Staff Notes:

USOPM bond Background and refi:

In 2017, CSURA issued $39,000,000 in Bonds for the USOPM project ($29,250,000 to the Museum and $9,750,000 to the Southwest Downtown Infrastructure). Once these 2017 Bonds are repaid, then any TIF proceeds remaining under the 2013 Resolution can be used to repay other eligible costs incurred by the Museum. The bonds will come due in April 2027. At that time, the unpaid balance will become due and payable. The purpose of the Refinancing Bonds is two-fold:

First, to use the current redemption window to call all outstanding 2017 Bonds and extend the maturity date of the financing to September 2029.

Second, to provide financing to fund the reimbursement of Eligible Costs.

While no purchase commitment has been issued, it is anticipated that UMB Bank, n.a. will be the direct purchaser of the Refinancing Bonds. North Slope Capital Advisors will provide a third-party opinion to CSURA to ensure the terms of refinanced bond offering is reasonable within the current market. The Refinancing Bonds are proposed as a fully amortizing 7 or 10 year tax exempt privately placed bond with a proposed interest rate based on a formula similar to the prior structures (currently in the 3.5% range).  UMB Bank proposes to purchase $26,865,000 of Refinancing Bonds at par with the proceeds and current reserves to be used to redeem all 2017 Bonds and to fund the reimbursement of up to $4,800,000 of certified Eligible Costs

Engagement Letters:

The state EDC has stated how they encourage an RFP process to be followed regarding the solicitation of experts/vendors for all the C4C projects. While this is a perfectly understandable request it does create some challenges in finding partners who understand the sheer complexity of how these projects work and are funded while also needing to take valuable time and funding away from the project funds while they work and learn the process. Because Sherman and Howard and Northslope both have had existing relationships with the CSURA, more specifically this exact project, and are equally aware of how the state funding and processes for the C4C projects they will in turn save money because of their competency and quicker turnaround time. In June of 2019, the CSURA adopted the City’s procurement policy for our engagements for the C4C projects so we would have a process that allows the use of Sole Source Procurements to save valuable time and money towards the projects.

While I have included a copy of the procurement policy in the board packet I have pasted the relevant sections to us below.

2- 302 Sole Source Procurements

Sole Source Procurement is permissible if a requirement is available from only a single supplier. A requirement for a particular Proprietary item does not justify Sole Source Procurement if there is more than one potential Offeror for that item or service. Sole Source purchase requirements may arise from a number of circumstances including, but not limited to:

a) the purchase of an item or service where compatibility is the overriding consideration;

b) the purchase of a particular product for trial or testing. (If this justification is used and additional items are required after testing, then competition must be sought if possible.);

c) the Procurement Services Manager, in writing, determines use of a sole source to be in the Best Interest of the City based on unusual or clear and compelling urgency, such as in an Emergency situation;

d) the use of other than original equipment manufacturer parts would void a still valid warranty;

e) the purchase of a used item that becomes immediately available and cost is determined to be fair market value;

f) use of another Vendor would involve substantial added costs;

g) the purchase requires use of Proprietary data that cannot be released in a public solicitation;

h) the use of cooperative agreements, intergovernmental agreements, or other service level agreements;

i) modifications to existing Contracts within scope; or

j) the Procurement Services Manager (for acquisitions up to $150,000) shall make a written determination that procurement is sole source, setting forth the reasons. In the absence of a compelling reason to sole source, competition should be solicited. Any request by a Using Department that procurement be restricted to one potential supplier shall be accompanied by a Sole Source Justification.

2-301.2 Competition Exceptions

All purchases and Contracts shall be procured competitively either informally or formally if the aggregate total is more than $14,999 (or the prevailing micro-purchase threshold if federally-funded) with the exception of purchases or Contracts made using the following exceptions. The applicable exceptions must be cited in the comments section of the Purchase Order or in a formal memo signed by the proper approving authority when applicable and placed in the file for audit purposes.

a) When time is of the essence, purchases may be made off of another Contract or agreement written by another State, County, or Federal Government agency for identical goods or services. The agreement or Contract must be currently in use or active (including option periods) and have been formally competed by the State, County or Federal Government agency.

b) Purchases directly from Federal, State, County or other local government units.

c) Purchases made off of Contracts awarded through a joint purchasing alliance including but not limited to the Airport Purchasing Group, Western States Contracting Alliance (WSCA), U.S, Communities, or Multiple Assembly of Procurement Officials (MAPO) of which the City is a member and the Contract was formally competed by the alliance or group.

d) Subscriptions for magazines, books or periodicals.

e) Purchases from nonprofit organizations up to $50,000 if the price has been determined to be fair and reasonable, as defined in Section 3-318 Fair and Reasonable Price.

City of Colorado Springs Procurement Rules and Regulations 9

January 2019, Adopted by Ordinance No. 19-1

f) Training classes or instructors up to $50,000 if the price is determined to be fair and reasonable.

g) Purchases for inventory items intended for the purpose of resale for City enterprises.

h) Professional Services up to $100,000 annually with justification approved by the Procurement Services Manager.

i) Personal service Contracts up to $25,000, if price is determined to be fair and reasonable, as defined in Section 3-318 Fair and Reasonable Price.

j) Unusual and compelling urgency precluding full and open competition, and the delay in Award of a Contract would result in serious injury, financial or other, to the City.

k) Advertisements in appropriate publications.

l) Obtaining professional legal services for trials, research, opinions, and testimony including but not limited to expert witnesses, trial consultants, case advisors and consultants. In these cases, there is no limit on cost as long as the City Attorney’s Office has determined the need for such service is appropriate and the cost is fair and reasonable, as defined in Section 3-319 Fair and Reasonable Price.

m) Other exceptions as approved by the Procurement Services Manager. (See Section 2-302 Sole Source Procurement.)

n) Council-directed Contracts or agreements.