



Legislation Text

File #: 18-213, **Version:** 1

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SUBJECT: Agreement for Municipal Advisory Services with Fieldman, Rolapp & Associates and Waive the Competitive Bidding Requirement

REPORT IN BRIEF

Considers awarding an agreement to Fieldman, Rolapp & Associates to provide municipal advisory services in connection with a General Obligation Bond ballot measure and subsequent bond financing and waive the competitive bidding requirement.

RECOMMENDATION

City Council - Adopt a motion approving the contract with Fieldman, Rolapp & Associates (FRA) for municipal advisory services, waiving the competitive bid, and authorizing the City Manager or Assistant City Manager to execute the necessary documents.

ALTERNATIVES

1. Adopt the motion as recommended by staff; or
2. Modify the action (specify in motion); or
3. Deny the action.

AUTHORITY

Merced City Charter Section 200. Merced Municipal Code section 3.04.210 (exemption from competitive bidding).

CITY COUNCIL PRIORITIES

As provided for in the 2017-18 Adopted Budget.

DISCUSSION

In August 2017, the City Council approved the purchase of 3033 N. G Street (Merced Sun-Star facility) for a future police headquarters site. To keep the Police Headquarters project moving forward, staff indicated we would be bringing back to the City Council requests to hire consultants for the following tasks: poll the public regarding support for sales tax increase to fund the Police Headquarters and other city facilities, architect to perform a facility needs assessment, and financial advisor to evaluate alternative means of funding.

In October 2017, the City Council approved a professional service agreement to facilitate a public opinion survey. FM3 completed a telephone survey with likely November 2018 voters in the City of Merced. Voters were asked their willingness to support a bond measure and/or a new sales tax to

fund new City facilities and upgrades. More voters were in favor of the bond measure.

In order to begin evaluating a general obligation (GO) bond measure the first step is to hire a municipal advisor. There are two phases to the agreement with FRA, pre-election and post-election. The pre-election duties include; GO bond strategy, calculating tax rates and maximum authorization, GO bond survey support, recommending GO bond structure, preparing ballot language/statement, preparation of tax rate statement, and monitoring the election. The post-election duties include; set-up project management protocols, prepare and monitor schedule, review financing documents, structuring the bond issue, meeting with rating agencies, and coordinating with the underwriter for sale of the bonds.

Preparation by a municipal advisor for a GO bond measure begins well in advance of the election date. In order to meet the timeline for the November 2018 election, FRA working with City staff, will need to complete all of the pre-election duties and present options to the City Council by the second Council meeting in July to adopt a resolution of election. We will have less than three months if the agreement is approved by the City Council today.

Due to the rigid timeline staff is requesting City Council waive the competitive bidding requirement. The City of Merced has worked with FRA as a municipal advisor since 2002. FRA assisted in developing the cities Land Secured Financing Policy and the newly adopted Debt Policy. They also served as municipal advisors for the following bond issues:

CFD 2003-1 Bellevue Ranch East
CFD 2005-1 Bellevue Ranch West
CFD 2006-1 Moraga
CFD 2003-1 Bellevue Ranch East Refunding
CFD 2005-1 Bellevue Ranch West Refunding

FRA is very familiar with the City of Merced and we have established a great rapport. FRA has served the City of Merced well in the past and staff has no reservation that they will continue to do well for us in this endeavor.

FRA is a California corporation that has been a leader in independent financial advising services serving public agencies since 1966. They are based out of Irvine, California and are advisors to several cities, counties, special districts, school districts and non-profit agencies. They maintain one of the highest success rates for GO bond measures.

IMPACT ON CITY RESOURCES

If the ballot measure passes all fees for services will be paid from bond proceeds. If the ballot measure does not pass, the City of Merced will need to pay from the General Fund a not to exceed amount of \$7,500 for pre-election services provided by FRA.

ATTACHMENTS

1. Professional Service Agreement