

AGENDA ITEM 9-D
ACTION ITEM

TO: CHAIRMAN KAUFFMAN AND THE VRE OPERATIONS BOARD

FROM: DALE ZEHNER

DATE: APRIL 20, 2007

**RE: AUTHORIZATION TO AWARD A CONTRACT FOR FINANCIAL
ADVISORY SERVICES**

RECOMMENDATION:

The VRE Operations Board is being asked to authorize the Chief Executive Officer to enter into a contract with the PFM Group for financial advisory services in an amount not to exceed \$200,000.

BACKGROUND:

On January 17, 2007, Prince William County issued a Request for Proposals (RFP) for the provision of financial advisory services on behalf of the County, PRTC and VRE. Bids were due on February 8 and one proposal from PFM Group, headquartered in Philadelphia, Pennsylvania, was received. This limited response was attributed primarily to the fact that the RFP specified the proposer would not be permitted to bid on any future debt.

Staff representatives from the County, PRTC and VRE reviewed the proposal from PFM and found it responsive. Following price negotiations, a best and final offer was submitted by PFM on March 28 and has been accepted by Prince William County. In accordance with the terms of the RFP, VRE and PRTC will have separate contracts with PFM. The contract would be based on a per transaction amount for debt issuance or an hourly rate for financial planning services and follow the same price structure as the County contract.

As VRE occasionally requires the services of a financial advisor to develop financing alternatives and to manage existing debt, VRE is requesting authorization for an amount not to exceed \$200,000 over a period of up to ten years. If additional approvals are needed, VRE would return to the Operations Board for supplemental authorization. The initial contract term is for one year, with nine one-year options. VRE is requesting authorization for the maximum term of the contract, with the VRE CEO exercising the option years at his discretion.

PFM has been serving as a financial advisor to Prince William County and PRTC since 2001 and to VRE since VRE's inception.

FISCAL IMPACT:

Funding for these services will be provided from debt proceeds, where appropriate, or from project funding.

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RESOLUTION
9D-04-2007
OF THE
VIRGINIA RAILWAY EXPRESS
OPERATIONS BOARD

WHEREAS, VRE and PRTC require the services of a financial advisor from time to time to develop financing alternatives and to manage existing debt; and,

WHEREAS, on January 17, 2007 Prince William County issued an RFP for financial advisory services on behalf of the County, VRE and PRTC; and,

WHEREAS, one proposal was received on February 8, 2007; and,

WHEREAS, VRE and PRTC have the authority under the terms of the solicitation to make a joint selection of a financial advisor, separately from any selection made by Prince William County.

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board authorizes the Chief Executive Officer to enter into a contract with the PFM Group for financial advisory services in an amount not to exceed \$200,000.