

# Bay Area Toll Authority Oversight Committee (BATA Oversight)

January 13, 2021

Agenda Item 4b - 21-0039

## Contract Amendment - Financial Advisory Services: PFM Financial Advisors LLC (\$600,000)

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**Subject:** Staff requests Committee approval of a two-year contract extension with PFM Financial Advisors LLC (PFM) to provide financial advisory services with annual funding of \$300,000. Total cost for PFM financial advisory services will increase from \$1,500,000 to \$2,100,000. Increased funding is subject to approval of future BATA budgets.

**Background:** The five-year financial advisory services contract with PFM (formerly Public Financial Management, Inc.) was approved by this Committee in April 2016 following a competitive selection process. A pre-qualified bench of financial advisors, including PFM, was selected to provide financial advisory services for a five-year period beginning July 1, 2016 through June 30, 2021. The procurement establishing the bench included an option to extend for two years, through June 2023.

PFM has provided valuable assistance over the past five years. This assistance included help structuring, planning and issuing fairness opinions in several BATA refinancing transactions that have produced millions in present value savings. In addition, PFM has assisted in the planning and analysis of the potential FTA/BART car replacement financing. In an ABAG funded project, PFM played a key role in the restructuring of the entire ABAG FAN portfolio.

BATA currently has a financing in development. PFM is playing a key role in the planning and structuring of the refinancing that is scheduled to close April 1, 2021. Transaction-based fees will continue to be paid through transaction proceeds, subject to review and approval by BATA as part of the transaction approval process.

PFM performs other services such as swap valuations and investment portfolio structuring that are not necessarily tied to a financing. For these services, staff recommends an amount not to exceed \$300,000 per fiscal year.

PFM is neither a small business nor a disadvantaged business enterprise and has no subcontractors.

**Recommendation:** Staff recommends that the Committee authorize the Executive Director or designee to negotiate and enter into a contract amendment including a two-year extension with PFM with annual funding of \$300,000. Total costs for PFM financial advisory services will increase from \$1,500,000 to \$2,100,000. Funding is subject to approval of future BATA budgets.

**Attachments:** Request for Committee Approval – Summary of Proposed Contract Amendment



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Therese W. McMillan

## REQUEST FOR COMMITTEE APPROVAL

### Summary of Proposed Contract Amendment

Work Item No.: 1254

Consultant: PFM Financial Advisors LLC  
Philadelphia, PA

Work Project Title: Financial Advisory Services

Purpose of Project: To provide financial advisory services

Brief Scope of Work: To provide financial advisory services

Project Cost Not to Exceed: This amendment: \$600,000 (\$300,000 per fiscal year)  
Current contract amount before this amendment: \$1,500,000  
Maximum contract amount after this amendment: \$2,100,000

Funding Source: BATA Operating Budget

Fiscal Impact: Funds are subject to inclusion in and approval of the FY 2021-22 and FY 2022-23 BATA Operating budgets

Motion by Committee: That the Executive Director or designee is authorized to negotiate and enter into a contract amendment with PFM Financial Advisors LLC to continue providing financial advisory services, beginning July 1, 2021 through June 30, 2023 as described above and in the BATA Oversight Committee Summary Sheet dated January 13, 2021 and the Chief Financial Officer is directed to set aside \$300,000 per fiscal year for such contract amendment, subject to the approval of future BATA budgets.

BATA Oversight: \_\_\_\_\_  
Amy Worth, Chair

Approved: January 13, 2021