

PROFESSIONAL SERVICE AGREEMENT NO. 4339

Financial Advisor Services

THIS **Financial Advisor Services Agreement** ("Agreement") is entered into by and between the City of Corpus Christi, a Texas home-rule municipal corporation ("City") and Specialized Public Finance Inc. ("Consultant"), effective upon execution by the City Manager or the City Manager's designee ("City Manager").

WHEREAS, Consultant has agreed to provide professional consulting services to evaluate the possible renovation and/or expansion of the City's convention center and a new convention headquarter hotel development.

NOW, THEREFORE, City and Consultant agree as follows:

- 1. Scope.** Consultant shall provide Financial Advisor Services in accordance with the attached Scope of Work, as shown in Attachment A, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety.
- 2. Term.** This Agreement is for three years. The parties may mutually extend the term of this Agreement for up to two additional one-year periods ["Option Period(s)"], provided, the parties do so in writing prior to the expiration of the original term or the then-current Option Period.
- 3. Compensation and Payment.** This Agreement is for an amount not to exceed \$1,770,846.00 subject to approved extensions and changes. Payment will be made for Services completed and accepted by the City within 30 days of acceptance, subject to receipt of an acceptable invoice. All pricing must be in accordance with the attached Bid/Pricing Schedule, as shown in Attachment B, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety. Any amount not expended during the initial term or any option period may, at the City's discretion, be allocated for use in the next option period. Invoices must be mailed to the following address with a copy provided to the Contract Administrator:

City of Corpus Christi
Attn: Accounts Payable
P. O. Box 9277
Corpus Christi, Texas 78469-9277

- 4. Contract Administrator.** The Contract Administrator designated by the City is

responsible for approval of all phases of performance and operations under this Agreement, including deductions for non-performance and authorizations for payment. The City's Contract Administrator for this Agreement is as follows:

Name: Heather Hurlbert

Department: Finance

Phone: 361-826-3227

Email: heatherh3@cctexas.com

5. Insurance; Bonds; License.

(A) Before performance can begin under this Agreement, the Consultant must deliver a certificate of insurance ("COI"), as proof of the required insurance coverages, to the City's Risk Manager and the Contract Administrator. Additionally, the COI must state that the City will be given at least 30 days' advance written notice of cancellation, material change in coverage, or intent not to renew any of the policies. The City must be named as an additional insured. The City Attorney must be given copies of all insurance policies within 10 days of the City Manager's written request. Insurance requirements are as stated in Attachment B, the content of which is incorporated by reference into this Agreement as if fully set out here in its entirety.

(B) In the event that a payment bond, a performance bond, or both, are required of the Consultant to be provided to the City under this Agreement before performance can commence, the terms, conditions, and amounts required in the bonds and appropriate surety information are as included in the RFB/RFP or as may be added to Attachment C, and such content is incorporated here in this Agreement by reference as if each bond's terms, conditions, and amounts were fully set out here in its entirety.

(C) Prior to beginning work, Consultant must provide evidence of any valid professional license necessary for the performance of the work under this Agreement.

6. Standard of Care. Consultant warrants that all Services shall be performed in accordance with the standard of care used by similarly situated Consultants performing similar services under the same professional license.

7. Non-Appropriation. The continuation of this Agreement after the close of any fiscal year of the City, which fiscal year ends on September 30th annually, is subject to appropriations and budget approval specifically covering this Agreement as an expenditure in said budget, and it is within the sole discretion of the City's City Council to determine whether or not to fund this Agreement. The City does not represent that this budget item will be adopted, as said determination is within the City Council's sole discretion when adopting each budget.

8. Independent Contractor; Release.

(A) In performing this Agreement, both the City and Consultant shall act in an individual capacity and not as agents, representatives, employees, employers, partners, joint venturers, or associates of one another. Consultant shall perform all professional services as an independent contractor and shall furnish such Services in his own manner and method, and under no circumstance or condition shall an employee, agent, or representative of either party be considered or construed to be an employee, agent, or representative of the other party.

(B) As an independent contractor, no workers' compensation insurance shall be obtained by City covering the Consultant and employees of the Consultant. The Consultant shall comply with any and all workers' compensation laws pertaining to the Consultant and employees of the Consultant.

9. Subcontractors. Consultant may not use subcontractors in connection with the work performed under this Agreement.

10. Amendments. This Agreement may be amended or modified only in writing executed by authorized representatives of both parties.

11. Waiver. No waiver by either party of any breach of any term or condition of this Agreement waives any subsequent breach of the same.

12. Taxes. The Consultant covenants to pay payroll taxes, Medicare taxes, FICA taxes, unemployment taxes and all other applicable taxes. Upon request, the City Manager shall be provided proof of payment of these taxes within 15 days of such request.

13. Notice. Any notice required under this Agreement must be given by fax, hand delivery, or certified mail, postage prepaid, and is deemed received on the day faxed or hand-delivered or on the third day after postmark if sent by certified mail. Notice must be sent as follows:

IF TO CITY:

City of Corpus Christi
Attn: Heather Hurlbert, Director of Finance
1201 Leopard St.
Corpus Christi, TX 78401

IF TO CONSULTANT:

Specialized Public Finance, Inc.
Attn: Victor Quiroga, Jr. 10010
San Pedro Ave., Suite 301
San Antonio, TX 78216

14. Consultant shall fully indemnify, hold harmless and defend the City of Corpus Christi and its officers, employees and agents (“indemnitees”) from and against any and all liability, loss, claims, demands, suits, and causes of action of whatever nature, character, or description on account of personal injuries, property loss, or damage, or any other kind of injury, loss, or damage, including all expenses of litigation, court costs, attorneys’ fees and expert witness fees, which arise or are claimed to arise out of or in connection with a breach of this Agreement or the performance of this Agreement by the Consultant or results from the negligent act, omission, misconduct, or fault of the Consultant or its employees or agents. Consultant must, at its own expense, investigate all claims and demands, attend to their settlement or other disposition, defend all actions based thereon with counsel satisfactory to the City Attorney, and pay all reasonable charges of attorneys and all other costs and expenses of any kind arising or resulting from any said liability, damage, loss, claims, demands, suits, or actions. The indemnification obligations of Consultant under this section shall survive the expiration or earlier termination of this Agreement.

15. Termination.

(A) The City Manager may terminate this Agreement for Consultant's failure to perform the work specified in this Agreement or to keep any required insurance policies in force during the entire term of this Agreement. The Contract Administrator must give the Consultant written notice of the breach and set out a reasonable opportunity to cure. If the Consultant has not cured within the cure period, the City Manager may terminate this Agreement immediately thereafter.

(B) Alternatively, the City Manager may terminate this Agreement for convenience upon 30 days advance written notice to the Consultant. The City Manager may also terminate this Agreement upon 24 hours written notice to the Consultant for failure to pay or provide proof of payment of taxes as set out in this Agreement.

16. Assignment. No assignment of this Agreement by the Consultant, or of any right or interest contained herein, is effective unless the City Manager first gives written consent to such assignment. The performance of this Agreement by the Consultant is of the essence of this Agreement, and the City Manager's right to withhold consent to such assignment is within the sole discretion of the City Manager on any ground whatsoever.

- 17. Severability.** Each provision of this Agreement is considered to be severable and, if, for any reason, any provision or part of this Agreement is determined to be invalid and contrary to applicable law, such invalidity shall not impair the operation of nor affect those portions of this Agreement that are valid, but this Agreement shall be construed and enforced in all respects as if the invalid or unenforceable provision or part had been omitted.
- 18. Order of Precedence.** In the event of any conflicts or inconsistencies between this Agreement, its attachments, and exhibits, such conflicts and inconsistencies will be resolved by reference to the documents in the following order of priority:
- A. this Agreement (excluding all attachments and exhibits);
 - B. its attachments; then,
 - C. its exhibits, if any.
- 19. Certificate of Interested Parties.** Consultant agrees to comply with Texas Government Code Section 2252.908, as it may be amended, and to complete Form 1295 "Certificate of Interested Parties" as part of this Agreement, if required to do so by law.
- 20. Governing Law.** This Agreement is subject to all federal, State, and local laws, rules, and regulations. The applicable law for any legal disputes arising out of this Agreement is the law of the State of Texas, and such form and venue for such disputes is the appropriate district, county, or justice court in and for Nueces County, Texas.
- 21. Entire Agreement.** This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement and supersedes all prior negotiations, arrangements, agreements and understandings, either oral or written, between the parties

(SIGNATURE PAGE FOLLOWS)

Attachment A: Scope of Work

1.1 General Requirements

The Financial Advisor will assist the City in the management of its debt program and the design and issuance, negotiation and writing of bonds, certificates, tax notes, and other financial instruments as may be required. Financial Advisor Services include, but are not limited to, quantitative analysis, evaluation and presentation of financing options, provisions of timely credit market information, preparation of offering documents, advice and assistance with the issuance, sale and delivery of debt instruments, as well as, attending meetings and the provision of ongoing services after the successful delivery of a debt issuance.

1.2 Scope of Work

A. Structure

The Financial Advisor is expected to actively participate in, and lend expertise to the financial structuring of the bond issue, in conjunction with City's Bond Counsel and City staff.

B. Official Statements

The City, from time to time, will consider the utilization of various types of debt including, but not limited to, general obligation bonds, certificates of obligation, tax notes, commercial paper, revenue bonds, conduit financings including, but not limited to, housing, education, healthcare, economic development, and other types of financings which will facilitate the most effective, efficient and most cost-effective method of financing projects. The Financial Advisor will be required to perform professional Financial Advisory Services in connection with the pre-sale strategic financial analyses, authorization, on-going quantitative analysis, marketing, preparation of offering documents, issuance, sale and delivery of debt instruments, as well as provide ongoing service after the successful delivery of a debt issue. The Financial Advisor will be required to provide professional services and perform these duties as determined by the City.

The preliminary and final official statements will be prepared by the City's financial advisor and its bond counsel. The City will provide to the Financial Advisor its customary disclosure information and will make every effort to provide the financial advisor with all necessary additional information for the specific financing. It is the duty of the financial advisor to thoroughly review and determine the completeness and accuracy of any material representations set forth in the preliminary and final official statements. The Financial Advisor will be responsible to the City in all

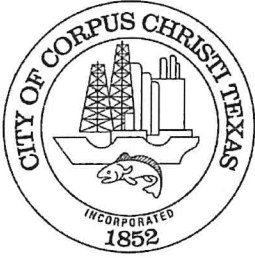
aspects for the accuracy and completeness of information provided by such Financial Advisor with respect to such disclosure documents. More specifically the Financial Advisor will be responsible for the following:

1. All duties and services necessary or advisable to facilitate the issuance of bonds and other obligations.
2. Determine the form, size, timing, and method of sale of the issue.
3. Assist in evaluating underwriting proposals and selecting underwriting teams, including the development of a Request for Proposals.
4. Participate in document preparation and assist bond counsel in the coordination of the issue.
5. Prepare information for rating agency presentations, schedule and assist in the presentations, and act as liaison with the agencies, providing information as needed.
6. Coordinate preparation of official statements for each issue, including arranging for printing and mailing to prospective investors.
7. Advise the City concerning the need for credit enhancement and assist in the procurement and negotiation of related agreements.
8. Respond to questions or requests for additional information from prospective investors.
9. Coordinate bond sale bid openings or electronic bid verifications and recommend acceptance or rejection of bids. Evaluate reception of the bonds relative to the market and other comparable securities.
10. Monitor and control fees and expenses incurred in connection with the issuance of bonds, including soliciting bids for the printing of bond offering documents, ratings, trustee and paying agent fees and related services when necessary.
11. Assist in closing details and post-closing duties. Maintain debt service records on all outstanding City of Corpus Christi obligations.
12. Monitor and advise the City on refunding opportunities and other financial products that would benefit the City.
13. Evaluate the performance of remarketing agents and credit facilities for commercial paper programs and variable rate demand notes, including rates, fees, and other costs.

14. Provide advice and assistance in complying with disclosure requirements.
15. Provide assistance in the development of alternative financing programs for potential capital projects, including funding available from state and federal programs.
16. Provide assistance in the development of voted bond programs, including working with citizen committees.
17. Evaluate the city's financial policies related to effective administration of the capital program.
18. Advise the City of current issues in the securities industry and financial markets, including the impact of pending legislation at the state and federal levels.
19. Advice regarding the investment of bond proceeds.
20. Advise the City in all other matters necessary or incidental to the issuance and administration of debt obligation.
21. The Financial Advisor will not be permitted to underwrite a portion of an issue or program for the City during the term of an engagement as Financial Advisor.
22. Each member of the underwriting syndicate is expected to play an active role in the placement of the obligations. The Financial Advisor will provide a report of the final allotments/placements executed by each member as soon as practical after closing.

C. Other Financial Consultation

Occasionally the City may need to reach out to the Financial Advisor for other financial advice needed by the City that is not related to the sale of bonds or items outlined in the regular scope of work in the sections above. When this occurs the City staff will identify the work as falling into this "Other Financial Consultation" category and the Financial Advisor will be compensated as outlined on the pricing sheets on a loaded hourly rate basis for this service.



Attachment B: Bid/Pricing Schedule

CITY OF CORPUS CHRISTI
Pricing Form
CONTRACTS AND PROCUREMENT

RFP No. 4339

Financial Advisor Services

PAGE 1 of 1

DATE: 9/28/2022Specialized Public Finance Inc.

PROPOSER


 AUTHORIZED SIGNATURE

1. Refer to "Instructions to Proposers" and Contract Terms and Conditions before completing proposal.
2. Provide your best price for each item.
3. In submitting this proposal, Proposer certifies that:
 - a. the prices in this proposal have been arrived at independently, without consultation, communication, or agreement with any other Proposer or competitor, for the purpose of restricting competition with regard to prices;
 - b. Proposer is an Equal Opportunity Employer; and the Disclosure of Interest information on file with City's Contracts and Procurement office, pursuant to the Code of Ordinances, is current and true.
 - c. Proposer has incorporated any changes issue through Addenda to the RFP in this pricing.

Item	Description	Value of Bond	Value of Bond*	Price/Percentage
1	Issuance of bonds backed by the full faith and credit of the City	\$0	\$1,000,000	\$9,000
		\$1,000,001	\$5,000,000	\$9,000-\$25,000
		\$5,000,001	\$10,000,000	\$25,000-\$35,000
		\$10,000,001	\$25,000,000	\$35,000-\$50,000
		\$25,000,001	\$50,000,000	\$50,000-\$75,000
		\$50,000,001	\$100,000,000	\$75,000-\$112,500
		\$100,000,001	\$200,000,000	\$112,500-\$187,500
		\$200,000,001	\$300,000,000	\$187,500-\$262,500
		\$300,000,001	Anything over	\$262,500 Plus
	*Value based on higher of par amount, project fund deposit, or refunded bond amount			
2	Issuance of revenue bonds			X 125%
3	Issuance of refunding bonds			X 125%
				Loaded Hourly Rate
4	Other Financial Consultation			N/A

Specialized Public Finance Inc.
 10010 San Pedro Ave. Suite 301
 San Antonio, Texas 78216
 210.239.0204



SPECIALIZED PUBLIC FINANCE INC.
 FINANCIAL ADVISORY SERVICES

248 Addie Roy Road, Suite B-103
 Austin, Texas 78746
 512.275.7300

Fee Schedule

Our proposed fee schedule with the City is shown below.

	\$9,000	for the first	\$ 1,000,000	of bonds issued
plus \$4.00	per \$1,000	for the next	\$ 4,000,000	of bonds issued
plus \$2.00	per \$1,000	for the next	\$ 5,000,000	of bonds issued
plus \$1.00	per \$1,000	for the next	\$ 40,000,000	of bonds issued
plus \$0.75	per \$1,000	thereafter		

Fee shall be based on the higher of par amount, project fund deposit or refunded bond amount. The above charges shall be multiplied by 1.25 times for the completion of an application to a federal or state government agency or for the issuance of revenue bonds or refunding bonds, reflecting the additional services required.

The payment of charges for financial advisory services shall be contingent upon the delivery of bonds and shall be due at the time that bonds are delivered.

The charges for ancillary services, including computer structuring and official statement printing, shall be levied only for those services which are reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specified direction of the City.

Additional Expenses

SPFI's Financial Advisory Fee is contingent upon delivery of bonds. In addition to the Financial Advisor Fee, SPFI also includes a fee for document preparation and computer structuring. Those fees can vary based on the terms of the issue but are only due upon delivery of the bonds. SPFI also offers continuing disclosure services. For preparation of an annual disclosure document SPFI charges \$1,500 annually.

The Issuer shall be responsible for the following expenses, if and when applicable:

- | | |
|--------------------------------|--|
| Bond counsel | Official statement printing |
| Bond ratings | Paying agent/registrar/trustee |
| Computer structuring | Travel related expenses |
| Continuing Disclosure | Underwriter and underwriter's counsel |
| Credit enhancement | highDelivery, copy and conference call charges |
| Verification agent | Other miscellaneous charges |
| Official statement preparation | |

The payment of reimbursable expenses that SPFI has assumed on behalf of the City shall not be contingent upon the delivery of bonds and shall be due at the time services are rendered and payable upon receipt of an invoice therefor submitted by SPFI.



Attachment C: Insurance and Bond Requirements

I. CONTRACTOR'S LIABILITY INSURANCE

- A. Contractor must not commence work under this contract until all insurance required has been obtained and such insurance has been approved by the City. Contractor must not allow any subcontractor, to commence work until all similar insurance required of any subcontractor has been obtained.
- B. Contractor must furnish to the City's Risk Manager and Contract Administer a copy of Certificates of Insurance with applicable policy endorsements showing the following minimum coverage by an insurance company(s) acceptable to the City's Risk Manager. Project name and/or number must be listed in Description Box of Certificate of Insurance.

TYPE OF INSURANCE	MINIMUM INSURANCE COVERAGE
PROFESSIONAL LIABILITY (Errors and Omissions)	\$1,000,000 Per Claim (Defense costs not included in face value of the policy) If claims made policy, retro date must be at or prior to inception of agreement, have extended reporting period provisions and identify any limitations regarding who is insured.

- C. In the event of accidents of any kind related to this contract, Contractor shall furnish the Risk Manager with copies of all reports of any accidents within 10 days of the accident.

II. ADDITIONAL REQUIREMENTS

- A. Contractor shall obtain and maintain in full force and effect for the duration of this Contract, and any extension hereof, at Contractor's sole expense, insurance coverage written on an occurrence basis by companies authorized and admitted to do business in the State of Texas and with an A.M. Best's rating of at least A- with a Financial Size Category of Class VII or higher.
- B. Contractor shall be required to submit renewal certificates of insurance throughout the term of this contract and any extensions within 10 days of the policy expiration dates. All notices under this Exhibit shall be given to City at the following address:

City of Corpus Christi
 Attn: Risk Manager
 P.O. Box 9277
 Corpus Christi, TX 78469-9277

- C. Certificate of insurance shall specify that at least 30 calendar days advance written notice will be provided to City of any, cancellation, non-renewal, material change or termination in coverage and not less than 10 calendar days advance written notice for nonpayment of premium.
- D. Within 5 calendar days of a cancellation, non-renewal, material change or termination of coverage, Contractor shall provide a replacement Certificate of Insurance and applicable endorsements to City. City shall have the option to suspend Contractor's performance should there be a lapse in coverage at any time during this contract. Failure to provide and to maintain the required insurance shall constitute a material breach of this contract.
- E. In addition to any other remedies the City may have upon Contractor's failure to provide and maintain any insurance or policy endorsements to the extent and within the time herein required, the City shall have the right to order Contractor to stop work hereunder, and/or withhold any payment(s) which become due to Contractor hereunder until Contractor demonstrates compliance with the requirements hereof.
- F. Nothing herein contained shall be construed as limiting in any way the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractor's performance of the work covered under this contract.
- G. Contractor's insurance shall be deemed primary and non-contributory with respect to any insurance or self insurance carried by the City of Corpus Christi for liability arising out of operations under this contract.
- H. The insurance required is in addition to and separate from any other obligation contained in this contract.

2021 Insurance Requirements

Ins. Req. Exhibit **3-H**

Professional Services - Other Professional Services

05/10/2021 Risk Management – Legal Dept.

No bond is required for this professional service agreement.