

**CITY COUNCIL  
COMMUNICATION:**

**03-441**

**AGENDA:**

SEPTEMBER 8, 2003

**SUBJECT:**

AWARD CONTRACT  
FOR FINANCIAL  
ADVISORY SERVICES  
FOR DEBT  
MANAGEMENT AND  
TECHNICAL ADVICE

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**

MERRILL R. STANLEY  
FINANCE DIRECTOR

**ITEM \_\_\_\_\_**

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

**SYNOPSIS —**

Award contract for financial advisory services to Public Financial Management, Inc./PFM Asset Management, LLC (PFM), as the result of a competitive proposal process. Contract term is three years with the option of two one-year renewals.

**FISCAL IMPACT —**

This will depend on the size and frequency of bond issues over the next three to five years. The recommended fee schedule is based on the amount of each bond issue and the type of pledge (G.O. or Revenue).

**RECOMMENDATION —**

**Approval.**

**BACKGROUND —**

As a relatively frequent issuer of debt, the City, for many years, has retained an independent financial advisor to assist with the structuring, management, marketing, and sale of bond issues. PFM has been the City's financial advisor for the past five years, preceded by Springsted, Inc. for eight years.

The Request for Proposals (RFP) that Council approved on July 14, 2003, received three responses; from PFM, Springsted Inc., and Speer Financial Inc. A selection committee consisting of the Finance Director, Deputy City Attorney Lawrence McDowell, and Acting Assistant City Manager Mike Matthes reviewed and analyzed the responses. The selection committee rated each firm according to the criteria in the RFP: adherence to the RFP (10 percent), expertise and experience (65 percent), and price (25 percent). The combined point totals were:

Public Financial Management	92.0 points
Springsted, Inc.	85.3 points
Speer Financial, Inc.	72.7 points

PFM and Springsted were then invited to participate in face-to-face interviews. The selection committee concluded that both PFM and Springsted possess the expertise and experience needed to serve the City, although PFM demonstrated stronger experience in

	<p>conducting complex analyses applicable to Des Moines. PFM also has a greater local presence (10 employees in the Des Moines office) and proposed lower fees. Proposed fees were applied to the City's four most recent bond issues, which included three G.O. issues and one Revenue issue. PFM's fees were estimated to be \$75,250, and Springsted's \$78,585.</p>
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