

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 14, 2011

Board Item: V-A-3

Selection of Investment Consultant for Defined Contribution Plans

Action by Consent x Action Information

Denver Water solicited proposals from firms interested in providing investment consulting services to the defined contribution plans (DC Plans) included in the retirement program. Specific services to be provided by a consultant include investment option analysis, assistance with fund selection process, provider expense analysis/benchmarking, Investment Policy Statement review, fund monitoring, vendor negotiations, fiduciary education and other consulting services, as needed.

Eighteen proposals were received. All proposals were analyzed and evaluated by the members of the Retirement Program Committee ("RPC") using the following criteria: corporate organization and stability, professional staff/client relations, expertise and experience with 401(k) and 457 Plans the size and complexity of Denver Water's plans, firm technology and infrastructure, experience in managing transition and conversion projects and cost of services. Following the initial screening, four firms were invited to make presentations. Of the four finalists, two were Colorado-based firms and three were small, independent consulting firms.

Based on the proposals and interviews, the incumbent advisor Cook Street Consulting, Inc. ("Cook Street"), a local firm owned by Sean Waters, CFA and Karen Robinson, CFA was selected by RPC as the best fit for Denver Water. The distinguishing features that led to the selection of Cook Street Consulting were their emphasis on their responsibility as a co-fiduciary, organizational structure and stability, local presence, and clear and the concise manner in which they presented technically complex information during the finalist presentations. Cook Street has provided investment consulting services to the Board and the RPC since March of 2006. The RPC has been pleased with the quality and timeliness of the services and the depth of advice provided by Cook Street. The current contract with Cook Street is set to expire on December 31, 2011.

The fees to be charged by Cook Street for a three year contract are \$50,000 per year, or \$12,500 per quarter. These fees are competitive with other proposals we received.

Recommendation:

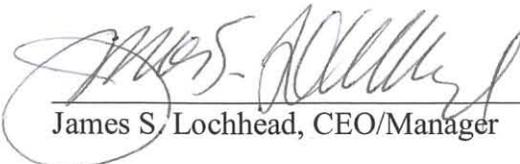
It is recommended that the Board approve a three year contract with Cook Street Consulting for investment advisory services for the defined contribution plans included in Denver Water's retirement program at the retainer of \$12,500 per quarter.

Approvals:

Respectfully submitted,



Director of Finance



James S. Lochhead, CEO/Manager



Director of Human Resources