



CITY OF DULUTH
REQUEST FOR PROPOSALS FOR
MUNICIPAL ADVISOR SERVICES

RFP NUMBER 23-AA10

Issued May 19, 2023

PROPOSALS DUE JUNE 9, 2023 by 3:00 PM Central Time

SUBMIT TO

CITY OF DULUTH
ATTN: PURCHASING DIVISION
CITY HALL, ROOM 120
411 WEST 1ST STREET
DULUTH, MN 55802

PART I - GENERAL INFORMATION

I-1. Project Overview. To select a municipal advisor firm familiar with Minnesota statutes and laws to advise and assist the City of Duluth with annual government debt issuance and management services, debt refunding services, arbitrage compliance and reporting, and financial advising services related to financial planning, budget and strategic advice and planning, policy development, annual arbitrage rebate calculations and reporting, and continuing disclosure reporting. The City of Duluth reserves the right to select more than one municipal advisor. The City will accept the use of subcontractors for the engagement. Additional detail is provided in **Part IV** of this RFP.

I-2. Calendar of Events. The City will make every effort to adhere to the following schedule:

Activity	Date
Deadline to submit Questions via email to purchasing@duluthmn.gov	May 26, 2023
Answers to questions will be posted to the City website no later than this date.	June 2, 2023
Proposals must be received in the Purchasing Office by 3:00 PM on this date.	June 9, 2023
Virtual interviews tentatively scheduled for these dates.	June 26 & 27, 2023

I-3. Interviews. The City reserves the right to interview top-scoring Bidders. Bidders will be notified via email if they have been selected for an interview. The City also reserves the right to make a selection without an interview process.

I-4. Rejection of Proposals. The City reserves the right, in its sole and complete discretion, to reject any and all proposals or cancel the request for proposals, at any time prior to the time a contract is fully executed, when it is in its best interests. The City is not liable for any costs the Bidder incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

I-5. Questions & Answers. Any questions regarding this RFP must be submitted by e-mail to the Purchasing Office at purchasing@duluthmn.gov **no later than** the date indicated on the Calendar of Events. Answers to the questions will be posted as an Addendum to the RFP.

I-6. Addenda to the RFP. If the City deems it necessary to revise any part of this RFP before the proposal response date, the City will post an addendum to its website <http://www.duluthmn.gov/purchasing/bids-request-for-proposals/> . Although an e-mail notification will be sent, it is the Bidder's responsibility to periodically check the website for any new information

I-7. Proposals. To be considered, hard copies of proposals must arrive at the City on or before the time and date specified in the RFP Calendar of Events. The City will not accept proposals via email or facsimile transmission. The City reserves the right to reject or to deduct evaluation points for late proposals.

Proposals must be signed by an authorized official. If the official signs the Proposal Cover Sheet attached as Appendix A, this requirement will be met. Proposals must remain valid for 60 days or until a contract is fully executed.

Please submit one (1) paper copy of the Technical Submittal and one (1) paper copy of the Cost Submittal. **The Cost Submittal must be in a separate sealed envelope clearly marked “Cost Submittal” and the Bidders firm name.** In addition, Bidders shall submit one copy of the entire proposal (Technical and Cost submittals, along with any requested documents) on flash drive in Microsoft Office-compatible or pdf format.

All materials submitted in response to this RFP will become property of the City and will become public record after the evaluation process is completed and an award decision made.

I-8.Small Diverse Business Information. The City encourages participation by minority, women, and veteran-owned businesses as prime contractors, and encourages all prime contractors to make a significant commitment to use minority, women, veteran-owned and other disadvantaged business entities as subcontractors and suppliers. A list of certified Disadvantaged Business Enterprises is maintained by the Minnesota Unified Certification Program at <http://mnucp.metc.state.mn.us/> .

I-9. Term of Contract. The term of the contract will begin once the contract is fully executed and is anticipated for five years with optional annual renewals. The selected Bidder shall not start the performance of any work nor shall the City be liable to pay the selected Bidder for any service or work performed or expenses incurred before the contract is executed.

I-10. Mandatory Disclosures. By submitting a proposal, each Bidder understands, represents, and acknowledges that:

1. Their proposal has been developed by the Bidder independently and has been submitted without collusion with and without agreement, understanding, or planned common course of action with any other vendor or suppliers of materials, supplies, equipment, or services described in the Request for Proposals, designed to limit independent bidding or competition, and that the contents of the proposal have not been communicated by the Bidder or its employees or agents to any person not an employee or agent of the Bidder.
2. There is no conflict of interest. A conflict of interest exists if a Bidder has any interest that would actually conflict, or has the appearance of conflicting, in any manner or degree with the performance of work on the project. If there are potential conflicts, identify the municipalities, developers, and other public or

private entities with whom your company is currently, or have been, employed and which may be affected.

3. It is not currently under suspension or debarment by the State of Minnesota, any other state or the federal government.
4. The company is either organized under Minnesota law or has a Certificate of Authority from the Minnesota Secretary of State to do business in Minnesota, in accordance with the requirements in M.S. 303.03.
5. The municipal advisor is registered and in good standing with both the SEC (Securities and Exchange Commission) and MSRB (Municipal Securities Rulemaking Board)

I-11. Notification of Selection. Bidders whose proposals are not selected will be notified in writing.

PART I – PROPOSAL CONTENT

Proposals may be single- or double-sided, but each side counts as one page. Proposals shall be 12pt font with line spacing for ease of reading.

TECHNICAL PROPOSAL Do NOT include any costs in this part of the proposal.

1. Goals and Objectives (1-2 pages)

A restatement of the goals and objectives and the project tasks to demonstrate the responder's view and understanding of the services requested. Detail the scope of services to be provided and identify any additional services beyond those described in your proposal that your firm could provide upon request.

2. Experience (up to 15 pages)

An outline of the responder's background and experience with other municipalities in the state of Minnesota. The experience should demonstrate and provide proof of competency in the following areas:

- a. Describe experience with taxable and tax-exempt issues. Describe a typical process from beginning to end.
- b. Describe innovative examples of debt planning and issues that complied with Minnesota statutes and laws.
- c. Describe experience and familiarity with federal law and tax law applicable or potentially applicable to financings by the City, such as the new Issue Price Rules.
- d. Describe experience with Minnesota laws and the governing statutes relating to governmental bonding authority.

- e. Describe working relationships with bond counsels, underwriters, bond rating agencies, and other critical financing participants.
 - f. Describe experience with competitive bidding for public entities and fixed-rate financing.
 - g. Describe experience making recommendations to enhance bond marketability.
 - h. Describe experience making recommendations to maintain current or higher debt rating.
 - i. Describe experience coordinating, preparing, and presenting to rating agencies, elected officials, potential purchasers, and other agencies.
 - j. Describe experience with assessing existing bond policies and procedures and recommendations on financing strategies.
 - k. Describe experience with performing arbitrage rebate liability calculations, written reports describing calculation methods and supporting documentation, completing IRS 8038-T, and determination of any amount due to the IRS as required by law.
 - l. Describe experience advising on financial planning and future debt issuances.
 - m. Describe experience analyzing industry and economic trends that may affect debt issuances.
 - n. Describe experience reviewing bond issues for refunding opportunities along with the determination of savings, proposed structure of the refunding issue, and estimated costs of issuance.
 - o. Describe experience providing models for long-term capital planning.
 - p. Describe any newsletters, trainings, or other informational material routinely provided to clients.
3. Personnel (up to 15 pages)
- a. Identify personnel who will be responsible for providing debt issuance and financial advising services to the City and describe the role that each individual will play. Include name, title, office location, length of time working in municipal advising, length of time at the current firm, and resume. Identify how personnel proposed for these services were involved with the services listed under "Experience" in the preceding section.
 - b. List senior staff hires and departures over the last three years. For departures, indicate the reasons.
4. References (1 page)
- A listing of names, addresses, and telephone numbers of at least three (3) references in the State of Minnesota for whom the respondent has performed similar services.

PART II – COST PROPOSAL CONTENTS

This contract will be issued on a not-to-exceed basis as well as a not-to-exceed-per-bond-series basis.

Fee Structure 1 – Fixed Rate Bonds Detail the proposed fee structure for fixed-rate bonds, including expenses. State whether the firm would charge for Municipal Advisor services in the event that a proposed bond issue or other financing was not sold successfully. The proposal should state separately the maximum fees for fixed rate sales up to \$100 million in increments of \$1,000. Identify any other costs, including reimbursable costs, that would be involved in issues of these sizes, including out-of-pocket costs of the firm. Indicate specifically all costs not included within the base fee structure.

Fee Structure 2 – Arbitrage Consulting Services Provide a breakdown of all estimated fees and costs for arbitrage consulting services. Please distinguish between fees for annual calculations, interim calculations, five-year rebate calculations, and yield reduction calculations. Specify whether there is an additional fee, and the amount of the fee, for providing IRS Form 8038-T when any payment is due. State whether lower fees apply in cases where the construction funds have been depleted within a spend down period. Fee breakdown should be quoted on a not-to-exceed basis.

PART III – SELECTIONS

The proposals will be reviewed by City Staff. The intent of the selection process is to review proposals and make an award based upon qualifications as described therein. A 100-point scale will be used to create the final evaluation recommendations. The factors and weighting on which proposals will be judged are:

Qualifications and Experience of the Bidder and Personnel	35%
Plan for Providing Services	40%
References	5%
Cost	15%

PART IV – PROJECT DETAIL

The following services are anticipated to be needed and should be included in your proposal.

1. Debt Issuance

- a. Make recommendations to the City for structuring the proposed debt issues including amortization schedule, term, discount, call features, etc.
- b. Advise the City on timing, method of sale, determination of best bid, solicitation, evaluation, and information necessary to reflect the current financial policy, fiscal capability, debt capacity, and cash flow needs.

- c. Coordinate with bond counsel and other participants the timing and process of the bond issuance.
- d. Prepare the Preliminary Official Statement (POS) and the Official Statement (OS) for each debt issuance with assistance from City and bond counsel.
- e. Make recommendations to enhance bond marketability and reduce issuance costs.
- f. Recommend debt strategies to maintain current or higher debt rating.
- g. Advise on rating agency matters and strategies for agency meetings. Schedule agency meetings and prepare information for meetings including, but not limited to, identification and background of rating agency personnel, synopsis of their likely concerns, potential questions and answers.
- h. Assist the City in preparing and presenting information to rating agencies, elected officials, potential purchasers of the bonds, and other agencies.
- i. Assist the City in determining whether each issue should be sold on a negotiated, competitive, or private placement basis. Act as the City's agent in agreements with Book Entry firms, including issuing bid documents, responding to questions from potential bidders, placing advertisements, and any other communications with bidders
- j. Act as an agent of the City to accept electronic competitive bids for each debt issue. Evaluate, verify, and recommend the best bid based on true interest cost for the bids submitted on the debt sale date to the City.
- k. Coordinate such matters as bond registration, printing, investment of proceeds, and other matters related to the settlement and delivery of bonds and notes.
- l. Coordinate and prepare the City's Municipal Continuing Disclosure Requirements and provide annual on-going services related to these requirements including financial/operating filings, event filings, and asset-backed securities filings.
- m. Coordinate and prepare the City's on-going services related to material event disclosures.
- n. Assist the City in any debt defeasance opportunities in the event resources are available for such purpose.
- o. Complete post bond sale analyses.

- p. Arbitrage compliance services including arbitrage reporting, arbitrage consulting, and assistance with IRS examinations.
- q. Complete arbitrage rebate and yield restriction compliance analysis in accordance with applicable sections of the Internal Revenue Code and related Federal Regulations.
- r. In connection with the arbitrage rebate and yield restriction compliance analysis, read applicable bond documents, recalculate bond yield and confirm agreement to relevant bond documents, analyze investment and expenditure records for various bond related funds subject to arbitrage rebate and yield restriction requirements, evaluate and apply any available exceptions that would reduce any liability on bonds, calculate the liability with respect to gross proceeds of bonds.
- s. Provide written reports describing arbitrage calculation methods, deliver appropriate supporting documentation, and provide IRS form 8038-T when required.
- t. Advise on maximizing retainable earnings on investment of bond proceeds.

2. Financial Advisory Services

- a. Review the City's capital plans and assist with financial planning efforts
- b. Review the City's current and planned future debt issuances and advise on investment opportunities
- c. Discuss and recommend various alternatives for the City's debt and capital plans.
- d. Review industry and economic trends that may affect debt issuances.
- e. Advise on general market conditions and outlook for bonds and lease transactions including, but not limited to, new series of bonds, refunding bonds, new financial products or financial products currently not authorized for use, market trends and investor preferences, and analysis of tax exempt versus taxable financings. Perform analysis related to such matters as requested.
- f. Review outstanding bond issues for refunding opportunities and to determine the potential present value savings. Create reports to show the proposed structure of the refunding issue, sources and uses of funds, potential savings and estimated costs of issuance.

- g. Assist the City with amending/developing financial and debt policies
- h. Analyze future debt capacity
- i. Develop, manage, and maintain computer models for long-term capital planning.
- j. Advise on other matters as required including, but not limited to, City's financial planning efforts, capital investment guidelines, budgeting for debt service, and alternative methods for financing capital projects other than general obligation debt. Advise on statutory and regulatory changes proposed or imposed by Congress, the U.S. Treasury, the Securities and Exchange Commission ("SEC"), the Internal Revenue Service ("IRS"), the State or other regulatory agencies. Provide guidance to the City on the impact of any changes and any associated compliance activities.
- k. Provide any newsletter, trainings, or other informational material routinely provided to clients.

**APPENDIX A - PROPOSAL COVER SHEET
CITY OF DULUTH
RFP# 23-AA10 for Municipal Advisor Services**

Bidder Information:	
Bidder Name	
Mailing Address	
Contact Person	
Contact Person's Phone Number	
Contact Person's E-Mail Address	
Federal ID Number	
Authorized Signature	
Name & Title of Authorized Signer	
Email of Authorized Signer	