



Legislation Details (With Text)

File #: 20-0348 **Version:** 1 **Name:** Resolution/Contract: Financial Advisor - PFM Financial
Type: Resolution **Status:** Adopted
File created: 2/28/2020 **In control:** Finance
On agenda: 3/24/2020 **Final action:** 3/24/2020

Title: Dept/ Agency: Finance
Action: ☐ Ratifying ☒ Authorizing ☐ Amending
Type of Service: Professional Service Contract
Purpose: To provide Financial Advisory Services.
Entity Name: PFM Financial Advisors, LLC
Entity Address: 1735 Market Street, Floor 43, Philadelphia, Pennsylvania 19103
Contract Amount: Not to exceed \$350,000.00
Funding Source: Bond Proceeds
Contract Period: April 1, 2020 through March 31, 2021
Contract Basis: ☐ Bid ☐ State Vendor ☒ Prof. Ser. ☐ EUS
☐ Fair & Open ☒ No Reportable Contributions ☐ RFP ☐ RFQ
☐ Private Sale ☐ Grant ☐ Sub-recipient ☐ n/a
Additional Information:
The vendor to be paid from Bond Proceeds.
No Certification of Funds is required.
The contract will not exceed \$350,000.00 among three (3) vendors.

Sponsors: Council of the Whole

Indexes:

Code sections:

Date	Ver.	Action By	Action	Result
3/24/2020	1	Municipal Council	Adopt	Pass

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WHEREAS, the City of Newark (the “City”) is in need of Financial Advisors to counsel and assist the City of Newark with, among other things, bond and note issuance, sales and auctions; and

WHEREAS, Financial Advisors are part of a highly regulated financial industry, licensed by various regulatory authorities; as such, those services are Professional Services, exempt from the requirements of public bidding pursuant to the Local Public Contracts Law, more specifically, N.J.S.A. 40A:11-5(1)(a)(i); and

WHEREAS, PFM Financial Advisors, LLC, 1735 Market Street, Floor 43, Philadelphia, Pennsylvania 19103, submitted a proposal to the City, Department of Finance, to provide municipal financial advisory services; and

WHEREAS, the Department of Finance reviewed the proposal and deems it is in the City’s best interests to retain PFM Financial Advisors to provide municipal financial advisory services; and

WHEREAS, the City wishes to enter into a professional services contract with PFM Financial Advisors, LLC, 1735 Market Street, Floor 43, Philadelphia, Pennsylvania 19103, for an amount not to exceed Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00), to be allocated amongst three (3) vendors. It is expressly agreed that the City is not obligated to expend any monies or incur any expenses under this contract. For specific financing such as bonds, the fee will be calculated at a rate of \$1.00 per \$1,000.00 of par value for New Money and \$1.15 per \$1,000.00 of par value for Refunding. For financings such as notes, the fee will be calculated at a rate of \$0.25 per \$1,000.00 of par value of the principal and a base fee of \$10,000.00 per deal. The amount is payable at the closing of the proposed issuance. These fees are included in the \$350,000.00 for authorized projects. This contract shall be for a period from April 1, 2020 through March 31, 2021; and

WHEREAS, the Local Public Contracts Law (N.J.S.A. 40A:11-1 et. seq.) requires that notice of the award of contracts for “Professional Services” without competitive bidding must be published in a local newspaper; and

WHEREAS, this contract is for an amount over \$17,500.00 and is being awarded pursuant to a “Non-Fair and Open Process” pursuant to N.J.S.A. 19:44A-20.5; and

WHEREAS, PFM Financial Advisors, LLC has completed and submitted a Business Entity Disclosure Certification, which certifies that PFM Financial Advisors, LLC has not made any reportable contributions to a political or a candidate committee in the City of Newark in the previous one (1) year, and that the contract will prohibit PFM Financial Advisors, LLC from making any reportable contributions through the term of the contract; and

WHEREAS, the Municipal Council adopted the Contractor Pay-to-Play Reform Ordinance, Newark, New Jersey Municipal Code§ 2:4-22C, which forbids the award of a contract to a Business Entity, as defined therein, which has made or solicited political contributions to Newark Municipal Candidates and County of Essex Candidates, office holders having ultimate responsibility for the award of a contract; candidate committees of the aforementioned candidates, and political or political party committees of the City of Newark or County of Essex; and continuing political committees or political action committees regularly engaged in the support of the City of Newark Municipal or County of Essex Elections; and certain other political party or candidate committees, in excess of

certain thresholds.

NOW, THEREFORE, BE IT RESOLVED BY THE MUNICIPAL COUNCIL OF THE CITY OF NEWARK, NEW JERSEY, THAT:

1. The Mayor and/or his designee, the Director of the Department of Finance, are hereby authorized and directed on behalf of the City of Newark to enter into and execute a contract with PFM Financial Advisors, LLC, 1735 Market Street, Floor 43, Philadelphia, Pennsylvania 19103, to provide Professional Financial Advisory Services, for a period of one (1) year from April 1, 2020 through March 31, 2021.
2. The contract shall be for an amount not to exceed Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) to be allocated amongst three (3) vendors. It is expressly agreed that the City of Newark is not obligated to expend any monies or incur any expenses under this contract. For specific financing such as bonds, the fee will be calculated at a rate of \$1.00 per \$1,000.00 of par value for New Money and \$1.15 per \$1,000.00 of par value for Refunding. For financings such as notes, the fee will be calculated at a rate of \$0.25 per \$1,000.00 of par value of the principal and a base fee of \$10,000.00 per deal. The amount is payable at the closing of the proposed issuance. These fees are included in the \$350,000.00 for authorized projects.
3. This contract is awarded without competitive bidding as a "Professional Service" in accordance with N.J.S.A. 40A:11-5(1)(a)(i) of the Local Public Contracts Law because the performance of the service required must be performed by someone who is a licensed Financial Advisor in the State of New Jersey.
4. This contract is awarded pursuant to the Non-Fair and Open Procedures of the State Pay-to-Play Law, (N.J.S.A. 19:44A-20.5) and pursuant to the provisions of the Local Public Contracts Law, (N.J.S.A. 40A:11-5(1)(a)(i)) and is in compliance with the Pay-to-Play Reform Ordinance, Newark, New Jersey, Municipal Code §2:4-22C.
5. PFM Financial Advisors, LLC has completed and submitted a Business Entity Disclosure Certificate, which shall be placed on file with the resolution in the Office of the City Clerk, certifying that PFM Financial Advisors, LLC has not made any reportable contributions to a political or a candidate committee in the City of Newark in the previous one (1) year, and the contract will prohibit PFM Financial Advisors, LLC from making reportable contributions through the term of the contract.
6. The Director of the Department of Finance shall file a copy of the Business Disclosure Entity Certification and the Determination of Value letter with the resolution in the Office of the City Clerk.
7. The Director of the Department of Finance shall file a copy of the fully executed contract herein authorized with the Office of the City Clerk, and the same shall be made available for public inspection.
8. There shall be no advance payments made against this contract in accordance with N.J.S.A. 40A:5-16.

9. A notice of this action shall be published in the newspaper authorized by law to publish a legal advertisement and as required by law within ten (10) days of the adoption of this resolution.

STATEMENT

This resolution authorizes the Mayor and/or his designee, the Director of the Department of Finance, to enter into a professional service contract with PFM Financial Advisors, LLC, 1735 Market Street, Floor 43, Philadelphia, Pennsylvania 19103, to provide Financial Advisory Services for a period of one (1) year from April 1, 2020 through March 31, 2021, for an amount not to exceed Three Hundred Fifty Thousand Dollars and Zero Cents (\$350,000.00) to be allocated amongst three (3) vendors.