

ORDINANCE/RESOLUTION REQUEST

Please email requests to the Mayor's Legislative Team

at MileHighOrdinance@DenverGov.org by **3:00pm on Monday**. Contact the Mayor's Legislative team with questions

Date of Request: April 11, 2022

Please mark one: Bill Request or Resolution Request

1. Type of Request:

- Contract/Grant Agreement Intergovernmental Agreement (IGA) Rezoning/Text Amendment
- Dedication/Vacation Appropriation/Supplemental DRMC Change
- Other:

2. Title: (Start with *approves, amends, dedicates*, etc., include name of company or contractor and indicate the type of request: grant acceptance, contract execution, contract amendment, municipal code change, supplemental request, etc.)

Approval of a \$1,200,000 contract with Ernst and Young Infrastructure Advisors to serve in a fiduciary role as municipal advisor to the Department of Finance for financing complex infrastructure projects.

3. Requesting Agency: Department of Finance

4. Contact Person:

| | |
|---|---|
| Contact person with knowledge of proposed ordinance/resolution | Contact person to present item at Mayor-Council and Council |
| Name: Margaret Danuser, DOF Emily Snyder, DOF | Name: Margaret Danuser, DOF Emily Snyder, DOF |
| Email: margaret.danuser@denvergov.org Emily.snyder@denvergov.org | Email: margaret.danuser@denvergov.org Emily.snyder@denvergov.org |

5. General description or background of proposed request. Attach executive summary if more space needed:

This resolution request seeks approval of a Department of Finance contract with Ernst and Young Infrastructure Advisors (EY) for \$1,200,000 for a three-year term. This includes analysis of Performance Based Infrastructure and other capital projects with complex financing; identification, review, and evaluation of alternative financing tools; assisting with modeling and structuring of multi-source funding solutions, identification of financial risk and mitigation strategies, and monitoring of post issuance matters.

EY served as DOF's third-party financial advisor for the Performance Based Infrastructure (PBI) Program through 2020, acting as the fiduciary to DOF and provided independent financial and strategic planning advice in the evaluation, structuring and implementation of PBI projects and other complex infrastructure financing.

That contract has since expired; however, the City continues to need these services with the emergence of additional projects requiring complex financing. These infrastructure projects may include, but are not limited to, conversion to RNG at the DADs landfill, Urban Waterways, and assets and master planning at the National Western Center.

6. City Attorney assigned to this request (if applicable): Josh Roberts

7. City Council District: N/A

8. **For all contracts, fill out and submit accompanying Key Contract Terms worksheet**

To be completed by Mayor's Legislative Team:

Resolution/Bill Number: _____

Date Entered: _____

Key Contract Terms

Type of Contract: (e.g. Professional Services > \$500K; IGA/Grant Agreement, Sale or Lease of Real Property): **Professional Services**

Vendor/Contractor Name: Ernst and Young Infrastructure Advisors

Contract control number: FINAN-202262220

Location: N/A

Is this a new contract? Yes No **Is this an Amendment?** Yes No **If yes, how many?**

Contract Term/Duration (for amended contracts, include existing term dates and amended dates):

The term of this agreement will be three years ending March 31, 2025. The contract allows for the City to extend the contract term for up to two (2) additional one (1) year renewal terms by written amendment.

Contract Amount (indicate existing amount, amended amount and new contract total):

| <i>Current Contract Amount</i> | <i>Additional Funds</i> | <i>Total Contract Amount</i> |
|--------------------------------|-------------------------|------------------------------|
| (A) | (B) | (A+B) |
| \$1,200,000 | | |
| <i>Current Contract Term</i> | <i>Added Time</i> | <i>New Ending Date</i> |
| | | March 31, 2025 |

Scope of work:

- Assist in developing and vetting financial evaluation criteria such as financial metrics and benchmarks, financial models, risk assessment and affordability analysis used in determining the financial feasibility and making the “business case” of solicited and unsolicited PBI proposals.
- Assist in reviewing, developing and evaluating financial alternatives, strategies, funding sources, financing mechanisms, and financial risk and exposure with a holistic approach using a Citywide financial objectives and fiscal management focus, for assigned project portfolios (working with other City advisors when applicable).
- Advise the Department of Finance on key financial risks and other considerations to be identified throughout multiple phases of capital project implementation. These considerations may include but are not limited to project procurement documents, identification of financial risk and risk mitigation strategies, input on relevant financial modeling, and guidance on various elements surrounding procurement and other contractual negotiations.

Was this contractor selected by competitive process? No **If not, why not?**

Ernst & Young, in their fiduciary role as municipal advisor, has provided essential infrastructure finance evaluation services to the Department of Finance, pursuant to a contract initiated in 2017 that has since expired. This new contract continues those services and provides consistency in financial modeling methodology.

Has this contractor provided these services to the City before? Yes No

Source of funds: General Fund – Department of Finance, approved in the 2022 budget.

Is this contract subject to: W/MBE DBE SBE XO101 ACDBE N/A

WBE/MBE/DBE commitments (construction, design, Airport concession contracts): N/A

Who are the subcontractors to this contract? None.

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