

**CITY OF BAINBRIDGE ISLAND  
REQUEST FOR PROPOSALS FOR FINANCIAL ADVISOR**

**ISSUE DATE: July 2, 2012**

The City of Bainbridge Island, Washington (the “City”) is requesting proposals for the provision of financial advisory services, as described below.

**SCOPE OF SERVICES**

The individual or firm awarded the contract shall be the primary financial advisor to the City of Bainbridge Island. Services to be provided include, but are not limited to:

- 1) Participant Assistance
  - a) Evaluate possible financing options for the City, including applicable federal or state programs
  - b) Evaluate potential underwriters for a negotiated sale or define process for competitive sale
  - c) Evaluate and assist in securing credit enhancement if necessary
  - d) Evaluate trustee proposals
- 2) Participant Financial Condition Review
  - a) Evaluate participant credit quality and financial strength using typical industry standards
  - b) Review, evaluate and comment on adequacy of financial forecast studies or other debt
  - c) Prepare written report to the City regarding the feasibility of issuing the bonds and sufficiency of revenues and funds pledged to support the bonds or other debt
- 3) Bond Document Participation and Review
  - a) Attend all organizational, document review, and special meetings related to debt financing
  - b) Evaluate, advise, and consult with the City and bond counsel regarding financial and non-financial bond covenants of each debt issue
  - c) Assist in furnishing materials and data to rating agencies, bond insurers, letter of credit providers, and underwriters
  - d) Assist in structuring debt transactions, such as competitively sold bond issues and/or negotiated bond issues
- 4) Official Statement Review and Preparation
  - a) Lead team discussions in conjunction with bond counsel on form, content, and sufficiency of information in the official statement
  - b) Prepare the official statement in conjunction with bond counsel
- 5) Pricing of Bond Issue
  - a) Competitive Sale:
    - i) Coordination of pre-sale publicity, call for bids, evaluation of bids, recommendations to the City regarding sufficiency of bids, and awarding of bids.
  - b) Negotiated Sale:

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

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

- 6) Recommendations to the City
  - a) Prepare an oral and written recommendation to the City for each debt issue regarding financial feasibility, bond covenants, and pricing.
- 7) Bond Closing
  - a) Review closing memorandum with bond counsel to confirm activities at the closing and role of each party
  - b) Assist participant in evaluating the investment of bond proceeds for construction fund, debt service fund, escrow, etc.
- 8) Special Meetings of the City
  - a) Attend all City Council meetings and any special meetings with the City, bond counsel, bond insurers and rating agencies as the City deems necessary
- 9) Post Issuance Assistance
  - a) Advise participant and the City on post issuance changes, credit enhancement, management consultants, etc.
  - b) Conduct post issuance reviews (e.g., remarketing agent performance) as requested by the City
  - c) Provide a report to the City on the project and the bond issue sale
- 10) Program Development
  - a) Assist staff by evaluating program proposals or changes in policy

## **GENERAL INFORMATION**

### **CONTRACT PERIOD**

These contracted services are intended to begin on October 1, 2012 and extend for a three-year period.

### **COMPENSATION**

The City and any individual/firm selected for these services will enter into a professional services agreement which will address compensation. Proposals must clearly set forth the fees or fee structure (e.g., hourly rate, retainer, per-issuance fee) to be charged for the proposed services.

### **SELECTION PROCESS**

All proposals will be reviewed and screened by the Interim City Manager and Director of Finance and Administrative Services. Proposals will be evaluated by considering the firm/individual's quality of experience, the strength of the approach described in the proposal, and the cost to the City. Finalists will be invited for interviews, after which a selection may be made.

## **REQUIRED RESPONSES**

### **A) STATEMENT OF QUALIFICATIONS**

#### **1) Firm Qualifications**

- a) 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, including support staff
- b) 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 2008-2011. Further, identify the number and volume of the following types of transactions completed during this same period: revenue bonds, variable rate demand bonds, bond anticipation notes, LTGO bonds, and payment agreements, and others, as pertinent.
- c) Provide a list of other public sector entities within the State of Washington for which your firm currently provides financial advisory services as contemplated in the scope of work.
- d) 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.

#### **2) Individual Qualifications**

- a) 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.
- b) 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.
- c) Describe their specific experience in the following specialized areas: GO Bonds (voted and non-voted), LID/Special assessments, revenue bonds, variable rate demand bonds, auction rate notes, 63-20 bonds, Build America Bonds (BAB's) and payment agreements.
- d) Provide three references (name, title, employer, address, and phone number) for the person who will serve as the primary point of contact.

### **B) FEE PROPOSAL**

- 1) Please state your fee proposal for the scope of work as financial advisor as described in the Scope of Services.
- 2) Please document any key assumptions made in developing the fee proposal and any other contingencies we should be aware of.
- 3) Is there a separate charge for attendance at City meetings which are not part of an otherwise specific City engagement?

4) Please indicate any fees or hourly rates for special projects.

C) REFERENCES

1) The proposal must also include contact information for three professional references.

**INSTRUCTIONS TO REPLY TO THIS REQUEST FOR PROPOSALS**

To reply to this RFP, please submit a proposal of no more than five pages covering the items listed above under the heading STATEMENT OF QUALIFICATIONS.

All materials shall be submitted in one packet and submitted to:

Director of Finance and Administrative Services  
Bainbridge Island City Hall  
280 Madison Avenue North  
Bainbridge Island, WA 98110

**ALL APPLICATION MATERIALS MUST BE RECEIVED BY  
4 PM, JULY 26, 2012.**

At the City's discretion, proposals submitted after the due date and time may be considered. Proposers accept all risks of late delivery of mailed proposals.