

**BOARD OF TRUSTEES OF COMMUNITY COLLEGES DISTRICT NO. 508
COUNTY OF COOK AND STATE OF ILLINOIS**

**CAPITAL CONSTRUCTION FINANCIAL ADVISOR
PUBLIC FINANCIAL MANAGEMENT, INC.
EXTENSION OF CONTRACT TERM
(AMENDMENT TO BOARD REPORT 3152)
OFFICE OF FINANCE**

THE CHANCELLOR RECOMMENDS:

that the Board of Trustees authorizes the Chair to extend the term of the agreement with Public Financial Management, Inc. to provide financial advisory services for the District for the period from July 12, 2012 through December 31, 2012, at a total cost not to exceed the original contracted amount of \$150,000. No additional funds are requested.

VENDORS: Public Financial Management, Inc.
222 North LaSalle
Chicago, Illinois 60601

USER: Office of Finance

ORIGINAL TERM:

The term of the agreement authorized in Board Report 3152 was for the period from July 12, 2012 through October 31, 2012. We are requesting an extension of the agreement to December 31, 2012.

SCOPE OF SERVICES:

PFM will serve as the District's consultant on financing capital projects and debt portfolio structure, recommending strategies to successfully secure funding streams from legislative initiatives, grants, and all other means and assisting in determining the suitability of a performance-based infrastructure delivery model approach for one or more elements of the Capital Improvement Plan (CIP).

PFM will provide a Capital Funding Strategy with financing recommendations for the District wide CIP. Through a comprehensive feasibility analysis, the following items to be considered include but are not limited to:

- Legal restrictions
- Legislation
- Stakeholder support/engagement
- Political climate
- Credit rating climate
- Capital market access
- Project life maintenance and operations cost
- Debt capacity/optimization
- Operating budget
- Construction cost
- Financing cost
- Innovation
- Risk premiums

Analysis will also include cash flow models for various financing options which include but are not limited to, bond issuances, lease agreements and Performance Based Infrastructure (PBI) delivery models with an assessment of the benefits, costs, and risks of each.

BENEFIT TO CITY COLLEGES OF CHICAGO:

The Capital Funding Strategy will provide the District with the foundation to make funding decisions for its CIP. PFM will evaluate a variety of funding and procurement options available to the District, allowing us to select those that most efficiently allow us to optimize long term cash flow, leverage revenue streams, managing debt structure, project risk, and ensure long term financial viability.

VENDOR SELECTION CRITERIA:

Specifications were prepared by District Procurement Staff and a Request for Proposal (RFP) #MWJ1201 was publicly advertised on March 16, 2012. Ninety-three (93) companies were contacted. Six (6) companies responded to the RFP on April 10, 2012; 1) Acacia Financial Group, Inc.-Chicago, IL; 2) A.C. Advisory, Inc.-Chicago, IL; 3) BMO Markets GKST, Inc.-Chicago, IL; 4) KPMG Corporate Finance, LLC-Chicago, IL; 5) Public Financial Management, Inc. – Chicago, IL; and 6) Sycamore Advisory, LLC-Indianapolis, IN. Three(3) firms submitted no bid responses: Strategic Investment Group, Arthur Rubalcaba, CPA and Cisco Capital.

All qualifications were reviewed, evaluated and ranked by staff which included the Office of Finance, Office of the Chancellor, Office of Enterprise Services, Office of Institutional Advancement, Office of Administrative and Procurement Services, City of Chicago, Chicago Public Schools and Rush University Medical Center.

The evaluation criteria included:

1. The qualifications of the responding firms.
2. The qualification of the individuals assigned to the project with emphasis on technical expertise, experience and insights on both tax-exempt public finance and performance-based infrastructure delivery models.
3. Experience in the procurement and financing of facilities of the type contemplated by the CIP.
4. Proposed Solution Plan.
5. Proposed fee for services.
6. Compliance with the District's Minority and Women Business Enterprise Participation Plan.

Based on the evaluation scoring of the written proposals and oral presentation scores, the committee determined that Public Financial Management, Inc. should be recommended as the District's Capital Construction Financial Advisor.

MBE/WBE COMPLIANCE:

The Office of M/WBE Contract Compliance has reviewed the above agreement request and determined that Public Financial Management, Inc. is in compliance with the Board Approved Participation Plan.

MBE Vendor:

Peralta Garcia Solutions, LLC
1000 W. Monroe, Suite 1W
Chicago, IL 60607

Direct Participation
25%

City Certification

WBE Vendor:

Public Finance Advisors, LLC
20229 Wilderness Trail
Olympia Fields, IL 60461

Direct Participation
7%

Cook County Certification

GENERAL CONDITIONS:

Inspector General- It shall be the duty of each party to the agreement to cooperate with the Inspector General for City Colleges of Chicago in any investigation conducted pursuant to the Inspector General's authority under Article 2, Section 2.7.4(b) of the Board Bylaws.

Ethics – It shall be the duty of each party to the agreement to comply with the applicable provisions of the Board's Ethics Policy adopted January 7, 1993, and as amended by the Board.

Contingent Liability – Pursuant to Section 7-14 of the Illinois Public Community College Act, all agreements authorized herein shall contain a clause that any expenditure beyond the current fiscal year is subject to appropriation in the subsequent fiscal year.

FINANCIAL:

Time extension only. No additional funding requested.

Respectfully submitted,

**Cheryl L. Hyman
Chancellor**

December 7, 2012 – Office of Finance