



Legislation Details (With Text)

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Title: Proposed Change Order No. 5 - GLWA CS-002 Financial Advisor

Sponsors: Nicolette Bateson

Indexes: Finance

Code sections:

Attachments:

Date	Ver.	Action By	Action	Result
4/28/2021	1	Board of Directors	Approved	Pass

Proposed Change Order No. 5 - GLWA CS-002 Financial Advisor

Agenda of: March 24, 2021

Item No.: **2021-098**

Amount:	Original Contract:	\$ 300,000.00
	Change Order No. 2:	\$ 100,000.00
	Change Order No. 3:	\$ 100,000.00
	Change Order No. 4:	\$ 100,000.00
	Proposed Change Order No. 5:	<u>\$ 78,600.00</u>
	Total Revised Contract:	\$ 678,600.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: March 24, 2021

RE: Proposed Change Order No. 5 - GLWA CS-002 Financial Advisor

MOTION

Upon recommendation of Nicolette N. Bateson, Chief Financial Officer/Treasurer, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), **approves the Change Order No. 5 for Contract GLWA CS-002, “Financial Advisor” with PFM Financial Advisors LLC, at a cost increase of \$78,600.00, for a total cost not-to-exceed \$678,600.00, and a time extension of eight and one-half months for a total contract duration of eighty and one-half months,** and authorizes the Chief Executive Officer or Chief Financial Officer 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 advisor through GLWA CS-002. As a municipal 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 31 new money and refunding bond issues (including state revolving fund bonds), totaling over \$3.1 billion. PFM also provides other non-transactional services such as providing feedback on various GLWA agreements and financial policies.

The current contract for Financial Advisor (CS-002) with PFM will expire on March 19, 2021. GLWA will need issue a new solicitation via a competitive procurement process for Financial Advisory Services during calendar year 2021.

JUSTIFICATION

The current contract for Financial Advisor (CS-002) with PFM will expire on March 19, 2021. Due to the other initiatives being undertaken by the Public Finance Team, the solicitation process for this contract has been delayed. GLWA management is requesting an extension of the current contract GLWA CS-002 through December 31, 2021 for an additional \$78,600.00. This will allow GLWA time to effectively solicit a new request for proposals for municipal advisors.

Below is a summary of the original contract amount and the change orders. To date GLWA has extended the contract 3 times and has increased the contract amount by \$300,000.00. GLWA management is proposing an additional change order to extend the contract through December 31, 2021.

Contract Dates:

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
<i>Proposed Change Order 5 Contract End Date:</i>	<i>December 31, 2021</i>

Contract Estimate

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

Proposed Change Order No. 5: \$78,600
New Contract Total: \$678,600

* Change Order #1 was a correction of original contract fees, with no time extension

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.

Municipal Advisor Selection Process Update:

The updated time schedule for the proposed solicitation is shown in **Table 1**. Based on this schedule, the new contract will be presented to the GLWA Board of Directors by November 19, 2021 and work will begin by January 1, 2022.

Table 1

Week of:

Phase 1 - Solicitation Development	
Draft 1 - Front End/Background	6/7/2021
Draft 2 - post Stakeholder Report	6/28/2021
Phase 2 - Advertisement	
Finalize RFP	7/12/2021
Advertise date for RFP	7/12/2021
Questions due	7/26/2021
Pre-proposal conference	8/2/2021
Proposals due	8/16/2021
Phase 3 - Evaluation	
Minimum qualifications verified	8/16/2021
Evaluations due	8/23/2021

Oral interviews	8/30/2021
Additional questions compiled	8/30/2021
Responses from proposers	8/30/2021
Responses distributed to Eval Team	8/30/2021
Evaluation Team final selection	9/6/2021

Phase 4 -
Contract
Development

Negotiation	9/6/2021
Preliminary Draft	9/6/2021
Final Draft	9/20/2021

Phase 5 -
Board
Requirements

Prepare summary documents	10/4/2021
Audit Committee Review	10/22/2021
Board review/requested approval	11/19/2021
Contract award	

Phase 6 -
Project
Execution
and
Management

Contract execution	12/3/2021
Start work	1/1/2022

BUDGET IMPACT

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

COMMITTEE REVIEW

This matter was reviewed by the GLWA Audit Committee at its meeting on March 26, 2021. The Audit Committee recommended approval of the Change Order No. 5 for Contract GLWA CS-002, "Financial Advisor" with PFM Financial Advisors LLC, at a cost increase of \$78,600.00, for a total cost not-to-exceed \$678,600.00, and a time extension of eight and one-half months for a total contract duration of eighty and one-half months.