

**ROSAMOND COMMUNITY SERVICES DISTRICT
REQUEST FOR QUALIFICATIONS
for
FINANCIAL ADVISORY SERVICES**



Issue Date:
June 21, 2019

Response due Date:
July 12, 2019

Rosamond Community Services District
3179 35th Street West, Rosamond, CA. 93560

ROSAMOND COMMUNITY SERVICES DISTRICT

REQUEST FOR QUALIFICATIONS

TABLE OF CONTENTS

I. OVERVIEW 2

 A. Purpose of RFQ..... 2

 B. RFQ Timeline..... 2

 C. RFQ Coordinator 2

 D. Proposal Preparation Costs..... 2

 E. RFQ Amendment and Cancellation 3

 F. Intent To Propose..... 3

 G. Proposal Submittal/Instruction 3

II. DISTRICT BACKGROUND 3

 A. Formation..... 3

 B. Geography and Climate 3

 C. Budget and Debt Data 4

III. SCOPE OF WORK..... 5

IV. PROPOSAL SUBMISSION REQUIREMENTS..... 6

 A. Minimum Qualifications 6

 B. Proposal Format 6

 C. Proposal Content..... 6

V. EVALUATION PROCEDURES..... 9

 A. Review of Proposals 9

 B. Evaluation Criteria..... 9

 C. Oral Presentations / Reference Check 9

 D. Final Selection 10

I. OVERVIEW

A. Purpose of RFQ

The Rosamond Community Services District (District) is seeking proposals from qualified, independent firms, to provide financial advisory services related to long-term capital financing, including planning and strategic development, underwriting, and legal counsel, where applicable. The purpose of this Request for Qualifications (RFQ) is to demonstrate the background, qualification, competence, and capability of the companies seeking to undertake these services for the District.

The District is seeking to retain a team of professionals to assist in determining and advising on the most efficient and fiduciarily responsible method of acquiring external, long-term debt. The District has recognized a need for approximately \$10 - \$15 million in capital infrastructure financing over the course of three (3) to five (5) years. The District is seeking firms with significant experience in addressing the financing needs of California-based special districts.

B. RFQ Timeline

Issuance of RFQ	June 21, 2019
Deadline for submittal of questions	July 05, 2019
Due date for Proposals	July 12, 2019
District Evaluation of Proposals	Week of July 15, 2019
Interviews (if necessary)	Week of July 22, 2019
Award/Contract Execution	Week of July 29, 2019

The District reserves the right, at its sole discretion, to adjust this schedule, as it deems necessary. Notification of any adjustments to the RFQ schedule of events will be provided to all proposers who comply with the intent to propose.

C. RFQ Coordinator

All communications concerning this RFQ are requested to be submitted by e-mail to the individual identified below. Items too complex or ambiguous for email can be discussed via phone, by appointment.

Mr. Bradford Rockabrand, CPA
brockabrand@rosamondcsd.com
(661) 256-5812

D. Proposal Preparation Costs

The District will not reimburse proposing firms for any expenses incurred to prepare proposals submitted in response to this RFQ.

E. RFQ Amendment and Cancellation

The District reserves the unilateral right to amend this RFQ in writing at any time. The District also reserves the right to cancel or reissue the RFQ at its sole discretion. If an amendment is issued, it will be provided to all proposers complying with the intent to propose. Proposers will be required to respond to the final written RFQ and any exhibits, attachments, and amendments issued by the District.

F. Intent To Propose

Each proposer intending to submit a proposal may register by e-mail to the RFQ Coordinator named above. The email should indicate the proposer's intent to respond to this RFQ and include:

Proposers Name
Name and title of Proposer main contact
Telephone and email address

G. Proposal Submittal/Instruction

Proposals must be submitted to Mr. Bradford Rockabrand, CPA, no later than 5:00 P.M. on July 12, 2019. In an effort to conserve paper, proposals are requested to be submitted by e-mail to (brockabrand@rosamondcsd.com).

II. **DISTRICT BACKGROUND**

A. Formation

The District was formed in 1966 under the Community Services District Law, Division 3, Section 61000 of Title 6 of the Government code of the State of California. Its core mission is ***to bring a better quality of life to the community of Rosamond by providing essential services at the best cost while striving, in everything that we do, to be protective and prudent with our community's resources and money.*** The District provides water and sewer service to residential and commercial customers. The District also provides street lighting and graffiti abatement services to its service community.

B. Geography and Climate

The District is located in an unincorporated section of Kern County, in the northern portion of the Antelope Valley. This area is referred to as the "high desert," and is north of Los Angeles by 75 miles and 70 miles southeast of Bakersfield. The District has a service population of approximately 5,000 customer connections covering 30 square miles. The District is governed by an elected Board of Directors consisting of five members and is administered by a General Manager to whom the finance department reports. The

finance operation is augmented with services provided through the accounting firm of Vavrinek Trine Day & Co, LLP.

C. Budget and Debt Data

The operating budget for FY 2018-19 is approximately \$7.8 million for the fiscal year running from July 1st through June 30th for all funds combined. Currently, eight (8) funds are used for budgeting and financial reporting, including one (1) General Fund, two (2) Enterprise Funds and five (5) Special Revenue Funds. The adopted budget and other related financial reports can be found at www.rosamondcsd.com/departments/finance.

As of June 30, 2018, the District had the following debt outstanding:

Water Fund:

Zions Bank Note:	\$ 1,620,823 (maturing 2029)
Net pension liability:	\$ 225,557

Wastewater Fund:

Zions Bank Note:	\$ 206,486 (maturing 2029)
State Water Pollution Control Note:	\$ 5,057,255 (maturing 2029)
Net pension liability:	\$ 134,982

The Wastewater Treatment Plant Upgrades project (Project) will be bid and constructed as a single project over an estimated three-year timeframe at a cost of between approximately \$13.5 - \$14.0 million. The majority of the construction costs are anticipated to be incurred in fiscal year 2019/20. Once active, the plant will have required ongoing monitoring for the following two-year period. The District has amounts of unrestricted cash that it may choose to use for construction to reduce the total amount of financing required. The selected Financial Advisor will aid the District in performing a “best use of funds” analysis, arriving at a decision that will best serve the District’s long-term financial stability. The District is interested in evaluating all available financing alternatives to generate the required capital, including traditional bonds or certificates of participation, but also private placement transactions (e.g., bank financing) if they would prove to be more time efficient and cost effective.

The selected Financial Advisor firm will not be considered for any underwriter or broker-dealer role with the District during the time that it acts as Financial Advisor, or within six months of ceasing to act in this capacity. The firm that is selected will be prohibited from engaging in activities on behalf of the District that produce a direct or indirect financial gain for the Financial Advisor, other than the agreed-upon compensation, without the District’s consent.

During the evaluation process, the District reserves the right to request additional information or clarifications from proposers or to allow corrections of errors or omissions. The District reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the conditions contained in this request for proposals,

unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

III. SCOPE OF WORK

The Following Scope of Work is provided in Order to Solicit Proposals for Financial Advisor:

1. Serve as the District's bond market expert and provide ongoing analysis of current and upcoming trends and events that may impact the District's planned need for external financing for the project.
2. Develop and recommend structuring options for the project's financing, including the preparation of financing plans and analyses.
3. Coordinate and participate in all aspects of the financing process, to include:
 - a. Creating and maintaining the schedule and lead financing team meetings/calls
 - b. Preparing solicitation/bidding documents for bond counsel, disclosure counsel, underwriters, and/or any other required consultants, and assisting the District with evaluating proposals received
 - c. Conducting independent analyses of financing alternatives
 - d. Preparing official statements, where applicable
 - e. Reviewing all applicable financing and legal documents
 - f. Reviewing all aspects of bond pricings
 - g. Coordinating the closing process
 - h. Conducting any required post-issuance analysis
 - i. Provide advice on arbitrage, continuing disclosure and other regulatory compliance matters
4. Assist the District with developing its credit rating presentation(s) and participating in the presentations to the rating agencies.
5. Be available on a timely basis for consultations with District staff and/or its contracted professionals that assist the District with its financial management.
6. Assist in presentations for, attend and make presentations to, the Board of Directors, as required.

IV. PROPOSAL SUBMISSION REQUIREMENTS

A. Minimum Qualifications

Proposing firms must meet or exceed the following minimum qualifications in order to be considered by the District:

1. Be a registered Municipal Advisor as defined and regulated by the U. S. Securities and Exchange Commission (SEC), be located in the State of California, and be engaged in public sector financial advisory services.
2. Be familiar with all applicable Federal and California statutes related to debt issuances for public sector entities.
3. Be completely independent of any underwriting or broker-dealer firm, or fully disclose any such relationships relevant to the firm's relationship with the District.
4. Have a minimum of ten (10) years of experience in providing financial advisory services to California government agencies.

B. Proposal Format

Responding firms should provide the District with one electronic copy of their proposal. Should the proposer elect to send hard copies, please send three copies to:

Rosamond Community Services District
Attn: Mr. Bradford Rockabrand, CPA
3179 35th Street West
Rosamond, CA. 93560

Please also send an electronic copy to: brockabrand@rosamondcsd.com

Both hard copy and electronic versions of the proposal need to be received by the proposal deadline of 5:00 P.M. on July 12, 2019.

C. Proposal Content

Proposals should include at a minimum the following information:

1. Please include a table of contents and number all pages of the proposal.
2. Please include a cover letter that includes the following:

- Affirmative statement that the firm understands the terms and requirements outlined in this RFQ and that the person signing the cover letter is fully authorized to submit a proposal on behalf of the firm
- Proposer's legal name and corporate structure
- Proposer's primary contact information
- Statement indicating how long the proposal remains valid
- Signature of a company officer empowered to bind the Proposer to the provisions of the RFQ and any contract awarded pursuant to the proposal

3. General Requirements

The purpose of the proposal is to demonstrate the qualifications, competence, and capacity of the responding firm. As such, the substance of proposals will carry more weight than their form or manner of presentation. Less is more. Proposals should demonstrate the qualifications of the firm and of the particular staff to be assigned to the District. Include resumes for the staff intended to be assigned to the District's engagement. Proposals should also demonstrate a clear understanding of the work to be performed as outlined in Section III of this RFQ.

4. Specific Questions

Proposals should answer all of the following questions in whatever format the firm feels is most appropriate to provide the required information:

A. Firm Information

1. Does the firm meet all of the minimum requirements outlined in Section IV(A) above? Please provide evidence of meeting each requirement in the proposal.
2. Is the firm capable of providing all of the services outlined in this RFQ?
3. What is the history of the firm, including date founded and ownership?
4. Who will the key personnel be who are assigned to the District if your firm is selected? Please include resumes that outline education, experience, certifications, licenses, and training.
5. Describe the firm's experience providing financial advisory services to California public agencies, including the current number of California public agencies for which the firm is under contract to serve as Financial Advisor.

6. Provide the number and volume of debt issuance transactions completed pursuant to contracts with California public agencies in the past five years.
7. Provide brief examples of at least five engagements undertaken by your firm in the last three years that are most comparable to the scope of services outlined in this RFQ.
8. Confirm that your firm is registered with the SEC and MSRB.
9. Disclose any violations of Federal, State, or Local regulations or laws within the last three years, any pending or current litigation related to services provided to clients, any pending investigation of the firm or its individual employees, and any enforcement or disciplinary actions taken by the SEC or other regulatory bodies.

B. Pricing

Proposals should contain all pricing information relative to performing the engagement as described in this request for proposals.

1. Given the uncertain nature of the size and type of financing to be eventually selected by the District, what compensation approach is recommended for the scope of services outlined in this RFQ (flat fee, hourly rates, etc.)? A fixed fee, not to exceed arrangement is the District's preferred methodology, but is open to considering other arrangements that might better serve its interests.
2. Would compensation be tied to the size of the eventual financing(s)?
3. Would payment of compensation be contingent upon the successful acquisition of external financing?
4. What schedule of payment would be utilized during the project?
5. What key assumptions were utilized in developing the fee proposal?
6. Are there any additional costs or contingencies beyond the fees proposed?

5. Additional Required Information

Proposals should include the following additional information:

- A. Contact information for three local government client references in California with a brief overview of the services provided to each client including how long the client has utilized your firm.

V. EVALUATION PROCEDURES

A. Review of Proposals

Proposals submitted will be evaluated using a point formula. Each firm's proposal will be reviewed first for its technical and qualitative aspects. After the non-cost-related scoring occurs, proposing firms deemed qualified to perform the engagement will then be evaluated based on their proposed pricing, where applicable. Additional points will be added to the technical score based on pricing. The maximum score for pricing will be assigned to the qualified firm offering the lowest fees. Appropriate fractional scores will be assigned to other proposers based on their level of pricing offered.

B. Evaluation Criteria

Proposals will be evaluated using the following criteria. Firms meeting the mandatory criteria will have their proposals evaluated and scored for both qualifications and price. The following represent the principal selection criteria that will be considered during the evaluation process:

1. Mandatory Elements:
 - a. Meets the required minimum qualifications.
 - b. Followed the proposal instructions.
2. Proposal Quality:
 - a. The firm's past experience with comparable government clients.
 - b. The qualifications and experience of the firm's professional personnel to be assigned to the District.
3. Pricing:

Cost, while important, will not be the primary factor in the selection of the District's Financial Advisor.

C. Oral Presentations / Reference Check

During the evaluation process, the District may request oral presentations from the two firms with the highest scores. However, oral presentations may not be required, and will be conducted if deemed necessary by the District in making its selection. A reference check will be conducted.

D. Final Selection

The Finance Department, with approval of the General Manager, will select a firm based upon staff evaluation and recommendation, which will then be submitted to the Board of Directors for approval.