

Committee Report

Management Committee



Committee Meeting Date: May 25, 2022

For the Metropolitan Council: June 8, 2022

Business Item: 2022-136

Municipal Advisory Services – Contract #22P030

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute Contract #22P030 with Baker Tilly Municipal Advisors LLC, to provide municipal advisory services for an amount not to exceed \$1,000,000.

Summary of Management Committee Discussion/Questions

Mark Thompson, Director Treasury, presented business item 2022-136.

Mr. Thompson gave the following background: The Council's Municipal Advisor is a vital external partner who provides guidance, advises, facilitates, and performs many components of a bond issuance, and monitors its compliance with regulations and IRS rules. The Council's current advisor contract expires June 30, 2022.

A Request for Proposals was issued and the Council received three responsive proposals.

The criteria used in the evaluation of proposals was proposer quality, qualifications, experience, costs, and the ability to meet current and future needs. An evaluation panel and after initial individual evaluations of the proposals, a consensus meeting was held during which it was determined that the Baker Tilly Municipal Advisors LLC proposal was the most advantageous to the Council, given their combination of related experience, services offered and pricing.

The execution of a professional service contract more than \$500,000 requires Council approval. Municipal Advisory fees are typically funded with bond issue proceeds.

Council Member Gonzalez asked if the Council has had Baker Tilly under contract before. Mr. Thompson responded that Baker Tilly is the incumbent municipal advisor. There were no other questions or discussion.

Motion by Barber, seconded by Pacheco. Motion carried.

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Municipal Advisory Services – Contract #22P030

District(s), Member(s):	All
Policy/Legal Reference:	FM 14-2 Expenditures for Procurement of Goods, Services, and Real Estate Policy
Staff Prepared/Presented:	Mark Thompson, Director Treasury
Division/Department:	Regional Administration / Finance

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute Contract #22P030 with Baker Tilly Municipal Advisors LLC, to provide municipal advisory services for an amount not to exceed \$1,000,000.

Background

The Council issues debt annually to finance capital project expenditures. The Treasury Department oversees and manages the complex debt issuance process, which involves internal staff and external partners.

The Council's Municipal Advisor is a vital external partner who provides guidance, advises, facilitates, and performs many components of a bond issuance, and monitors its compliance with regulations and IRS rules. Example of municipal advisor services include – determining best type and structure of debt, prepare bond documentation, assist with rating agencies, prepare Official Statements for potential investors, work with underwriters, price/interest cost guidance based on financial markets, marketing the bonds, accepting bids from investors, closing the bond sale, and post-issuance compliance. The Council's current advisor contract expires June 30, 2022.

A Request for Proposals was issued on March 9, 2022. This contract is for a period not to exceed 5 years. A pre-proposal meeting was hosted by Council staff that outlined the solicitation requirements, discussed elements of the scope of work and responded to plan holder inquiries. There were eight registered plan holders, five consultants, two subcontractors, one plan room and two of the plan holders identified as minority, woman, small or disadvantaged business enterprises. The Council received three proposals to be evaluated for the consideration of award.

The criteria used in the evaluation of proposals was proposer quality, qualifications, experience, costs, and the ability to meet current and future needs. An evaluation panel was established which utilized the expertise and knowledge of the Treasury Department, as the primary users of the requested advisory services, as well finance staff from both Metro Transit and Environmental Services. These departments interact with, and benefit from, the municipal advisor's work. After initial individual evaluation of the proposals, a consensus meeting was held during which it was determined that the Baker Tilly Municipal Advisors LLC proposal was the most advantageous to the Council, given their combination of related experience, services offered and pricing.

Rationale

The execution of a professional service contract in excess of \$500,000 requires Council approval.

Thrive Lens Analysis

Authorization to enter this contract supports the Thrive outcome of Stewardship by providing outside high quality municipal advisory services to the Council at the best value over the next five years. The selection of this advisor will ensure the best possible outcomes for future Council debt financings.

Funding

Municipal Advisory fees are typically funded with bond issue proceeds.

Small Business Inclusion

The Office of Equity & Equal Opportunity (OEEO) thoroughly reviewed this procurement for Metropolitan Council Underutilized Business (MCUB) opportunities in accordance with applicable state laws and regulations as well as contract specifications. Upon conclusion of OEEO's research and analysis, no MCUB goal was set.

