

REQUEST FOR PROPOSALS

FOR

RFP #2020-06 FINANCIAL ADVISORY SERVICES

Questions Due By: Tuesday January 12, 2021, 2:00 p.m.

Proposal Due Date: Monday, January 25, 2021, 2:00 p.m.

**Merced Community College District Purchasing Department
Attn: Chuck Hergenraeder
Email: charles.hergenraeder@mccd.edu
Phone: 209-384-6300**

Merced Community College District
Request for Proposals to Provide Financial Advisory Services – RFP #2020-06

PURPOSE OF THE REQUEST

The Merced Community College District (“District”) is issuing a Request for Proposals (RFP) from qualified financial advisory firms who are experienced in providing California Community College districts with financial advisory services related to pre-bond and bond elections, the issuance of general obligation bonds, certificates of participation, tax and revenue anticipation notes, refunding of long-term district debt, managing district indebtedness, and other issues related to financial advisory services. Firms must be experienced in the general and technical aspects of community college district financing. Responses to the RFP must be submitted in accordance with the terms and conditions contained in the RFP document. It is the desire of the District to select a firm that can meet or exceed the requirements set forth by the District and can provide the highest quality, comprehensive financial advisory services at a competitive fee.

OVERVIEW OF THE DISTRICT

The District was established on July 1, 1963. Its territories encompass portions of Merced, Madera, and Fresno counties. The District consists of one community college campus in the City of Merced and a center in the City of Los Banos. The District’s total Full Time Equivalent Students (FTES) for 2019/20 was 10,011.

In November 2002, the voters in the Merced area approved Measure H, a \$53.5 million general obligation bond measure to fund facilities improvements at the District’s Merced Campus. The District has issued \$44 million in general obligation bonds from this measure.

Vision

Merced College will provide transformative and empowering educational experiences to meet student and community needs.

Mission

Growing our community through education and workforce training:

- lifelong learning
- basic skills
- career technical education
- transfer
- degree/certificate programs

Ensuring student success through equitable access, continuous quality improvement, institutional effectiveness, and student achievement.

The mission of the District is student success. We accomplish this by providing access to a dynamic learning environment that fosters excellence, opportunity and innovation in meeting the diverse educational and career goals of our students and communities.

GENERAL INSTRUCTIONS

Submitted proposals should be reviewed for accuracy before submission to the District since proposals may not be adjusted after submission. The District will not be responsible for errors or omissions in any proposals. The District reserves the right to reject any and all proposals, or to waive any irregularities, or informalities in a proposal.

Agreement for Services:

The successful firm will be required to sign the Agreement for Services.

Proposal Exceptions:

It is assumed that the firm will accept all conditions and requirements identified in this RFP. If there are no exceptions noted in the Firm's response, it is assumed the Firm will accept all conditions and requirements of this RFP. Items not excepted will not be open to later negotiations.

Signatures

Each proposal must include the CERTIFICATION OF REQUEST FOR PROPOSALS signature page. This page must be signed by an authorized officer of the financial advisory firm and submitted with the proposal. The name and title of the person shall be included following the signature and submitted with each firm's proposal.

Contacts

In order to control information disseminated regarding this request for RFP, financial advisory firms interested in submitting a proposal are directed not to make personal contact with members of the Board of Trustees or District Administration. All questions and/or information regarding this RFP shall be directed to:

Purchasing Department

Attn: Chuck Hergenraeder

Email: Charles.hergenraeder@mccd.edu

Phone: 209-384-6300

Questions

Should you have any question regarding this RFP, they must be put in writing and received no later than noon, January 12, 2021. The questions shall be e-mailed to Chuck Hergenraeder at charles.hergenraeder@mccd.edu. Responses from the District will be communicated in writing to all recipients of this RFP. Inquiries received after the date and time stated will not be accepted and will be returned to senders without response. All addenda shall become a part of this RFP. RFP responses are deemed inclusive of all District amendment(s). The District shall not be responsible for, nor be bound by, any oral instructions, interpretations or explanations issued by the District or its representatives. Responses to questions will be posted at <http://www.mccd.edu/offices/purchasing/bids.html>. It is the responsibility of each individual firm to access responses to all questions concerning this RFP.

Joint Proposals

Joint proposals may not be submitted.

Interviews

This District may conduct interviews of selected firms. Interviews, if any, will be scheduled during the week of January 25, 2021.

California Public Records

All materials submitted in response to this solicitation will become the property of the District and will not be returned. In addition, all materials submitted are considered a public record by the District and subject to disclosure pursuant to the California Public Records Act (Government Code 6250 et sq.). Should the District receive a request for any proposals submitted in response to this RFP, the bidder submitting the requested proposal will be contacted prior to disclosure of the proposal to determine what portions, if any, of the proposal may be confidential. The District reserves the right, consistent with the California Public Records Act, to make the final determination whether a proposal, or any portion of it, is confidential and not subject to disclosure.

SCOPE OF SERVICES

Firms wishing to be considered for selection by the Governing Board must agree to meet the District's requirements and provide the services outlined below, including but not limited to, the following:

1. Provide the District with expert independent financial advice and assistance on financing techniques and options on matters pertaining to the issuance and sale of securities including general obligation bonds, certificates of participation, and other municipal financing options available to California educational entities for a period not to exceed five years. The selected firm shall enter into a one-year contract with the District, however, the District reserves the right to contract with the firm for up to 4 additional one-year periods.
2. Provide the District with available financing options by conducting studies and analyses to determine the most appropriate and cost-effective financing methods, terms, security provisions and repayment structures.
3. Provide bond financing schedules and sizing analyses to the District.
4. Work cooperatively with and coordinate the work of bond counsel and/or underwriter to be selected by the District, in connection with the issuance of bonds.
5. Assist disclosure counsel with the preparation of preliminary and final official statements to provide the market with timely and accurate information about the District and its bond issues.
6. Provide the District with expert advice concerning the appropriate interest rates for its financing.
7. Assist District officials in preparing materials for presentation to national credit rating services regarding the District's financial condition and debt structures.
8. Have representatives present at Governing Board and other District meetings, when requested or notified, on matters concerning financing techniques and bond issues.
9. Prepare other analyses that may be utilized by the District for its financings.
10. Perform such other functions normally contemplated to be within the scope of a fully qualified financial advisor.

SUBMISSION OF REQUEST FOR PROPOSAL

Proposals must be submitted to the Purchasing Department no later than **2:00 PM on January 25, 2021**. Once submitted, responses become the property of the District. No corrected or resubmitted proposals will be accepted after the deadline. Late proposals will not be accepted and will be returned unopened. Submit one (1) unbound original and three (3) bound copies of your firm's proposal by regular/express delivery, and one USB drive. The set of a Respondent's RFP Response designated as "original" must include the original signatures, submittals, etc. In the event of missing or contradictory information in any of the copies, the set of RFP Response marked "original" will be considered as the "master" against which all others will be compared.

No faxed or emailed RFP Responses will be accepted or considered. Any RFP Response submitted by fax or email will be deemed non-responsive and will be rejected.

Responses to the RFP must be submitted in sealed envelopes, with the name, address, telephone number and fax number of the Respondent along with the notation of **"RESPONSE TO RFP FOR FINANCIAL ADVISORY SERVICES, RFP #2020-06"** Responses must be submitted to:

**Merced Community College District
Purchasing Department
Attn: Chuck Hergenraeder
3600 M Street
Merced CA 95348**

**Email: Charles.hergenraeder@mccd.edu
Phone: 209-384-6300**

Minimum Qualifications

1. The firm has provided proof of registration with the Municipal Securities Rulemaking Board and Securities Exchange Commission as required by SEC rules and the Dodd-Frank Wall Street Reform and Consumer Protection Act and is in full compliance with the Municipal Advisory rule (MA-1s).
2. The firm or its advisors working on this engagement must have a minimum of three years of municipal finance experience, which can include financial advisory experience, investment advisory experience, or investment banking experience.
3. The firm must be an independent financial advisory firm.
4. The firm must maintain insurance coverage as detailed in Exhibit I. The firm's professional liability insurance coverage must include either a securities transaction rider or coverage without exclusion for securities transactions. Provide as an appendix evidence of professional liability coverage for the firm and its advisors including coverage amounts. The evidence of coverage should indicate whether securities transactions are covered. In addition, provide proof of insurance in the amounts indicated in Exhibit I.

CONTENTS FOR PROPOSALS

Responders will read each item carefully and answer each of the following items accurately to ensure compliance with District requirements. Failure to provide all requested information or deviation from the required format may result in disqualification. Restate each item prior to addressing said item:

A. Qualifications

Briefly summarize the qualifications and experience of your firm's professionals regarding municipal finance in general and California education finance in particular. Please provide a list of community college districts and contact information in which your firm acted as financial advisor during the past five years. For each transaction, please include par amount of issuance.

Provide a brief description of your firm's experience on a general obligation bond or a certificate of participation debt issue in which you recommended a creative idea and tell us the results of the action.

B. Organizational Structure

Describe your firm's organizational structure. Supply the name or names of the individuals who will be responsible for this relationship with the District and their experience with California community colleges. Please provide brief resumes for these individuals and their roles in working with the District.

C. California Presence

Describe your firm's presence in California including office locations, employees, and commitment to California municipal finance.

D. Fees

Please provide your firm's proposed fees for the issuance of general obligation bonds, certificates of participation, tax and revenue anticipation notes, refunding's, and bond anticipation notes. Further, identify consultant fees, if any, for services the District might require for municipal financings not directly related to the issuance of a financing. If there are to be charges for reimbursable expenses, please list all charges to be considered reimbursable and provide a not-

to-exceed amount for said expenses.

The fee proposal should include a total for:

- A \$9.5 million issuance from the 2002 Election, School Facilities Improvement District No 1.

E. Distinguishing Characteristics

Please describe what distinguishes your firm from other financial advisory firms and how said services will benefit the District financially.

F. Recent Community College District transactions

Please select two (2) to four (4) recent short term and long term, fixed rate and/or adjustable rate competitive sale or negotiated transactions since January 1, 2015 for which your firm's professionals were involved. List the following information regarding each transaction: sale date, issue size, maturity amounts, scale and optional call features, underwriting spread, credit rating, credit enhancement (if any), and any other relevant information.

G. References

Please provide the names and contact information for at least five (5) California community college districts that your firm has worked with as a financial advisor during the past three (3) years.

H. Legal Issues

Please respond to each of the following questions:

- i. Is there now pending any 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? Please describe each such pending action.
- ii. Have there been any settlements or judgments involving such actions within the last five (5) years? Please describe each such settlement or judgment, including the nature of the action and the amount of recovery.
- iii. Are there pending legal or disciplinary matters involving such actions against the firm by any State or Federal regulatory agency? If 'yes', describe. 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 include information about any material pending legal action, settlement, or judgment involving a claim of fraud, whether civil or criminal.

EVALUATION OF REQUEST FOR PROPOSALS:

Each RFP response will be evaluated based on the following criteria (not listed in the order of importance):

- A. Demonstrated understanding and responsiveness of the request for proposals.
- B. Qualifications, independence, and experience of firm and personnel named in the proposal.
- C. Competence and experience of assigned staff in structuring and completing California education financings.
- D. Past experience in assisting community colleges with financial information necessary for the passage of bond measures and the successful issuance of bonds, certificates of participation, tax and revenue anticipation notes, refunding's, etc.
- E. Proposed fee
- F. The District reserves the right to:
 - i. Request an interview with and/or additional information from any firm prior to its selection.
 - ii. Select the firm that, in the District's judgment, will best meet the District's needs. Fees are an important factor, but will not be the sole factor in making the selection.
 - iii. The District reserves the right to negotiate any price or provision whenever, in the sole opinion of the District, such action shall serve its best interests and those of the taxpaying public. The firms are encouraged to submit their best prices in their proposal, and the District intends to negotiate only with the firm(s) whose proposal most closely meets the District's requirements at the lowest estimated cost. The Contract, if any is awarded, will go to the firm whose proposal best meets the District's requirements.
 - iv. Reject any and all proposals or to waive any non-statutory informality. The Governing Board further reserves the right to make the contract award deemed by the administration to be in the best interest of the District. The Governing Board's decision to accept or reject the contract shall be final.

COMPLETION OF REQUEST FOR PROPOSALS

Proposals shall be completed in all respects as required by the instructions herein. Proposals may be rejected if it is conditional or incomplete, or if it contains alterations of form or other irregularities of any kind. Proposals will be rejected if, in the opinion of the District, the information contained therein was intended to erroneously and fallaciously mislead the District in the evaluation of the proposal.

CONTRACT TERM

The selected firm shall enter into a one year contract with the District, however, the District reserves the right to contract with the firm for up to 4 additional one-year periods in accordance with the agreed upon prices, terms, and conditions. The District may terminate this contract at any time for any reason by providing 30 days' notice to Contractor. The termination shall be effective on the date specified in the notice. In the event of termination under this paragraph, Contractor shall be paid for all work provided to the date of termination.

WITHDRAWAL OF REQUEST FOR PROPOSALS

Responses to the RFP may be withdrawn by the firm submitting proposals at any time prior to the closing date and time for receipt of proposals. A request to withdraw a proposal must be in writing and received by the District prior to the scheduled opening of proposals. Proposals not withdrawn must remain open for a period of sixty (60) days following the last day to submit proposals.

No amendment, addendum or modification will be accepted after a proposal has been submitted to the District. If a change to a proposal that has been submitted is desired, the submitted proposal must be withdrawn and the replacement proposal submitted to the District prior to the time scheduled for opening of proposals.

INDEPENDENT CONTRACTOR STATUS

It is expressly understood that the firm named in any contract entered into by the District is acting as an 'independent contractor' and not as an agent or employee of the District.

COST OF PREPARATION OF REQUEST FOR PROPOSALS

The sole responsibility for compliance with the requirements of this RFP lies with each firm submitting a response. Each firm is solely responsible for costs in preparing a response to this RFP and other activities associated with this RFP.

CERTIFICATION OF REQUEST FOR PROPOSALS

I certify that I have read the attached Request for Proposals. I further certify that I have submitted one (1) unbound original, three (3) bound copies of the firm's response to the Request for Proposals (RFP) **and a USB flash drive** and that I am authorized to bind the firm to the proposal submitted.

Signature

Date

Typed or Printed Name

Telephone

Title

Email Address

Company

Federal Tax I.D. Number

Address

If the firm is a corporation, please provide the corporate seal here.

Exhibit "I" Insurance Requirements

Contractor shall not commence work under this Agreement until required insurance has been approved in writing by District. Certificates of insurance, in form and with insurers acceptable to District (A M Best rating of A-VII or better or otherwise approved by District Risk Manager) shall be submitted to District Risk Management Department. Such certificate shall evidence all coverages and limits required by District in this Agreement and shall specify that insurers will give District thirty (30) days prior written notice of non-renewal or cancellation.

Contractor shall maintain in force, throughout the term of this Agreement, insurance as follows:

1. Workers' Compensation (statutory limits) and Employers' Liability insurance with limits not less than \$1,000,000 each accident, \$1,000,000 employee and \$1,000,000 each disease, provided that contractor has employees as defined by the California Labor Code;
2. Commercial General Liability insurance, with limits not less than \$2,000,000 each occurrence and \$4,000,000 aggregate, for Bodily Injury and Property Damage, including coverages for contractual liability, personal injury, broadform property damage, independent contractors, products and completed operations;
3. Professional Liability insurance, with limits not less than \$3,000,000 each claim/annual aggregate, with respect to coverage for errors and omissions arising from professional services rendered under this Agreement, and with any deductible not to exceed \$25,000 each claim.

If any of the required insurance is written on a claims-made coverage form, such insurance shall be maintained for a period of three years following termination of this agreement. General Liability policy shall include as Additional Insured, the District, its officers, agents, employees and servants and such insurance, shall be primary to any other insurance or self-insurance and shall apply separately to each, Additional Insured.

Maintenance of the required insurance is a material condition of this Agreement and failure to maintain such insurance may, at the District's option, result in a declaration of material breach and suspension of Contractor's further work under this Agreement.