



## **REQUEST FOR PROPOSALS (RFP)**

### **FINANCIAL ADVISOR**

**City of Fountain, Colorado  
Finance Department  
116 S. Main  
Fountain, Colorado**

**March 31, 2015**

**(Proposals due April 16, 2015 at 5 p.m. Mountain Standard Time)**

# REQUEST FOR PROPOSALS

## FINANCIAL ADVISOR

### INTRODUCTION

The City of Fountain desires to solicit qualified proposals for a Financial Advisor in accordance with this Request for Proposal.

### Background and General Information

#### **City Profile**

The City of Fountain, Colorado, founded in 1859 and incorporated in 1903, is located on Colorado's Rocky Mountain Front Range, 10 miles south of Colorado Springs. The City occupies 26.5 square miles and serves a population of approximately 28,100.

The City of Fountain is, by Charter, a Home Rule City with a Council-Manager form of government. Essentially, this means that the City is governed by a Mayor and six Council-members who answer to and work for the Citizens of Fountain. A City Manager is appointed by the City Council to run the day-to-day operations of the City Departments.

The term of office is four years for Council-members and two years for the Mayor. The Mayor and three members of the Council are elected at-large and three are elected from the wards in which they live. Council elections are non-partisan.

The City of Fountain is a full service municipality with its own electric and water utilities. The Mayor and a six-member City Council govern the city, with advisory boards and commissions such as the Planning Commission, Park and Recreation Board, and the Economic Development Committee. The City Manager administers all the departments. Fountain is a Home Rule City. Fountain is one of the fastest growing communities in El Paso County, with an annual average growth rate from 2004-2013 of approximately 5%. 2010 was a big year for Fountain, with the growth rate at its highest point in a decade, 11%. The City is prepared for growth, with the Comprehensive Plan recently updated in 2005. Other documents for good planning include Transportation Master Plan, Trails Master Plan, Comprehensive Development Plan, Population Projections, Fountain Strategic Downtown Plan, Water System Master Plan, Water Resources Study. All these plans are on line at [www.fountaincolorado.org](http://www.fountaincolorado.org).

Budget Process – The City Council approves a biennial budget and is required by the State of Colorado to formally adopt an annual budget for all funds. Major funds include the General, Water and Electric funds. Annual appropriations lapse at the end of the fiscal year for all funds. Budgets are prepared on the same basis of accounting as the annual financial statements.

## **Local Economy**

The largest employer in the Fountain area is Fort Carson with 32,300 military, civilian employees and contractors. The City also has several private sector primary employers, including:

- RMB-plastics molding manufacturer wholesale
- Peyton's Fountain-Krogers wholesale distribution
- Adessa Colorado Springs-auto distribution
- Hyponex Landscape-landscape materials
- Pavestone-decorative landscape manufacturer

As well as the larger employers above, Fountain has a host of smaller shops that employ less than 100, but provide primary jobs to the community. These include Tube Bending Concepts, a metal fabrication shop, and CabCon Millwork.

To serve the commuter community, businesses include retailers like Lowe's, Safeway, Walmart Superstore, Walgreens, and AutoZone. While Applebee's was the first name brand casual restaurant in town, there were several other restaurants that opened in 2013-2014 including: Denny's, IHOP, Noodles & Company, and Jersey Mike's Subs. There are several small locally owned restaurants and delis along with a full contingent of fast-food chains (subs, Mexican, chicken, pizza, burgers). There are a few gift shops and galleries in the central business district including the Achievement Gallery and Main Street Sisters Boutique.

Office buildings are very few, though there are professional services available, like financial, accounting and tax services. There are several dental offices, as well as banks and credit unions.

There is a healthy automotive base, with many service shops, repair shops, specialty shops, wholesalers, small used car lots, towing and detailing. A truck stop full service center is at Exit 128.

The unemployment rate in the Fountain area has historically been less than the national average due, in part, to the large military presence. The unemployment rate for 2013 is 6.7% which is lower than the national average.

Construction of new housing and commercial starts in 2013 totaled 165 which was lower than 2012 but still positive. For the first 6 months of 2014, year over year sales tax revenue and use tax from vehicle sales show increases over 2013 and are in-line with 2014 budgeted projections.

## **Long-term financial planning**

In 2008, the City Council embarked on the process of developing the City's first Strategic Plan. The purpose of the endeavor was to help develop a focused vision and mission for the City organization that would be achievable through specific goals and actions of the City Departments.

Through a process that consisted of a thorough review of past planning forums, citizen input tools, and several community meetings, the Council ultimately developed a Strategic Plan that was adopted in March of 2009. The intent is for the plan to be a changing document that will be adjusted periodically as the needs and desires of the City change.

The Strategic Plan serves as a guide for allocating financial resources in the preparation of the biennial budget document. With the biennium beginning January 1, 2011, the City embarked on preparing biennial budgets; however, the City still adopts an annual operating budget of revenues and expenditures for the following year in accordance with State Statute and the City Charter. Included as a part of the City's budget process, the City prepares a 5 year financial plan for the major

funds. The plan encompasses both revenue projections and operating and capital expenditures.

### **Major initiatives**

During 2013 the \$3 million project to construct a replacement Fire Station #1 and the remodel of the existing shared Fire/Police Station into a stand-alone Police Station was completed.

The City of Fountain collaborated with the City of Fort Collins and received a \$2.1 million grant award, as a sub recipient, through the Department of Energy Smart Grid Investment Grant. The project was started in 2010 and completed in 2013. The matching grant installed smart meters and the infrastructure to transmit hourly data, to our data center, for integration with Fountain's billing and customer information systems. The project provided a web portal for customers who would like to view their hourly data and will give them access to other tools for managing their energy and water consumption. The project funded two electric distribution switches that can be operated remotely through our electric control system. The project added a number of technologies to modernize the electric system and to enhance electric delivery and reliability.

The water utility borrowed an additional \$11.6 million in 2013 and \$16.9 million in 2014, which included refunding the 2005 Colorado Water Resources and Power Development Authority (CWRPDA) loan and a new loan through the CWRPDA. These loans provide Fountains funding to continue the financing, engineering, design, permitting, and construction of the Southern Delivery System (SDS). The City of Fountain is a partner, along with the City of Colorado Springs, Security Water and Sanitation District, and Pueblo West Metropolitan District in this regional project, which is designed to deliver water through a 53 mile pipeline from Pueblo Reservoir to Upper Williams Creek Reservoir and the SDS Water Treatment plant located east of Colorado Springs. Fountain expects this project to be completed in 2016. The City's share of the project cost through 2014 is \$27.5 million. The City will capitalize its share of ownership in this project.

In 2014, the City annexed in approx. 60 acres off of I-25 Exit 135 known as the South Academy Highlands. This land is being developed as a commercial district with retail giants Walmart and Sam's Club slated to open in late 2015.

Outstanding debt, maturity schedules, interest rates, and debt service payments – This information is located in Note 7 in the Note to the Basic Financial Statements of the City's CAFR, which can be found on the City's website:

<http://www.fountaincolorado.org/departments/division.php?structureid=118>.

Note that the City has no outstanding general obligations bonds.

### **SCOPE OF WORK**

The City of Fountain is interested in retaining a financial advisor to assist in developing financial alternatives to include capital planning activities and to provide advice and services related to the sale of bonds. It is expected the financial advisor will work closely with the City's Finance Director and staff and make recommendations and perform activities related to the financial management of the City and upcoming bond sales. The City expects to award a contract for three years, with two one-year or one two-year option to renew. In particular, the financial advisor may:

- Advise the City on strategy and prepare a detailed road map outlining various tasks and steps for implementing the financing of desired projects along with a timeline schedule.

- Analyze and recommend any refunding potential of existing loans.
- Design and conduct the on-line sale should the City decide to use on-line competitive auctions for competitive marketing of bond sales.
- Assist with obtaining required authorizations, including referenda.
- Advise on method of bond sale (where appropriate).
- Recommend timing of bond sales.
- Identify tasks, responsibilities, and dates for completing activities leading up to bond sales.
- Design or actively participate in the design of debt structure.
- Provide advice on approach to ratings and assist with rating presentation and the preparation of the presentation.
- Evaluate use and obtain bids for credit enhancement (if appropriate).
- Prepare documents, including preliminary and final official statements.
- Conduct pre-marketing of issues (competitive sale).
- Evaluate bids, including accuracy of TIC calculation, and recommend award (competitive sale).
- Review pricing, underwriter roles, and allocation of bonds (negotiated sale).
- Assist with closing arrangements.
- Provide assistance on investment of bond proceeds (if appropriate).
- Provide advice related to compliance with arbitrage regulations.
- Assist with the presentation of recommendations to City management and the City Council.
- Prepare analytical data related to internal evaluations of capital projects and City liabilities including outstanding indebtedness.
- Develop financial analyses and special reports as requested.

### **PROPOSAL FORMAT**

**Proposals will include any graphics and/or attachments, and will be submitted in an original and two copies. The original must be clearly marked and contain original signatures and must be easily reproducible on a standard copying machine.** Failure to clearly mark the original and provide original signatures may result in a proposal being found non-responsive and given no consideration. The services provided, qualifications, experience, and reference portions of the proposals will be weighted more heavily than the costs. Proprietary data or trade secrets should be clearly identified as such in your proposal.

Proposals will contain the following sections:

A. Executive Summary

- This section must include designated contacts – authorized agents of the firm who are able to conduct negotiations or written offers in good faith – and their contact information.

**B. Services Provided**

- Clearly articulate how those services in the scope of work will be provided.

**C. Vendor Qualifications and Experience**

- Proposals must contain a statement as to qualifications of the proposing firm, and identify the financial advisor and other staff that would have assignments under this contract, and provide their resumes that fully describe their qualifications and experiences.
- Proposals must contain a statement that the advisor is registered with the SEC and MSRB.
- This section is also to include a list of other government agencies in California for which the firm is presently under contract to provide financial advisory services, and the name of the primary financial advisor for each.

**D. References**

- The proposal should provide the names, phone number, contact person and mailing address of at least five references for which similar services have been provided in the last three years.
- The proposal should also indicate for which of the references the proposed primary financial advisor has provided services and the capacity of these services.

**E. Legal Issue/ Conflict of Interest – Proposals also will include information about:**

- Violations of federal, state or local regulations/laws within the past 3 years
- Pending or current litigation
- Arrangements with other firms that could pose a conflict of interest
- If none of the about apply, a statement to that effect

**F. Costs**

- Proposals should include all costs associated with providing the services described in the Scope of Work.
- Proposals may include a compensation approach that includes the hourly rate for each individual who would be assigned to the City of Fountain, and a cost by category for all major activities, including a bond issuance.
- The firm's normal compensation method, that may include minimum hourly rates for assigned personnel, should also be proposed.
- For bond issuances, the City's goal is to achieve the lowest total financing costs balanced with safety for the City and flexibility for the City Council.

The successful firm will be asked to submit a sample contract to City of Fountain.

The City will require the successful Advisor to provide Certificates of Insurance evidencing coverage types and the limits for each. Advisor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Advisor, its agents, representatives or employees.

### **EVALUATION OF PROPOSALS AND NEGOTIATIONS**

There will be no public opening and reading of bids. Overall responsiveness to the Request for Proposals is an important factor in the evaluation process. Proposals will be evaluated on the basis of:

- Firm's overall qualifications and experience in municipal finance, including on-line bond sales, with an emphasis in general municipal financing and public utilities, and experience

in parking, transit, and economic development

- Firm's legal issues and conflicts of interest
- Qualifications of the proposed primary financial advisor and other staff members, and experience providing financial advisory services to other public agencies of similar size and complexity as the City of Fountain
- Responsiveness to the Request for Proposal process and general provisions, and understanding of the scope of work as evidenced by the services offered in the proposals, presentations, and ability/willingness to sign a contract
- References
- Costs

### **CITY CONTACTS**

All proposals, offers and counter offers will be extended through the City Finance Director. Any negotiations may be conducted by the City Finance Director or another party as noticed by the City Finance Director. Award will be by the City Manager or by City Council resolution. No other officer or agent may obligate or bind the City. For questions or additional information, please contact the City Finance Director, preferably by email:

Donald J. Yucuis  
Finance Director  
(719) 322-2033  
dyucuis@fountaincolorado.org

### **ESTIMATED SCHEDULE**

RFP Issued	On or before April 1, 2015
Proposals Due	April 16, 2015 by 5 p.m.
Recommendation/Approval	April 28, 2015

### **GENERAL PROVISIONS**

All prices and proposals must be in ink or typewritten. No pencil figures or erasures are permitted. Mistakes may be crossed out and corrections inserted adjacent thereto and must be initialed in ink by person signing the proposal.

All proposals must be signed with the firm's name and by a responsible officer or employee. Obligations assumed by such signature must be fulfilled.

Information must be furnished complete in compliance with the terms, conditions, provisions and specifications of the Request for Proposals. The information requested and the manner of submission are essential to permit prompt evaluation of all proposals on a fair and uniform basis. Accordingly, the City reserves the right to declare as non-responsive and reject any proposal in which material information requested is not furnished or where indirect or incomplete answers or information is provided.

Proposals and modifications or corrections thereof received after the closing time specified will not be considered.

**Proposal Postponement and Addendum:** The City of Fountain reserves the right to revise or amend the specifications or any other part of the proposal up to the time set for opening. Such revisions and amendments, if any, shall be announced by addendum to this Request for Proposals and posted to the City's web page. If revisions and amendments require changes in

quantities or prices proposed, or both, the date set for opening of proposals may be postponed by such number of days as in the opinion of the City shall enable bidders to revise their proposals. In any case, the proposal opening shall be at least five working days after the last addendum; and the addendum shall include an announcement of the new date, if applicable, for the submission of proposals.

**Single Proposal Response:** If only one proposal is received in response to the Request for Proposals, a detailed cost proposal may be requested of the single bidder. A cost/price analysis and evaluation and/or audit may be performed of the cost proposal in order to determine if the price is fair and reasonable.

**Proposal Withdrawal:** After the proposals are opened, proposals may not be withdrawn for thirty (30) calendar days. Prior to the date/time set for the proposal opening, however, proposals may be modified or withdrawn by the bidder's authorized representative in person, or by written telegraphic notice. If proposals are modified or withdrawn in person, the authorized representative shall make his identity known and shall sign a receipt for the proposal. Written or telegraphic notices shall be received no later than the exact date/time for the proposal opening. A telegraphic modification or withdrawal received in the designated office by telephone from the receiving telegraph office no later than the date/time set for the proposal opening shall be considered if such message is confirmed by a copy of the telegram.

**Firm's Investigation:** Before submitting a proposal, each firm shall make all investigations and examinations necessary to ascertain all conditions and requirements affecting the full performance of the contract and to verify any representations made by the City upon which the financial advisor will rely. If the firm receives an award as a result of its proposal submission, failure to have made such investigations and examinations will in no way relieve the firm from its obligation to comply in every detail with all provisions and requirements of the contract, nor will a plea of ignorance of such conditions and requirements be accepted as a basis for any claim whatsoever by the firm for additional compensation.

**Competency of Firms:** No proposal will be accepted from or contract awarded to an advisor who is not licensed in accordance with the law, who does not hold a license qualifying financial advisor to perform work under this contract and who has not successfully performed on projects of similar character and scope. The financial advisor may be required, before the award of any contract, to show, to the complete satisfaction of the City, that it has the necessary facilities, ability, experience, and financial resources to provide the services specified herein in a satisfactory manner. Generally, financial advisor history and references are required at a minimum. The City may make reasonable investigations deemed necessary and proper to determine the ability of a financial advisor to perform the work, and the financial advisor shall furnish the City all information requested for this purpose.

**Award:** The City of Fountain reserves the right to reject any and all proposals; to waive any informality in the proposals; and to accept the proposal that appears to be in the best interest of the City. The City intends to award to a single financial advisor.

In determining and evaluating the best proposal, the prices will not necessarily be controlling, but quality, equality, efficiency, utility, general terms, delivery, suitability of the service offered, and the reputation of the service in general use will also be considered with any other relevant factors.

Notice of contract award, if contract be awarded, will be made within thirty (30) days of opening of proposals to the financial advisor, whose proposal complies with all the requirements in the Request for Proposals and is found to be the best value to the City.

Financial advisor shall submit to the City, for approval, within ten (10) days from notice of contract award, all Certificates of Insurance evidencing the required coverage as described under

Insurance in the City of Fountain sample contract Exhibit 1.

The financial advisor shall not commence work under the terms and conditions of the contract until all Certificates of Insurance have been approved by the City and financial advisor has received notice to proceed in writing and an executed copy of the contract from the City of Fountain.

**Contract Administration:** Except as otherwise specifically provided in this Request for Proposals and the resulting Purchase Contract or Purchase Order, any notice, submittal or communication required or permitted to be served on a party hereto, may be served by personal delivery to the person or the office of the person identified in the proposal. Service may also be made by mail, by placing a notice, submittal or communication in an envelope with the proper first-class postage affixed thereto and addressed as indicated, and depositing said envelope in the United States mail.

**Retention of Records:** The financial advisor shall be required to retain any records necessary to document the charges for goods to be provided or services to be performed and make such records available to the City for inspection at the City's request for a period of five (5) years.

**Non-Collusion Affidavit:** The financial advisor declares, by signing and submitting a proposal, that the proposal is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the proposal is genuine and not collusive or sham; that the financial advisor has not directly or indirectly induced or solicited any other financial advisor to put in a false or sham proposal, and has not directly or indirectly colluded, conspired, connived, or agreed with any financial advisor or anyone else to put in a sham proposal, or that anyone shall refrain from bidding; that the auditor has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price of the financial advisor or any other bidder, or to fix any overhead, profit, or cost element of the proposal price, or of that of any other financial advisor, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the proposal are true; and, further, that the financial advisor has not, directly or indirectly, submitted his or her proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, proposal depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

**REQUIRED DATA**

**Designated Contacts**

Bidders are required to indicate in the space provided below, the designated contact individual's name and address as requested in the City Contacts provision of the Request for Proposals.

**CITY OF FOUNTAIN**

Donald J Yucuis  
Finance Director  
City of Fountain  
116 S. Main Street  
Fountain, CO 80817  
(719) 322-2033 Voice  
(719) 322-2000 Fax

[dyucuis@fountaincolorado.org](mailto:dyucuis@fountaincolorado.org)

**FINANCIAL ADVISOR**

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