

Metropolitan Transportation Commission
Administration Committee

March 8, 2023

Agenda Item 2c

Contract– Investment Accounting and Reporting Software: Clearwater Analytics
(\$1,225,000)

Subject:

This is a request, for authorization to enter into a sole source multi-year contract for investment accounting and reporting software for a term of five (5) years with an option to extend for up to two (2) additional years, with Clearwater Analytics (“Clearwater”), in an amount not to exceed \$1,225,000, including the optional extension.

Background:

The MTC Finance Department uses investment accounting and reporting software to manage MTC’s Investment Portfolio which holds assets of approximately \$3.7 billion. The current software requires manual entry of transactions and journal entries to MTC’s general ledger as well as manual weekly reconciliation. Staff also finds the reports difficult to customize and the system slow to run.

MTC staff evaluated various available software options to replace its current investment portfolio software based on the following criteria:

- Streamlined Transaction Processing
- General Ledger Interfacing Capability
- Automated Cash and Asset Reconciliations
- Solid Investment Accounting and Reporting
- Good Training and Support
- Internal Controls and Compliance Features
- System Access and Data Security

After an extensive market search, MTC Staff determined that the investment tracking and accounting software offered by Clearwater is the best option for MTC. Based on MTC Staff’s review of various similar software and services, the features included with the Clearwater

software, particularly its automation and reporting features, most closely match the needs of MTC staff.

The Clearwater investment software will automate the entire transaction tracking, reporting, and accounting process. The Clearwater software will also generate the appropriate accounting entries required for review and posting into MTC's general ledger, eliminating the manual work currently required. Clearwater's investment accounting system also provides automatic data reconciliation and validation by marrying data received from the custodian/trustee banks with the data received from third parties such as investment brokers, and then validates all activity to ensure investment holdings and transaction data is accurate and up to date. The web-based platform allows for easy and quick access. The sophisticated reporting system can provide insights in analyzing the portfolios.

Clearwater was founded in 2004 to provide solutions for automated investment accounting, data management, and reporting. Clearwater's software is used to aggregate, reconcile, and report on approximately \$6 trillion in assets across thousands of accounts daily. Staff evaluated the firm and believes its experience and unique software meets the criteria required to manage the investment accounting and reporting processes.

Issues:

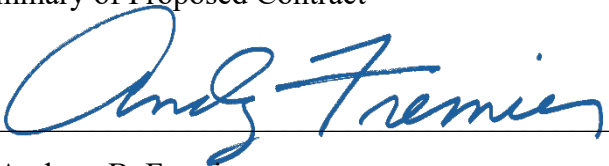
None identified.

Recommendation:

Staff requests authorization to enter into a sole source contract with Clearwater Analytics in the amount of \$1,225,000 for a term of five (5) years with an option to extend for up to two (2) additional years, to provide investment accounting and reporting software to the MTC Finance Department.

Attachments:

- Request for Committee Approval: Summary of Proposed Contract



Andrew B. Fremier

Request for Committee Approval

Summary of Proposed Contract

Work Item No.: 1254

Consultant: Clearwater Analytics
Boise, ID

Work Project Title: Investment Accounting and Reporting Software

Purpose of Project: Implement software provided by Clearwater Analytics to automate investment accounting and reporting processes in the management of the MTC Investment Portfolio.

Brief Scope of Work: Coordinate and implement Clearwater Analytics software to investment accounting and reporting processes.

Project Cost Not to Exceed: \$1,225,000

Funding Source: 30% of Funds from MTC Operating Budget and 70% of Funds from BATA Operating Budget.

Fiscal Impact: Funds for the contract to be included in the MTC Operating Budget and BATA Operating Budget.

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a sole source contract with Clearwater Analytics to provide investment accounting and reporting software to MTC Finance Department as described above, and in the Executive Director's memorandum dated March 8, 2023, and the Chief Financial Officer is directed to set aside funds in an amount not to exceed \$1,225,000 for such contract, subject to necessary budget approvals.

Administration Committee:

Federal D. Glover, Chair

Approved: March 8, 2023