



Legislation Details (With Text)

**File #:** ID 21-268      **Version:** 1      **Name:** Administrative Services Agreement with Willdan Financial Services

**Type:** Action Item      **Status:** Agenda Ready

**File created:** 2/5/2021      **In control:** City Council

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**Title:** Approve a Five Year, \$250,000 Agreement with Willdan Financial Services for Municipal Securities Administrative Services

**Sponsors:** Finance Department

**Indexes:**

**Code sections:**

**Attachments:** 1. 21-268 Agreement

Date	Ver.	Action By	Action	Result
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**REPORT TO THE CITY COUNCIL**

**March 4, 2021**

**FROM:** MICHAEL LIMA, Finance Director/City Controller  
Finance Department

**BY:** PHILLIP HARDCASTLE, Principal Accountant - Debt Administration  
Finance Department

**SUBJECT**

Approve a Five Year, \$250,000 Agreement with Willdan Financial Services for Municipal Securities Administrative Services

**RECOMMENDATION**

Staff recommends that the Council approve the accompanying administration agreement with Willdan Financial Services to provide required services in connection with City bonds and special districts.

**EXECUTIVE SUMMARY**

Staff recommends that Council approve a five-year agreement with Willdan Financial Services (Willdan) for administrative services in connection with the City's bonds and special districts. The City of Fresno has contracted with Willdan to provide these services for the last 21 years. The current agreement will expire on April 30, 2021; thus, a new agreement must be entered into so

as to prevent delays in the services performed. Willdan was selected to continue the services because, of the two companies who submitted a proposal, they had the lowest cost and were the only proposer to accept the City's proposed contract without modification.

## **BACKGROUND**

There are several special districts encompassing almost 39,000 parcels within the city limits that provide infrastructure and services such as maintenance. All of these districts generate revenue through special taxes or assessments. Each district has its own set of administrative processes that vary from one to the other. In addition to special districts, the City has 12 bond issuances that require annual disclosure reports to be filed on the Electronic Municipal Market Access (EMMA) database and six of which also require annual arbitrage calculations.

Historically, the City has utilized outside companies in order to address these required administrative duties. Utilizing a company that specializes in these services allows City staff to focus on higher-value assignments (such as analyzing refinancing opportunities and investing bond proceed), and eliminates the need to add staff as more special districts get formed

Given the impending expiration of the existing contract for municipal securities administration services contract, City staff issued a request for proposals (RFP) on September 14, 2020 through Planet Bids and the Business Journal. Ten companies were requested to submit proposals, from which the City received two proposals. A committee was convened to evaluate the proposals. As a result of that evaluation, the City staff recommended awarding the contract to Willdan. Willdan was the proposer with the lowest cost and was the sole proposed willing to accept all of the terms of the Sample Agreement, which was sent with the RFP.

Willdan has provided these services to the City of Fresno for the last 21 years. During that time, they have assisted the City in reducing overall district delinquencies from 2.5 percent to less than 0.5 percent. In addition, they have helped the City to organize required documents and calculations relating to disclosure and arbitrage reporting.

Willdan is willing to provide all required services at no additional cost to the City. The district administration cost would be funded from the administrative fee the City currently collects from the assessment levy. Other services to be provided, such as IRS arbitrage rebate reports and annual disclosure reports, will be funded from existing appropriations made for these services already in the City budget. The overall annual cost of the contract for routine services is estimated at \$50,000; for a total of \$250,000 over the life of the proposed contract. All other services in the contract would be irregular, and charged per item.

## **ENVIRONMENTAL FINDINGS**

This item is not a project of the City of Fresno, and as such for purposes of this hearing, the California Environmental Quality Act requirements are not applicable.

## **LOCAL PREFERENCE**

Local preference was not considered. While Willdan does have an office in Fresno, their Fresno office does not provide the services that are being offered under this contract. The other company who bid on this proposal does not have an office in the local preference area.

## **FISCAL IMPACT**

The annual cost of this administration contract is estimated at \$50,000. Approximately \$32,000 of the funding sources comes from an existing fee paid by property owners. This fee is included in the annual assessment/special tax and deposited into a trust account for the exclusive purpose of funding the administrative costs of each district. The balance of funds required for this contract already are appropriated in the Finance Department budget for its ongoing responsibilities to publish arbitrage rebate and secondary market disclosure reports.

Attachment: Agreement