



Professional Services Contract

UTA CONTRACT 21-03454

INVESTMENT MANAGEMENT SERVICES

This Professional Services Agreement is entered into and made effective as of the date of last signature below (the "Effective Date") by and between UTAH TRANSIT AUTHORITY, a public transit district organized under the laws of the State of Utah ("UTA"), and CHANDLER ASSET MANAGEMENT, INC., a S-Corporation ("Consultant").

RECITALS

WHEREAS, UTA desires to hire professional services for Investment Advisory Services.

WHEREAS, On June 15, 2021, UTA issued Request for Proposal ("RFP") package number RFP 21-03454 encouraging interested parties to submit proposals to perform the services described in the RFP.

WHEREAS, Upon evaluation of the proposals submitted in response to the RFP, UTA selects Consultant as the preferred entity with whom to negotiate a contract to perform the Work.

WHEREAS, Consultant is qualified and willing to perform the Work as set forth in the Scope of Services.

AGREEMENT

NOW, THEREFORE, in accordance with the foregoing Recitals, which are incorporated herein by reference, and for and in consideration of the mutual covenants and agreements hereafter set forth, the mutual benefits to the parties to be derived here from, and for other valuable consideration, the receipt and sufficiency of which the parties acknowledge, it is hereby agreed as follows:

1. SERVICES TO BE PROVIDED

- a. Consultant shall perform all Work as set forth in the Scope of Services (Exhibit A). Except for items (if any) which this Contract specifically states will be UTA-provided, Consultant shall furnish all the labor, material and incidentals necessary for the Work.
- b. Consultant shall perform all Work under this Contract in a professional manner, using at least that standard of care, skill and judgment which can reasonably be expected from similarly situated professionals.
- c. All Work shall conform to generally accepted standards in the transit industry. Consultant shall perform all Work in compliance with applicable laws, regulations, rules, ordinances, permit constraints and other legal requirements including, without limitation,

those related to safety and environmental protection.

- d. Consultant shall furnish only qualified personnel and materials necessary for the performance of the Work.
- e. When performing Work on UTA property, Consultant shall comply with all UTA work site rules including, without limitation, those related to safety and environmental protection.

2. MANAGEMENT OF WORK

- a. Consultant's Project Manager will be the day-to-day contact person for Consultant and will be responsible for all Work, as well as the coordination of such Work with UTA.
- b. UTA's Project Manager will be the day-to-day contact person for UTA and shall act as the liaison between UTA and Consultant with respect to the Work. UTA's Project Manager shall also coordinate any design reviews, approvals or other direction required from UTA with respect to the Work.

3. PROGRESS OF WORK

- a. Consultant shall prosecute the Work in a diligent and continuous manner and in accordance with all applicable notice to proceed, critical path schedule and guaranteed completion date requirements set forth in (or developed and agreed by the parties in accordance with) the Scope of Services.
- b. Consultant shall conduct regular meetings to update UTA's Project Manager regarding the progress of the Work including, but not limited to, any unusual conditions or critical path schedule items that could affect or delay the Work. Such meetings shall be held at intervals mutually agreed to between the parties.
- c. Consultant shall deliver monthly progress reports and provide all Contract submittals and other deliverables as specified in the Scope of Services.
- d. Any drawing or other submittal reviews to be performed by UTA in accordance with the Scope of Services are for the sole benefit of UTA and shall not relieve Consultant of its responsibility to comply with the Contract requirements.
- e. UTA will have the right to inspect, monitor and review any Work performed by Consultant hereunder as deemed necessary by UTA to verify that such Work conforms to the Contract requirements. Any such inspection, monitoring and review performed by UTA is for the sole benefit of UTA and shall not relieve Consultant of its responsibility to comply with the Contract requirements.
- f. UTA shall have the right to reject Work which fails to conform to the requirements of this Contract. Upon receipt of notice of rejection from UTA, Consultant shall (at its sole expense and without entitlement to equitable schedule relief) promptly re-perform, replace or re-execute the Work so as to conform to the Contract requirements.
- g. If Consultant fails to promptly remedy rejected Work as provided in Section 3.f, UTA

may (without limiting or waiving any rights or remedies it may have) perform necessary corrective action using other contractors or UTA's own forces. Any costs reasonably incurred by UTA in such corrective action shall be chargeable to Consultant.

4. PERIOD OF PERFORMANCE

This Contract shall commence as of the Effective Date. This Contract shall remain in full force and effect for a 10-year period expiring September 30, 2031. The rights and obligations of UTA and Consultant under this Contract shall always be subject to and conditioned upon the provisions of this Contract.

5. COMPENSATION

- a. For the performance of the Work, UTA shall pay Consultant in accordance with the payment provisions described in Exhibit B. Payments shall be made in accordance with the milestones or other payment provisions detailed in Exhibit B. If Exhibit B does not specify any milestones or other payment provisions, then payment shall be made upon completion of all Work and final acceptance thereof by UTA. Payment will not exceed \$115,000.00 per year or \$1,150,000.00 for the ten (10) year period. However, if during the contract term, if the value of the assets managed by the Consultant exceeds \$225 million for three consecutive months, the Consultant and the City will negotiate a new contract cap reflective of the assets under management.
- b. To the extent that Exhibit B or another provision of this Contract calls for any portion of the consideration to be paid on a cost-reimbursement basis, such costs shall only be reimbursable to the extent allowed under 2 CFR Part 200 Subpart E. Compliance with federal cost principles shall apply regardless of funding source for this Contract.
- c. To the extent that Exhibit B or another provision of this Contract calls for any portion of the consideration to be paid on a time and materials or labor hour basis, then Consultant must refer to the not-to-exceed amount, maximum Contract amount, Contract budget amount or similar designation (any of these generically referred to as the "Not to Exceed Amount") specified in Exhibit B (as applicable). Unless and until UTA has notified Consultant by written instrument designated or indicated to be a Change Order that the Not to Exceed Amount has been increased (which notice shall specify a revised Not to Exceed Amount): (i) Consultant shall not be obligated to perform services or incur costs which would cause its total compensation under this Contract to exceed the Not to Exceed Amount; and (ii) UTA shall not be obligated to make payments which would cause the total compensation paid to Consultant to exceed the Not to Exceed Amount.
- d. UTA may withhold and/or offset from payment any amounts reasonably reflecting: (i) items of Work that have been rejected by UTA in accordance with this Contract; (ii) invoiced items that are not payable under this Contract; or (iii) amounts Consultant owes to UTA under this Contract.

6. INCORPORATED DOCUMENTS

- a. The following documents hereinafter listed in chronological order, with most recent

document taking precedence over any conflicting provisions contained in prior documents (where applicable), are hereby incorporated into the Contract by reference and made a part hereof:

1. The terms and conditions of this Goods and Services Supply Agreement (including any exhibits and attachments hereto).
 2. Contractor's Proposal including, without limitation, all federal certifications (as applicable).
 3. UTA's RFP including, without limitation, all attached or incorporated terms, conditions, federal clauses (as applicable), drawings, plans, specifications and standards and other descriptions of the Goods and Services.
- b. The above-referenced documents are made as fully a part of the Contract as if hereto.

7. ORDER OF PRECEDENCE

The Order of Precedence for this contract is as follows:

- UTA Contract including all attachments
- UTA Terms and Conditions
- UTA Solicitation Terms
- Contractor's Bid or Proposal including proposed terms or conditions

Any contractor proposed term or condition which conflicts with a UTA contract, solicitation term, or condition will be deemed null and void.

8. CHANGES

- a. UTA's Project Manager or designee may, at any time, by written order designated or indicated to be a Change Order, direct changes in the Work including, but not limited to, changes:
 - A. In the Scope of Services;
 - B. In the method or manner of performance of the Work; or
 - C. In the schedule or completion dates applicable to the Work.

To the extent that any change in Work directed by UTA causes an actual and demonstrable impact to: (i) Consultant's cost of performing the work; or (ii) the time required for the Work, then (in either case) the Change Order shall include an equitable adjustment to this Contract to make Consultant whole with respect to the impacts of such change.

- b. A change in the Work may only be directed by UTA through a written Change Order or (alternatively) UTA's expressed, written authorization directing Consultant to proceed pending negotiation of a Change Order. Any changes to this Contract undertaken by Consultant without such written authority shall be at Consultant's sole risk. Consultant shall not be entitled to rely on any other manner or method of direction.
- c. Consultant shall also be entitled to an equitable adjustment to address the actual and

demonstrable impacts of “constructive” changes in the Work if: (i) subsequent to the Effective Date of this Contract, there is a material change with respect to any requirement set forth in this Contract; or (ii) other conditions exist or actions are taken by UTA which materially modify the magnitude, character or complexity of the Work from what should have been reasonably assumed by Consultant based on the information included in (or referenced by) this Contract. In order to be eligible for equitable relief for “constructive” changes in Work, Consultant must give UTA’s Project Manager or designee written notice stating:

- A. The date, circumstances, and source of the change; and
- B. That Consultant regards the identified item as a change in Work giving rise to an adjustment in this Contract.

Consultant must provide notice of a “constructive” change and assert its right to an equitable adjustment under this Section within ten (10) days after Consultant becomes aware (or reasonably should have become aware) of the facts and circumstances giving rise to the “constructive” change. Consultant’s failure to provide timely written notice as provided above shall constitute a waiver of Consultant’s rights with respect to such claim.

- d. As soon as practicable, but in no event longer than 30 days after providing notice, Consultant must provide UTA with information and documentation reasonably demonstrating the actual cost and schedule impacts associated with any change in Work. Equitable adjustments will be made via Change Order. Any dispute regarding the Consultant’s entitlement to an equitable adjustment (or the extent of any such equitable adjustment) shall be resolved in accordance with Article 21 of this Contract.

9. INVOICING PROCEDURES

- a. Consultant shall submit Account Statements to UTA’s Project Manager for review and processing. Account Statements shall be provided in the form specified by UTA. Reasonable supporting documentation demonstrating Consultant’s entitlement to its fees must be submitted with each Account Statement.
- b. UTA shall have the right to disapprove and dispute the fees to be paid to Consultant, or otherwise address deficiencies in the Account Statement, within sixty (60) days of receipt of the Account Statement. Approval by UTA shall not be unreasonably withheld.

10. OWNERSHIP OF DESIGNS, DRAWINGS, AND WORK PRODUCT

Any deliverables prepared or developed pursuant to the Contract including without limitation drawings, specifications, manuals, calculations, maps, sketches, designs, tracings, notes, reports, data, computer programs, models and samples, shall become the property of UTA when prepared, and, together with any documents or information furnished to Contractor and its employees or agents by UTA hereunder, shall be delivered to UTA upon request, and, in any event, upon termination or final acceptance of the Goods and Services. UTA shall have full rights and privileges to use and reproduce said items. To the extent that any deliverables include or incorporate preexisting intellectual property of Contractor, Contractor hereby grants UTA a fully paid, perpetual license to use such intellectual property for UTA’s

operation, maintenance, modification, improvement, and replacement of UTA's assets. The scope of the license shall be fully necessary to accomplish those purposes, including the right to share same with UTA's contractors, agent, officers, directors, employees, joint owners, affiliates, and consultants.

11. USE OF SUBCONTRACTORS

- a. Consultant shall give advance written notification to UTA of any proposed subcontract (not indicated in Consultant's Proposal) negotiated with respect to the Work. UTA shall have the right to approve all subcontractors, such approval not to be withheld unreasonably.
- b. No subsequent change, removal or substitution shall be made with respect to any such subcontractor without the prior written approval of UTA.
- c. Consultant shall be solely responsible for making payments to subcontractors, and such payments shall be made within thirty (30) days after Consultant receives corresponding payments from UTA.
- d. Consultant shall be responsible for and direct all Work performed by subcontractors.
- e. Consultant agrees that no subcontracts shall provide for payment on a cost-plus-percentage-of-cost basis. Consultant further agrees that all subcontracts shall comply with all applicable laws.

12. KEY PERSONNEL

Consultant shall provide the key personnel as indicated in Consultant's Proposal (or other applicable provisions of this Contract) and shall not change any of said key personnel without the express written consent of UTA.

13. SUSPENSION OF WORK

- a. UTA may, at any time, by written order to Consultant, require Consultant to suspend, delay, or interrupt all or any part of the Work called for by this Contract. Any such order shall be specifically identified as a "Suspension of Work Order" issued pursuant to this Article. Upon receipt of such an order, Consultant shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of further costs allocable to the Work covered by the order during the period of Work stoppage.
- b. If a Suspension of Work Order issued under this Article is canceled, Consultant shall resume Work as mutually agreed to in writing by the parties hereto.
- c. If a Suspension of Work Order is not canceled and the Work covered by such order is terminated for the convenience of UTA, reasonable costs incurred because of the Suspension of Work Order shall be considered in negotiating the termination settlement.
- d. If the Suspension of Work causes an increase in Consultant's cost or time to perform the Work, UTA's Project Manager or designee shall make an equitable adjustment to compensate Consultant for the additional costs or time and modify this Contract by Change Order.

14. **TERMINATION**

- a. **FOR CONVENIENCE:** UTA shall have the right to terminate the Contract at any time by providing written notice to Contractor. If the Contract is terminated for convenience, UTA shall pay Contractor: (i) in full for Goods delivered and Services fully performed prior to the effective date of termination; and (ii) an equitable amount to reflect costs incurred (including Contract close-out and subcontractor termination costs that cannot be reasonably mitigated) and profit on work-in-progress as of to the effective date of the termination notice. UTA shall not be responsible for anticipated profits based on the terminated portion of the Contract. Contractor shall promptly submit a termination claim to UTA. If Contractor has any property in its possession belonging to UTA, Contractor will account for the same, and dispose of it in the manner UTA directs.
- b. **FOR DEFAULT:** If Contractor (a) becomes insolvent; (b) files a petition under any chapter of the bankruptcy laws or is the subject of an involuntary petition; (c) makes a general assignment for the benefit of its creditors; (d) has a receiver appointed; (e) should fail to make prompt payment to any subcontractors or suppliers; or (f) fails to comply with any of its material obligations under the Contract, UTA may, in its discretion, after first giving Contractor seven (7) days written notice to cure such default:
1. Terminate the Contract (in whole or in part) for default and obtain the Goods and Services using other contractors or UTA's own forces, in which event Contractor shall be liable for all incremental costs so incurred by UTA;
 2. Pursue other remedies available under the Contract (regardless of whether the termination remedy is invoked); and/or
 3. Except to the extent limited by the Contract, pursue other remedies available at law.
- c. **CONTRACTOR'S POST TERMINATION OBLIGATIONS:** Upon receipt of a termination notice as provided above, Contractor shall (i) immediately discontinue all work affected (unless the notice directs otherwise); and (ii) deliver to UTA all data, drawings and other deliverables, whether completed or in process. Contractor shall also remit a final invoice for all services performed and expenses incurred in full accordance with the terms and conditions of the Contract up to the effective date of termination. UTA shall calculate termination damages payable under the Contract, shall offset such damages against Contractor's final invoice, and shall invoice Contractor for any additional amounts payable by Contractor (to the extent termination damages exceed the invoice). All rights and remedies provided in this Article are cumulative and not exclusive. If UTA terminates the Contract for any reason, Contractor shall remain available, for a period not exceeding 90 days, to UTA to respond to any questions or concerns that UTA may have regarding the Goods and Services furnished by Contractor prior to termination.

15. **INFORMATION, RECORDS and REPORTS; AUDIT RIGHTS**

Consultant shall retain all books, papers, documents, accounting records and other evidence to support any cost-based billings allowable under Exhibit B (or any other provision of this Contract). Such records shall include, without limitation, time sheets and other cost

documentation related to the performance of labor services, as well as subcontracts, purchase orders, other contract documents, invoices, receipts or other documentation supporting non-labor costs. Consultant shall also retain other books and records related to the performance, quality, or management of this Contract and/or Consultant's compliance with this Contract. Records shall be retained by Consultant for a period of at least six (6) years after completion of the Work, or until any audit initiated within that six-year period has been completed (whichever is later). During this six-year period, such records shall be made available at all reasonable times for audit and inspection by UTA and other authorized auditing parties including, but not limited to, the Federal Transit Administration. Copies of requested records shall be furnished to UTA or designated audit parties upon request. Consultant agrees that it shall flow-down (as a matter of written contract) these records requirements to all subcontractors utilized in the performance of the Work at any tier.

16. FINDINGS CONFIDENTIAL

Any documents, reports, information, or other data and materials available to or prepared or assembled by Consultant or subcontractors under this Contract are considered confidential and shall not be made available to any person, organization, or entity by Consultant without consent in writing from UTA.

- a. It is hereby agreed that the following information is not considered to be confidential:
 - A. Information already in the public domain.
 - B. Information disclosed to Consultant by a third party who is not under a confidentiality obligation.
 - C. Information developed by or in the custody of Consultant before entering into this Contract.
 - D. Information developed by Consultant through its work with other clients.
 - E. Information required to be disclosed by law or regulation including, but not limited to, subpoena, court order or administrative order.

17. PUBLIC INFORMATION

Contractor acknowledges that the Contract and related materials (invoices, orders, etc.) will be public documents under the Utah Government Records Access and Management Act (GRAMA). Contractor's response to the solicitation for the Contract will also be a public document subject to GRAMA, except for legitimate trade secrets, so long as such trade secrets were properly designated in accordance with terms of the solicitation.

18. GENERAL INDEMNIFICATION

Contractor shall indemnify, hold harmless and defend UTA, its officers, trustees, agents, and employees (hereinafter collectively referred to as "Indemnities") from and against all liabilities, claims, actions, damages, losses, and expenses including without limitation reasonable attorneys' fees and costs (hereinafter referred to collectively as "claims") related to bodily injury, including death, or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the acts or omissions of Contractor or any of its owners, officers, directors,

agents, employees or subcontractors. This indemnity includes any claim or amount arising out of the failure of such Contractor to conform to federal, state, and local laws and regulations. If an employee of Contractor, a subcontractor, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable brings a claim against UTA or another Indemnities, Contractor's indemnity obligation set forth above will not be limited by any limitation on the amount of damages, compensation or benefits payable under any employee benefit acts, including workers' compensation or disability acts. The indemnity obligations of Contractor shall not apply to the extent that claims arise out of the sole negligence of UTA or the Indemnities.

19. INSURANCE REQUIREMENTS

The insurance requirements herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The Utah Transit Authority in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, his agents, representatives, employees or subcontractors and Contractor is free to purchase additional insurance as may be determined necessary.

- A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those Stated below. An excess liability policy or umbrella liability policy may be used to meet the minimum liability requirements provided that the coverage is written on a "following form" basis.

1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

- | | |
|---|-------------|
| • General Aggregate | \$4,000,000 |
| • Products – Completed Operations Aggregate | \$1,000,000 |
| • Personal and Advertising Injury | \$1,000,000 |
| • Each Occurrence | \$2,000,000 |

The policy shall be endorsed to include the following additional insured language: "The Utah Transit Authority shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of the Contractor".

2. Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL)	\$2,000,000
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- a. The policy shall be endorsed to include the following additional insured language: "The Utah Transit Authority shall be named as an additional insured with respect to liability arising out of the activities performed by, or on behalf of

the Contractor, including automobiles owned, leased, hired or borrowed by the Contractor".

3. Worker's Compensation and Employers' Liability

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$100,000
Disease – Each Employee	\$100,000
Disease – Policy Limit	\$500,000

- a. Policy shall contain a waiver of subrogation against the Utah Transit Authority.
- b. This requirement shall not apply when a contractor or subcontractor is exempt under UCA, AND when such contractor or subcontractor executes the appropriate waiver form.

4. Professional Liability (Errors and Omissions Liability)

The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Services of this contract.

Each Claim	\$1,000,000
Annual Aggregate	\$2,000,000

- a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained, or an extended discovery period will be exercised for a period of three (3) years beginning at the time work under this Contract is completed.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include the following provisions:

1. On insurance policies where the Utah Transit Authority is named as an additional insured, the Utah Transit Authority shall be an additional insured to the full limits of liability purchased by the Consultant. Insurance limits indicated in this agreement are minimum limits. Larger limits may be indicated after the consultant's assessment of the exposure for this contract; for their own protection and the protection of UTA.
2. The Contractor's insurance coverage shall be primary insurance and non-contributory with respect to all other available sources.

C. NOTICE OF CANCELLATION: Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended,

voided, or canceled except after thirty (30) days prior written notice has been given to the Utah Transit Authority, except when cancellation is for non-payment of premium, then ten (10) days prior notice may be given. Such notice shall be sent directly to (Utah Transit Authority agency Representative's Name & Address).

- D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with insurers duly licensed or authorized to do business in the State and with an “A.M. Best” rating of not less than A-VII. The Utah Transit Authority in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.
- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the Utah Transit Authority with certificates of insurance (on standard ACORD form) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and any required endorsements are to be sent to insurancecerts@rideuta.com and received and approved by the Utah Transit Authority before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

All certificates required by this Contract shall be emailed directly to Utah Transit Authority’s insurance email address at insurancecerts@rideuta.com. The Utah Transit Authority project/contract number and project description shall be noted on the certificate of insurance. The Utah Transit Authority reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE UTAH TRANSIT AUTHORITY’S CLAIMS AND INSURANCE DEPARTMENT.**

- F. **SUBCONTRACTORS:** Contractors’ certificate(s) shall include all subcontractors as additional insured under its policies or subcontractors shall maintain separate insurance as determined by the Contractor, however, subcontractor’s limits of liability shall not be less than \$1,000,000 per occurrence/\$2,000,000 aggregate. Sub-contractors maintaining separate insurance shall name Utah Transit Authority as an additional insured on their policy. Blanket additional insured endorsements are not acceptable from sub-contractors. Utah Transit Authority must be scheduled as an additional insured on any sub-contractor policies.
- G. **APPROVAL:** Any modification or variation from the insurance requirements in this Contract shall be made by Claims and Insurance Department or the Office of General Counsel, whose decision shall be final. Such action will not require a formal Contract amendment but may be made by administrative action.

20. OTHER INDEMNITIES

- a. Consultant shall protect, release, defend, indemnify, and hold harmless UTA and the other Indemnities against and from any and all Claims of any kind or nature whatsoever on account of infringement relating to Consultant's performance under this Contract. If notified promptly in writing and given authority, information and assistance, Consultant shall defend, or may settle at its expense, any suit or proceeding against UTA so far as based on a claimed infringement and Consultant shall pay all damages and costs awarded therein against UTA due to such breach. In case any portion of the Work is in such suit held to constitute such an infringement or an injunction is filed that interferes with UTA's rights under this Contract, Consultant shall, at its expense and through mutual agreement between the UTA and Consultant, either procure for UTA any necessary intellectual property rights, or modify Consultant's services or deliverables such that the claimed infringement is eliminated.
- b. Consultant shall: (i) protect, release, defend, indemnify and hold harmless UTA and the other Indemnities against and from any and all liens or Claims made or filed against UTA or upon the Work or the property on which the Work is located on account of any labor performed or labor, services, and equipment furnished by subcontractors of any tier; and (ii) keep the Work and said property free and clear of all liens or claims arising from the performance of any Work covered by this Contract by Consultant or its subcontractors of any tier. If any lien arising out of this Contract is filed, before or after Work is completed, Consultant, within ten (10) calendar days after receiving from UTA written notice of such lien, shall obtain a release of or otherwise satisfy such lien. If Consultant fails to do so, UTA may take such steps and make such expenditures as in its discretion it deems advisable to obtain a release of or otherwise satisfy any such lien or liens, and Consultant shall upon demand reimburse UTA for all costs incurred and expenditures made by UTA in obtaining such release or satisfaction. If any non-payment claim is made directly against UTA arising out of non-payment to any subcontractor, Consultant shall assume the defense of such claim within ten (10) calendar days after receiving from UTA written notice of such claim. If Consultant fails to do so, Consultant shall upon demand reimburse UTA for all costs incurred and expenditures made by UTA to satisfy such claim.

21. INDEPENDENT CONTRACTOR

Consultant is an independent contractor and agrees that its personnel will not represent themselves as, nor claim to be, an officer or employee of UTA by reason of this Contract. Consultant is responsible to provide and pay the cost of all its employees' benefits.

22. PROHIBITED INTEREST

No member, officer, agent, or employee of UTA during his or her tenure or for one year thereafter shall have any interest, direct or indirect, including prospective employment by Consultant in this Contract or the proceeds thereof without specific written authorization by UTA.

23. CLAIMS/DISPUTE RESOLUTION

- a. "Claim" means any disputes between UTA and the Contractor arising out of or relating to the Contract Documents including any disputed claims for Contract adjustments that cannot be resolved in accordance with the Change Order negotiation process set forth in Article 6. Claims must be made by written notice. The responsibility to substantiate claims rests with the party making the claim.
- b. Unless otherwise directed by UTA in writing, Contractor shall proceed diligently with performance of the Work pending final resolution of a Claim, including litigation. UTA shall continue to pay any undisputed payments related to such Claim.
- c. The parties shall attempt to informally resolve all claims, counterclaims and other disputes through the escalation process described below. No party may bring a legal action to enforce any term of this Contract without first having exhausted such process.
- d. The time schedule for escalation of disputes, including disputed requests for change order, shall be as follows:

Level of Authority	Time Limit
UTA's Project Manager/Contractor's Project Manager	Five calendar days
UTA's Supervisor/Contractor's Supervisor	Five calendar days
UTA's Division Manager/Contractor's CFO	Five calendar days

Unless otherwise directed by UTA's Project Manager, Contractor shall diligently continue performance under this Contract while matters in dispute are being resolved.

If the dispute cannot be resolved informally in accordance with the escalation procedures set forth above, then either party may commence formal mediation under the Juris Arbitration and Mediation (JAMS) process using a mutually agreed upon JAMS mediator. If resolution does not occur through Mediation, then legal action may be commenced in accordance the venue and governing law provisions of this contract.

24. GOVERNING LAW

This Contract shall be interpreted in accordance with the substantive and procedural laws of the State of Utah. Any litigation between the parties arising out of or relating to this Contract will be conducted exclusively in federal or state courts in the State of Utah and Consultant consents to the jurisdiction of such courts.

25. ASSIGNMENT OF CONTRACT

Consultant shall not assign, sublet, sell, transfer, or otherwise dispose of any interest in this Contract without prior written approval of UTA, and any attempted transfer in violation of this

restriction shall be void.

26. NONWAIVER

No failure or waiver or successive failures or waivers on the part of either party in the enforcement of any condition, covenant, or article of this Contract shall operate as a discharge of any such condition, covenant, or article nor render the same invalid, nor impair the right of either party to enforce the same in the event of any subsequent breaches by the other party.

27. NOTICES OR DEMANDS

- a. Any formal notice or demand to be given by one party to the other shall be given in writing by one of the following methods: (i) hand delivered; (ii) deposited in the mail, properly stamped with the required postage; (iii) sent via registered or certified mail; or (iv) sent via recognized overnight courier service. All such notices shall be addressed as follows:

If to UTA:

Utah Transit Authority
ATTN: Pat Postell
669 West 200 South
Salt Lake City, UT 84101

with a required copy to:

Utah Transit Authority
ATTN: Legal Counsel
669 West 200 South
Salt Lake City, UT 84101

If to Consultant:

Chandler Asset Management, Inc.
6225 Lusk Boulevard
San Diego, CA 92121

- b. Any such notice shall be deemed to have been given, and shall be effective, on delivery to the notice address then applicable for the party to which the notice is directed; provided, however, that refusal to accept delivery of a notice or the inability to deliver a notice because of an address change which was not properly communicated shall not defeat or delay the giving of a notice. Either party may change the address at which such party desires to receive written notice by providing written notice of such change to any other party.
- c. Notwithstanding Section 23.1, the parties may, through mutual agreement, develop alternative communication protocols to address change notices, requests for information and similar categories of communications. Communications provided pursuant to such agreed means shall be recognized as valid notices under this Contract.

28. CONTRACT ADMINISTRATOR

UTA's Contract Administrator for this Contract is Pat Postell or designee. All questions and correspondence relating to the contractual aspects of this Contract should be directed to said Contract Administrator, or designee.

29. INSURANCE COVERAGE REQUIREMENTS FOR CONSULTANT EMPLOYEES

- a. The following requirements apply to the extent that: (i) the initial value of this Contract is

equal to or in excess of \$2 million; (ii) this Contract, with subsequent modifications, is reasonably anticipated to equal or exceed \$2 million; (iii) Consultant has a subcontract at any tier that involves a sub-consultant that has an initial subcontract equal to or in excess of \$1 million; or (iv) any subcontract, with subsequent modifications, is reasonably anticipated to equal or exceed \$1 million:

- b. Consultant shall, prior to the effective date of this Contract, demonstrate to UTA that Consultant has and will maintain an offer of qualified health insurance coverage (as defined by Utah Code Ann. § 17B-2a-818.5) for the Consultant's employees and the employee's dependents during the duration of this Contract.
- c. Consultant shall also demonstrate to UTA that subcontractors meeting the above-described subcontract value threshold have and will maintain an offer of qualified health insurance coverage (as defined by Utah Code Ann. § 17B-2a-818.5) for the subcontractor's employees and the employee's dependents during the duration of the subcontract.

30. COSTS AND ATTORNEY'S FEES

If any party to this Agreement brings an action to enforce or defend its rights or obligations hereunder, the prevailing party shall be entitled to recover its costs and expenses, including mediation, arbitration, litigation, court costs and attorneys' fees, if any, incurred in connection with such suit, including on appeal

31. ANTIDISCRIMINATION

1. Employment Practices. Offeror hereby declares that it is and will remain fully compliant with the provisions of the Utah Anti-discrimination Act (UTAH CODE §§ 34A-5-101 TO 34A-5-108) and the equivalent anti-discrimination laws of its State of incorporation and/or headquarters location. Under the Act, an employer may not refuse to hire, promote, discharge, demote, or terminate a person, or to retaliate against, harass, or discriminate in matters of compensation or in terms, privileges, and conditions of employment against a person otherwise qualified, because of: race, color, sex, pregnancy, childbirth, or pregnancy-related conditions; age, if the individual is 40 years of age or older; religion; national origin; disability; sexual orientation; or gender identity.
2. Goods and Services Provided to UTA. In addition to avoiding discriminatory employment practices as described above, Offeror also declares that all goods and services it provides to UTA are useable and accessible by individuals with disabilities as described in Title II of the American with Disabilities Act and Section III (H) of UTA Policy 6.1.1 which states that programs, services, and facilities procured by UTA will be accessible to and useable by individuals with disabilities. Offeror further certifies that any digital software, tool, program, or web application must meet the most recent version of the Web Content Accessibility Guidelines (WCAG) found at <https://www.w3.org/TR/WCAG21>. To the extent Offeror is providing transportation services, vehicles, or facilities it also declares that it is in compliance with Department of Transportation (DOT) ADA standards found at 49 CFR Parts 27, 37, 38, and 39.

32. NO THIRD-PARTY BENEFICIARY

The parties enter into this Contract for the sole benefit of the parties, in exclusion of any third party, and no third-party beneficiary is intended or created by the execution of this Contract.

33. FORCE MAJEURE

Neither party to the Contract will be held responsible for delay or default caused by fire, riot, acts of God and/or war which are beyond that party's reasonable control. UTA may terminate the Contract after determining such delay or default will reasonably prevent successful performance of the Contract.

34. UTAH ANTI-BOYCOTT OF ISRAEL ACT

Contractor agrees it will not engage in a boycott of the State of Israel for the duration of this contract.

35. SEVERABILITY

Any provision of this Contract prohibited or rendered unenforceable by operation of law shall be ineffective only to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Contract.

36. ENTIRE AGREEMENT

This Contract shall constitute the entire agreement and understanding of the parties with respect to the subject matter hereof, and shall supersede all offers, negotiations and other agreements with respect thereto. The terms of the Contract supersede any additional or conflicting terms or provisions that may be preprinted on Vendor's work plans, cost estimate forms, receiving tickets, invoices, or any other related standard forms or documents of Vendor that may subsequently be used to implement, record, or invoice Goods and/or Services hereunder from time to time, even if such standard forms or documents have been signed or initialed by a representative of UTA. The terms of the Contract prevail in any dispute between the terms of the Contract and the terms printed on any such standard forms or documents, and such standard forms or documents will not be considered written amendments of the Contract.

37. AMENDMENTS

Any amendment to this Contract must be in writing and executed by the authorized representatives of each party.

38. COUNTERPARTS

This Contract may be executed in any number of counterparts and by each of the parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all

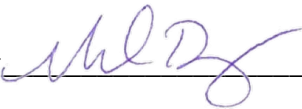
such counterparts shall together constitute but one and the same instrument. Any signature page of the Contract may be detached from any counterpart and reattached to any other counterpart hereof. The electronic transmission of a signed original of the Contract or any counterpart hereof and the electronic retransmission of any signed copy hereof shall be the same as delivery of an original.

39. SURVIVAL

Provisions of this Contract intended by their nature and content to survive termination of this Contract shall so survive including, but not limited to, Articles 5, 7, 8, 10, 14, 15, 17, 18, 19, 20, 23, 29 and 30.

IN WITNESS WHEREOF, the parties have made and executed this Contract as of the day, month and year of the last signature contained below.

CHANDLER ASSET MANAGEMENT, INC.: UTAH TRANSIT AUTHORITY:

By 

Title President

By _____

Mary DeLoretto
Interim Executive Director

William Greene
Chief Financial Officer

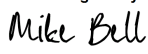
DocuSigned by:

361F16F838704A9...
Mike Bell
Assistant Attorney General

EXHIBIT A

SCOPE OF WORK

THE INVESTMENT ADVISOR SHALL;

1. Provide transparency in every aspect of its services,
2. Provide a strategy to minimize risk and maximize return,
3. Provide timely reporting, at a minimum reporting shall include:
 - a. Details of every transaction
 - b. Monthly list of assets and valuations
 - c. Monthly fees charged for services
4. Provide periodic statement of compliance with the State Money Management Act and UTA's Investment SOP,
5. Provide data on any Investment Managers used.
6. Provide comprehensive, semi-annual portfolio reviews, which may include advice and training.

**EXHIBIT B
PRICING**

PRICE PROPOSAL/FEEES

Chandler is pleased to provide comprehensive, full time-discretionary investment management services to the UTA as described herein Chandler's proposal and in the UTA's *Scope of Services* in accordance with the following fee schedule:

Assets Under Management	Annual Asset Management Fee
First \$25 million	0.10 of 1% (10 basis points)
Next \$25 million	0.08 of 1% (8 basis points)
Next \$50 million	0.06 of 1% (6 basis points)
Assets over \$100 million	0.04 of 1% (4 basis points)

Proposed Fee Schedule for the Utah Transit Authority

Since the firm calculates fees based on the average balance of assets under our direct management (market value including accrued interest), they will fluctuate based on portfolio value. Fees are charged monthly in arrears and can be debited directly from your third-party custody account.

Fees are firm for the entire ten (10) year initial contract term as well as the optional two-additional extension periods. The UTA will not be subject to any increases during this period.

1. What, if any, are the startup charges?

There are no startup charges related to Chandler's investment management services.

2. Describe the proposed compensation for services either as a flat annual fee or as a per trade fee with an annual cap.

The proposed fee for services is a flat annual fee paid monthly based on average assets under management. Chandler's compensation is not transaction-based.

3. Please indicate your applicable monthly fee schedule for the following account sizes: \$50 million, \$100 million, \$150 million, and \$200 million.

An example of the fees assessed to the UTA at different asset levels according to the above proposed tiered fee schedule are as follows:

<u>Total Assets Under Management</u>	<u>Annual Fee in Basis Points</u>	<u>Annual Fee in \$ dollars</u>
\$50 million	9.0 bps	\$45,000
\$100 million	7.5 bps	\$75,000
\$150 million	6.3 bps	\$95,000

\$200 million

5.8 bps

\$115,000

4. Indicate any additional transaction fees. (e.g., zero coupons, CDs, Treasury bills, notes, bonds).

Fees are based on the amount of assets under management and are not based on transaction volume. Management fees will accrue as long as there are assets in the portfolio, even if there is no activity during the period. Since the firm calculates fees based on the average balance of assets Under our direct management (market value including accrued interest), fees will fluctuate based on portfolio value.

5. Indicate any additional fees associated with a review and set of recommendations to update UTA's Investment SOP.

There are no additional fees associated with a review of the UTA's Investment Procedures or to update UTA's Investment SOP. Chandler will perform a complete review of the investment procedures upon inception of the engagement and provide recommendations to update the language consistent with the Utah Money Management Act and best practices for governing the UTA's funds. We will work with your staff to revise the document subject to your comfort level. Furthermore, we will review the investment policy annually and work to incorporate any changes to state legal requirements or your objectives. These services are included as part of our investment management responsibilities.

6. Indicate if there will be any miscellaneous fees and charges for the following: audit confirmation reporting, wire transfers, ACH transfers, meeting charges, etc. UTA will not reimburse any travel expenses.

Our proposed fee schedule is all-inclusive for the services that Chandler provides, including full time investment advisory and portfolio management services, technological resources, onboarding and implementation, online access to the *Chandler Client Portal*, comprehensive reporting, meetings, personal visits, educational offerings for your staff, as well as the additional treasury support services described herein in Chandler's proposal. Chandler does not charge fees on funds held in vehicles not directly under our management, including Local Government Investment Pools and internally managed liquid funds. We can consolidate these funds in our reports to the UTA at no extra charge, providing a 360-degree view of the entire investment program.

7. To manage cash flow and invest funds, UTA desires the capability of on-line/electronic monitoring of its accounts. On-line monitoring should be accessible via personal computer. What is your capability of providing electronic monitoring services? List your costs for providing these services.

Chandler's comprehensive suite of monthly performance statements, quarterly investment reports, and GASB 40 and 72 reports are designed with the needs of public agencies in mind and will provide all required information for the UTA's internal tracking and accounting systems. These documents, as well as a variety of other historical statements, reports, trade tickets, and more can be downloaded via the *Client Portal*, Chandler's online reporting tool, and is available 24 hours a day/7days a week to anyone with internet access. There is no additional cost for the UTA to access the portal.

8. PLEASE NOTE: Please include all additional fees in this section. No additional fees will be added or allowed in the future unless they are noted in your proposal submission and agreed to by UTA.

Our fee schedule does not include charges that the UTA would incur for third party custodial services.

Chandler's Strategy Composite Performance Net of Fees

In the *Method and Approach* section of our technical proposal, we provided performance on a gross basis through March 31, 2021, for two of Chandler's strategies commonly used by our public agency clients. We have included below both gross *and net-of-fees* performance for these strategies with the proposed fee of 9 basis points for a \$50 million account.

Chandler Composite Performance – Gross and Net of Fees

As of March 31, 2021

	One Year	Three Years	Five Years	Ten Years	Since Inception
Chandler Limited Maturity (gross) (inception: 9/30/88)	1.18%	2.94%	1.92%	1.54%	4.50%
Chandler Limited Maturity (net)	1.09%	2.85%	1.83%	1.45%	4.41%
<i>ICE BAML 1-3 Year US Treasury Index</i>	<i>0.25%</i>	<i>2.77%</i>	<i>1.71%</i>	<i>1.29%</i>	<i>4.21%</i>
Chandler Short Term Bond (gross) (inception: 9/30/95)	1.29%	3.45%	2.15%	1.93%	4.02%
Chandler Short Term Bond (net)	1.20%	3.36%	2.06%	1.84%	3.93%
<i>ICE BAML 1-5 Year US Treasury & Agency Index</i>	<i>-0.07%</i>	<i>3.26%</i>	<i>1.91%</i>	<i>1.72%</i>	<i>3.76%</i>

Based on Chandler's Limited Maturity and Short Term Bond composites as of 3/31/2021. Performance results are presented gross and net of fees. Net returns are for proposed 9 basis points for a \$50 million portfolio and is hypothetical and not based on an actual client's account. The performance has been calculated using historical composite performance. Gross performance does not reflect payment of advisory fees and other expenses which will reduce performance. Past performance is not a guarantee of future results. All investment strategies have the potential for profit or loss. Market conditions or economic factors may alter the performance and results of a portfolio. Investment advisory fees are disclosed in the firm's form ADV, Part 2A. Performance for periods greater than one year is annualized. Please see GIPS Composite Reports and important disclosures in the **Appendix**. For one-on-one presentation only.

Chandler develops and implements portfolio strategies that we tailor to meet the needs of public agency clients. We group portfolios with similar characteristics into

composites for the purpose of computing and reporting GIPS®-compliant total return performance results. GIPS® represent an industry wide standard for performance calculation and reporting which facilitates comparison among investment firms. Chandler Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and prepares and presents its performance in compliance with these standards. Chandler is independently verified by ACA Performance Services for firm wide GIPS® compliance. A copy of the firm's most recent *GIPS® Verification Letter* is included following this fee proposal.



EXHIBIT C

1. Client Representative. In its capacity as investment manager, Chandler shall receive all instructions, directions and other communications on Client's behalf respecting Client's account from Utah Transit Authority (Representative). Chandler 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 Client's assets, Chandler shall comply with Client's Investment Procedure, which is attached hereto as Exhibit 1.
3. Authority of Chandler. Chandler 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. Notices. All reports and other communications required hereunder to be in writing shall be delivered in person, or sent by first-class mail postage prepaid, by overnight courier, by confirmed facsimile with original to follow or by confirmed electronic mail with proof of receipt to the addresses set forth below. Either party to this Agreement may, by written notice given at any time, designate a different address for the receipt of reports and other communications due hereunder.

Chandler Asset Management Client Representative
Attn: Operations Dept.
6225 Lusk Boulevard
San Diego, CA 92121

5. Electronic Delivery. From time to time, Chandler may be required to deliver certain documents to Client such as account information, notices and required disclosures. Client hereby consents to Chandler'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 Client agrees that such notification will constitute "delivery". Client further agrees to provide Chandler with Client's email address(s) and to keep this information current at all times by promptly notifying Chandler of any change in email address(s).

Client email address(s): Emily Diaz, ediaz@rideuta.com or
William Greene, wgreene@rideuta.com

6. Proxy Voting. Chandler will vote proxies on behalf of Client unless otherwise instructed. Chandler has adopted and implemented written policies and procedures and will

provide Client with a description of the proxy voting procedures upon request. Chandler will provide information regarding how Clients' 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.

7. Custody of Securities and Funds. Chandler shall not have custody or possession of the funds or securities that Client has placed under its management. Client shall appoint a custodian to take and have possession of its assets. Client recognizes the importance of comparing statements received from the appointed custodian to statements received from Chandler. Client recognizes that the fees expressed above do not include fees Client will incur for custodial services.
8. Valuation. Chandler will value securities held in portfolios managed by Chandler no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Chandler to reflect fair market value.
9. Investment Advice. Client recognizes that the opinions, recommendations and actions of Chandler will be based on information deemed by it to be reliable, but not guaranteed to or by it. Provided that Chandler acts in good faith, Client agrees that Chandler 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.
10. Payment of Commissions. Chandler may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Chandler 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 28I of the Securities and Exchange Act. Nevertheless, it is understood that Chandler may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Chandler makes no warranty or representation regarding commissions paid on transactions hereunder.
11. Other Clients. It is further understood that Chandler may be acting in a similar capacity for other institutional and individual clients, and that investments and reinvestments for Client'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 Chandler will have no obligation to purchase or sell for Client's account any securities which it may purchase or sell for other clients.
12. 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 Chandler

to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.

13. Receipt of Brochure and Privacy Policy. Client 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). Client has received a copy of Chandler’s Privacy Policy.

EXHIBIT 1

UTA INVESTMENT POLICY

UTAH TRANSIT AUTHORITY OFFICE SOP No. 2.1.5.1

INVESTMENT PROCEDURES

I.Purpose.

The UTA Board of Directors in their Board Policy 1.2 - Financial Management, delegated authority over investment of UTA's cash to the Treasurer. These procedures are intended to provide guidance to those UTA employees involved in buying, selling, tracking, and reporting upon UTA investments.

II.Definitions.

Broker-dealer means a person or firm in the business of buying and selling securities for its own account or on behalf of its customers. A brokerage acts as a broker when it executes orders on behalf of its clients, whereas it acts as a dealer when it trades for its own account.

Cash Flow Model means a detailed picture of cash inflows and outflows generated through UTA's operating and capital programs. For investments, the cash flow model must provide cash available for investment for at least five years into the future and include cash variations throughout the annual business cycle.

CUSIP number means a unique identification number assigned to all stocks and registered bonds in the United States and Canada. It is used to create a concrete distinction between securities that are traded on public markets

Delivery versus payment (DVP) means a securities industry settlement method that guarantees the transfer of securities only happens after payment has been made. DVP stipulates that the buyer's cash payment for securities must be made prior to or at the same time as the delivery of the security.

Federal Funds Rate means the interest rate that banks charge other banks for lending to them excess cash from their reserve balances on an overnight basis. By law, banks must maintain a reserve equal to a certain percentage of their deposits in an account at a Federal Reserve bank.

Investment means a monetary asset purchased with the idea that the asset will provide income in the future or will later be sold at a higher price for a profit. Allowed investments are limited to those permitted under the Utah Money Management Act.

Liquidity means the ease with which an investment can be converted into ready cash without affecting its market price.

Long-term Financial Plan means a forecast of cash inflows and outflows generated through UTA's operating and capital programs for a period of up to 30 years.

Prudent Person Standard means that investments shall be made with judgment and care, under circumstance then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Safety means an investment which provides good returns with relatively little or no risk at all.

Trade ticket means a record of all the terms, conditions, and basic information of a trade agreement. The creation of a trade ticket comes after the transaction and commonly includes the following information: transaction type, security's name, order type, order duration, quantity, price, commission paid, names of involved parties, date and time of transaction.

Utah Money Management Act means Title 51, Section 7 of the Utah Code.

Yield means the earnings generated and realized on an investment over a particular period of time. It's expressed as a percentage based on the invested amount, current market value, or face value of the security. It includes the interest earned or dividends received from holding a particular security.

Yield curve means a line that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve gives an idea of future interest rate changes and economic activity. There are three main types of yield curve shapes: normal (upward sloping curve), inverted (downward sloping curve) and flat.

III. Standard Operating Procedures

A. Determining Cash Available for Investment

1. Before purchasing investments, an evaluation of cash availability for investment should be performed. Although the long-term financial plan provides information about ending cash balances by year, a cash flow model needs to be developed that shows anticipated cash balances by month. As monthly sales tax revenue is distributed to UTA around the 22nd of each month, cash flows within the month should also be considered.

2. Information from the cash flow model can be used to determine the amount of cash which can be invested and the length of time for which it may be invested. As UTA's Financial Management policy requires the maintenance of certain reserves, it may be possible for some of those reserves to be invested for up to the maximum time period allowed by the Utah Money Management Act. However, most investments will be of shorter duration with liquidity and safety of the investments being more important than yield.

3. After determining the amounts of cash available for investment by maturity, this should be compared to current investments' maturities. Differences between the two will provide the amounts available for investment by maturity. Although amounts may be available for longer-term investment, the investment yields for maturities should be considered before investing. Generally, investments are most favorable at the steepest point on the yield curve. Economic trends and activity may also need to be considered to avoid buying longer-term investments at a low point of an interest rate cycle.

B. Buying Investments

1. Once an investment amount and maturity is determined, several decisions need to be made about the type of security to be purchased. The Utah Money Management Act sets maximum percentages of total investments in certain types of securities. Accordingly, the Treasurer must ensure that the new security being purchased does not exceed the maximum percentage at the time of investment or over the expected life of the investment. All investments must meet the Prudent Person Standard.

2. Before buying individual investments, the Treasurer should consider whether investing with the Public Treasurers' Investment Fund ("PTIF") or another approved third-party investment option like Zions Capital Advisors ("ZCA") better meets investment objectives.

3. Investments with PTIF are made with the approval of two authorized signers and are typically made for cash flow purposes. The approval is provided to Accounting who then makes the arrangements with PTIF for the transaction.

4. Investment amounts with ZCA are determined by the Treasurer. If funds are to be added to or taken from ZCA, the Treasurer provides the Financial Services Administrator, in writing, of the specific amounts of the transaction to be made. The Financial Service Administrator provides the documentation to Accounting who then makes the arrangements for the transaction.

5. If individual investments are chosen, upon the Treasurer's direction, the Financial Services Administrator will provide a notice to UTA's approved broker-dealers of the investment amount, desired maturity and type of investment, and the response deadline (usually an hour after the notice is sent). All investments will be made DVP and will be held by an independent third-party safekeeping institution.

6. As soon as possible after the response deadline, the Treasurer will decide upon the successful broker-dealer investment. In case of a tie, the Treasurer is encouraged to award to the broker-dealer with the highest number of days since last award. The Financial Service Administrator will notify the broker-dealers as soon as possible of the winning investment. Because the investment market pricing constantly changes, the final pricing for the investment will likely be slightly different from the pricing at the response deadline. The broker-dealer will provide a trade ticket which will include information such as principal, accrued interest, discount or premium, investment identification, and closing date.

7. The Financial Services Administrator will provide the trade ticket to Accounting so that Accounting can ensure that funds are available in UTA's general account before the settlement date for purchase of the investment.

C. Selling Investments

1. Usually investments are held until their maturity date. However, from time-to-time conditions exist in the market in which sale of an investment could result in substantial gains and higher effective yields. A minimum gain threshold should be established (e.g., gain equal to or greater than .4% of amount invested) as well as likelihood of investing the resulting cash at a favorable rate.

2. Upon the Treasurer's directions to sell an investment, the Financial Services Administrator shall provide a notice to UTA's approved broker-dealers that UTA is accepting bids for the sale of the investment along with the response (usually an hour after the notice is sent).

3. As soon as possible after the response deadline, the Treasurer will decide upon the successful broker-dealer based upon total sale price. In case of a tie, the Treasurer is encouraged to award to the broker-dealer with the highest number of days since last award. The Financial Service Administrator will notify the broker-dealers as soon as possible of the winning buyer. Because the investment market pricing constantly changes, the sales price of the investment will likely be slightly different from the sales price offered at the response deadline. The broker-dealer will provide a trade ticket for the sale which will include information such as principal, accrued interest, discount or premium, investment identification, and closing date.

4. The Financial Services Administrator will provide the trade ticket to Accounting.

D. Tracking Investments

1. The Financial Services Administrator will use information from trade tickets and PTIF and ZCA documentation to update the current investment list.
2. For investments purchased, at a minimum, the investment list must include investment description, CUSIP number, principal amount purchased, premium or discount, accrued interest, total amount invested, purchase date, broker/ dealer used, maturity date, and purchased yield.
3. For investments sold, at a minimum, the investment list must include the date sold, sale amount, accrued interest, broker/ dealer used, and a calculation of gain and real return for the time period the investment was held.

E. Reporting

1. In accordance with Board Policy 2.1 - Financial Management, the Treasurer shall present a quarterly investment report to the Board of Trustees as soon as practical after the end of the calendar quarter. At a minimum, the quarterly report shall include sections on investments held at the end of the quarter, benchmarking comparisons, investments purchased during the quarter, and investments sold during the quarter.
2. The investments held at the end of the quarter section shall include, at a minimum, a description of the investment, CUSIP number, amount invested, purchase date, maturity date, yield to maturity and annual earnings.
3. The benchmark section shall include, at a minimum, the earnings rate at the end of each calendar month for other investments besides those held directly by UTA (Public Treasurer's Investment Fund and other third-parties investing on UTA's behalf, and the benchmark return at the end of each month (the highest of the 3-month Treasury Bill or the Federal Funds rate).
4. The investments purchased section shall include, at a minimum, a description of the investment, CUSIP number, amount invested, purchase date, maturity date, yield to maturity and annual earnings.
5. The investments sold section shall include, at a minimum, a description of the investment, CUSIP number, amount invested, date sold, sale amount, interest earned, and gain.

IV. Cross-References. SOP 3.1.8-1 - Treasury Management

This Office SOP was reviewed by the Comptroller and Financial Services Administrator on June 11, 2020, and approved by the Chief Financial Officer on this 11th day of June, 2002. This SOP takes effect on the latter date.



Robert K. Biles
Chief Financial Officer

Approved as to form:

Mike Bell

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Counsel for the Authority

Revision History		Owner
Agency SOP - Investments - Adopted	<<Date>>	Treasurer
Corporate Policy 3.1.4 - Investments - Rescinded		Treasurer
Corporate Policy 3.1.4 - Investments - Revised	12/11/2018	Treasurer
Corporate Policy 3.1.4 - Investments - Adopted	1/23/2018	Treasurer