



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF NOVEMBER 6, 2014

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authorization to enter into agreements for contract 14-RFP-07, Financial Advisory Services Related to the District Financing Program, appointing A.C. Advisory, Inc., and Public Financial Management, Inc., as Co-Financial Advisors to the District in an amount not to exceed \$195,000.00, plus expenses not to exceed \$6,000.00 in connection with the sale of up to a total of \$300,000,000 of General Obligation Capital Improvement Bonds of the Metropolitan Water Reclamation District of Greater Chicago, Accounts 401-50000-767300 and 767400

Dear Sir:

The District intends to sell up to a total of \$300,000,000 of General Obligation Capital Improvement Bonds at its upcoming bond sale. This sale will include Limited and Unlimited Tax Series Bonds, in order to fund both TARP and non-TARP capital improvement projects, Alternate Revenue Series Bonds to fund capital improvement projects for the Stormwater Management program, and Limited Tax Series refunding bonds for savings in debt service cost.

The Financial Advisors serve on the District's behalf as liaison to the Bond Counsels, Underwriters' Counsels, the Bond Underwriting Group and the Bond Rating Agencies; maintain the sale participants' contact list and calendar schedule of necessary sale events, communicating dates of events and meetings to group members; prepare and schedule the District presentation for Bond Rating Agency meetings; assist in producing and reviewing documents, including the preliminary and final official statements; work with District Treasurer and Bond Underwriting Group in determining structure of the Bonds being sold; review pricing and allocation of bonds sold; study and evaluate secondary market post sale activity; assist with bond sale closing arrangements; evaluate and provide advice related to compliance with arbitrage regulations; and provide Financial Advisors' Certificates relative to the Bond sale.

The Request for Proposal 14-RFP-07 was advertised on December 4, 2013. One hundred-six (106) firms were notified, and thirty-eight (38) firms requested proposal documents. Ten (10) acceptable proposals were received on January 17, 2014.

The RFP process was coordinated through the Director of Procurement and Materials Management. The evaluation committee, which reviewed and evaluated the submitted RFP's, consisted of staff from the Treasury, Finance, Law, and Procurement and Materials Management departments. Responses were evaluated according to the criteria defined in the RFP. Firms were ranked based on the numeric score calculated by the evaluation committee.

The committee reached a consensus that seven proposers met the technical qualifications portion of the RFP. These firms were interviewed by the committee and requested to submit their best and final offers. A final evaluation matrix, including the interview evaluations and the best and final offers, resulted in an over-all top ranking for A.C. Advisory, Inc. A.C. Advisory, Inc.'s top overall ranking was based on a composite evaluation

score which was calculated from the committee's individual evaluations for: understanding of the project, technical competence, approach to the work, financial stability, proof of registration with the SEC as a municipal advisor, the interview evaluations, and the cost of services. The co-financial advisor was recommended based upon receiving the highest technical score for co-financial advisors on the technical qualifications portion of the RFP as the cost proposal does not apply to the co-financial advisory firms. A minimum of 30% of the work and services required by the RFP for each bond sale will be awarded to one or more Minority-Owned (MBE) and Women-Owned (WBE) business enterprises for the list of candidates identified by the RFP process. The Affirmative Action Section has reviewed the proposed financial advisor appointments for this bond sale, and concluded that the group identified are in accordance with the District's Affirmative Action Policy.

Authority is requested to appoint this team of Financial Advisors in connection with the sale of up to \$300,000,000 General Obligation Capital Improvement Bonds. The size and structure of the bond sale will be determined with the assistance of the Underwriters and Financial Advisors based upon the market interest rates, investor cash positions, supply of bonds for sale, liquidity of the market and other conditions.

Accordingly, it is requested that the Board of Commissioners authorize the appointment of A.C. Advisory, Inc., and Public Financial Management, Inc., as Co-Financial Advisors to the District, to render the necessary services for the sale of up to \$300,000,000 General Obligation Capital Improvement Bonds. The fee for such services will be at the rate of sixty-five cents (\$0.65) per \$1,000 principal amount of bonds sold up to \$300,000,000, a total fee not to exceed \$195,000.00 to be apportioned 60% to A.C. Advisory, Inc., and 40% to Public Financial Management, Inc., plus up to \$6,000.00 of out-of-pocket expenses will be reimbursed by the District for services performed per Section 11.4 of the Purchasing Act.

Funds will be paid from the bond sale proceeds, Accounts 401-50000-767300 (\$152,250.00) and 401-50000-767400 (\$48,750.00).

It is further requested that the Board of Commissioners authorize and direct the Chairman of the Committee on Finance or other duly authorized officer of the Board of Commissioners; the Treasurer; the Clerk; the Director of Procurement and Materials Management; and the Executive Director to execute professional services agreements on behalf of the District on account of the aforesaid services after the professional services agreements have been approved by the Treasurer as to technical matters and by the General Counsel as to form and legality.

Requested, Mary Ann Boyle, Treasurer, MAB:st

Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management

Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement

Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for November 6, 2014