



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 12/11/2018

ALL

Item Creation Date: 11/9/2018

T28812 - Financial Advisor Services - ORDINANCE

Agenda Item#: 31.

Summary:

AN ORDINANCE APPROVING AND AUTHORIZING A CONTRACT BETWEEN THE CITY OF HOUSTON AND MASTERSON ADVISORS LLC FOR FINANCIAL ADVISORY SERVICES FOR THE FINANCE DEPARTMENT; PROVIDING A MAXIMUM CONTRACT AMOUNT; CONTAINING PROVISIONS RELATING TO THE SUBJECT; AND DECLARING AN EMERGENCY.

Background:

S33-T28812 - Approve an Ordinance awarding a professional services contract to Masterson Advisors, LLC. in the amount not to exceed \$747,750.00 for Financial Advisor Services for the Finance Department.

Specific Explanation:

The Director of the Finance Department and the Chief Procurement Officer recommend that City Council approve an ordinance awarding a professional services contract to **Masterson Advisors, LLC** beginning on the date of countersignature by the City Controller through June 30, 2019, in the amount not to exceed **\$747,750.00** for Financial Advisor Services for the Finance Department. The Director of the Finance Department and/or the Chief Procurement Officer may terminate this contract at any time upon thirty (30) days written notice to the contractor.

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 restructuring, 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 financial advisory services to the City shall exclude coverage for general advisory services related to swaps and other derivative products, but not excluding consideration of swaps and other derivative products directly relating to other obligations set forth in this agreement.

On July 20, 2016, Council approved a three (3) year contract with Hilltop Securities, Inc for the Finance Department. Over the last several months the professionals employed by Hilltop servicing the contract to the City and serving as our day-to-day contacts have left Hilltop and joined Masterson Advisors LLC. Hilltop Securities, Inc. is no longer providing the level of service required by the City, and to continue with the ongoing financial transactions the City requires experts that are familiar with the City of Houston's credit rating. To replace this level of experiential knowledge and service is time consuming and costly. For this reason, the Director of the Finance Department is recommending we issue a seven-month contract to Masterson Advisors, LLC. During the first quarter of 2019, the intent is to solicit and select a newly qualified firm to provide the services.

M/WBE Subcontracting:

The RFP solicitation was advertised with an 24% goal for M/WBE participation. Masterson Advisors, LLC has designated the below named companies as its certified M/WBE subcontractors:

Vendor Name	Type of Work	Amount	Percentage
TKG & Associates, LLC	Municipal Advisory	\$89,730.00	12%
YaCari Consultants, LLC	Municipal Advisory	\$89,730.00	12%

Pay or Play Program:

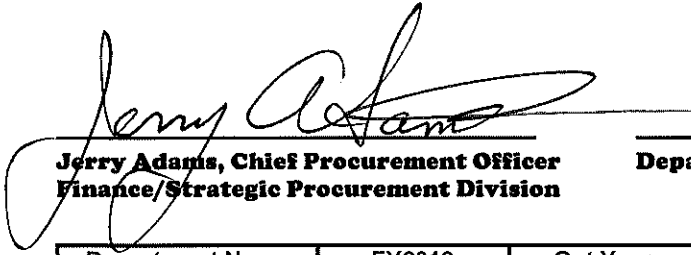
The proposed contract requires compliance with the City's 'Pay or Play' ordinance regarding health benefits for employees of City contractors. In this case, the contractor will provide health benefits to eligible employees in compliance with City policy.

Hire Houston First (HHF):

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, Masterson Advisors, LLC is not a designated HHF company, but they were the successful awardee without application of the HHF preference.

Fiscal Note:

Funding for this item is included in the FY 2019 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.



Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division

Department Approval Authority

Department Name	FY2019	Out Years	Maximum Contract Amount
Houston Public Works	\$159,547.50	\$68,377.50	\$227,925.00
Houston Airport System	\$159,547.50	\$68,377.50	\$227,925.00
Houston First (CEF)	\$44,782.50	\$19,192.50	\$63,975.00
General Government	\$159,547.50	\$68,377.50	\$227,925.00
Project Total	\$523,425.00	\$224,325.00	\$747,750.00

Amount of Funding:

\$227,925.00 - Combined Utility System Gen Pur Fund - 8305

\$227,925.00 - HAS Revenue Fund - 8001

\$227,925.00 - General Debt Service Admin. - 3000

\$ 63,975.00 - C&E-Civic Center Facility Revenue Fund - 8601

\$747,750.00

Contact Information:

NAME:	DEPT.	PHONE
Brenda Chagoya, Division Manager	FIN/SPD	(832) 393-8723
Conley Jackson, Sr. Procurement Officer	FIN/SPD	(832) 393-8733
Melissa Dubowski, Assistant Director	FIN	(832) 393-9101

ATTACHMENTS:

Description

Form B

Funding

Affidavit of Ownership

Fair Campaign

Tax 2018

Funding Information Request C&E

Funding Information Request Aviation

draft ordinance

Agreement for Financial Advisory Services-Masterson Advisors LLC

Type

Backup Material

Backup Material

Backup Material

Backup Material

Backup Material

Financial Information

Financial Information

Ordinance/Resolution/Motion

Contract/Exhibit