

Memorandum

TO: Federated City Employees' Retirement System
Board of Administration

FROM: Christina Wang

SUBJECT: TCA/FX TCA RFP Results

DATE: July 11, 2025

Approved

Date July 16, 2025

Recommendation

Discussion and action on the results of the Request for Proposals ("RFP") for Trading Cost Analysis/Foreign Exchange Trading Cost Analysis ("TCA/FX TCA") provider, including Board authorization for the Chief Executive Officer ("CEO") to negotiate and execute an agreement with ACA Group for a term of three (3) years for an amount not-to-exceed \$56,250.

Background

TCA and FX TCA service providers oversee the trade cost for three equity separate accounts, which together have a total AUM of \$200 million as of March 31, 2025. These providers assess trading costs to evaluate execution quality, compare actual execution prices against benchmarks to identify inefficiencies, and offer recommendations to improve trading performance.

The Board currently uses Trading Technologies, formerly Abel Noser, for TCA services, which have been in place since September 2013. Klarity FX has provided FX TCA services since April 2013. In 2024, the board renewed one-year contracts with both vendors, set to expire on June 30th, 2025. The total annual cost for both services is \$39,000 per year: \$16,500 for TCA and \$22,500 for FX.

In preparation for the June 30, 2025 contract expiration, staff issued an RFP for TCA/FX TCA services on February 4, 2025, with proposals due by March 4, 2025. However, due to the receipt of an incomplete proposal, the RFP was reissued on March 13, 2025, with revised submission deadline of April 11, 2025. In the second round of RFP, ACA, formerly Global Trading Analytics, submitted proposals for both TCA and FX TCA services, while Klarity FX submitted a proposal for FX TCA only.

Analysis

Evaluation and Recommendation

ACA, formerly Global Trading Analytics (GTA), has been a leader in the field of transaction cost analysis and best execution reporting since 2005. The GTA team is solely dedicated to TCA and has experienced minimal employee turnover. On May 2, 2025, staff conducted an interview with the ACA consulting team, which included participation from four investment staff members. Following the interview, staff conducted reference checks with ACA's current clients, all of whom have worked with them for at least 8 years.

Following review of the RFP responses and interview with ACA, staff determined that they meet the requirement of delivering high-quality institutional TCA services. For the FX TCA RFP, both ACA and Klarity demonstrated strong qualifications to provide FX TCA services.

Cost Proposal

The cost of different scenarios and its comparison to the current pricing is listed below.

Service Term	ACA Bundle		ACA TCA + Klarity FX		Current
TCA	\$	12,500	\$	12,500	\$ 16,500
FX	\$	6,250	\$	16,000	\$ 22,500
Total Per Plan Per Year	\$	18,750	\$	28,500	\$ 39,000
Total Per Plan 3 Years	\$	56,250	\$	85,500	\$ 117,000

ACA offered highly competitive pricing by bundling both TCA and FX TCA service. Based on the provider qualifications and cost considerations, staff believes that selecting ACA as the provider for both services is the optimal choice, resulting in significant annual cost savings of more than \$20,000 or 52%.

Staff recommends approval of a three-year agreement with ACA on TCA and FX TCA analysis, with a not-to-exceed amount of \$56,250.

Conclusion

Following a thorough RFP process—including the evaluation of written proposals, scoring by investment staff, an interview with the top candidate, and reference checks - the evaluation team unanimously concluded that ACA is the most cost-efficient and qualified provider of TCA and FX services.

Accordingly, staff recommends that the Board authorize the Chief Executive Officer to negotiate and execute a three-year agreement with ACA Group for investment TCA/FX services, in an amount not to exceed \$56,250.



Christina Wang
Investment Officer