

RESOLUTION NO. 2007-78

AUTHORIZING CONTRACT NO. 2007-033 WITH PUBLIC FINANCIAL MANAGEMENT TO PROVIDE FINANCIAL ADVISORY CONSULTING SERVICES FOR A PERIOD OF THREE YEARS WITH A TWO-YEAR OPTION, IN AN AMOUNT NOT TO EXCEED \$66,250.00 FOR THE BASE TERM AND IN AN AMOUNT NOT TO EXCEED \$21,250.00 FOR THE TWO-YEAR OPTION FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$87,500.00 (SECRETARY-TREASURER DEPARTMENT BUDGET)

WHEREAS, the Authority has a recurring requirement to obtain financial advisory consulting services for use by the Authority in performing professional duties; and

WHEREAS, the proposal of Public Financial Management, located at 7530 Lucerne Drive, Cleveland, OH 44130 to provide financial advisory consulting services for a period of three years, which will include two debt issues, and a two-year option, which will include one debt issue, was received on April 23, 2007; and

WHEREAS, after negotiations, the proposal of Public Financial Management to provide financial advisory consulting services for a period of three years with a two-year option in an amount not to exceed \$66,250.00 for the base term and in an amount not to exceed \$21,250.00 for the two-year option for a total contract amount not to exceed \$87,500.00 was determined to be the most advantageous to the Authority, cost and other factors considered; and

WHEREAS, the General Manager/Secretary-Treasurer deems the negotiated offer of Public Financial Management to be in the best interest of the Authority, price and all other factors considered, and recommends acceptance thereof by the Board of Trustees.

NOW, THEREFORE BE IT RESOLVED by the Board of Trustees of the Greater Cleveland Regional Transit Authority, Cuyahoga County, Ohio:

Section 1. That the offer of Public Financial Management, as negotiated, to provide financial advisory consulting services, as required, for a period of three years with a two-year option be and the same is hereby accepted.

Section 2. That the General Manager/Secretary-Treasurer of the Authority be and he is hereby authorized to enter into a contract with Public Financial Management to provide financial advisory consulting services, as required, for a period of three years with a two-year option.

Section 3. That said contract shall be payable out of the proceeds of the debt issue in an amount not to exceed fifty-six thousand two hundred fifty & 00/100 dollars (\$56,250.00) for the base three years and in an amount not to exceed eighteen thousand seven hundred fifty & 00/100 dollars (\$18,750.00) for the two-year option from the General Fund, Secretary-Treasurer Department budget in an amount not to exceed ten thousand & 00/100 dollars (\$10,000.00) for the base three years and in an amount not to exceed two thousand five hundred & 00/100 dollars (\$2,500.00) for the two-year option resulting in a total contract amount not to exceed eighty-seven thousand five hundred & 00/100 dollars (\$87,500.00).

Section 4. That said contract shall be binding upon and an obligation of the Authority contingent upon appropriation of funds for future years, compliance by the contractor to Specifications and Addenda, if any; the Affirmative Action Plan adopted by the Board of Trustees in Resolution 2007-064; bonding and insurance requirements and all applicable laws relating to the contractual obligation of the Authority.

Section 5. That the Greater Cleveland Regional Transit Authority's Board of Trustees expects Public Financial Management will attempt to exceed the 0% minimum DBE goal assigned to this procurement.

Section 6. That this resolution shall become effective immediately upon its adoption.

Adopted: June 19, 2007



President

Attest: 

CEO, General Manager/Secretary-Treasurer



Greater Cleveland Regional Transit Authority
STAFF SUMMARY AND COMMENTS

Title/Description: AUTHORIZING CONTRACT NO. 2007-033 WITH PUBLIC FINANCIAL MANAGEMENT TO PROVIDE FINANCIAL ADVISORY CONSULTING SERVICES FOR A PERIOD OF THREE YEARS WITH A TWO-YEAR OPTION IN AN AMOUNT NOT TO EXCEED \$66,250.00 FOR THE BASE TERM AND IN AN AMOUNT NOT TO EXCEED \$21,250.00 FOR THE TWO-YEAR OPTION FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$87,500.00 (SECRETARY-TREASURER DEPARTMENT BUDGET)	Resolution No.: 2007-78
	Date: June 14, 2007
	Initiator: Finance and Administration Division
ACTION REQUEST: <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Review/Comment <input type="checkbox"/> Information Only <input type="checkbox"/> Other _____	

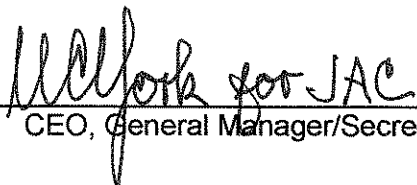
- 1.0 **PURPOSE/SCOPE:** This action will allow the Authority to enter into a contract for providing financial advisory consulting services, as required, for a period of three years with a two-year option.
- 2.0 **DESCRIPTION/JUSTIFICATION:** The Authority plans to issue approximately \$35,000,000.00 in general obligation bonds in either 2007 or 2008. The Financial Advisor will assist in that sale. In addition, this firm will participate in any other refunding or issues undertaken by the Authority during the term of the contract and provide other financial services on an as-needed basis.
- 3.0 **PROCUREMENT BACKGROUND:** The Request for Proposal was posted on the procurement website and advertised in the local newspapers. Five proposals were received on April 23, 2007 in response to this solicitation. After evaluation by a panel of Authority employees in accordance with established Procurement Department policies and procedures, and after negotiations, the proposal of Public Financial Management to provide financial advisory consulting services for a period of three years with a two-year option was selected as the most advantageous to the Authority. This service and related fee of \$56,250.00 will be in connection with the sale of general obligation bonds in either 2007 or 2008 plus other refunding and/or debt issues required during the contract term. The Financial Advisor will provide other financial services on an as needed basis in an amount not to exceed \$10,000.00 resulting in a total contract amount not to exceed \$66,250.00 for the base contract term. A two-year contract option is available at negotiated rates.

Public Financial Management is the current financial advisor service provider for the Authority. They have been providing independent financial and investment advisory services since 1975. They have also been advising on the management of public sector and institutional fund since 1980. The transaction service fees for issuance of note and/or bond are based on negotiated rates and would be paid out of the proceeds of the sale. The financial advisory services are based on an hourly rate schedule and would be paid from the General Fund, if required. A cost analysis was performed and the Procurement Department has determined the negotiated price to be fair and reasonable to the Authority.

- 4.0 **AFFIRMATIVE ACTION/DBE BACKGROUND:** All Affirmative Action requirements have been met. A 0% DBE goal was established for this procurement due to the lack of subcontracting opportunity.

- 5.0 POLICY IMPACT: Does not apply.
- 6.0 ECONOMIC IMPACT: This contract will be funded through the proceeds of the debt issue in an amount not to exceed fifty-six thousand two hundred fifty & 00/100 dollars (\$56,250.00) for the base three years and eighteen thousand two hundred fifty & 00/100 dollars (\$18,250.00) for the two-year option and from the General Fund, Secretary-Treasurer Department budget in an amount not to exceed ten thousand & 00/100 dollars (\$10,000.00) for the base three years and two thousand five hundred & 00/100 dollars (\$2,500.00) for the two year option resulting in a total contract amount not to exceed eighty-seven thousand five hundred & 00/100 dollars (\$87,4500.00).
- 7.0 ALTERNATIVES: Reject this offer. Rejection of this offer will leave the Authority without these critical financial advisory services and may result in the Authority not being able to obtain funding as efficiently or economically.
- 8.0 RECOMMENDATION: It is recommended that the offer of Public Financial Management be accepted and the resolution passed authorizing the General Manager/Secretary-Treasurer to enter into a contract.
- 9.0 ATTACHMENTS: None.

Recommended and certified as appropriate to the availability of funds, legal form and conformance with the Procurement Requirements.



CEO, General Manager/Secretary-Treasurer