


M E M O

Alameda Corridor Transportation Authority

To: Governing Board

Meeting Date: January 5, 2023

From: Michael C. Leue, Chief Executive Officer 

Subject: APPROVE Sixteenth Amendment to Agreement No. C0637 with PFM Financial Advisors LLC for financial advisory services to extend the Agreement term by 6 months

Recommendation:

Approve the proposed Sixteenth Amendment to Agreement No. C0637 with PFM Financial Advisors LLC ("PFMFA") to extend the Agreement term by 6 months to August 28, 2023.

Discussion:

PFMFA provides financial advisory services to ACTA, and over the term of the Agreement has assisted ACTA on numerous bond refinancing transactions. PFMFA also provides on-call services to ACTA 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. Most recently, PFMFA assisted ACTA with a bond debt restructuring which is projected to eliminate the need for near-term Shortfall Advances and voluntary Port Advances from the Port of Long Beach and the Port of Los Angeles.

The Agreement with PFMFA is currently set to expire on February 28, 2023. In anticipation of the expiration of the Agreement, ACTA issued a Request For Proposals ("RFP") for municipal financial advisory services in October 2022. The solicitation resulted in only two firms submitting proposals, including one from PFMFA. Although recommending approval of a new agreement with one of the two proposing firms is an option, staff proposes to re-issue the RFP to provide an opportunity for more firms to submit proposals. However, the additional time required to re-issue the RFP necessitates an extension of PFMFA's Agreement term because the solicitation process, including obtaining Governing Board approval of a new agreement, most likely cannot be completed prior to the expiration of the current Agreement.

Staff recommends the 6-month term extension so that PFMFA can continue to provide any necessary on-call work as well as assist ACTA during the annual rating agency review in the early spring. PFMFA's services during this period will be critical, and the proposed term extension will allow the firm to continue work while ACTA potentially brings on a new firm from the current solicitation process. In order to have time for a robust competitive selection process and to ensure ACTA has the support it needs in the interim, staff recommends that the Governing Board approve the Sixteenth Amendment to Agreement No. C0637 to extend the agreement by six months to August 28, 2023.

Budget Impact:

The proposed amendment is for a 6-month term extension with no additional funding; therefore, the amendment will have no budget impact.

Co-General Counsel Review:

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

Transmittals:

Transmittal 1 – Sixteenth Amendment to PFMFA Agreement No. C0637