

CITY COUNCIL REGULAR SESSION

Resolution authorizing execution of a four-year professional services agreement with Piper Sandler & Co. to provide financial advisory services, with a one-year renewal option, for a total contract amount not to exceed \$300,000, plus all applicable taxes.

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Finance and Asset Management Department

EXECUTIVE SUMMARY

This Resolution will authorize execution of an agreement with Piper Sandler & Co. to provide debt issuance and general financial advisory services to support the City's ongoing obligations associated with its Transportation Infrastructure Finance and Innovation Act (TIFIA) loan as well as planning, review, and execution of bond agreements for new and refunding debt issues.

RECOMMENDATION

Move to adopt Resolution No. 10142

BACKGROUND/ANALYSIS

The City of Bellevue uses a third-party financial advisor to help with the complex task of issuing bonds and to provide general financial advisory services as need arises.

Some of these bond issuance services include 1) devising and recommending to the City a financing plan for debt obligations to be issued, including bond structuring alternatives, size, timing, and method of bond sale, 2) assisting in preparing rating agency presentations, scheduling and assisting in the presentations, and acting as a liaison with the agencies, providing information as needed, and 3) assisting in the evaluation and selection of underwriters for a negotiated sale and negotiation of underwriting fees and interest costs, and defining a process for competitive sale.

General financial advisory services include 1) reviewing the City's financing objectives, financial forecast, and financial position, 2) assisting in the review and analysis of State and Federal regulations pertaining to the City's financing programs and credit ratings, 3) developing economic modeling, sensitivity analyses and general information relevant to structuring and financing alternatives, and 4) providing advice and assistance in the development of long-range financing plans of the City.

In accordance with Procurement Services guidelines, the City conducted a formal Request for Proposal (RFP) process for financial advisory services. Response was received from four firms on July 21. Staff reviewed and evaluated the proposals and the fee schedules. Piper Sandler & Co. was selected by the selection committee for the firm's capability to provide high quality services at a competitive cost. The term of the contract covers a four-year period, from November 4, 2022 through November 3, 2026, with an option to renew the contract for a period of one year. The current contract, which is also with Piper

Sandler & Co, for these services expires on November 3. This Resolution would authorize the execution of an agreement to provide for the continuation of these services with Piper Sandler & Co.

POLICY & FISCAL IMPACTS

Policy Impact

Bellevue City Code 4.28 provides for the fair and equitable treatment of all persons involved in the purchasing process. Council approval is required to award the bid where the cost exceeds \$90,000.

Fiscal Impact

Approval of this action obligates the City up to \$300,000, plus all applicable tax, for financial advisory services. Bond issuance fees are generally paid from the bond proceeds and are based on the size and type of the bond issuance. General consulting services are charged on an hourly basis and will depend on the number and type of projects assigned to the Financial Advisor over the next four-year period and will be paid from the General Fund, General Capital Investment Program projects or other budgets, as appropriate.

Contract expenditures were anticipated, and sufficient funds exist in the 2021-2022 adopted operating budget. Future funding for the remaining years of the contract and renewal option, if exercised, will be requested in subsequent budget processes.

OPTIONS

1. Adopt the Resolution authorizing execution of a four-year professional services agreement with Piper Sandler & Co. to provide financial advisory services, with a one-year renewal option, for a total contract amount not to exceed \$300,000, plus all applicable taxes.
2. Do not adopt the Resolution and provide alternative direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

Proposed Resolution No.10142

AVAILABLE IN COUNCIL LIBRARY

Proposed Piper Sandler & Co. Contract