



# REQUEST FOR PROPOSALS FOR MUNICIPAL FINANCIAL ADVISOR SERVICES

## SECTION I: INTRODUCTION AND ANTICIPATED SCOPE OF SERVICES

### Introduction and Background

The County of San Mateo (the "County") is requesting proposals from qualified financial advisors (hereinafter referred to as "Proposer") to provide financial advisory services to the County and the San Mateo County Joint Powers Financing Authority ("JPFA") with respect to the County's lease revenue bond portfolio and anticipated future bond issuances. These transactions may include issuance of lease revenue bonds, refund opportunities and other financing instruments and ongoing advisory services. Operating knowledge of California codes and regulations relating to public financing is a requirement. Additionally, expertise in public entity capital financing is required. In addition, a possession of depth of experience with California counties is highly desirable. Proposer will support the County's debt program by seeking refunding opportunities for the County, keeping abreast with new regulations, reviewing disclosure documents, and working in partnership with the underwriters, bond counsel, rating agencies, and other business partners.

The County, which is one of 58 counties in the State of California (referred to herein as the "State" or "California"), was established in 1856. The County is governed by a five-member Board of Supervisors (the "Board") elected to staggered four-year terms. The Board appoints the County Executive to manage the day-to-day affairs of the County. The County occupies 455 square miles and contains 20 cities on a peninsula bounded by San Francisco to the north, Santa Clara County to the south, San Francisco Bay to the east, and the Pacific Ocean to the west. The County has an estimated population of 729,181 as of July 1, 2022, and an adopted fiscal year 2022-23 General Fund budget of \$4.2 billion.

The JPFA is a special-purpose entity engaged solely in the financing of the County's capital projects through issuance of lease revenue bonds as authorized under California law.

The County is currently assigned a "AAA" issuer rating by Standard & Poor's Corporation and a "Aaa" issuer rating by Moody's Investor's Service. The bonds issued by the JPFA are currently assigned a lease revenue bond rating of "AA+" by Standard & Poor's Corporation and "Aa1" by Moody's Investor's Service.

On April 11, 2017, the County approved a financing plan for the following capital projects: San Mateo Medical Center Improvements project ("SMMC"), County Office Building #3 ("COB3"), Government Center Parking Structure, Lathrop House Relocation, Cordilleras Mental Health Facility ("Cordilleras Project"), South San Francisco Health Campus, Maple Street Homeless Shelter, and County Radio Shop. The JPFA and the County subsequently approved issuance by the JPFA of lease revenue bonds to finance certain portions of these capital projects, including SMMC, COB3, Government Center Parking Structure, and Cordilleras, and also refunded prior issuances. The County and JPFA may pursue lease revenue bond financing in connection with the South San Francisco Health Campus.

## **Anticipated Scope of Services**

The selected Proposer will be expected to provide financial advisory services to the County and the JPFA with respect to the County's lease revenue bond issuances. Specifically, it is anticipated that the selected Proposer shall be able to perform but not limited to the following financial consulting services in connection with the County and JPFA lease revenue bond issuances. The County will retain sole discretion to services the Proposer will perform:

- Assist the County in the selection process for service providers related to financings.
- Provide input in developing the scope of services.
- Review proposals for underwriting services and develop a summary evaluation isolating objective and subjective criteria.
- Provide recommendations of firms to be interviewed.
- Assist with formulating standard and specialized questions prior to interviewing of recommended firms.
- Develop a matrix for evaluating the performance of firms interviewed.
- Advise, as requested, on financing methods, structures, and feasibility of issuing debt for capital projects.
- Develop, as requested, debt strategies and recommend financing mechanisms to efficiently meet the County's capital project goals and objectives.
- Develop financing plans with County staff, bond counsel, and other members of the financing team that are consistent with the needs of the projects to be financed.
- Recommend financing structures to include specific terms such as call provisions and escrow features and prepare estimated debt service schedules.
- Outline the advantages and disadvantages of financing mechanisms.

Recommend method of sale and provide the following services:

- Provide skilled advisory of the securities market conditions and timing of sale.
- Should the County elect to offer its securities through a competitive or semi-competitive sale, distribute the official notice of sale and bid form and the preliminary official statement to prospective underwriters.
- Respond to questions regarding the financing, actively solicit their bids, coordinate publication of notices of sale, coordinate the bid opening process, and calculate the true interest cost of each bid received to determine the lowest bidder.
- Should the County elect to offer its securities through negotiated sale, assist the County in the selection of an underwriter, identify comparable transactions to determine preliminary market pricing.
- Develop an independent pricing recommendation, negotiate underwriting spread, and interest rates on behalf of the County, and monitor the underwriter's sales effort to ensure the lowest financing costs are achieved.
- Advise as to the pricing and marketing of certificate of participation (COPs) and lease revenue bonds as recommended by the underwriting team. Evaluate the market timing of the actual sale of securities and oversee the performance of each underwriting firm.
- Assist with coordinating the work of the financing participants, County staff and bond counsel to ensure that the financing closes in a prompt manner.
- Coordinate the delivery, printing and final approval of legal documents, bonds and the final official statement, and the preparation of closing certificates.
- Assist in the preparation of credit rating agency presentations, credit enhancement providers, and potential investors.

- Represent the County and JPFA at all document sessions and bond structuring discussions/meetings to ensure that the business terms of the legal documents and repayment requirements of the financing structure optimizes the County's flexibility and minimize the interest rate and cash flow impact of the resulting financing.
- Assist with coordinating, as requested, the printing and distribution of the official statement used in connection with the offering of the bonds with disclosure counsel.
- Evaluate and contribute to a post-sale closing analysis to be distributed by the underwriter and delivered to the issuers prior to the closing of the financing.
- Prepare a separate analysis document, as requested by the County, including results of competitive sale, comparison to market at time of sale, final debt service schedules, discussion of bond structure, and sale results.
- Attend all relevant meetings of the Board of Supervisors and JPFA board or other meetings as the County may designate during the term of the financing schedule.
- Prepare or assist with reports or memoranda outlining recommendations to the County.
- Prepare professional presentations to the JPFA, County Board of Supervisors, County Executives or other groups as requested.
- Evaluate the County's indebtedness and make recommendations for refunding and restructuring the debt portfolio.
- Regularly provide market data, including interest rate and fee comparable.
- Provide market trend and updates to County staff, elected officials and JPFA about new products or current issues in the municipal bond market.

## **SECTION I - INSTRUCTIONS FOR PROPOSERS**

### **1.1 PROPOSAL CONTENT REQUIREMENTS**

#### **A. Technical Proposal Contents**

- (1) Proposer shall provide a description of the team that would be assigned to handle the scope of services described in Anticipated Scope of Services section. Your description of the team should include the role of each member, the percentage of work each member would be expected to contribute, and the office location of each member. Indicate the primary person(s) who will be responsible for managing the relationship. Include résumés of all staff proposed to be selected for the assignment as exhibits. The résumés should highlight each staff member's municipal finance experience in California. It is preferred that the assigned staff remains constant during the term of the contract. However, if staff changes are necessary due to unforeseen and unavoidable circumstances, the County reserves the right to review the qualifications of and to approve or disapprove substituted staff.
- (2) Proposer shall identify California counties for which you have served as a financial advisor over the past five years. Describe innovative or challenging financing projects which illustrate your firm's particular strengths and skills as a county's financial advisor.
- (3) Proposer shall provide as an exhibit in the table format below, a listing of your firm's and its principals' experience in California as financial advisor on municipal financings since January 1, 2016, noting assignments in which the proposed staff participated.

<b>Issuer/Borrower (Organization and Contact)</b>	<b>Date</b>	<b>Par Amount</b>	<b>Credit Enhancer</b>	<b>Rating</b>	<b>Tax Status</b>	<b>Type of Issue</b>	<b>Lead person</b>	<b>Negotiated/Competitive Sale</b>

- (4) Proposer shall discuss what you believe are the most important bond market trends and conditions that will affect the County's and the JPFA's access to credit enhancement and the marketability of the County's bonds.
- (5) Proposer shall identify opportunities for restructuring the County's current debt portfolio in the context of the County's immediate financing needs and potential future requirements.

B. Price Proposal

- (1) Provide your proposed fee schedule for providing the services described in the Anticipated Scope of Work section, including a ***proposed flat fee or rate for services, per issuance***, related to the issuance of lease revenue bonds. In all cases, the fees for the services will be capped and subject to a not to exceed amount.

1.2 PROPOSAL SUBMISSION

**ALL RFP's ARE DUE BY 3:00 P.M. ON December 28, 2023, and must be received via e-mail at the address below by no later than the time indicated.** Oral, telegraphic, facsimile, or telephone, RFPs will not be accepted. RFPs received after this date and time will not be accepted and will be returned unopened.

The County reserves the right to waive all non-material irregularities and omissions in the RFP received from respondents, and to make all final determinations, including whether RFPs are non-responsive. The County may use sources of information outside of the RFP to investigate respondents or to verify answers.

Submit proposals via email to:

Robert Manchia  
Chief Financial Officer  
County of San Mateo  
[rmanchia@smcgov.org](mailto:rmanchia@smcgov.org)

With copy to:  
Zulma Singer  
[zsinger@smcgov.org](mailto:zsinger@smcgov.org)  
County of San Mateo

## RFP Timeline

<b>Solicitation Number</b>	
<b>Number of contracts expected to be awarded</b>	1
<b>Funding Sources</b>	<input type="checkbox"/> Federal <input type="checkbox"/> State <input checked="" type="checkbox"/> County <input type="checkbox"/> Other
<b>Expected Contract Duration</b>	36 months
<b>Options to Renew</b>	2 options of 12 months each
<b>Authorized Contact Person</b>	Robert Manchia
<b>Authorized Contact Person E-mail</b>	<a href="mailto:rmanchia@smcgov.org">rmanchia@smcgov.org</a> <a href="mailto:zsinger@smcgov.org">zsinger@smcgov.org</a>
<b>E-mail Address for Protests</b>	protests@smcgov.org
<b>RFP Released</b>	December 07, 2023
<b>Deadline for Questions, Comments and Exceptions</b>	December 15, 2023
<b>Proposal Due Date and Time</b>	December 28, 2023
<b>Interviews</b>	TBA
<b>Submission to County Board and JPFA for approval</b>	January 9, 2024
<b>Anticipated Contract Award Date</b>	February 1, 2024

Questions regarding this RFP may be directed in writing via e-mail to the Chief Financial Officer, Robert Manchia at [rmanchia@smcgov.org](mailto:rmanchia@smcgov.org) and must be submitted on or before **3:00 P.M. on December 15, 2023. Answers to questions will be posted as an addendum by December 18, 2023.**

### 1.3 PROPOSER CERTIFICATIONS

By submitting a proposal, each proposer certifies under penalty of perjury that:

- Its submission is not the result of collusion or any other activity that would tend to influence the selection process directly or indirectly; and
- Proposer is able or will be able to comply with all requirements of this solicitation at the time of contract award; and
- Neither proposer, its employees, nor any affiliated firm providing the requested goods and services has prepared plans, specifications, terms, or requirements for this solicitation, or has any other actual or potential conflict of interest; and
- Proposer is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the California Government Code relating to conflict of interest of public officers and employees and is unaware of any financial or economic interest of any County officer or employee relating to this solicitation.

### 1.4 WITHDRAWAL OF PROPOSALS

Proposals may be withdrawn, modified, or replaced at any time prior to the Due Date and Time. After that time, whether or not a new solicitation is issued for the same subject matter, withdrawal of a proposal may preclude the proposer from participating in the procurement as a proposer or subcontractor, except that an original equipment manufacturer may participate indirectly through a reseller.

## **1.5 NO COMMITMENT**

Neither submission of a proposal nor the County's receipt of proposal materials confers any right to the proposer nor any obligation on the County. This RFP does not commit the County to award a contract, nor will the County defray any costs incurred in preparing proposals or participating in any presentations or negotiations.

## **1.6 PROPOSER SELECTION**

At any time in the evaluation process, the County may request clarifications from proposers.

### **A. Determination of Responsiveness**

A responsive proposal conforms to the instructions set forth in this solicitation and any modifications to it. Non-responsive proposals will be rejected. The County, in its sole discretion, may waive non-consequential deviations if the deviations cannot have provided an advantage over other proposers.

### **B. Proposal Evaluation**

The County will establish an evaluation committee which will evaluate responsive proposals based on the criteria specified in the solicitation. The committee may then recommend one or more top-ranked proposers for final negotiation of contract terms or may invite one or more proposers for oral presentations and demonstrations, following which those proposers may be allowed to amend their proposals. After evaluating presentations and amended proposals, the committee may recommend one or more top-ranked proposers for final negotiation of contract terms.

### **C. Determination of Responsibility**

The County will make a determination of the responsibility of any proposer under consideration for award, taking into consideration matters such as the proposer's integrity, compliance with public policy and laws, past performance, fiscal responsibility, trustworthiness, financial and technical resources, capacity, and experience to satisfactorily carry out its responsibilities. The County will notify any proposer found non-responsible and allow the finding to be contested.

## **1.7 CONTRACT AWARD**

### **A. Notice of Intent to Award**

Once a decision has been made to award a contract to one or more proposers, the County will post a Notice of Intent to Award, notifying the remaining proposers of their non-selection. The posting may be inclusion of the recommendation to award as an agenda item on the Board of Supervisors schedule.

### **B. Award Procedure**

Contract negotiations are neither an offer nor an implicit guarantee that a contract will be executed. Award, if made, will be to the responsive, responsible proposer offering the overall best value to the County for the services and goods described in this solicitation, or as applicable, for a specific portion of the services and goods described. Any agreement reached will be memorialized in a formal agreement using the attached Standard Agreement template and will be subject to approval by the County Board of Supervisors.

### **C. Commencement of Performance**

After all parties have signed the Agreement, the County will notify the proposer and performance may proceed. Prior to County execution of the Agreement, no County employee may authorize work. Any work performed prior to that time may be uncompensated.

## **1.8 PROTESTS**

Protests that do not comply with the protest procedures outlined below will be rejected.

### **A. Protest Eligibility, Format, and Address**

- (1) Protests or objections may be filed regarding the procurement process, the content of the solicitation or any addenda, or contract award.
- (2) The County will only review protests submitted by an interested party, defined as an actual or prospective proposer whose direct economic interest could be affected by the County's conduct of the solicitation. Subcontractors do not qualify as interested parties.
- (3) Submit protests to the Lead Deputy County Attorney: Daniel McCloskey, [dmclodkey@smcgov.org](mailto:dmclodkey@smcgov.org)

### **B. Protest Deadlines**

Submit protests with any supplemental materials by 5 p.m. PST, as appropriate, on the deadlines set forth herein. The date of filing is the date the County receives the protest, unless received after 5 p.m. PST, or on other than a Business Day, in which case the date of filing will be the next Business Day (i.e., a date on which the New York Stock Exchange is open for trading). Failure to file by the relevant deadline constitutes a waiver of any protest on those grounds. Supplemental materials filed after the relevant deadline may be rejected by the County.

- (1) If relating to the content of the solicitation or to an addendum, file within five (5) Business Days after the date the County releases the solicitation or addendum.
- (2) If relating to any notice of non-responsiveness or non-responsibility, file within five (5) Business Days after the County issues such notice.
- (3) If relating to intent to award, file within five (5) Business Days after the County issues notice of Intent to Award. No protests will be accepted once actual award has been made.

### **C. Protest Contents**

- (1) The letter of protest must include all the following elements:
  - (a) Detailed grounds for the protest, fully supported with technical data, test results, documentary evidence, names of witnesses, and other pertinent information related to the subject being protested; and
  - (b) The law, rule, regulation, ordinance, provision, or policy upon which the protest is based, with an explanation of the violation.
- (2) Protests that simply disagree with decisions of the Evaluation Committee will be rejected.

### **D. Reply to Protest**

The County will send a written response to the protestor and to any other party named in the protest within 14 business days of review of the protest.

### **E. No Stay of Procurement Action during Protest**

Nothing in these protest requirements will prevent the County from proceeding with negotiations or awarding a contract while a protest is pending.

## **1.9 PUBLIC RECORDS**

### **A. General**

- (1) All proposals, protests, and information submitted in response to this solicitation will become the property of the County and will be considered public records. As such, they may be subject to public review.
- (2) Any contract arising from this RFP will be a public record.
- (3) Submission of any materials in response to this RFP constitutes:
  - (a) Consent to the County's release of such materials under the Public Records Act without notice to the person or entity submitting the materials; and
  - (b) Waiver of all claims against the County and/or its officers, agents, or employees that the County has violated a proposer's right to privacy, disclosed trade secrets, or caused any damage by allowing the proposal or materials to be inspected; and
  - (c) Agreement to indemnify and hold harmless the County for release of such information under the Public Records Act; and
  - (d) Acknowledgement that the County will not assert any privileges that may exist on behalf of the person or entity submitting the materials.

### **B. Confidential Information**

- (1) The County is not seeking proprietary information and will not assert any privileges that may exist on behalf of the proposer. Proposers are responsible for asserting any applicable privileges or reasons why a document should not be produced in response to a public record request.
- (2) If submitting information protected from disclosure as a trade secret or any other basis, identify each page of such material subject to protection as "CONFIDENTIAL". If requested material has been designated as confidential, the County will attempt to inform the proposer of the public records request in a timely manner to permit assertion of any applicable privileges.
- (3) Failure to seek a court order protecting information from disclosure within ten days of the County's notice of a request to the proposer will be deemed agreement to disclosure of the information and the proposer agrees to indemnify and hold the County harmless for release of such information.
- (4) Requests to treat an entire proposal as confidential will be rejected and deemed agreement to County disclosure of the entire proposal and the proposer agrees to indemnify and hold the County harmless for release of any information requested.
- (5) Trade secrets will only be considered confidential if claimed to be a trade secret when submitted to the County, marked as confidential, and compliant with Government Code Section 6254.7.

## **SECTION II - QUALIFICATIONS, EXPERIENCE, AND EVALUATION CRITERIA**

### **2.1 MINIMUM QUALIFICATIONS**

Proposals will be accepted only from organizations that meet the following required qualifications at the time of proposal submission:

- The proposer has been actively and normally engaged for the past five (5) years in providing municipal financial advisory services to public agencies in California. The proposer must have served as a financial advisor on at least (3) three assignment-related transactions for public entities located in California since January 1, 2010. Your eligibility will be confirmed upon review of your listing of financial transactions required under the proposal requirements section of each assignment.
- The proposer has provided advice in connection with lease revenue bond issuances by public agencies in California within the past five (5) years.
- The proposer and all assigned key professional staff are properly licensed to practice as a Municipal Financial Advisor in the State California. ORGANIZATIONAL CAPACITY AND EXPERIENCE

Provide all of the following regarding the prime proposer and if applicable, all joint proposers.

**A. Organizational Capacity:**

- (1) Titles and names of staff members who will be on the team responsible for the project, as well as the expected availability of the various individuals. If requested, include the resume of a dedicated, full-time project manager.
- (2) All applicable licenses and license numbers relevant to the project, the names of the holders of those licenses, and the names of the agencies issuing the licenses.
- (3) If portions of work will be performed by subcontractors, names of proposed subcontractors other than suppliers and descriptions of their respective responsibilities.

**B. Experience**

- (1) The number of years providing services like those contemplated under the Scope of Services.
- (2) The number of years providing comparable services to government entities in California.

## **2.2 REFERENCES**

Provide at least three (3) references from successfully completed projects within the past five (5) years of similar nature to that described in this solicitation, including the name of the organization for which work was performed, and the name, phone number, and e-mail address of an individual at the organization who was responsible for managing and accepting the work. Ensure that contact information is current. If the County cannot contact the reference because of incorrect or out-of-date information, the reference will be deemed not to have been provided.

## **2.3 EVALUATION CRITERIA**

Proposals will be evaluated in accordance with the following evaluation criteria:

- 45% - Method and approach to Scope of Services
  - Apparent understanding of and responsiveness to the scope of work and services to be provided.
  - Creativity and perspective in structuring financings and managing debt to best serve the County's unique needs.
  - Appropriateness of the proposed solution/services
- 30% - Relevant experience and organizational capacity
  - Qualifications and experience of both the proposer and key personnel
  - Experience with other public agencies, including references and reputation.

- Customer satisfaction
- Organizational resources and staff, apparent ability to meet any required timelines or other requirements.
- 25% - Price/fee proposal

### **SECTION III - INSURANCE**

Provide evidence of insurance for each of the checked categories

<input checked="" type="checkbox"/>	<b>General Liability</b> (Including operations, products and completed operations, as applicable.)	<b>\$1,000,000</b> - per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, the general aggregate limit either must apply separately to this project or must be twice the required occurrence limit.
<input type="checkbox"/>	<b>Automobile Liability</b>	<b>\$1,000,000</b> - per accident for bodily injury and property damage.
<input type="checkbox"/>	<b>Workers' Compensation</b>	<b>As required by the State of California</b>
<input type="checkbox"/>	<b>Employers' Liability</b>	<b>\$1,000,000</b> - each accident, <b>\$1,000,000</b> policy limit bodily injury by disease, <b>\$1,000,000</b> each employee bodily injury by disease.
<input checked="" type="checkbox"/>	<b>Professional Liability</b> (Errors and Omissions)	<b>\$1,000,000</b> - per occurrence.
<input checked="" type="checkbox"/>	<b>Cyber Liability</b>	<b>\$5,000,000</b> per occurrence for Privacy and Network Security, <b>\$1,000,000</b> per occurrence for Technology Errors and Omissions To be carried at all times during the term of the Contract and for three years thereafter.
<input type="checkbox"/>	<b>Pollution Liability</b>	\$ - Per Occurrence
<input type="checkbox"/>	<b>Pollution Liability</b> (Aggregate)	\$

#### **3.1 SPECIAL INSURANCE REQUIREMENTS - CYBER LIABILITY**

If the work involves services or goods related to computers, networks, systems, storage, or access to County Data or to any data that may, alone or in combination with other data, become Confidential Information or Personally Identifiable Information, the following insurance is required.

(1) **Privacy and Network Security**

During the term of the Contract and for three (3) years thereafter, maintain coverage for liability and remediation arising out of unauthorized use of or access to County Data or

software within Contractor's network or control. Provide coverage for liability claims, computer theft, extortion, network breach, service denial, introduction of malicious code, loss of Confidential Information, or any unintentional act, error, or omission made by users of Contractor's electronic data or systems while providing services to the County. The insurance policy must include coverage for regulatory and PCI fines and penalties, crisis management expenses, and business interruption. No exclusion/restriction for unencrypted portable devices/media may be on the policy.

(2) Technology Errors and Omissions

During the term of the Contract and for three years thereafter, maintain coverage for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render computer or information technology services and technology products, including at a minimum, coverage for systems analysis, design, development, integration, modification, maintenance, repair, management, or outsourcing any of the foregoing.

**SECTION V – STANDARD TERMS AND CONDITIONS**

The County's standard agreement template is attached for information only. Do not complete this form. The final agreement between the County and any successful proposer may be based on this template, subject to modifications at the County's discretion.