

**AMENDMENT NO. 1
TO THE AGREEMENT FOR SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
PFM ASSET MANAGEMENT LLC**

PREAMBLE

This agreement ("Amendment No. 1") is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and PFM Asset Management LLC, a Delaware limited liability company (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties."

RECITALS

- A. The Parties previously entered into an agreement entitled "Agreement for Services Between the City of Santa Clara, California, and PFM Asset Management LLC", dated July 21, 2020 (Agreement) for the purpose of having Contractor provide full-time investment management services; and
- B. The Parties now wish to (i) amend the Agreement to extend the term of the Agreement by five years to July 31, 2028 with option of another two years; and (ii) increase compensation by One Million Six Hundred Twenty-Five Thousand Dollars (\$1,625,000) to a revised not to exceed maximum compensation amount of Two Million Four Hundred Sixty-Five Thousand Dollars (\$2,465,000).

NOW, THEREFORE, the Parties agree as follows:

AMENDMENT TERMS AND CONDITIONS

- 1. Section 2 of the Agreement, entitled "Term of Agreement" is amended in its entirety to read as follows:

"Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on August 1, 2020 and terminate on July 31, 2028. The City reserves the right, at its own sole discretion, to extend the term of this Agreement for up to two (2) additional one-year options or one (1) additional two-year option through July 31, 2030."

- 2. Section 7 of the Agreement, entitled "Compensation and Payment" is amended in its entirety to read as follows:

"In consideration for Contractor's complete performance of Services, City shall

pay Contractor for all materials provided and Services rendered by Contractor in accordance with First Revised Exhibit B, entitled "SCHEDULE OF FEES." The maximum compensation of this Agreement is Two Million Four Hundred Sixty-Five Thousand Dollars (\$2,465,000) during the Term stipulated in Section 2 of the Agreement, subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance."

3. Except as set forth herein, all other terms and conditions of the Agreement shall remain in full force and effect. In case of a conflict in the terms of the Agreement and this Amendment No. 1, the provisions of this Amendment No. 1 shall control.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 1 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form:

Dated: _____

GLEN R. GOOGINS
City Attorney
City of Santa Clara

JOVAN D. GROGAN
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

PFM ASSET MANAGEMENT LLC
A DELAWARE LIMITED LIABILITY COMPANY

Dated: 6/21/2023

By (Signature): 

Name: Monique Spyke

Title: Managing Director

1 California Street

Principal Place of Suite 1000
Business Address: San Francisco, CA 94111

Email Address: spykem@pfmam.com

Telephone: (415) 393-7259

Fax: ()

"CONTRACTOR"

FIRST REVISED EXHIBIT B
SCHEDULE OF FEES

1. MAXIMUM COMPENSATION

- 1.1.** The maximum compensation the City will pay the Contractor for all professional fees, costs and expenses provided under this Agreement shall not exceed Two Million Four Hundred Sixty-Five Thousand Dollars (\$2,465,000) during the Term of the Agreement and Amendment No. 1.
- 1.2.** Any additional professional fees, costs and expenses requested by the City that would exceed the preceding maximum amount will be addressed in an Amendment to the Agreement. No additional services will be performed unless both Parties execute an Amendment outlining the services requested and the compensation agreed for such services.

2. FEES

- 2.1.** For its services, Contractor shall receive an investment fee as set forth below:

Schedule	Fee Cap
Year 1: 4.2 basis points	Not to exceed \$255,000
Year 2: 4.7 basis points	Not to exceed \$280,000
Year 3: 5.2 basis points	Not to exceed \$305,000
Year 4: 4.9 basis points	Not to exceed \$325,000
Year 5: 4.9 basis points	Not to exceed \$325,000
Year 6: 4.9 basis points	Not to exceed \$325,000
Year 7: 4.9 basis points	Not to exceed \$325,000
Year 8: 4.9 basis points	Not to exceed \$325,000
Year 9: 4.9 basis points	Not to exceed \$325,000 + COLA (see Section 2.1.1 below)
Year 10: 4.9 basis points	Not to exceed \$325,000 + COLA (see Section 2.1.1 below)

2.1.1. For Years 9 and 10:

- 2.1.1.1.** Cost-of-Living Adjustment (COLA) shall be in line with the Consumer Price Index (CPI), calculated annually and then average over the term.
- 2.1.1.2.** CPI is CPI-U, All items in U.S. city average, all urban consumers, not seasonally adjusted, which is Series CUUR00000SA0 defined by U.S. Bureau of Labor Statistics.

2.1.1.3. COLA will be the lesser of actual calculated or 3.64%. In no event shall the COLA be negative.

3. INVOICING

Contractor will bill City on a monthly basis for Services provided by Contractor during the preceding month on an invoice and in a format approved by City and subject to verification and approval by City. City will pay Contractor within thirty (30) days of City's receipt of an approved invoice.