



Legislation Text

File #: 160743., **Version:** 2

Professional Services Agreement Extension for Financial Advisory Services (NB)

****This item was presented to the Utility Advisory Board on 2/15/17.****

GRU employs the services of a financial advisor to assist in developing and implementing strategies to meet the Utility's long-term capital financing needs. The financial advisor supports staff in evaluating financial options, helps with technical aspects of designing financial arrangements and instruments, and aids in representing the Utility's interest in financial market dealings. Due to the significance of information provided by a financial advisor, it is imperative that GRU receive information from the most experienced and knowledgeable public utility financial advisory firm.

Public Financial Management, Inc. (PFM) has served as GRU's financial advisor since 2006, after being selected as a result of an extensive, competitive evaluation process. The current contract received authorization from the City Commission on January 19, 2012 to enter into a five year contract with PFM. The contract is set to expire on March 31, 2017, unless earlier amended. The contract provides for up to five-years of contract amendments upon mutual agreement of the parties and negotiation of the contract prices. Given the current economic environment, PFM's knowledge and experience with the complexity of GRU's structure and PFM's solid past performance, staff believes that it is in GRU's best interest to retain PFM's services for the extensive resources they offer.

A proposed monthly retainer fee of \$5000.00 per month is competitive in the industry. Other fees for bond, investment, and project expenses are paid based on established rates and the project requirements on an as-needed basis.

This item was presented to the Utility Advisory Board at its February 15, 2017 regular meeting.

Funds are available in the FY 2017 budget and will be requested in subsequent year budgets.

The City Commission: 1) authorize the General Manager, or his designee, to negotiate and execute up to five (5) years of contract amendments with Public Financial Management, Inc. for Financial Advisory Services, subject to the approval of the City Attorney as to form and legality; and 2) approve the issuance of purchase orders to Public Financial Management, Inc. in amounts not exceeding \$120,000 for each year of the contract amendment pending final appropriation of funds for each fiscal year.

UAB Recommendation: The UAB recommends that the Commission approve the contract amendment.