

**Date:** January 28, 2015

**To:** Board of Directors

**From:** Neil McFarlane



**Subject:** RESOLUTION 15-01-03 AUTHORIZING A CONTRACT WITH ROSS FINANCIAL FOR FINANCIAL ADVISORY AND CONSULTING SERVICES

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**1. Purpose of Item**

The purpose of this item is to request that the TriMet Board of Directors (“Board”) adopt a Resolution authorizing the General Manager to execute a contract with Ross Financial for financial advisory and consulting services.

**2. Type of Agenda Item**

- Initial Contract
- Contract Modification
- Other \_\_\_\_\_

**3. Reason for Board Action**

Board approval is required for personal services contracts obligating TriMet to pay in excess of \$150,000.

**4. Type of Action:**

- Resolution
- Ordinance 1<sup>st</sup> Reading
- Ordinance 2<sup>nd</sup> Reading
- Other \_\_\_\_\_

**5. Background**

TriMet has seven long-term debt issues outstanding, and projects issuance of refunding bonds, based upon market conditions or other objectives of the District. The financial advisor’s services will include consulting as needed to provide comprehensive financial advisory services. Such services include analysis and support for matters related to debt financing, assisting in planning, structuring and completion of bond issues, and providing advice concerning bond refunding opportunities.

## 6. Procurement Process

Three proposals were submitted for consideration in response to a formal Request for Proposals (“RFP”). Each firm was evaluated on the experience both of the firm and of the key staff that would be assigned to TriMet; on the firm’s recommended work plan and documented understanding of TriMet’s financing needs; and price.

The responding firms were (1) The PFM Group (PFM); (2) Western Financial Group (WFG); and, (3) Ross Financial. Scores were close on WFG and Ross Financial, with PFM falling short in the pricing response.

PFM is a national firm with offices throughout the country. The PFM response indicated that TriMet’s Project Management would take place from their San Francisco and Los Angeles offices and would be shared among a dispersed team. The work plan was deemed to be more generic and less specific to TriMet’s needs, and PFM submitted a price proposal that was non-responsive to the solicitation requirements, resulting in lower scores in those areas.

Western Financial Group (WFG) submitted a proposal that was responsive to TriMet’s needs. WFG is a local firm consisting of four partners whose primary business is providing independent financial services to various clients. WFG has long held the TriMet account with the work performed primarily by one individual within the firm. The focus of the work plan submitted was not specific to TriMet’s upcoming financing needs but was still highly rated due to the longstanding relationship with TriMet.

It was the decision of the review committee to select Ross Financial as TriMet’s financial advisor with the scoring results provided below in Table-1.

Ross Financial is a San Francisco firm that has provided transactional advisory and financial analytic services to public agencies since 1997. Peter Ross, who has 36 years of industry experience as a bond counsel, investment banker and financial advisor, is the sole principal of Ross Financial and would directly manage the TriMet account. Ross Financial specializes in transportation, affordable housing and infrastructure finance. In the transportation arena, the firm has advised on more than \$6.7 billion notional value of new money issues, lease transactions, refinancings/restructurings, grant financings and liquidity procurements. The Ross Financial work plan provided was clear and specific, demonstrating a thorough understanding of upcoming needs and made useful timing and procedural recommendations.

Table - 1

<b>Criteria</b>	<b>Possible points</b>	<b>Ross Financial</b>	<b>The PFM Group</b>	<b>Western Financial Group</b>
Qualifications of proposer and staff	30	28	28	26
Work plan and understanding of TriMet’s financing needs	30	28	27	28
Price	40	40	28.6	39.8
Total	100	96	81.6	92.8

7. **Diversity**

As a part of the selection process, the Evaluation Committee evaluated qualifications of the firm and staff. As indicated above, Ross Financial is a sole proprietorship in which Mr. Peter Ross is the sole principal. None of the three firms who submitted proposals indicated that subcontracting opportunities were available for the types of services required by the contract, therefore this section was deemed not applicable to the selection process.

8. **Financial/Budget Impact**

The amount of the contract will be up to \$200,000, which is included within the budget.

9. **Impact if Not Approved**

If this Resolution is not approved, TriMet would need to issue a new RFP for these services. Given the receipt of three responses to the RFP and determination that the scope of services to be provided and fees are reasonable, issuance of a new RFP is not recommended.

**RESOLUTION 15-01-03**

**RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A CONTRACT WITH ROSS FINANCIAL FOR FINANCIAL ADVISORY AND CONSULTING SERVICES**

**WHEREAS**, TriMet has authority under ORS 267.200 to enter into a contract with Ross Financial for financial advisory and consulting services (“Contract”); and

**WHEREAS**, the total amount of the Contract will exceed \$150,000; and

**WHEREAS**, the TriMet Board of Directors (“Board”), by Resolution dated January 25, 2006, adopted a Statement of Policies requiring the Board to approve personal services contracts obligating TriMet to pay in excess of \$150,000;

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Contract shall be in conformance with applicable laws.
2. That the General Manager is authorized to execute the Contract.

Dated: January 28, 2015

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Presiding Officer

Attest:

\_\_\_\_\_  
Recording Secretary

Approved as to Legal Sufficiency:

  
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Legal Department