

## A G E N D A



## Recommendation for Council Action (Purchasing)

Austin City Council		Item ID:	61168	Agenda Number	66.
Meeting Date:		September 1, 2016			
Department:		Purchasing			
Subject					
Authorize negotiation and execution of a 60-month contract with PFM FINANCIAL ADVISORS LLC, or one of the other qualified offerors to Request For Qualification Statements SMB0301, to provide financial advisor services, in an amount not to exceed \$1,500,000, with three 12-month extension options in an amount not to exceed \$300,000 per extension option, for a total contract amount not to exceed \$2,400,000.					
Amount and Source of Funding					
Funding in the amount of \$25,000 is available in the Fiscal Year 2015-2016 Operating Budget of the Financial Services Department. Funding for the remaining 59 months of the original contract period and extension options are contingent upon available funding in future budgets.					
Fiscal Note					
A fiscal note is not required.					
Purchasing Language:	The Purchasing Office issued a Request for Qualification Statements (RFQS) SMB0301 for these services on June 20, 2016 and it closed on July 12, 2016 with four offers received. The recommended offeror was determined to be the most qualified. Additional information on the solicitation is included below the line. The recommended offeror is the current provider for these services.				
Prior Council Action:					
For More Information:	Sandy Brandt, Senior Buyer Specialist, 512-974-1783				
Boards and Commission Action:					
Related Items:					
MBE / WBE:	This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement				

Program. For the services required for this solicitation, there were insufficient subcontracting opportunities; therefore, no subcontracting goals were established.

#### Additional Backup Information

The contract will provide financial advisor services to include recommendations on bond sales, financing structures, and other financial planning services.

The financial advisor works closely with the City during the bond issuance process, providing expertise on matters pertinent to the transaction, such as structure, method of sale, timing, marketing, fairness of pricing, documents, terms and bond ratings. The financial advisor also acts in a fiduciary capacity throughout the bond financing process, protecting the City from financial risks, formulating debt financing plans, evaluating financing structures and assisting the City in identifying financial opportunities. Payment for services associated with bond sales are made at each bond sale closing.

In addition, the financial advisor will assist the City in complying with continuing disclosure of financial information and operating data pursuant to all Security and Exchange Commission rules; assist in evaluating the performance of remarketing agents and credit facilities for commercial paper programs and variable rate demand notes; evaluate and offer alternative financing techniques and instruments; provide special financial advice to the City as needed; and provide other financial planning services on a case-by-case basis.

These financial advisor services will ultimately result in minimizing the City's cost of financing capital projects, strengthening the City's overall financial condition, and enhancing the perception of the City's creditworthiness in the marketplace.

This request allows for the development of a contract with a qualified offeror that Council selects. If the City is unsuccessful in negotiating a satisfactory contract with the selected offeror, negotiations will cease with that provider. Staff will return to Council so Council may select another qualified offeror and authorize contract negotiations with this provider.

If the City is unable to enter into a contract for financial advisor services, it will not have the necessary expertise needed in the bond issuance process. Fall is the busiest bond sale time for the City, and a delay in executing the contract or lapse in financial advisor services at this critical time could impact the City's creditworthiness.

A complete solicitation package, including response list, is on file in the City's Purchasing Office and is available on the City's Financial Services Austin Finance Online website. Link: [Solicitation Documents](#)

PFM FINANCIAL ADVISORS LLC				
	# months	Contract Amount	Contract Amendment	Revised Amount
Original Term	60	\$ 1,500,000	n/a	n/a
Extension Option 1	12	\$ 300,000	n/a	n/a
Extension Option 2	12	\$ 300,000	n/a	n/a
Extension Option 3	12	\$ 300,000	n/a	n/a
<b>TOTAL</b>	<b>96</b>	<b>\$ 2,400,000</b>	<b>\$ -</b>	<b>\$ -</b>