

UTILITIES COMMISSION
City of New Smyrna Beach, Florida

REQUEST FOR STATEMENT OF QUALIFICATIONS
PROFESSIONAL SERVICES – INVESTMENT BANKING SERVICES
RSQ NO. 20-19

THE UTILITIES COMMISSION IS SEEKING STATEMENTS OF QUALIFICATIONS FROM QUALIFIED FIRMS TO PROVIDE PROFESSIONAL SERVICES IN THE FIELD OF EXPERTISE AS INVESTMENT BANKER FOR THE FINANCE DEPARTMENT OF THE UTILITIES COMMISSION, CITY OF NEW SMYRNA BEACH, FLORIDA PER THE “SERVICES DESCRIPTION” AND ATTACHED EXHIBITS.

SUBMIT ONE ORIGINAL, FIVE (5) COPIES AND ONE FLASH DRIVE IN PDF FORMAT TO:

Maureen Lynch, CPPB
Materials Manager
Utilities Commission,
City of New Smyrna Beach, FL
(386) 424 3046 Telephone
(386) 424 2748 Fax

MAILING ADDRESS:

200 Canal Street
New Smyrna Beach, Florida 32168

WALK-IN DELIVERY ADDRESS:

200 Canal Street
New Smyrna Beach, Florida 32168

PURPOSE FOR RSQ 20-19 is to obtain and select the most highly qualified firm to provide professional expertise in a timely manner for Investment Banking Services.

SUBMITTALS DUE BY: 2:30 PM; June 28, 2019 at which time only the names of the firms submitting statements of qualifications will be read aloud and recorded. **Fax and/or email submittals will not be accepted.**

Submittals received after this deadline will not be considered for award. Only original submittals will be accepted. Submittals are not permitted by email or fax.

Exhibits:

- A: Series 2009 Revenue Certificate
- B. Series 2011 Revenue Certificate
- C: Series 2013A Revenue Certificate
- D: Series 2013B Refunding Revenue Certificate

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RSQ 20-19 SCHEDULE

DISTRIBUTION OF RSQ NO.20-19:	May 28, 2019
DEADLINE FOR QUESTIONS BY 2:30 PM: E-MAIL TO mlynch@ucnsb.org	June 12, 2019
ADDENDUM PUBLISHED BY 5:00 PM:	June 19, 2019
RSQ RETURN DEADLINE BY 2:30 PM: LOCATION: UCNSB – RECEPTION 200 CANAL STREET, NEW SMYRNA BEACH, FL 32168	June 28, 2019

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Professional Services Description

The Description below is proposed to provide the Utilities Commission, City of New Smyrna Beach (COMMISSION or UCNSB) ready access to an investment banking firm or financial institution that specializes in underwriting of public finance indebtedness for Florida municipalities.

GENERAL DESCRIPTION OF SERVICES NEEDED:

The COMMISSION is seeking qualifications from firms or financial institutions to provide underwriting services on its issuance of capital improvement revenue bonds to fund various capital improvements over the next several years as outlined in the five year capital plan of the COMMISSION.

Currently the COMMISSION has four bank loans and no publicly offered debt outstanding. Copies of the outstanding bank held Certificates are attached as Exhibits A-D herein. The stated interest rates on each of the bank loans were “grossed up” as of January 1, 2018.

The COMMISSION expects to engage the services of a firm to serve as senior managing underwriter and may consider one or more firms to serve as co-manager.

The Commission desires to create a team that demonstrates the knowledge of the COMMISSION’s need and range of distribution efforts on a national, statewide and local level. The COMMISSION will select firm(s) that, in its sole discretion, will provide the relevant and necessary experience and a demonstrated commitment to Florida public finance and the COMMISSION while meeting the COMMISSION’S time requirements on the most favorable financial terms to the COMMISSION. The firm(s) selected will assist the COMMISSION and finance team including the COMMISSION staff, financial advisor, bond and disclosure counsel.

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SUBMITTAL REQUIREMENTS: Interested respondents shall submit:

- One (1) original Statement of Qualifications marked “ORIGINAL”.
- Five (5) copies of the Statement of Qualifications marked “COPY”.
- One (1) flash drive with the Statement of Qualifications in PDF format.

Failure to provide the required copies and information may result in the qualification not being considered by the UCNSB. Submittals shall be clear, concise, indexed by subject, typed on letter size paper and individually bound. Submittals shall be mailed or delivered in a sealed package **clearly marked** on the outside with *Professional Services – Investment Banking Services, RSQ Number 20-19*, and due date **(June 28, 2019, 2:30 P.M.)**.

Packages shall be received by the advertised deadline. Packages received after the deadline will remain unopened.

Each respondent should ensure that they have received any/all addenda and amendments to this RSQ before submitting their proposal.

Submittals should contain no more than fifteen (15) sheets excluding any attachments and/or computer models; longer submittals **WILL** be discarded.

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RANKING SUBJECTS

STATEMENT REQUIREMENTS

All statement of qualifications should be prepared using at least a 12-point font and shall not exceed 15 pages in length (excluding any attachments and/or computer models).

1. Executive Summary/Cover Letter

Each response shall include a cover letter signed by an officer of the firm, indicating that the response is valid for 150 days and that the officer is legally authorized to contractually bind the firm. The cover letter should also summarize the key points of the firm's response.

2. Basic Information Requirements

- Name of the firm making the proposal.
- Name, title and location(s) of the bankers and analyst(s) that will personally manage the banking services to be provided. The person who will take day-to-day responsibility must be identified. All assigned personnel (other than sales and distribution) shall be located within the state of Florida. Telephone and email addresses of primary personnel

3. Experience as Managing Underwriter

Briefly discuss (i) your firm's experience in public finance for local governments, with specific emphasis on Florida issuers similar to the COMMISSION; (ii) the specific experience of the banker(s) who will work with the COMMISSION; and (iii) your firm's local and national sales strength in underwriting Florida tax-exempt, fixed rate securities.

4. Investment Banking Team

Provide the names, backgrounds of individuals who will be assigned to this financing on a full-time basis. If your firm has more than one office, identify the office from which each designated individual will be operating from. Describe their professional experience with utility revenue bond issues. Clearly indicate each individual's responsibilities during the financing and highlight the day-to-day contact person as well as the individual who will attend meetings with the COMMISSION, if requested.

5. Underwriter's Counsel

The COMMISSION will rely on its bond counsel and disclosure counsel for the proposed transaction. Please provide the names of your preferences of an underwriter's counsel firm (and the specific attorney), if any. What opinions from underwriter's counsel does your firm require?

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6. Investigations

Please identify and discuss the nature and status of any investigation, administrative proceedings, settlements, consent orders or official inquiry by the SEC, MSRB, FINRA or other securities regulatory body concerning your firm or the professionals who may serve the COMMISSION that is currently underway or has been completed or agreed upon since January 1, 2010.

7. References

Please provide three (3) local government financing references, including name, title, telephone number, email address, type of financing, and the date(s) of service.

8. Discussion of Structuring Issues and Marketing Approach

Provide a discussion of the recommended approach to structuring a proposed issuance of \$25 million 2019 Utility Revenue Bonds to meet the current COMMISSION's needs. Information concerning the issuer's finances and operations can be found on the UCNSB website at www.ucnsb.org. Include a discussion and analysis of the proposed couponing structure(s). Include a discussion of any financing considerations, including investor preferences, credit and credit enhancement considerations, and any risks that the COMMISSION should consider in implementing the recommended approach. If providing any financial summaries, please provide backup computer runs using the following assumptions:

- COI: \$6.25/\$1,000 rated underwriting;
- Market rates as of EOD June 20, 2019;
- Dated/Delivery date: December 1, 2019

Additionally discuss your thoughts on what financials may be needed for presentation in the disclosure document(s) and to any of the rating agencies. Detail what COMMISSION staff requirements you expect will be needed in the financing effort.

9. Credit/Rating Agency Approach:

What is your preliminary assessment of the COMMISSION's credit on the proposed Series 2019 Bonds and what rating agency strategies would you adopt to describe the proposed issue? What steps would your firm recommend that the COMMISSION consider in achieving the most cost-efficient credit strategy, including the evaluation of credit enhancement options? Please discuss your firm's experience taking an agency similar to the COMMISSION through the rating agency process.

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10. Marketing and Distribution of Securities:

Discuss your firm's marketing and distribution plan for the COMMISSION's proposed Series 2019 Revenue Bonds. Who will likely buy the securities? What specific investors will your firm target? What type of investor relations program would your firm recommend? What specific steps would your firm recommend that the COMMISSION implement to achieve the most cost effective financing and boost the profile of the COMMISSION in the investor community? Provide a case study of a similar client for whom your firm implemented a similar financing.

11. Commitment to Public Finance and the UCNSB

Please provide a statement of your firm's capital position, any anticipated losses or write-downs, any pending or announced plans to raise additional capital, or if the firm's capital position has changed in the past 12 months. Also, please provide a statement addressing your firm's commitment to its Florida public finance practice.

- Within this section please provide information on any previous work done with the UCNSB and/or unsolicited ideas/proposals provided to the UCNSB. Additionally, if other refunding opportunities are apparent on other outstanding indebtedness, please identify and expound.

12. Fee Proposal

The COMMISSION expects this transaction could price within 180 days of the selection of the underwriter(s). Take down levels will be negotiated based on market conditions at the time of sale with the COMMISSION's staff and financial advisor. Within this section please provide a full, complete and detailed breakdown of expenses to be paid by the COMMISSION including underwriter's counsel (as stated, the COMMISSION will have disclosure counsel that will draft the POS and OS) and proposed management/structuring fee, if any. Additionally provide an all-in TIC and NIC based upon market rates as of June 20, 2019. Acknowledge your understanding and agreement that all fees and expenses of the underwriter shall be contingent on completion and closing of any financing that utilizes the underwriter's services.

13. Role as Co-manager

At the discretion of the COMMISSION, more than one underwriter may be selected. Please provide a statement of your firm's willingness to serve as a co-manager on this engagement. If your firm desires to only serve in the role as co-manager please make that statement. If this is the case, please outline what strengths you can bring to the transaction as co-manager.

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CONDITIONS AND LIMITATIONS

1. The COMMISSION reserves the right to reject any and all statements of qualifications and to request the clarification of information from any firm.
2. Contact with personnel (excluding the Materials Manager), and/or Commission members of the COMMISSION regarding this Request for Proposals may be grounds for elimination from the selection process.
3. The COMMISSION may waive minor irregularities in its discretion.
4. All proposals received in response to this RSQ become the property of the COMMISSION.
5. The COMMISSION will not reimburse Proposers for any costs associated with the preparation and submittal of any proposal, or for any travel costs that are incurred.
6. Proposer acknowledges that all information contained within their proposal is part of the public domain as defined by the State of Florida Public Records Laws. The award of the RFQ is subject to the provisions of chapter 119, Florida Statutes, Public Records
7. This RSQ and the related responses of the selected Proposer will, by reference, become part of the formal agreement between the selected Proposer and the COMMISSION.
8. Compensation: All fees and expenses shall be contingent upon completion of any financing utilizing the underwriter's services.

METHOD OF SELECTION:

A Selection Committee consisting of the Finance Director and at least two designees, and any other UCNSB staff designated by the UCNSB CEO. Underwriters will be notified in writing as to whether or not they have been selected and if so if an interview will be required within three weeks after the submittal date. Decisions of the Selection Committee regarding interviews will be final. The Selection Committee will recommend an underwriting team to the COMMISSION.

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SELECTION CRITERIA

- Completeness of Submission (3 points)
- Experience of Firm (20 points)
- Investment Banking Organization/Assigned Personnel (17 points)
- Consideration of financing needs, structuring, rating and marketing approach (40 points)
- Staffing accessibility and present workload (15 points)
- Ability to meet or exceed time requirements of the UCNSB (5 points)

WAIVER: The COMMISSION reserves the right to reject any or all proposals, to waive informalities and to accept all or any part of any proposal as may be deemed to be in the best interest of the Utilities Commission, City of New Smyrna Beach, FL.

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EXHIBITS (following section)

The following Exhibits have stated interest rates that were “grossed up” as of January 1, 2018

A: Series 2009 Revenue Certificate:	Gross up rate	4.81%
B. Series 2011 Revenue Certificate:	Gross up rate	2.09%
C: Series 2013A Revenue Certificate	Gross up rate	2.90%
D: Series 2013B Refunding Revenue Certificate	Gross up rate	2.82%