

CITY OF TUSCALOOSA       )  
STATE OF ALABAMA        )

**REQUEST FOR STATEMENT OF QUALIFICATIONS  
BOND UNDERWRITER PROFESSIONAL SERVICES  
(A18-0662)**

**TO:           Qualified Firms**

**FROM:       The City of Tuscaloosa, Alabama**

**RE:         Request for Statement of Qualifications for Professional Bond Underwriter Services**

**DATE:       May 25, 2018**

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**Section 1. Introduction.**

This is a Request for Statement of Qualifications (“RFQ”) containing information concerning the above-referenced matter, an abbreviated scope of work, and evaluation items. Firms expressing interest should be fully capable of providing the end results requested.

This is a procurement of professional services as more particularly described herein. The City of Tuscaloosa (“City”) will adhere to the following method for conducting evaluations of received RFQs:

- a. Each firm’s experience and qualifications will be evaluated primarily as they relate to the firm’s ability to provide professional financial advising and related consulting services on all matters pertaining to or related to the issuance of a new money City of Tuscaloosa Warrant Issue of approximately \$80 million. To that end, Firm shall assist the City to determine the best and most effective method to conduct the issuance of the Warrants through the development of a Financial Plan as more particularly set forth below, which will take into consideration the issuance of certain securities (Warrants). At all times, Firm shall comply with the Dodd-Frank Act and all other federal and state laws regulating investment bankers.

- b. Award will be made to the responsible firm or firms whose Statement of Qualifications is most advantageous to the City, with price and other factors considered.
- c. Written proposals will be reviewed and rated by a panel of qualified City employees. The rating system will consist of a numerical grading system, as set forth in Section 3. The City may or may not elect to interview any of the responding firms.
- d. The City has exclusive and sole discretion to determine the firm whose services will be most advantageous to the City, and reserves the right to reject all firms.
- e. Consideration will be given to such matters as the firm's integrity, compliance with public policy, record of past performance, and financial and technical resources.

The purpose of this inquiry is to determine the interest or non-interest and the qualifications of firms in providing the professional services required. A number of firms may be asked to express their interest in regard to these services in the form of a Statement of Qualifications. Following the receipt of Statements of Qualifications, a certain firm or firms may be selected for further consideration.

## **Section 2. General Scope of Services**

The City of Tuscaloosa seeks the services of a professional bond underwriter firm which has the knowledge, experience and expertise to perform the services as requested.

### **A. Financial Plan:**

Firm shall develop the Financial Plan shall consist of but not necessarily be limited to the following elements:

1. The Funding Plan (Funding Plan), to be developed and incorporated into the Financial Plan as a new money warrant issue of the City of Tuscaloosa Warrant in the amount of approximately \$80 Million (the "Issue," "Warrant", "Bond," or "Securities"). Without limiting the generality of the foregoing, the Funding Plan will involve services of the Firm to include the following:

- Schedule and structure to close the Warrant Issue as directed by Mayor .

2. Survey of City's Financial Condition and Resources:

The Firm shall conduct a survey of the current financial condition and resources of the City to determine its ability to fund short and long term capital requirements. The Firm shall also analyze the existing City debt structure as compared to existing and projected sources of income which may be pledged to secure payment of debt. Where appropriate, the survey shall include the trend of the revenues of the City and the present estimated future requirements. The Firm shall analyze the capabilities of reserve funds of the City to fund all or any portion of any project contemplated by the new money portion of the Warrants. Services of the Firm will include projecting anticipated cash accumulations and revenue to be realized from various revenue increase options.

3. Firm will review, analyze and comment upon the project to be financed or refinanced and any documents reasonably related and/or necessary to be reviewed, analyzed, and commented upon by the Firm to the City in order to successfully conclude the issuance of the securities. Firm will review these documents with City staff, including the cost and timing of each phase or project referred to herein and determine the long and short term capital requirements to be financed.

4. Firm shall attend all meetings of the Mayor/City Council, relevant Council Committee and/or City staff whenever Firm's presence is needed or would be necessary for Firm to familiarize itself with the Plan, the City's finances and needs, and in accordance with the performance of this agreement. Firm shall consult and confer with elected officials, City representatives and attorneys pertaining to the goals and objectives to be addressed by the financial plan.

5. Firm shall review and analyze all revenue related data and revenue requirements, advising the City as to the various financial options for the plan alternatives.

6. Firm shall devise and provide the City with alternate methods of financing, addressing costs and benefits of each financial option, including the advantages and disadvantages related to each such option.

7. The Firm shall analyze and study the current financial and debt structure of the City and the various revenue sources identified to service the City debts including this Issue, and advise the City as to the feasibility and soundness of the plan and if not, recommend viable alternatives.

8. Based upon the performance of all the foregoing services and the information and data developed therefrom, Firm shall prepare a written Financial Plan to be presented to the City, which Plan shall address the best financial options available to the City. The Plan will include recommendations as to the date of issuance of debt,

interest payment dates and maturity schedule. All recommendations will be based upon Firm's best professional judgment with the objective of designing securities which can be sold under terms most advantageous to the City and at the lowest interest cost consistent with all other considerations.

**B. Structure of Financing:**

1. Based upon the Financial Plan, the Firm shall structure the implementation of the same for the City.

2. Firm will develop and present to the City, specific recommendations as to warrant structure, call features, size, maturity, timing, security and other covenants to be included in the issue.

3. Firm shall determine and recommend to the City the most favorable life of the securities (Warrants) by structuring the issue, taking into consideration all previous issues.

4. Firm shall advise the City of current bond market conditions, forthcoming bond issues and other general information and economic data which might normally be expected to influence the interest rates, so that the date for the sale of the securities can be set at a time which, in Firm's opinion, will be most favorable.

5. Firm shall review the feasibility of credit enhancements and make recommendations to the City in regard thereto.

**C. Official Statement and Development of Other Documents.**

The Firm shall coordinate with the bond counsel, the preparation and submission of the preliminary official statement, final official statement and other documents that may be required to the City staff promptly and in such a manner as to provide sufficient time for adequate review by City staff and as many times as required for final approval thereof by the City.

1. Firm will assist with the preparation and proofreading, including the preparation of the debt service calculations and correcting all errors, of the preliminary and final official statement for approval by bond counsel and the City. The official statement should include, but not be limited to, the following information:

- (a) A description of the securities to be sold, including maturity schedules, call provisions, placement of payments, etc.;
- (b) A detailed description of both Projects to be constructed with the proceeds of the issues;
- (c) Economic and demographic data;
- (d) Historical and projected financial analysis;
- (e) Description, information and relevant data concerning the City and the proposed projects.
- (f) Any other information necessary to obtain the best rating and issue possible for the City.

2. Firm shall be responsible for and coordinate the printing of the final official statement and related market documents and warrants to be delivered to all respective purchasers.

3. Firm shall arrange for reports and opinions of recognized independent consultants, including but not limited to outside auditors and consulting engineers which Firm deems necessary and required to the successful marketing of the securities.

The fees and charges for reports and opinions of independent consultants, bond attorney and the cost of printing and distributing the official statement and related market documents shall be borne by the City.

**D. Rating Agency Presentations - Insurance.**

1. Ratings and Presentations to Rating Agencies: Firm will actively seek ratings from Moody's Investor Service and/or Standard & Poor's Corporation (Agencies) as determined by the City, with respect to assignment of investment ratings on the warrants. Firm will make recommendations to the City on the matter of credit rating for the proposed issue. In the event it is determined that it will be necessary to make presentations to the Agencies, then Firm shall prepare witnesses, exhibits and presentation folders of relevant data for presentation to Agencies. Firm shall coordinate and lead the presentation to the Agencies of such information and any other factors as in Firm's opinion is required for submission to the agencies on this Issue and in regard to the City in general so as to pursue a ratings upgrade for the City.

Firm, in furtherance of the foregoing, shall be responsible for coordinating the rating review activity, including the preparation of the City and its staff persons to attend a formal presentation with both agencies in New York or elsewhere. In the event it is determined that it will be necessary to make presentations to the Agencies, then Firm will include a presentation book of relevant data about the City and the Issue, an outline for the presentation, rehearsing the same with the City Officials and City staff at least twice prior to said rating meetings. In addition, Firm will familiarize the City and City staff with expected questions and review those items that are considered to be strong and weak points of the City concerning the issue.

2. Insurers. Firm will explore with City staff, the means of credit enhancements available, including but not limited to municipal bond insurance, and will solicit and evaluate proposals from providers of credit enhancement, will tabulate and compare bids and provide its recommendations as to acceptance or rejection of proposals or bids received. If necessary or appropriate, the Firm shall assist the City to make a presentation to insurers similar to that for the rating agencies.

**E. Bond (Warrants) Sale.**

1. It is the City's current intention to sell the securities contemplated to be issued pursuant to this agreement by negotiating an underwriting of the warrants. Provided, however, in the event that, in the opinion of the City, market conditions are such that an advantageous sale of the warrants through an advertised public sale is more desirable, the City may elect that option. Nothing herein shall be construed as a commitment or agreement between the Parties in regard to the sale of the warrants.

2. The Firm shall advise and assist the City in the negotiated sale of the securities. Such underwriting services will include advising the City in regard to the schedule of principle maturities and any other security provisions which will insure the City sales of securities under the terms most favorable to it.

3. The Firm shall endeavor to insure that a certain number of the warrants are made available to local financial institutions in the City for sale to citizens and local investors.

**F. Closing of the Issue.**

1. Firm will coordinate and work with the City's staff, and bond counsel to establish a closing date and advise the City on the investment of construction funds, including but not limited to, short or long term investments, taking into account the expected "drawdown" schedule from the construction fund. The Firm will advise the City concerning arbitrage regulations and compliance with applicable provisions of the Tax Reform Act and SEC Disclosure Reporting Regulations.

2. As soon as the purchase price for the securities has been accepted by the City, the Firm will proceed to coordinate the efforts of all concerned for the delivery of the securities and payment thereof as expeditiously as possible within the legal time limit. The Firm shall assist the City in preparation or verification of a program of temporary investment of proceeds, in consultation with the City's consulting engineer and staff, consistent with the timetable for the refunding and any new money issue.

3. The Firm will arrange for the printing of the securities, the cost of which will be paid by the City. The Firm will attend to the delivery and registration by registrar and transfer agent and appropriate State officials as required by the statutes. Provided; however, the title to and ownership of the printed securities shall be the City's until they are delivered to the purchaser.

4. The Firm will maintain communications and coordinate with the City's bond counsel and City Attorney in the preparation of all legal documents pertaining to the authorization, sale, issuance and delivery of the securities. Bond counsel will furnish an unqualified approving legal opinion on the securities at the time of delivery.

**G. Continuing Financial Assistance.**

Subsequent to the delivery of the securities to purchasers and closing of the issue, the Firm shall continue to monitor the City's finances and the warrants issued in accordance with the provisions hereof, advising the City's Finance Director of any matters of significance and/or consequence the City should be aware of in regard to the same.

**H. Subsequent Issues.**

Firm understands that this agreement only relates to the City's financing of the City's Funding Plan for the Project. Nothing herein obligates the City to utilize the services of Firm for services relating to financing subsequent debt or refinancing any existing debt. The City reserves all of its rights to select other or different firms for such services.

The selected firm will be required to have sufficient personnel to complete the tasks required by this scope of services. The selected firm will complete the required tasks in a timely and efficient manner. The selected firm would likely be expected to enter into a contract for services based upon the firm's rates and an agreed-upon not to exceed amount.

### **Section 3. Firm Qualification and Proposal Requirements**

The selected firm or firms must be experienced and qualified to provide the required scope of services. To be eligible, the firm or firms will be required to be licensed and approved for work within the State of Alabama.

The firm or firms selected must have expertise related to the general Scope of Services set forth in Section 2.

Firms interested in performing the work will be considered on the basis of a Statement of Qualifications containing information submitted in response to this request in a form limited to seven (7) pages in 12-point font or larger of either Times New Roman or Arial. Front and back shall be considered 2 pages.

**Proposals are due on or before 10:00 am. CST on Friday, June 22, 2018. Proposals received after this deadline will not be accepted.**

All proposals should be submitted in 8 ½" x 11" paper size. Each proposal shall be prepared simply and economically, providing straightforward, concise delineation of the firm's capabilities to satisfy the requirements of this RFQ. Fancy binding and color displays other than those necessary are highly discouraged.

**Provide three (3) bound copies to:**

**Glenda Webb, City Attorney  
Office of the City Attorney  
City of Tuscaloosa  
Post Office Box 2089  
Tuscaloosa, Alabama 35403-2089  
(205) 248-5140**

**Courier address:  
Office of the City Attorney  
2201 University Blvd.  
Tuscaloosa, Alabama 35401**

The following information must be submitted with the proposal on the date indicated above:

- a. Example Issuances. Provide two example bond transcripts completed within the past five (5) years of new money issuances of like or greater size to this proposed issuance. Example transcripts shall not count against the page limit. (15 points possible)
- b. Experience and Qualifications. Include a statement of the firm's qualifications to perform the work and years in business. The statement should include the following:
  - 1. The general experience of the firm. Also, provide three (3) references. (10 points possible)
  - 2. The specific experience of all proposed personnel in the fields that the proposed services are requested, their qualifications, years of experience, professional certifications and availability to perform the work and services to be provided. (15 points possible)
  - 3. A statement as to whether the firm or any subcontractors are a minority or woman owned business enterprise. (5 points possible)
  - 4. A statement as to professional standing including any pending controversies outstanding. If none exists, such a statement should be made. (pass/fail)
  - 5. A list of qualified persons in other disciplines required for the proposed services to be acquired from outside sources, if applicable. (10 points possible)
  - 6. A list of any issuances that the firm may have performed within the City of Tuscaloosa over the last five years. (20 points possible)
- c. Include a statement as to potential general conflicts of interest that would prevent the City of Tuscaloosa from entering into an agreement with your firm pursuant to this RFQ. If none exists, such a statement should be made. (pass/fail)
- d. Information and Technology. Include a statement as to the firm's information and technology hardware and software capabilities and skills, including use

of Word, electronic research tools and e-mail. Firm should have the capability to provide electronically submitted documents for review. (10 points possible)

- e. Rates. Please include a statement as to firm's proposed rate structure as well as what said rate includes or does not include. (15 points possible)
- f. Firm must be licensed and approved for work in the State of Alabama; please include a statement to this effect. (pass/fail)

The City reserves the right to reject any Statement of Qualifications and to interview a firm or multiple firms as it sees fit. There is no guarantee that a contract award will be made pursuant to this RFQ. This RFQ may be modified or amended at any time and for any reason, in the discretion of the City.

Any questions by the firm related to this RFQ should be submitted in writing along with the firm's proposal. In the interest of fairness and in order to maintain impartiality, the City will not respond to questions from individual firms during the RFQ process.

**END RFQ.**