

FOR CONSIDERATION

December 19, 2017

TO: The Trustees

FROM: Thomas Falcone

REQUEST: Approval of Contract for a Debt Covenant Compliance System

Requested Action

The Trustees are requested to approve a resolution authorizing the Chief Executive Officer, or his designee, to engage Debt Compliance Services LLC to provide a Debt Covenant Compliance System to the Authority for a period of 5 years.

Background

In the normal course of business, the Authority issues debt for capital expenditures and to provide working capital. There are various series of bonds issued under resolutions and notes with Letters of Credit from different banks. The bonds and notes have various disclosure and covenant requirements, as well as reporting obligations with numerous parties including but not limited to: banks, bond insurers, swap counterparties, rating agencies, LOC providers and bond trustees.

Discussion

On July 31, 2017, LIPA issued an RFI (Request for Information) for vendors to provide a software system that would facilitate and automate some of the tasks related to the requirements described above. Only one firm, Debt Compliance Services LLC, responded to the RFI.

On October 3, 2017, an RFP was issued, advertised on the New York State Contract Reporter, and posted on LIPA's website and in the Bond Buyer.

On or before October 26, 2017, two responses were received; one from Debt Compliance Services LLC and the other from Rockfleet Financial Services, Inc.

Both proposals were evaluated technically by three LIPA staff members from the Finance Department, while Procurement reviewed them for responsiveness, cost and MWBE/SDVOB aspects.

The system that Rockfleet proposed is not currently in use by any other company, so LIPA would be Rockfleet's first customer. Furthermore, their pricing is approximately 8 times higher than the price proposed by Debt Compliance Services LLC.

Below are the final scores for the two vendors:

Firms	Score
Debt Compliance Services, LLC	80.24
Rockfleet Financial Services, Inc.	24.84

Recommendation

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

Attachment

Exhibit A Resolution

EXHIBIT A

**RESOLUTION APPROVING THE ENGAGEMENT OF A VENDOR TO
PROVIDE A DEBT COVENANT COMPLIANCE SYSTEM**

RESOLVED, that consistent with the attached memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage Debt Compliance Services, LLC to provide a debt covenant compliance system for a period of five (5) years.