposed agreement.

## **SUMMARY**

The Personnel Department (Department) requests approval to execute the proposed First Amendment to the Professional Services Agreement No. C-130589, which incorporates separate agreements with affiliated firms consisting of ICMA Retirement Corporation (ICMA) and the Matrix Trust Company (Matrix) (collectively referred to as Contractors). ICMA provides third party administration and investment management services and Matrix provides trustee services (collectively referred to as Services) for the City's Pension Savings Plan (PSP). Approval of the proposed amendments will extend the term for each firm by three years providing a six-year term effective December 18, 2017 through December 17, 2023.

Compensation to ICMA is provided by participant fees calculated at 1.33 percent of the VantageTrust PLUS Fund, the sole investment option for PSP participants. The proposed compensation is a reduction of 0.07 percent compared to the current agreement amount of 1.40 percent, resulting in a PSP savings of approximately \$54,500. Compensation to Matrix is included in ICMA's fee and paid directly by ICMA. Due to the continuous need for Services, this Office recommends inserting a ratification clause in the proposed amendments with ICMA and Matrix to include Services performed prior to executing the proposed amendments.

The scope of services for each firm includes:

### ICMA

- Receive payroll contribution and eligibility files from the City;
- Maintain participant account records;
- Administer participation of new enrollees and secure account access;
- Administer the Plan's sole investment option, VantageTrust PLUS Fund;
- Develop and provide plan resources;
- Maintain beneficiary information;
- Process distributions, withdrawals, and participant account updates;
- Report on participant and plan assets;
- Staff a participant call center;
- Establish the plan administrative fee holding account;
- Provide audit support;
- Implement changes to Plan provisions as requested by the City; and,
- Cooperate with the transfer of administrative responsibilities and records in the event a successor third party administrator is contracted at the termination of the term.

### Matrix

- Hold the income and assets for the funding and payment of benefits under the PSP.

In 2017, the Department released a Request for Proposals (RFP) for third party administrator and investment management services for the PSP. The Department's review of proposals resulted in the

selection of ICMA. In accordance with Federal requirements, the City also selected Matrix, an affiliated trustee provider for ICMA, to provide trustee services for all PSP assets for the exclusive benefit of PSP participants and their beneficiaries.

In accordance with Charter Section 1022, the Department determined that there are no classifications of City employees that can perform these services. The Contractors have complied with all applicable City contracting requirements. In accordance with Los Angeles Administrative Code Section 10.5(b), the proposed Agreements required Council approval as the terms exceed three years.

### **FISCAL IMPACT STATEMENT**

There is no impact to the General Fund. Contractual services supporting the Pension Savings Plan are paid by a third party administrator and funded by participant fees.

### **FISCAL POLICIES STATEMENT**

Approval of the proposed Agreement complies with the City's Financial Policies as sufficient funds are available to support the proposed expenditures in the Agreement.

*RHL:RR:11210051*

**BOARD OF CIVIL SERVICE  
COMMISSIONERS**

Room 360, PERSONNEL BUILDING

—  
RAUL PEREZ  
PRESIDENT

KARLA M. GOULD  
VICE PRESIDENT

COMMISSIONERS:  
JEANNE A. FUGATE  
GUY LIPA  
NANCY P. McCLELLAND

—  
BRUCE E. WHIDDEN  
COMMISSION EXECUTIVE DIRECTOR

**CITY OF LOS ANGELES  
CALIFORNIA**



**ERIC GARCETTI**  
MAYOR

**PERSONNEL DEPARTMENT**

PERSONNEL BUILDING  
700 EAST TEMPLE STREET  
LOS ANGELES, CA 90012

—  
Wendy G. Macy  
GENERAL MANAGER

December 14, 2020

The Honorable Eric Garcetti  
Mayor, City of Los Angeles  
Room 303, City Hall  
Los Angeles, CA 90012

Attention: Heleen Ramirez, Legislative Coordinator

**SUBJECT: REQUEST FOR APPROVAL OF PENSION SAVINGS PLAN CONTRACT EXTENSION FOR INTERNATIONAL CITY MANAGEMENT ASSOCIATION RETIREMENT CORPORATION (ICMA-RC)**

In accordance with Executive Directive No. 3, the Personnel Department requests approval of the contract with ICMA for administration of the City of Los Angeles Pension Savings Plan (PSP) as follows:

Vendor Name	Description of Services	Contract No.	Extension of Contract Term	Funding Source	Reason for Contract Extension
ICMA-RC and Matrix Trust Company	Third-party administration for the PSP	C-130589	December 18, 2020 to December 17, 2023 (3 years)	Paid for by PSP participant fees	Stability in service providers benefits the PSP and its participants; in addition, extending the contract provides for fee reductions and reduced City costs with respect to the City's pending Human Resource and Payroll system conversion.

Attached, please find a report from the Personnel Department to the City Council providing additional information pertaining to the request for extension of this contract. If you should have any questions, please contact Steven Montagna at (213) 978-1621 or via email at [steven.montagna@lacity.org](mailto:steven.montagna@lacity.org).

Sincerely,

Wendy Macy  
General Manager Personnel Department

Attachment



TO: Personnel and Animal Welfare Committee	DATE _____, 2020
REFERENCE:	COUNCIL FILE _____

SUBJECT: **City of Los Angeles Pension Savings Plan Third-Party Administrator Provider Contract Extension**

**RECOMMENDATION:**

That the City Council authorize the Personnel Department General Manager to extend Contract C-130589 with ICMA Retirement Corporation (ICMA-RC) and Matrix Trust Company for Pension Savings Plan (PSP) Third-Party Administrator (TPA), investment management, and trustee services for a two-year term from December 18, 2020 through December 17, 2023.

**DISCUSSION:**

**A. Background**

In December 1993, the City established the PSP under Internal Revenue Code (IRC) Section 457(b) and as permitted under IRC Section 3121<sup>1</sup> to provide a retirement-savings alternative to Social Security for certain City employees not eligible to participate in one of the City’s three primary defined benefit pension plans. The PSP includes all part-time, temporary, and seasonal employees who are not eligible to participate in one of the City’s three defined benefit retirement systems for civilian, sworn, and Department of Water and Power (DWP) employees. Each employee contributes 4.5% of gross salary and the City makes a matching contribution of 3%. The program is administered by the Personnel Department’s Employee Benefits Division (EBD). The General Manager of the Personnel Department is the PSP contracting authority.

City employees may have a balance in the PSP if they are currently part-time, temporary, or seasonal employees or if they formerly worked within one of those categories and have since transitioned to full-time status. Participants who have account balances in the PSP have the option to take a distribution of their account upon separation from service. As of May 1, 2020, the PSP had approximately 45,000 participants.

The PSP offers a stable value fund as the sole investment vehicle for PSP participants. Stable value funds are interest-bearing portfolios of bonds combined with insurance contracts designed to provide investors with a higher rate of return than are typically found in bank deposit accounts or money market funds. As of May 1, 2020, the PSP’s stable value fund contained approximately \$78 million in assets.

<sup>1</sup> The Omnibus Budget Reconciliation Act of 1990 (OBRA) amended the Internal Revenue Code and the Social Security Act to include employees of state and local governments. The Act amended IRC Section 3121, under which Social Security participation became mandatory for all employers, to provide that part-time, temporary, and seasonal employees are exempt from the Section 3121 tax if they are provided a “comparable retirement system.”

## **B. Proposed Provider Contract Extension**

On January 9, 2017, the Department issued a Request for Proposal (RFP) for a TPA and stable value fund investment manager for the PSP. The contractor's responsibilities for the PSP include recordkeeping, investment management, and trustee services. On June 26, 2017, the Personnel Department approved the proposal submitted by ICMA-RC for TPA and investment management services

The City subsequently entered into Contract No. C-130589 effective December 18, 2017, incorporating two agreements to provide the required services: an agreement with ICMA-RC (to provide administrative, recordkeeping, communications, and investment management services) and an agreement with ICMA-RC's affiliated trustee provider Matrix Trust Company (to provide directed trustee services in accordance with Federal law, which include creating and holding a trustee account for all PSP assets for the exclusive benefit of PSP participants and their beneficiaries). Although the City's agreements are held with two distinct legal entities, the services are necessarily linked together in fulfillment of the combined services procured for in the City's RFP. The City's agreements with ICMA-RC and Matrix Trust Company expire December 17, 2020.

Los Angeles Administrative Code (LAAC) Division 10, Section 10.5, prohibits City boards, officers or employees of the City from entering into contracts for a period longer than three years unless such contracts shall have been first been approved by the Council. Exceptions for requiring Council approval are granted for terms not to exceed five years for certain contracts including Board of Deferred Compensation Administration contracts for the City's Deferred Compensation Plan (DCP), a supplementary retirement savings plan for full-time employees; and Personnel Department contracts for the LAwell Civilian Benefits Program (LAwell Program), in recognition of the significant investment recordkeepers, investment managers, and benefit service providers make when assuming administration of large retirement and benefit programs such as those sponsored by the City.

Five-year contracting authority has not been established in the Los Angeles Administrative Code (LAAC) for the City's PSP. However, consistent with the rationale for providing five-year contracting authority for other retirement and benefit program service providers, the Personnel Department finds that the needs of PSP participants are best served by greater continuity in service provider relationships consistent with obtaining the most favorable pricing and service terms for the City and PSP participants.

The initial three-year contract term with ICMA-RC has provided an opportunity for the Personnel Department to consider the vendor's performance during the initial contracting period. The Personnel Department has determined that ICMA-RC has partnered effectively with the staff to execute the PSP service mission and objectives.

In negotiating terms for a contract extension, the Personnel Department sought to achieve more favorable pricing terms which could reduce the City's General Fund administrative costs for administering the program. The Personnel Department was successful in achieving this as ICMA-RC has agreed to reduce administrative fees and absorb certain costs which are of particular value to the City given the City's current budget challenges.

#### Fee Reduction to Offset Staffing and Consulting Costs

Under the contract's existing pricing structure, ICMA-RC charges a recordkeeping fee of 1.40% of participant assets. This fee is assessed as a reduction against the stable value fund's credited rate of return. In addition, ICMA-RC collects on the City's behalf a fee of 0.01% to help fund the City's administrative expenses of overseeing the PSP. The revenues from the 0.01% fee are placed in a reserve fund held with ICMA-RC. The approximate annual dollar value of the 0.01% fee is \$7,800.

When the PSP was transferred from the Office of the City Treasurer to the Personnel Department in July 1995, no staffing positions were provided to support the program. As a result, the City's administrative functions have been absorbed by other staff as a General Fund expense. In addition, funding for PSP consulting services has historically been limited.

The Personnel Department has several administrative objectives on its PSP project plan for future years, including conducting for the first time a thorough strategic review and program assessment, creating a strategy for addressing missing account holders and unclaimed accounts, and establishing a Plan Document separate from LAAC provisions. Each of these administrative objectives is for the benefit of PSP participants. Making progress on these administrative objectives will require a funding source for the staff time and consulting costs required for successful execution.

For the period of the two-year extension, ICMA-RC has agreed to a 5% reduction of its recordkeeping fee, from 1.40% to 1.33% of assets, resulting in an annual savings of approximately \$54,500. These fee savings will be used as a funding source for the staffing and consulting costs required to execute the project plan, as well as help to build the PSP reserve fund.

#### Absorbing the City's PSP Payroll Conversion Costs

The City's Human Resources Payroll (HRP) project has identified a provider, Workday, to replace its current custom-built payroll system, PaySR. HRP conversion launched in 2020 and will be a significant undertaking for the City, including the Personnel Department's EBD. EBD has three critical interfaces involving complex file exchanges between the City's payroll system and an external benefit or retirement system TPA. Along with the City's LAwell Program and DCP, the PSP involves one of these critical interfaces.

The conversion to Workday is just beginning and is expected to be a multi-year process. A fundamental reconstruction of the demographic and payroll file exchanges between the City and each external TPA will be required. The transition involves the creation of file exchanges built around rules and specifications driven by the manner in which employee demographics, changes in employment status, work history, and payroll information are stored within the payroll system.

Establishing payroll interfaces is a significant undertaking required as part of onboarding a new benefit or retirement program TPA. Each TPA has a dedicated implementation team for managing the interface implementation. Implementation teams work on payroll exchange development and testing for approximately 9-18 months, including both prior to and following go-live dates.

ICMA-RC's implementation process to service the PSP took place in 2017. ICMA-RC's cost proposal assumed only one major payroll implementation process. As requiring a second conversion process is an unanticipated expense, the Personnel Department requested and the City has set aside \$200,000 in FY 2020-21 to pay for this conversion.

However, as a result of successful negotiation, ICMA-RC has agreed to fund all costs of executing a second payroll conversion as part of the contract extension. The \$200,000 being set aside for PSP conversion can therefore be redirected to other important needs of the City.

### **C. Conclusion and Recommendations**

ICMA-RC has partnered effectively with the City to execute the PSP service mission and objectives. Given this successful partnership, as well as the significant investment ICMA-RC has made in assuming PSP administrative and investment management services, its 5% administrative fee reduction, and absorption of PSP HRP conversion costs, the Personnel Department recommends extending Contract C-130589 with ICMA-RC for a two-year term from December 18, 2020 through December 17, 2023.

#### **FISCAL IMPACT:**

In accordance with Los Angeles Administrative Code (LAAC) Section 4.1610, the fees assessed by ICMA-RC are paid for from the earnings of PSP participant accounts. ICMA-RC's fee reduction will provide a funding source for administrative staffing and consulting services in support of PSP participants. ICMA-RC's absorption of PSP HRP conversion costs will result in General Fund savings of \$200,000 in FY 2020-21.



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WENDY MACY, General Manager  
Personnel Department

**FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT (CONTRACT  
NO. C-130589) BETWEEN THE  
CITY OF LOS ANGELES AND  
ICMA RETIREMENT CORPORATION  
FOR ADMINISTRATION, COMMUNICATIONS, AND INVESTMENT MANAGEMENT  
SERVICES RELATIVE TO THE CITY OF LOS ANGELES PENSION SAVINGS PLAN**

This First Amendment to the Professional Services Agreement (Contract No. C-130589), is made and entered into by and between the City of Los Angeles, a municipal corporation (the "City"), and ICMA Retirement Corporation (hereinafter referred to as "Contractor"), a Washington, D.C. corporation, with reference to the following:

**RECITALS**

1. Effective December 18, 2017, the City and Contractor entered into a Professional Services Agreement (Contract No. C-130589) ("Contract") for Contractor to provide administrative, recordkeeping, employee communication, and investment management services for the City of Los Angeles Pension Savings Plan, for the term commencing on December 18, 2017, through December 17, 2020; and
2. The City has a continuing need for administrative, recordkeeping, employee communication/enrollment, and investment management services for the Pension Savings Plan beyond the term thereof and the parties have agreed to enter into a First Amendment to the Contract for the continued provision of administrative, recordkeeping, employee communication, and investment management services through December 17, 2023; and
3. The Personnel Department General Manager agrees to the extension of the First Amendment for an additional three-year term, commencing on December 18, 2020 through December 17, 2023 for Pension Savings Plan administrative, recordkeeping, employee communication, and investment management services; and
4. The City Council, at its meeting of \_\_\_\_\_, approved the extension of the time of performance of ICMA Retirement Corporation's services for the period of December 18, 2020 through December 17, 2023 (Council File No. \_\_\_\_); and
5. The City and Contractor agree that, effective on the first day of the month following the month of full and final execution of this First Amendment, the recordkeeping fee payable under the First Amendment shall be 1.33% per annum; and
6. The City and Contractor agree that ICMA Retirement Corporation shall fund all of its conversion costs related to implementing, beginning in calendar year 2020, the City's change in payroll systems and resulting necessary changes to the ongoing data exchanges with ICMA Retirement Corporation in connection with its administration of the Pension Savings Plan.

**NOW THEREFORE**, the City and Contractor, in consideration of the promises and of the recitals, terms and conditions, covenants and representations below, agree as follows:

1. Article II of the contract, Subsection A, entitled "Time of Performance," paragraph 1, shall be amended to read as follows:

The term of this First Amendment will be from December 18, 2017 through December 17, 2023, subject to the termination provisions herein.

2. Article III of the contract, Subsection K, entitled "Plan Administrative Fee Holding Account," shall be amended to add a new second sentence to read as follows:

Contractor shall, on behalf of the City, reduce the credited interest rate applied to the Vantagepoint PLUS Fund by 0.07%, and place the equivalent dollar value of the interest rate reduction in the Administrative Fee Holding Account.

3. Article IV of the contract, Subsection A, Paragraph 1, entitled "TPA Fees and Fee Assessment," shall be revised to read:

For TPA services provided under this Contract, Contractor shall be compensated by reducing the credited interest rate applied for the Vantagepoint PLUS Fund by 1.33% per annum. The fee shall be assessed monthly on a pro-rata basis. In addition, in January of each year, Contractor shall review the Vantagepoint PLUS Fund monthly crediting rates for the prior calendar year to ensure they were greater than the 1.33% annualized TPA fee. For any given calendar year period where the TPA fee exceeded the Vantagepoint PLUS Fund crediting rate, within 60 days of the previous calendar year end the Contractor will credit back to participant accounts any TPA fee amounts that exceeded the credited rate.

This revision to Article IV, Subsection A, Paragraph 1 shall become effective on the first day of the month following the month in which this First Amendment is fully and finally executed by the parties.

4. Article IV, Subsection B, entitled "Fee Guarantees, Reporting and Limitations," shall include a new paragraph 5, "Payroll Conversion," to read as follows:

Contractor agrees to fund all of its conversion costs related to implementing, beginning in calendar year 2020, the City's change in payroll systems and resulting necessary changes to the ongoing data exchanges with Contractor in connection with its administration of the Pension Savings Plan.

5. Article V, Subsection A, entitled "Standard Provisions for City Contracts," first sentence, shall be amended to read as follows:

Contractor agrees to comply with the City of Los Angeles Standard Provisions for City Contracts (Rev. 10/17) [v.3] which is attached hereto as Attachment A and incorporated herein by reference.

6. Attachment A to the Contract, entitled, "STANDARD PROVISIONS FOR CITY CONTRACTS – (Revised 01/17)" is hereby deleted and replaced with "STANDARD PROVISIONS FOR CITY CONTRACTS (Rev. 10/17) [v.3]," which is attached hereto as Attachment A and incorporated herein by reference.
7. Except as amended by this First Amendment, all other terms and conditions of the Contract shall remain in full force and effect.
8. In the event of any inconsistency between the provisions in the body of this First Amendment and the attachments hereto, the inconsistency shall be resolved by giving precedence to the documents in the following order, except as required by applicable ordinances and law:
  - a. The body of this First Amendment to Contract No. C-130589;
  - b. The body of Contract No. C-130589;
  - c. Standard Provisions for City Contracts (Rev. 10/17);
  - d. Any other attachments/exhibits to Contract No. C-130589;
9. This First Amendment may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.

**(Signature page to follow)**

**IN WITNESS**, thereof, the parties hereto have caused this First Amendment to Contract C-130589 to be signed by their respective duly authorized officers. By signing this First Amendment, the parties certify that they have read and understood it, that they agree to be bound by the terms of the First Amendment and that they have the authority to sign it. This First Amendment is not binding on either party until approved by both parties.

**THE CITY OF LOS ANGELES**

**ICMA Retirement Corporation**

By: \_\_\_\_\_  
WENDY G. MACY  
General Manager, Personnel  
Department

By: \_\_\_\_\_  
Name  
Title

Date: 01-13-2021

Date: \_\_\_\_\_

**ICMA Retirement Corporation**

By: \_\_\_\_\_  
Name  
Title

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

**ATTEST:**

MICHAEL N. FEUER, City Attorney

HOLLY L. WOLCOTT, City Clerk

By: \_\_\_\_\_  
CURTIS S. KIDDER  
Assistant City Attorney

By: \_\_\_\_\_  
Deputy City Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\* Approved Signature Methods:

- 1) Two signatures: One of the Chairman of the Board of Directors, President, or Vice-President, and one of the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.
- 2) One signature of a Corporate-designated individual together with a properly attested resolution of the Board of Directors authorizing the individual to sign.

City Business License Number:

0000582563-0001-8  
0000582564-0001-9

Internal Revenue Service Taxpayer Identification Number:  
Agreement Number:

23-7268394  
C-130589

**FIRST AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT  
BETWEEN THE  
CITY OF LOS ANGELES AND  
MATRIX TRUST COMPANY  
FOR DIRECTED (PASSIVE) TRUSTEE ACCOUNT SERVICES  
RELATIVE TO THE CITY OF LOS ANGELES PENSION SAVINGS PLAN**

This First Amendment to the Professional Services Agreement, is made and entered into by and between the City of Los Angeles, a municipal corporation (the “City”), and Matrix Trust Company, as the directed Trustee (hereinafter referred to as “Trustee”), with reference to the following:

**RECITALS**

1. The City and Trustee entered into that certain Professional Services Agreement (“Agreement”) for Trustee to provide directed (passive) trustee account services (“Services”) for the City of Los Angeles Pension Savings Plan for the period between December 18, 2017 through December 17, 2022; and
2. The City and Trustee agree that despite the length of time of performance proscribed under the Agreement, the term of the Agreement ends on December 17, 2020; and
3. The City has a continuing need for the Services contemplated under the Agreement for the Pension Savings Plan beyond the term thereof; and
4. The City and the Trustee have agreed to extend the term of the Agreement through December 17, 2023; and
5. The City Council, at its meeting of \_\_\_\_\_, approved the extension of the time of performance of Trustee’s services for the period of December 18, 2020 through December 17, 2023 (Council File No. \_\_\_\_\_).

**NOW THEREFORE**, the City and Trustee, in consideration of the promises and of the recitals, terms and conditions, covenants, and representations below, agree as follows:

1. Section 8, Subsection 8.9, entitled “Time of Performance,” shall be amended to read as follows:

The term of this Agreement will be from December 18, 2017 through December 17, 2023, subject to provisions herein and the Standard Provisions.

2. Section 8, Subsection 8.1, entitled “Standard Provisions,” shall be amended to read as follows:

Trustee agrees to comply with the City of Los Angeles Standard Provision for City Contracts (Rev. 10/17) (“Standard Provisions”) which is attached hereto as Attachment A and incorporated herein by reference. The term “contract” as used in the Standard Provisions for City Contracts shall mean this Agreement.

3. In the event of any inconsistency between the provisions in the body of this First Amendment and the attachments hereto, the inconsistency shall be resolved by giving precedence to the documents in the following order, except as required by applicable ordinances and law:
  - a. This First Amendment;
  - b. The Agreement;
  - c. Standard Provisions for City Contracts (Rev. 10/17); and
  - d. Any other attachments/exhibits to the Agreement.
4. Except as amended by this First Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.
5. Capitalized terms not otherwise defined herein shall have the meaning proscribed under the Agreement.
6. This First Amendment may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. The parties further agree that facsimile signatures or signatures scanned into .pdf (or signatures in another electronic format designated by City) and sent by e-mail shall be deemed original signatures.

**(Signature page to follow)**

**IN WITNESS**, thereof, the parties hereto have caused this First Amendment to the Agreement to be signed by their respective duly authorized officers. By signing this First Amendment, the parties certify that they have read and understood it, that they agree to be bound by the terms of the First Amendment and the Agreement, and that they have the authority to sign it. This First Amendment is not binding on either party until approved by both parties.

**THE CITY OF LOS ANGELES**

**MATRIX TRUST COMPANY**

By: \_\_\_\_\_  
WENDY G. MACY  
General Manager  
Personnel Department

By: \_\_\_\_\_  
Name  
Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**MATRIX TRUST COMPANY**

By: \_\_\_\_\_  
Name  
Title

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

**ATTEST:**

MICHAEL N. FEUER, City Attorney

HOLLY L. WOLCOTT, City Clerk

By: \_\_\_\_\_  
Charles S. Hong  
Deputy City Attorney

By: \_\_\_\_\_  
Deputy City Clerk

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\* Approved Signature Methods:

- 1) Two signatures: One of the Chairman of the Board of Directors, President, or Vice-President, and one of the Secretary, Assistant Secretary, Chief Financial Officer, or Assistant Treasurer.
- 2) One signature of a Corporate-designated individual together with a properly attested resolution of the Board of Directors authorizing the individual to sign.

City Business License Number: \_\_\_\_\_

Internal Revenue Service Taxpayer Identification Number: \_\_\_\_\_

Agreement Number: C-130589