



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 17-0401, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 20, 2017

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Issue purchase order and enter into an agreement with Acacia Financial Group, Inc., for contract 17-RFP-11 Financial Advisory Services Related to the District Financing Program, for a three-year period in an amount not to exceed \$91,250.00, Account 101-11000-612430, Requisition 1443107

Dear Sir:

Authorization is requested to issue a purchase order and enter into an agreement with Acacia Financial Group, Inc., for financial advisory services related to the District financing program for a three-year period ending May 31, 2020. The purpose of this contract is to provide the District with financial advisory services related to the District's financing program for the next three years. In accordance with the Securities and Exchange Commission's ("SEC") 2014 ruling which requires each bond issuer to have an Independent Registered Municipal Advisor ("IRMA") to review all advice and solicitation for business presented to the District. Therefore, the selected firm will provide the IRMA services and other financial consulting services as directed by the Treasurer.

At this time, the District does not anticipate the need for new money nor refunding bond sale transactions during the next three years, but one or more eligible advisory firm may be requested to perform such services in the event a bond sale is required. The District has identified eligible firms from the qualified respondents to this RFP to serve as financial advisors in any bond sale transactions during the three-year period; this list of firms can be found in the attached Appendix A. Any such financial advisors will be appointed at the time of each bond sale. The District may extend the life of the eligible list for a period of up to one year at the conclusion of the three-year period.

The Request for Proposal 17-RFP-11 was advertised on December 14, 2016. Eighty (80) firms were notified, and twenty (20) firms requested proposal documents. Six (6) acceptable proposals were received on January 13, 2017. 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, 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 four 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 overall top ranking for Acacia Financial Group, Inc. This top overall ranking was based on a composite evaluation score which was calculated from the committee's individual evaluations for each firm's experience, qualifications, technical approach to the work, understanding of the project; financial stability, registration with the SEC as a Municipal Advisor, and cost of services.

Appendix A was not included for general financial consulting services because the cost estimate was less than the minimum threshold established by Section 4 of the Affirmative Action Ordinance; however, Appendix A was included and will be utilized for the potential financial advisory services related to bond sale transactions.

Acacia Financial Group, Inc., is a firm with seven offices in the United States and a strong presence in Illinois. The firm currently advises over twenty-five water and sewer utility clients across the U.S. It has consistently ranked among the top ten financial advisors in the nation, and it ranked first in Illinois in 2015 and 2016. Inasmuch as the firm Acacia Financial Group, Inc., possesses a high degree of professional skill, it is requested that the Director of Procurement of Materials Management be authorized to issue a purchase order and enter into an agreement for a three-year period ending May 31, 2020, per Section 11.4 of the Purchasing Act, in an amount not to exceed \$91,250.00.

The estimated expenditure for 2017 is \$17,800.00, for 2018 is \$30,400.00, for 2019 is \$30,400.00, and for 2020 is \$12,650.00. Funds for 2017 are available in account 101-11000-612430. Funds for 2018 through 2020 are contingent on the Board of Commissioners' approval of the District's budget for those years.

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 April 20, 2017

Attachment