

Laguna Beach County Water District  
Request for Proposal  
For Municipal Financial Advisory Services

December 18, 2023

# Request for Proposals (RFP)

Laguna Beach County Water District (the “District”) is seeking the services of a Qualified Municipal Financial Advisory Firm (FA) to evaluate financing options (including alternative financing instruments) for potential capital improvement projects. The District seeks a FA to provide professional advice and assistance with respect to negotiating the best combination(s) of rates and terms available for financing options in the current marketplace for capital improvement project(s). It is essential that the District’s debt remain consistent with the District’s budget constraints, financial planning goals, and the District’s Capital Improvement Plan.

Depending on project phasing and financing strategies, financing needs are estimated between \$10M-\$12M. The District seeks financial guidance as to which capital project(s) are the most feasible to finance given the market conditions and the funding available. Potential capital improvement project(s) include but are not limited to: Groundwater Well Site Acquisition, Groundwater Well Design and Construction, Doheny Ocean Desalination Plant Design and Construction, Pipeline Replacement Programs, and Reservoir Rehabilitation.

Firms must be experienced in the general and technical aspects of special district financing. Responses to the RFP must be submitted in accordance with the terms and conditions contained within this RFP document. It is the desire of the District to select a firm that can meet or exceed the requirements set forth by the District and will provide the highest quality, comprehensive, financial advisory services at a competitive fee. The selected FA will be responsible for all aspects of the project as more specifically described in the section Scope of Services to be Provided.

## Description of the Laguna Beach County Water District

The District was established in 1925 as a single-purpose water district according to the provisions of the County Water District Law under Division XII of the California Water Code (Section 30000 et seq.) The District provides water service to approximately 8,700 accounts. The District’s Board of Directors is comprised of publicly elected Laguna Beach City Council members. The District’s five member Commission is appointed by the Board of Directors to serve in an advisory capacity to the Board. The General Manager of the District is Keith Van Der Maaten, who heads a staff of 41 employees. The District is organized into four departments: Administration/Customer Service, Engineering, Operations, and Financial and Administrative Services. Treasurer functions, as well as financial planning and rate setting functions, are included within the Financial and Administrative Services department.

## General Proposal Process

There is no expressed or implied obligation for the District to reimburse responding firms for any expenses incurred in preparing proposals in response to this request. The District reserves the right to reject any or all proposals submitted. Proposals submitted will be evaluated by District staff and interviews will be held with selected firms.

During the evaluation process, the District reserves the right to request additional information or clarifications from proposers, or to allow corrections of errors or omissions. The District 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 conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the District and the firm selected.

Proposals must be received by the District by 4:00 P.M. on January 18, 2024 to be considered. Interviews with selected firms may be held in late January to early February 2024. The selection of a firm may be completed by the Board of Directors in February or March 2024.

## Scope of Services Required

Requested financial advisory services may include, but are not limited to, assisting the District to:

- Provide as-needed financial advice regarding market conditions and trends, financial products, credit and credit analysis, third party alternative financing and special facility financing.
- Review the District's long-range financing strategy, particularly with respect to its capital improvement program.
- Assist District staff with potential new money issues, including but not limited to analyses and evaluations of underwriter proposals, financing structure, pricing, rating and insurance proposals, reserve fund (re)investment, assistance with preparation and review of related documents, and coordination of financing team and schedules.
- Assist with the preparation of a Request for Proposals and serve on an evaluation committee for selection of underwriting firms for the District's potential new money issues.
- Manage the implementation of District-approved financing efforts. This will involve, in relation to the financing effort, advising and supporting the District in: selecting members of the financing team (such as bond counsel and an underwriter); negotiating contracts with firms on the financing team; and defining the tasks, schedule, and deliverables of the members of the financing team. The financial advisor will be responsible for the performance of the entire financing team and arranging for any needed future reporting and maintenance.
- Participate in rating agency presentations.
- Review and comment on the District's Debt Policy which establishes the principles, controls, and guidelines for issuance and management of proposed District debt.
- Assist with the preparation of presentations to the District Commission and District Board of Directors.

- Attend Commission and Board of Director meetings as needed.
- Attend meetings with District staff as needed.
- Provide other financial services as requested.

## Vendor/Proposal Requirements

The requirements shown below are essential to the District for proposal consideration. A submitting firm's failure to provide or be in compliance with any one or more of the following requirements will negatively impact the evaluation of its proposal and may result in disqualification.

- a) The District's Terms and Conditions of Services will be incorporated into any Agreement that may result from this RFP.
- b) The District's Certificate of Insurance Requirements will be incorporated into any Agreement that may result from the RFP.
- c) All proposals shall remain available for District acceptance for a minimum of 120 days following the RFP close date.
- d) No late proposals will be accepted. Any proposals received after the specified deadline for submission shall result in automatic disqualification.

### **VENDOR QUALIFICATIONS AND EXPERIENCE**

The proposal must demonstrate that the firm has the experience and qualifications necessary to successfully perform the scope of services sought by the District. The proposal should specifically contain the following information:

1. A brief description of the firm including its history, size, location, geographic focus, and structure of ownership.
2. A summary of the firm's experience and qualifications providing financial planning, financial management, debt services, and other relevant services to California municipal clients, including a list of other governmental agencies in California for which the firm is presently under contract, the services provided and cost, and the name of the firm's primary staff member for each. Please note whether the firm has successfully met the client's needs in terms of client relationship and delivering services on scope, quality, schedule, and budget.
3. Please summarize your experience and capabilities in providing placement agent services for private placements of municipal obligations.
4. Description of firm's financial position, reputation, and risk management relevant to providing municipal labor costing services.

## **LEGAL ISSUES AND POTENTIAL CONFLICT OF INTEREST**

The proposal must provide the following information:

1. Conflict of Interest: Disclose any existing or contemplated relationship with any other person or entity, including relationships with any parent, subsidiary or affiliated firm, which would constitute an actual or potential conflict of interest or appearance of impropriety, relating to other clients/customers of the Respondent or former officers and employees of the Agencies and their Affiliates, in connection with your rendering services enumerated in this RFP. If a conflict does or might exist, please describe how your firm would eliminate or prevent it. Indicate what procedures will be followed to detect, notify the Agencies of, and resolve any such conflicts.
2. Any pending investigations of the firm and any enforcement, settlements, or disciplinary actions taken within the past five years by any regulatory body.
3. The firm's affiliation or relationship, if any, with any labor organizations.

## **GENERAL INFORMATION**

### **ISSUING OFFICE AND COMMUNICATIONS REGARDING THE RFP**

This RFP, and any subsequent addenda to it, is being issued on behalf of the District. The Financial and Administrative Services Department of the District is the sole point of contact regarding all procurement and contractual matters relating to the requirements described in this RFP. The Department is also the only office authorized to change, modify, clarify, etc., the specifications, terms, and conditions of this RFP and any Agreements(s) awarded as a result of this RFP.

Any requests for clarification concerning this RFP must be submitted via e-mail to Brian Jewett, Manager of Financial and Administrative Services/Treasurer, [bjewett@lbcwd.org](mailto:bjewett@lbcwd.org).

The submission of RFP response, pricing proposal, and attachments must be submitted to Brian Jewett, Manager of Financial and Administrative Services/Treasurer, [bjewett@lbcwd.org](mailto:bjewett@lbcwd.org).

Firms are advised that failure to adhere to the above communications requirements may result in disqualification.

### **INSTRUCTIONS FOR SUBMITTING PROPOSALS**

Proposals in response to this RFP must be submitted by mail January 18, 2024 4:00 PM Pacific time. Please submit 4 copies of the proposal. Proposals should be mailed to:

Laguna Beach County Water District  
Attn: Brian Jewett  
301 Third Street  
Laguna Beach, CA 92651

Firms must provide a complete, straightforward, concise response to all prerequisites, questions and information in the RFP as detailed. Submission of a proposal via email confirms Firm's understanding and acceptance of all requirements, terms, and conditions of the RFP.

Firms must not provide superfluous materials such as marketing materials or website links in response to, or in lieu of, specific responses to the questions herein, and may be disqualified for providing superfluous materials.

#### ADDENDA TO THE REQUEST FOR PROPOSAL

Any changes, additions, or deletions to this RFP will be in the form of written Addenda issued by the District via the District website at [www.lbcwd.org](http://www.lbcwd.org). The District will not be responsible for failure of any prospective Firm to receive such Addenda. All Addenda so issued shall become part of this RFP.

#### PROPOSAL ACCEPTANCE

The District reserves the right to withdraw this RFP at any time. All documents submitted to the District on behalf of this RFP will become the exclusive property of the District and will not be returned.

The District reserves the right to accept or reject any or all Proposals, make more than one Award, or no Award, as the best interests of the District may appear. Any Agreement(s) awarded pursuant to this RFP will be in writing and incorporate the Requirements and Specifications contained in the RFP, as well the applicable contents of the Firm's Proposal as accepted by the District.

#### PROPOSAL FORMAT

Provide a cover letter for the response, which contains:

- The following text: Response to Laguna Beach County Water District REQUEST FOR PROPOSAL Financial Advisory Services.
- Company legal name and address for primary headquarters.
- Authorized contact information and signature of a representative of the company who is duly authorized to enter into agreements. The submission of a signed response will confirm understanding and acceptance of all requirements, terms, and conditions of the Request for Proposal.
- In addition, proposals should demonstrate a clear understanding of the project and contain a comprehensive discussion of how the Firm will fulfill the requirements of the Scope of Services, including a discussion of the important features and Firm's attributes, highlighting any aspects, which separate it from its competitors. The proposal should be submitted using the following categories:

1. Cover Letter

2. Table of Contents
3. Executive Summary
4. Approach to managing the District's Financial Advisory Services as outlined in the Scope of Services
5. Qualification Responses

#### Minimum qualifications

- Company Overview and Experience
  - Organizational Chart, Background description, locations, and Experience
  - Transmittal Letter: The proposal must include a transmittal letter signed by an official authorized by the firm to solicit business and enter into contracts. The letter should include the name, address, email address, and phone number of the firm's primary contact person.
  - References: The proposal must identify five different clients for which the firm has provided services similar to those sought by the District within the last two years and that would be willing to provide a reference. Include the name and contact information of an appropriate individual with each client and briefly summarize the main services or initiatives the firm provided to the client.
  - Latest Audited Financial Statements
6. Legal Issues and Potential Conflict of Interest
  7. Fee Proposal: Describe the fee that the firm proposes to charge to perform the scope of services. Identify hourly rates and other personnel billing practices; reimbursable costs; fees charged on a fixed fee or not-to-exceed basis; and other fees and costs.

#### PROPOSAL PREPARATION COSTS

Firm will bear all costs incurred in the preparation and submission of the Proposal and related documentation, including Firm's presentation to the District. If Firm is apparent awardee, Firm will bear its own costs in negotiating and finalizing an agreement with the District.

#### AGREEMENT TERM

It is anticipated that the initial term of any Agreement awarded pursuant to this RFP will be for a period of one-year. The District may, at its option, extend or renew the Agreement for two additional one-year periods on the same terms and conditions.

#### SELECTION CRITERIA

A District evaluation team will evaluate each proposal relative to the criteria listed below. The firms judged to be best qualified by the evaluation team will each be invited to make a presentation to the District. After the presentations, the District will select a most qualified firm. Evaluation criteria include the following:

1. Whether the proposal contains the required content.
2. Relevant experience and qualifications of the firm and the key staff that would specifically be assigned to work with the District.
3. Record of past performance of the firm and individual staff in client relationship and delivering services on scope, quality, schedule, and budget.
4. Approach to work.
5. Legal issues or conflicts.
6. Cost and risk management.

#### BEST VALUE AWARD

The District intends to select the responsive and responsible Firm whose proposal contains the combination of solution features, Firm attributes, and best overall value.

A responsive Firm is one whose offer satisfies the requirements of this RFP. A responsible Firm is one that is considered capable of performing and is otherwise eligible and qualified to perform the proposed scope of services.

The District will determine the best overall value by comparing differences in solution features and Firm attributes offered with differences in related factors, striking the most advantageous balance between expected performance and the overall requirements of the District. Firms, therefore, must be persuasive in describing their solution features and Firm attributes and their value in enhancing the likelihood of successful performance and achievement of the District's requirements.

The District's selection may be made on the basis of the initial Proposals, or the District may elect to negotiate with Firms who are selected as finalists. The Evaluation Team may use Firm's Oral Presentations, additional material information, or References from the Firm and others to come to a determination of award(s).



APPENDIX A

PROPOSER GUARANTEES

The proposer certifies it can and will provide and make available, at a minimum, all services set forth in this proposal.

Signature of Official: \_\_\_\_\_

Name (Printed): \_\_\_\_\_

Title: \_\_\_\_\_

Firm: \_\_\_\_\_

Date: \_\_\_\_\_

APPENDIX B

PROPOSER WARRANTIES

A. Proposer warrants it is willing and able to comply with the State of California Laws and licensed to practice in California.

B. Proposer warrants it is willing and able to obtain insurance policies of a minimum of \$1,000,000 for commercial general liability, workers' compensation/employer's liability, and errors and omissions for the willful or negligent acts, or omissions of any officers, employees or agents thereof. Proposer warrants it will provide additional insured endorsements for commercial general liability and waivers of subrogation for workers' compensation/employer's liability.

C. Proposer warrants it will not delegate or subcontract its responsibilities under an agreement without the prior written permission of the Laguna Beach County Water District.

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

Signature of Official: \_\_\_\_\_

Name (Printed): \_\_\_\_\_

Title: \_\_\_\_\_

Firm: \_\_\_\_\_

Date: \_\_\_\_\_