



**COUNTY OF LOS ANGELES  
TREASURER AND TAX COLLECTOR**

**REQUEST FOR INFORMATION**

**FOR THE PROVISION OF  
TREASURY MANAGEMENT INFORMATION  
SYSTEM**

**TTC RFI 2020-01 TMIS**

**July 2020**

**Prepared By  
County of Los Angeles**

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### ATTACHMENT

A Investment Accounting Reports

**County of Los Angeles Department of Treasurer and Tax Collector**  
**Request for Information**  
**TREASURY MANAGEMENT INFORMATION SYSTEM**

**1.0 INTRODUCTION**

**1.1 Treasury Management Information System (TMIS)**

The County of Los Angeles (County) Department of Treasurer and Tax Collector (TTC) is statutorily responsible for overseeing the investment of public funds in the County Treasury, as well as accounting for and monitoring those investments. As part of this responsibility, the TTC annually develops, and the Board of Supervisors (Board) adopts, an Investment Policy that further defines and restricts the limits within which the TTC may invest.

On a daily basis, various offices within the TTC perform the following associated functions: the Investment Office executes investment transactions compliant with Investment Policy; the Internal Controls Branch separately reviews and accounts for the investment transactions and reconciles cash and investments to fund balances; and the Cash Management Division wires cash in and out of the Treasury to meet the County's cash flow needs. In addition, the Internal Controls Branch periodically completes and coordinates reports on the County Treasury, including a monthly Report of Investments to the Board, a quarterly review of the Treasurer's Statements of Net Position, and an annual audit of the Treasurer's Financial Statements.

The TTC is seeking software solutions from highly experienced firms to assist the County with daily investment accounting and compliance monitoring, with consideration of the other operations that have a nexus to the investment accounting process.

This Request for Information (RFI) is for research purposes only. This RFI is not a competitive solicitation and will not result in a contract for the products and services described herein. If a firm would like to furnish information about a product, system, or service of which it has knowledge, but is not the provider of the product, system, or service, it may do so by sending an email to Maria Vadai, Contract Analyst, at [contracts@ttc.lacounty.gov](mailto:contracts@ttc.lacounty.gov).

## 1.2 Information May Be Used in Preparation of Competitive Solicitation

Information received in response to this RFI may, at the County's sole discretion, be used in the preparation of a Request for Proposals (RFP), Invitation for Bids, or any other County competitive solicitation process for the same or related subject matter.

## 1.3 Confidentiality of Information

Please be advised that:

- 1) Responses to this RFI shall become the exclusive property of the TTC. Absent extraordinary circumstances, information submitted in response to this RFI will become a matter of public record with the exception of those parts of a response to the RFI that are justifiably defined by the responding firm as a business or trade secret and are clearly marked as "Trade Secret," "Confidential," or "Proprietary."
- 2) The TTC shall not, in any way, be liable or responsible for the disclosure of any such response, or any parts thereof, if disclosure is required or permitted under the California Public Records Act or otherwise by law.
- 3) A blanket statement of confidentiality or the marking of each page of an RFI response as confidential shall not be deemed sufficient notice of exception. The firm must specifically label only those provisions of the information which are "Trade Secret(s)," "Confidential," or "Proprietary", in nature.

## 2.0 CURRENT PROCESSES

The Treasury consists of three portfolios - Pooled Surplus Investments, Specific Purpose Investments, and Other Specific Investments.

The TTC refers to its current treasury accounting and compliance software as the Treasury Management Information System (TMIS). The TMIS directly interfaces with the following software:

<b>Name</b>	<b>Creator</b>
<b>Trade Ticket System</b>	TTC
<b>Integrity Cash Management</b>	FIS AvantGard, LLC
<b>File Converter</b>	TTC

The following are descriptions of various processes that the TTC conducts in accounting for, and ensuring the compliance of, the Treasury's investments.

## 2.1 Daily

- 1) The Investment Office documents its daily investment transactions via individual trade tickets in the TTC Trade Ticket System, which subsequently exports transaction data to the TMIS. One user from the Investment Accounting (IA) team then checks the exported data in the TMIS and inputs any missing information. Next, another IA user reviews the transaction information and approves each transaction in the system. (These functions must be sufficiently separated into two roles for internal control certification purposes.). The TMIS assigns each transaction a Security ID, which the user manually records on each trade ticket.
- 2) The IA team uploads the position report from the Treasury's custodial bank, currently Citibank (Citi), to the TMIS by 7:50 a.m. Pacific Time (PT). The TMIS automatically reconciles the custodial bank records (positions) with system records and provides an exception report indicating all discrepancies. Also, the TMIS automatically reconciles the custodial bank records (maturity proceeds, coupon payments, calls, partial calls, sales, and partial sales) with system records and provides an exception report indicating all discrepancies.
- 3) The IA team runs, saves, and reviews various reports to account for and ensure the compliance of the investment transactions. These reports are outlined in Attachment A, Investment Accounting Reports.
- 4) The IA team uploads the Citi maturities (payments) report to TMIS by 1:45 p.m. PT to project and post the income for the next business day, which the Cash Management team uses to determine the amount of the drawdown wire for the next morning.
- 5) The IA team manually maintains a log of all variable rate instrument holdings and individually inputs rate changes into the TMIS system.
- 6) The IA team uses TMIS income and purchase data to process its Return of Cost (RC) book to account for funds coming into and out of the Treasury's suspense fund. IA team members then use the RC book data to process a Journal Voucher and a Deposit Permit in the Electronic Countywide Accounting and Purchasing System (eCAPS).

## 2.2 Monthly

- 1) The IA team uploads a market pricing file provided by the Treasury's custodial bank to the TMIS. The TMIS then automatically generates a report that calculates the market value of the Treasury's securities at month-end.

- 2) The IA team runs and saves various reports to account for and ensure the compliance of the investment transactions. These reports are outlined in Attachment A, Investment Accounting Reports.
- 3) The IA team processes amortization on the last business day of the month. Once all of the day's transactions are completed and finalized, the IA team posts the amortization and runs the month-end amortization report in the TMIS.
- 4) The IA team uses these reports to complete the monthly Report of Investments to the Board. A sample of this report is available at the following hyperlink: <https://ttc.lacounty.gov/wp-content/uploads/2020/07/ReportinvestmentsforMay2020.pdf>.
- 5) The IA team calculates the investment earnings and earnings rate from the previous month and provides this information to the County Department of Auditor-Controller (A-C) for allocation of interest to all the Pool participants.
- 6) Once the A-C allocates interest, they provide the IA team with interest allocation statements. The IA team manually inputs information from the statements into the TTC Los Angeles County Pooled Investment Fund System to generate fund balance statements for distribution to each discretionary participant.
- 7) The IA team reconciles the TMIS and eCAPS records, and documents all reconciling items.
- 8) The IA team uses the average daily historical cost balances for its Specific Purpose Investment participants to determine the management fee amount for each participant's account. IA team members then process Journal Vouchers in eCAPS to apply the management fees.

### **2.3 Quarterly and Annually**

- 1) The IA team runs and saves various reports to account for and ensure the compliance of the investment transactions. These reports are outlined in Attachment A, Investment Accounting Reports.
- 2) The IA team receives interest from the State's Local Agency Investment Fund on a quarterly basis. Upon receipt, the IA team processes a Journal Voucher in eCAPS to allocate interest to the associated accounts and manually inputs the interest into the TMIS as additional buys.

- 3) The Investment Office, IA, and Cash Management teams participate in a Business Continuity Plan exercise in which staff meet offsite to conduct the daily operation, as a contingency plan in case the standard worksite is inaccessible.
- 4) The IA team pulls credit ratings for its issuers from Fitch Ratings, Moody's Analytics, and S&P Global Ratings and uses the ratings to determine the investment limit amounts for each issuer. The IA team memorializes the information and all changes. The IA team inputs the limits into the TMIS, which produces a compliance report to ensure the Treasury's investments are within determined limits.
- 5) The IA team uses these reports to complete, in coordination with the County's third-party auditors (currently Macias, Gini, and O'Connell, LLP), a quarterly review of the Treasurer's Statements of Net Position, and an annual audit of the Treasurer's Financial Statements.

### **3.0 INFORMATION REQUESTED**

#### **3.1 Required Information**

Firms should propose software solutions for investment accounting and compliance monitoring based upon the examples described in Paragraph 2.0, Current Processes, of this RFI. Firms may include details of their own products and/or services and, if applicable, any products or services provided by their subcontractors or partners.

Responses should include the following information:

- 1) The firm's point of contact, including the contact's name, title, street address, email address, and telephone number.
- 2) The proposed solution name, its description, and identification of any subcontractor or partner that will provide any product and/or service used in the proposed solution.
- 3) The proposed solution's method of software delivery (on-premises, hosted, or cloud-based).
  - a. If cloud-based, whether all services (e.g., application hosting, data repository, data backup) are provided within the contiguous United States.
- 4) A comprehensive list of the debt instruments and types of transactions that the proposed solution supports.
- 5) The number of portfolios that the proposed solution supports.

- 6) A comprehensive description of the proposed solution's capacity to process:
  - a. Floating Rate Notes
  - b. Amortization
  - c. Custodial account, Treasury, and journal entry reconciliations
  - d. Net Asset Value
  - e. Compliance reports
  - f. Weighted Average Days to Maturity
  - g. Issuer credit ratings (credit rating by investment type and its percentage of its portfolio)
  - h. Buys, calls, partial calls, sales, partial sales, withdrawals, partial withdrawals, additions, interest rate changes
  - i. Corrections and adjustments to data already entered
  - j. Interest payment dates
- 7) The proposed solution's reporting formats and a description of the reporting capabilities available to authorized County staff, including:
  - a. Whether the proposed solution allows for flexible and customizable ad-hoc reporting.
  - b. Whether the proposed solution exports raw report data as a Microsoft Excel-readable file in a manner which allows the user to easily apply manual calculations.
- 8) A description of the proposed solution's market pricing functionality, including:
  - a. Whether the market pricing function has any additional software, system, or service subscription requirements.
  - b. The frequency at which market prices are updated.
- 9) A list of the Government Accounting Standards Board pronouncements that the proposed solution assists with.
- 10) A description of the proposed solution's audit trail functionality.



- 11) A description of the proposed solution's customer service and troubleshooting model for the County (e.g., a toll-free number, a customer support center or helpdesk with staff available 24/7, error reporting and tracking dashboard, etc.).
- 12) A list of other applications the proposed solution can interface with and/or interfacing software requirements.
- 13) A description of enhancements/efficiencies that the proposed solution can offer to the County in its current processes.
- 14) If any government entity is using the proposed solution, the government entity's name and contact information.
- 15) Provide a statement whether firm would have a Business Continuity Plan (BCP) for providing continuing services to the TTC in the event of an emergency (i.e., power outages, natural disaster, fire, cyber terrorism, etc.) that disrupts the Contractor's operations.

### **3.2 Estimated Costs**

For each proposed solution, provide a description of costs to the County, including the cost of system maintenance and support as well as future system upgrades, if any. The description of costs may reflect estimates for variables and other fees/charges impacting the price, if exact costs are not known.

## **4.0 QUESTIONS REGARDING THE REQUEST FOR INFORMATION**

### **4.1 Questions**

Firms may submit questions regarding business requirements or to clarify information provided in this RFI. When submitting questions, please specify the RFI paragraph number, and page number; and quote the specific language that prompted the question. This will ensure that the County responds to inquiries accurately.

### **4.2 Submission Deadline for Questions**

Firms may submit written questions regarding this RFI by email to the individual identified in Subparagraph 5.2, Timeframe, of this RFI. All questions must be received by 11:00 a.m. PT on Friday, July 17, 2020.

### **4.3 Answers to the Questions**

The TTC reserves the right to group similar questions when providing answers. The TTC will compile all the questions (without identifying the

name of the firm submitting them) with the corresponding answers, and then issue as an addendum to the RFI on or about Thursday, July 23, 2020. The TTC will email any RFI addendum to all firms that received the RFI directly from the TTC.

## **5.0 RESPONSE METHOD AND TIMEFRAME**

### **5.1 Method**

The TTC encourages all firms to submit a response consistent with the content and instructions provided in Paragraph 3.0, Information Requested, of this RFI. Please submit one hard copy and one copy of the RFI response in Portable Document Format (PDF) on a CD, DVD, or USB Flash Drive.

### **5.2 Timeframe**

Responses to this RFI must be submitted no later than 4:00 p.m. PT on Wednesday, August 12, 2020, and sent to:

Maria Vadai  
Contracts Section  
County of Los Angeles Treasurer and Tax Collector  
500 West Temple Street, Room 437  
Los Angeles, CA 90012  
Phone: (213) 974-7360  
Email: [contracts@ttc.lacounty.gov](mailto:contracts@ttc.lacounty.gov)

# ATTACHMENT A

## INVESTMENT ACCOUNTING REPORTS

Report Name	Daily	Monthly	External Reporting	Audit	As Needed	Purpose
Accrual Summary				X		Information for interest received, interest earned, ending accrued interest and gain/loss
Accrued Interest Purchased	X			X		Amount of accrued interest, if any, purchased with an investment
Average Daily Balance (Performance Report)		X				Portfolio cost and effective yield per day, summarized by Fund Group.
Calls/Sales/Withdrawal Detail	X	X				Details of securities called or sold
Cash Flow Projection		X	X			Projections of monthly maturity amounts
Chronological Detail		X		X		Details of all transactions that happen within a given timeframe to determine net cash flow
Compliance Report	X					Compliance with the Investment Policy, including any reconciling items
Counter Party Limits	X					Amounts of securities held from each allowable counter party and amounts remaining in the County's threshold for each counter party
Cr Issuers with 5% or > of Portfolio				X		Investment positions by issuers
Custom Position	X	X				Investment positions for all portfolios held as of a certain date
Daily Amortization	X					Amortization on next day's income securities by investment type group
Daily Balance Sheet	X					Beginning and ending position holdings and summary transactions for each day by fund group and investment type
Duration and Convexity		X				Position duration and convexity

# ATTACHMENT A

## INVESTMENT ACCOUNTING REPORTS

Report Name	Daily	Monthly	External Reporting	Audit	As Needed	Purpose
Earnings		X	X	X		Earnings and ending balances by investment type
Earnings with Accruals		X				Earnings and period end accruals by investment type
Fund Grouping Summary	X					Subtotals, days to maturity, and percentage of holdings by fund and Investment type
Future Purchase Settlement	X	X	X	X		Details of securities purchased that settle on a future date.
Interest Rate Range				X		Investment positions with market value and amortized cost, sorted by interest rate range to support the Risk Disclosures Summary for financial statement preparation purposes
Investment Holdings – Floating Rate Securities	X					Floating rate securities by investment type
Investment Ledger					X	Individual security details, including transaction history, rate changes, and log of user edits
Investment Maturity Distribution	X	X				Duration of investment positions by fund group account
Investment Report	X	X				Investment positions by investment type with purchase date
Issuers Report	X					Detailed investment positions sorted by counter party used for investment purposes
Market Pricing		X				Market Price for all securities in position at the end of the month by investment type
Maturities/Calls/Withdrawals/Sales Detail	X	X				Detail of securities maturing, calls, sales, and withdrawals.

# ATTACHMENT A

## INVESTMENT ACCOUNTING REPORTS

Report Name	Daily	Monthly	External Reporting	Audit	As Needed	Purpose
Maturity Date Range				X		Investment positions with market value and amortized cost, sorted by maturity date range to support the Risk Disclosures Summary for financial statement preparation purposes
Maturity Distribution PSI Par	X					Distribution of PSI holding amounts by maturity and security type
Month-End Amortization		X				Amortization on all investments by Investment Group type & Investment ID number
Next Interest Rate Change		X				All upcoming rate changes, to ensure users input the new rates in APS2 correctly
Position by Issuer	X	X				Detailed investment positions sorted by issuer, for compliance purposes
PSI Summary	X					Subtotals, days to maturity, and percentage of PSI holdings by trading/non-trading and security type
Purchase Detail	X	X				Details of all purchases within a given timeframe (daily, monthly)
Purchase Detail Settlement	X					Report of daily transactions (purchases & additional buys)
Purchase Report for Market Pricing		X				Exception items for the Investment Office to assist with pricing
Purchase, withdrawal, additions, call, and sale Confirmations	X					Individual transaction information including investment type and full CUSIP number
RC Book Data	X					Details of maturing investments and interest earned each day for journal entry purposes, including historical cost, par value, accrued interest earned, and accrued interest purchases
Receipts by Bank	X					Anticipated daily cash receipts by the custodial bank as result of investments maturities, sales, withdrawals, interest and/or calls.

# ATTACHMENT A

## INVESTMENT ACCOUNTING REPORTS

Report Name	Daily	Monthly	External Reporting	Audit	As Needed	Purpose
Reconciliation	X					Reconciliation of custodial bank records and system records
Weighted Average Days to Maturity	X	X		X		Weighted average days to maturity by fund group and listed by Investment ID number