

# **RFQ #090514 for Financial Advisor Services**

June 23, 2009

## **SUMMARY:**

This item requests approval of a proposal for the services of financial advisor. Proposals were received from BOSC, Inc., First Southwest Company, PFM Group, RBC Capital Markets and Southwest Securities.

## **BOARD GOAL:**

VI. Growth and Change...review and adjust policies and procedures effectively to address the challenges of rapid growth and changing demographic characteristics while maintaining and enhancing our strong sense of community.

## **PREVIOUS BOARD ACTION:**

A contract was initially approved, with the now RBC Capital Markets, in 1999 and has been extended to the current period.

## **BACKGROUND INFORMATION:**

Five proposals were received. A committee including Jamie Wilson, Debbie Monschke, Ray Leake and Kathy Arrington performed the initial review of the proposals. That committee recommended that BOSC, First Southwest, RBC Capital Markets and Southwest Securities be interviewed.

The interview committee included the review committee members plus Dr. Braswell, Charles Stafford and Mia Price. The interview committee then evaluated each interview and ranked the firms.

## **SIGNIFICANT ISSUES:**

Each firm interviewed was ranked according to the established criteria. A proposer could receive up to 100 points divided by 40 points for capabilities and experience, 40 points for personnel qualifications and references, and 20 points for other considerations. The detailed ranking sheet is attached.

BOSC, Inc. was ranked first with 100 points; First Southwest was ranked second with 98 points, Southwest Securities with 97 points, RBC Capital Markets with 96 points and PFM with 91 points.

The contract will run for one term of five years beginning July 1, 2009 through June 30, 2014, with the option to extend the contract for up to three additional terms of two years each upon governing body approval.

## **FISCAL IMPLICATIONS:**

The financial advisory services will be based on the total amount of the bonds being sold. If a bond referendum is not approved and bonds are not sold, no fees are due to BOSC, Inc.

## **BENEFIT OF ACTION:**

Approval of the Financial Advisor for the District will allow for continued assistance regarding the current and future bond programs.

## **ALTERNATIVES:**

No alternative actions are proposed.

## **OTHER COMMENTS:**

Mr. Bill Gumbert and Mr. Josh McLaughlin have served as the financial advisors for the district for about 10 years during their tenure at RBC Capital Markets. They have been very active in looking for and recommending all financing options that might benefit Denton ISD. They have offered assistance in promoting legislative initiatives that would benefit not only Denton ISD but other fast growth districts as well.

## **SUPERINTENDENT'S RECOMMENDATION:**

It is recommended that the RFQ submitted by BOSC, Inc., be accepted for a term of five years beginning July 1, 2009 with the option to extend the contract, upon governing body approval, for up to three additional terms of two years each. The financial advisory team will consist of Mr. Bill Gumbert, Mr. Josh McLaughlin and Mr. Mike Jolly.

## **STAFF PERSONS RESPONSIBLE:**

Debbie Monschke, Executive Director of Administrative Services  
Ray Leake, Accounting Supervisor  
Kathy Arrington, Purchasing Agent

## **ATTACHMENT:**

Proposal Ranking

Cost Comparison

**APPROVAL:**

Signature of Staff Member Proposing Recommendation: \_\_\_\_\_

Signature of Divisional Assistant Superintendent: \_\_\_\_\_

Signature of Superintendent: \_\_\_\_\_