

AGENDA ITEM MEMO

BOARD MEETING DATE: August 10, 2023

TO: Board Members

THROUGH: Jeff Walker, Executive Administrator
Ashley Harden, General Counsel
Rebecca Trevino, Chief Financial Officer

FROM: Inette Hutching-Brown, Senior Financial Examiner, Financial Compliance

SUBJECT: Municipal Advisory Council of Texas Contract – FY 2024 through FY 2027

ACTION REQUESTED

Consider authorizing the Executive Administrator to negotiate and execute a one-year contract with the Municipal Advisory Council of Texas for fiscal year 2024, not to exceed \$150,000, and delegation of authority to renew the contract annually, through fiscal year 2027, in an amount not to exceed \$150,000 per fiscal year.

BACKGROUND

The Municipal Advisory Council of Texas (MAC) maintains an electronic repository of official statements, material event notices, annual financial reports, continuing disclosure information and other related documentation for all municipal debt issuers in the state. Recognizing that the Texas Water Development Board (TWDB) and MAC were maintaining similar datasets, TWDB contracted with MAC to create and maintain a web-based interface with their databases specifically for completing financial compliance stability reviews. The interface provides access to the Texas Municipal Reports (TMRs) containing key analytical data including an issuer's outstanding debt and debt service schedule, its basic operating statements, its economic background, and a list of its finance-related officials. The TMRs also include vital tax information for all tax-supported debt and additional information, such as bond ratings and associated documents. This contractual arrangement helps ensure that TWDB completes its annual stability reviews of all entities within the portfolio and allows TWDB staff to focus on analysis of data rather than data entry.

More than 600 entities currently receive financial assistance through TWDB, and the number continues to increase every year. The MAC web interface provides a streamlined, accurate and efficient means for the TWDB to fulfill its primary purpose of safeguarding the agency's assets via annual stability reviews.

The MAC interface is an essential electronic service used daily by our financial compliance examiners to evaluate covenant compliance and perform stability reviews. Its benefits are improved accuracy and efficiency of both current and historical financial data analysis.

KEY ISSUES

The current contract with MAC expires on August 31, 2023, and has no remaining extensions available. To ensure the continued viability of this software interface and the ability to access the requisite financial data, TWDB staff published a Request for Offers 580-24-RFO-0006 to the Electronic State Business Daily on July 21, 2023. MAC responded to that solicitation, and this item requests permission to initiate a new contract for Fiscal Year 2024. The contract will be for one year with three options to renew annually, ending no later than August 31, 2027. The total projected costs are presented below:

Projected Annual Costs	
FY2024	\$150,000
FY2025	\$150,000
FY2026	\$150,000
FY2027	\$150,000
Total:	\$600,000

RECOMMENDATION

The Executive Administrator recommends authorization to negotiate and execute a one-year contract with the Municipal Advisory Council of Texas and delegation of authority to renew the contract annually through FY2027, in an amount not to exceed \$600,000 if all renewal options are exercised.