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PURCHASING ITEM FOR COUNCIL AGENDA

1. Agenda Item Number: 14

2. Council Meeting Date: June 9, 2016

TO: **MAYOR AND COUNCIL**

THROUGH: **CITY MANAGER**

3. Date Prepared: May 17, 2016

4. Requesting Department: Management Services

5. SUBJECT: Amendment No. 1 to Agreement No. MS4-946-3357 for Financial Advisor Services

6. RECOMMENDATION: Staff recommends City Council approve Amendment No. 1 to Agreement No. MS4-946-3357, with Piper Jaffray & Co., for financial advisor services.

7. BACKGROUND/DISCUSSION: The City uses a financial advisor for their expertise on all items of financing necessary to the City's operations, which include General Obligation Bonds, Street and Highway User Revenue Bonds, Water and Sewer Revenue Bonds, Municipal Property Corporation and Improvement District Bonds, Excise Tax Revenue Obligations, Refunding Bonds, and other related financial services. In addition, a financial advisor assists the City in developing a bond issuance strategy, preparing bond documents, marketing bonds to investors, arranging and preparing materials for rating agency presentations, and monitoring the market for refunding opportunities to reduce the City's overall debt service costs when possible.

The finance professional is relied on to proactively identify creative solutions to meet the City's financing needs and goals and understand innovative debt financing methods which can reduce costs, always focusing on the City's best interest. Piper Jaffray & Co. has filled this role for over 14 years.

8. EVALUATION PROCESS: On June 12, 2014, City Council approved an agreement with Piper Jaffray & Co., for financial advisor service, for a two-year period, with the option of two two-year extensions. Piper Jaffray & Co. has agreed to extend for two additional years at the same terms, conditions and pricing.

Staff recommends extension of this agreement for the term of July 1, 2016, through June 30, 2018. This is the first extension of the contract.

9. FINANCIAL IMPLICATIONS: Financial advisory fees associated with bond sales and incidental expenses related to each bond issue will be paid from individual bond proceeds and are priced based on the type of issue. Advisory fees for special projects, that are not related to a specific bond transaction, require four hours or more of work and the preparation of written responses, will be charged a competitive hourly fee based on the professional team member providing the services and paid from the appropriate related Fund.

10. PROPOSED MOTION: Move City Council approve Amendment No. 1 to Agreement No. MS4-946-3357, with Piper Jaffray & Co., for financial advisor services.

Attachments: Amendment

APPROVALS

11. Requesting Department Dawn Lang Dawn Lang, Management Services Director	**13. Department Head** Dawn Lang Dawn Lang, Management Services Director
12. Procurement Officer Carolee Stees, CPPB	**14. City Manager** Marsha Reed Marsha Reed

AMENDMENT NUMBER ONE
TO AGREEMENT BETWEEN THE CITY OF CHANDLER
AND
PIPER JAFFRAY & CO.
FOR
AGREEMENT NO. MS4-946-3357

This Amendment No. 1 to that certain Agreement between the City of Chandler (City) and Piper Jaffray & Co. (Contractor) for Financial Advisor Services dated, June 18, 2014 is entered into this ___ day of _____, 2016.

WHEREAS, a two-year Agreement with two additional two-year options was awarded to Piper Jaffray & Co. for Financial Advisor Services. This is the first extension option.

NOW THEREFORE, the parties agree as follows:

1. Section 5, This Agreement is extended for a two-year period, July 1, 2016 through June 30, 2018.

2. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this __ day of _____, 2016.

CITY OF CHANDLER:

By: _____
Mayor

APPROVED AS TO FORM:

_____
City Attorney

ATTEST:

_____
City Clerk

CONTRACTOR:

By: William C. Davis
Title: Managing Director

ATTEST: (If corporation)

Carol Ann Milford
~~Secretary~~ NOTARY

WITNESS: (If individual or Partnership)

_____

[SEAL]

CAROL ANN MILFORD
Notary Public - State of Arizona
MARICOPA COUNTY
My Commission Expires
February 23, 2020

#3357 Amendment 1