



Request for Qualifications for **Bond Counsel Services**

Santa Cruz Public Libraries JPA and Library Facilities Financing Authority JPA

The public libraries system for Santa Cruz County delivers information, education, enrichment and inspiration through a network of 10 neighborhood library branches, a web-based digital library, a Bookmobile and community-based programs. The library system is managed as a joint powers agency (SCPL) formed in 1996 and includes the entire Santa Cruz County boundary except for the City of Watsonville. The JPA member agencies are the County of Santa Cruz, the City of Capitola, the City of Santa Cruz and the City of Scotts Valley.

In 2014, the SCPL formed the Library Facilities Financing Authority, a joint powers agency (LFFA) to act as the lead agency with the purpose to form a Community Facilities District (CFD) to fund specific Library system facility projects. Voter approval of the CFD will be sought on the June 2016 ballot.

In the future, both the SCPL and the LFFA may have a need for Bond Counsel services and therefore are both participating in this Request for Qualifications.

I. Request for Qualifications by 4:00 p.m. on September 16, 2015

The SCPL and the LFFA are seeking Statements of Qualifications (SOQ) from law firms to represent the SCPL and the LFFA in connection with the formation of a community facilities district (CFD) and the issuance of bonds for the CFD to fund library system improvements, including making recommendations and providing analysis to the LFFA about the timing and manner of possible 2016 ballot measures to establish and authority the CFD to issue bonds to fund specific library system facility projects ranging from new construction of library branches to improvements to existing branches. In addition, the SCPL is interested in retaining Bond Counsel for any future debt issues.

The services anticipated to be provided by Bond Counsel for the current LFFA project include all aspects of legal services relating to the formation of the CFD and issuance of special tax bonds for the CFD, from the preliminary analysis and feasibility phases through issuance, if voters approve the ballot measures for the formation of the CFD and incurrence of debt for the CFD..

Firms may also be engaged by the SCPL or the LFFA for legal and advisory services related to public finance or debt issuance matters as the need might arise. The SCPL and LFFA are also seeking a Supplemental Statement of Qualifications from firms interested in serving as disclosure counsel.

II. Library system facility project overview

A. Project Description

The amount of the LFFA special tax bond issue is currently estimated to be between \$50 and \$70 million and would fund various improvements identified in a Facility Master Plan approved by the SCPL on April 1, 2013. The LFFA currently anticipates forming a CFD in early 2016 and presenting to voters on the June 7, 2016 ballot measures needed to form the CFD and authorize the CFD to incur indebtedness, and to levy a special tax on property in the CFD to fund the debt service associated with a 2016 CFD bond issue.

Neither the SCPL nor the LFFA have previously issued any debt obligations, or formed any CFDs. In June 2008, the SCPL successfully passed Measure R to permanently extend an existing quarter-cent sales tax to support operations.

B. Schedule

The LFFA will seek immediate guidance in connection with the establishment of the CFD, including provision of a CFD Boundary Map, a Rate and Method of Apportionment of Special Taxes, and resolutions establishing local goals and policies for CFDs, and of intention to form the CFD and for the CFD to incur indebtedness. It is the current expectation that LFFA and/or SCPL staff and consultants will complete the initial drafts of these documents by November 23, 2015 and hold a public hearing on February 1, 2016 on the formation of the CFD and the incurrence by the CFD of bonded indebtedness in addition to considering the adoption of a resolution of formation, a resolution declaring the necessity to incur indebtedness and a resolution calling a special election regarding the CFD.

The attached schedule provides a draft outline of the key actions that must be taken by the SCPL, the LFFA and their member agencies in association with this endeavor.

It is the expectation that a bond issuance would occur following the June 7th election but prior to August 10, 2016 when the special tax levy to support the payment of debt service on the CFD bonds must be submitted to the County for inclusion in the FY 2016-17 secured tax roll. However, due to timing concerns, interest may be capitalized if the special tax cannot be implemented in time for the 2016-17 tax roll.

III. RFQ Process

A. Process

Firms interested in being considered for selection should submit four (4) bound copies and one (1) electronic copy of responses to this RFQ by **4:00 p.m. on September 16, 2015**.

Responses received after this day and time will not be considered. Responses shall be sent to the SCPL and LFFA's fiscal administrator:

City of Santa Cruz Finance Department
Attn: LFFA Interim Executive Director
877 Cedar Street, Suite 100
Santa Cruz, CA 95062
mpimentel@cityofsantacruz.com
Marcus Pimentel

SOQs will be evaluated by an Evaluation Committee comprised of staff from agency members and may include directors from the SCPL and/or the LFFA. The Evaluation Committee will use

the criteria described in Section V in evaluating SOQs. The top rated firm will be asked to prepare a proposal for the purpose of negotiating a contract for services. Where no clear front-runner is determined, highly rated firms may be asked for supplemental information and may be invited to interview with the Evaluation Committee. During the interview, firms may be asked to:

- Make an oral presentation, and/or
- Respond to pre-established questions.

All responsive firms will be given equal opportunity to provide any requested additional information. Any interviews will be scheduled on a mutually agreed upon date and will be at no cost to the SCPL, the LFFA or their agents.

The Evaluation Committee will use all available information to rank the firms in order of their ability to best meet the needs of the LFFA and then the SCPL. Based on the responses and the Committee's evaluation, the SCPL and LFFA anticipate selection of a firm which would provide bond counsel and possibly disclosure counsel services on an as-needed basis over a four-year period. The SCPL and LFFA may also choose to select a separate firm to provide ongoing disclosure counsel; it is anticipated that a firm selected under this category would enter into separate contracts for services with the SCPL and/or LFFA for a four-year period.

The number of debt financings to be completed during this period is at least one but not expected to exceed 5, and could include another CFD, an assessment district, or other debt obligations for capital or operational support.

B. Timeline

The tentative timeline for the selection process is as follows.

September 16, 2015----- SOQs Due
September 24, 2015- Evaluation of SOQs complete and start negotiation with top rated firm
October 15, 2015----- Award of Contract

C. Information Disclosure to Third Parties

SOQs are a matter of public record and are open to inspection under the California Public Records Act. If any respondent claims any part of its SOQ is exempt from disclosure and copying, they shall so indicate in the transmittal letter. By responding to this RFQ, respondents waive any challenge to the SCPL and LFFA decisions in this regard.

If any SOQ contains confidential information, the respondent shall clearly label and stamp the specific portions that are to be kept confidential. The respondent is urged to identify the truly confidential portions of the SOQ and not simply mark all or substantially all response as confidential. Notwithstanding the foregoing, respondents recognize that the SCPL and LFFA will not be responsible or liable in any way for damages that the respondents may suffer from the disclosure of information or materials to third parties.

D. SCPL and LFFA Rights and Options

The SCPL and LFFA, at their respective sole discretion, reserve the following rights:

1. To reject any or all SOQs received pursuant to this RFQ;
2. To supplement, amend, substitute or otherwise modify this RFQ at any time by means of written addendum;
3. To cancel this RFQ with or without the substitution of another RFQ or prequalification process;
4. To request additional information;

5. To verify the qualifications and experience of each respondent;
6. To require one or more respondents to supplement, clarify or provide additional information in order for the Evaluation Committee to evaluate SOQs submitted;
7. To hire multiple firms to perform the necessary duties and range of services if it is determined to be in the best interests of the SCPL and LFFA; and
8. To waive any minor defect or technicality in any SOQ received.

E. Questions/Clarification Request

The respondent shall, in the SOQ, identify the Project Manager and key staff. The Project Manager shall be the primary contact for the SCPL and LFFA.

For the SCPL and LFFA, the primary contact is:

Marcus Pimentel
Finance Director - City of Santa Cruz & SCPL
Interim Executive Director - LFFA
City of Santa Cruz Finance Department
877 Cedar Street, Suite 100, Santa Cruz CA 95060
Email: mpimentel@cityofsantacruz.com
Phone: (831) 420-5055

During the SOQ process, interested parties shall direct all questions via email to the SCPL and LFFA primary contact listed above.

IV. Submittal of SOQs

The SOQs shall provide the information requested and be organized into sections as follows:

- Cover Letter
- Company Qualifications
- Key Project Staff Experience and Qualifications
- Client References

A. Cover Letter

The SOQs shall include a letter of transmittal attesting to its accuracy, signed by an individual authorized to execute binding legal documents on behalf of the proposing firm or joint venture. The cover letter shall provide the name, address, email, telephone and facsimile numbers of the proposed Project Manager, serving as the primary contact for the company.

B. Firm Qualifications

The SOQs shall describe the respondent's experience in serving as bond counsel for CFD and assessment district bond issues. The SOQ must clearly demonstrate that the respondent has the experience, skill and expertise necessary to successfully complete the formation of a CFD and related bond issue. Preference will be given to respondents that have:

- Specific knowledge and experience with formation of, and bond issuance for, CFDs.
- Prior experience with assessment district or general obligation bond issues.

If the firm is interested in also providing disclosure counsel services, please describe the firm's experience as disclosure counsel for land-secured financings.

C. Key Project Staff Experience and Qualifications

The SOQ must include a listing of the key personnel (including sub-consultants when applicable) who will be performing the work including a description of their background,

qualifications, and recent similar experience and responsibility. Clearly specify the individual designated as the Project Manager.

D. Client References

At least three (3) client references are required. They shall include contact person and current telephone numbers and email addresses. References should focus on projects in which the personnel listed in Item C had responsibilities.

V. **Evaluation Criteria and Selection**

The Evaluation Committee and SCPL and LFFA will evaluate each respondent's relevant experience and expertise. Firms will be evaluated on the information presented in the SOQ. Final selection may be based on the SOQ as well as any supplemental information requested by the Evaluation Committee or obtained through interviews. Evaluation factors are expected to include the following:

1. Qualifications as they relate to this project (50%) in order shown.
 - a. Firm's experience with the formation of CFDs and CFD-related bond issues.
 - b. Qualifications of proposed key personnel.
 - c. Firm's experience with other bond and debt issues
 - d. Communication skills.
2. Apparent ability to provide the required services in a timely matter (40%).
 - a. Accessibility of staff.
 - b. Flexibility and readiness in completing specified work.
3. Firm's reputation for integrity and competence (10%).

Contract negotiations will begin immediately with the first choice candidate after the evaluation process. If an agreement on scope and cost is not reached within ten (10) working days, with the first choice candidate, the next highest ranked candidate will be contacted and negotiations with that candidate will begin. This process will continue until an agreement is reached or it is decided to request new SOQs.

If a clear choice is not evident, interviews may be scheduled with the highest ranking firms.

VI. **Response Format**

Four (4) copies and one (1) electronic copy of the Statement of Qualifications shall be submitted and are to be no longer than 20 individual sheets in length (proposal may be printed on both sides of sheet), including resumes and attachments. Firms are encouraged to use a double-sided format and recycled paper when possible.

Parties interested in being considered for this project are requested to submit their Statements of Qualifications **by 4:00 p.m., September 16, 2015** to:

City of Santa Cruz Finance Department
Attn: LFFA Interim Executive Director
877 Cedar Street, Suite 100
Santa Cruz, CA 95062
mpimentel@cityofsantacruz.com
Marcus Pimentel

The SCPL and LFFA reserve the right to determine the extent, duration and limit of any consultant's services. Such services shall be described in an overall work program to be developed by the consultant and approved in connection with the negotiation of a contract for services as described above.