



Legislation Text

File #: 2020-161, Version: 1

Proposed Change Order No. 4 - GLWA CS-002 Financial Advisor

Agenda of: May 27, 2020
 Item No.: **2020-161**

Amount:	Original Contract:	\$ 300,000.00
	Change Order No. 2:	\$ 100,000.00
	Change Order No. 3:	\$ 100,000.00
	Proposed Change Order No. 4:	<u>\$ 100,000.00</u>
	Total Revised Contract:	\$ 600,000.00

TO: The Honorable
 Board of Directors
 Great Lakes Water Authority

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

DATE: May 8, 2020

RE: **Proposed Change Order No. 4 - 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), **authorize the Chief Executive Officer to execute Change Order No. 4 for Contract GLWA CS-002, "Financial Advisor" with PFM Financial Advisors LLC, as of March 19, 2020 at a cost increase of \$100,000.00, for a total cost not-to-exceed \$600,000.00, and a time extension of twelve months for a total contract duration of seventy-two months, as provided by Resolution 2020-114 adopted on March 20, 2020 regarding "Delegation of Additional Authority to CEO During COVID-19 Emergency" 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 contract number GLWA CS-002. As a municipal advisor, PFM acts in a fiduciary capacity to assist GLWA with the execution of its water and sewer revenue bond issuances and monitoring of its current debt portfolio. To date, PFM has assisted GLWA with the issuance of 17 new money and refunding bond issues (including state revolving fund bonds), totaling over \$2.4 billion. This includes the most recent water refunding and new money transaction on April 30, 2020.

PFM also provides other non-transactional services such as providing advice to GLWA related to financial agreements, financial policies, and regulatory matters.

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, including the proposed change order.

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

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

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:	<u>\$100,000</u>
New Contract Total:	\$600,000

JUSTIFICATION

The current contract for municipal advisor (GLWA CS-002) with PFM expired on March 19, 2020. The proposed Change Order No.4 would extend the contract by twelve months to May 19, 2021. The additional cost of this proposed Change Order No. 4 is \$100,000.

GLWA will be bring a proposed time schedule for a new solicitation via a competitive procurement process to the May 15, 2020 GLWA Audit Committee for its review. It is anticipated that the solicitation we be completed by the end of calendar year 2020.

BUDGET IMPACT

The current contract for Municipal Advisor (CS-002) falls within the annual Public Finance budget. The additional \$100,000 for the proposed Change Order No. 4 is included in the FY 2010 and FY 2021 Public Finance Budget.

COMMITTEE REVIEW

Due to timing, this GLWA Audit Committee has not reviewed this item.

This item was presented to the Operations and Resources Committee at its meeting on May 13, 2020. The Operations and Resources Committee unanimously recommended that the CEO take appropriate action to implement the resolution consistent with the provisions of GLWA Board Resolution 2020-114.