



Sacramento Metropolitan Fire District

HEADQUARTERS: 10545 Armstrong Ave., Ste. 200 • Mather, CA 95655-4102 • Phone (916) 859-4300 • Fax (916) 859-3702

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KURT P. HENKE
Fire Chief

REQUEST FOR PROPOSALS (RFP14-05)

The Sacramento Metropolitan Fire District is seeking qualified vendors for: **Financial Advisor**

SUBMIT SEALED WRITTEN PROPOSAL TO: Sacramento Metropolitan Fire District
Attn: Melissa Penilla, Board Clerk
10545 Armstrong Ave., Ste. 200
Mather, CA 95655-4102

Indicate firm name and RFP number on the front of each sealed Proposal envelope or package

RFP14-05: Financial Advisor

District shall not be responsible for the premature opening of a Proposal which is not properly addressed or identified. All Proposals received will be stamped by date and time received. This date of receipt will prevail over postmark date.

Any procedural questions regarding the RFP should be submitted by email to:

Mark Jones, Purchasing Manager, jones.mark@metrofire.ca.gov

Any technical questions regarding the RFP should be submitted by email to:

Rhonda McFarlane, CFO, mcfarlane.rhonda@metrofire.ca.gov

All responses to inquiries will be provided to all firms indicating their intent to submit their proposal.

If modifications or clarifications to this RFP are necessary, a written addendum will be provided to all firms indicating their intent to submit their proposal. In addition, addenda will be posted to the District's website. Proposers are responsible for acquiring and submitting the latest version of the RFP; failure to submit latest version may be deemed non responsive and the proposal rejected.

RFP SCHEDULE:

	Date	Time	Location
Issued Date	Fri March 14, 2014		
Questions Deadline	Tue March 25, 2014	5:00 pm	By email only
Submission Deadline	Tue April 01, 2014	3:00 pm	District Headquarters
Proposals Opening	Wed April 02, 2014	10:00 am	District Headquarters
Interviews Scheduled with Qualified Firms	Week of April 14, 2014	TBA	TBA
Published Dates: Sacramento Bee	Tue March 18, 2014 and Sun March 23, 2014		

NO EXCEPTIONS

Late submittals will not be considered. Written Proposals must be received by the time and at the location specified above. Postmarks will not be accepted. Proposals addressed to anyone other than the person specified above under "Submit Sealed Written Proposal To" section will not be accepted.

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Signature: _____ Title: _____ Date: ____/____/____

Print Name: _____ Company name: _____

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INTRODUCTION

The Sacramento Metropolitan Fire District (the "District") is seeking proposals from firms wishing to serve as Financial Advisor. The District is seeking a single firm for a multi-year engagement, to provide on-going financial consultation services in addition to debt issuance-related services. The firm that is selected as Financial Advisor will not be considered for any underwriter or broker-dealer role with the District during the time the firm acts as Financial Advisor, or within six months of ceasing to act as Financial Advisor. The firm that is selected will be prohibited from engaging in activities on behalf of the issuer that produce a direct or indirect financial gain for the Financial Advisor, other than the agreed-upon compensation, without the issuer's informed consent.

BACKGROUND

The District (Metro Fire) serves a population of over 640,000 residents in a 417 square mile service area; it is the 7th largest fire agency in the State of California. Metro Fire is a combination of 16 smaller fire districts that, over the years, merged to create this California Special District. The last merger was in December 2000 when American River Fire District and Sacramento County Fire Protection District merged to form the Sacramento Metropolitan Fire District.

SCOPE OF SERVICES

In order to assist the District, the firm selected as Financial Advisor will be required to have the capabilities to perform the following duties:

- Serve as the District's bond market expert, including tax-exempt and taxable markets, fixed-rate and variable rate markets, and provide on-going analysis of current and upcoming trends and events in these and related areas.
- Monitor outstanding debt portfolios, including providing recommendations related to debt refunding and/or restructuring and providing status reports when requested (monthly, quarterly, annually, depending on need).
- Develop and recommend financing structuring options, including the preparation of financing plans and analysis.
- Coordinate and participate in all aspects of the bond issuance process, from creating and maintaining a schedule, preparing solicitation/bidding documents, conducting independent analysis of financing alternatives, reviewing all aspects of negotiated pricings, monitoring performance of underwriting teams, to post-issuance analysis and all tasks during the process.
- Assist the District in developing credit rating strategies.
- Perform special projects, including, but not limited to, assisting with capital improvement programs and debt affordability analysis.
- Be available on a regular, sometimes same day, basis for consultations with District staff.

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PROPOSAL SUBMISSION REQUIREMENTS

Interested firms shall submit a proposal which exhibits and substantiates extensive knowledge of and experience providing the above scope of services to municipal clients. Each firm's submission shall be subject to a limit of twenty (20) pages, in a font no smaller than twelve-point, inclusive of the transmittal letter and exclusive of the resume exhibit. All proposals must be valid until June 30, 2014.

Section One: Transmittal Letter

All proposals shall be accompanied by a transmittal letter addressed to Rhonda McFarlane, Chief Financial Officer, and signed by an officer responsible for committing the firm's resources. The transmittal letter, which shall not exceed one page in length, shall:

- Provide the name of the proposing firm with the name, address, telephone and facsimile numbers, and email addresses of the proposed lead and backup Financial Advisors.
- Provide an executive summary of your proposal.
- Provide a certification stating that:
 - o all information submitted in your proposal is true and correct;
 - o the person signing the proposal has the full authority to do so on behalf of the firm;
 - o the fees proposed have not been knowingly disclosed, directly or indirectly, to any other firm responding to this RFP;
 - o no attempt has been made by your firm to induce any other person or firm to submit or not submit a response to this RFP for the purpose of restricting competition; and
 - o the firm will comply with all District policies including but not limited to compliance with Child, Family and Spousal Support reporting obligations, waiver of District benefits, conflict of interest, nondiscrimination in employment services, benefits and facilities, and information technology assurances.

Section Two: Financial Advisor Experience

- Provide a brief description of the firm, including its history, size, geographic focus, structure of firm ownership (e.g., publicly held corporation, partnership, etc.) and any parents, affiliates, or subsidiaries of the firm. Discuss any recent changes in ownership, management, or staffing, or such changes that are expected to be executed within the next year, if any.
- Indicate whether your firm is registered with the Securities and Exchange Commission and/or the Department of Corporations as an Investment Advisor (NASD Series 65), and provide your firm's IARD/CRD number.
- Describe the types of financial advisory services your firm has provided to California municipal clients in the last three years, not limiting your discussion to debt issuance-related work.
- Describe your firm's experience specifically with fire department related debt issuances in the last three years.
- As an exhibit to the proposal, provide resumes of the proposed lead and back-up Financial Advisor and their respective office locations, including their direct involvement providing services to California municipal clients in the last three years, and direct involvement with fire department related debt issuance in the last three years. Experience of the proposed lead and back-up Financial Advisor with another firm other than the proposing firm will be considered.

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- Provide at least three references from California municipal issuers for which the lead Financial Advisor being proposed by your firm has provided financial advisory services in the last three years.
- Describe your firm's other available resources that would be available to assist the lead and backup Financial Advisors in performing the above scope of work.
- Describe your firm's experience, if any, with Tender Offers.
- Describe your firm's experience working with the California Infrastructure and Economic Development Bank (I-Bank).

Section Three: Legal Proceedings

- Respond to the following questions regarding legal proceedings in connection with any offering of municipal securities:
 - o Are there now pending any legal actions alleging violations of law in connection with an offering of municipal securities against the firm, any partner of the firm, or any employee of the firm? Describe each such pending action.
 - o Have there been any settlements or judgments involving such actions within the last five years? Describe each such settlement or judgment, including the nature of the action and the amount of recovery.
 - o Are there pending any legal or disciplinary matters involving such actions against the firm, any partner of the firm, or any employee of the firm by any state or federal regulatory agency? Describe each such action.
- In addition, include any information about any criminal indictments or convictions against the firm or its employees where the charges involved an offering of municipal securities, and any material pending legal action, settlement, or judgment involving a claim of fraud, whether civil or criminal.
- Discuss whether or not the firm is a party to any pending litigation with the District.
- Disclose all contractual or informal financial arrangements/agreements, including joint accounts, fee-splitting, profit sharing and consulting agreements of your firm that could impact the District. The disclosure must be complete, accurate, and in sufficient detail to permit the District to make informed decisions as to with whom business is being conducted.

Section Four: Outline Strategies/Pension Bonds

Background:

Pension Bonds Payable: In October 2004, the District issued pension obligation bonds in the original amount of \$69,998,975. The proceeds were used to reduce the unfunded actuarial liabilities in three of its pension plans. The bonds were issued in four series and bear interest at rates of 4.79% to 5.51%. Three series require semi-annual payments of interest. The remaining series accretes interest, which results in increases to principal, until November 15, 2018. Principal repayments, which are made annually, began May 15, 2005 for one series, and begin May 15, 2020, 2026 and 2031 for the other three series, respectively. The interest rates for two of the series change to auction rate as of November 15, 2018 and 2025, respectively. The bonds mature at various dates from May 15, 2019 to 2034. In the following maturity schedule, an interest rate of 5% is assumed at the point in time where the rates change to auction rates.

The District has been setting money aside to retire a portion of the auction rate bonds and has been considering a tender offer in advance of the 2018 auction date.

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Outline Strategies/Options:

Outline the strategies and options your firm would explore as possible recommendations to the District to refund these bonds and/or identify other solutions for these bonds. Is the tender offer a viable option? The District is interested in your firm's approach to the problem, and not necessarily an actual financing recommendation.

Section Five: Fee Proposal

Propose the fees to be charged by your firm for each type of financial advisory service your firm is including in your proposal.

- Identify which fees are on a not-to-exceed basis
- Identify which fees are at a flat rate
- Identify which fees are on a negotiated basis per assignment, and if applicable, the range of a fee within which negotiations would take place
- Describe any condition attached to a proposed fee, or any fee that would be payable on a contingent basis
- State which costs are included in the proposed fees and which costs are reasonable reimbursable expenses
- If hourly rates are proposed for any type of service, include the rates for lead Financial Advisor, back-up Financial Advisor, and other employees who would be involved in providing services
- Describe retainer fees, if applicable
- Any other fees

ADDITIONAL DISTRICT INFORMATION (ATTACHMENTS)

- Current District credit ratings [Attachment 1 & Attachment 2]
- District Financial Statements [Attachment 3]
- Pension Bond Information [Attachment 4 & Attachment 5]

RESTRICTION ON COMMUNICATION WITH STAFF

- Questions about the RFP must be submitted in writing and include the company name and RFP name to Mark Jones, Purchasing Manager or Rhonda McFarlane, CFO. See contact information on page 1 of this RFP.
- All questions must be submitted by **Tuesday, March 25, 2014 at 3:00 PM PDT**. Any questions received after this time will not be addressed. No questions other than written will be accepted. Once this RFP is issued and until a selection is made and the selection is announced, firms are not allowed to communicate for any reason with any District employee other than the contact provided above. Under no circumstances will verbal answers or comments be binding, only direct communication documented via e-mail will be considered valid in this process. The District reserves the right to reject any proposal for violation of this provision.

The Sacramento Metropolitan Fire District looks forward to your proposal.

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Signature: _____ Title: _____ Date: ____/____/____
 Print Name: _____ Company name: _____

PROPOSER SUBMISSION INSTRUCTIONS

SUBMISSION PACKET

To successfully submit a Proposal, Proposers are required to submit a sealed Proposal packet to the location specified in the "Submit Sealed Written Proposal To" on page 1. The Proposal packet shall contain the following documentation:

1. This "Request For Proposals Document" with signature, title, date, printed name and company name at the bottom of each page indicating that the Proposal document, including attachments, were received and read.
2. Proposer must submit three (3) copies of its response, one (1) clearly marked "Original," the other two (2) clearly marked "Copy."
3. An electronic (PDF) version of your proposal must be submitted along with your written proposal. You may include your PDF version on a CD, DVD, or flash drive.
4. Proposer is required to provide contact information as soon as possible to receive any Proposal amendments and changes prior to closing.
 - Proposer shall email Mark Jones at jones.mark@metrofire.ca.gov stating intentions to submit Proposal.
 - Contact information should include: proposer's name, representatives' name, phone number, fax number and/or e-mail. Failure to provide initial contact information will exclude you from receiving update notifications.

SUBMISSION METHOD

Sealed Proposals shall be submitted using one of the following methods:

- In Person – hand delivered to the Sacramento Metropolitan Fire District to the address provided in the "Submit Written Proposal To" section.
- By mail - using certified or registered mail with return receipt requested, or by overnight delivery services to the address provided in the "Submit Written Proposal To" section. Proposal must be received by deadline.
- Faxed or e-mail Proposals will not be accepted.

SELECTION CRITERIA AND PROCESS

The firm's submittal will be evaluated in accordance with the criteria outlined in the section entitled Proposal Submission Requirements (Beginning on page 4). Submittals will be evaluated for specificity, completeness, qualifications of personnel, demonstrated knowledge and experience providing the breadth and depth of services contemplated to be required by the District as described in the section entitled Scope of Services. Based on evaluation of the proposals, the most qualified firm(s) will be invited to interview with the District; interviews are tentatively scheduled for the week of April 14th, 2014.

All proposals are due by 3:00 P.M. (PT) on Tuesday, April 1, 2014. All proposals must be valid until June 30, 2014. Late delivery of proposals will not be accepted.

The District reserves the right to cancel this solicitation without liability to the firms responding to this request for proposals. The District also reserves the right to reject any and all proposals received and to waive irregularities.

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Signature: _____ Title: _____ Date: ____/____/____
 Print Name: _____ Company name: _____

PROPOSAL PACKET CHECKLIST

- Signed, filled out and responded to all pages of this RFP
- 1 original complete packet (marked **ORIGINAL**)
- 2 copies of the complete packet (marked **COPY**)
- Electronic (PDF Version) of your submittal on CD, DVD, Flash Drive
- Proposal Packet Checklist
- Your Proposal Submission

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