



**COUNTY OF HENRICO  
DEPARTMENT OF FINANCE  
PURCHASING DIVISION  
CONTRACT EXTRACT  
NOTICE OF RENEWAL**

DATE:	January 31, 2024
CONTRACT COMMODITY/SERVICE: <i>(include contracting entity if cooperative)</i>	Annual Contract for Municipal Advisor Services
CONTRACT NUMBER:	2057A
COMMODITY CODE:	946.48
CONTRACT PERIOD:	February 1, 2024 through January 31, 2025
RENEWAL OPTIONS:	One one-year renewal option remaining through 2026
USER DEPARTMENT:	Finance
Contact Name:	Sheila Minor
Phone Number:	804.501.4266
Email Address:	MIN042@henrico.us
HENRICO COOPERATIVE TERMS INCLUDED:	Yes
SUPPLIER: Name:	Davenport & Company LLC
Address:	901 East Cary Street, Suite 1100
City, State:	Richmond, VA 23219
Contact Name:	Ty Wellford
Phone Number:	804.697.2915
Email address:	twellford@investdavenport.com
ORACLE SUPPLIER NUMBER:	427397
BUSINESS CATEGORY:	Non-SWAM
PAYMENT TERMS:	Net 45
DELIVERY:	As Requested
FOB:	Destination
BUYER: Name:	Oscar Knott, CPP, CPPQ, VCO
Title:	Purchasing Director
Phone:	804.501.5649
Email:	kno008@henrico.us

This contract is the result of a competitive solicitation issued by the Department of Finance, Purchasing Division. A requisition must be generated for all purchases made against this contract and the requisition must reference the contract number.

**I. INTRODUCTION**

**A. Purpose**

The intent and purpose of this Request for Proposal (RFP), and the resulting contract, is to obtain services from a qualified firm to provide municipal financial advisor services for a broad range of issues in the area of public finance, debt management and other related services on an as-needed basis in accordance with the Scope of Services section of the solicitation.

**B. Background**

The County of Henrico, Virginia (the “County”) is an “AAA”, “Aaa”, “AAA” rated locality situated in central Virginia and surrounds the City of Richmond (the “City” or “Richmond”) on the north side of the James River. Although much of the County’s 244.06 square miles consists of highly developed urban and suburban areas, there is also a considerable amount of undeveloped agricultural and forest land. In Virginia, cities and counties are distinct units of government and do not overlap. Thus, the County is responsible for providing all local government services to its residents. The population of the County is 343,300 (according to Henrico County housing and population reports) and is expected to grow for the foreseeable future.

In conjunction with the County’s continued efforts to provide services and facilities, Henrico will need to access the municipal bond market. Due to the complexity of the municipal bond industry, Henrico recognizes the value that municipal advisors provide with regards to current market conditions and the planning for, and issuance of, municipal bonds. Henrico primarily issues bonds for three purposes, 1) Public School improvements, 2) General Government improvements, and 3) Water and Sewer improvements.

Over the next five years, the County is considering issuing debt annually for water and sewer projects and as needed for general government projects and refinancing. While there is no additional authority remaining from the 2016 bond referendum another referendum would be expected within this time frame.

Additional information about the County can be obtained at [www.henrico.us/finance/](http://www.henrico.us/finance/).

**II. SCOPE OF SERVICES**

The Successful Offeror shall provide all equipment, supplies, labor and supervision to provide municipal financial advisor service for a broad range of issues in the area of public finance, debt management and other related services on an as-needed basis. The Successful Offeror shall:

- A. Provide assistance to the County and related entities as requested, including the School Board, the Economic Development Authority, regional authorities, and tax districts (if created), with the issuance of General Obligation Public Improvement Bonds, Water and Sewer Revenue Bonds, lease revenue bonds, and other financing options permitted by the Code of Virginia, including, but not limited to, the timing, evaluation, sizing and structuring of the issues;
  - 1. Advise staff in determining the most appropriate method of sale, competitive or negotiated;

2. If a competitive bid option is chosen, manage the solicitation, advertisement, and verification of bids; and
  3. Assist in developing policies and practices that meet the County's objective of obtaining the lowest practical interest cost and the widest competition of purchasers for its securities.
- B. Provide advice and assistance to staff with presentations to credit rating agencies, underwriters, institutional investors and other capital market entities, as needed;
  - C. Assist staff with selection of underwriters and the review and evaluation of all underwriting bids submitted;
  - D. Be proactive in providing advice and assistance on refunding of bond issues;
    1. Review the County's outstanding debt and debt structure; and
    2. Recommend strategies and opportunities to maximize savings and establish low cost financing where appropriate.
  - E. Assist in the preparation and review of all legal and financing documents in coordination with the County's Finance staff, the County Attorney, the County's Bond Counsel and other relevant parties. Currently, with review of Bond Counsel, County staff prepares all disclosure information included in offering statements;
  - F. Provide assistance with the development of a financing plan for the capital improvement program, including developing financial models that evaluate financing alternatives;
  - G. Provide debt management and financial policy planning assistance with an emphasis on maintaining the triple "AAA" status for the County's General Obligation Bonds and the Public Utilities Water and Sewer Revenue Bonds;
  - H. Provide investment advice and/or strategies on issues such as, but not limited to:
    1. County overall investment policy and philosophy;
    2. Debt service reserve accounts;
    3. Escrow funds; and
    4. Other long-term investments.
  - I. Provide direction in debt planning and management for County, Schools and Utility projects, special purpose tax districts, economic development alternatives, public/private partnerships, and multi-jurisdictional authorities; and,
  - J. Perform other financial advisory services as required by the County.

### **III. COUNTY RESPONSIBILITIES**

The County will designate an individual to act as the County's representative with respect to the work to be performed under this contract. Such individual shall have the authority to transmit instructions, receive information, and interpret and define the County's policies and decisions with respect to the contract.



COMMONWEALTH OF VIRGINIA  
**County of Henrico**

**Contract No. 2057A**

**Agreement between Davenport & Company LLC and County of Henrico, Virginia for Annual Contract for Municipal Financial Advisor Services**

This Agreement (“Agreement”) dated January 14, 2021 is made and entered into by Davenport & Company LLC (hereinafter referred to as “Davenport”), and County of Henrico, Virginia (hereinafter referred to as “the County”).

WHEREAS, on October 19, 2020, the County issued Request for Proposal No. 20-2057-9JOK titled, “Annual Contract for Municipal Financial Advisor Services” (hereinafter referred to as “RFP”), and,

WHEREAS, Davenport submitted a proposal dated November 17, 2020 in response to the RFP; and,

WHEREAS, the County selected Davenport as the Successful Offeror to provide goods and services in accordance with the RFP; and,

WHEREAS, the parties have negotiated the terms and conditions under which Davenport will provide goods and services as outlined in the Agreement Documents; and,

WHEREAS, Davenport hereby agrees to provide municipal financial advisor services as described in the Agreement Documents; and,

WHEREAS, the delivery of the goods and services will be provided as set forth in the Agreement Documents.

NOW, THEREFORE, the parties agree as follows:

- (1) Agreement Documents – The Exhibits listed below are hereby incorporated into and made part of this Agreement, and this Agreement and the incorporated Exhibits shall be the “Agreement Documents”. In the event of conflict among the Agreement Documents, the provisions of this Agreement shall supersede the Exhibits. Except as otherwise described herein, any inconsistency among the incorporated Exhibits shall be resolved by giving priority to the Exhibits in the order in which they are listed below:

Exhibit A – Davenport’s Best and Final Offer dated December 22, 2020.

Exhibit B – Davenport’s Original Proposal dated November 17, 2020.

Exhibit C – Addendum No. 1 dated November 9, 2020.

Exhibit D – RFP No. 20-2057-9JOK dated October 19, 2020.

- (2) Compensation – The compensation the County will pay to Davenport under this Agreement shall be in accordance with Exhibit A.

- (3) Term – The Agreement term shall be for the period of three years beginning February 1, 2021 and ending January 31, 2024. The County may renew the Agreement for up to two one-year terms by giving 30 days’ written notice before the end of the term unless Davenport has given the County written notice that it does not wish to renew at least 90 days before the end of the term.
- (4) Sovereign Immunity – Notwithstanding any contrary language in the Agreement Documents, the County neither waives nor abrogates its sovereign immunity hereunder, in part or in whole, in any manner, under any theory.
- (5) Merger – The Agreement Documents represent the entire agreement between the parties and supersede all prior communications and negotiations. This Agreement may be modified only in writing, signed by both the County and Davenport.
- (6) Severability – If any provision of the Agreement Documents is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement Documents shall not be affected thereby and each other provision of the Agreement Documents shall be valid and enforceable to the fullest extent permitted by law.
- (7) Controlling Law and Venue – The Agreement is made and entered into, and shall be performed, in the County of Henrico, Virginia, and shall be governed by the applicable laws of the Commonwealth of Virginia without regard to conflicts of law principles. Any dispute arising out of the Agreement, its interpretations, or its performance shall be litigated only in Henrico County General District Court or in the Circuit Court of the County of Henrico, Virginia.
- (8) Claims – Davenport shall submit any and all claims arising under this Agreement, without exception, in accordance with Va. Code §2.2-4363(C).

WHEREFORE, the parties hereby execute this Agreement as evidenced by the signatures below.

Davenport & Company LLC  
 901 East Cary Street, Suite 1100  
 Richmond, VA 23219

County of Henrico, Virginia  
 P.O. Box 90775  
 Henrico, VA 23273-0775

Ty Wellford  
 Signature

Oscar Knott  
 Signature

Ty Wellford, Senior Vice President  
 Printed Name and Title

Oscar Knott, CPP, CPPO, VCO  
 Purchasing Director

1/19/2021  
 Date

1/22/21  
 Date

**APPROVED AS TO FORM**

Alyssa D Brown

**ASSISTANT COUNTY ATTORNEY**

# DAVENPORT & COMPANY

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## Davenport's Best and Final Offer

Henrico County, VA



Request for Proposal #20-2057-9JOK

As requested, below is Davenport's Best and Final Offer regarding our pricing/cost proposal. For our proposed Hourly Rates, we have reduced all staffing levels by \$25/hour. For our proposed Transaction Related Services, we have left our pricing consistent with our original proposal, as we believe these levels are fair and reasonable. However, if our proposed amounts are not in line with the County's current financial advisory contract arrangements or other finalists' proposals, we would welcome the opportunity to discuss further with the County.

**Transaction Related Services**

Davenport proposes the following fees for certain financing approaches:

<b>General Obligation Bond Issue <sup>(1), (2)</sup>:</b>	<b>\$60,000</b>
<b>Lease Revenue Bond Issue <sup>(1), (2)</sup>:</b>	<b>\$65,000</b>
<b>Water &amp; Sewer Revenue Bond Issue <sup>(1), (2)</sup>:</b>	<b>\$75,000</b>
<b>Refunding Component:</b>	<b>\$10,000 per refunded series</b>
<b>Private Placement Deal (i.e. Direct Bank Loan):</b>	<b>\$25,000</b>
<b>Debt Affordability and Capacity Study:</b>	<b>Hourly work, subject to \$20,000 cap</b>

<sup>(1)</sup> Assumes public issuance structure.

<sup>(2)</sup> For Credit Rating Services related to public bond issuances, Davenport proposes an additional fee up to \$15,000. This fee will be mutually agreed upon prior to any bond issuance and may vary depending on Davenport's involvement on preparing rating materials and/or rating meeting format.

Other Financing Structures (e.g. CDA Financings, Special Assessment Financings, Tax Increment Financings, Commercial Paper, Bidding of Open Market Escrows/Bond Proceeds, Synthetic Refundings, etc.) would be negotiated based on complexity and services requested.

**Capital Planning / Special Projects Hourly Rates**

The County may request certain activities of the Financial Advisor that constitute Capital Planning and/or Special Projects. These types of engagements are ones that involve the professional resources of Davenport to a degree above and beyond that already provided during a financing. In this event, the County and Financial Advisor shall negotiate prior to the beginning of the project on a fair and equitable basis for compensation. The following schedule of hourly rates by position will serve as a basis for this negotiation:

<b>Senior Vice President</b>	<b>\$300</b>
<b>First Vice President</b>	<b>\$275</b>
<b>Vice President</b>	<b>\$250</b>
<b>Associate Vice President</b>	<b>\$225</b>
<b>Analyst</b>	<b>\$200</b>
<b>Research Associate</b>	<b>\$100</b>

**Expenses**

In addition to our fee compensation for Transaction Services or Special Projects, Davenport would be reimbursed for out-of-pocket expenses, including meals, lodging and mileage. Additionally, there will be a charge of 4% of the fee amount for indirect expenses such as conference calls, printing, binding and other indirect costs not allocable to individual engagements.



The U.S. Securities and Exchange Commission (the “SEC”) has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC (“Davenport”) has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons,

This material was prepared by public finance, or other non-research personnel of Davenport. This material was not produced by a research analyst, although it may refer to a Davenport research analyst or research report. Unless otherwise indicated, these views (if any) are the author’s and may differ from those of the Davenport fixed income or research department or others in the firm. Davenport may perform or seek to perform financial advisory services for the issuers of the securities and instruments mentioned herein.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. You should consider this material as only a single factor in making an investment decision.

The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

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