

STAFF REPORT FOR CALENDAR ITEM NO.: 8.2
FOR THE MEETING OF: February 11, 2016

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Authorize the Executive Director to amend Professional Services Agreement No. 10-08-FIN-000, for Financial Consulting Services (Agreement) between the Transbay Joint Powers Authority (TJPA) and Sperry Capital, to exercise an option to extend the term of the agreement for an additional two years with no additional compensation.

EXPLANATION:

In March 2011, the TJPA Board of Directors authorized the Executive Director to award the Agreement to Nancy Whelan Consulting (NWC) to perform Financial Consulting Services for the Transbay Transit Center Program. The maximum compensation under the Agreement was \$4,284,920 and the original term was not to exceed five years, with an option to extend the term for an additional three years by mutual agreement of the parties.

In June 2013, by mutual agreement of the TJPA, NWC and Sperry Capital, the agreement was assigned and novated to Sperry Capital, a subcontractor under NWC. Sperry Capital has been successfully performing as TJPA's financial advisor under the contract since that date. In particular, Sperry Capital principals have been invaluable in advising on the 2014 amendments to TJPA's TIFIA loan, on the bridge loan that closed in 2015, and in current ongoing discussions with the City for future project financing. In connection with the bridge loan, specifically the interest rate cap required under the bridge loan, the Agreement was amended in July 2014. In compliance with Commodities Future Trading Commission rules and regulations, under Amendment No. 1 to the Agreement Sperry Capital agreed to act as a Qualified Independent Representative to TJPA with respect to swap transactions to be entered into by TJPA, and agreed to act as an independent registered Municipal Advisor with respect to the issuance of municipal securities.

The TJPA continues to require Sperry Capital's expertise in debt issuance and other related financial matters. Sperry Capital is best positioned to assist the TJPA in these efforts.

The maximum compensation under the Agreement is \$4,284,920. Through December 2015, \$3,030,599, or 71 percent, has been expended. The original five-year term began March 1, 2011 and runs through February 29, 2016; the Agreement includes an option to extend the term for three additional years. This second amendment would exercise two of the option years, extending the Agreement to February 29, 2018. No other changes would be made to the Agreement—in particular, the maximum compensation under the Agreement would not change.

RECOMMENDATION:

Authorize the Executive Director to amend Professional Services Agreement No. 10-08-FIN-000, for Financial Consulting Services with Sperry Capital, to extend the term of the Agreement for an additional two years with no change to the maximum compensation under the Agreement, with an option to extend the term for an additional year by mutual agreement of the parties.

ATTACHMENTS:

1. Resolution
2. Amendment

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, Following a competitive procurement process, on March 10, 2011, in Resolution No. 11-009 the Transbay Joint Powers Authority (“TJPA”) Board of Directors resolved to authorize the Executive Director to execute a professional services agreement (“Agreement”) with Nancy Whelan Consulting for financial consulting services for a five-year term beginning March 1, 2011 with maximum compensation of \$4,284,920, and the option to extend the agreement for three years; and

WHEREAS, On June 1, 2013, the contract was assigned and novated to Sperry Capital to perform the services under the Agreement, and as such, they accepted the duties, rights and responsibilities under the Agreement as Contractor, and receive the benefits under the Agreement as Contractor; and

WHEREAS, On July 11, 2014, the TJPA and Sperry Capital entered into Amendment No. 1 to the Agreement, in which Sperry Capital agreed to act as a qualified independent representative to TJPA with respect to swap transactions in accordance with relevant provisions of Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and relevant Commodities Future Trading Commission regulations; and

WHEREAS, Sperry Capital has been providing excellent and instrumental services to the TJPA particularly in regards to debt issuance and related financial matters; and

WHEREAS, TJPA staff recommends extending the term of the agreement for an additional two years, with an option to extend the term for an additional year remaining, but would not make any other changes to the Agreement at this time; and

WHEREAS, Such change to the term requires an amendment to the Agreement, but does not change the scope, price or deliverables under the Agreement; now, therefore, be it

RESOLVED, That the TJPA Board of Directors authorizes the Executive Director to execute Amendment No. 2 to the Agreement for financial consulting services with Sperry Capital to modify the Agreement to extend the term for an additional two years.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of February 11, 2016.

Secretary, Transbay Joint Powers Authority

Amendment No. 02
Professional Services Agreement between
the Transbay Joint Powers Authority and Sperry Capital, Inc.

THIS Amendment No. 2 to the Professional Services Agreement to furnish Financial Consulting Services dated March 1, 2011 and amended July 11, 2014 ("Agreement") is entered into as of the 11th day of February, 2016 in San Francisco, California, by and between **Sperry Capital, Inc.** ("Contractor"), and the **Transbay Joint Powers Authority** ("TJPA").

Recitals

The TJPA and Contractor desire to extend the term of the Agreement without changing the scope, price, or deliverables under the Agreement. The TJPA and Contractor agree to amend Section 2 of the Agreement in its entirety to read as follows:

Terms and Conditions

2. Term of the Agreement. Subject to Section 1, the term of this Agreement shall be for seven years from the Effective Date of the Agreement, March 1, 2011, provided that (i) the TJPA shall have the right to extend this Agreement for an additional year by providing to the Contractor written notice of such extension on or before the expiration of this Agreement, and (ii) any such extension shall be subject to and conditioned upon the written agreement of the Contractor and the approval of such extension by resolution adopted by the TJPA Board of Directors.

All other provisions of the Agreement shall remain in full force and effect. In particular, there shall be no change to the maximum compensation described in Section 5 of the Agreement.

TRANSBAY JOINT POWERS AUTHORITY

CONTRACTOR: Sperry Capital, Inc.

Maria Ayerdi-Kaplan
Executive Director

Transbay Joint Powers Authority
Board of Directors
Resolution No.: _____
Adopted: _____

Attest:

Secretary, TJPA Board

Approved as to Form by:

TJPA Legal Counsel

James Martling
Principal
Sperry Capital, Inc.
Three Harbor Drive, Suite 101
Sausalito, CA 94965

Date

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