



REPORT FOR THE FINANCE COMMITTEE

Pre-Solicitation Terms for Financial Advisory Services

October 2014



Purpose

- The Finance Committee Co-Chairs requested the issuance of a solicitation for full and open competition seeking proposals for financial advisory services for Aviation and Dulles Corridor Enterprises to ensure that the Airports Authority follows best procurement practices and periodically re-competes its contracts
- The Board has reserved to itself the authority to select financial advisor(s) under Resolution No. 01-20 in 2001



Background

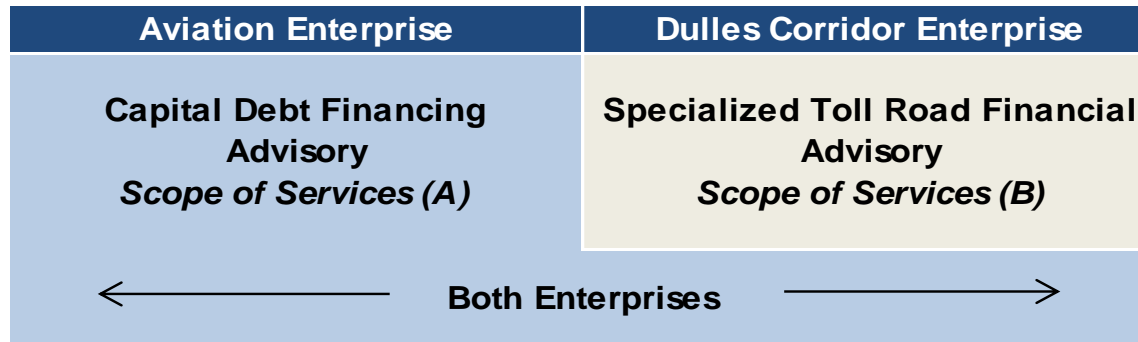
Current Financial Advisory Teams

- In 1997 and again in 2002, after a competitive procurement process, **Jefferies LLC** was selected as financial advisors for the Aviation Enterprise
- In 2007, as a result of a competitive procurement, **Mercator Advisors LLC** was selected as financial advisors for the Dulles Corridor Enterprise
- In 2009, the Board selected **Frasca and Associates LLC** to serve as co-financial advisors for the Dulles Corridor Enterprise



Discussion

- The two Enterprises have both unique and overlapping financial advisory needs



- The Finance Staff propose soliciting proposals for two distinct scope of services:
 - **Scope of Services (A)** will address capital debt financing needs of both Enterprises with an emphasis on the aviation services and toll road market expertise
 - **Scope of Services (B)** will focus on specialized toll road financial advisory needs with an emphasis on TIFIA Loan post-closing compliance, toll rate setting, financial plan and related budgets
 - This process allows for the offeror to submit a proposal for either Scope of Services (A), Scope of Services (B) or both (A) and (B)



Proposed Evaluation Criteria

Capital Debt Financing Advisory

- 1 Strength and reputation of the firm *and relevant experience as a financial advisor to airports with capital programs similar in size and complexity and with experience in toll road financing*
- 2 Experience and qualifications of key personnel and staff; resources assigned to the Authority's account; staff continuity and ability to complete time sensitive transactions, responsiveness and work quality
- 3 Proposed approach to providing requested services: *demonstrated knowledge and understanding of the Airports Authority financing needs and opportunities*
- 4 Technical competence: firm's capability and capacity to provide technical support, financial modeling, necessary financial analysis, and *any unique expertise*
- 5 Work force diversity (race, ethnicity and gender composition of corporate and project work force)

Specialized Toll Road Financial Advisory

- 1 Strength and reputation of the firm to provide relevant toll road financial advisory experience: *pre and post TIFIA closing financial advisory, toll rate setting, coordination of traffic and revenue studies, operating and capital budget advisory, and capital debt financing support*
- 2 Experience and qualifications of key personnel and staff; resources assigned to the Authority's account; staff continuity and ability to complete time sensitive transactions, responsiveness and work quality
- 3 Proposed approach to providing requested services: *demonstrated knowledge and understanding of the Dulles Toll Road credit and post TIFIA closing compliance needs*
- 4 Technical competence: firm's capability and capacity to provide technical support, financial modeling, and necessary financial analysis
- 5 Work force diversity (race, ethnicity and gender composition of corporate and project work force)



Discussion

- The Finance Staff proposes the following:
 - Contract Term:
 - A four year base period with two one year renewal option period
 - Compensation:
 - Structure to be proposed by the offerors
 - Initially proposed fees and rates by the offerors to be negotiated after the selection is made
- The Equal Opportunity Programs Department is currently evaluating the potential LDBE participation for this solicitation



Discussion

- Proposed Procurement Schedule

Date/Meeting	Tasks
October 15, 2014	Present pre-solicitation terms/paper
October 16	MWAA distributes the financial advisor solicitations
November 7	Proposals due
Week of Nov 17	Conduct Interviews
December 10	Recommendation to Finance Committee; Board Approval
December 31	Contracts Award



Recommendation

- That the Finance Committee concur with the solicitation for Financial Advisory Services, the recommended evaluation criteria and proposed contract terms.



Ronald Reagan Washington National Airport



Dulles Corridor Metrorail Project



Dulles Toll Road



Washington Dulles International Airport



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