

County of Catawba  
Request for Proposal  
For RFP #16-1007  
Financial Advisor  
February 4, 2016



PO Box 389  
100A Southwest Boulevard  
Newton, NC 28658

# **Catawba County, North Carolina**

## **Request for Proposal**

### **Financial Advisor**

**Catawba County (hereinafter called the “County) invites qualified independent Financial Advisors (hereinafter called “Advisors”) to submit proposals to provide Financial Advisory Services for upcoming debt financed capital projects and assistance with the County’s bond rating upgrade process.**

#### **Background of the County**

Catawba County was incorporated December 12, 1842 and is located east of the Blue Ridge Mountains and within an hour’s drive of the Charlotte metropolitan area. Its geographic area of 414 square miles includes eight towns and cities and a population of 155,832 residents. It is governed by a five-member Board of Commissioners who are elected by countywide vote in partisan elections and serve four-year staggered terms. The County Manager is appointed to serve as the Chief Executive Officer.

The County provides a broad range of services that include public safety, environmental protection, health and human services, cultural and recreational programs, community and economic development, and education.

#### **Financial Background**

The County’s budget adopted June 1, 2015 is \$235,495,973 for Fiscal Year 2016 and established a property tax rate of 57.5 cents. The complete budget for Fiscal Year 2016 can be found on our website at the link below:

<http://www.catawbacountync.gov/budget/15-16/budgetmain.asp>

The complete Comprehensive Financial Report for Fiscal Year 2015 can be found on our website at:

<http://www.catawbacountync.gov/Finance/CAFR.asp>

The County has the following bond ratings:

Standard & Poor’s – AA (11 years)

Moody’s – Aa1 (5 years)

In 2014, the County pursued an upgrade of its credit rating with Standard & Poor’s but the rating did not change. The County is at the high end of the AA rating, with market and economic factors improving since that time. It is our intent to request another review of our bond credit rating prior to the issuance of new debt this year.

### **Scope of Services**

Catawba County is soliciting a Financial Advisor to assemble a team, structure the financing of upcoming capital projects and serve as Project Manager from the pre-development, financing and closing of the financial transactions.

The contract period shall be for one year with an option to renew for an additional year.

The Finance Advisor shall perform the following tasks:

- Serve as the County's consultant on debt financing projects.
- Provide independent financial advice that serves solely the interest of the County.
- Manage the financing process as needed and negotiate key business points to accomplish the County's objectives.
- Analyze the County's current capital structures as compared with existing and projected sources of revenues for debt service coverage. The consultant will assess the potential impact of debt on the County's financial condition and its ability to maintain and enhance its current bond ratings.
- Provide advice and assistance in the development of any capital improvement plan and/or other long-range financing plans by the County.
- Monitor the County's outstanding debt for potential debt refunding and cost saving restructuring opportunities.
- Develop a plan of finance and prepare a financing schedule. This will include considering various potential financing techniques, including but not limited to public versus privately-placed debt, fixed versus variable rate debt, tax versus taxable, and long-term versus short-term amortization.
- Review legal documents related to scope of work as needed.
- Analyze and report on the advantages and disadvantages of each proposed financing.
- Keep County staff updated on information that affects the County including but not limited to:
  - Changes and impending changes to federal and state rules and regulations that could affect the County's ability to insure tax-exempt debt or would impact its outstanding debt.
  - Current bond market information.
  - Current economic data.
- Review interlocal or other agreements as they are being drafted to determine potential impacts, if any, on the proposed financing and make appropriate recommendations to the County's financing team.
- Assist the County in selection or formation of financing teams, including preparing a list of services required of underwriters, trustee, verification agent and other professionals as agreed upon.
- Advise the County's financing team on areas of industry specific knowledge that affects the financing and marketing of the project's debt.

- Coordinate the preparation and review of financing documents, including but not limited to, feasibility studies, bond indentures/covenants, preliminary and final official statements and advise the County on content and implementations of major documents. Assist the County in ascertaining material facts and circumstances to include in Official statements.
- Development of rating agency strategy.
- Prepare credit profiles and assist the County in making presentations to rating agencies. Consultant shall coordinate with rating agencies to schedule in-person meeting dates and/or teleconferences and prepare agendas for such discussions and meetings.
- Prior to the sale of securities, assist in representing the County at information meetings if such meetings are necessary or desirable.
- Assist in negotiations with bond insurers and/or letter of credit providers. This shall include any securing and negotiating the terms of any necessary credit enhancement for a determine financing structure, including but not limited to, bond insurance, surety reserve policies, standby bond purchase agreements, and direct-pay letters of credit.
- Provide a post-pricing evaluation and discuss with staff.
- Advise the County on various investment alternatives including project, capitalized interest and reserve funds to proceeds pending expenditure. Work closely with the County to develop and structure a specialized investment program as necessary to ensure that financing proceeds are invested in an appropriate manner.

**Projected Timetable**

February 4, 2016	RFP Issued
February 18, 2016	Due Date for Proposal
February 22-29, 2016	Presentations from selected bidders if needed
March, 2016	Staff selects bid for recommendation
March, 2016	Awarding of contract

**Proposal Submittal Requirements**

The following should be included in your Proposal. The proposal shall be no more than 25 single sided pages. 1 original and 2 copies for a total of 3 proposals shall be submitted.

- Describe your approach and understanding of the project(s). The proposed approach for dealing with the tasks and issues of the project(s) must be described.
- Describe your approach in assisting the County in pursuing a credit rating review and argument for a rating upgrade.
- List of local governments with credit ratings similar to that of Catawba County that you have assisted in credit rating reviews in the most recent 3 years. Indicate if they received an upgrade and how that rating increase was determined.

- Provide three references for whom you have served as financial advisor providing similar services in North Carolina in the most recent 3 years. Please include name of unit, contact name and contact information. In addition, consultant shall provide links to official statements for the most relevant 3 previous financings.
- Provide background and experience working with the State of North Carolina Local Government Commission.
- Qualifications of the firm and training for this type of work. Cite specific certifications or accreditations.
- Resumes of the team that will be used on the project and what their role will be. Changes in the members of team will require advance approval from the County.
- Name, address, phone number, and any other contact information of any sub consultant and co-proposers as well as the organizational structure that will be used to manage this project along with their qualifications for the project and resumes of key personnel
- The Consultant shall disclose any professional or personal financial interest which could be a possible conflict of interest in representing the County.
- Fee Proposal. Provide the firm's proposed fees for this engagement. The fee proposal should provide specifics as to any fixed or variable rate pieces paid from closing costs and associated with debt issuance. We prefer financial advisory fees be paid from bond proceeds. Please note that the County reserves the right to negotiate fees with the selected firm.
- A completed signed proposal sheet (included).

### **Evaluation Criteria**

The evaluation of the proposals will be based on the items listed above as well as compliance with applicable laws and regulations and overall clarity and completeness of response to the proposal. The selected financial advisor will be unable to serve as underwriter for the County during the term of the agreement and cannot resign as financial advisor to underwrite County issued bonds.

### **Form of Submission**

The County will receive proposals in the office of and addressed to:

Catawba County  
 Finance Department  
 100 A Southwest Boulevard (physical address)  
 PO Box 389 (mailing address)  
 Newton, NC 28658  
 Attention: Jeanne C. Jarrett, Interim Finance Officer

Three (3) copies of the proposal will be received up to the hour of 3:00 pm, February 18, 2016.

The proposal can be delivered via U.S. Postal Service, Commercial Carrier, or In Person.

### **Terms and Conditions**

- Submission of a proposal indicates acceptance by the agency of the conditions contained in this request unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the County and the agency selected.
- The County reserves the right without prejudice to reject any or all proposals, to waive any non-material irregularities or informalities in any RFP, to accept or reject any items or combination of items, and to request additional clarification of proposals.
- All proposals received become the property of the County and information included therein or attached thereto, shall become public record upon their delivery to the County. Any information deemed by the bidding agency to be protected as a trade secret shall be submitted separately in a sealed envelope with a statement supporting this assertion.
- Any and all costs associated with the preparation of a response to this request are the responsibility of the proposer, and are not to be passed on to the County.
- By submitting an executed proposal the signer certifies that this proposal is submitted competitively and without collusion, that none of the officers, directors, or owners of an unincorporated business entity has been convicted of any violations of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934.
- This RFP can only be changed by written addendums. Any oral comments by anyone shall have no effect on these instructions and specifications. If a bidder knows or should have known of an error in the RFP, but fails to notify the County of the error, the bidder shall bid at its own risk and if awarded the contract, shall not be entitled to additional compensation or time by reason of the error or its later correction.
- All submittals must be valid for one hundred twenty (120) days from opening date. Submissions received after the specified time will be considered late and remained unopened.
- Failure to respond to any requirements outlined in the RFP, or failure to enclose copies of the required documents, may disqualify the bid.
- See attached insurance requirements.
- Contractor agrees to protect, defend, indemnify and hold Catawba County, its officers, employees and agents free and harmless from and against any and all losses, penalties, damages, settlements, costs, charges, professional fees or other expenses or liabilities of every kind and character arising out of or relating to any and all claims, liens, demands, obligations, actions, proceedings, or causes of action of every kind in connection with or arising out of this agreement and/or the performance hereof that

are due, in whole or in part, to the negligence of the Contractor, its officers, employees, subcontractors or agents. Contractor further agrees to bear all other costs and expenses related thereto.

- Catawba County reserves the right to consider as acceptable only those Proposals which meet all requirement set forth in this RFP, demonstrating an understanding of the population served and issues involved, and comply with the service specifications defined. Catawba County reserves the right to reject any and all proposals.

**Inquiries**

All questions and requests for clarification concerning this RFP shall be made to Jeanne C. Jarrett, Interim Finance Officer, at 828-465-8219 or [jjarrett@catawbacountync.gov](mailto:jjarrett@catawbacountync.gov). Questions will be received until February 15 at 5:00 pm.

## **Contractor Insurance Requirements**

Contractor shall maintain at all times during the term of this Agreement, at the contractor's sole expense:

### I. Commercial General Liability Insurance

Contractor shall maintain Commercial General Liability insurance written on an occurrence basis, including coverage for products and completed operations liability, contractual liability, liability from independent contractors, property damage liability, bodily injury liability, and personal injury liability with limits of not less than \$1,000,000 per occurrence and 1,000,000 annual aggregate. The aggregate limit shall apply separately to each location. The limits may be satisfied by a combination of primary and excess insurance.

### II. Business Automobile Insurance

At all times while the Contractor's representatives are conducting on-site work, the Contractor shall maintain Automobile Liability insurance for any owned, hired, rented, or borrowed vehicle with a limit of not less than \$1,000,000 per occurrence for bodily injury and property damage liability. The limit may be satisfied by a combination of primary and excess insurance.

### III. Workers Compensation & Employers Liability Insurance

At all times while the Contractor's representatives are conducting on-site work, Contractor shall maintain statutory Workers Compensation insurance in accordance with the laws of North Carolina. Contractor shall also maintain Employers' Liability insurance with limits of not less than \$1,000,000 per accident and \$1,000,000 each employee for injury by disease.

### IV. General Requirements

1. Catawba County shall be named as an additional insured under Contractor's automobile and general liability insurance. In the event of a loss arising out of, or related to the Contractor's services performed under this Agreement, Contractor's Liability insurance shall be primary (pay first) with respect to any other insurance which may be available to the County, regardless of how the "other insurance" provisions may read.

2. The Contractor's General Liability, Automobile Liability, and Workers Compensation insurance must contain a waiver of subrogation in favor of the County

3. Contractor shall be responsible for insuring all of its own personal property, improvements, and betterments.

4. All insurance policies put forth to satisfy the above requirements shall require the insurer to provide a minimum of sixty (60) days notice to the County of any material change in coverage, cancellation, or non-renewal.

5. All insurance put forth to satisfy the above requirements shall be placed with insurance companies licensed to provide insurance in the state of North Carolina. Any deductibles or self-insured retentions in the required insurance shall be subject to approval by the County.

6. Prior to beginning the work, Contractor shall provide written evidence of insurance as requested by the County to confirm that these insurance requirements are satisfied. Contractor agrees to provide complete copies of policies if requested. Failure of Contractor to provide timely evidence of insurance, or to place coverage with insurance, or to place coverage with insurance companies acceptable to the County, shall be viewed as Contractor's delaying performance entitling the County to all appropriate remedies under the law including termination of the contract.

# Request for Proposal Financial Advisor Submission Form

**Please provide the following information about your company:**

By (Signature) \_\_\_\_\_ Date \_\_\_\_\_

Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email: \_\_\_\_\_

It is understood by the Offeror that Catawba County reserves the right to reject any and all proposals, to waive formalities, technicalities, and to recover and resubmit this RFP. This RFP is valid for one hundred and twenty (120) calendar days from the due date.