



REQUEST FOR PROPOSAL FOR FINANCIAL STRATEGY SERVICES

CITY OF ALAMEDA, CALIFORNIA

RELEASE DATE: November 26, 2019

RESPONSE DUE: December 19, 2019

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1. GENERAL INFORMATION

The City of Alameda is requesting proposals (RFP) from qualified firms to prepare a comprehensive financial strategy, with a particular focus on options to address unfunded pension and other post-employment benefits (OPEB), overall City operations, and deferred infrastructure and facility maintenance. The selected consultant will be responsible for completing a comprehensive strategy analysis and plan.

2. PROPOSAL REQUIREMENTS

A. Submission Deadline (hard copy proposals)

Responses to this RFP must be received by the City by 3:00 p.m. on Thursday, December 19, 2019. Late proposals will not be accepted.

B. All mailed proposals shall be addressed as follows:

Elena Adair
Finance Director
City of Alameda
2263 Santa Clara Avenue, Room 220
Alameda, CA 94501

C. Submittal Requirements

Please submit three (3) signed and bound copies of the completed proposal and one (1) electronic copy of the proposal on a USB flash drive.

Proposal packages must include the items listed in this RFP. See detailed description of proposal content in Section 5 below:

- Cover Letter providing a summary of the proposal, an overview of the project and brief description of your understanding of services to be provided;
- Approach to the work;
- Qualifications and relevant experience including other recent projects similar to this with special attention to work done in municipalities;
- Depth of experience on your team and project lead;
- Proposed fee/compensation;
- Proposed project timeline;
- References with firm's contact information for this Request for Proposal; and
- List of current financing on bond issuances managed.

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D. Selection Process

Proposals will be evaluated primarily on the following factors, which are listed in no particular order:

- Knowledge of and previous work that demonstrates experience in areas consistent with Alameda's current portfolio;
- Prior performance record in financial advising for cities;
- Qualification and pertinent experience of all assigned personnel;
- Approach to the assignment as indicated in the written statement of interest and qualifications; and
- Proposed fee structure.

E. Contract Term

The City of Alameda anticipates executing a two-year contract with the firm selected via this RFP. A contract with the firm selected under this solicitation will be presented to the City Council for consideration.

For further information please contact:

Elena Adair
Finance Director
2263 Santa Clara Avenue, Room 220
Alameda, CA 94501
510-747-4888
eadair@alamedaca.gov

F. Cost Proposal

Present a concise list of the scope of services and the work products that your firm proposes to provide. The Cost Proposal shall be transmitted with a cover letter that must be signed by an official authorized to bind the Proposer contractually, and shall contain a statement that the proposal is a firm offer for a 90-day period. The Cost Proposal is subject to negotiation.

3. INTRODUCTION

The City of Alameda, with an estimated population of 80,000, was incorporated in 1854 and became a charter city in 1916, with a Council-Manager form of government. The five-member Council serves staggered, four-year terms. The City Council directly hires only the City Manager, City Attorney, and City Clerk.

The City is a full-service organization that provides residents with a broad range of municipal services including police and fire protection, construction and maintenance of

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streets, storm drains and other infrastructure, a state-of-the-art library system, and over 200 acres of recreational facilities including multi-use athletic fields, picnic sites, a skate park, swim center, and a full service senior center. The City owns and operates Alameda Municipal Power, an electric utility serving the needs of all Alameda residents and businesses. The City also owns a golf complex comprised of two 18-hole championship courses and a nine-hole executive course. Finally, the City provides various forms of housing assistance through a local Housing Authority. The City's General Fund Budget is \$100.7 million and the total budget is \$252.7 million for fiscal year 2019-20.

The City of Alameda is seeking the services of a qualified Municipal/Financial Advisor, for the evaluation of the City's overall financial strategy, with a particular focus on options to address unfunded pension and other post-employment benefits (OPEB), overall City operations, and deferred infrastructure and facility maintenance. The City's Comprehensive Annual Financial Report for Fiscal Year ended June 30, 2018 can be accessed on the City of Alameda's website or through the following link:

<https://www.alamedaca.gov/files/assets/public/finance/2018-city-of-alameda-cafr.pdf>

The City prepares biennial Budget. The Fiscal Year 2019-20 and 2020-21 Adopted Budget can be accessed on the City of Alameda's website or through the following link:

<https://www.alamedaca.gov/files/assets/public/finance/fy-2019-2021-biennial-budget/fy2019-21-biennial-budget.pdf>

4. SCOPE OF WORK

The selected Financial Advisor shall demonstrate a record of success in developing comprehensive financial strategies for local government agencies, with a particular focus on developing and evaluating options to address various unfunded pension and other post-employment benefits (OPEB), overall City operations, and deferred infrastructure and facility maintenance.

Interested parties will submit a proposal addressing the specific responsibilities, including, but not limited to:

Generally

1. Develop a clear and concise mission and vision for the organization that reflects the community's current and future needs;
2. Analyze the impact on the City's bond rating under each funding scenario. If necessary, coordinate and represent the City in meetings with rating agencies to discuss the City's options and strategies;
3. Prepare an interactive financial model for the City to use to project future fiscal results;

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4. Identify the challenges with financial impacts the organization can expect to face and should prepare for in the future;
5. Identify the City's major strategic issue areas, including a defined goal for each area as well as an outline of associated priorities for achieving those goals;
6. Evaluate and categorize current City Council priorities into each identified strategy and assist in the development of new priorities as needed;
7. Provide methods for implementing and measuring recommended goals and objectives;
8. Provide a recommended schedule, strategies, tactics, and actions necessary to implement the recommendations;
9. Provide a method and timeline for plan updates and revisions in the future;
10. Presentations to City staff as determined by the City Manager and the City Council;
11. Assist in the preparation of staff reports for City financing approvals; and
12. Be available for consultations with City staff.

Pension & OPEB*

1. Analyze the City's current and future UAL based on available actuarial information, CalPERS assumptions, funded status, assets, and estimated contribution rates;
2. Describe the assumptions used to determine the future UAL including any volatility, any liability to a pre-funding, and other risks;
3. Provide a description of financing options for the City's UAL based on all debt structures currently available including risks and costs involved with each;
4. Analyze the option to pre-fund only a portion of the UAL and the impact upon the City's on-going obligation and City financial capacity;
5. Analyze the option to use bond proceeds in a stabilization trust as opposed to paying the UAL directly to CalPERS. Provide the benefits and risks involved in this strategy;

Overall City Operations, Infrastructure and Facilities

6. Review and analyze the City's current revenues and expenditures to identify financial trends, shortfalls, and issues so the City can proactively address them; and
7. Create a financial plan strategy for the City based on a review of City operations.

*Note – The City is interested in evaluating Pension and OPEB funding options as soon as practical. The Overall Operations, Infrastructure and Facilities work will either be completed concurrently or on a slower time schedule.

5. PROPOSAL CONTENT

Submitted proposals must include the requested information. Failure to submit a full and complete proposal may result in elimination from proposal evaluation.

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- A cover letter introducing the firm or individual's interest in this project. Include legal name, address, email, and telephone numbers of the individual or firm.
- A brief description of how your firm is organized, including the businesses in which it is engaged; location of office(s); number of public finance professionals in each office and the role of the municipal bond industry and comment on any recent significant changes in your organization. Include a discussion of the specific expertise and services that distinguish your firm. Include your firm's understanding of the work to be performed. In addition, state why your firm believes it is the most qualified to perform the work requested. Provide an overview of the history of your organization, including number of years in operation.
- Identify the number of years of experience, office location(s), and ability of the personnel that would work on the City's account, and specifically identify the primary person(s) who will be responsible for managing the relationship with the City. Identify who will provide any computer financial analysis services. Include a professional resume for each team member and note all appropriate professional designations. The City must be promptly notified of any changes in key personnel prior to award.
- For the proposed personnel, provide a list of five clients the firm/individual has worked with in the last 36 months; a brief description of the type and size of transaction and the services provided; the start and completion date, and the names, titles, addresses and telephone numbers of the government officials primarily responsible for the transactions.
- Please briefly describe the types of clients you serviced, what strategic financial services you have facilitated in what sectors, and what plans, policies, procedures, etc. you have implemented towards achieving the goals and fulfilling the needs of your state and local government clients. Please indicate whether there are sectors where your firm is particularly experienced or sectors that your firm generally prefers not to pursue.
- List clients and transactions which are similar to the strategy being requested by the City.
- Provide a description of your proposed personnel's relevant experience over the last three years. Include three case studies, if available, that illustrate your experience with relevant new money transactions that involve taxable and non-taxable bond transactions where the proposed personnel have served as the financial advisor.
- Describe your firm's knowledge, experience, and resources in tracking and monitoring the tax exempt and taxable bond markets, including fixed rate, variable rate, swaps and other products, and government securities market. Discuss your

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process for ensure the City receives the best price for any bonds, financing involving swaps, and other products, and any securities as part of any refunding. Include a discussion of how you evaluate the success of any pricing.

- List any and all disciplinary action, administrative proceeding, malpractice claim, or other like proceedings against your firm or any of its personnel, relating to your firm's services as a financial advisor current, pending, or occurring in the last five years.
- Submit client references (minimum of three), with contact names and phone and/or email, where similar services have been provided.

6. PROPOSAL EVALUATION AND SELECTION

Three copies of the proposal along with an electronic version on a USB flash drive must be sealed and submitted at or before 3 pm on Thursday, December 19, 2019. Late proposals will not be accepted.

The award, if any, will be made to the best qualified person, or firm(s). In evaluating whether a proposer is the best qualified person or firm, staff may utilize some or all of the following criteria:

- Demonstrated, pertinent experience and expertise of the firm or individual in the work required.
- The training, credentials and experience of the person or firm. The firm must be registered with the Securities and Exchange Commission and Municipal Securities Rulemaking Board.
- The demonstrated competence, ability, capacity and skill of the person or firm to perform the contract or provide the services.
- The capacity of the person or firm to perform the contract or provide the service promptly, within the time specified and without delay.
- The sufficiency of the person or firm's financial and other resources.
- The character, integrity, reputation and judgement of the person or firm.
- The ability of the person or firm to provide such future services as may be needed.
- The price which the person or firm proposes to charge, including whether the price is fair, reasonable and competitive.

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A letter shall accompany the Proposal providing the name, title, address, and telephone number of the individuals with the authority to negotiate and contractually bind the Proposer. An unsigned proposal or a proposal signed by an individual not authorized to bind the Proposer may be rejected.

Proposals (submittals) will be scored and ranked by a City Evaluation Committee based on the Evaluation Criteria set forth above and an overall assessment of “best value” to the City. The Evaluation Committee may, at its discretion, request oral interviews with all proposing firms/individuals or with the highest ranked firms/individuals only, and/or may request the presentation of revised proposals from the highest ranked firms/individuals (“short-list”), followed by an evaluation and ranking of the revised proposals.

The firm rated as the most qualified for the requested services will be invited to negotiate a final contract. If an agreement is not reached, the City may terminate negotiations and commence negotiations with the next most qualified firm.

The City reserves the right to proceed directly to negotiations with the highest ranked firm/individual immediately following the initial receipt and evaluation of proposals.

Negotiations with the highest ranked firm/individual will result in a professional services contract with a detailed scope of work in the best interests of the City. See the City’s standard Contract included in Exhibit A. If the City is unable to negotiate a satisfactory contract with the highest ranked firm/individual, the next highest ranked firm/individual may be contacted for contract negotiation. This method will continue until a contract is successfully negotiated or until all proposals are rejected, in the best interests of the City.

The award of contract will be based on a combination of the evaluation factors. The City reserves the right to reject any and all proposals.

RFP Process Timeline

RFP Published/Available:	November 26, 2019
Written questions deadline:	December 6, 2019
City response to questions:	December 11, 2019
Proposal (submittal) due date:	December 19, 2019 by 3 pm
Completion of evaluation of proposals:	January 6, 2019
Optional Interview with Finalist(s):	Week of January 13, 2020
Completion of contract negotiations:	Week of January 20, 2020
Approval to award:	January/Feb 2020 (Tentative)

7. INCURRING COSTS

The City is not liable for any costs incurred by firms in responding to this RFP.

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8. DISPOSITION OF PROPOSALS AND OWNERSHIP OF DATA

Proposals submitted in response to this RFP shall become the property of the City and a matter of public record. The firm must identify all copyrighted material, trade secrets or other proprietary information that they claim are exempt from disclosure under the Public Records Act (California Code Sections 6250 et seq.). In the event such an exemption is claimed, the firm shall state in the proposal that they will defend any action taken against the City to release such exempt material.

Upon completion of all work under this contract, ownership and title of all plans, reports and documents produced as part of this contract will automatically be vested in the City.

9. PROFESSIONAL SERVICES AGREEMENT AND INSURANCE REQUIREMENTS

A copy of the City's standard Professional Services Agreement and related insurance requirements are attached in Exhibit A for your information. Please provide a statement showing your present insurance coverage including appropriate professional liability insurance coverage, errors and omissions insurance, and Workers' Compensation insurance coverage. Please also detail any concerns you may have with the City's Professional Services Agreement. The selected consultant will be required to comply with the stated indemnification provision and all applicable insurance requirements.

10. SIGNATURES AND DECLARATIONS

Each proposal must be signed on behalf of the firm by an officer authorized to bind the proposal.

The City reserves the right to revise this RFP after it has been issued, but prior to the required response date. In the event of a revision an addendum will be sent to all parties known to have received a copy of the original RFP.

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EXHIBIT A

Standard Professional Services Agreement