



## **Request for Proposals**

### **Administrative and Financial Advisory Services for the CMFA, CFSC, CFPF and Related Entities**

#### **Purpose of Request For Proposals (“RFP”)**

The California Municipal Finance Authority (“Authority”), the California Foundation for Stronger Communities (“Foundation”) and the California Foundation for Public Facilities (“CFPF”) invite proposals from qualified administrative services firms (to include financial advisory services) interested in providing the Authority, the Foundation, CFPF and related entities as they are created from time to time (collectively, the “Authority Entities”) with administrative and financial advisory services.

The contract to be awarded will be for an initial term of three years. The Authority Entities will conduct a new RFP process at the conclusion of the initial term, and the contracted firm will continue as the provider of administrative and financial advisory services until the contract is renewed or a new provider is selected.

Your firm is invited to submit information outlining your organization’s qualifications and willingness to provide the services described in Appendix A of the RFP.

#### **Authority and Foundation**

The Authority is a Joint Powers Authority created under the laws of the State of California to strengthen local communities through the financing of capital projects for economic development and charitable activities. With the goal of giving back to the member communities, the Authority assists local governments, non-profits and other organizations with the issuance of taxable and tax-exempt debt aimed at improving communities in California. The Board of Directors of the Foundation, a California non-profit public benefit corporation, serves as the Board of Directors for the Authority and CFPF. For more information about the Authority, CFPF and the Foundation, please see Appendix B.

#### **Pre-Contractual Expenses**

The Authority Entities shall not be liable, under any circumstance, for any “Pre-Contractual Expenses” incurred by proposers and proposers shall not include any such expenses as part of their responses to this RFP. Pre-Contractual Expenses are defined as any expenses incurred by the proposer in: (1) preparing its proposal in response to this RFP; (2) submitting that proposal to the Authority Entities; (3) negotiating with the Authority Entities any matter related to this RFP, including a possible contract; or (4) engaging in any other activity prior to the effective date of award, if any, of a contract resulting from this RFP.

#### **No Commitment to Award**

Issuance of this RFP and receipt of proposals does not commit the Authority Entities to award a contract. The Authority Entities expressly reserve the right to postpone proposal opening for its own convenience, to accept or reject any or all proposals received in response to this RFP, to negotiate with more than one proposer concurrently, or to cancel all or part of this RFP.

#### **Requested Content**

##### **Transmittal Letter / Introduction**

The letter of transmittal shall be addressed to the Executive Director and should, at a minimum, contain the following:

- A. Identification of the offering firm, including name, mailing address, e-mail address, and telephone number of the firm;
- B. Name, title, address, and telephone number of lead individual working on the proposal;
- C. If different than paragraph B above, the name, title, address, and telephone number of contact person during period of evaluation;
- D. Identification of any information contained in the proposal which the agency deems to be, and identifies as, confidential or proprietary, and wishes to be withheld from disclosure under the State Public Records Act (a blanket statement that all contents of the information are confidential or proprietary, and requests to keep confidential any information that is required to be disclosed under applicable law, will not be honored by the Authority); and
- E. Signature of person authorized to bind the firm to a contract.

#### Qualifications, Related Experience and References

Please provide or deliver the following in your response to the RFP:

- A. Background information about your firm, including number of employees, number and location of California offices and other pertinent data. Disclose any conditions (e.g., bankruptcy, pending litigation, planned office closures, impending merger) and potential conflicts of interest your firm may have that may restrict your firm's ability to deliver services. Indicate what steps would be taken to mitigate or eliminate any such potential conflicts.
- B. State whether your firm is registered as a municipal advisor with the SEC and the MSRB. Describe any other licensing your firm has obtained. Please state whether you will expressly agree to act as a fiduciary to the Authority Entities.
- C. Describe your firm's most noteworthy qualifications for providing administrative and financial services to the Authority Entities. Specifically, highlight those qualifications that distinguish you from your competitors. The proposer should have successful experience as a contractor providing administrative and financial advisory services to agencies in California.
- D. For each individual assigned to this engagement, please provide a list of conduit revenue bond financings completed in the past five years, including but not limited to multifamily housing, 501(c)(3), exempt facility, small manufacturing and other conduit revenue bond financings. Please include including the principal amount, name of issue and issuance date.
- E. Provide a list of relevant clients – especially public authorities and/or other public agencies – to which your firm is currently providing (or has provided) similar services. Include names, beginning/ending dates of contracts, and names, titles, and telephone numbers of individuals with whom you had significant dealings. Please state whether the Authority can contact those individuals if deemed necessary.
- F. Provide a list of up to three (3) client references for the proposer, preferably from a public agency, including name of entity, address, telephone number, and contact person.

#### Proposed Staffing and Project Organization

Please provide or deliver the following in your response to the RFP:

- A. Identify your firm's individuals that would be assigned the primary responsibility for administering and carrying out services shown in Appendix A. Indicate the responsibilities and location for each team member. Please provide the applicable background and experience of the individual(s) identified in this response.

- B. Describe all relevant experience over the last three years for individuals identified above.
- C. Please state whether your firm can and will enter into an exclusive contract under which the Authority Entities will be your sole client. If your firm cannot or will not enter into an exclusive contract, please describe the percentage of each assigned individual's time your firm expects to devote to the contract for the Authority Entities.
- D. Indicate whether your firm is covered under errors and omissions / professional liability insurance; whether such coverage is a form of self insurance or with a third party provider; and the "policy limits" of such coverage.

Proposed Compensation

Please provide a proposed compensation structure for the services described in this RFP. The Authority Entities will consider compensation structures that include periodic fixed fees, hourly rates, percentages of par, percentages of issuance fees, sliding scales based thereon, combinations thereof and others. Please state whether compensation is contingent on any future events, such as the closing of a transaction. The Authority Entities will base their selection on a variety of factors of which proposed compensation structure is only one. The Authority reserves the right to select a proposal that does not include the lowest proposed compensation structure, and reserves the right to negotiate the proposed compensation structure after a preliminary selection is made.

### Clarification of Specifications

Clarifications of and amendments to this RFP will be made via e-mail. Please provide your e-mail address for this purpose to Edward J. Becker ([ebecker@cmfa-ca.com](mailto:ebecker@cmfa-ca.com)) as soon as possible. Failure to provide an e-mail address will not in and of itself disqualify any proposer. However, the Authority Entities take no responsibility for the failure of any proposer to receive timely notification of a clarification or amendment for any reason, including the negligence of the Authority Entities or otherwise.

If additional information is necessary to assist the respondent in interpreting the requirements of this RFP, questions should be directed to:

Edward J. Becker  
Executive Director  
2111 Palomar Airport Road, Suite 320  
Carlsbad, CA 92011  
Phone: (909) 809-0166  
E-Mail: [ebecker@cmfa-ca.com](mailto:ebecker@cmfa-ca.com)

### Submission of Proposals:

Please provide your proposal by e-mail no later than October 21<sup>st</sup>, 2016 at 6:00 PM Pacific Time. The proposer bears the risk of non-delivery by e-mail due to communications or other technical difficulties. The e-mail responses must be sent to: [ebecker@cmfa-ca.com](mailto:ebecker@cmfa-ca.com). The e-mail should be followed up with one (1) hard copy to the Executive Director at the address listed above.

Late proposals will not be accepted. The Authority Entities reserve the right to reject any or all proposals.

### Interviews and References:

The Authority Entities reserve the right to interview some, all or none of the firms responding to this RFP. Interviews, if conducted in person, will be held in Anaheim, California. Attendance at any interview will be at the proposer's sole cost and expense. The Authority Entities also reserve the right to contact some, all or none of the references listed in your proposal in lieu of or in addition to interviews.

## **Appendix A- Services**

### **SERVICES TO BE PROVIDED TO AUTHORITY ENTITIES**

- A. Fiduciary Duty. Contracted Firm will owe a fiduciary duty to the Authority Entities.
- B. Program Marketing: Contracted Firm will perform the following advisory services in connection with the ongoing business development of the Authority Entities.
- (1) Meet with cities, counties and other potential members to obtain participation.
  - (2) Pursue market development opportunities to attract qualified borrowers.
  - (3) Prepare, maintain, and as necessary, staff promotional and marketing materials, including brochures, website, and toll-free phone number.
  - (4) Provide interested parties with materials (e.g., applications, program descriptions, etc.) and address inquiries regarding the use of and access to financing programs.
  - (5) Maintain the Authority Entities' financing standards and policies (e.g., credit quality, public benefit/purpose, etc.).
  - (6) Maintain the Authority Entities' application for financings and description of financing programs.
- C. Pre-Issuance/Application Process: Contracted Firm will perform the following activities for the Authority Entities in connection with ongoing financing activities.
- (1) Collect, review and process all applications, ensuring completeness and qualification with the Authority Entities' financing standards and policies.
  - (2) Prepare and submit to the Executive Director a staff report summarizing the financial standing of applicant, a description of the project and projected compliance with the Authority Entities' financing standards and policies.
  - (3) Once borrower applications are approved, be available to answer questions from, and if requested, participate in meetings with, the financing team to ensure that all aspects of the financing plan maintain compliance with the Authority Entities' financing standards and policies as well as State and federal laws and regulations.
  - (4) If a new jurisdiction is required to join an Authority Entity in connection with a project, make initial contact with the jurisdiction to add the new jurisdiction as a member. Attend approval meeting.

- (5) Make contact with member to coordinate the TEFRA process through the member. Attend TEFRA hearing.
- (6) Verify that standard provisions are contained in financing documents
- (7) If necessary or appropriate, be available to attend all bond closings as the Authority Entities' representative.

e. Post-Issuance – Documentation and Compliance Reporting: Contracted Firm will perform the following advisory services for the Authority Entities relating to the post-issuance activities.

- (1) If necessary or appropriate, confirm that the required rebate reports have been filed by the Authority Entities.
- (2) If necessary or appropriate, confirm that the annual continuing disclosure reports have been filed by the Authority Entities, if required.
- (3) If necessary or appropriate, confirm that the trustee has received the notices and other documentation required from the Authority Entities under the financing documents.
- (4) Respond to post-issuance questions from borrowers.
- (5) Manage, in consultation with the Authority Entities' counsel, any post-financing issues that may arise.

E. General Administration: Contracted Firm will perform the following administrative to the Authority Entities.

- (1) Schedule, coordinate, and attend all board meetings of the Authority Entities in conjunction with the Executive Director.
- (2) Absorb the costs associated with the office space of the Authority Entities. No reimbursement for any travel or administrative expenses will be made without prior approval of the Authority Board.
- (3) Prepare, circulate and coordinate with the Executive Director the posting of the agenda for board meetings of the Authority Entities and maintain files of the agendas for all board meetings of the Authority Entities.
- (4) Prepare agenda packages for each Authority Entity meeting, which includes a copy of each resolution to be adopted by the Authority Entities and a copy of all documents to be approved by the Authority Entities by such resolution.
- (5) Undertake responsibility as designated filing officer for the receipt of disclosure statements required to be filed pursuant to the Conflict of Interest Code.

- (6) Maintain and periodically update the membership list for Members of the Authority Entities.
- (7) Confirm that 501(c)(3) annual filings are made (e.g., IRS Form 990 filings, and FTB Form 199).
- (8) Confirm that the necessary Attorney General annual filings are made (e.g., RRF-1 filings).
- (9) Confirm that the required Secretary of State Statement of Officers and Directors is filed.
- (10) All other reasonable administrative items as delineated by the Boards of Directors of the Authority Entities.

F. Financial Administration: Contracted Firm will perform the following services as Professional Advisor to the Authority Entities related to finance and accounting.

- (1) Perform all functions necessary to process customer invoicing and vendor payments as well as other cash management duties for the Authority Entities.
- (2) Reconcile monthly bank statements against accounting records.
- (3) Prepare quarterly and annual financial statements for Board review.
- (4) If necessary or appropriate, prepare and review other financial reports related to financial management of the Authority Entities.
- (5) Undertake responsibility for preparing audit schedules and acting as primary point of contact related to the annual financial audit.

G. Marketing for Grant Program: Contracted Firm will perform the following activities to market the grant program for California Foundation for Stronger Communities (“CFSC”).

- (1) Prepare, maintain, and as necessary, staff CFSC’s promotional and marketing materials for the grant programs, including brochures, website, and toll-free phone number.
- (2) Provide interested parties with grant applications and address inquiries regarding CFSC’s grant programs.
- (3) Consult with CFSC in developing its standards and policies for awarding grants.
- (4) Advise CFSC, in developing its grant applications and description of grant programs.

H. Grant Application Process: Contracted Firm will perform the following advisory services for CFSC in connection with grant application review and grant award distribution.

- (1) Assist the Executive Director to collect, review and process all grant applications, ensuring completeness and qualification with CFSC's standards and policies.
- (2) Assist the Executive Director to prepare and submit to CFSC a staff report summarizing the grant request and projected compliance with CFSC's standards and policies.
- (3) Once grant applications are approved, oversee distribution of grant and be available to answer questions from the grant applicants.



## **Appendix B**

### **CFSC Overview:**

The California Foundation for Stronger Communities (“CFSC”) is a California nonprofit public benefit corporation formed for the purpose of supporting, through charitable contributions, California communities. Since 2004, the CFSC has shared over \$10 million to municipalities and 475 locally based non-profit entities throughout the State of California (a representative list of these organizations can be found at:

<http://www.cmfa-ca.com>).

CFSC’s primary source of funding for its charitable activities is contributions from CMFA’s revenues from operations.

### **CMFA Overview:**

The California Municipal Finance Authority (“CMFA”) is a Joint Powers Authority which assists local governments, non-profit organizations and private enterprises with the issuance of taxable and tax-exempt conduit financings aimed at improving the communities within the State of California. The CMFA’s approach of granting a portion of its revenues from operations to municipalities and 501(c)(3) non-profit organizations is unlike any other issuing agency in the State of California. This approach enables the CMFA to double its mission impact through:

- Facilitating the financing of qualified economic and community development projects that build neighborhoods and provide employment opportunities; and
- Supporting, through charitable contributions made by CFSC, many different locally based, non-profit organizations that touch the lives of California residents.

Approximately 250 cities, counties and special districts have become members of CMFA. Members include the cities of Los Angeles, San Jose, San Francisco, Long Beach and Fresno and the counties of San Diego, Sacramento, Orange, Riverside, and Santa Clara.

The following is a description of the transactions completed by CMFA.

- The CMFA has facilitated over 500 conduit transactions totaling over \$10 billion in bonds.
- The CMFA’s representatives and its Board of Directors have considerable experience in bond financings.
- Select CMFA facilitated transactions include:
  - Affordable Housing-
    - Top 50 developers include: BRIDGE Housing, Chelsea Investment Corporation, Mercy Housing, MidPen Housing, National Community Renaissance, Pacific Companies
    - Over 225 transactions totaling more than \$3 billion.
  - Colleges & Universities
    - Azusa Pacific University- \$136,685,000
    - Biola University- \$100,905,000
    - Westmont College- \$65,000,000
    - University of San Diego- \$41,130,000
  - Cultural
    - San Diego Zoo- \$40,165,000
  - Healthcare
    - Community Medical Center- over \$550 M of total issuances
    - Eisenhower Medical Center- \$110,675,000
  - Manufacturing Facilities
    - Edelbrock Permanent Mold- \$7,500,000
  - Private Schools
    - The Buckley School- \$35,000,000
    - Mater Dei High School- \$25,500,000
  - Pollution Control
    - Allied Waste Inc., Exxon Mobil, Republic Industries, Waste Management Inc.- over \$370M
  - Recovery Zone Facility Bonds
    - Chevron- \$250,000,000

**CFPF Overview:**

The California Foundation for Public Facilities (“CFPF”) is a California nonprofit public benefit corporation formed for the purpose of furthering the goals of CMFA as a vehicle for nonprofit ownership of capital projects in public-private partnership and municipal financing transactions.