



## Legislation Details (With Text)

**File #:** 2022-487      **Version:** 1      **Name:**  
**Type:** Resolution      **Status:** Passed  
**File created:** 10/19/2022      **In control:** Board of Directors Workshop Meeting  
**On agenda:** 12/14/2022      **Final action:** 12/14/2022  
**Title:** Proposed Change Order No. 7  
Contract No. GLWA-CS-002  
Financial Advisor Services  
**Sponsors:** Nicolette Bateson  
**Indexes:** Finance  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
12/14/2022	1	Board of Directors Workshop Meeting	Approved	Pass
11/18/2022	1	Audit Committee	Recommended for Approval	Pass

### Proposed Change Order No. 7

### Contract No. GLWA-CS-002

### Financial Advisor Services

Agenda of: December 14, 2022

Item No.: **2022-487**

Amount:	Original Contract:	\$ 300,000.00
	Change Order No. 1	0.00
	Change Order No. 2:	100,000.00
	Change Order No. 3:	100,000.00
	Change Order No. 4:	100,000.00
	Change Order No. 5:	78,600.00
	Change Order No. 6:	200,000.00
	Proposed Change Order No. 7:	<u>0.00</u>
	Total Revised Contract:	\$878,600.00

**TO:** The Honorable  
Board of Directors  
Great Lakes Water Authority

**FROM:** Suzanne R. Coffey, P.E.

Chief Executive Officer  
Great Lakes Water Authority

**DATE:** December 14, 2022

**RE: Proposed Change Order No. 7**

**Contract No. GLWA-CS-002**

**Financial Advisor Services**

**Vendor: PFM Financial Advisors LLC**

#### MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **amend contract No. GLWA-CS-002, Proposed Change Order No. 7 Financial Advisor Services with PFM Financial Advisors LLC, at the same total cost not to exceed \$878,600.00, with an increased duration of 181 days for a total contract duration of 3,025 days**, and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

#### BACKGROUND

Since March 20, 2015, PFM Financial Advisors, LLC (PFM) has served the Great Lakes Water Authority (GLWA) as its municipal financial advisor through GLWA-CS-002. As a municipal financial advisor, PFM acts in a fiduciary capacity to assist GLWA with the issuance of its water and sewer revenue bonds. To date, PFM has assisted GLWA with the issuance of new money and refunding bond issues as well as services related to state revolving fund bonds. PFM also provides other non-transactional services such as providing feedback on compliance matters and various debt management agreements as well as financial plans, strategies, policies.

The current contract for Financial Advisor Services (CS-002) with PFM will expire on December 31, 2022. This contract has been in place since 2015. The workplan for the Public Finance Manager was to conduct a competitive procurement process for Financial Advisory Services so that we would be asking the Board of Directors to approve a new contract in December 2022. Unfortunately, that position has not been vacant since April 2021. Beginning in June 2022, an internal candidate has filled the position on an interim/acting basis and is progressing through a professional development program. Given this staff transition, an amendment of the current contract for six months is based on the rationale below.

#### JUSTIFICATION

In evaluating our next steps and recommendation, these were the key considerations.

- 1) Allow time for the acting Public Finance Manager to have a more effective onboarding with the PFM team. GLWA's has \$5.3 billion in outstanding bonds and a high level of complexity. The transfer of knowledge will be very important to protect GLWA's interests and compliance.
- 2) Provide continuity in advisory services at a time of major policy and programmatic shifts to achieve federal investment in infrastructure goals - including the potential use of revolving fund loan programs.
- 3) Provide time for the acting Public Finance Manager to become familiar with GLWA's needs and lead the

financial advisory services competitive procurement process in the first half of calendar year 2023.

Below is a summary of the contract activity reflective of timing and approved costs.

Timing

Original Contract Start Date:	March 20, 2015
Initial Contract End Date:	March 19, 2018
Change Order 1 Contract End Date*:	March 19, 2018
Change Order 2 Contract End Date:	March 19, 2019
Change Order 3 Contract End Date:	March 19, 2020
Change Order 4 Contract End Date:	March 19, 2021
Change Order 5 Contract End Date:	December 31, 2021
Change Order 6 Contract End Date:	December 31, 2022
Proposed Change Order 7 Contract End Date**:	June 30, 2023

Costs

Original Contract Price:	\$300,000
Change Order No. 1*:	0
Change Order No. 2:	100,000
Change Order No. 3:	100,000
Change Order No. 4:	100,000
Change Order No. 5:	78,600
Change Order No. 6:	200,000
Proposed Change Order No. 7**:	<u>0</u>

Revised Contract Total:	\$878,600
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*\* Change Order #1 was a correction of original contract fees, with no time extension.*

*\*\* Proposed Change Order #7 is only an extension of time on the contract.*

Note that this contract is being brought to the Board for approval as the time length exceeds five years in accordance with GLWA's Procurement Policy despite the minimum dollar threshold for board approval of \$1 million.

**BUDGET IMPACT**

The current contract for Financial Advisor Services (CS-002) falls within the annual Public Finance budget. The effect on future Public Finance budgets is yet to be determined based on the outcome of the proposed competitive procurement process.

**COMMITTEE REVIEW**

This item was reviewed by the GLWA Audit Committee at its meeting on November 18, 2022. The Audit Committee unanimously recommended that the Board of Directors authorize an amendment to contract No. GLWA-CS-002, Proposed Change Order No. 7 Financial Advisor Services with PFM Financial Advisors LLC, at the same total cost not to exceed \$878,600.00, with an increased duration of 181 days for a total contract duration of 3,025 days.

**SHARED SERVICES IMPACT**

This item does not impact the shared services agreement between GLWA and DWSD.