
January 24, 2020

NOTICE TO PROPOSERS

Notice is hereby given that the City Council of the City of Castle Hills is seeking sealed Proposals and Cost Bid Proposal for:

“Request for Qualifications for Financial Advisory Services for the City of Castle Hills”

The detailed Request for Qualifications (RFQ) packet may be obtained from the City of Castle Hills web site at www.cityofcastlehills.com

Proposals will be accepted until 3:00 p.m., Friday February 14, 2020, in the Office of the City Secretary, City of Castle Hills, 209 Lemonwood Dr., San Antonio, Texas, 78123.

Envelopes must be sealed and plainly marked:

**“Request for Qualifications for Financial Advisory Services for the City of
Castle Hills”
“February 14, 2020”**

and

**“Sealed Cost Bid Proposal”
“Financial Advisory Services for the City of Castle Hills”
“February 14, 2020”**

The City Council of the City of Castle Hills reserves the right to reject any and all proposals; to waive any and all informalities or irregularities, and to reject all or any part of any proposal as they may deem to be in the best interest of the citizens of the City of Castle Hills.

CITY OF CASTLE HILLS

Ryan Rapelye
City Manager

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REQUEST FOR QUALIFICATIONS (RFQ) FOR FINANCIAL ADVISORY SERVICES FOR THE

City of Castle Hills, Texas

INTRODUCTION

A. Purpose:

The City of Castle Hills, Texas (City) is seeking the services of a qualified municipal financial advisor to assist the City with bond financing strategies, debt service management, financial planning for capital projects and long-term operational costs. The City will be seeking advice as to the most appropriate avenue of financing of future infrastructure work related to the Capital Improvement Plan's for streets and drainage.

B. Information:

All questions regarding this RFQ must be submitted in writing via email to Mr. Ryan Rapelye, City Manager at rrapelye@castlehills-tx.gov. Such contact is to be for clarification purposes only. Material changes, if any, to the special conditions, technical specifications, or RFQ procedures will only be handled through written addendum.

C. Contract Period:

The Agreement shall be for a one (1) year contract as approved by City Council. The City reserves the right to extend the Agreement for four (4) one-year extensions providing; (a) both parties to the Agreement agree to the extension; (b) all the terms, conditions, and specifications remain the same; (c) such extension is approved by the City Council. Not Withstanding the above; both parties may terminate on 60 days advance written notice.

BACKGROUND

A. Profile of the Government

The *City of Castle Hills* is a general law type A municipality with a “*Council-Manager*” form of government with a Mayor and five Council members. The City of Castle Hills is a small community of 2.5 square miles, incorporated in 1951. The city is located within metropolitan San Antonio, Texas. The city boundaries are Jackson-Keller Road on the south, Lockhill Selma Road on the north, Blanco Road on the east and the T&NORR tracks on the west. Presently the city enjoys a diverse population of over 4,200 residents, with over 600 small to medium size businesses.

The City provides the following services to its citizens: public safety (police, fire and dispatch), public works/sanitation collection and general administrative services. San Antonio Water System services Castle Hills as well as CPS Energy for electrical/gas.

The City has sixty-seven (67) full-time equivalent employees over (4) departments (Administration, Police, Fire and Public Work). The FY 2020 budgeted General Fund Expenditures are \$7,064,294.

The City's Audited Financial Statements, Strategic Plan, and Capital Improvement Plan's for Street and Drainage, are available on the City web site at www.cityofcastlehills.com.

B. Reporting

The Financial Advisor will report to the City Manager and the Finance Director.

REQUIRED PROPOSAL FORMAT

A. Technical Proposal

The format of the Proposal must use the headings numbered 1-7 as detailed below. Failure to adhere to the requested format will be deemed non-responsive and will result in a disqualification of the Proposal.

1. Capabilities (Maximum Points – 15)

Provide the following information regarding the organization:

- Company Name
- Address
- Website
- Contact Information
- Telephone

Discuss the structure of your firm. If private firm, state whether firm is a corporation, partnership, sole proprietorship, or combination.

Indicate the length of time the firm has been in business under the current business name as well as any previous business names.

Include a description of your Firm's quantitative capabilities, including type of computer equipment, bond structuring software, spreadsheet, word processing, graphics, and presentation software utilized.

Discuss Information pertaining to the firm's compliance with licensing and other requirements of the Securities Exchange Commission (SEC), the National Association of Securities Dealers and the Municipal Securities Rule Making Board (MSRB). Firms must be registered with SEC and MSRB

2. Scope of Services (Maximum Points – 20)

Firm shall provide a clear, concise description of the company's scope of services related to municipalities.

Discuss the Firm's expertise including public finance expertise; sales, trading, and underwriting expertise; technical expertise; and other relevant expertise.

Discuss the Firm's experience in assisting cities with their multi-year capital improvement plans related to financing, technical expertise; and other relevant expertise.

Describe any other factors pertaining to your company's ability to serve as Financial Advisor which may be relevant to this selection process.

3. Qualifications/Personnel (Maximum Points - 20)

Provide a listing of all individuals that will be assigned responsibility for the City account.

Provide brief resumes and functions for all key personnel who will be assigned and available as the City's Financial Advisor.

Include a description of issuers represented by each assigned personnel, as well as years with Firm and years of experience in public finance.

List the experience of the individuals assigned to the account with the assistance on a multi-year capital improvement plans ("CIP") for cities in Texas. Provide any additional information on how your Firm has assisted in minimizing impact on property tax rate with respect to CIPs.

4. Experience (Maximum Points - 20)

Provide a summary table for the bond issues for which your company served as financial advisor during the past five years, including the date, issuer, issue, and par amount with annual subtotals and grand total, for clients who are cities in Texas. (This material may be included as an attachment).

The firm shall have a minimum of three (3) years of experience in providing financial advisory services to similar government entities.

For at least three clients (Texas Cities), discuss instances where your company created debt capacity, enhanced credit ratings, generated savings, or otherwise added value.

List ranking of your Firm's Texas Financial Advisor practice as shown by Securities Data Company for calendar year 2018.

Does your firm provide bond underwriting services? If yes, provide a summary table for cities that you have served as a managing underwriter over the past five years. The table should include year, number of issues, and total par amount each year, along with a five-year grand total. (It is not necessary to attach a detailed table of these financings).

5. References (Maximum Points - 10)

Provide references for 5 Financial Advisory clients if available who are municipalities in Texas. Include issuer name, contact name, title, phone number, and email address for each reference.

6. Other Considerations (Maximum Points - 5)

Explain any disciplinary actions taken, investigations underway, or lawsuits filed against your company in federal, state, or local courts or by federal, state, industry or other bodies, including the Municipal Securities Rulemaking Board (MSRB), National Association of Securities Dealers (NASD), or Securities and Exchange Commission (SEC) during the last five years.

Describe ways in which your company, as Financial Advisor, will enhance participation by local or Disadvantaged/Minority Business Enterprises (D/MBE) in the bond sale process.

Provide proof that your firm maintains a current insurance policy of Errors and Omissions Liability and Commercial general liability coverage, including the amount of coverage.

7. Disclosure (Zero points assigned)

The Consultant will disclose any professional or personal financial interest which could be a possible conflict of interest in representing the City.

B. Separate Sealed Cost Bid (Maximum points - 10)

1. Provide a fee schedule for services related to debt issuance (contingent on bond sale) and for services unrelated to debt issuance (not contingent on bond sales) on an hourly, retaining, or per bond basis.
2. The sealed bid should contain all pricing information relative to performing the services as described in this request for proposals. The total all-inclusive maximum price to bid is to contain all expenses that will be reimbursable by the client.

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3. The City will not be responsible for the expenses incurred in preparing and submitting the technical proposals or the sealed cost bid. Such costs should not be included in the proposal.
 4. The sealed cost bid should include the following information:
 - a. Name of the Firm
 - b. Certification that the person signing the proposal is entitled to represent the firm, empowered to submit the bid, and authorized to sign an agreement with the City.
 - c. Total All-Inclusive Maximum Price for the services relating to this request.

C. Proposal Submission

1. Eight (8) copies of the completed Proposal along with one (1) additional electronic (PDF) copy of the proposal on a USB compatible flash drive must be submitted no later than Friday February 14, 2020 by 3:00 p.m. to:

City of Castle Hills, Office of the City Secretary
209 Lemonwood Dr.
Castle Hills, Texas 78213

2. Envelopes must be sealed and plainly marked:

**“Request for Qualifications for Financial Advisory Services for the City of
Castle Hills”
February 14, 2020**

3. Faxed and emailed copies **will not** be accepted.

4. **All proposals must follow the “Required Proposal Format” as described above. Proposals that do not conform to this format will be deemed non-responsive and may be disqualified.**

5. The proposer must submit two (2) copies of the Sealed Cost Bid as described above in a **separate sealed envelope** marked as follows:

**“Sealed Cost Bid Proposal”
“Financial Advisory Services for the City of Castle Hills”
“February 14, 2020”**

SELECTION PROCESS

A. Evaluation Committee

An Evaluation Committee as established by the City Manager will review and evaluate the Proposals submitted.

B. Review of Proposals

1. The Evaluation Committee will use a point formula during the review process to score proposals, with a range of zero to 100 points.
6. Each member of the Committee will first score each technical proposal by each of the criteria described in “Required Proposal Format” as set forth above.
(Maximum Technical Score = 90)
3. The Evaluation Committee will then convene to review and discuss these evaluations and to combine the individual scores to arrive at a composite technical score for each firm
4. After the composite technical score for each firm has been established, the sealed cost bids for these firms will be opened. (Maximum Sealed Cost Bid = 10) The technical scores and the cost bids will be totaled to arrive at a total score for the firm.
5. The Evaluation Committee will then select and recommend the firm from the list of proposers for City Council approval.
6. The City of Castle Hills reserves the right to retain all proposals submitted and use any idea in a proposal regardless of whether that proposal is selected.
7. During the evaluation process, the Evaluation Committee and/or the City Council may, at its discretion, request one or more firms to make oral presentations. Such presentations will provide firms with an opportunity to answer any questions regarding the firm's proposal. Not all firms may be asked to make such oral presentations.

C. Evaluation Criteria

Proposals will be evaluated based on technical quality and expertise. Firms will have their proposals evaluated and scored for technical qualifications, based on the criteria established above.

OTHER CONSIDERATIONS

- A. **Limitations:** The Financial Advisor shall not be permitted to participate directly or indirectly in any manner in the purchase of any financing debt or bonds relating to any phase of this agreement for which Financial Advisor services are provided.
- B. **Addition or Deletion of Services:** The City Reserves the right to add to the services specified in this proposal, or to delete any portion prior to the resulting execution of Agreement at any time.
- C. **Execution of Agreement:** By submitting a bid, the Consultant ("bidder") agrees to execute an agreement between the two parties once approved by Council.
- D. **Pricing:** The City reserves the right to negotiate final pricing with the most qualified firm.
- E. The City reserves the right to reject any and all proposals and to waive informalities and minor irregularities in any proposal reviewed. Further, the City may reject any proposal which does not conform to the instructions herewith.
- F. The City reserves the right to negotiate all final terms and conditions of any agreement entered into.
- G. The City reserves the right to award the contract to the next-best qualified Respondent if the selected financial advisors does not execute a contract acceptable to the City within 30 days after final approval of the contract
- H. Nothing in the Request for Proposals shall be deemed to commit the City to engage any Financial Advisor.
- I. City will not be responsible for expenses incurred in preparing and submitting the proposal.