



# City of Austin

## Recommendation for Action

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**File #:** 25-0979, **Agenda Item #:** 49.

6/5/2025

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### **Posting Language**

Authorize a contract for financial advisor services for the Financial Services Department with PFM Financial Advisors LLC and Frasca & Associates, LLC, for an initial term of three years, with two one-year extension options, in an amount not to exceed \$1,500,000. Funding: \$50,000 is available in the Operating Budget of the Financial Services Department.

### **Lead Department**

Financial Services Department.

### **Client Department(s)**

Financial Services Department.

### **Fiscal Note**

Funding in the amount of \$50,000 is available in the Fiscal Year 2024-2025 Operating Budget of the Financial Service Department.

Funding for the remaining contract term is contingent upon available funding in future budgets.

### **Purchasing Language:**

The Financial Services Department issued a Request for Qualifications Statements solicitation RFQS 7400 BRS4003 for these services. The solicitation was issued on September 30, 2024, and closed on October 31, 2024. Of the five offers received, the recommended contractors submitted the best evaluated responsive offers. A complete solicitation package, including a log of offers received, is available for viewing on the City's website. This information can currently be found at:

[https://financeonline.austintexas.gov/afo/account\\_services/solicitation/solicitation\\_details.cfm?sid=141429](https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=141429)

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### **MBE/WBE:**

This solicitation was reviewed for subcontracting opportunities in accordance with City Code Chapter 2-9B (Minority-Owned and Women-Owned Business Enterprise Procurement Program). For the services required for this solicitation, there were no subcontracting opportunities; therefore, no subcontracting goals were established.

### **For More Information:**

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: [FSDCentralProcurementRCAs@austintexas.gov](mailto:FSDCentralProcurementRCAs@austintexas.gov) or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

### **Additional Backup Information:**

The contract will provide financial advisor services to include recommendations on bond sales, financing

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structures, and other financial planning and advisory services.

The financial advisors will work 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. Financial advisors will also act 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 with identifying financial opportunities. In addition, the financial advisors will assist the City with 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.

Additionally the Financial advisors will provide other financial planning and advisory services on a case-by-case basis, such as performing fee studies, compensation studies, management studies that improve organizational efficiency and effectiveness, providing guidance on managing other post-employment benefits and pension liabilities, providing actuarial analysis, assisting with labor negotiations and arbitration proceedings, performing financial evaluation of development agreements, performing economic analysis and forecasting, and other similar tasks.

The 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 contract will replace an existing contract which expires August 19, 2025. The requested authorization amount was determined by departmental estimates and historical spend. One of the recommended contractors is the current provider of these services.

An evaluation team with expertise in this area evaluated the offers and scored PFM Financial Advisors LLC and Frasca & Associates, LLC as the best to provide these services based on demonstrated applicable experience, personnel qualifications, financial viability/stability, and references.

If the City is unable to secure a contract, the City will not have the necessary expertise needed in the bond issuance process and will be forced to procure these services on an as needed basis, which may result in higher pricing, inefficient use of time, and higher operational cost.