

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 12, 2012

Board Item: V-A-9

**Agreement for Financial Advisory Services
Contract # 14468A**

Action by Consent

Action

Information

On August 27, 2012, Denver Water issued a Request for Proposal (RFP) for Financial Advisory Services. A contract with the current consultant, Piper Jaffray & Company, is set to expire at the end of the year. The scope of services requested in the RFP included assistance with evaluation of financing options available to Denver Water, participation in bond document preparation and review, coordination of relationships with credit rating agencies, coordination of debt sale transactions, monitoring refunding opportunities, assistance with debt market monitoring, financial modeling and policy development. The RFP was sent to 15 financial institutions and 10 SBE trade organizations. Four entities, Piper Jaffray & Company, BLX Group, Public Financial Management Inc., and FirstSouthwest, submitted responses to the RFP. All four entities were invited for final interviews. The responses were evaluated based on a number of criteria including work plan/project approach to meet scope of services, firm's reputation, corporate organization and stability, accessibility, professional staff/client relations, and price. Based on the proposals and interviews the incumbent advisor, Piper Jaffray & Company, was selected as best value to Denver Water.

The initial term of the contract is three years with an option to extend for two additional years. The average annual fee, including the retainer, transaction fee for bond issuance and continuing disclosure oversight, is approximately \$40,000.

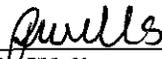
Funds for financial advisory services have been included in the 2013 budget and ten year operating plan.

Recommendation:

It is recommended that the Board approve Contract 14468A with Piper Jaffray & Company, in the amount of \$120,000 through December 31, 2015.

Approvals:

Respectfully submitted,



Patricia Wells
General Counsel



James S. Lochhead
CEO/Manager



Angela C. Bricmont
Director of Finance