



## **AGENDA MEMORANDUM**

Action Item for the City Council Meeting of December 12, 2017

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**DATE:** December 12, 2017

**TO:** Margie C. Rose, City Manager

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| <p><b>Financial Advisor Services for a One-Year Not-to-Exceed Amount of \$196,000.00,<br/>with Four One-year Options and a Total Potential Multi-Year Not-to-Exceed<br/>Amount of \$980,000.00</b></p> |
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### **CAPTION:**

Motion authorizing the City Manager or designee to execute a one-year service agreement with Estrada Hinojosa & Company, Inc., of Dallas, Texas, for financial advisor services for the Finance Department, in accordance with RFP No. 1306, based on the best value proposal for a not-to-exceed amount of \$196,000.00 to be funded in FY2017-18 primarily from bond proceeds, with up to four one-year options to renew subject to the sole discretion of the City and a total potential multi-year amount not-to-exceed \$980,000.00.

### **PURPOSE:**

The purpose of this agenda item is to execute a contract for financial advisor services to assist the City with financial matters including but not limited to bond sales.

### **BACKGROUND AND FINDINGS:**

The City has used the same financial advisor for a number of years and a determination was made that a new solicitation should be undertaken to pursue a new contract for these services. In anticipation of a number of bond sales in the near future staff issued the request for proposals (RFP). Seven proposals were received; however, one was deemed nonresponsive. The remaining six responsive proposals moved on in the process and were evaluated by an evaluation team against the published criteria in the RFP. Minimum qualifications were evaluated under a pass fail system and the firms experience and

understanding of the scope of work were evaluated on the published point system as outlined in the RFP. The firms were also interviewed and scored based on the same published criteria and a final score was developed for each firm. Pricing for each firm was then evaluated to determine the pricing scores. The Capital Improvement Program along with an estimated number of consulting hours was used as the basis for applying the pricing from each firm to determine the lowest cost for the City over the life of the contract. The staff recommended awarding a service agreement to FirstSouthwest for the financial advisor services for the City's Finance Department as the highest scoring proposer; however at the October 31, 2017 Council Meeting a decision was made to bring the top two scoring firms into Council for public interviews before a decision would be reached. The interviews were held as a Special Council Meeting on November 14, 2017 and the Council selected Estrada Hinojosa & Company to receive the award. This action finalizes that award and brings the contract back to Council for final approval.

### **ALTERNATIVES:**

Award the contract to the highest scoring firm FirstSouthwest.

Continue to utilize financial advisors on a per bond sale transaction as is currently being done.

### **OTHER CONSIDERATIONS:**

No feasible considerations

### **CONFORMITY TO CITY POLICY:**

This purchase conforms to the City's purchasing policies and procedures and State Statutes regulating procurements.

### **EMERGENCY / NON-EMERGENCY:**

Non-emergency

### **DEPARTMENTAL CLEARANCES:**

City Manager's Office and Financial Services Department

### **FINANCIAL IMPACT:**

☐ Operating      ☐ Revenue      ☐ Capital      X Not applicable

| <b>Fiscal Year:<br/>2017-2018</b> | <b>Current Year</b> | <b>Future Years</b> | <b>TOTALS</b> |
|-----------------------------------|---------------------|---------------------|---------------|
| Line Item Budget                  | \$                  | \$                  | \$            |
| Encumbered /<br>Expended Amount   | \$                  | \$                  | \$            |
| This item                         | \$                  | \$                  | \$            |
| BALANCE                           | \$                  | \$                  | \$            |

Fund(s): N/A

**Comments:** The funding for this contract will be provided from bond proceeds for the

general obligation, revenue and refunding bond sales and by various department budgets for the small consulting service component of the contract.

**RECOMMENDATION:**

Staff recommends approval of the Motion.

**LIST OF SUPPORTING DOCUMENTS:**

Service Agreement