

**CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATIONS**

cc: 11C
Amend No. _____

Date prepared: October 1, 2009

Council Meeting Date: October 20, 2009

TO: Carl Swenson, City Manager
THROUGH: Susan Thorpe, Deputy City Manager *Return for S.T.*
FROM: Brent D. Mattingly, Finance Director *B.D.M.*
PREPARED BY: Deborah Card, Treasury Manager *DC*

RECOMMENDATION:

Action to award a contract to TL Hocking & Associates for financial advisory services.

SUMMARY:

On August 13, 2009, the City issued a solicitation for financial advisory services as the current contract was due to expire. Five proposals were received on the due date of September 2, 2009. An evaluation committee met on September 16, 2009 to evaluate the proposals received. After review and discussion the committee selected TL Hocking & Associates, the City's current contracted financial advisor, as the highest ranked firm among the proposals received.

TL Hocking & Associates received high scores from the evaluation committee in several categories including Mr. Hocking's extensive experience with the City as financial advisor (25 years) and his considerable experience in Arizona's financial market place. TL Hocking & Associates was the only independent financial advisory firm to submit a proposal. The other firms provide both financial advisory services as well as underwriting services. This independence can be beneficial in avoiding any perception of a conflict of interest in a bond sale process. Although the other firms do provide financial advisory services, much of their work is in the area of underwriting bond sales.

The TL Hocking & Associates proposal cost was more competitive than the other firms. Generally, the fee for financial advisory services is based on a cost per \$1,000

CITY CLERK USE ONLY:

- Consent Agenda
- Carry Over to Date: _____
- Approved
- Unfinished Business (Date heard previous: _____)
- New Business
- Public Hearing: No Action Taken

ORD. # _____ RES. # _____
LCON# 09309 LIC. # _____
Action Date: _____

of bonds issued (with a maximum cost cap) and an hourly rate for other related services. These other services can include analysis of future debt and refunding opportunities, ongoing disclosure filings, and updating debt schedules. In his proposal, Mr. Hocking provided a traditional fee schedule as well as an alternative fee schedule that combined a monthly retainer with a reduced bond issuance cost.

After a review of the various proposal costs, it was determined that Mr. Hocking's alternative fee structure would provide the most cost effective method for the City in contracting financial advisory services. Mr. Hocking will be paid a lower fee of \$0.35 per \$1,000 (with a cap of \$17,500) in a G.O. bond sale and a monthly retainer of \$2,500. The monthly retainer will allow the City to utilize his expertise for projects such as the recent review of the City's CFD policy, review of other financial policies, attendance at various City meetings, financial planning related to debt issuance, reviewing development agreements, and other analysis without the cost of an additional hourly fee.

Based on the evaluation committee's recommendation, staff is requesting that Council award a one-year term contract for financial advisory services to TL Hocking & Associates. The contract has the ability to be extended in twelve month increments up to forty-eight months.

FISCAL NOTE:

The annual cost of the contract will be based on the monthly retainer of \$2,500 plus the cost associated with any issuance of any City bonds. The issuance cost of bonds would be dependent on the number and type of bonds issued. Payment will be made from the Proposed GO Bond Fund Account Number 4240-4240-561002 or other applicable bond issuance account.

ATTACHMENTS:

1. Contract (#P10-0006)



City of Peoria, Arizona

Notice of Request for Proposal



Request for Proposal No: **P10-0006** Proposal Due Date: **September 2, 2009**
 Materials and/or Services: **Financial Advisory Services** Proposal Time: **5:00 P M AZ Time**
 Contact: **Lisa Houg, CPPB**
 Project No: _____ Location: **City of Peoria, Materials Management** Phone: **(623) 773-7115**
 Mailing Address: **8314 West Cinnabar Avenue, Peoria, AZ 85345**

In accordance with City of Peoria Procurement Code competitive sealed proposals for the material or services specified will be received by the City of Peoria Materials Management at the specified location until the date and time cited above. Proposals shall be in the actual possession of the City of Peoria Materials Management on or prior to the exact date and time indicated above. Late proposals will not be considered, except as provided in the City of Peoria Procurement Code. **Proposals shall be submitted in a sealed envelope with the Request for Proposal number and the offeror's name and address clearly indicated on the front of the envelope.** All proposals shall be completed in ink or typewritten. Offerors are strongly encouraged to carefully read the *entire* Request for Proposal Package.

OFFER

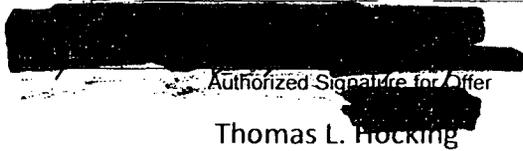
To the City of Peoria: The undersigned on behalf of the entity, firm, company, partnership, or other legal entity listed below offers on its behalf to the City a proposal that contains all terms, conditions, specifications and amendments in the Notice of Request for Proposal issued by the City. Any exception to the terms contained in the Notice of Request for Proposal must be specifically indicated in writing and are subject to the approval of the City prior to acceptance. The signature below certifies your understanding and compliance with Paragraph 1 of the City of Peoria Standard Terms and Conditions (form COP 202) contained in the Request for Proposal package issued by the City.

For clarification of this offer contact:

Name: Tom Hocking

Telephone: (480) 368-1010 Fax: (480) 368-1011

TLHocking & Associates LLC
Company Name


Authorized Signature for Offer

P.O.Box 10097
Address

Thomas L. Hocking
Printed Name

Phoenix AZ 85064
City State Zip Code

President
Title

ACCEPTANCE OF OFFER AND CONTRACT AWARD (For City of Peoria Use Only)

Your offer is accepted by the City, subject to approval of each written exception that your proposal contained. The contract consists of the following documents: 1.) Request for Proposal issued by the City; 2.) Your offer in Response to the City's Request for Proposal; 3.) This written acceptance and contract award.

As the contractor, you are now legally bound to sell the materials and/or services listed by the attached award notice, based on the solicitation of proposals, including all terms, conditions, specifications, amendments and your offer as now accepted by the City. The Contractor shall not commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed Purchase Order or written Notice to Proceed.

Attested by:

Mary Jo Kief, City Clerk

City of Peoria, Arizona. Effective Date: _____

cc: 11C-10/20/09

Approved as to form:

LCON09309

Stephen M. Kemp, City Attorney

Contract Awarded Date _____

City Seal

Official File: _____

Carl Swenson, City Manager