



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 9/10/2019

ALL

Item Creation Date: 8/6/2019

T28811 - Financial Advisory Services - ORDINANCE

Agenda Item#: 30.

Summary:

NOT A REAL CAPTION

ORDINANCE approving and authorizing a contract between the City of Houston and **MASTERTSON ADVISORS, LLC** for professional services for financial advisory services for the Finance Department - \$4,770,000.00 - three years with two one-year options - Enterprise and Other Funds

Background:

Request for Proposal received April 25, 2019 for S33-T28811 - Approve an ordinance awarding a professional services contract to Masterson Advisors, LLC in the maximum contract amount not to exceed \$4,770,000.00 for Financial Advisory Services for the Finance Department.

Specific Explanation:

The Chief Business Officer/Director of Finance and the Chief Procurement Officer recommend that City Council approve an ordinance awarding a **three-year professional services contract, with two one-year options to Masterson Advisors, LLC** in the maximum contract amount not to exceed **\$4,770,000.00** for Financial Advisory Services for the Finance Department. The Chief Business Officer/Director of Finance 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 to include, but not limited to, related to new-money and refunding 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. Additionally, the contractor shall provide assistance with the preparation of disclosures and the review of disclosure letters in connection with the Municipalities Continuing Disclosure Cooperation (MCDC) Initiative.

The Request for Proposal (RFP) was advertised in accordance with the requirements of the State of Texas bid laws. As a result, proposals were received from: Estrada Hinojosa Investment Bankers, Frasca & Associates, LLC, George K. Baum & Company, Hilltop Securities, Masterson Advisors, LLC, PFM Financial Advisors, LLC, and Rockfleet Financial Services, Inc. The evaluation committee consisted of members from the Controller's Office, Houston Airport System, Finance and Houston Public Works department.

The proposals were evaluated based upon the following criteria:

1. Responsiveness
2. Technical Competence
3. Price Proposal

After a detailed evaluation, Masterson Advisors, LLC received the highest overall score and is well qualified to perform the required services as outlined in the RFP.

M/WBE Subcontracting:

The RFP solicitation was advertised with a 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	Percentage
TKG & Associates	Co-Financial Advisor	12%
RSI, LLC	Co-Financial Advisor	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 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 2020 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

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Jerry Adams

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**Jerry Adams, Chief Procurement Officer
Finance/Strategic Procurement Division**

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Department Approval Authority

Estimated Spending Authority			
Department Name	FY2020	Out-Years	Total
General Gov't	\$216,000.00	\$1,224,000.00	\$1,440,000.00
Houston Airport System	\$216,000.00	\$1,224,000.00	\$1,440,000.00
Houston Public Works	\$216,000.00	\$1,224,000.00	\$1,440,000.00
Convention and Entertainment	\$67,500.00	\$382,500.00	\$450,000.00
Total	\$715,500.00	\$4,054,500.00	\$4,770,000.00

Amount of Funding:

\$1,440,000.00 – General Debt Service Admin. Fund (3000)
 \$1,440,000.00 – HAS Revenue Fund (8001)
 \$1,440,000.00 – Combined Utility System Gen Pur Fund (8305)
 \$ 450,000.00 – C&E – Facility Revenue Fund (8601)
\$4,770,000.00 – Total

Contact Information:

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 Conley Jackson, Sr. Proc. Specialist FIN 3-8733
 Melissa Dubowski, Asst. Director FIN 3-9101

ATTACHMENTS:

Description	Type
Affidavit of Ownership	Backup Material
Fair Campaign	Backup Material
HHF	Backup Material
MWBE	Backup Material
Form B	Backup Material
Certification of Funds	Backup Material
Supplemental Info	Backup Material