



REPORT TO COUNCIL

City of Sacramento

915 I Street, Sacramento, CA 95814-2604
[www. CityofSacramento.org](http://www.CityofSacramento.org)

Consent
August 1, 2006

Honorable Mayor and
 Members of the City Council

**Title: Contract: Real-Time Investment Data Services for City of Sacramento
 Investment Portfolios.**

Location/Council District: Citywide

Recommendation: Adopt a **Resolution** authorizing the Office of the City Treasurer to continue contracting with Bloomberg L.P., as the leading provider of Always-On, Real-Time, hosted communications and voice/data/internet services for businesses in order to provide investment management services.

Contact: Thomas S. Berke, Assistant City Treasurer, 808-5168

Presenters: N/A

Department: City Treasurer's Office

Division: City Treasurer's Office

Organization No: 0900

Description/Analysis

Issue: The Office of the City Treasurer has been using the Bloomberg Service since 1991 (attachment 1) as an integral part of our investment management services. Since Fiscal Year 2005, the fees for the Bloomberg contract have exceeded the City Treasurer's approval limit of \$100,000, thus requiring approval by City Council.

Policy Considerations: This action is consistent with City Council policy and requirements for Fiscal Viability and Reinventing City Government. Providing timely investment management services to all managed funds further insures the City Treasurer's Office does not rely on inaccurate financial data and support.

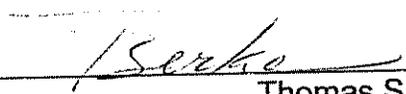
Environmental Considerations: Not Applicable. The California Environmental Quality Act (CEQA) does not apply to ministerial projects.

Rationale for Recommendation: Staff is requesting approval from the City Council, in compliance with the City Council's policy and requirements on expenditures exceeding \$100K, for the Office of the City Treasurer to continue

its contract (attachment 2) with Bloomberg L.P., to receive investment management services (hard-ware, soft-ware, and data) at a fair market rate. Bloomberg L. P. is a sole source provider to the City of Sacramento, providing us with real time stock and fixed market pricing necessary to enhance the trading activity and maximize the city's portfolios' rate of return.

Financial Considerations: The contractual fee to receive always-on investment management data services costs \$104K annually.

Emerging Small Business Development (ESBD): Bloomberg L.P. is the only firm that provides customized services to fit our specialized business needs.

Respectfully Submitted by: 
Thomas S. Berke
Assistant City Treasurer

Recommendation Approved:

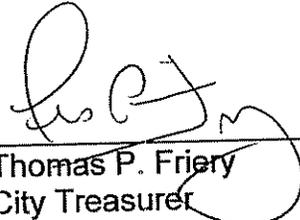

Thomas P. Friery
City Treasurer

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Attachment 1

Background:

Since 1991, the City Treasurer's Office has contracted with Bloomberg L.P. as sole-source provider for financial market data in managing city-wide investment portfolios.

The contract is an open ended rolling lease agreement with Bloomberg L.P., Lessor, and the services provided are: software, data, and equipment. The agreement has been effective from the date it was accepted by Lessor, City of Sacramento, and shall remain in full force and effect and automatically renewed unless earlier terminated by Lessee or Lessor at any time immediately upon written notice to Lessee in the event of a breach by Lessee of any of the provisions of the agreement.

Lessee, City of Sacramento, agrees to pay Lessor, Bloomberg L.P., the amount indicated on the monthly schedule. The City Treasurer reviews the charges on a monthly basis to determine accuracy. For example, the total annual fees paid to Lessor the past four fiscal years were: FY 03 - \$69,772.98, FY 04 - \$71,661.36, FY 05 - \$87,964.24, and FY 06 - \$104,592.86.

It appears that the contract fees go up approximately 2 ½ % to 3% annually with the exception of FY-05 when we added a new terminal and services related to it. In FY-06, we added Bloomberg-Any-Where service for key employees to have portable access to market data.

We expect to continue our relationship with Bloomberg L.P. for the foreseeable future as long as we are managing City's investment portfolios. This fee is absorbed by the management fees we charge to SCERS portfolios.

AGREEMENT NUMBER: 36185
BLOOMBERG L.P.
499 PARK AVENUE
NEW YORK, NY 10022
TELEPHONE: (212) 980-7000
FACSIMILE: (212) 980-6802

BLOOMBERG AGREEMENT

LESSOR: BLOOMBERG L.P.

LESSEE: CITY OF SACRAMENTO
(Company Name)

Account No: 13095

Lessor agrees to provide to Lessee the equipment and services described and referred to in paragraph 1 of this Agreement, and Lessee subscribes to such services in accordance with this Agreement.

1. License and Lease. The services provided hereunder (the "Services") shall consist of a nonexclusive and nontransferable license and lease to use THE BLOOMBERG software, data and equipment (the "Equipment") described in the Bloomberg Schedule of Services annexed hereto, as the same may be amended from time to time (the "Schedule"), in accordance with normal BLOOMBERG operating schedules and procedures. During the Term (as defined below), Lessee may request Lessor to install one or more additional BLOOMBERG terminals ("Additional Terminals") in accordance with this Agreement, in which event the parties hereto shall execute a revised Schedule reflecting all of the Equipment then provided hereunder.

2. Term.
(a) This Agreement shall be effective from the date it is accepted by Lessor and shall remain in full force and effect thereafter for the period set forth in the Schedule (the "Term"), unless earlier terminated, as follows: (i) Lessor shall have the right to terminate this Agreement at any time upon not less than 60 days' prior written notice to Lessor and upon payment of the charges set forth in paragraph 3 of this Agreement; and (ii) Lessor shall have the right to terminate this Agreement at any time immediately upon written notice to Lessee in the event of a breach by Lessee of any of the provisions of this Agreement.

(b) The Term shall be automatically renewed for successive two-year periods unless Lessee or Lessor elects not to renew by giving not less than 60 days' prior notice to the other. If this Agreement is so renewed for any additional period beyond the initial Term, the charges payable pursuant to paragraph 3(a) hereof for such renewal period shall be calculated at the prevailing rates then offered by Lessor, and the Schedule shall be considered to be amended accordingly.

3. Charges.
(a) Lessee agrees to pay Lessor the amount indicated on the Schedule, together with (i) any applicable taxes for the Services, (ii) any levies or fees imposed or charged by exchanges or other information services or sources displayed through THE BLOOMBERG at Lessee's request and (iii) any charge for additions to, relocation of, or removal of the Equipment, hereof, all of which shall be payable upon presentation of an invoice therefor. All charges shall be computed from the day following actual installation of the Equipment, and shall be invoiced periodically as specified in the Schedule.

(b) Lessee shall be responsible for and shall pay for all costs of electrical and communications services and for all electrical and common carrier equipment installation charges incurred in connection with the Services. Lessee shall obtain all necessary authorizations from exchanges and other information vendors and shall pay for each third-party information service accessed by Lessor and selected by Lessee for display through THE BLOOMBERG. The total monthly charge does not include monthly fees for "real-time" exchange and third party information services. If Lessee selects any of these services, Lessor will submit the appropriate applications for such services, a price list, and bill accordingly. Lessee agrees to file all personal property tax returns and pay any taxes, assessments, fees or penalties in respect of the Services and/or the Equipment which may be Lessee's legal responsibility to pay.

(c) In the event this Agreement is terminated by Lessee pursuant to paragraph 2(a)(i) hereof or by Lessor pursuant to paragraph 2(a)(ii) hereof, Lessee shall be liable for all amounts payable pursuant to paragraphs 3(a) and 3(b) hereof through the date of termination plus a removal charge in an amount equal to 50% of the charges calculated in accordance with the Schedule for the balance of the Term.

4. Distribution of Lessee Data.
(a) Lessee shall not distribute data to other users (the "Users") of THE BLOOMBERG by means of the Equipment without the prior consent of Lessor. In the event that Lessee desires to engage in such distribution, Lessee shall make a request to Lessor. Such request shall specifically identify the data proposed to be distributed (the "Data"), the fee, if any, to be charged to Users for delivery of the Data, and the Users to whom the Data is proposed to be distributed. The request also shall state that the representations and warranties of Lessee set forth in paragraphs (b) and (c) of this paragraph 4 are true and correct as of the date of the request. Following receipt of such request, Lessor shall notify Lessee whether or not, in Lessor's sole discretion, the Data, in whole or in part, shall be distributed by means of THE BLOOMBERG, subject always to Lessor's right, in its sole discretion, to discontinue such distribution. THE PROCEDURE SET FORTH IN THIS PARAGRAPH 4(a) IS THE ONLY PROCEDURE BY WHICH LESSEE MAY DISTRIBUTE DATA TO USERS BY MEANS OF THE BLOOMBERG. ANY DISTRIBUTION NOT APPROVED HEREUNDER IS UNAUTHORIZED AND SHALL CONSTITUTE A BREACH OF THIS AGREEMENT.

(b) Subject to the terms and conditions of this Agreement, Lessee hereby grants to Lessor, and Lessor hereby accepts, a nonexclusive, world-wide license to market and deliver the Data to Users electronically by means of THE BLOOMBERG. In the event that the Data includes prices, or that Lessee otherwise puts prices onto THE BLOOMBERG, Lessee hereby grants to Lessor, and Lessor hereby accepts, a nonexclusive, world-wide license to use such prices in the development of Lessor's generic prices. Lessee represents that it has all such rights in, and licenses to, the information contained in the Data as may be required in order to permit it to grant to Lessor the license granted hereby and to transmit to Lessor and Users the Data.

(c) Lessee represents and warrants to Lessor the following: (i) all Data to be delivered by Lessee to its clients by other "third-party" electronic distribution systems; (ii) Lessee has all proprietary right, title and interest in and to all information contained in the Data furnished by Lessee pursuant hereto, owns the copyright and all trade secret, trade name and other proprietary rights in and to all Data and all such information and has full power, right and authority to obtain, transmit and distribute the Data to Lessor and Users; and (iii) when supplied by Lessee to Lessor, the Data and information contained therein shall be correct and complete and as current as similar information distributed by the Lessee to other "third party" electronic distribution systems.

(d) Lessee agrees to make available the Data to Lessor for transmission to Users by THE BLOOMBERG no later than the time that the Data is made available to any other "third party" electronic distribution system.

(e) Lessee agrees that it will authorize the release of the Data to a User via THE BLOOMBERG if it has authorized the release of the Data to such User via any other "third party" electronic distribution system.

(f) Lessee shall use its best efforts to (i) keep the Data current, accurate and complete, (ii) notify Lessor promptly of any errors or omissions, and (iii) correct any such errors or omissions promptly.

(g) The Data will be delivered to Users at no cost to Lessee. Each User shall pay (i) to Lessor the monthly rental charge such User is required to pay with respect to THE BLOOMBERG and (ii) any fees imposed by Lessee for access to the Data. Lessee agrees that the fees charged to Users for access to the Data via THE BLOOMBERG will be no greater than the fees charged to Users for access to the Data via other "third-party" electronic distribution systems, net of any (i) rebates paid by Lessee to the operators of the "third-party" electronic distribution systems (the "Operators"), or (ii) fees charged by the Operators to Users but not remitted to Lessee. (additional terms on reverse side)

Agreed to by:
CITY OF SACRAMENTO
Company Name (Please type or print)
976 J Street
Address
Sacramento, Ca 95814
By: William H. Edgar
Signature (Duly authorized officer, partner or proprietor)
Asst City Manager
Name and Title (Please type or print)
Date 12/20/91

Agreed to by:
BLOOMBERG L.P.
By: BLOOMBERG INC.,
General Partner
By: [Signature]
Authorized Signatory
Date 12/30/91

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Warranties and Limitations of Liabilities.

(a) LESSOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO RESULTS TO BE ATTAINED BY THE LESSEE OR OTHERS FROM THE USE OF THE SERVICES OR THE DATA OR THE EQUIPMENT BY WHICH THE SERVICES OR THE DATA ARE PROVIDED, AND THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Lessor, its suppliers, and its third party agents shall have no responsibility or liability, contingent or otherwise, for any injury or damages, whether caused by the negligence of Lessor, its employees, subcontractors, agents, equipment vendors or otherwise, arising in connection with the Services ordered under this Agreement. The use or transmission of the Data pursuant to this Agreement or use of the Equipment and shall not be liable for any net profits losses, punitive, incidental or consequential damages or any claim against Lessee by any other party. The information and data contained in the Services are derived from sources deemed reliable, but Lessor and its suppliers do not guarantee the correctness or completeness of any programs, data or other information furnished in connection with the Services. Lessor shall not be responsible for or have any liability for any injuries or damages caused by the Equipment or the Data or by delays or interruptions of the Services or the Data, from whatever cause, and shall not be liable for damages arising from the use or presence of the Equipment on Lessee's premises. Lessee is solely responsible for the accuracy and adequacy of the Data and the data input by Lessee. Lessor shall have no liability or responsibility for any errors, omissions, delays or inaccuracies in the Data, nor for any damages offered by Lessee or any others resulting from disseminating the Data through THE BLOOMBERG. Lessee shall indemnify Lessor and hold it harmless and at Lessee's expense defend Lessor against any loss, claim, demand or expense (including reasonable attorneys' fees) arising in connection with the Data. To the extent permitted by law, it is agreed that the liability of Lessor hereunder for damages, regardless of the form of the action, shall not exceed the fees payable by Lessee for the Services for a period of six months, and that this shall be Lessee's exclusive remedy. No party shall be liable to the other for any default resulting from force majeure, which shall be deemed to include any circumstances beyond the reasonable control of the party or parties affected. No action, regardless of form, arising out of or pertaining to any of the Services or the Equipment may be brought by Lessee more than one (1) year after the cause of action has accrued.

(b) Notwithstanding any limitations contained in paragraph 5(s) to the contrary, Lessor agrees to indemnify Lessee and hold it harmless and defend Lessor's expense defend Lessee against any claim that the programs, data, information and other items provided by Lessor hereunder (other than the Data) infringe any copyright, trademark or other contractual, statutory or common law rights; provided that (i) Lessee promptly notifies Lessor in writing of the claim, (ii) Lessor shall have sole control of the settlement and defense of any action to which this indemnity relates, (iii) Lessee cooperates in every reasonable way to facilitate such defense, and (iv) if Lessee becomes aware of any suspected infringement by a third party of any proprietary rights of Lessor, Lessee shall promptly notify Lessor of such activities.

Remedies. In the event of a breach or threatened breach of any of the provisions of this Agreement by Lessee or any of its employees, representatives or affiliates, Lessor shall be entitled to injunctive relief to enforce the provisions hereof, but nothing herein shall preclude Lessor from pursuing any action or other remedy for any breach or threatened breach of this Agreement, all of which shall be cumulative. In the event Lessor prevails in any such action, Lessor shall be entitled to recover from Lessee all reasonable costs, expenses and attorneys' fees incurred in connection therewith.

Parties. Lessee recognizes that Lessor, its partners, suppliers and their respective affiliates, each have rights with respect to THE BLOOMBERG, including the software, data, information and other items provided by Lessor by reason of Lessee's use of THE BLOOMBERG. Lessee acknowledges and agrees that the provisions of paragraphs 5 and 6 of this Agreement shall be for the benefit of Lessor, its partners, suppliers, and their respective affiliates, customers and assigns and that the term "Lessor" as used in such paragraphs includes Lessor, its partners, suppliers and their respective affiliates.

Access. Lessee agrees to provide both a "dedicated" line and a "dial back-up" line at its expense, permanently connected and dedicated to the equipment. The sole purpose of the "dial" line shall be to provide communications "backup" for the Services. Lessor is not responsible for the reliability or continued availability of the telephone lines and communications equipment, other than communications equipment supplied by Lessor, used by Lessee in accessing the Services. However, Lessor shall attempt to resolve any communication line problems with respect to the accessibility of the services.

Restrictions on Use.

(a) The Services and the Equipment are solely and exclusively for the use of Lessee and may not be used in any manner inconsistent with the provisions of this Agreement. Lessee acknowledges that the Services and the Equipment were developed, compiled, prepared, revised, selected and arranged by Lessor and others (including certain information sources) through the application of methods and standards of judgment developed and applied through the expenditure of substantial time, effort and money and constitute valuable industrial property and trade secrets of Lessor and such others. Lessee agrees to protect the proprietary rights of Lessor and all others having rights in the Services and the Equipment during and after the term of this Agreement. Lessee shall honor and comply with all written requests made by Lessor or its suppliers to protect their and others' contractual, statutory and common law rights in the Services and the Equipment with the same degree of care used to protect its own proprietary rights. Lessee agrees to notify Lessor in writing promptly upon becoming aware of any unauthorized access or use by any party or of any claim that the Services or the Equipment infringe upon any copyright, trademark, or other contractual, statutory or common law rights.

(b) Lessee shall not access the Services through any medium or equipment which Lessor has not authorized in writing, nor may any medium or equipment by which the Services are provided be moved, modified or interfaced with any other equipment without Lessor's prior written consent. Lessee shall be responsible for the operation on Lessee's own equipment shall be furnished without warranty as to compatibility, fitness or performance with such equipment, and Lessee shall bear all cost, and responsibility for such equipment. Unauthorized access or use is unlawful and Lessor and its suppliers shall have all rights provided by law to prevent such access or use and to collect damages in such event. Lessee agrees to notify Lessor in writing promptly upon becoming aware of any unauthorized access or use. Lessee shall not recompile, decompile, disassemble, reverse engineer, or make or distribute any other form of, or any derivative work from, the Services and/or the Equipment.

(c) The analysis and presentation included in the Services may not be recirculated, redistributed or published by Lessee except for internal purposes without the prior written consent of Lessor and, where necessary, with certain sources of the information included in the Services.

(d) Lessee shall not use any of Lessor's trademarks, trade names, or service marks in any manner which creates the impression that such names and marks belong to or are identified with Lessee, and Lessee acknowledges that it has no ownership rights in and to any of these names and marks.

(e) Lessee shall not store all or any portion of The Associated Press or Press Association, Inc. information or other information included in the services in any permanent form, whether archival files, computer readable files or any other medium, or off-print all or any portion of such information from the screen display provided by Lessor.

Facilities. Commencement of the Services is contingent on the availability of the hardware, communications equipment and facilities to Lessor's specifications. Lessee shall install or have installed on Lessee's premises and at Lessee's expense all cables, wires, and electrical and communications connections specified by Lessor and shall not make use of any cables, wires, devices or equipment in connection with the Services not approved in writing by Lessor.

1. Return of Equipment and Software. Upon termination of this Agreement for any reason whatsoever, Lessor shall have the right to remove the Equipment and software by which the Services are provided at Lessee's expense.

2. Access to Property. Any person or persons designated by Lessor shall have access to the Equipment at all reasonable times for the purposes of installation, inspection, maintenance, repair and removal. Lessee acknowledges and understands that Lessor may monitor, solely for operational reasons, Lessee's general use of the Services. Lessee shall at all reasonable times permit Lessor to have access to the location where the Services are provided for the purpose of ascertaining the use made of the Services.

3. Maintenance. Lessor to the best of its ability shall maintain and keep the Equipment in good working order and condition so that it will perform its functions satisfactorily. Lessee shall be responsible for the safekeeping of the Equipment from the time it is received on Lessee's premises and shall take reasonable steps to prevent abuse to the Equipment. Lessee shall be responsible for all physical loss, theft, or damage to any equipment used to deliver the Services to Lessee and shall pay Lessor the full replacement cost of the Equipment as liquidated damages unless such loss, theft, or damage is due entirely to the fault or negligence of Lessor. Neither Lessor nor its suppliers or third party agents shall be responsible or liable, contingently or otherwise, for any personal injury or property damage arising out of the installation, maintenance, use or removal of the Services and/or the Equipment.

4. Additional Services. Lessee may request that Lessor add additional elements to the Services, which shall be contingent upon availability of software, data and Equipment and of communication lines and facilities on Lessee's premises that may be required in connection with the addition of such elements. Such additions or modifications shall be priced at the then current prices offered by Lessor.

5. Relocation. On reasonable prior written notice, which shall in no event be less than 60 days, and at Lessee's expense, Lessor will relocate all or any part of the Equipment. Scheduling of such relocation shall be contingent on availability of communication lines, facilities and labor. Lessee acknowledges that interruptions of Services might result from such relocation and that the provisions in paragraph 5 hereof apply to any such interruption.

6. Assignment. Lessee shall have the right to assign this Agreement or the rights hereunder only with the consent of Lessor which, in the case of an assignment by Lessee to any of its affiliates that are in substantially the same business as Lessee, shall not be unreasonably withheld.

7. Schedules and Attachments. The schedule(s), are a part of this Agreement and are incorporated herein by this reference.

8. Complete Agreement; Modifications or Waivers. This Agreement, together with the Schedule(s) is the complete and exclusive statement of the agreements between the parties with respect to the subject matter hereof and supersedes any oral or written communications or representations or agreements relating thereto. No changes, modifications or waivers regarding this Agreement shall be binding unless in writing and signed by the parties hereto.

9. Validity. Lessor and Lessee intend this Agreement to be a valid legal instrument, and no provision of this Agreement which shall be deemed unenforceable shall in any way invalidate any other provisions of this Agreement, all of which remain in full force and effect. The headings in this Agreement are intended for convenience or reference and shall not affect its interpretation.

10. Governing Law. This Agreement is made and entered into in the State of New York and shall be governed by and construed in accordance with the laws of the State of New York. The parties hereto, their successors and assigns, consent to the jurisdiction of the courts of the State of New York with respect to any legal proceedings that may result from a dispute as to the interpretation or breach of any of the terms and conditions of this agreement.

BLOOMBERG SCHEDULE OF SERVICES

BLOOMBERG L.P.
499 PARK AVENUE
NEW YORK, NY 10022
TELEPHONE: (212) 318-2000
FACSIMILE: (212) 371-4424

LESSOR: **BLOOMBERG L.P.**
LESSEE: CITY OF SACRAMENTO

CUSTOMER ACCOUNT NO.: 13095

DEPARTMENT: Treasurers

ORDER NUMBER: 36185 ORDER DATE: 12/17/91

EQUIPMENT ADDRESS:
926 'j' Street

BILLING ADDRESS:
926 'j' Street, Suite 300

Sacramento CA 95814
(City) (State) (Zip)
CONTACTS: Mike Medina 916 449 5168
(User Name & Telephone #)

Sacramento CA 95814
(City) (State) (Zip)
Mike Medina 916 449 5168
(Billing Name & Telephone #)

Lessor and Lessee are parties to a **BLOOMBERG AGREEMENT**, Number 36185 (the "Agreement"), which sets forth the terms and conditions under which Lessor provides to Lessee the Services described therein.

(Additional terms on reverse side)

TYPE OF EQUIPMENT ORDERED	QUANTITY	MONTHLY RECURRING CHARGE (PER UNIT)	COMMENCEMENT DATE OF TERM	NON-RECURRING CHARGE (PER UNIT)	
Bloomberg	1	\$ 1,495.00			
InstallCharg	1			600.00	
		Total	\$ 1,495.00	Total	\$ 600.00
		Tax**	\$ 115.86	Tax**	\$ 46.50
		Month *	\$ 1,610.86	One-Time \$	\$ 646.50
		Quarter	\$ 4,832.58		

TAX RATE**: 7.750 %

Agreed to by:
CITY OF SACRAMENTO
Company Name (Please type or print)
William H. Edgar
Signature (Duly authorized officer, partner or proprietor)
William H. Edgar - Ass't City Mgr
Name (Please type or print)
Assistant City Manager
Title (Please type or print)
12/20/91
Date

Agreed to by:
BLOOMBERG L.P.
By: [Signature]
General Partner
By: [Signature]
Authorized Signatory
12/30/91
Date

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*This total does not include monthly fees for real-time exchange and third party information services. If a customer selects these, Bloomberg L.P. will submit the appropriate applications for such services, a current price list, and bill accordingly.

**If tax-exempt, a copy of the State Tax Exempt Certificate must be submitted.

1. INSTALLATION OF TERMINAL (S)

Pursuant to the Agreement, Lessee has requested Lessor to install BLOOMBERG terminals at the stated equipment address (as noted on the reverse side). Lessee understands that if Lessee changes the number of terminals leased, the then existing per terminal charge for the new number of terminals would apply. Billing is quarterly in advance - including all applicable taxes.

2. TERM

The initial Term (as defined in the Agreement) is from the first day Services are provided to the second anniversary of that date. The Term for any Additional Terminals shall commence on the first day Services are provided in respect of the Additional Terminals. The fee commences the day following actual installation.

3. BLOOMBERG II; SHARED CONTROLLER; TRAVELER MAINTENANCE/INSURANCE

In the event that this Schedule provides, or may from time to time provide:

- (i) for one or more "Bloomberg II" screens, the Lessee agrees not to separate, unbolt, move, modify, interface or otherwise disconnect any one or both of the double "Bloomberg II" screens, or use any one or both of the screens in a manner inconsistent with the terms of this Agreement, without Lessor's prior written consent. Unauthorized access or use is unlawful and Lessor shall have all recourse and rights as set forth in the Agreement. The lease term for the "Bloomberg II" shall be the same as that of the specific BLOOMBERG to which it is attached. The Lessee's fee applicable to the double screen shall commence on the date following actual installation; and
- (ii) for a fee for Services calculated on the basis of a shared Controller, then at such time as the Controller is no longer shared, the fee for Services shall be increased to the prevailing rate for Services provided on an unshared basis; and
- (iii) for Traveler maintenance, Lessor's sole obligation shall be limited to repairing, at its facility, any failure of The Traveler. Notwithstanding the foregoing, Lessor shall not be responsible for repairing failures resulting from intentional or negligent acts. There shall be no maintenance performed on The Traveler other than by Lessor or its agent or any addition to, removal from or modification of The Traveler. Lessor and its agents' maximum liability under this maintenance provision and Lessee's sole remedy regardless of the form of action taken, whether in tort or contract, shall not exceed the refund of the maintenance charges. Maintenance includes \$250 deductible loss/theft insurance policy.

Lessee acknowledges that the following applies to all research reports issued by third-party information sources (the "Sources"): The data is copywritten by the Source(s) and may be approved for publication in the United Kingdom. The information herein is obtained from various sources deemed reliable; but the Source(s) do not guarantee the accuracy or completeness of the information. Additional information is available. Neither the information nor any opinion expressed constitutes an offer to buy or sell any securities or options or futures contracts. The Source(s) may trade for its own account as specialist, odd-lot dealers, market maker, block positioner and/or arbitrageur in any securities or options of the issuer(s). The Source(s), its affiliates, directors, officers, employees and employee benefit programs may have a long or short position in any securities or options of the issuer(s).

RESOLUTION NO. 2006-_____

Adopted by the Sacramento City Council

August 1, 2006

AUTHORIZING THE OFFICE OF THE CITY TREASURER TO CONTINUE CONTRACTING WITH BLOOMBERG L.P. IN ORDER TO PROVIDE INVESTMENT MANAGEMENT SERVICES

BACKGROUND:

- A. Since 1991, Bloomberg L. P. has been the sole source provider to the Office of the City Treasurer, providing real time stock and fixed market pricing necessary to enhance trading activity and maximize the City's portfolios' rate of return.
- B. Since Fiscal Year 2005, the fees for the Bloomberg contract have exceeded the City Treasurer's approval limit of \$100,000. Current cost is \$104,000.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The Office of the City Treasurer is hereby authorized to continue contracting with Bloomberg L.P. in order to provide investment management services

PASSED AND ADOPTED by the City Council of the City of Sacramento on August 1, 2006, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

Mayor

(SEAL)

Renewing Contract with Bloomberg L.P.

August 1, 2006

ATTEST:

City Clerk