



City of Kirkland

Request for Proposal

Financial Advisory Services

Job # 41-19-FA

Issue Date: August 1, 2019

Due Date: August 29, 2019–5:00 p.m. (Pacific Time)

REQUEST FOR PROPOSALS

Notice is hereby given that proposals will be received by the City of Kirkland, Washington, for:

Financial Advisory Services

File with Financial Operations Manager, Finance Department, 123 - 5th Ave, Kirkland WA, 98033

Proposals received later than **5:00 p.m. August 29, 2019 will not** be considered.

A copy of this Request for Proposal (RFP) may be obtained from City's web site at <http://www.kirklandwa.gov/>. Click on the Business tab at the top of the page and then click on the Request for Proposals link found under "Doing Business with the City".

The City of Kirkland reserves the right to reject any and all proposals, and to waive irregularities and informalities in the submittal and evaluation process. This RFP does not obligate the City to pay any costs incurred by respondents in the preparation and submission of a proposal. Furthermore, the RFP does not obligate the City to accept or contract for any expressed or implied services.

A Service Provider response that indicates that any of the requested information in this RFP will only be provided if and when the Service Provider is selected as the apparently successful Service Provider is not acceptable, and, at the City's sole discretion, may disqualify the proposal from consideration.

The City of Kirkland assures that no person shall, on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity. The City of Kirkland further assures that every effort will be made to ensure non-discrimination in all of its programs and activities, whether those programs are federally funded or not.

In addition to nondiscrimination compliance requirements, the Service Provider(s) ultimately awarded a contract shall comply with federal, state and local laws, statutes and ordinances relative to the execution of the work. This requirement includes, but is not limited to, protection of public and employee safety and health; environmental protection; waste reduction and recycling; the protection of natural resources; permits; fees; taxes; and similar subjects.

Dated this 1st Day of August, 2019

Greg Piland
Financial Operations Manager
425-587-3123

Background Information

The City of Kirkland, Washington is located in the Seattle metropolitan area, on the eastern shore of Lake Washington and approximately 10 miles east of downtown Seattle. It has a population of over 88,000 and is the twelfth largest city in the State of Washington and the sixth largest city in King County, Washington.

Since its incorporation in 1905, Kirkland has grown in geographic size and now occupies 18 square miles. The city employs over 600 regular employees. The City of Kirkland is seeking the professional assistance of qualified firms to provide consulting services for financial advisory services.

Kirkland operates under a Council-Manager form of government. The City Council is the policy-making branch of Kirkland's government and consists of seven members elected at large to staggered, four-year terms. The Mayor is elected from within the Council. The City Council is supported by several advisory boards and commissions and the City Manager. The City Manager is appointed by the City Council and serves as the professional administrator of the organization, coordinating its day-to-day activities.

Purpose of Request

The City of Kirkland ("City") is requesting proposals for the provision of financial advisory services. The primary role of the financial advisor under this contract is to support the debt issuance activity of the City. The initial debt issue under this contract is expected to occur in 2021. Other responsibilities include, but are not limited to:

- Providing advice on all aspects of any proposed capital financing;
- Developing innovative solutions to the City's funding requirements in order to achieve the most advantageous financing terms;
- Making recommendations on the timing, sizing, maturity schedules, call provisions and other details of bond issues;
- Reviewing and making appropriate recommendations on all ordinances, official statements, and other documents necessary for debt issuance;

Scope of Services and Desired Qualifications

The services to be provided by the financial advisor shall include, but are not limited to, the following:

- A. Participant Assistance
 - Evaluate possible financing options for the City.
 - Evaluate potential underwriters for a negotiated sale or define process for competitive sale
 - Evaluate and assist in securing credit enhancement if necessary
 - Evaluate trustee proposals

- B. Participant Financial Condition Review
- Evaluate participant credit quality and financial strength using typical industry standards
 - Review, evaluate and comment on adequacy of financial forecast studies
 - Prepare written report to the City regarding the feasibility of issuing the bonds and sufficiency of revenues and funds pledged to support the bonds
- C. Bond Document Participation and Review
- Attend all organizational, document review, and special meetings related to a bond financing
 - Evaluate, advise, and consult with the City and bond council regarding financial and non-financial bond covenants of each bond issue
 - Assist in furnishing materials and data to rating agencies, bond insurers, letter of credit providers
 - Assist in structuring bond transaction for competitively sold bond issues
- D. Official Statement Review and Preparation
- Lead team discussions in conjunction with bond counsel on form, content, and sufficiency of information in the official statement
 - Prepare the official statement in conjunction with bond counsel for competitively sold bond issues
- E. Pricing of Bond Issue Competitive Sale:
- Coordination of pre-sale publicity, call for bids, evaluation of bids, recommendations to the City regarding sufficiency of bids, and awarding of bonds.
- Negotiated Sale:
- Coordinate pricing meetings and offerings of negotiated issues
 - Recommend structure of underwriting teams; i.e., co-managers, selling group, syndicate, etc.
 - Recommend timing of bond pricing
 - 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.

- F. Recommendations to the City
- Prepare an oral and written recommendation to the City for each Bond issue regarding financial feasibility, bond covenants, and pricing of the bonds.
- G. Bond Closing
- Review closing memorandum with bond counsel to confirm activities at the closing and role of each party

- Assist participant in evaluating the investment of bond proceeds for construction fund, debt service fund, escrow, etc.
- H. Special Meetings of the City
- Attend all City Council meetings and any special meetings with the City, bond counsel, bond insurers and rating agencies as the City deems necessary.
- I. Post Issuance Assistance
- Advise participant and the City on post issuance changes, credit enhancement, management consultants, etc.
 - Conduct post issuance reviews (e.g., remarketing agent performance) as requested by the City.
 - Provide a report to the City on the project and the bond issue sale.
- J. Program Development
- Assist staff by evaluating program proposals or changes in policy.

Budget and Length of Contract

The initial length of the contract is four years with an anticipated start date of January 1, 2020. At the sole discretion of the City, this contract may be extended for an additional one year.

Terms and Conditions

- A. The City reserves the right to reject any and all proposals that are deemed not responsive to its needs, and to waive minor irregularities in any proposal.
- B. The City reserves the right to request clarification of information submitted, and to request additional information on any proposal.
- C. Any proposal may be withdrawn up until the date and time set above for opening of the proposals. Any proposal not so timely withdrawn shall constitute an irrevocable offer, for a period of one hundred and twenty (120) days to sell to the City the services described in the attached specifications, or until one or more of the proposals have been approved by the City administration, whichever occurs first.
- D. If a selection is made as a result of this RFP, a contract with fixed/known prices will be negotiated. Negotiations may be undertaken with the Proposer who is considered to be the most suitable for the work. This RFP is primarily designed to identify the most qualified firm. Price and schedule will be negotiated with the "first choice" Proposer. Negotiations may be instituted with the second choice and subsequent Proposer until the project is canceled or an acceptable contract is executed.

- E. The contents of the proposal of the selected Proposer shall become contractual obligations if a contract ensues. Failure of the Proposer to accept these obligations may result in cancellation of their selection.
- F. The City reserves the right to award any contract to the next most qualified proposer, if the successful provider does not execute a contract within 30 days of being notified of selection.
- G. The contract resulting from acceptance of a proposal by the City shall be in a form supplied or approved by the City and shall reflect the specifications in this RFP. A copy of the proposed contract is available for review (see attachment A). The City reserves the right to reject any proposed agreement or contract that does not conform to the specifications contained in this RFP and which is not approved by the City Attorney's office.
- H. The City shall not be responsible for any costs incurred by the Proposer in preparing, submitting or presenting its response to the RFP.
- I. Proposals and evaluation materials submitted under this RFP shall be considered public documents and with limited exceptions proposals that are recommended for contract award will be available for inspection and copying by the public. The City may request an electronic copy of your proposal response at a later time for this purpose.

Evaluation Process and Selection of Proposals

Proposals will be evaluated by a committee of City staff. Evaluations will be based on criteria outlined herein which may be weighted by the City in a manner it deems appropriate. All proposals will be evaluated using the same criteria. The criteria used will be:

- A. Responsiveness to the RFP
The City will consider all the material submitted to determine whether the proposer's offering is in compliance with the RFP documents.
- B. Ability to Perform Required Services
The City will consider all the relevant material submitted by each proposer, and other relevant material it may otherwise obtain, to determine whether the proposer is capable of providing services of the type and scope specific to the RFP.
- C. Fees
Proposed fee schedule as described in Attachment B
- D. Interviews
The City will conduct interviews as part of the final selection process.

Submission Instructions

Proposals must be received by no later than **5:00 pm PDT on August 29, 2019**. We encourage that proposals be submitted by email. Emailed proposals should include "Proposal-Job #41-19-FA" in the subject line and be addressed to: purchasing@kirklandwa.gov. (Emailed proposals must be in PDF format and cannot exceed 20MB).

As an alternate to email, proposals can be mailed or delivered to:

City of Kirkland
Attn: Greg Piland – Job #41-19-FA
123 5th Avenue
Kirkland, WA 98033

If submitting a paper proposal, the original plus four (4) copies of all proposals in printed form must be submitted in a sealed envelope or box with the following words clearly marked on the outside of the envelope, Financial Advisory Services RFP. The supplier's name and address must be clearly indicated on the envelope.

All proposals must include the following items as described on Attachment B:

1. Firm Information
2. Statement of Individual Qualifications
3. Proposed Fee Schedule

Proposals should be prepared simply and economically, providing a straight forward, concise description of provider capabilities to satisfy the requirements of the request. Special bindings, colored displays, promotional materials, etc. are not required or desired. Emphasis should be on completeness and clarity of content. Use recycled paper for responses and any printed or photocopied material created pursuant to a contract with the City whenever practicable. Use both sides of the paper for any submittal to the City whenever practicable.

Submittal Deadlines

August 1, 2019	Release RFP
August 16, 2019	Proponent questions due
August 21, 2019	Answers to RFP questions posted on website
August 29, 2019	Proposals Due by 5:00 PM PDT
September 6, 2019	Notify proposers of interviews
Week of September 9, 2019	Interviews
September 20, 2019	Notify selected proponent
October 2019	Contract negotiation/preparation/signature
January 1, 2020	Anticipated start work date

Questions

Upon release of this RFP, all Vendor communications concerning the RFP should be directed to the City's RFP Coordinator listed below via email. Unauthorized contact regarding this RFP with any other City employees may result in disqualification. Any oral communications will be considered unofficial and non-binding on the City. Service Providers should rely only on written statements issued by the RFP Coordinator. The City's RFP Coordinator for this project is:

Name: Michael Olson
Address: City of Kirkland, Finance and Administration
123 5th Avenue, Kirkland, Washington 98033
E-mail: MOlson@kirklandwa.gov

Questions regarding the RFP process are to be addressed to Greg Piland, Financial Operations Manager, at gpiland@kirklandwa.gov.

Cooperative Purchasing

Chapter 39.34 RCW allows cooperative purchasing between public agencies in the State of Washington. Public agencies which have filed an Intergovernmental Cooperative Purchasing Agreement with the City may purchase from City contracts, provided that the consultant agrees to participate. The City does not accept any responsibility for contracts issued by other public agencies, however.

Public Disclosure

Once submitted to the City, proposals shall become the property of the City, and all proposals shall be deemed a public record as defined in "The Public Records Act," chapter 42 section 56 of the RCW. Any proposal containing language which copyrights the proposal, declares the entire proposal to be confidential, declares that the document is the exclusive property of the proposer, or is any way contrary to state public disclosure laws or this RFP, could be removed from consideration. The City will not accept the liability of determining what the proposer considers proprietary or not. Therefore, any information in the proposal that the proposer claims as proprietary and exempt from disclosure under the provisions of RCW 42.56.270 must be clearly designated as described in the "Proprietary Material Submitted" section above. It must also include the exemption(s) from disclosure upon which the proposer is making the claim, and the page it is found on must be identified. With the exception of lists of prospective proposers, the City will not disclose RFP proposals until a bid selection is made. At that time, all information about the competitive procurement will be available with the exception of: proprietary/confidential portion(s) of the proposal(s), until the proposer has an adequate opportunity to seek a court order preventing disclosure. The City will consider a proposer's request for exemption from disclosure; however, the City will make a decision predicated upon RCW 42.56.



PROFESSIONAL SERVICES AGREEMENT
Investment Advisory Services

Attachment A

The City of Kirkland, Washington, a municipal corporation ("City") and _____, whose address is _____ ("Consultant"), agree and contract as follows:

I. SERVICES BY CONSULTANT

- A. The Consultant agrees to perform the services described in Attachment _____ to this Agreement, which attachment is incorporated herein by reference.
- B. All services and duties shall be conducted and performed diligently, completely and in accordance with professional standards of conduct and performance.

II. COMPENSATION

- A. The total compensation to be paid to Consultant for these services shall not exceed \$ _____, as detailed in Attachment _____.
- B. Payment to Consultant by the City in accordance with the payment ceiling specified above shall be the total compensation for all services performed under this Agreement and supporting documents hereto as well as all subcontractors' fees and expenses, supervision, labor, supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.
- C. The Consultant shall be paid monthly on the basis of invoices submitted. Invoicing will be on the basis of percentage complete or on the basis of time, whichever is applicable in accordance with the terms of this Agreement.
- D. The City shall have the right to withhold payment to Consultant for any services not completed in a satisfactory manner until such time as Consultant modifies such services to the satisfaction of the City.
- E. Unless otherwise specified in this Agreement, any payment shall be considered timely if a warrant is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

III. TERMINATION OF AGREEMENT

The City or the Consultant may terminate this Agreement at any time, with or without cause, by giving ten (10) days' notice to the other in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Consultant pursuant to this Agreement, shall be provided to the City. In the event the City terminates prior to completion without cause, consultant may complete such analyses and records as may be necessary to place its files in order. Consultant shall be entitled to receive just and equitable compensation for any satisfactory services completed on the project prior to the date of termination, not to exceed the payment ceiling set forth above.

IV. OWNERSHIP OF WORK PRODUCT

- A. Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this Agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this Agreement or the project to which it relates, without written concurrence by the Consultant will be at the sole risk of the City.
- B. The City acknowledges the Consultant's plans and specifications as instruments of professional service. Nevertheless, the plans and specifications prepared under this Agreement shall become the property of the City upon completion of the services. The City agrees to hold harmless and indemnify consultant against all claims made against Consultant for damage or injury, including defense costs, arising out of any reuse of such plans and specifications by any third party without the written authorization of the Consultant.
- C. Methodology, materials, software, logic, and systems developed under this Agreement are the property of the Consultant and the City, and may be used as either the consultant or the City sees fit, including the right to revise or publish the same without limitation.

V. GENERAL ADMINISTRATION AND MANAGEMENT

The _____ for the City of Kirkland shall review and approve the Consultant's invoices to the City under this Agreement, shall have primary responsibility for overseeing and approving services to be performed by the Consultant, and shall coordinate all communications with the Consultant from the City.

VI. COMPLETION DATE

The estimated completion date for the Consultant's performance of the services specified in Section I is _____.

Consultant will diligently proceed with the services contracted for, but consultant shall not be held responsible for delays occasioned by factors beyond its control which could not reasonably have been foreseen at the time of the execution of this Agreement. If such a delay arises, Consultant shall forthwith notify the City.

VII. SUCCESSORS AND ASSIGNS

The Consultant shall not assign, transfer, convey, pledge, or otherwise dispose of this Agreement or any part of this Agreement without prior written consent of the City.

VIII. NONDISCRIMINATION

Consultant shall, in employment made possible or resulting from this Agreement, ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as

otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.

IX. HOLD HARMLESS/INDEMNIFICATION

To the greatest extent allowed by law the Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from its negligence or breach of any of its obligations in performance of this Agreement.

In the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability hereunder shall be only to the extent of the Consultant's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Consultant's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

X. LIABILITY INSURANCE COVERAGE

The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees. A failure to obtain and maintain such insurance or to file required certificates and endorsements shall be a material breach of this Agreement.

Consultant's maintenance of insurance as required by the agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

A. Minimum Scope of Insurance

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be as least as broad as Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be as least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect

to the work performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.

3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.
2. The Consultant shall provide the City and all Additional Insureds for this services with written notice of any policy cancellation, within two business days of their receipt of such notice.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

E. Verification of Coverage

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the services.

F. Failure to Maintain Insurance

Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five business days' notice to the Consultant to correct the breach, immediately

terminate the contract or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

G. City Full Availability of Consultant Limits

If the Consultant maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this contract or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Consultant.

XI. COMPLIANCE WITH LAWS/BUSINESS LICENSE

The Consultant shall comply with all applicable State, Federal, and City laws, ordinances, regulations, and codes. Consultant must obtain a City of Kirkland business license or otherwise comply with Kirkland Municipal Code Chapter 7.02.

XII. FUTURE SUPPORT

The City makes no commitment and assumes no obligations for the support of Consultant activities except as set forth in this Agreement.

XIII. INDEPENDENT CONTRACTOR

Consultant is and shall be at all times during the term of this Agreement an independent contractor and not an employee of the City. Consultant agrees that he or she is solely responsible for the payment of taxes applicable to the services performed under this Agreement and agrees to comply with all federal, state, and local laws regarding the reporting of taxes, maintenance of insurance and records, and all other requirements and obligations imposed on him or her as a result of his or her status as an independent contractor. Consultant is responsible for providing the office space and clerical support necessary for the performance of services under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial insurance of unemployment compensation programs or otherwise assuming the duties of an employer with respect to the Consultant or any employee of Consultant.

XIV. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with all attachments and addenda, represents the final and completely integrated Agreement between the parties regarding its subject matter and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument properly signed by both parties.

XV. ADDITIONAL WORK

The City may desire to have the Consultant perform work or render services in connection with the project other than provided for by the express intent of this

Agreement. Any such work or services shall be considered as additional work, supplemental to this Agreement. This Agreement may be amended only by written instrument properly signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

CONSULTANT:

CITY OF KIRKLAND:

By: _____

By: _____
Tracey Dunlap, Deputy City Manager

Date: _____

Date: _____

STATEMENT OF QUALIFICATIONS

A. Firm Information

1. 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.
2. 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 2016-2018. Further, identify the number and volume of the following types of transactions completed during this same period: revenue bonds, variable rate demand bonds, auction rate notes, 63-20 bonds and payment agreements.
3. Provide a list of the 10 largest public sector entities (in terms of their outstanding debt) within the State of Washington for which your firm currently provides financial advisory services as contemplated in the scope of work.
4. 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.

B. Individual Qualifications

1. 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.
2. 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.
3. Describe their specific experience in the following specialized areas: revenue bonds, variable rate demand bonds, auction rate notes, 63-20 bonds and payment agreements.
4. Provide three references (name, title, employer, address, and phone number) for the person who will serve as the primary point of contact.

C. Fee Proposal

1. Please state your fee proposal for the scope of work as financial advisor as described in Attachment A. Please document any key assumptions made in developing the fee proposal and any other contingencies we should be aware of.
2. Is there a separate charge for attendance at City meetings which are not part of an otherwise specific City engagement?
3. Please indicate any fees or hourly rates for special projects.