

Management Committee

For the Metropolitan Council meeting of June 28, 2017

Subject: Financial Advisory Services

Proposed Action

That the Metropolitan Council authorize the regional Administrator to execute contracts, in an aggregate amount to not exceed \$650,000 and for a time period to not exceed five years, for financial advisory services with three firms: Springsted Incorporated, Public Resources Advisory Group (PRAG), and Ehlers and Associates.

Summary of Committee Discussion/Questions

Mr. Koop described the current contracts with three Financial Advisors expires June 30, 2017. The Council has historically contracted with more than one advisor as provides options if a conflict in a transaction occurs and is more efficient as advisors have certain niches.

Mr. Koop explained the RFP process was completed with 4 firms submitting proposals. The Panel is recommending the use of 3 firms. These firms are Springsted Incorporated which will perform most of the routine debt issues, PRAG who will help on more national issues and Ehlers who will work on analytical needs as an alternative on a case by case basis.

The contract size has increased from \$500,000 to \$650,000 due to the addition of GANs issues over the next few years for the LRT projects.

The Thrive Lens used on this business item is Stewardship as competitive bidding this service gives the Council the best pricing.

Motion by Rodriguez, Seconded by Cunningham. Consent to Council

Management Committee

Meeting date: June 14, 2017

For the Metropolitan Council meeting of June 28, 2017

Subject: Financial Advisory Services

District(s), Member(s): All

Policy/Legal Reference: Policy 3-4-3 (Procurement); Minnesota broad debt issuance statute #475 and Council-related #473

Staff Prepared/Presented: Rich Koop, Senior Manager, Treasury (651-602-1629)

Division/Department: Regional Administration / Finance

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute contracts, in an aggregate amount to not exceed \$650,000 and for a time period to not exceed five years, for financial advisory services with three firms: Springsted Incorporated, Public Resources Advisory Group (PRAG), and Ehlers and Associates.

Background

The Council utilizes a financial advisor whenever it issues debt and for financial analysis projects requiring special analytical skills, knowledge or experiences. In keeping with the practice of periodically offering opportunities for firms to bid for our business and to meet Federal Transit Administration (FTA) requirement for certain SWLRT and BLRT debt issuance expense reimbursements, the Council recently issued a request for proposals (RFP) for financial advisory services and received four qualifying proposals. When utilized as a group, the three financial advisors specified above best met the terms of the RFP and thereby will best meet the needs of the Council.

Rationale

Rather than use just one financial advisor to meet all our needs, the Council has found savings and more effective results by allocating our needs by niche. Springsted will likely perform most our routine debt issuance and financial analysis needs since they are broad in experience, competitively priced and have served the Council well in the past. Although they are available to fill a broad and deep role as a full service financial advisor, it is currently intended that PRAG would assist with complex analytical situations and perspectives on issues which benefit from their broad national experience with large debt issuers. Ehlers is able to address certain analytical needs and serve as an alternative on a case-by case basis.

Thrive Lens Analysis

Stewardship – Competitively bidding the financial advisory services provides the best pricing and service to the Council.

Funding

Financial advisory fees related to debt issuance are generally paid from the debt proceeds; fees for analytical and related services are generally funded through the benefitting division's budget.

Known Support / Opposition

None