



## Legislation Text

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File #: 22-0407, Version: 1

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MOTION TO APPROVE THE AGREEMENT BETWEEN THE CITY OF PEMBROKE PINES AND FORD & ASSOCIATES INC TO PROVIDE MUNICIPAL ADVISORY SERVICES TO THE CITY FOR AN INITIAL PERIOD OF FIVE YEARS WITH ONE ADDITIONAL FIVE-YEAR RENEWAL PERIOD.

### **PROCUREMENT PROCESS TAKEN:**

- **Chapter 35 of the City's Code of Ordinance is titled "PROCUREMENT PROCEDURES, PUBLIC FUNDS."**
- **Section 35.18 of the City's Code of Ordinances is titled "COMPETITIVE BIDDING OR COMPETITIVE PROPOSALS REQUIRED; EXCEPTIONS."**
- **Section 35.18(C) states that "Only the following situations are exempt from the competitive bid and competitive proposal requirements of this section:"**
- **Section 35.18(C)(2) states "Contracts for professional services involving peculiar skill, ability, experience or expertise, which are in their nature unique and not subject to competitive bidding, or competitive proposals, are exempt from this section; however, state laws, such as the Consultants' Competitive Negotiation Act of the state statutes, as may be amended from time to time to the extent applicable, shall be followed."**
- **Section 35.21 of the City's Code of Ordinances is titled "AWARD OF CONTRACT."**
- **Section 35.21(A) of the City's Code of Ordinances is titled "City Commission approval."**
- **Section 35.21(A)(1) of the City's Code of Ordinance states, "An initial purchase of, or contract for, commodities or services, in excess of \$25,000, shall require the approval of the City Commission, regardless of whether the competitive bidding or competitive proposal procedures were followed."**

### **SUMMARY EXPLANATION AND BACKGROUND:**

1. On August 6<sup>th</sup>, 2013, the City entered into a Municipal Advisory Services Debt Management Agreement with Ford & Associates, Inc. for an initial five (5) year period, which expired on May 14<sup>th</sup>, 2018.

2. The City of Pembroke Pines Finance Department utilizes Ford & Associates, Inc. to provide municipal advisory services for debt management.

3. The Original Agreement has been extended for two (2) additional, two-year renewal terms through the First and Second Amendments in 2018 and 2020 respectively.

4. On December 15, 2021, the City Commission directed the City Manager to work with Ford & Associates, Inc. to negotiate and bring back a term contract before the City Commission.

5. The new contract calls for an initial five (5) year period; and can be renewed for one additional five (5) year period.

6. The contract also can be terminated at any time for cause or for convenience with 60 days notice.

7. The schedule of fees has been streamlined to reflect industry standards. Per Section 6 (A) of the Agreement, the transactions involving the structuring and sale of traditional long-term, fixed-rate debt offered at competitive sale, negotiated sale, through bank loans, or through direct placement as follows:

\$ 0.85/\$1,000 for par amount up to \$50,000,000

\$ 0.75/\$1,000 for par amount over \$50,000,000

\$0.50/\$1,000 for par amount over \$100,000,000

Such fees are due and payable only upon the completion of a transaction. These fees are subject to a minimum fee of \$25,000 per issue and a maximum fee of \$95,000 per issue. Separate additional fees shall apply for issues of extraordinary complexity.

8. Fees for other services shall be charged on an hourly basis, plus reasonable out of pocket expenses. The following hourly schedule shall be in effect:

i.	Senior Professional Staff	\$250/hour
ii.	Analyst Staff	\$175/hour
iii.	Administrative Staff	\$65/hour

9. Recommend Commission approve the Agreement with the City of Pembroke Pines and Ford and Associates Inc. for an initial period of five (5) years, with one additional five (5) year renewal period.

#### FINANCIAL IMPACT DETAIL:

**a) Initial Cost:** Costs are determined based on the size and type of the bond issue/financing, in accordance with the contract and is included as part of the amount borrowed. By Ordinance the City Commission must authorize each bond issue/financing prior to being issued.

The following are cost based on the par amount of the bond:

Cost for \$50 Million	\$	42,500
Cost for \$75 Million	\$	61,250
Cost for \$100 Million	\$	80,000

Cost for \$120 Million	\$ 90,000
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**b) Amount budgeted for this item in Account No:** Amounts are budgeted when the bond issue/financing is approved by Commission.

**c) Source of funding for difference, if not fully budgeted:** Not Applicable

**d) 5 year projection of the operational cost of the project:** Not Applicable

	Current FY	Year 2	Year 3	Year 4	Year 5
Revenues					
Expenditures					
Net Cost					

**e) Detail of additional staff requirements:** Not Applicable

**FEASIBILITY REVIEW:**

*A feasibility review is required for the award, renewal and/or expiration of all function sourcing contracts. This analysis is to determine the financial effectiveness of function sourcing services.*

**a) Was a Feasibility Review/Cost Analysis of Out-Sourcing vs. In-House Labor Conducted for this service?** Not Applicable.

**b) If Yes, what is the total cost or total savings of utilizing Out-Sourcing vs. In-House Labor for this service?** Not Applicable.