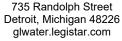
Great Lakes Water Authority





Legislation Text

File #: 2021-098, Version: 1

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:
 \$ 78,600.00

 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

File #: 2021-098, Version: 1

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 Contact 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
Proposed Change Order 5 Contract End Date: December 31, 2021

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

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:

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

File #: 2021-098, Version: 1

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:
Phas	
e 1 -	
Solic	
itatio	
n	
Deve	
lopm	
ent	
Draft 1 - Front End/Background	6/7/2021
Draft 2 - post Stakeholder Report	6/28/2021
Phas	
e 2 -	
Adve	
rtise	
ment	
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
Phas	
e 3 -	
Eval	
uatio	
n	0/40/0004
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

File #: 2021-098, Version: 1	
Phas	
e 4 -	
Cont	
ract	
Deve	
lopm	
ent	
Negotiation	9/6/2021
Preliminary Draft	9/6/2021
Final Draft	9/20/2021
Phas	
e 5 -	
Boar	
d	
Req	
uire	
ment	
S	
Prepare summary documents	10/4/2021
Audit Committee Review	10/22/2021
Board review/requested approval	11/19/2021
Contract award	
Phas	
e 6 -	
Proje	
ct	
Exec	
ution	
and	
Man	
age	
ment Contract execution	10/0/0004
Contract execution Start work	12/3/2021
Start WOLK	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.