

Condensed Title:

REQUEST APPROVAL TO EXERCISE TERM RENEWAL OPTIONS ON CONTRACTS FOR ROUTINE OPERATIONAL REQUIREMENTS

Key Intended Outcome Supported:

Strengthen Internal Controls; Maximize Efficient Delivery of Services

Supporting Data (Surveys, Environmental Scan, etc.):

Item Summary/Recommendation:

As is customary, many of the City's agreements resulting from competitive solicitations include renewal clauses that allow for the extension of contract terms for a certain number of renewal periods beyond the original contract term, as may be stipulated in the solicitation or resulting contract. The renewal periods allow the City to continue to acquire the necessary goods and services from reputable contractors at prices established through competitive solicitations. In its due diligence process for consideration of contract renewal options, the Administration has considered: cost considerations, including any increases to the CPI-U index by the Bureau of Labor Statistics indicating changes in the supply market pricing conditions, contractor performance and risk management considerations (e.g., insurance and bonds, as applicable). Additionally, the contract renewals are applicable to the contract period only and do not alter other terms and conditions of the contract or the scope of the procurement. Any changes to the scope of the original contract shall be presented under a separate item individually or require a new procurement process altogether.

The purpose of this item is to request authority to renew the competitively solicited contracts for routine operational listed herein, as stipulated in each contract's solicitation. The justification for renewing each is included with the contract information.

RECOMMENDATION

The Administration recommends that the Mayor and City Commission approve the extension of agreement with RBC Capital Markets, LLC.

Advisory Board Recommendation:

Financial Information:

Source of Funds:		Amount	Account
<div style="border: 1px solid black; width: 40px; height: 40px; margin: 0 auto;"></div> OBPI	1	See below.	See below.
	2		
	3		
	Total		

Financial Impact Summary: Various budget codes are contained in the referenced contract expenditures. All expenditures are contingent upon approved budgeted funds being available.

City Clerk's Office Legislative Tracking:

Sign-Offs:

Department Director	Assistant City Manager	City Manager
AD	KGB	JLM

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MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMISSION MEMORANDUM

TO: Mayor Philip Levine and Members of the City Commission

FROM: Jimmy L. Morales City Manager

DATE: February 12, 2014

SUBJECT: **REQUEST APPROVAL TO EXERCISE TERM RENEWAL OPTIONS ON CONTRACTS FOR ROUTINE OPERATIONAL REQUIREMENTS**

ADMINISTRATION RECOMMENDATION

Approve the recommendation.

BACKGROUND

As is customary, many of the City's agreements resulting from competitive solicitations include renewal clauses that allow for the extension of contract terms for a certain number of renewal periods beyond the original contract term, as may be stipulated in the solicitation or resulting contract. The renewal periods allow the City to continue to acquire the necessary goods and services from reputable contractors at prices established through competitive solicitations. In its due diligence process for consideration of contract renewal options, the Administration has considered: cost considerations, including any increases to the CPI-U index by the Bureau of Labor Statistics indicating changes in the supply market pricing conditions, contractor performance and risk management considerations (e.g., insurance and bonds, as applicable). Additionally, the contract renewals are applicable to the contract period only and do not alter other terms and conditions of the contract or the scope of the procurement. Any changes to the scope of the original contract shall be presented under a separate item individually or require a new procurement process altogether.

The purpose of this item is to request authority to renew the competitively solicited contracts for routine operational requirements listed herein as stipulated in each contract's solicitation. The justification for renewing each is included with the contract information.

Contract Number: RFP-20-06/07	Renewal Period: 3/14/2014 through 3/15/2015
Title: Financial Advisory Services, For A Five-Year Period With Five One-Year Renewal Options	
Contractor: RBC Capital Markets, LLC.	
Brief Scope: Financial advisory services which includes financial planning, project financial analysis, investment management, debt issuance, reporting, evaluation of proposals, development of financial strategy for capital projects taking into consideration the City's short and long term financial needs, available financing options and alternative debt structures, and computer support and modeling for complex financial analysis. The firm will also assist in the selection of investment banking teams for the City.	
Best Interest Justification: RBC Capital Markets acts as Financial Advisors for the City's ongoing capital program, including Water & Sewer Bonds, Stormwater Bonds, Parking Bonds, and with the Line of Credit financing program. They are currently assisting the City with the financing plan for the undergrounding of the utilities for Sunset Islands 3 & 4, and the Miami Beach Convention Center Expansion Project. RBC Capital Markets also provides the City with various other financial advisory services such as:	

- Review existing debt structure and financial resources to determine available borrowing capacity.
- Advise as to market conditions and recommend the timing of the sale of bonds.
- Provide information concerning the structure of proposed financing programs as well as those used by other issuers.
- Advise on the most efficient structure for each issue.
- Advise as to the advantages and disadvantages of municipal bond issuance or other credit enhancements.
- Assist in negotiating the interest rates proposed by the underwriters.
- Participate in annual rating agency reviews and updates.
- Schedule and participate in rating agency presentations for financing.
- Review the bond purchase agreement and advise as to its acceptance or rejection in light of market conditions.
- Assist legal counsel in the preparation and distribution of the Official Statement.
- Arrange for distribution of the Official Statement to bond underwriters and investors in accordance with the objectives communicated by the City.

Although the City uses RBC Capital Markets on a continuous basis, they are not compensated until the City issues bonds. Their fees are part of the cost of issuance that are paid from the bond proceeds.

CONCLUSION

The Administration recommends that the Mayor and City Commission approve the extension of agreement with RBC Capital Markets, LLC.

JLM / KGB / AD

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