



# City and County of San Francisco

Office of the Controller  
OFFICE OF PUBLIC FINANCE

## REQUEST FOR QUALIFICATIONS FOR Municipal Financial Advisory Services

RFQ#CON2009-8

CONTACT: Angela Whittaker, Angela.Whittaker@sfgov.org, 415-554-6643

### Background

San Francisco is the fourth largest city in California and serves as a center for business, commerce and culture for the West Coast. The City and County of San Francisco (City) established by Charter in 1850, is a legal subdivision of the State of California with the governmental powers of both a city and a county under California law. The City's powers are exercised through a Board of Supervisors serving as the legislative authority, and a Mayor and other independent elected officials serving as the executive authority.

The City seeks responses from firms demonstrating successful experience in providing municipal financial advisory services. These services will be used to assist the Controller's Office of Public Finance and other interested City departments with municipal debt financing or other financial advisory services. Experience working on general obligation bonds, certificates of participation, lease revenue bonds, Mello-Roos special tax bonds, tax allocation bonds, revenue bonds, tax-exempt commercial paper, and other forms of debt financing is highly desirable.

### Intent of this RFQ

It is the intent of the Controller's Office to create a pre-qualified list of municipal financial advisors from which interested City departments, boards, or commissions may choose prospective contractors on an as-needed basis.

Selected Respondents will remain eligible for consideration and contract negotiation on an as-needed basis through **October 16, 2011**. Selected Respondents are not guaranteed a contract.

For each negotiated financing, the City will select one or more pre-qualified firms. Additionally, Local Business Enterprise (LBE) and Micro-LBE firms may be selected as the opportunity permits to serve as Contractors and Subcontractors.

### Schedule\*

RFQ Issued	08-20-2009
Deadline for RFQ questions	08-28-2009 (12pm PT)
Answers to RFQ questions posted online by 5pm	09-08-2009
Deadline for RFQ responses	09-21-2009 (12pm PT)
Pre-qualification notification	10-16-2009

\*Each date subject to change. All hours are Pacific time zone. Check website for latest schedule.

### RFQ Questions and Communications

In lieu of a pre-response conference and to ensure fair and equal access to information about this RFQ, e-mail questions to Angela Whittaker at Angela.Whittaker@sfgov.org.

**Questions must be in writing and received before 12pm PT on Monday, August 28, 2009.** No questions will be accepted after this time with the exception of City vendor compliance or Human Rights Commission subcontracting requirement questions.

A summary of the questions and answers pertaining to this RFQ will be posted on the Controller's Office website at <http://www.sfgov.org/controller> under "Contract Opportunities."

Firms are specifically directed NOT to contact any employees or officials of the City other than those specifically designated in this RFQ and its Attachments. Unauthorized contact may be cause for rejection of response at the City's sole and absolute discretion.

# 1. Introduction

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General terms used in this RFQ. The “Respondent” refers to any entity submitting a response to this Request for Qualifications (RFQ) to be considered for inclusion on a pre-qualified list. The “Contractor” refers to the Respondent(s) awarded contracts for services under this RFQ.

## 1.1 Statement of Need and Intent

1.1.1 What Does the City Seek? The City and County of San Francisco, California (City) seeks responses from firms demonstrating successful experience in providing municipal financial advisory services. These services will be used to assist the Controller’s Office of Public Finance and other interested City departments with municipal debt financing or general financial advisory services. Respondents must have experience working on various types of debt financing. Desired areas of expertise include general obligation bonds, certificates of participation, lease revenue bonds, Mello-Roos special tax bonds, tax allocation bonds, revenue bonds, tax-exempt commercial paper, and other forms of debt financing. **Responses will be accepted only from individual firms.** The City encourages responses from HRC-certified “Local Business Enterprises” or LBEs and “Micro-Local Business Enterprises” or Micro-LBEs.

1.1.2 With Whom Will Selected Firms Work? Selected firms will work with the Controller’s Office of Public Finance and may be selected by other interested City departments, boards and/or commissions. Selected firms may additionally be retained as financial advisors in connection with debt financings on behalf of other public entities subject to the Board of Supervisors’ approval by Resolution.

1.1.3 Is My Firm Expected to Propose for a Specific Project at This Time? No. The Controller’s Office will create a pre-qualified list of firms to draw from for a diverse set of possible services that may require a range of different and varied experience. Each Respondent should demonstrate its capabilities by providing information in RFQ Attachment V. The City will negotiate the scope of services, budget, deliverables, and timeline for each project it decides to pursue.

1.1.4 What is the City’s Intent with this RFQ? Based on responses to this RFQ, it is the intent of the City to create a pre-qualified list from which the City will choose prospective Contractors on an as-needed basis for services indicated below in Section 2, Scope of Work. This pre-qualified list may be utilized by the City, at its sole and absolute discretion, for contractor selection and negotiations through October 16, 2011. There is no guarantee of a minimum amount of work or compensation for any of the Respondents selected for pre-qualification. No pre-qualified or selected Respondent is guaranteed a contract.

## 1.2 Role of Controller’s Office of Public Finance

The City Controller is the chief accounting officer and auditor for the City and responsible for all financial management systems, procedures, internal control processes and reports that disclose the fiscal condition of the City to managers, policy makers and citizens. The City Controller is also the auditor for the City performing financial and performance audits of departments, agencies, concessions and contracts.

The Office of Public Finance is a division within the Controller’s Office. The Office of Public Finance is responsible for issuing and managing the City’s general fund debt obligations. Its mission is to provide and manage low-cost debt financing of large-scale, long-term capital projects and improvements that produce social and economic benefit to the City and its citizens

while balancing market and credit risk with appropriate benefits, mitigations and controls. For more information regarding Office of Public Finance, visit [http://www.sfgov.org/site/mopf\\_index.asp?id=17857](http://www.sfgov.org/site/mopf_index.asp?id=17857).

## 2. Scope of Work

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This scope of work is a general guide to the work the City expects to be performed and is not a complete listing of all services that may be required or desired. The City is soliciting qualifications to create a pre-qualified list of municipal financial advisors that may be selected to provide a comprehensive range of services necessary to produce a financially sound and cost-effective transaction, study, finance plan, or other work product requested by the City.

Selected firms shall provide qualified personnel for services that may include, but are not be limited to, the following:

- Provide advice and recommendation related to the issuance of bonds and project-specific financing programs.
- Review the overall financial status of the City and recommend specific financing programs to maximize resources available for the implementation of each specific project.
- Assist in the formulation of financing plans, including presentations of alternative financial programs and strategies, taking into consideration appropriate debt structures, timing, impact on tax rates and taxpayers, budgeting, credit ratings, tax laws, and assessment of capital market conditions. Provide recommendations whenever requested. In the performance of all aspects of financial planning, financial advisors must be cognizant of constraints imposed upon the City by virtue of its Charter, budget, and fiscally conservative posture.
- Provide information, judgments, and forecasts regarding general economic and capital market conditions. Assist in conducting surveys of the financial activities of other major metropolitan cities and counties and the State of California. Upon request, prepare special studies of a financial nature and review new financial products or techniques, which may be proposed to City staff. Note that the financial advisors will be expected to advise on any matters related to the above as requested by the City.
- With respect to bond financings, assist in sizing and structuring of the sale done on a competitive or negotiated basis, prepare credit presentations, determine the maturing schedule, establish syndicate policies and closing procedures, and any other matters which may assist the City in obtaining the lowest practical interest cost and the widest competition for purchase of its obligations.
- Assist in the presentation, preparations, and distribution of the Preliminary Official Statement (POS), Notice of Sale (NOS), Official Statement (OS), and other documents and materials required to facilitate the sale of any securities. The financial advisors must be cognizant of the City's administrative requirements for approval and issuance of any securities including, but not limited to, relevant Board of Supervisors actions, other non-profit public benefit corporation actions, and advertising requirements. At the request of the City, provided consultation and advisory services related to relevant funds on an as-needed basis.

- Issue requests for bids from trustee banks, feasibility consultants, investment providers, verification agents, or other agents or consultants as required by the City.
- Create presentation materials and arrange calls/meetings with the rating agencies, bond underwriters (if negotiated), institutional investors, financial publications, credit enhancers, and other market participants. Note that presentation materials must meet or exceed the City's current aesthetic and informational standards.
- Provide the City with an analysis of the benefit of any relevant financial products such as investment agreements, swaps, and interest rate caps.
- Provide the City with an analysis of the benefit of any credit enhancement, such as bond insurance, lines of credit, letters of credit, and liquidity facilities. Assist in procuring any such credit enhancement and negotiating appropriate fees and terms.
- Work with bond/tax counsel in advance of the publication or sale of any securities to ensure acceptance of the financing structure and the ability of bond counsel to deliver an unqualified opinion and review tax certificate to the City.
- If the securities are sold on a competitive basis, assist in the bid process, verify the bids, and reallocate principal amounts throughout the loan if required to meet City objectives. The financial advisors are expected to have a working knowledge with those competitive underwriters who typically lead syndicates that bid for the City's securities.
- If the securities are sold on a negotiated basis, participate in the underwriting selection process, which includes providing mailing list and overall distribution of a Request for Proposals as well as reviewing underwriting proposals. Negotiate preliminary and final pricing structures and allocations. Enforce the City's co-manager participation goals. Act as liaison between the City and the underwriting syndicate in the event of disputes until such time as the City seeks alternative resolutions.
- Assist in the preparation and review of legal and financing documents in coordination with City Attorney, bond counsel, underwriter's counsel (if any) and disclosure counsel (if any), City staff, and other relevant parties.
- Provide mailing list and overall management of mailing of the POS and NOS to potential underwriters and investors and manage the production mailing of the final OS.
- Make available qualified personnel for consultations and conferences with City officials, bond counsel, and staff members of the City, as well as for other meetings on an as needed basis.
- Participate in pre-closing and closing activities to ensure that all documents contained in the transaction of the sale accurately reflect the City understands of the terms of the transaction. Review and approve closing documents including the tax certificate and 8038 filing forms. Provide certificates of financial advisor as required.
- At the request of the City, advise the City on reinvestment strategies for bond proceeds and any other funds related to the financing, execute investment bid processes, as needed, and negotiate final terms and conditions on the City's behalf.

- Perform other financial advisory services as may be required from time to time, including advising the City on refunding opportunities.
- At the completion of each transaction, prepare a summary of the transaction describing any unique financing feature, security and other characteristics of the transaction.
- Analyze and make recommendations relating to various financing options so as to secure the lowest practical interest rate; enhance the marketability of the Bonds; achieve the widest competition for bond purchase to include retail, institutional, and other investor classes; and achieve optimal leverage of City resources, while maintaining a prudent level of risk, through debt obligations. Identify the advantages and disadvantages of any recommendations.
- Prior to sale, provide a comparable sales analysis and market outlook to justify proposed scale. Manage the marketing and sale of the Bonds.
- Assist in the coordination of the bond closing.
- Prepare a comprehensive “Final Pricing Book” within a reasonable time of the closing of each financing transaction that includes information requested by the City.
- Provide continuing updates and advice on the impact of current or proposed state or federal legislation and market conditions that could affect the financial plans of the City and refunding opportunities.

### **3. Response Requirements**

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#### **3.1 Time and Place for Submission of Responses**

Responses and all related materials must be received by **12:00 pm PT on Monday, September 21, 2009**. Responses must be delivered to the Reception Desk at City Hall, Room 316 or to:

*City and County of San Francisco  
 Controller’s Office of Public Finance  
 Attn: Angela Whittaker  
 City Hall, Room 336  
 1 Dr. Carlton B. Goodlett Place  
 San Francisco, CA 94102*

Postmarks will not be considered in judging the timeliness of submissions. Responses submitted by e-mail will not be accepted. Late submissions will not be considered, including those submitted late due to mail or delivery service failure. Note that Respondents hand-delivering responses to City Hall may be required to open and make packages accessible for examination by security staff.

#### **3.2 Response Package**

The following items must be included in your response and packaged in a box or envelope clearly marked **RFQ#CON2009-8 Municipal Financial Advisory Services**.

Complete, but concise responses, are recommended for ease of review by the Evaluation Team. Responses should provide a straightforward, concise description of the Respondent's capabilities to satisfy the requirements of the RFQ. Marketing and sales type information should be excluded. All parts, pages, figures, and tables should be numbered and clearly labeled.

A. **One (1) unbound original printed response (with original signatures) labeled as "Original"**

*RFQ Attachment I* Acknowledgement of RFQ Terms and Conditions

*RFQ Attachment II* Human Rights Commission Forms - 2 copies

*RFQ Attachment III* City's Administrative Requirements

*RFQ Attachment IV* City's Agreement Terms and Conditions

*RFQ Attachment V* Response Template

B. **One (1) CD-ROM containing entire contents of response, including all Attachments.** The CD-ROM and electronic files on the CD-ROM must be labeled with the Respondent's name. All files should be submitted in unprotected PDF or Word format.

C. **Seven (7) complete printed copies of RFQ Attachment V.** Respondents are advised to review RFQ Attachments I through IV before beginning work on RFQ Attachment V to ensure they can meet the City's requirements.

## 4. Evaluation Criteria

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This section describes the guidelines used for analyzing and evaluating the responses and for Respondent pre-qualification. It is the City's intent to pre-qualify Respondent(s) that provide the best overall qualifications to the City. This RFQ does not in any way limit the City's right to solicit contracts for similar or identical services if, in the City's sole and absolute discretion, it determines the pre-qualified list is inadequate to satisfy its needs.

### 4.1 Evaluation Team

City representatives will serve as the Evaluation Team responsible for evaluating Respondents. Specifically, the team will be responsible for the evaluation and rating of the responses for pre-qualification, for conducting reference checks and for interviews, if desired by the City.

### 4.2 Minimum Qualifications

The Minimum Qualifications are used by the City to determine whether the Respondent and the proposed staff have had experience on projects comparable to the services the City is requesting. Any response that does not demonstrate that the Respondent meets these minimum qualifications by the response deadline will be considered non-responsive and will not be evaluated or eligible for award of any subsequent contract(s). The Respondent certifies that:

- A. **RFQ ATTACHMENTS:** It has completed the requirements and submitted the forms described in RFQ Attachments I, II, III, IV, and V as part of its RFQ response, as applicable.
- B. **RESPONDENT CERTIFICATION IN RFQ ATTACHMENT V:**  
At the time of response to this RFQ, the Respondent, in accordance with RFQ Attachment V:
- Has submitted Prior Project Descriptions clearly demonstrating successful completion of a minimum of two (2) and a maximum of three (3) California-based municipal financial advisory project(s) demonstrating experience with providing services described in RFQ Section 2, Scope of Work, within the last five (5) years of the date of this RFQ (successful completion means project outcomes have been assessed by client).
  - Has submitted at least one Prior Project Description for each proposed subcontractor demonstrating successful completion of a minimum of one (1) project similar in size and scope to that proposed to the City for that partner or subcontractor within the last five (5) years of the date of this RFQ.
  - The lead staff proposed to be assigned to the City's project individually have had a similar role in at least one of the Prior Project Descriptions submitted for the prime Respondent or Local Business Enterprise subcontractor.
  - Has submitted a certification statement that it holds all licenses and registrations required by applicable federal and state laws for businesses offering financial advisory services. All required licenses and registrations must be current and in good standing.
  - Has submitted a Legal Disclosure Certificate related to conflicts of interest, pending litigation or services termination.

### 4.3 Evaluation Criteria for Pre-qualification (100 points)

Responses will be evaluated in accordance with the information provided by the Respondent in RFQ Attachment V and the criteria below. The City reserves the right to evaluate additional criteria it deems appropriate, whether or not such factors have been stated in this section.

Respondents scoring 70 points and above will be added to the pre-qualified list for as-needed services.

#### 4.3.1 Firm Qualifications – 20 points

- a) ~~Relevance of municipal financial advisory services the firm has provided including, but not limited to, information provided in Respondent's Client List, Prior Project Descriptions and Sample Documents.~~ **Prior Project Descriptions and Sample Documents.**
- b) Relevance and depth of the firm's marketing and distribution capabilities.
- c) Ability of firm as demonstrated through its ownership, organizational structure and capital position to effectively provide services requested.
- d) Disclosure of actual or potential conflicts of interest with the City.
- e) Disclosure of litigation, administrative proceedings, or investigations which the firm, or any personnel with the firm, is involved or to which it is subject.
- f) Disclosure of contractual relationships that were not completed and were severed for reasons other than convenience.

#### 4.3.2 Staff Qualifications – 30 points

- a) Clarity and appropriateness of proposed staffing structure.
- b) Relevance of roles and responsibilities, experience, education and qualifications of proposed staff.
- c) Clarity, appropriateness, and value of the project leader's background, expertise, and authority to represent the firm, including leader's value to the City and its finances, biggest strength as a project manager, and demonstrated ability to solve problems.
- d) Experience of proposed staff with debt financings.
- e) Background, expertise, and authority of the staff person(s) who would prepare bond sizings and other related financial analysis.
- f) Disclosure of whether any proposed staff have ever been removed or asked to resign from a financing.

#### 4.3.3 Responses to General Questions, Scenarios and Fee Structure– 40 points

- a) Demonstrated expertise and ability to provide services with debt obligations, including the following: General fund lease revenue bonds and certificates of participation; Community facilities districts (Mello Roos), Special Tax Bonds, and Special Benefit Assessment Bonds; Tax Allocation Bonds; Bond Anticipation Notes (BANs) and Grant Anticipation Notes (GANs); Enterprise Revenue Bonds issued by a municipal utility; Unrated tax-exempt bonds; Rated but uninsured bonds; Tax-exempt commercial paper; other debt obligations.
- b) Demonstrated experience with, and appropriate response to, situation where financing failed to close on a specific closing date after the securities were priced.
- c) Quality and relevance of recommended websites that would be of value to the City in order to improve investor relations.
- d) Quality and relevance of recommended actions the City might take to maintain its ratings.
- e) Quality and relevance of recommended circumstances under which the City could issue Build America Bonds (BABs).
- f) Justification as to why the Respondent should be appointed financial advisor for the issuance of Tax and Revenue Anticipation Notes.
- g) Appropriateness and reasonableness of fees.

#### 4.3.4 Overall Quality of Submission – 10 points

- a) Response conforms with RFQ requirements and concisely, clearly, and comprehensively addresses RFQ requirements.
- b) Response is professionally presented and contains organized content and format.

### **4.4 Contractor Selection Processes**

#### 4.4.1 Selection Process

Selected firms will be placed on a pre-qualified list to participate in the City's future debt financings or general financing consulting services on an as-needed basis.

For each negotiated financing, the City anticipates selecting one or more pre-qualified firms. Depending upon the structure of the Bonds, firms selected from the pre-qualified list will be assigned to serve as Contractor, which may be a senior manager or co-manager with a senior manager, may be a sole manager, or may such other role as defined by the City as the

financing structure is developed. Additionally, LBE and Micro-LBE firms may be selected to serve as Contractors and Subcontractors, depending upon the individual firm's qualifications, the scope of services of the particular transaction and other factors determined by the City.

#### 4.4.2 Selection Interviews

Following the City's pre-qualification determination, pre-qualified consultant firms may be invited to interviews with the City for specific projects. Interviews may consist of standard questions asked of selected Respondents and specific questions regarding individual responses. The City has sole and absolute discretion over whether interviews will be conducted or not to select pre-qualified Respondents for contract negotiations. If interviews are conducted, points awarded for interviews will be separate from the points awarded during the pre-qualification process. The lead staff members that will be assigned to the project on a day-to-day basis should be present for the interview, as well as the lead staff of Local Business Enterprise firms.

#### 4.4.3 Reference Checks

Reference checks using information from RFQ Attachment V Prior Project Descriptions may be used to determine the applicability of Respondent experience to the services the City is requesting and the quality of services and staffing provided to prior clients, as well as adherence to schedules/budgets and Respondent's problem-solving, project management, and communication abilities, as well as performance on deliverables and outcomes, and effectiveness in meeting or exceeding project objectives. Please see RFQ Attachment I, Section 14, Release of Liability.

#### 4.4.4 Other Terms and Conditions

The selection of any pre-qualified Respondent for contract negotiations shall not imply acceptance by the City of all terms of the response, which may be subject to further negotiation and approvals before the City may be legally bound thereby.

If a satisfactory contract cannot be negotiated in a reasonable time with any pre-qualified Respondent, then the City, in its sole discretion, may terminate negotiations and begin contract negotiations with any other remaining pre-qualified Respondents.

Due to the varied nature of the services to be performed, the City reserves the right to contract with any, all or none of the pre-qualified Respondents.

The City, in its sole discretion, has the right to approve or disapprove any staff person assigned to a firm's projects before and throughout the contract term. The City reserves the right at any time to approve, disapprove, or modify proposed project plans, timelines and deliverables. Such approvals will not be unreasonably withheld.

## **5. Protest Procedures**

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### **5.1 Protest of Non-Responsiveness Determination**

Within five (5) working days of the City's issuance of a notice of non-responsiveness, any Respondent that has submitted a response and believes that the City has incorrectly determined that its response is non-responsive may submit a written notice of protest by mail or e-mail (fax is not acceptable). Such notice of protest must be received by the City on or before

the fifth (5<sup>th</sup>) working day following the City's issuance of the notice of non-responsiveness. The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Respondent, and must cite the law, rule, local ordinance, procedure or RFQ provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

## **5.2 Protest of Establishment of Pre-Qualified Consultant List**

Within five (5) working days of the City's issuance of a notice of intent to establish a pre-qualified consultant list, any Respondent that has submitted a responsive response and believes that the City has incorrectly selected another Respondent for pre-qualification may submit a written notice of protest by mail or e-mail (fax is not acceptable). Such notice of protest must be received by the City on or before the fifth (5<sup>th</sup>) working day after the City's issuance of the notice of intent to establish a pre-qualified consultant list.

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent the Respondent, and must cite the law, rule, local ordinance, procedure or RFQ provision on which the protest is based. In addition, the protestor must specify facts and evidence sufficient for the City to determine the validity of the protest.

## **5.3 Delivery of Protests**

All protests must be received by the due date. If a protest is mailed, the protestor bears the risk of non-delivery within the deadlines specified herein. Protests should be transmitted by a means that will objectively establish the date the City received the protest. Protests or notice of protests made orally (e.g., by telephone) or by FAX will not be considered. Protests must be delivered by mail to the address below or by e-mail to [Esther.Reyes@sfgov.org](mailto:Esther.Reyes@sfgov.org):

Esther Reyes  
Controller's Office  
City Hall, Room 388  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102