

**REQUEST FOR PROPOSALS**  
FOR  
**FINANCIAL ADVISORY SERVICES**  
**CITY OF SANTA MARIA**



**Issued by:**

Mary Harvey, Finance Department  
City of Santa Maria

## **INTRODUCTION**

The City of Santa Maria ("City") is soliciting proposals from certified Financial Advisors ("Advisor(s)") with demonstrated experience in the planning, analysis and issuance of General Obligation Bonds, Certificates of Participation, Tax Revenue Anticipation Notes, and other financial services. In addition to these services, the City has a particular interest in Advisors who demonstrate practical experience assessing the financial feasibility and investment/funding strategies for energy-related capital improvement projects (energy efficiency, demand management, distributed generation).

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this Request for Proposals (RFP).

During the evaluation process, the City reserves the right to request additional information or clarification from proposers, to allow corrections of errors or omissions, and to amend this RFP as necessary.

All materials submitted to the City in response to this RFP shall remain the property of the City. Submission of a proposal indicates acceptance by a firm of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the selected firm.

To be considered, a proposal must be received by 3:00 PM on July 25, 2019. The proposals will be evaluated and ranked according to the criteria provided in the "Evaluation Criteria" in this RFP. This RFP is not an offer by the City to contract with a selected firm responding to this RFP. The City reserves the right to reject any or all proposals, to waive minor irregularities in any proposal, to negotiate with and select one or more respondents, or cancel this request in total or in part. Please see the "Contents for Responses" in this RFP for further information.

## **CITY PROFILE**

The City of Santa Maria was incorporated on September 12, 1905. The City is located in Santa Barbara County on the west coast of California in what is known as the Central Coast. Santa Maria is the largest City by population and geographic area in the County. The City provides a full range of municipal services including police and fire services, engineering and planning, street maintenance, parks and recreation services, water and wastewater utilities, solid waste collection and disposal, and general administrative activities.

## **CONTRACT AGREEMENT**

The City's standard Professional Services Agreement shall be used (Attachment A). The financial advisory firm shall meet the requirements of this agreement; and the advisory firm shall submit, with the proposal, a specific list of any concerns with the City's Agreement.

## **NON-DISCRIMINATION REQUIREMENT**

By submitting a proposal, the respondent represents that it and its subsidiaries do not and will not discriminate against any employee or applicant for employment on the basis of race, religion, sex, color, national origin, sexual orientation, ancestry, marital status, physical condition, pregnancy or pregnancy-related conditions, political affiliations or opinion, age, or medical condition.

## RFP SCHEDULE

Event	Date and time
RFP Issuance	July 8, 2019
Due date for Request for Information	July 15, 2019 no later than 5:00 PM
Response to Request for Information (no later than)	July 22, 2019 no later than 5:00 PM
Proposals due	July 25, 2019 no later than 3:00 PM
<i>Tentative</i> Finalist Interviews (if necessary)	August 1, 2019
<i>Tentative</i> Award agreement	August 5, 2019

## SCOPE OF WORK

The City seeks a qualified financial advisory services consultant experienced in providing the following range of services as may be required:

- Advise and assist the City in developing and executing a financing plan.
- Advise the City in relation to the issuance of General Obligation Bonds, Tax Revenue Anticipation Notes, Certificates of Participation, and other financial services including 3<sup>rd</sup> party tax exempt leases.
- Provide the City with available financing options by conducting studies and analyses to determine the most appropriate and cost-effective financing methods, terms, security and provision, and repayment structures. Financing options and accompanying studies and analyses shall be presented to the City within an agreed upon timeline.
- Develop a schedule for all participating parties with regard to any of the above transactions.
- Work cooperatively with and coordinate the work of recognized bond counsel, to be selected by the City, in connection with issuance of bonds.
- Work cooperatively with the City's Finance Department regarding financial matters.
- Provide the City with expert advice concerning the method of sale and the appropriate interest rates for its financings.
- Prepare and distribute the preliminary and final Official Statement to provide the market with timely and accurate information about the City and any Bond issues.
- Assist City officials in the preparation of materials for presentation to national credit rating services regarding the City's financial condition and debt structures.
- Have representatives present at City Council Meetings, when requested or notified, on matters concerning financing techniques and bond issues.
- Prepare other analyses that may be utilized by the City in its financings.
- Perform such other functions normally contemplated to be within the scope of a fully qualified financial advisor.

## CONTENTS FOR RESPONSES

The proposal should be concise, well organized, and demonstrate both the firm's qualifications and a thorough understanding of the anticipated services. Responses shall follow the format outlined below. Proposals must be received prior to 3:00 PM on July 25, 2019.

The response shall be organized in the format listed below. Respondents shall read each item carefully and address each of the following items thoroughly and accurately to ensure compliance with City requirements.

Responses are limited to 25, single sided pages total, including all references and resumes. Information beyond the page count limit will not be considered. Proposals shall use a font size of 10 or larger. Do not include brochures or other marketing material.

**Section A. Business Profile: Provide a profile of your company**

1. Company name, address, telephone number, fax number and e-mail address.
2. State the number of years your firm has been in business.
3. Identify who is authorized to sign agreements and represent your firm in matters related to this RFP.
4. Is your firm a registered Municipal Advisor?
5. Describe your firm's experience with California cities. Please include the date-to-date, par amount, issuer, type of bond, new money or refunding, and lead financial advisor. Also, please include your firm's experience with city finance and elections in the past four (4) years.
6. Is your firm a broker/ dealer serving as underwriter on municipal bonds?
7. Certify that you are registered with the SEC and MSRB, as required by the Dodd-Frank Act.
8. Describe briefly the services to be provided by your firm.
9. Identify the specific staff that will be assigned to this engagement and provide their individual qualifications.
10. Provide a clear and concise rationale as to why the City should select your firm over other qualified financial advisors.
11. References: Provide the names and contact information for at least three (3) California cities your firm has worked with as a Financial Advisor over the past four (4) years. References should reflect your firm's overall capabilities, as well as highlight specific experience with energy-related capital improvement projects.

**Section B. Performance Standards**

1. Firm's competence and experience in structuring and completing California city financings. Include at least three (3) Projects with detailed descriptions of each. Include financing mechanism, financing term, description of measures, etc.
2. Describe your approach to considering energy savings in relation to debt issuance
3. Provide qualifications and depth of experience of assigned personnel who will conduct work for the city, including resumes and specific project experience
4. Identify the Principal from your firm who will be the primary point of contact with the City. Any future change in Principal will be subject to written approval by the City.
5. Select four (4) recent short-term or long-term competitive sales or negotiated bond transactions for which your firm was the financial advisor.
  - a. List the following information (if applicable) regarding each transaction: client, sale date, issue size, credit rating and enhancements, financial advisor fee, and any other information you feel may be relevant.

- b. At least one (1) of these examples must include Project Finance in some form, such as tax-exempt lease, Power Purchase Agreement, Public Private Partnership, Energy Performance Contract or similar mechanism.

### **Section C. Fees**

Provide your firm's fees for the issuance of General Obligation Bonds, Certificates of Participation, Tax and Revenue Anticipation Notes, Refunding Issuances, and Bond Anticipation Notes. Further, identify consultant fees, if any, for services the City might require for municipal financing not directly related to the issuance of a bond/note. If there are to be charges for reimbursable expenses, please list all charges to be considered and reimbursable, or provide a not-to-exceed amount for said expenses. The City may consider an hourly rate rather than a contingency fee. Please provide the hourly rates for your team.

### **Section D. Insurance**

The firm shall comply with all insurance requirements included in Exhibit C of the City of Santa Maria's standard Professional Service Agreement, attached as Attachment A.

### **Section E. Legal Issues**

Please respond to each of the following questions:

- Is there now any current or pending legal action alleging violations of the law in connection with an offering of municipal securities in a California transaction against the firm or any employee of the firm? If so, please describe such action.
- Have there been any settlements or judgments involving such actions within the last five (5) years? If so, please describe each settlement or judgment, including the nature of the action and the amount of recovery.
- Are there any current or pending legal or disciplinary matters involving such actions against the firm by any State or Federal regulatory agency? If so, please describe and include information about any criminal indictments or convictions against the firm or its attorneys where the charges involved municipal securities in the United States. Also, please include information about any material pending legal action, settlement, or judgment involving a claim of fraud, whether civil or criminal.
- Has your firm or any of your employees ever been subject to municipal securities litigations?

### **EVALUATION CRITERIA**

A Selection Advisory Committee will select and rank in the order of their qualifications, experience, fees, and overall responsiveness the proposals that meet the criteria set forth in this Request for Proposals.

The Selection Advisory Committee may choose to interview any, all, or none of the respondents. If interviews are held, a committee representative will notify those selected firms as to the place, time, date, and location of the interview. It is anticipated that the interviews, if any, will be conducted the week of August 1, 2019. Your firm's main point of contact as stated in your response to this Request for Proposals must be present at the interview.

## REQUEST FOR INFORMATION

Interested firms are encouraged to promptly notify the City in writing of any questions, apparent major inconsistencies, problems, or ambiguities in the Scope of Services or this RFP. Any questions and requests for clarification/additional information shall be **submitted by email** to Morgan Jarek, Finance Department, at [mjarek@cityofsantamaria.org](mailto:mjarek@cityofsantamaria.org) **no later than 5:00 PM on July 15, 2019**. All answers will be provided to all respondents no later than 5:00 PM on July 22, 2019. If deemed necessary, the City will provide copies of the questions and answers to all prospective proposers.

## INSTRUCTIONS TO SUBMITTING FIRMS

By submitting a proposal, the prospective firm represents that it has thoroughly examined and familiarized themselves with the services required under this RFP, and that it can deliver these services to the City in a manner and level of quality consistent with industry standards.

Any questions related to this RFP shall be directed to Morgan Jarek, Confidential Secretary, via email at [mjarek@cityofsantamaria.org](mailto:mjarek@cityofsantamaria.org) pursuant to the *Request for Information* section above.

Four (4) paper copies and one (1) electronic copy (thumb drive) of the complete **written proposal must be received by the Finance Department no later than 3:00 PM on July 25, 2019**. Proposals will not be accepted after this deadline. Faxed or emailed proposals will not be accepted. Proposals must be sealed and clearly state, "Proposal for Financial Advisory Services", on the outside of the package or envelope. The Proposal should be addressed as follows:

**City of Santa Maria  
Finance Department  
Attn: Mary Harvey, Director of Finance  
110 E. Cook Street, Room 6  
Santa Maria, CA 93454**

A firm may withdraw its proposal at any time before the submission due date as listed in the RFP by delivering a written request for withdrawal signed by, or on behalf of, the responding firm.

## **AGREEMENT FOR PROFESSIONAL SERVICES**

This Agreement is made on [date], by and between [firm name], a California Corporation (“Contractor”) and the City of Santa Maria, a California Municipal Corporation and charter city (“City”), in Santa Maria, California, based on the following recitals:

1. [insert text];
2. [insert text];
3. [Insert text].

### **NOW, THEREFORE, IT IS AGREED:**

1. **Recitals true.** The above recitals are true.
2. **General.**

**2.01. Term and Termination.** The term of this contract is [insert text], beginning on the date first written above. This contract may be extended by mutual consent of the parties. This contract may be terminated for breach of its terms or conditions, or because of discovery of any act which violates local, state or federal law. Termination is effective 14 days after deposit of notice as specified in this Agreement.

**2.02. Services to be Performed.** Contractor shall determine the method, details and means of providing [insert text] services. More specifically, Contractor agrees to perform the specific services listed in Exhibit “A.”

**2.03 City’s Duties.** City’s duties under this Agreement are to cooperate with Contractor in the performance of the contract and timely pay invoices.

**2.04. Payment.** Payment terms under this Agreement are listed in Exhibit “B.”

**2.05. Insurance.** Contractor shall provide insurance as listed in Exhibit “C.”

**2.06. Exhibits.** Exhibits “A,” “B,” and “C” are attached and incorporated.

### **3. Contractor’s Obligations.**

**3.01. Minimum Amount of Service.** Contractor shall devote sufficient time to perform services under this agreement efficiently and effectively. Contractor may represent, perform services for and be employed by additional individuals or entities, in Contractor’s sole discretion, as long as the performance of these extra-contractual services does not interfere with or present a conflict with City’s business.

**3.02. Tools and Equipment.** Except as otherwise stated in this Agreement, Contractor will supply all tools and equipment necessary to perform this Agreement.

**3.03. Status.** Contractor (including its employees) is an independent contractor. No employer/employee relationship exists between Contractor and the City. Contractor’s assigned personnel shall not be entitled to any benefits payable to employees of the City. The City is not required to make any deductions or withholdings from the compensation payable to Contractor under this agreement.

**3.04. Indemnification.** To the fullest extent permitted by law, the Consultant shall indemnify, defend (with independent counsel approved by the City) and hold harmless the City, and its directors, officers, and employees from and against

all liabilities (including without limitation all claims, losses, damages, penalties, fines, and judgments, associated investigation and administrative expenses, and defense costs, including but not limited to reasonable attorneys' fees, court costs and costs of alternative dispute resolution) regardless of nature or type that arise out of, pertain to, or relate to the negligence, reckless, or willful misconduct of the Consultant or the acts or omissions of an employee, agent or subcontractor of the Consultant. The provisions of this paragraph survive completion of the services or the termination of this contract. The provisions of this Section are not limited by the provisions of the Section relating to insurance.

#### **4. Miscellaneous**

**4.01. Notices.** All communication relating to the day-to-day activities of this Agreement shall be exchanged between a designated representative of the CITY and a representative of CONTRACTOR, listed below. All notices shall be addressed as follows unless a written change is filed with the City:

To City:  
Attn. Mary Harvey, Director of Finance  
110 East Cook Street, Room 6  
Santa Maria, CA 93454  
Ph: 805-925-0951 ext. 2214  
Fax: 805-925-2243

To Contractor:

If the designated Representative or address of either party changes during the term of this agreement, a written notice shall be given to the other party prior to the effective date of change. Any written notices required under this agreement shall be effective five (5) days after deposit into United States mail, postage prepaid, addressed to the designated Representative, or upon confirmation of receipt of delivery if another notification process is used.

**4.02. Compliance With Laws, etc.** Contractor shall comply with all laws, including but not limited to the rules and policies of the City, in performing this agreement.

**4.03. Integration.** This agreement constitutes the entire agreement of the parties with respect to the subject matter. All modifications, amendments, or waivers of the terms of this agreement must be in writing and signed by the appropriate representatives of the parties.

**4.04. Interpretation.** This agreement shall be interpreted in accordance with the laws of the State of California.

**4.05. Jurisdiction.** Jurisdiction and venue of all disputes over the terms of this agreement shall be in the County of Northern Santa Barbara, State of California.

**4.06. Warranty of authority.** Each person signing this agreement on behalf of a party warrants that he or she has authority to do so.

**4.07. No Waiver.** Failure to enforce with respect to a default shall not be construed as a waiver.

**4.08. Severability.** The provisions of this agreement are severable. If any part of this agreement is held invalid by a court of competent jurisdiction, the



remainder of the agreement shall remain in full force and effect unless amended or modified by mutual written consent of the parties.

4.09. Submittals. In addition to any other submittals required by this agreement, Contractor shall submit copies of its current business license and current certificate of workers compensation coverage to the City before beginning work on this project.

4.10 Prevailing Wage. Prevailing Wage. If applicable, Consultant and all subconsultants are required to pay the general prevailing wage rates of per diem wages and overtime and holiday wages determined by the Director of the Department of Industrial Relations under Section 1720 et seq. of the California Labor Code. The Director's determination is on file and open to inspection at [www.dir.ca.gov](http://www.dir.ca.gov) and is referred to and made a part hereof; the wage rates therein ascertained, determined and specified are referred to and made a part hereof as though fully set forth herein.

IN WITNESS WHEREOF, this agreement is executed by the parties on the date first written above.

[ Firm Name ],  
a California Corporation

CITY OF SANTA MARIA, a political  
subdivision of the State of California

\_\_\_\_\_  
[ Principal Name ]  
Principal

\_\_\_\_\_  
Mary Harvey  
Director of Finance

ATTEST:

\_\_\_\_\_  
Rhonda M. White, CMC  
Chief Deputy City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Risk Manager

\_\_\_\_\_  
City Attorney

**EXHIBIT "A"**

**SERVICES TO BE PERFORMED**

**EXHIBIT "B"**

**PAYMENT TERMS**

## EXHIBIT "C"

### INSURANCE REQUIREMENTS

Consultant shall procure and maintain for the duration of the contact insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his/her agents, representatives, or employees. If the contractor maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or higher limits maintained by the contractor.

#### A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001), including products and completed operations, property damage, bodily injury and personal & advertising injury.
2. Insurance Services Office Business Auto Coverage Form Number CA 00 01 covering any auto (Code 1), or if Contractor has no owned autos, covering hired (Code 8) and non-owned autos (Code 9).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Errors and Omissions liability insurance appropriate to the Consultant's profession. Architects' and engineers' coverage is to be endorsed to include contractual liability.

#### B. Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability - \$2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability - \$1,000,000 per accident for bodily injury and property damage.

3. Workers' Compensation: Statutory limits.
4. Employer's Liability - \$1,000,000 per accident for bodily injury or disease.
5. Errors and Omissions Liability - \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

C. Self-insured Retentions

1. Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention.

D. Other Insurance Provisions

The commercial general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The City, its officers, officials, employees and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form or an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38 and CG 20 37 forms if later revisions are used).
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance coverage at least as broad as ISO CG 20 01 04 13 as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled or reduced, except with notice stating the title of this contract to the City. **All notices provided pursuant to this Agreement shall be given to the City representative listed for notice in this agreement and shall specify the title of this Agreement.** Notice may be given by overnight mail, facsimile with confirmation of receipt, or certified mail

with return-receipt requested.

4. Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.
5. If any of the required policies provide claims-made coverage:
  - a. The Retroactive Date must be shown, and must be before the date of the contract or the beginning of contract work.
  - b. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
  - c. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.

E. Acceptability of Insurers

1. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City.

F. Verification of Coverage

1. Consultant shall furnish the City with original certificates and amendatory endorsements of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

G. Special Risks or Circumstances

1. Entity reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.