



Legislation Text

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DATE: February 1, 2018

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
Kristine Tallent, Assistant City Administrator / CFO
Brian Wilcox, Purchasing Manager

SUBJECT:

Consideration Of Procurement Award To PFM Financial Advisors, LLC Of Memphis, Tennessee For Municipal Advisor Financial Advisory Services For A Term Of Award For The Finance Department (Purchasing Office Procurement Solicitation No. 2018-006; \$16,000 Budgeted In 110-85525-41500 For Fiscal Year 2018; Contract No. 2018-0001) (02/08/18 Finance 3-0)

Purpose

The purpose of this procurement is to purchase Municipal Advisor financial advisory services for debt management, bond sale, swap advisory, education/research and alternative financing services, specifically including advisory services in a fiduciary capacity as promulgated by the SEC and MSRB Rule G-42, for a term of award of three (3) years with two (2) options to extend, each for up to one (1) year, for a maximum possible term of award of five (5) years total.

Background

The City published on November 9, 2017 a Notice to Service Providers in the *Williamson Herald* soliciting sealed written responses to a request for qualifications for Municipal Advisor financial advisory services (Purchasing Office Solicitation No. 2018-006). In addition, solicitation documents were sent on or about the same date directly to fourteen (14) potential proposers known or thought to be interested in this solicitation. Submittals from three (3) service providers were publicly opened at the submittal opening held on December 12, 2017. A tabulation of the submittals received in response to this procurement solicitation is attached.

Using evaluation criteria included in the request for qualifications, the submittal ranked highest by the submittal evaluation team, consisting of Assistant City Administrator for Public Works Mark Hilty, City Comptroller Mike Lowe, Assistant City Administrator for Finance and Administration / CFO Kristine Tallent, retired Assistant City Administrator for Finance and Administration / CFO Russ Truell and Budget & Strategic Innovation Manager Michael Walters Young, is from PFM Financial Advisors, LLC of Memphis, Tennessee. The foremost reasons why the submittal evaluation team reached this recommendation include:

- Depth of staff, overall resources and experience of the firm within the industry;
- Ratio of Tennessee-based clients to Tennessee-based municipal advisory staff;
- Emphasis on data modelling and research;

- Positive interaction with firm's key personnel; and
- Experience in recent years with staff during analysis and preparation of bond sales.

Financial Impact

After the submittal evaluation team reached its recommendation, staff invited PFM Financial Advisors to prepare and provide for the City's consideration a proposed scope of work, fee for services and contract document. Staff is now negotiating with PFM Financial Advisors the terms of the contract, City Contract No. 2018-0001, and anticipates its execution by the city administrator pending approval by the Board of Mayor and Aldermen of the staff recommendation to award this procurement to PFM Financial Advisors. Staff anticipates the contract with PFM Financial Advisors may include a flat-fee amount as retainer and for general advice between financings, fixed-rate transaction fees, hourly project fees and reimbursement for certain expenses, for Municipal Advisor financial advisory services scope of work described in the contract. The Finance Department budget for fiscal year 2018 allocates \$16,000 out of the General Fund for the purchase of financial advisory services. Beginning with fiscal year 2018, staff anticipates allocating a proportional amount of the fee to the Water and Sewer Fund.

Options

In accordance with the solicitation documents, the City reserves the right to reject any and all submittals.

Recommendation

Staff recommends that the City accept the submittal ranked highest by the submittal evaluation team, from PFM Financial Advisors, LLC of Memphis, Tennessee for Municipal Advisor financial advisory services, and award this procurement to this service provider, for a term of award of three (3) years with two (2) options to extend, each for up to one (1) year, for a maximum possible term of award of five (5) years total. Purchasing Manager Brian Wilcox believes the prepared solicitation documents as distributed allowed for competition among multiple service providers, and that the staff recommendation appears to be made in a fair and impartial manner based upon the submittals received. Contract No. 2018-0001 is not yet in final form and therefore is not attached. When it is in final form, and if the staff recommendation to accept the proposal from and award the procurement to PFM Financial Advisors is approved by the Board of Mayor and Aldermen, then, pursuant to authority previously granted by the Board of Mayor and Aldermen, Contract No. 2018-0001 will be executed by the City Administrator and subsequently reported to the Board of Mayor and Aldermen.