

December 7, 2016

Financial Services
Mrs. Judith M. Marte, Chief Financial Officer

SUBJECT: REQUEST AUTHORIZATION TO NEGOTIATE AND ENTER INTO A CONTRACTUAL SERVICES AGREEMENT WITH PFM FINANCIAL ADVISORS LLC, PURSUANT TO REQUEST FOR PROPOSALS NO. RFP16-028-MT – FINANCIAL ADVISOR

COMMITTEE: FISCAL ACCOUNTABILITY

LINK TO STRATEGIC BLUEPRINT: EFFECTIVE AND SUSTAINABLE BUSINESS PRACTICES

Request for Proposal No. RFP16-028-MT – FINANCIAL ADVISOR, is to provide independent financial advisory services in connection with the financing for the District's ongoing Capital Construction Program and other capital needs for the Office of Treasury Management. The financial advisor will provide advice and assistance regarding the debt management program, long term credit strategies, and coordination of financing/capital funding agreements.

The services may include, but will not be limited to the following debt issuances: general obligation bonds, certificates of participation, revenue anticipation notes, master equipment/technology leases, tax anticipation notes, forward purchases and remarketing agreements, debt refunding and restructuring, public private partnerships, and derivatives/swaps. This is a term proposal in which two (2) proposers responded to this advertised solicitation. The initial term of the contract is effective January 1, 2017 through December 31, 2019 and may by mutual agreement between The School Board of Miami-Dade County, Florida, and the awardee, be extended for two (2) additional one (1) year periods.

A meeting of the Selection Committee, which included representatives of the School District and the District's Treasury Advisory Committee, was held on November 14, 2016. Two (2) proposals were presented for consideration: First Southwest, and Public Financial Management, Inc. After considerable deliberation, the Committee unanimously recommended Public Financial Management (PFM), Inc. to provide long term financial advisory services, based on their experience in advising large Florida school districts, and under the condition that PFM reduce the proposed prices to at least

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match their current contract fees with the District. PFM agreed to reduce the hourly rate for non-bond related issues and not to charge for expenses, except for requested travel related items, while maintaining the rest of the pricing to the current contract levels.

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

1. authorize the Superintendent of Schools to negotiate and enter into a contractual services agreement between The School Board of Miami-Dade County, Florida, and PFM Financial Advisors LLC, pursuant to Request For Proposals No. RFP16-028-MT – FINANCIAL ADVISOR, to provide long term financial advisory services based on the ability to meet the needs of the District in connection with the financing for the District's ongoing Capital Construction Program and other needs, effective January 1, 2017, through December 31, 2019, with two (2) one-year renewal options, as follows:

Highest Rated Financial Advisor Proposal

PFM FINANCIAL ADVISORS LLC
255 ALHAMBRA CIRCLE, SUITE 404
CORAL GABLES, FL 33134
SERGIO MASVIDAL, MANAGING DIRECTOR

2. authorize Procurement Management Services to purchase services as per the attached fee schedule (Exhibit A – Fee Schedule).

2017 Financial Advisor RFP Fee Schedule

C.O.P./Lease Backed Financing	\$ Fees
Fees per \$1,000 par value	0.27
Minimum Fee per Sale	17,500
Maximum Fee per Sale	75,000
Maximum Expenses per Sale - Travel Related Only (2)	2,000
Fees for Refunding per \$1,000 par value	0.27

G.O./Sales Tax Financing	\$ Fees
Fees per \$1,000 par value	0.20
Minimum Fee per Sale	17,500
Maximum Fee per Sale	75,000
Maximum Expenses per Sale - Travel Related Only (2)	2,000
Fees for Refunding per \$1,000 par value	0.20

Short-term Financings (TANs, RANs, BANs, etc)	\$ Fees
Fees per \$1,000 par value	0.20
Minimum Fee per Sale	10,000
Maximum Fee per Sale	25,000
Maximum Expenses per Sale - Travel Related Only (2)	3,000

Master Equipment/Technology Leases	\$ Fees
Fees per \$1,000 par value	0.25
Minimum Fee per Sale	10,000
Maximum Fee per Sale	25,000
Maximum Expenses per Sale - Travel Related Only (2)	2,000

SWAP/Derivatives Fees	\$ Fees *
Fees per \$1,000 of notional amount	0.70
Minimum Fee per Transaction	25,000
Maximum Fee per Transaction	100,000
Maximum Expenses per Sale - Travel Related Only (2)	5,000
Hourly Rates:	
Staff Position: Managing Director/Director	400.00
Staff Position: Senior Managing Consultant	350.00
Staff Position: Senior Analyst Consultant	300.00
Staff Position: Analyst Consultant	200.00

* Termination or Amendment of existing Swap is 50% of Above Listed Fee

Additional Services	\$ Fees
Escrow Structuring & Procurement	SLGS - \$2,500 per subscription; Open Market Securities - not to exceed \$38,000
Service: Sinking Funds Investments	Open Market Securities - \$2,500 per investment; Forward Delivery Agreement \$38,000
Service: Structured Investment	\$38,000 per Agreement
Service: Qualified Administrative Cost	\$38,000 per Agreement
QZCB per \$1,000	0.30
QZCB Minimum Fee Per Sale	20,000
QZAB Fee per Sale	10,000

Non-Bond Related Hourly Rates (2):	\$ Fees
Staff Position: Managing Director	225.00
Staff Position: Director	200.00
Staff Position: Senior Managing Consultant	175.00
Staff Position: Senior Analyst/Analyst	150.00

(1) Payment for travel expenses shall be paid by the District after submission of an invoice with supporting travel documentation and shall adhere to District's travel policies and Section 112.061 of the Florida Statutes for travel expenses.

(2) Separate fees will be negotiated in advance for other additional services billed at hourly rates

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