

CHSRA BOARD MEETING AGENDA ITEM XX FINANCIAL ADVISOR SERVICES – REQUEST FOR PROPOSAL

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Chief Financial Officer

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Summary of Request

- Issuance of Request for Proposal (RFP) for Financial Advisor financial and commercial services
- RFP for a not-to-exceed amount of \$36M over four years
- Consolidates services from three separate contracts into one
- Reflects reductions in costs by approximately by 28 percent

FINANCIAL ADVISOR SERVICES

CALIFORNIA HIGH-SPEED RAIL AUTHORITY

Since 2009, the Authority has contracted out for specialized Financial Advisor services providing a wide range of financial and commercial services.

Current Financial Advisor contracts expire in 2020

- KPMG (HSR15-92#1)
- Ernst Young (HSR15-92#2)

Current RDP contract is used for economic analysis and some commercial advising



Scope Included in the RFP:

- **High-Speed Rail Commercial, Planning and Procurement Advisory Services**
 - Provide strategic commercial support and advice to the Authority
 - Analyze and evaluate delivery methods for the Project
 - Provide commercial support during major procurements (i.e. Track and Systems and Rail Cars)
- **Financing and Funding Advisory Services**
 - Perform funding scenarios and fund source analyses
 - Assist with Business Plan and Project Update reports
 - Assist with funding plans including Proposition 1A “part c” and “part d” plans
 - Analyze potential financing sources and structuring plans, including alternative and innovative financing mechanisms

FINANCIAL ADVISOR SERVICES RFP

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Scope Included in the RFP:

- **Business and Economics Advisory Services**
 - Prepare Economic Impact Analysis Report
 - Prepare Fiscal Impact Analysis Report, and ad hoc reporting
- **Project Financial Advisory Services**
 - Provide expertise and project management advisory services for the Authority's Financial Office
- **Contract Compliance Management**
 - Contract compliance management, including small business tracking and reporting requirements



2019 ECONOMIC IMPACT REPORT

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Efficiencies Targets

- This RFP will consolidate services from the two existing Financial Advisor services contract as well as specific scope from the existing Rail Delivery Partner contract including commercial and economic tasks
- Overall, this new RFP will recognize an approximate 28% Efficiency Gain over the existing two Financial Advisor services contracts and RDP services (with annual inflation) that will roll into this new contract. Current Average Annual Budget adjusted for inflation is \$12.5 million and this request budgets for \$9.0 million.



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Examples of Key Upcoming Workload for the New FA:

- Financial and strategy advice for the 2021 Project Update Report and 2022 Business Plan
- Commercial advice on major upcoming procurements
- Cash flow affordability and funding plans to access remaining Proposition 1A Bond Funds
- Special Analyses for the Board, with the Central Valley Business Case the recent example



FINANCIAL ADVISOR SERVICES RFP

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Questions?

