



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

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Title: Issue purchase order and enter into an agreement with Katten Muchin Rosenman LLP for Contract 20-RFP-25, Legal Advisory Services Related to the District Financing Program, for a five-year period in an amount not to exceed \$218,000.00, Account 101-11000-612430, Requisition 1549945

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Attachments: 1. Contract 20-RFP-25 Affirmative Action Goals Report.pdf, 2. Attachment A - Counsel Eligible Firms 2021 (0518)

Date	Ver.	Action By	Action	Result
5/20/2021	1	Board of Commissioners	Approved	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF MAY 20, 2021

COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Issue purchase order and enter into an agreement with Katten Muchin Rosenman LLP for Contract 20-RFP-25, Legal Advisory Services Related to the District Financing Program, for a five-year period in an amount not to exceed \$218,000.00, Account 101-11000-612430, Requisition 1549945

Dear Sir:

Authorization is requested to issue a purchase order and enter into an agreement with Katten Muchin Rosenman LLP ("Katten") for a five-year period; the purpose of this contract is to provide legal advisory services related to the District financing program during that period, beginning as of the agreement date.

One or more eligible firm may be requested to provide legal advisory services for any bond sales which may take place in the next five years. The District has identified eligible firms from the qualified respondents to this RFP to serve as Disclosure Counsel and Underwriter's Counsel in any bond sale transactions during the five-year period; this list of firms can be found in Attachment A. Any such counsel will be appointed at the time of each bond sale with approval by the Board of Commissioners. The District may extend the life of the eligible list for a period of up to one year at the conclusion of the five-year period.

The Request for Proposal 20-RFP-25 was advertised on December 9, 2020. One hundred forty (140) firms were notified, and thirty-one (31) firms requested proposal documents. Proposals were received on January 15, 2021. Six (6) proposals to provide General Legal Advisory Services and Bond and Tax Counsel Services were found acceptable, while thirteen (13) proposals to provide the other various bond sale counsel services were found acceptable. 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, and firms were ranked based on the numeric score calculated by the evaluation committee.

The committee reached a consensus that three proposers met the technical qualifications portion of the RFP to provide general legal advisory services and bond and tax counsel services. These firms were interviewed by the committee and requested to submit their best and final cost proposal offers. A final evaluation matrix, including the interview evaluations and the best and final offers, resulted in an overall top ranking for Katten Muchin Rosenman LLP. 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, and cost of services.

Katten is a law firm that has engaged in public finance for more than 30 years. The firm employs 15 attorneys focusing on municipal finance and has ranked in the top tier of law firms both nationally and locally. Inasmuch as the firm Katten Muchin Rosenman LLP possesses a high degree of professional skill, it is requested that the Director of Procurement and Materials Management be authorized to issue a purchase order and enter into an agreement for a five-year period beginning as of the agreement date, per Section 11.4 of the Purchasing Act, in an amount not to exceed \$218,000.00.

Katten's proposal for general legal advisory services reflects an hourly rate charge of \$250.00, in accordance with the hourly rate cap policy for outside counsel legal services adopted by the Board of Commissioners on March 15, 2018.

Legal services performed by Katten and other law firms as part of a bond sale will be compensated based on the price per bond specified in their best and final offer cost proposals. This compensation model is the industry standard for bond sales and the most efficient way to price the work performed. Work includes authorizing ordinances, tax agreements, review of disclosure documents and all legal documentation, public meeting documents, and bond opinions. The price per bond is a fee that is contingent upon a successful bond sale closing, paid at a set rate per bond actually sold; conversely, paying a price per hour would expose the District to paying for a bond sale even when some or all of the bonds are not sold due to market conditions. Furthermore, the competitive bidding during the RFP process forces the proposer to provide a discounted pricing scale as the size of the bond sale increases; since the District bond sales are usually \$350 million to \$500 million in size, this results in the lowest price per bond being paid.

Appendix A did not apply as there are no subcontracting opportunities. Work is awarded directly by the District to each legal advisory firm appointed to participate in the bond sale. The scope of work for general legal advisory services does not provide a practical or cost-effective opportunity for direct or indirect subcontracting; therefore, no goals were included for these services.

The estimated expenditures are \$19,833.00 for 2021, \$50,000.00 for 2022, \$42,000.00 per year for 2023 through 2025, and \$22,167.00 for 2026. Funds for 2021 are available in account 101-11000-612430. Funds for 2022 through 2026 are contingent on the Board of Commissioners' approval of the District's budget for those years.

Requested, Mary Ann Boyle, Treasurer, MAB

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 May 20, 2021

Attachment

