

Request for Proposal (RFP) for:

Financial Advisory Services



**City of Poulsbo
Finance Department
200 NE Moe St
Poulsbo, WA 98370**

**Issue Date: August 14, 2017
Responses Due: September 18, 2017, 4:00pm PDT**



City of Poulsbo REQUEST FOR PROPOSAL

I PURPOSE OF REQUEST

The City of Poulsbo (“City”) is requesting proposals for the provision of Financial Advisory Services. The primary role of the financial advisor under this contract is to support the debt issuance activity of the City. Other responsibilities include, but are not limited to: Providing advice on all aspects of any proposed capital financing; Developing innovative solutions to the City’s funding requirements in order to achieve the most advantageous financing terms; Making recommendations on the timing, sizing, maturity schedules, call provisions and other details of bond issues; Reviewing and making appropriate recommendations on all ordinances, official statements, and other documents necessary for debt issuance; as well as other responsibilities.

II SCHEDULE / TIMELINE

The City will attempt to follow this timetable, which should result in a final selection by September 29, 2017.

TASK	DATE
Issue RFP	August 14, 2017
Deadline for Submitting Questions	August 25, 2017
Deadline for Submittal of Proposals	September 18, 2017
Interviews	September 25, 2017
Final Selection	September 29, 2017

III INSTRUCTIONS TO PROPOSERS

- A. All questions should be submitted in writing to:
Deborah Booher, Finance Director
City of Poulsbo
200 NE Moe St
Poulsbo, WA 98370
(360) 394-9720
dbooher@cityofpoulsbo.com

Note that the deadline for submitting questions is by 4:00 pm PDT on Friday, August 25, 2017.

- B. All proposals must be received by no later than 4:00 pm PDT on September 18, 2017.

Proposals must be submitted in hard copy form in a sealed envelope. Sealed proposals must be clearly marked in the lower left-hand corner “RFP – Financial Advisory Services”. An original and four (4) copies of the sealed proposal must be delivered to:

City of Poulsbo
Attn: Deborah Booher, Finance Director
200 NE Moe St
Poulsbo, WA 98370

Note: faxed proposals or proposals submitted electronically will not be accepted.

- C. All proposals must include the following items as described on Attachment B:
 - 1. Firm Information
 - 2. Statement of Individual Qualifications
 - 3. Proposed Fee Schedule
- D. Proposals should be prepared simply and economically, providing a straight forward, concise description of provider capabilities to satisfy the requirements of the request. Special bindings, colored displays, promotional materials, etc. are not required or desired. Emphasis should be on completeness and clarity of content. Use recycled paper for responses and any printed or photocopied material created pursuant to a contract with the City whenever practicable. Use both sides of the paper for any submittal to the City whenever practicable.
- E. Those interested in submitting a proposal are encouraged to provide contact information to Deborah Booher, Finance Director, at dbooher@cityofpoulsbo.com. Providing contact information will allow the City to provide notification if an addendum to the RFP is issued or the RFP is cancelled. Those who choose not to provide contact information are solely responsible for checking the City's website for any issued addenda or a notice of cancellation.

IV SCOPE OF SERVICES

The services the City would expect the financial advisor to provide are listed in "Financial Advisor - Scope of Services," provided as Attachment A.

V TERMS AND CONDITIONS

- A. The City prohibits the acceptance of any proposal after the time and date specified on the Request for Proposal. There shall be no exceptions to this requirement.
- B. The City reserves the right to reject any and all proposals that are deemed not responsive to its needs, and to waive minor irregularities in any proposal.
- C. The City reserves the right to request clarification of information submitted, and to request additional information on any proposal.
- D. Any proposal may be withdrawn up until the date and time set above for opening of the proposals. Any proposal not so timely withdrawn shall constitute an irrevocable offer, for a period of one hundred and twenty (120) days to sell to the City the services described in the attached specifications, or until one or more of the proposals have been approved by the City administration, whichever occurs first.
- E. If a selection is made as a result of this RFP, a contract with fixed/known prices will be negotiated. Negotiations may be undertaken with the Proposer who is considered to be the most suitable for the work. This RFP is primarily designed to identify the most qualified firm. Price and schedule will be negotiated with the "first choice" Proposer. Negotiations may be instituted with the second choice and subsequent Proposer until the project is canceled or an acceptable contract is executed.

- F. The contents of the proposal of the selected Proposer shall become contractual obligations if a contract ensues. Failure of the Proposer to accept these obligations may result in cancellation of their selection.
- G. The City reserves the right to award any contract to the next most qualified Proposer, if the successful provider does not execute a contract within 30 days of being notified of selection.
- H. The contract resulting from acceptance of a proposal by the City shall be in a form supplied or approved by the City, and shall reflect the specifications in this RFP. A copy of the proposed contract is available for review (see attachment C). The City reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP and which is not approved by the City Attorney's office.
- I. The City shall not be responsible for any costs incurred by the Proposer in preparing, submitting or presenting its response to the RFP.
- J. This term contract shall be in effect for a three-year period upon execution and may cover any debt issue initiated after that time. The contract may be extended for three (3) additional one-year periods at the option of the City.
- K. Proposals and evaluation materials submitted under this RFP shall be considered public documents and with limited exceptions proposals that are recommended for contract award will be available for inspection and copying by the public. The City may request an electronic copy of your proposal response at a later time for this purpose.

VI EVALUATION PROCESS

Proposals will be evaluated by a committee of City staff. Evaluations will be based on criteria outlined herein which may be weighted by the City in a manner it deems appropriate. All proposals will be evaluated using the same criteria. The criteria used will be:

- A. Responsiveness to the RFP
The City will consider all the material submitted to determine whether the Proposer's offering is in compliance with the RFP documents.
- B. Ability to Perform Required Services
The City will consider all the relevant material submitted by each Proposer, and other relevant material it may otherwise obtain, to determine whether the Proposer is capable of providing services of the type and scope specific to the RFP.
- C. Fees
Proposed fee schedule as described in Attachment B
- D. Interviews
The City will conduct interviews as part of the final selection process.

ATTACHMENT A
FINANCIAL ADVISOR - SCOPE OF SERVICES

GENERAL INFORMATION

The City of Poulsbo is soliciting proposals for financial advisory services. The City of Poulsbo is currently contemplating financing methods for approximately \$8 Million of debt for capital contributions to Kitsap County for Sewer Treatment Plant Improvements. Future debt issues may also occur over the next several years.

The services to be provided by the financial advisor shall include, but are not limited to, the following:

A. Participant Assistance

- Evaluate possible financing options for the City, including but not limited to bond issues and/or bank loans
- Evaluate potential underwriters for a negotiated sale or define process for competitive sale
- Evaluate and assist in securing credit enhancement if necessary
- Evaluate trustee proposals

B. Participant Financial Condition Review

- Evaluate participant credit quality and financial strength using typical industry standards
- Review, evaluate and comment on adequacy of financial forecast studies
- Prepare written report to the City regarding the feasibility of issuing the bonds and sufficiency of revenues and funds pledged to support the bonds

C. Bond Document Participation and Review

- Attend all organizational, document review, and special meetings related to a bond financing
- Evaluate, advise, and consult with the City and bond counsel regarding financial and non-financial bond covenants of each bond issue
- Assist in furnishing materials and data to rating agencies, bond insurers, letter of credit providers
- Assist in structuring bond transactions

D. Official Statement Participation

- Lead team discussions in conjunction with bond counsel on form, content, and sufficiency of information in the official statement
- Assist bond counsel in preparation of the official statement for bond issues

E. Pricing of Debt Issue

Competitive Sale:

- Coordination of pre-sale publicity, call for bids, evaluation of bids, recommendations to the City regarding sufficiency of bids, and awarding of bonds

Negotiated Sale:

- Coordinate pricing meetings and offerings of negotiated issues
- Recommend structure of underwriting teams; i.e., co-managers, selling group, syndicate, etc.
- Recommend timing of bond pricing
- Review, monitor and advise the City regarding proposed negotiated interest rates and spreads

Bank Loan:

- Negotiate rates and terms with bank

Note: The financial advisor is precluded from participation in the underwriting as co-manager, syndicated member, selling group member, etc.

F. Recommendations to the City

- Prepare an oral and written recommendation to the City for each Bond issue regarding financial feasibility, bond covenants, and pricing of the bonds

G. Bond Closing

- Review closing memorandum with bond counsel to confirm activities at the closing and role of each party
- Assist participant in evaluating the investment of bond proceeds for construction fund, debt service fund, escrow, etc.

H. Special Meetings of the City

- Attend all City Council meetings and any special meetings with the City, bond counsel, bond insurers and rating agencies as the City deems necessary

I. Post Issuance Assistance

- Advise participant and the City on post issuance changes, credit enhancement, management consultants, etc.
- Conduct post issuance reviews (e.g., remarketing agent performance) as requested by the City
- Provide a report to the City on the project and the bond issue sale

J. Program Development

- Assist staff by evaluating program proposals or changes in policy

ATTACHMENT B
STATEMENT OF QUALIFICATIONS

A. Firm Information

1. Describe the experience of your firm in providing public sector financial advisory services. Identify the total number of professionals employed by your firm who serve as financial advisors to public sector entities.
2. Identify the number of public sector entities for which your firm currently is under contract to serve as financial advisor, and provide the number and volume of debt issuance transactions completed pursuant to such contracts during the period 2015-2017. Further, identify the number and volume of the following types of transactions completed during this same period: revenue bonds, variable rate demand bonds and payment agreements.
3. Provide a list of 5 public sector entities (with populations from 7,000-25,000 persons) within the State of Washington for which your firm currently provides financial advisory services as contemplated in the scope of work.
4. Identify the location of the base office for the individuals who will be assigned to the city and the total number of professionals in such office who serve as financial advisors to public sector entities.

B. Individual Qualifications

1. Identify the individual who will initially serve as the primary point of contact with the city under this contract and the other individuals of the team who are expected to work on city transactions. Describe the type of work each is expected to perform.
2. Provide brief biographical information for each of these individuals that identifies their educational background, work history, and past responsibilities serving in similar financial advisory roles.
3. Describe their specific experience in the following specialized areas: revenue bonds, variable rate demand bonds and payment agreements.
4. Provide three references (name, title, employer, address, and phone number) for the person who will serve as the primary point of contact.

C. Fee Proposal

1. Please state your fee proposal for the scope of work as financial advisor as described in Attachment A. Please document any key assumptions made in developing the fee proposal and any other contingencies we should be aware of.
2. Is there a separate charge for attendance at City meetings which are not part of an otherwise specific City engagement?
3. Please indicate any fees or hourly rates for special projects.
4. Please detail any costs which are to be reimbursed outside of the fee proposal.

**ATTACHMENT C
SAMPLE CONTRACT**

FINANCIAL ADVISORY SERVICES AGREEMENT PROVISIONS FOR THE CITY OF POULSBO

The City of Poulsbo, Washington, a municipal corporation (hereinafter the “City”) and _____ whose address is _____ (hereinafter the “consultant”), agree and contract as follows:

I. SERVICES BY CONSULTANT

- A. The Consultant agrees to perform the services described in Attachment ____ to this Agreement, which attachment is incorporated herein by reference.
- B. All services, and all duties incidental or necessary thereto, shall be conducted and performed diligently and completely and in accordance with professional standards of conduct and performance.

II. COMPENSATION

- A. The total compensation to be paid to Consultant for these services shall not exceed \$_____, as detailed in Attachment _____.
- B. Payment to Consultant by the City in accordance with the payment ceiling specified above shall be the total compensation for all work performed under this Agreement and supporting documents hereto as well as all subcontractors’ fees and expenses, supervision, labor, supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.
- C. The Consultant shall be paid monthly on the basis of invoices submitted. Invoicing will be on the basis of percentage complete or on the basis of time, whichever is applicable in accordance with the terms of this Agreement.
- D. The City shall have the right to withhold payment to Consultant for any work not completed in a satisfactory manner until such time as consultant modifies such work to the satisfaction of the City.
- E. Unless otherwise specified in this Agreement, any payment shall be considered timely if a check is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

III. TERMINATION OF AGREEMENT

The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, by giving ten (10) days notice to Consultant in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Consultant pursuant to this Agreement, shall be provided to the City. In the event the City terminates prior to completion without cause, consultant may complete such analyses and records as may be necessary to place its files in order. Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on the project prior to the date of suspension or termination, not to exceed the payment ceiling set forth above.

IV. OWNERSHIP OF WORK PRODUCT

- A. Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this Agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this contract or

the project to which it relates, without written concurrence by the Consultant will be at the sole risk of the City.

The City acknowledges the Consultant's plans and specifications as instruments of professional service. Nevertheless, the plans and specifications prepared under this Agreement shall become the property of the City upon completion of the work. The City agrees to hold harmless and indemnify consultant against all claims made against Consultant for damage or injury, including defense costs, arising out of any reuse of such plans and specifications by any third party without the written authorization of the Consultant.

- B. Methodology, materials, software, logic, and systems developed under this contract are the property of the consultant and the City, and may be used as either the consultant or the City sees fit, including the right to revise or publish the same without limitation.

V. GENERAL ADMINISTRATION AND MANAGEMENT

The Finance Director for the City of Poulsbo shall review and approve the Consultant's invoices to the City under this Agreement, shall have primary responsibility for overseeing and approving services to be performed by the Consultant, and shall coordinate all communications with the Consultant from the City.

VI. COMPLETION DATE

The estimated completion date for the consultant's performance of the services specified in Section I is _____. Consultant will diligently proceed with the work contracted for, but consultant shall not be held responsible for delays occasioned by factors beyond its control which could not reasonably have been foreseen at the time of the execution of this Agreement. If such a delay arises, Consultant shall forthwith notify the City.

VII. SUCCESSORS AND ASSIGNS

The Consultant shall not assign, transfer, convey, pledge, or otherwise dispose of this Agreement or any part of this Agreement without prior written consent of the City.

VIII. NONDISCRIMINATION

Contractor shall, in employment made possible or resulting from this Agreement, ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.

IX. HOLD HARMLESS/INDEMNIFICATION

Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from the acts, errors or omissions of the Consultant in the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

X. LIABILITY INSURANCE COVERAGE

The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees. A failure to obtain and maintain such insurance or to file required certificates and

endorsements shall be a material breach of this Agreement.

A. Minimum Scope of Insurance

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.
2. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

E. Verification of Coverage

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement,

evidencing the insurance requirements of the Consultant before commencement of the work.

F. Claims-made Coverage

Any policy of required insurance written on a claims-made basis shall provide coverage as to all claims arising out of the services performed under the contract and filed within three (3) years following completion of the services so to be performed.

XI. COMPLIANCE WITH LAWS/BUSINESS LICENSE

The Consultant shall comply with all applicable State, Federal, and City laws, ordinances, regulations, and codes. Contractor must obtain a City of Poulsbo business license or otherwise comply with Poulsbo Municipal Code Chapter 5.04.

XII. FUTURE SUPPORT

The City makes no commitment and assumes no obligations for the support of Consultant activities except as set forth in this Agreement.

XIII. INDEPENDENT CONTRACTOR

Consultant is and shall be at all times during the term of this Agreement an independent contractor and not an employee of the City. Consultant agrees that he is solely responsible for the payment of taxes applicable to the services performed under this Agreement and agrees to comply with all federal, state, and local laws regarding the reporting of taxes, maintenance of insurance and records, and all other requirements and obligations imposed on him as a result of his status as an independent contractor. The Consultant is responsible for providing the office space and clerical support necessary for the performance of services under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial insurance of unemployment compensation programs or otherwise assuming the duties of an employer with respect to the Consultant, or any employee of consultant.

XIV. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with all attachments and addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified, or added to only by written instrument properly signed by both parties hereto.

XV. ADDITIONAL WORK

The City may desire to have the Consultant perform work or render services in connection with the project other than provided for by the express intent of this contract. Any such work or services shall be considered as additional work, supplemental to this contract. Such work may include, but shall not be limited to,

Additional work shall not proceed unless so authorized in writing by the City.

Authorized additional work will be compensated for in accordance with a written supplemental contract between the Consultant and the City.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

CONSULTANT:

CITY OF POULSBO:

By: _____

By: _____

Rebecca Erickson, Mayor

Date: _____

Date: _____

APPROVED AS TO FORM:

Poulsbo City Attorney

Date: _____