

FOR CONSIDERATION

March 27, 2024

TO: The Board of Trustees

FROM: Thomas Falcone

SUBJECT: Consideration of Approval of the Selection of Firms to Provide Financial and Swap Advisory Services

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority is requested to approve a resolution, attached hereto as **Exhibit “A”**, authorizing the Chief Executive Officer, or his designee, to engage PFM Financial Advisors LLC and Mohanty Gargiulo LLC to provide financial and swap advisory services, respectively, for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA (collectively, “LIPA”) and Utility Debt Securitization Authority (UDSA) for a term not to exceed five (5) years.

Background

LIPA solicited proposals from financial and swap advisory firms to act as LIPA’s Municipal Advisors as defined by the U.S. Securities Exchange Commission in connection with capital markets activity. These advisory firms’ services would include (but are not limited to) (1) analyzing and evaluating proposals received from underwriters and making necessary recommendations; (2) assisting in the development and evaluation of requests for proposals for various services in connection with the issuance of debt, including participating on a non-voting basis in the evaluation of proposals; (3) assisting in developing new credit structures and innovative financing proposals; and (4) assisting the Authority in the development of its annual plan of finance to be presented to the Board of Trustees.

Discussion

On December 19, 2023, LIPA issued an RFP for qualified firms to provide: (i) Financial Advisory Services; and (ii) Swap Advisory Services to LIPA.

The solicitation initially elicited responses from two service providers. In an effort to broaden the response base, LIPA readvertised the solicitation in the Bond Buyer (an industry publication). On or before February 23, 2024, one firm submitted proposals to provide Financial Advisory services and two firms submitted proposals for Swap Advisory Services. Responses were evaluated according to the criteria set forth in the RFP by LIPA’s Finance Team, while LIPA’s Procurement Department, as required by State law, ensured compliance with Minority/Women Business Enterprises (MWBE), Service-Disabled Veteran-Owned Businesses solicitation opportunities, as well as cost aspects of the proposals.

The technical evaluation that resulted in the recommendation set forth in the accompanying resolution included assessments of the firm’s experience and qualification, rates, proposed changes to LIPA’s standard consulting contract, and their proposals to comply with the state requirements. LIPA Staff recommends that the following firms be awarded contracts in the scopes indicated:

Firm	Scope
PFM Financial Advisors LLC	Financial Advisory Services
Mohanty Gargiulo LLC	Swap Advisory Services

The proposed fees have been determined reasonable for the services to be provided.

Recommendation

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

Attachment

Exhibit “A” Resolution

RESOLUTION AUTHORIZING THE ENGAGEMENT OF FIRMS TO PROVIDE A FINANCIAL AND SWAP ADVISORY SERVICES

NOW, THEREFORE, BE IT RESOLVED, that consistent with the attached Memorandum, the Chief Executive Officer or his designee be, and hereby is, authorized to engage PFM Financial Advisors LLC and Mohanty Gargiulo LLC to provide financial and swap advisory services respectively for the Long Island Power Authority and its subsidiary, the Long Island Lighting Company d/b/a LIPA and Utility Debt Securitization Authority for a term not to exceed five (5) years.

Dated: March 27, 2024