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Alameda Corridor Transportation Authority

December 10, 2020

To:	Governing Board
From:	Kevin L. Scott, Chief Financial Officer 
Subject:	<i>Approve Thirteenth Amendment to Agreement No. C0637 with PFM Financial Advisors LLC for financial advisory services (APPROVAL)</i>

Recommendation:

Approve the proposed Thirteenth Amendment to Agreement No. C0637 with PFM Financial Advisors LLC ("PFMFA") for financial advisory services in order to increase the contract value by \$125,200 and extend the term for six months through June 30, 2022; authorize the Chief Executive Officer or Chief Financial Officer to execute said Amendment.

Discussion:

PFMFA has provided financial advisory services to ACTA over the past eighteen years. The firm has significant expertise in transportation and toll revenue financing and has assisted ACTA on several bond refinancing transactions and other vital fiscal matters during the term of the agreement. The request to extend PFMFA's agreement is based upon the present need for continuity of services from the firm and its personnel who have in-depth knowledge of ACTA's debt structure and requirements. ACTA's debt structure is complex, involving senior, first subordinate, second subordinate, taxable, tax-exempt, interest bearing and capital appreciation bonds. ACTA's revenue pledge and priority of payment structure is also complex. ACTA's management requires the services of PFMFA on a regular basis to assist with the annual rating agencies' review process and when special needs arise, such as assessing the impact of COVID-19 on ACTA's ability to pay debt service. In addition, in the immediate near term, PFMFA's services will be necessary for ACTA to consider potential bond financing options, as well as assisting ACTA in undertaking any selected financial transactions.

The agreement with PFMFA has been in place since March 2002 and is currently set to expire on December 31, 2021. Although a Request for Proposals (RFP) was planned for fall 2019, the imminent retirements of both the CEO and CFO at that same time required an extension of the agreement by two years to December 31, 2021 in order to maintain continuity of services with the rating agencies, bond insurers and the investment community. ACTA management is mindful that the PFMFA agreement has been in place for many years. The request to extend the term



of the agreement by six-months will ensure that any potential bond financing transactions can be completed by mid-2021, followed soon thereafter by a competitive selection process for financial advisory services, with the expectation to have a new agreement ready for approval by June 2022.

Authorization to execute the Thirteenth Amendment to Agreement No. C0637 is requested to increase the agreement compensation value by \$125,200, bringing the total not-to-exceed amount to \$895,000, and to extend the term for an additional six months through June 30, 2022.

Budget Impact:

The agreement has a current not-to-exceed compensation amount, approved by the Board on June 11, 2015, of \$770,000. Expenditures to date total \$759,788. The additional budget of approximately \$125,000 for financial advisory costs would need to be added to the FY21 Program and Operating Budget.

Co-General Counsel Review:

ACTA's Co-General Counsel has reviewed and approved the proposed Amendment as to form.

Transmittal:

Transmittal 1 - Thirteenth Amendment to PFMFA Agreement No. C0637