



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 7/19/2016

ALL

Item Creation Date:

T25656 - Financial Advisory Services

Agenda Item#: 4.

Summary:

ORDINANCE approving and authorizing an agreement between the City of Houston and HILLTOP SECURITIES INC. for financial advisory services; providing a maximum contract amount; containing provisions relating to the subject; and declaring an emergency.

Background:

Request for Proposal for S33-T25656: Approve an Ordinance Awarding a Contract to Hilltop Securities, Inc. for a total amount not to exceed \$4,655,509.12 for Financial Advisory Services for the Finance Department.

Specific Explanation:

The Director of the Finance Department and Chief Procurement Officer recommend that City Council approve an ordinance awarding a three-year contract, with two one-year options to Hilltop Securities, Inc. in an amount not to exceed \$4,655,509.12 for financial advisory services for the Finance Department. The Chief Procurement Officer may terminate this contract at any time upon thirty (30) days written notice to the contractor.

The scope of work requires the contractor to provide financial advisory services for the General Obligation, Houston Airport System, Combined Utility System and Convention and Entertainment Facility credits. The services to be provided by the financial advisor include, but are not limited to, financial advisory services related to new-money bonds sold on a competitive and negotiated basis, pre-pricing and post-pricing analysis of competitive and negotiated sales, refunding analysis and other debt restructurings, managing the process for securing and negotiating new credit facilities, re-investment analysis, development of debt management policies and procedures, monitoring of secondary-market activities, training, assistance in the procurement of debt management-related services, and analysis of debt management-related fees.

The Request for Proposal (RFP) was advertised in accordance with the requirements of the State of Texas bid laws. One hundred-five (105) prospective proposers viewed the solicitation document on the Strategic Procurement Division's e-bidding website and, as a result, proposals were received from: Backstrom McCarley Berry, CLB Porter LLC, Coastal Securities, Estrada Hinojosa, Frasca & Associates, Hilltop Securities, The PFM Group, Phoenix Capital and TKG & Associates. The evaluation committee consisted of members from the Houston Airport System, Controllers Office, Department of Public Works & Engineering and the Finance Department.

The proposals were evaluated based upon the following criteria:

- 1. Responsiveness
 - a. Document material requirements
 - b. M/WBE participation
- 2. Technical Competence
 - a. Qualifications and Experience
 - b. Financial Strength
- 3. Price

Hilltop Securities, Inc. received the highest overall score. The Finance Department is confident that Hilltop Securities, Inc. is well qualified to perform the required services as outlined in the RFP.

M/WBE Subcontracting:

The RFP solicitation was advertised with an 24% goal for MWBE participation. Hilltop Securities, Inc. has designated the below-named companies as its certified MWBE subcontractor:

Company	Type of Work	Amount	Percentage
TKG & Associates LLC	Co-Financial Advisory Services	\$558,661.09	12%
YaCari Consultants LLC	Co-Financial Advisory Services	\$558,661.09	12%

Pay or Play Program:

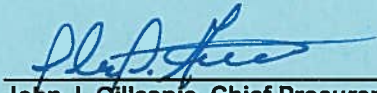
The proposed contract requires compliance with the City's 'Pay or Play' ordinance regarding health benefits for employees of City contractors. In this case, the contractor will provide health benefits to eligible employees in compliance with City policy.

Hire Houston First:

The proposed contract requires compliance with the City's 'Hire Houston First' ordinance that promotes economic opportunity for Houston businesses and supports job creation. In this case, Hilltop Securities, Inc. does not meet the requirement for HHF designation; no HHF firms were within three percent.

Fiscal Note:

Funding for this item is included in the FY2017 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy Ord. 2014-1078.



John J. Gillespie, Chief Procurement Officer
Finance/Strategic Procurement Division

Department Approval Authority Signature

Estimated Spending Authority

Department	FY 2017	Out-years	Sub-total
General Fund	\$100,000.00	\$0.00	\$100,000.00
General Debt Services Administration Fund	\$255,750.00	\$1,132,851.60	\$1,388,601.60
Houston Airport System	\$255,750.00	\$1,132,851.60	\$1,388,601.60
Combined Utility System	\$255,750.00	\$1,132,851.60	\$1,388,601.60
Convention and Entertainment Facility	\$71,775.00	\$317,929.32	\$389,704.32
Grand Total	\$939,025.00	\$3,716,484.12	\$4,655,509.12

Amount of Funding:

- \$ 100,000.00 – General Fund (1000)
- \$1,388,601.60 - General Debt Services Administration Fund (3000)
- \$1,388,601.60 - HAS – Revenue Fund (8001)
- \$1,388,601.60 – PWE- Combined Utility System General Purpose Fund (8305)
- \$ 389,704.32 – C&E – Civic Center Facility Revenue Fund (8601)
- \$4,655,509.12**

Contact Information:

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Conley Jackson, SPD/Finance - 3-8733
Brenda Chagoya, SPD/Finance - 3-8723

ATTACHMENTS:

Description	Type
<u>RCA</u>	Signed Cover sheet
<u>Fair Campaign</u>	Backup Material
<u>Form B</u>	Backup Material
<u>Taxes 2016</u>	Backup Material
<u>Affidavit of Ownership</u>	Backup Material
<u>Supplemental Information</u>	Backup Material
<u>C&E Funding Information</u>	Financial Information
<u>HAS Funding Information</u>	Financial Information
<u>PWE Funding Information</u>	Financial Information
<u>Ordinance (revised)</u>	Ordinance/Resolution/Motion
<u>Contract</u>	Contract/Exhibit
<u>PWE Signed RCA</u>	Signed Cover sheet
<u>PWE SAP Docs</u>	Signed Cover sheet