



## Legislation Text

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File #: 23-2031, Version: 1

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**STRATEGIC PRIORITY:** Government Performance & Financial Management  
**AGENDA DATE:** September 13, 2023  
**COUNCIL DISTRICT(S):** All  
**DEPARTMENT:** Office of Procurement Services  
**EXECUTIVE:** Jack Ireland

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### **SUBJECT**

Authorize a five-year service contract, with two one-year renewal options, for financial advisory services for the City Controller's Office - Hilltop Securities, Inc. in the amount of \$300,000 and Estrada Hinojosa & Company, Inc. in the amount of \$200,000, proposed jointly; most advantageous proposer of six - Not to exceed \$500,000 - Financing: Financial advisory fees to be paid from bond proceeds and Dallas Water Utilities Fund, contingent upon completion of each bond sale; fees for advisory services not related to bond issuance to be paid from General Fund (subject to annual appropriations)

### **BACKGROUND**

This service contract will provide financial advisory services to:

- Assist with the preparations for and sale of bonds
- Assist with preparations for and presentations to bond rating agencies
- Assist with certain aspects of capital budgeting and planning
- Provide other financial assistance and advice as needed

Financial advisors are needed to lend expertise in areas relating to public finance such as the structure and timing of bond sales, preparation of bond documents and rating agency presentations, assist in evaluating and selecting the best offers, and to close the transaction(s). In addition, the financial advisors are needed to ensure the City's goals and interests are represented and protected in the structuring of the transactions and during the establishment of the borrowing rates and yields.

As a joint team, Hilltop Securities, Inc. and Estrada Hinojosa & Company, Inc. will serve as co-financial advisors and will be responsible for the entire credit profile of the City, including obligations secured by governmental fund revenues and designated enterprise revenues. Current obligations secured by governmental fund revenues include: General Obligation Bonds, General Obligation Commercial Paper Notes, Certificates of Obligation (CO) including Combination Tax and Revenue CO's, Contractual Obligations including Equipment Acquisition Notes, Pension Obligation Bonds, and

other financings by governmental fund revenues as approved by the City Council. Current obligations secured by designated enterprise revenues include Waterworks and Sewer System Revenue Bonds, Waterworks and Sewer System Commercial Paper Notes, General Aviation Revenue Bonds, Civic Center and Convention Complex Revenue Bonds, Tax Increment Bonds, issuances of Local Government Corporations acting on behalf of the City, and other financings secured by designated enterprise revenues as approved by the City Council.

A six-member evaluation committee from the following departments reviewed and evaluated the proposals:

- Budget and Management Services (1)
- City Controller's Office (1)
- Department of Aviation (1)
- Department of Convention and Event Services (1)
- Water Utilities Department (1)
- Small Business Center Department (1)

The successful proposer was selected by the committee on the basis of demonstrated competence and qualifications under the following criteria:

- Experience 30 points
- Fee structure 30 points
- Approach 25 points
- Business Inclusion and Development Plan 15 points

As part of the solicitation process and in an effort to increase competition, the Office of Procurement Services used its procurement system to send out email notifications to vendors registered under relevant commodity codes. To further increase competition, the Office of Procurement Services uses historical solicitation information, the Internet, and vendor contact information obtained from user departments to contact additional vendors.

On November 10, 2015, the City Council authorized a living wage policy that requires contractors to pay their employees a "living wage" rate as established annually by the Massachusetts Institute of Technology Living Wage Calculator for Dallas County by Resolution No. 15-2141. The calculated living wage during the solicitation process of this contract is \$17.82; the selected vendor meets this requirement.

**PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)**

The City Council was briefed by memorandum regarding this matter on September 8, 2023.

**FISCAL INFORMATION**

Fund	FY 2023	FY 2024	Future Years
General Fund	\$60,000.00	\$60,000.00	\$380,000.00

Financial advisory fees to be paid from bond proceeds and Water Utilities Funds, contingent upon completion of each bond sale; fees for advisory services not related to bond issuance to be paid from General Fund in an amount not to exceed \$500,000.00 (subject to annual appropriations).

**M/WBE INFORMATION**

In accordance with the City’s Business Inclusion and Development Policy adopted on September 23, 2020, by Resolution No. 20-1430, as amended, the M/WBE participation on this contract is as follows:

<b>Contract Amount</b>	<b>Procurement Category</b>	<b>M/WBE Goal</b>
\$500,000.00	Professional Services	38.00%
<b>M/WBE Subcontracting %</b>	<b>M/WBE Overall %</b>	<b>M/WBE Overall Participation \$</b>
0.00%	40.00%	\$200,000.00
<ul style="list-style-type: none"> <li>• This contract does not meet the M/WBE goal, however, a prime contractor is an MBE.</li> <li>• Hilltop Securities, Inc. - Local; Workforce - 100.00% Local • Estrada Hinojosa &amp; Company, Inc. - Local; Workforce - 100.00% Local</li> </ul>		

**PROCUREMENT INFORMATION**

Method of Evaluation for Award Type:

Request for Proposal	<ul style="list-style-type: none"> <li>• Utilized for professional, personal, revenue, and planning services</li> <li>• Recommended offeror is the responsible offeror whose proposal most closely meets established criteria for the services advertised, based on demonstrated competence and qualifications at a fair and reasonable price</li> <li>• Always involves the evaluation by committee</li> <li>• Allows for negotiation on contract terms, including price</li> </ul>
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The Office of Procurement Services received the following proposals from solicitation number BXZ-2023-00022074. We opened them on May 26, 2023. We recommend the City Council award this service contract to the most advantageous proposers.

\*Denotes successful proposers

<b><u>Proposers</u></b>	<b><u>Address</u></b>	<b><u>Score</u></b>
*Hilltop Securities, Inc.	717 North Harwood Street Dallas, TX 75201	97.0**
*Estrada Hinojosa & Company, Inc.	1717 Main Street Dallas, TX 75201	97.0**

\*\*Note: Hilltop Securities, Inc. and Estrada Hinojosa & Company, Inc. submitted a joint proposal.

<b><u>Proposer</u></b>	<b><u>Address</u></b>	<b><u>Score</u></b>
PFM Financial Advisors, LLC	750 North St. Paul Street Dallas, TX 75201	86.8
Baker Tilly	2500 Dallas Parkway Plano, TX 75093	75.4
Masterson Advisors, LLC	3 Greenway Plaza Houston, TX 77046	74.8
Tijerina Galvan Lawrence, LLC	938 West Page Avenue Dallas, TX 75208	44.4
TKG & Associates, LLC	8303 Southwest Freeway Houston, TX 77074	33.6

### **OWNERS**

#### **Hilltop Securities, Inc.**

Jonathan Sobel, Chairman  
M. Bradley Wings, President

#### **Estrada Hinojosa & Company, Inc.**

Noe Hinojosa, Jr., President