

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

98-298

SYNOPSIS —

AGENDA:
JULY 13, 1998

A Request for Proposals (RFP) has been prepared to solicit financial advisory services for the City’ s general obligation debt, enterprise fund revenue bonds (Airport, parking, sanitary sewer, stormwater utility, and Wastewater Reclamation Authority), and related financial planning issues.

SUBJECT:
REQUEST FOR
PROPOSALS FOR
FINANCIAL
ADVISORY
SERVICES

FISCAL IMPACT –

TYPE:
**RESOLUTION
ORDINANCE
RECEIVE/FILE**

Financial advisor fees related to services rendered for the issuance of bonds are usually paid from bond funds, at closing. However, in certain instances there may be services rendered for financial planning that would need to be paid from future operating or capital budgets.

SUBMITTED BY:
KEVIN RIPER
FINANCE
DIRECTOR/
TREASURER

RECOMMENDATION –

Approval and authorization to distribute the RFP for financial advisory services.

WILLIAM
FLANNERY
AVIATION
DIRECTOR

BACKGROUND –

In 1990, the City issued an RFP for financial advisory services. That competition was won by Springsted, Inc., which is headquartered in St. Paul and has an office in Des Moines. Springsted has served ably as the City’ s financial advisor this decade, but staff feels the time has come to test the market again for a financial advisor.

The RFP identifies two sets of financial advisory tasks– one for the City’ s general obligation and enterprise fund debt excluding the Airport, and a second for the Airport alone. (The Airport has specialized financing needs related to passenger facility charges, letter-of-credit options, Federal Aviation

Administration grants and regulations, and other unique features. The Airport Board approved its portion of the RFP at a July 7 meeting.) The RFP allows for the selection of different firms to provide financial advisory services to the Airport and to the rest of the City.

Prior to recommendation to City Council, proposals will be evaluated by the City Manager, Corporation Counsel, and Finance Director/Treasurer, or their representatives. Airport financial advisory proposals will be evaluated by the Finance Director/Treasurer, Aviation Director, and Assistant Aviation Director/Finance and Administration, and an Airport Board member, if necessary. The evaluation criteria are: provision of information mandated by the RFP (10 percent); technical qualifications and municipal or Airport experience (65 percent); and cost (25 percent).

The RFP schedule calls for proposals to be submitted by August 11, 1998, with Airport Board consideration (for the Airport tasks only) on September 1, 1998 and Council consideration (for all tasks) on September 14, 1998. The length of the contract, which should again be for a period of some years, will be negotiated with the selected vendor prior to these dates.