To: Chairman Smedberg and the VRE Operations Board

From: Doug Allen

Date: May 19, 2017

Re: Authorization to Execute a Contract for Financial Advisory Services

Recommendation:

The VRE Operations Board is asked to authorize the Chief Executive Officer to execute a Contract with PFM Financial Advisors, LLC (PFM), headquartered in Philadelphia, Pennsylvania for Financial Advisory Services, to be done on a Task Order basis, in the amount not to exceed $300,000 for a base year and nine option years, with the CEO exercising the option years at his discretion.

Background:

Prince William County issued a Request for Proposals (RFP) for the services of a financial advisor on behalf of the County, the Potomac and Rappahannock Transportation Commission (PRTC), the Northern Virginia Transportation Authority (NVTA) and VRE. The RFP specified VRE and PRTC together could select the same or a different financial advisor than the County. A similar provision applied to the selection of a financial advisor by NVTA. The financial advisor is responsible for assisting in the development of financing alternatives; for implementing the chosen alternative; for assisting in managing existing debt; for the development and review of financial policies; and for other consulting services such as the development of financial plans and forecasts.

The issuance of the solicitation and the selection process were carried out by Prince William County in accordance with their own procedures and in compliance with the
Virginia Public Procurement Act. Prince William County determined that an RFP was the preferred method of procurement for this solicitation because there are different approaches to the desired service and an evaluation of technical merit is required. Upon completion of the evaluation of proposals by PRTC and VRE, interviews were held and negotiations were conducted with the highest ranked firm deemed to be fully qualified and best suited among those submitting Proposals, based on the factors specified in the evaluation criteria. Price was considered in the context of technical performance for this service to achieve a best value determination.

On February 28, 2017, the RFP was issued and proposals were due on March 22, 2017. Two responses were received.

Evaluation of the Proposals received was performed by the PRTC/VRE Selection Committee, which consisted of one VRE staff member and one PRTC staff member.

The PRTC/VRE Selection Committee met to discuss and evaluate the Proposals using the following criteria:

- Understanding the PRTC/VRE requirements – 20 points
- Approach and work plan – 15 points
- Management plan and timetable – 10 points
- Project team qualifications and experience – 30 points
- Firm experience and capabilities – 25 points

It was determined that the proposal from PFM was technically compliant and unanimously selected to be best value for the project. Following negotiations, a best and final offer was submitted by PFM. In accordance with the terms of the RFP, VRE and PRTC will have separate contracts with PFM.

Below is the final ranking of firms who submitted a proposal for financial advisor services.

<table>
<thead>
<tr>
<th>Offerors</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. PFM Financial Advisors, LLC</td>
</tr>
<tr>
<td>2. First Tryon Advisors</td>
</tr>
</tbody>
</table>

The current contracts for financial advisor services are with The PFM Group, including Public Financial Management, Inc. (the forerunner to PFM Financial Advisors, LLC). PFM has served as a financial advisor to Prince William County and PRTC since 2001 and to VRE since VRE’s inception.
The proposed pricing is based on a per transaction amount for public debt issuance in the range of $90,000 to $195,000, based on the services provided. Financial planning and other consulting services will be carried out through individual Task Orders, based on the submitted hourly rate for such services. Complete pricing information may not be publicly disclosed until after execution of a contract. VRE staff has certified that the highest ranked Offeror's price is fair and reasonable.

VRE only periodically requires the services of a financial advisor to develop financing alternatives or for other purposes. VRE is requesting authorization for an amount not to exceed $300,000 over the contract period. If additional approvals are needed, VRE will return to the Operations Board for supplemental authorization.

The contract will be for a base year and nine option years, with the CEO exercising the option years at his discretion. This authorization allows work to begin.

**Fiscal Impact:**

Funding for these services will be provided from debt proceeds, where appropriate; from the Capital Planning Fund; or from the operating budget.
Authorization to Execute a Contract for Financial Advisory Services

WHEREAS, Prince William County issued a Request for Proposals (RFP) on February 28, 2017 for the provision of financial advisory services on behalf of the County, the Potomac and Rappahannock Transportation Commission (PRTC), the Northern Virginia Transportation Authority (NVTA) and VRE; and,

WHEREAS, the RFP specified that VRE and PRTC together could select the same or a different financial advisor than the County or NVTA; and,

WHEREAS, VRE and PRTC staff determined that the proposal from PFM Financial Advisors, LLC was technically compliant and unanimously selected to be best value for the project; and,

WHEREAS, the Operations Board’s approval of this procurement does not represent its independent assessment of the candidate’s responses to the solicitation or of each step in the procurement process followed by staff; rather, the Operations Board’s action is premised upon its conclusion, after review of the information before it, that the process used by the staff was in accordance with law and that the staff recommendation appears to be reasonable;

NOW, THEREFORE, BE IT RESOLVED THAT, the VRE Operations Board does hereby authorize the Chief Executive Officer to execute a Contract with PFM Financial Advisors, LLC, headquartered in Philadelphia, Pennsylvania for Financial Advisory Services, to be done on a Task Order basis, in an amount not to exceed $300,000. The contract will be for a base year and nine option years, with the VRE CEO exercising the option years at his discretion.

Approved this 19th day of May, 2017.

______________________________
Paul Smedberg
Chairman

______________________________
Katie Cristol
Secretary