

CITY OF MERCED
REQUEST FOR PROPOSALS
FOR
BOND AND DISCLOSURE COUNSEL
MARCH 12, 2025



FINANCE DEPARTMENT
678 WEST 18TH STREET
MERCED, CA 95340

CITY OF MERCED
REQUEST FOR PROPOSALS
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CITY OF MERCED
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I. INTRODUCTION

A. General Information

The City of Merced (City) is requesting proposals from qualified firms for bond and/or disclosure counsel services in connection with contemplated potential City refundings and debt financing as appropriate.

Respondents to this Request for Proposal (RFP) must submit response proposals in accordance with the instructions in Section III, B.

Proposals received become part of the official files of the City and will not be returned to the bidders. The City reserves the right to reject any or all proposals submitted.

There is no expressed or implied obligation for the City to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

During the evaluation process, the City reserves the right, where it may serve its best interest, to request additional information or clarification from firms submitting proposals, or to allow corrections of errors or omissions. At the City's discretion the firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

The City reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the firm of the terms and conditions contained in this RFP and its appendices, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

It is anticipated that the selection of a firm and the approval of the contract will be at the May 5, 2025 City Council meeting.

B. Background Information

The City of Merced is located in the Central Valley of California. The City of Merced is a charter city that spans 23 square miles with a population of over 90,000 people. The City was incorporated in 1889 and operates under a council-manager form of government. The mayor is elected by the citizens and serves for a four-year term. Council members serve for four years, with two or three seats up for election every two years. The city manager is appointed by the city council. The finance officer is also appointed by the city council and works under the direction of the city manager. The City provides police and fire public safety, water, sewer and refuse collection, planning, zoning and building, housing, recreation, and general administrative services. The City is also responsible for maintaining all streets, trees and parks located within the city limits and operates the Merced Regional Airport.

The City's Fiscal Year 2024-25 operating and capital budget is over \$422 million. The City has approximately 500 full-time employees.

The City's most recent budget and comprehensive annual financial report is available at www.cityofmerced.org.

II. NATURE OF SERVICES REQUIRED

A. General

It is the City's intent to select a bond counsel and disclosure counsel to assist the City with potential refundings of its current debt portfolio and contemplated new debt financing, as well as the potential formation of future community facilities districts or other land-secured districts.

B. Scope of Work

Bond Counsel Scope of Work

The scope of work may include, but may not be limited to:

- ♦ Assist the City with the formation of land-secured districts; draft all legal documents associated with such formations, and provide all bond counsel services related to such formation.
- ♦ Provide legal opinion with respect to the authorization and issuance of the debt obligations and whether the interest paid is tax-exempt under federal and/or state laws and regulations.
- ♦ Draft all legal documentation including all required resolutions, closing documents and transcripts, and coordinate the authorization and execution of those documents.
- ♦ Provide ongoing legal services in matters relating to interpretation of applicable regulations, legislation or pending litigation.
- ♦ Participate in meetings, as requested, relating to the issuance of bonds.
- ♦ Provide ongoing information to City staff regarding the activity and legal status of the financings.
- ♦ Perform due diligence regarding the City and the financings.
- ♦ Review the City's existing debt, continuing disclosure and post-issuance compliance policies and recommend any proposed changes.

Disclosure Counsel Scope of Work

The scope of work may include, but may not be limited to:

- ♦ Preparation of preliminary official statement and final official statement.
- ♦ Preparation of continuing disclosure agreement.
- ♦ Review of bond purchase agreement.
- ♦ Render 10b-5 opinion.

- ♦ Participate on conference calls or attend meetings, as requested, relating to the issuance of bonds.
- ♦ Review the City's existing continuing disclosure policies and recommend any proposed changes.

III. PROPOSAL REQUIREMENTS

A. Inquiries

Inquiries concerning the RFP must be made in writing only to:

Venus Rodriguez, Finance Officer
 City of Merced
 Finance Department
 678 West 18th Street
 Merced, CA 95340
 rodriguezv@cityofmerced.org

B. Submission of Proposals

Response proposals must be submitted in a sealed envelope, clearly marked with "Bid for Bond and Disclosure Counsel Services" and the name of the proposing firm. Proposal are due on March 27, 2025 by 5:00 p.m. PST and must include the following items to be accepted and considered for further evaluation:

1. One (1) original copy and three (3) copies to include the following:

a. Title Page.

Title page showing the RFP subject, the firm's name, the name, address, and telephone number of a contact person; and the date of the proposal.

b. Table of Contents.

c. Transmittal Letter.

A signed letter of transmittal briefly stating the proposer's understanding of the work to be done and a statement about why the firm believes itself to be best qualified to perform the services

d. Detailed Proposal.

e. Proposer Warranties.

The proposer shall agree to Proposer Warranties by signing a copy of Appendix A attached to this proposal.

2. The proposer shall submit an original and three (3) copies of a dollar cost bid in a separate sealed envelope marked as follows:

PROPOSAL
CITY OF MERCED BOND AND DISCLOSURE SERVICES

3. Proposer should send the response proposal and the dollar cost proposal in two separate envelopes to the following address:

Venus Rodriguez, Finance Officer
City of Merced
Finance Department
678 West 18th Street
Merced, CA 95340

C. Technical Proposal

1. General Requirements

The purpose of the technical proposal is to demonstrate the qualifications, competence and capacity of the firms seeking to be bond and/or disclosure counsel for the City in conformity with the requirements of this RFP. As such, the substance of proposals will carry more weight than their form or manner of presentation. The technical proposal should demonstrate the qualifications of the firm and of the staff to be assigned to this engagement.

NOTE: THERE SHOULD BE NO DOLLAR UNITS OR TOTAL COSTS INCLUDED IN THE TECHNICAL PROPOSAL DOCUMENT.

The technical proposal should address all questions outlined in this RFP (excluding any cost information which should only be included in the sealed dollar cost bid submittal). The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP. While additional data may be presented, responses to questions 2a through 2f, must be included. They represent the criteria against which the proposal will be evaluated.

2. Questions

- a. Has your firm previously done any work for the City? Describe your firm's experience with General Fund backed debt, non-rated Land-secured debt, and Successor Agency debt. Please highlight your firm's recent experience since January 1, 2019 representing California cities with similar transactions.
- b. Discuss your firm's ability to meet the outlined scope of work in Section IIB.
- c. Describe your staffing capability. Your response should provide qualifications, identify the project team and provide an organization chart with each key staff's responsibilities and reporting relationships defined for the proposed team. Please provide brief resumes of your proposed team members in an appendix, highlighting their experience with California city bonds since January 1, 2019.

- d. Provide three references from similar projects including the City's name, contact information and a description of work performed. Only include financings completed since January 1, 2019.
- e. Please list any potential conflicts of interest your firm may have in acting as bond counsel/disclosure counsel for the City.
- f. Please discuss any other factors not requested that you believe should be considered by the City.

D. Sealed Dollar Cost Bid

1. The first page of the sealed dollar cost bid should include the following information:
 - a. Name of Firm.
 - b. Certification that the person signing the proposal is authorized to represent the firm, submit the bid and sign a contract with the City of Merced.
2. Please provide a proposed fee schedule by type of financing (e.g. lease financings; bond issuances; Successor Agency debt). Please distinguish between new issues and refunding transactions. Firms should submit combined and separate fees to serve as bond and disclosure counsel. To address conflict of interest concerns relating to recent interpretations of Government Code Section 1090 by various legal authorities, please note your fee cannot be contingent or based on the estimated par size of the proposed bond issuance.
3. As the City may, from time to time, need bond counsel services for special projects, please include the hourly rate structure for your firm.
4. Please also provide a list of all out-of-pocket items for which you will seek reimbursement during a transaction.

IV. EVALUATION CRITERIA AND SELECTION PROCESS

A. Evaluation Criteria

A team established by the City will review and evaluate the proposals based upon demonstrated competence, completeness of proposal, recent relevant experience and professional qualifications.

B. Oral Presentation

During the evaluation process, any one of the firms may be required to make an oral presentation. Such presentation will provide the firm an opportunity to answer any questions on their proposal. Not all firms may be asked to make such oral presentations.

C. Final Selection

It is anticipated that a contract will be approved at the May 5, 2025, City Council meeting.

D. Right to Reject Proposals

Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the City and the firm selected.

The City reserves the right without prejudice to reject any or all proposals.

APPENDIX A

PROPOSER WARRANTIES

Proposer warrants that upon acceptance and during the term of the engagement they shall maintain in full force and effect at its own cost and expense the following insurance coverage:

Workers' Compensation Insurance: Full Workers' Compensation Insurance shall be provided with a limit of at least One Hundred Thousand Dollars (\$100,000.00) for any one person and as required by law, including Employer's Liability limits of One Million Dollars (\$1,000,000.00) per accident. The policy shall be endorsed to waive the insurer's subrogation rights against the City.

General Liability: Firm shall obtain and keep in full force and effect coverage at least as broad as ISO commercial general liability coverage occurrence Form CG 0001 and shall maintain limits of no less than One Million Dollars (\$1,000,000.00) per occurrence for bodily injury, personal injury and property damage. The City, its officers, employees, volunteers, and agents are to be named additional insureds under the policy, as respects liability arising out of work or operations performed by or on behalf of the Firm. The policy shall stipulate that this insurance will operate as primary insurance for work performed by Firm and its sub-contractors, and that any other insurance or self insurance maintained by City or other insureds shall be excess and non-contributory. Firm shall maintain its commercial general liability coverage for three (3) years after completion of the work and shall add an additional insured endorsement form acceptable to the City naming the City of Merced, its officers, employees, agents and volunteers for each year thereafter for at least three (3) years after completion of the work. Copies of the annual renewal and additional insured endorsement form shall be sent to the City within thirty (30) days of the annual renewal.

Automobile Insurance: Firm shall obtain and keep in full force and effect an automobile policy of at least One Million Dollars (\$1,000,000.00) per accident for bodily injury and property damage. The City, its officers, employees, volunteers, and agents are to be named additional insureds under the policy, as respects automobiles owned, leased, hired or borrowed by the Firm. The policy shall stipulate that this insurance will operate as primary insurance for work performed by Firm and its sub-contractors, and that any other insurance or self insurance maintained by City or other named insureds shall be excess and non-contributory.

Professional Liability Insurance: Firm shall carry professional liability insurance appropriate to Firms profession in the minimum amount of One Million Dollars (\$1,000,000.00).

Qualifications of Insurer: The insurance shall be provided by an acceptable insurance provider, as determined by City, which satisfies all of the following minimum requirements; an insurance carrier admitted to do business in California and maintaining an agent for service of process within this State; and, an insurance carrier with a current A.M. Best Rating of A:VII or better (except for workers' compensation provided through the California State Compensation Fund).

Certificate of Insurance: Firm shall complete and file with the City prior to engaging in any operation or activity set forth above, certificates of insurance evidencing coverage as set forth above and which shall provide that no cancellation or expiration by the insurance company will be made during the term of the engagement, without thirty (30) days written notice to the City prior to the effective date of such cancellation, including cancellation for non-payment of premium. In addition to any other remedies City may have, City reserves the right to withhold payment if Auditor's insurance policies are not current.

Proposer warrants that it will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the City of Merced.

Proposer warrants that all information provided by it in connection with this proposal is true and accurate.

Signature of Official: _____

Name (typed): _____

Title: _____

Firm: _____

Date: _____