

PROCUREMENT SUMMARY

MUNICIPAL ADVISORY SERVICES / PS64441000A – PS64441000J

1.	Contract Number: PS64441000A – PS64441000J	
2.	Recommended Vendors: Montague DeRose and Associates, Inc.; KNN Public Finance; Public Resources Advisory Group; Fieldman Rolapp and Associate; PFM Financial Advisors LLC; Backstrom, McCarley Berry & Co.; Sperry Capital, Inc.; Omnicap Group LLC; Hilltop Securities, Inc.; Columbia Capital Management LLC	
3.	Type of Procurement (check one): <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP–A&E <input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order	
4.	Procurement Dates:	
	A. Issued: July 30, 2019	
	B. Advertised/Publicized: July 30, 2019	
	C. Pre-Proposal Conference: N/A	
	D. Proposals Due: August 29, 2019	
	E. Pre-Qualification Completed: October 31, 2019	
	F. Conflict of Interest Form Submitted to Ethics: September 23, 2019	
	G. Protest Period End Date: November 25, 2019	
5.	Solicitations Picked up/Downloaded: 23	Bids/Proposals Received: 10
6.	Contract Administrator: Ernesto N. DeGuzman	Telephone Number: (213) 922-7267
7.	Project Manager: Susan Cariasa-Ginsberg	Telephone Number: (213) 922-6162

A. Procurement Background

This Board Action is to approve the award of bench Contract Nos. PS64441000A through PS64441000J for municipal advisory services for a six-year term effective January 1, 2020 for an aggregate amount not-to-exceed \$6,590,000. Board approval of contract awards are subject to resolution of properly submitted protest.

Request for Proposal (RFP) PS64441 was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed labor rate for task orders, firm fixed annual retainer for Lead Financial Advisors while serving in that capacity, and firm fixed price for bond issues.

Two amendments were issued during the solicitation phase of this RFP:

- Amendment No. 1, issued on August 2, 2019 clarified the use of the Form 60 as the pricing form to be used for cost/price proposals.
- Amendment No. 2, issued on August 20, 2019 clarified the number of hard copy and electronic copies of the proposals to be submitted.

There were five questions submitted and responses were provided prior to the proposal due date.

Ten proposals were received on the due date of August 29, 2019 from the following firms listed in alphabetical order:

	Proposer Name
1	Backstrom, McCarley Berry & Co.
2	Columbia Capital Management LLC
3	Fieldman Rolapp and Associate
4	Hilltop Securities, Inc.
5	KNN Public Finance
6	Montague DeRose and Associates, Inc.
7	Omnicap Group LLC
8	PFM Financial Advisors LLC
9	Public Resources Advisory Group (PRAG)
10	Sperry Capital, Inc.

B. Evaluation of Proposals

A Proposal Evaluation Team (PET) consisting of staff from Metro’s Treasury Department and a representative from an outside peer agency was convened and conducted a comprehensive technical evaluation of the proposals received.

The proposals were first evaluated on the following minimum Pass/Fail requirements. The solicitation specified that any proposal that did not meet these requirements will be ineligible for further evaluation:

- Proposer must be an independent municipal advisory firm that does not provide products or services including underwriting of municipal securities that have potential to create a conflict of interest with regards to a firm’s fiduciary obligations under the contract. Proposers were asked to provide a signed affidavit confirming that they will not provide underwriting services to LACMTA if they are serving as LACMTA’s Municipal Advisor in any capacity.
- Proposer (or staff directly assigned to LACMTA) has a minimum of five (5) years of current experience providing municipal advisory services.
- Proposer is currently registered as a Municipal Advisor Firm with SEC and MSRB
- Proposer shall be an IRMA as defined by the SEC.

All ten proposals met the minimum pass/fail requirements.

The proposals were then evaluated based on the following evaluation criteria:

- | | |
|--|-----|
| • Small Business Evaluation | 10% |
| • Degree of the Prime’s Skills and Experience | 25% |
| • Qualifications of Staff to be Assigned | 20% |
| • Understanding of Work and Appropriateness of Approach for Implementation | 20% |
| • Cost Proposal | 25% |

The evaluation criteria are appropriate and consistent with criteria developed for the procurement of similar services in the past. Several factors were considered when developing

these weights, giving the greatest importance to the Degree of the Prime's Skills and Experience, and the Cost Proposal.

On September 27, 2019, the PET concluded its independent evaluation of the ten proposals. All firms were determined to be responsive to the RFP and qualified to be on the bench.

Qualifications Summary of Proposers:

Montague DeRose and Associates, Inc.

Montague DeRose and Associates, Inc. is a California-based firm, founded in 1995 to serve as the financial advisor on TIFIA loans, bond issues, commercial paper, and other financial projects for the public sector. They have performed work for a number of public agencies including the former San Bernardino Associated Governments (now the San Bernardino County Transportation Authority), the State of California, and the United States Department of Transportation. They have extensive experience creating financing models for county master transportation plans and capital improvement plans. They have advised USDOT on TIFIA loans and would be able to bring this experience as Financial Advisor for our TIFIA financings. As a Lead Financial Advisor, they will provide service in all areas of financial management, including bond issues, derivatives and policy review and development.

KNN Public Finance

KNN Public Finance serves as a lead financial advisor to various transportation entities such as the San Francisco County Transportation Authority, Santa Clarita Valley Transportation Authority, and the Napa Valley Transportation Authority. They have provided financial advisory services to state and local governments since 1982 and is based in Oakland, California. KNN will provide transaction services, cash flow modeling, investor and rating relations programs, and debt and financial policy development, including assisting in determining the key factors that drive financial decisions and strategies.

Public Resources Advisory Group

Public Resources Advisory Group (PRAG) was founded in 1985 and maintains an office in Los Angeles while their main office is in New York. PRAG is wholly owned and managed by its employees. It provides services for the State of California, the Port of Long Beach, and the Denver Union Station Project Authority. PRAG's focus is on California public agencies with complex financing programs. PRAG will advise on projects that include complex analytics and modeling cash flows, variable rate obligations, and rating strategies.

Fieldman Rolapp and Associate

Fieldman Rolapp & Associate is a California-based independent financial advisory firm that began business in 1966. They have established models for measuring coverage on sales tax-based bond issues as well as cash flow modeling. The firm's concentration is 100% on public finance. This firm will be able to provide advice for bond issuance, strategic advice and cash flow modeling, and other projects. They have served as a financial advisor for the Port of Los Angeles, the City of Irvine, and the Solid Waste Resources Revenue Bond Project with the City of Los Angeles.

PFM Financial Advisors LLC

PFM Financial Advisors LLC (PFM) was founded in 1975 in Los Angeles and has previously advised LACMTA in bond proceeds investments, development of new trust agreements, commercial paper programs, fixed and variable rate bond issuance and refunding, and the development of debt and swap policies. PFM has a proven record of satisfactory service to the LACMTA.

Backstrom, McCarley Berry & Co.

Backstrom, McCarley Berry & Co. has a strong history in banking and consulting projects on numerous transportation issues throughout the country. They have been registered with the Municipal Securities Rulemaking Board (MSRB) and Securities and Exchange Commission (SEC) for over ten years and maintain offices in New York, Chicago, Houston, and San Francisco. The firm has consulted for the San Francisco Municipal Transportation Agency and the San Francisco International Airport as well as the Bay Area Rapid Transit District (BART). They have demonstrated analytical skills and experience to provide advice on Agency financial matters. Backstrom, McCarley Berry & Co. is a Metro-certified SBE.

Sperry Capital, Inc.

Sperry Capital, Inc. (SPI) was established in 1994 and provides financial advisory services to state and local governmental agencies. They have provided services to Orange County Transportation Authority and the Transbay Joint Powers Authority. They are registered as a municipal advisor and have served other agencies advising on sales tax revenue bonds, tax-exempt commercial paper and TIFIA loans. SPI provides financial advice on a project basis on such issues as post issuance compliance, commercial paper issuance, public-private partnerships, and investments, as well as other financial management tools. SPI is a Metro-certified SBE.

Omnicap Group LLC

Omnicap Group LLC (Omnicap) is a nationally recognized municipal advisor established in 2004 and the firm has been providing financial and investment advisory services on a national level since its inception. Omnicap is a registered municipal advisor with the MSRB and SEC and a SEC Registered Investment Advisor. Omnicap is certified as a small business enterprise by the City of LA, LA County, and the State of California. Omnicap is focused on providing financial advisory, swap advisory, investment advisory, and post-issuance tax compliance services to tax-exempt issuers on a national level.

Hilltop Securities, Inc.

Hilltop Securities, Inc. is a financial advisory firm that is a registered broker/dealer. It serves as financial advisor to the Regional Transportation District (Colorado), Metropolitan Atlanta Rapid Transit Authority, Port of Houston, Maryland Transportation Authority, the Oklahoma Department of Transportation, Rhode Island Department of Transportation, Oklahoma Turnpike Authority, Miami-Dade International Airport, New Jersey Turnpike Authority, Dallas Fort Worth Airport, North Texas Tollway Authority, Miami-Dade County Expressway Authority, Rhode Island Turnpike and Bridge Authority, and Tampa-Hillsborough County Expressway Authority.

Columbia Capital

Columbia Capital Management LLC (Columbia) was formed in 1996 and provides municipal bond issuers with independent financial advice. It has helped many high-profile issuers throughout the nation on approximately \$61.1 billion of bonds, including fixed and variable rate, new money and refunding in areas including general obligation, revenue, annual appropriation, transportation, toll/turnpike, mass transit, parking, education, housing, pension, unemployment, and utilities. Columbia maintains staffed offices in Glendale, CA; Overland Park, Kansas; and Chicago, Illinois. Each of Columbia's offices have been established for at least one year, and 100% of the firm's employees are dedicated to public finance. Its current mass transit clients include Metro/Bi-State Development Agency (St. Louis), the Regional Transportation Authority of Northeastern Illinois, and the Chicago Transit Authority.

The three highest ranked proposers (Montague DeRose and Associates, Inc., KNN Public Finance, and PRAG) were selected to provide lead financial advisory services, alternating for a term limit of two years each. When not serving as lead financial advisors, they will be competing for task orders along with the rest of the bench.

C. Cost/Price Analysis

All future Task Order RFPs will contain a specific statement of work which will be competed among the firms on the bench. The Bench contractors will propose according to the requirements in the task order and a cost/price analysis will be performed prior to task order award.