



CITY OF POQUOSON

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Office of the City Manager

J. Randall Wheeler

October 11, 2016

TO: City Council

FROM: Theresa Owens, Director of Finance

THROUGH: Randy Wheeler, City Manager

SUBJECT: Financial Advisor Contract Extension.

In September 2009, the City issued a request for proposal for financial advisory services and through the procurement process selected Davenport & Company, LLC. The services provided by Davenport & Company include the following, but are not limited to:

- Identifying financing alternatives and analyzing the impact of the financings on the City's financial position and its management objective for debt affordability.
- Advising the City of pertinent market factors and expected trends.
- Recommends approaches for enhancing the credit position of the city and assists the City in all interactions with the major rating agencies.
- Coordinates and assists the City with all debt issues.
- Other services to include analysis of cash flows, capital planning and other analysis as requested.

The original contract term with Davenport & Company, LLC was for three years with two additional one year extensions. Under the terms and conditions of the request for proposal which is part of the contract, "the City Council reserves the right to extend the contract after its final expiration date on an annual basis if deemed to be in the best interest of the City". The City exercised this option last year with an expiration date of December 31, 2016.

Staff believes that continuing with Davenport & Company, LLC as the City's financial advisor is in the best interest of the City.

Attached for consideration is a resolution extending the financial advisory services contract with Davenport and Company, LLC for one year ending December 31, 2017. Should Council decide not to extend the contract, staff will move forward with advertising the services and bring a revised contract for Council consideration and approval.

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE CITY MANAGER
TO ENTER INTO A CONTRACT FOR FINANCIAL ADVISORY SERVICES WITH
DAVENPORT AND COMPANY, LLC**

WHEREAS, the City has a need for financial advisory services; and

WHEREAS, a Request for Proposal was issued on September 1, 2009 for financial advisory services; and

WHEREAS, the City executed a contract with Davenport and Company, LLC; and

WHEREAS, the original contract term was for three years with two additional one year extensions; and

WHEREAS, the original contract expired December 31, 2014; and

WHEREAS, a provision in the contract allows for City Council to extend the contract after its final expiration date on an annual basis, if deemed to be in the best interest of the City; and

WHEREAS, the City extended the contract on September 22, 2014 and October 13, 2015 for one year each; and

WHEREAS, this one year extension expires December 31, 2016; and

WHEREAS, staff recommends that extending the contract for one year with Davenport and Company is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Poquoson, Virginia:

Section 1: That City Council finds it is in the best interest of the City to extend the contract for financial advisory services with Davenport and Company, LLC.

Section 2: That the City Manager is hereby authorized to do all things necessary to extend the current contract with Davenport and Company, LLC for one additional year to December 31, 2017.

Section 3: That this resolution shall become effective immediately upon adoption.

ADOPTED: _____

TESTE: _____

City Clerk