

FOR CONSIDERATION

September 27, 2017

TO: The Trustees

FROM: Thomas Falcone

REQUEST: Authorization to Engage Firms to Provide Legal Services -- Disclosure, Bond and Special Tax Counsel

Requested Action

The Trustees are being requested to approve a resolution authorizing the Chief Executive Officer, or his designee, to engage three firms to provide as-needed legal services to the Authority and its subsidiary, Long Island Lighting Company d/b/a LIPA (collectively “LIPA”) and the Utility Debt Securitization Authority (“UDSA”) in the practice areas set forth below, for a period of five years.

Background

LIPA retains the services of outside law firms with demonstrable qualifications in connection with the issuance of tax-exempt and taxable bonds and notes by LIPA and the UDSA, the refunding of such bonds, the provision of liquidity and credit enhancement facilities through letters of credit, revolving lines of credit and other capital raising products, pursuant to securities law and subject to related regulatory disclosure requirements, and specialized tax advice necessary for such transactions, as necessary to augment the capabilities of its own employee attorneys to provide these specialized services.

On May 30, 2017, LIPA issued a Request for Proposals (“RFP”) seeking experienced law firms to provide legal services to LIPA for a period of five years in the following practice areas: 1) Disclosure; 2) Bond; and 3) Special Tax Counsel. The RFP was distributed to twenty-nine firms and posted on LIPA’s website and the New York State Contract Reporter.

On June 27, 2017, thirteen firms responded to the RFP. A selection committee comprised of members of LIPA’s legal and finance departments carefully examined the technical (non-cost) portion of each proposal, in accordance with the evaluation criteria specified in the RFP. The evaluation was conducted in accordance with the Office of State Comptroller’s (OSC) guidelines requiring the setting of an evaluation and scoring system prior to the opening of bids. Procurement staff separately evaluated the proposals on a cost basis and MWBE/SDVOB factors, also in accordance with OSC procurement guidelines. The selection committee then conducted interviews of the top-qualifying firms in each practice area since the cumulative scores submitted by the members of the evaluation committee were less than 15 points apart.

Based upon the written proposals, interviews and an assessment of LIPA's needs, it was determined that the firms listed below provide the best value to LIPA for the services sought, considering both technical expertise and proposed hourly rates:

<u>Recommendation</u>
1. Disclosure Counsel: Squire Patton Boggs LLP
2. Bond Counsel: Hawkins Delafield & Wood LLP
3. Special Tax Counsel: Nixon Peabody LLP

I note that the hourly rates proposed by the firms have been determined to be reasonable.

Recommendation

Based on the foregoing, I recommend approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

Attachment

Exhibit A Resolution

EXHIBIT A

ENGAGEMENT OF FIRMS TO PROVIDE LEGAL SERVICES

RESOLVED, that consistent with the attached memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage the following law firms to provide legal services to the Long Island Power Authority, the Long Island Lighting Company d/b/a LIPA and the Utility Debt Securitization Authority, on an as-needed basis, with the contract terms to be for a period of five years: 1) Squire Patton Boggs LLP (disclosure counsel), 2) Hawkins Delafield & Wood LLP (bond counsel) and 3) Nixon Peabody LLP (special tax counsel).