

**REQUEST FOR PROPOSALS
FOR
FINANCIAL ADVISOR SERVICES**

OCTOBER 3, 2012

CITY OF LEWES BOARD OF PUBLIC WORKS
107 FRANKLIN AVENUE
LEWES, DELAWARE 19958

ISSUED BY: DARRIN GORDON
GENERAL MANAGER

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PART I -- GENERAL INFORMATION

1-1 DEFINITIONS

For the purposes of this Request for Proposal, “Proposer” shall mean corporations, firms or other entities or persons submitting a response to this Request for Proposal.

1-2 PURPOSE

This Request for Proposal (“RFP”) provides standards and guidelines for the submission of proposals for the selection of an independent financial advisor to provide a full range of financial advisory services to the City of Lewes Board of Public Works (the “BPW”). The BPW anticipates issuing a contract for services for a five-year period.

1-3 PROPOSAL SUBMISSION AND WITHDRAWAL

The BPW will receive proposals at the following address:

Darrin Gordon
General Manager
107 Franklin Avenue
Lewes, Delaware 19958

To facilitate processing please mark the outside of the envelope as follows: Financial Advisor Services. The envelope shall also include the Proposer’s return address.

Proposers shall submit four (4) “hard” copies and one (1) electronic copy of the proposal. A Proposer may submit the proposal by personal delivery or by mail, but not by facsimile.

The BPW must receive all proposals by 2:00 p.m. on November 7, 2012.

A proposal received by the BPW after the established deadline will be returned unopened to the Proposer.

Upon opening, proposals are subject to public disclosure consistent with Delaware law. Proposers must invoke the exemptions to disclosure provided by law and must identify in the proposal the data or other materials to be protected and state both the reasons why such exemption from public disclosure is necessary and the legal basis for such exemption.

1-4 INVITATION TO PROPOSE

The BPW solicits offers for the services of responsible, qualified Proposers to provide quality financial advisory services.

1-5 ELIGIBILITY

To be eligible to qualify as the BPW's financial advisor (the "Financial Advisor"), the following minimum requirements must be met:

- A. The Proposer must be qualified to do business as a financial advisor in the State of Delaware.
- B. All Proposers must have a representative that holds a Chartered Financial Analyst Certificate, a Chartered Financial Consultant Certificate or Chartered Life Underwriter Certificate or equivalent in education.
- C. The Proposer's staff must be able to have two employees to represent the BPW's investment actions at all times.
- D. The financial institution that the Proposers represent must not be in any form of financial distress.

1-6 CONTRACT AWARDS

The BPW anticipates entering into a contract with the Proposer who submits the proposal judged by the BPW to be most advantageous. The BPW anticipates awarding one contract but reserves the right to award more than one if in the BPW's best interest.

The Proposer understands that this RFP does not constitute an offer or a contract with the Proposer. An official contract or agreement is not binding until proposals are reviewed and accepted by the appointed staff, approved by the appropriate level of authority with the BPW, and executed by the parties. A Sample Standard Contract is attached to this RFP as Exhibit B. The BPW anticipates that the final contract will be in substantial conformance with the Sample Standard Contract; nevertheless, Proposers are advised that any contract which may result from the RFP may deviate from the Sample Standard Contract.

The BPW reserves the right to reject all proposals, to abandon the project, or to re-advertise for and solicit other proposals. The BPW may, in its discretion, waive any informalities or irregularities contained in a proposal or in the manner of its submittal and award a contract thereafter. The BPW further reserves the right to negotiate any and all terms of the proposal.

1-7 DEVELOPMENT COSTS

Neither the BPW nor its representatives shall be liable for any expenses incurred in connection with preparing a response to this RFP. Proposers are encouraged to prepare their proposals simply and economically, providing a straightforward and concise description of the Proposer's ability to meet the requirements of the RFP.

1-8 INQUIRIES

Interested Proposers with questions about the proposal may contact Darrin Gordon, General Manager Lewes BPW regarding questions about the proposal at 107 Franklin Ave. Lewes DE. 19958 or (302) 645-6228, email dgordon@lewesbpw.com. All questions or requests for clarification concerning the meaning or interpretation of this RFP must be received in writing at least five business days prior to the submittal deadline.

The BPW may record its responses to inquiries and any supplemental instructions in the form of written addenda. The BPW may mail written addenda before the date fixed for receiving proposals. Proposers shall contact the BPW to ascertain whether any addenda have been issued. Failure to do so could result in an unresponsive proposal. Any oral explanation given to one Proposer before the RFP opening will not be binding on other Proposers.

All Proposers are expected to examine the proposal documents carefully. Any ambiguities or inconsistencies should be brought to the attention of the BPW through written communication with the BPW prior to the opening of the proposals.

1-9 TIMETABLES

The BPW and Proposers shall adhere to the following schedule in all actions concerning this RFP:

- A. On October 3, 2012, the BPW issues the RFP.
- B. The proposals must be received by the BPW by 2:00 p.m. on November 7, 2012.
- C. The BPW will follow the selection process outlined in 1-12.
- D. Award to be made at or before November 28, 2012.

1-10 DELAYS

The BPW may delay scheduled due dates if it is to the advantage of the BPW to do so. The BPW will notify known potential Proposers of all schedule changes by written addenda.

1-11 ADDENDA

If revisions to the RFP become necessary, the BPW will provide written addenda to all known potential Proposers. All addenda issued by the BPW will include a receipt form which must be signed and include with any proposal submitted to the BPW. If multiple addenda are issued, a separate receipt for each addendum must be included with the proposal when it is submitted to the BPW.

1-12 SELECTION PROCESS

The proposals will be reviewed by the BPW's General Manager, Assistant General Manager, Treasurer and Assistant Treasurer, who will then make a recommendation to the Board of Directors of the BPW. The reviewers will evaluate and rate each proposal utilizing a number of criteria, including but not limited to:

- A. Overall responsiveness and quality of the proposal in clearly stating an understanding of the work to be performed.
- B. Technical ability of the Proposer to perform the required services.
- C. The quality of the recommended changes to the existing BPW Investment Policy.
- D. The recommendations to increase returns while protecting BPW core security and description of the proposed investment strategy.
- E. The experience and reputation of the Proposer as represented in the response and the quality of the references.
- F. Cost of services. Although a significant factor, fees and expenses may not be the dominant factor. Fees and expenses will be a particularly important factor when all other evaluation criteria are relatively equal.

The BPW will evaluate proposals and will select the Proposer which meets the best interests of the BPW. The BPW shall be the sole judge of its own best interests, the proposals, and the resulting negotiated agreement. The BPW's decisions will be final.

After evaluating the proposals, the BPW may request additional information. In its discretion, the BPW may require any Proposer to make an oral presentation of the proposal. These presentations provide an opportunity for the Proposer to clarify the proposal for the BPW. The BPW will schedule any such presentations. After completing the selection process the BPW's General Manager, Assistant General Manager, Treasurer and Assistant Treasurer will make a recommendation to the Directors of the Board of Public Works, which will vote to accept or reject the recommended Proposal.

The BPW reserves the right to negotiate any and all elements of this proposal, including but not limited to the fee structure and length of the contract, with the company or person selected as Financial Advisor for the BPW.

1-13 INSURANCE

The Proposer, if awarded a contract, during the performance of the services under the contract shall maintain insurance coverage reflecting minimum amounts and conditions acceptable to the City of Lewes Board of Public Works in its sole discretion.

1-14 INDEMNIFICATION/HOLD HARMLESS AGREEMENT

Proposer shall, in addition to any other obligation to indemnify the City of Lewes and/or the City of Lewes Board of Public Works and to the fullest extent permitted by law, protect, defend, indemnify and hold harmless the City of Lewes and/or the City of Lewes Board of Public Works, their agents, elected officials and employees from and against all claims, actions, liabilities, losses (including economic losses) and costs arising out of any actual or alleged (a) bodily injury, sickness, disease or death, or injury to or destruction of tangible property, including the loss of use resulting therefrom, or any other damage or loss arising out of or resulting in whole or in part from any actual or alleged act or omission of the Proposer, any subcontractor, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable in the performance of the work; (b) violation of law, statute, ordinance, governmental administrative order, rule, regulation, or infringement or patent rights by Proposer in the performance of the work; or (c) liens, claims or actions made by the Proposer or any subcontractor under workers compensation acts, disability benefit acts, or other employee benefit acts.

All expenses, including attorneys' fees, incurred by the City of Lewes and/or the City of Lewes Board of Public Works in enforcing this provision shall be borne by the Proposer.

PART II -- STATEMENT OF WORK

2-1 WORK OBJECTIVE

The City of Lewes Board of Public Works is seeking proposals to retain the services of an experienced financial advisor qualified to do business in the State of Delaware. The Financial Advisor will be responsible for advising and investing designated cash reserves of the BPW and providing reports and transactions that follow and support the BPW investment portfolio.

2-2 SCOPE OF WORK

The Financial Advisor shall work with the BPW's General Manager, Assistant General Manager, Treasurer and Assistant Treasurer, and other BPW staff in advising the BPW on finance matters as described herein.

A. Cash Portfolio Management – The Financial Advisor shall provide advice and investment strategy and perform the investment of the BPW's cash portfolio, in conformity with the BPW's Statement of Objectives and Guidelines for the Investment of Board of Public Works Funds, which is attached hereto as Exhibit A. The Financial Advisor shall also make recommendations as to how the Guidelines might be changed to serve the goals of the BPW. It is expected that the total funds under management will be between \$10 and \$15 million.

B. Additional Duties – the Proposer shall provide the following additional services:

1. With reasonable notice, attend all meetings of the Board of Directors of the BPW or BPW staff which the Board of Directors of the BPW or its General Manager deem necessary, and attend all BPW meetings for which the Financial Advisor has prepared a memorandum or analysis for consideration.

2. Other services as reasonably requested by the BPW.

C. Non-Exclusive Services – Although the BPW's Financial Advisor will be given the majority of the BPW's business outlined in this Scope of Services, this agreement does not preclude the BPW from retaining other financial advisors from time to time as the BPW, in its sole discretion, decides. This appointment is non-exclusive and further, the successful Financial Advisor agrees to work with and coordinate efforts with (if requested by the BPW) any other financial advisor retained by the BPW.

2-3 CONFLICT OF INTEREST

The Proposer shall provide an affirmative statement that retention as Financial Adviser to the BPW will not result in any conflict of interest or potential conflict with the City of Lewes or the BPW or others potentially affected in the Scope of Work. If any conflict or potential conflict exists, the Financial Advisor shall specify the party with which such conflict may exist, the nature of the potential conflict and any proposed resolution of such conflict.

PART III – INSTRUCTIONS FOR PREPARING PROPOSALS

3-1 RULES FOR PROPOSALS

The proposal must name all persons or entities interested in the proposal as principals. The proposal must declare that it is made without collusion with any other person or entity submitting a proposal pursuant to this RFP.

3-2 PROPOSAL FORMAT

Proposers shall prepare their proposals using the following format:

A. Letter of Transmittal – This letter will summarize in a brief and concise manner the Proposer’s understanding of the scope of work and make a positive commitment to timely perform the work. The letter must name all of the persons authorized to make representations for the Proposer, including the titles, addresses, and telephone numbers of such persons. An authorized agent of the Proposer must sign the Letter of Transmittal indicating the agent’s title or authority.

B. Qualifications and Experience

1. Provide a description of the Proposer’s general capabilities, including information relating total size and staffing, research capability, professional staff and clerical staff.

2. Identify the person who will be primarily responsible for providing service to the BPW (the “Primary Contact”) and specify that person’s office location. Identify the two or more employees who will be available to provide services to the BPW. Please provide a brief resume for each person. Describe the anticipated division of duties among all persons listed, identifying both the type of work such person is anticipated to perform and the percent of the total work expected to be performed by that person in connection with the BPW’s services.

3. Identify at least three (3) Delaware clients the BPW may contact as references with respect to the Primary Contact’s work performance. For each reference include name, title, address, and phone number.

4. Provide a statement of the Proposer’s local availability and degree of accessibility to the BPW. If the Proposer is not located in Sussex County give specifics as to how the requisite accessibility will be provided and charged to the BPW.

5. Describe any litigation or SEC investigations or enforcement actions in the last five years related to any financial advisory services provided by the Proposer. If such instances exist, please provide a detailed description of the nature and outcome of each.

6. If the Proposer has provided any unique or innovative solutions or approaches for any local governmental units in connection with any of the services listed under Section 2-2 “Scope of Services,” provide a brief description of the solutions or approaches.

7. Provide any other information (in as brief a format as possible) which is relevant to the BPW's consideration of the proposal.

C. Fees and Expenses

1. Please furnish a proposed fee schedule for the types of services described in Section 2-2 "Scope of Services."

2. Indicate the Proposer's policy regarding out-of-pocket and/or indirect cost expenses including, but not limited to, travel, lodging, faxes, telephone calls, deliveries, etc.; if you propose reimbursement from the BPW, please itemize the types of expenses and the basis of billing for each.

D. Scope of Work – This section of the proposal should explain the Scope of Work as understood by the Proposer and detail any exceptions, qualifications, or additions. Explain the Proposer's approach, activities, work products, plan, and terms of contract and compensation. In particular, the Proposer should analyze BPW's current Statement of Objections and Guidelines for the Investment of Board of Public Works Funds, which is attached hereto as Exhibit A, and recommend changes to the Guidelines that should increase the BPW's returns while simultaneously protecting the core security of the BPW's portfolio.

E. Other

1. Provide evidence of current levels of insurance in the areas of Workers' Compensation and Professional Liability. If self-insured for Professional Liability, provide the most recent audited financials.

2. Provide a statement of the Proposer's financial stability, including information as to current or prior bankruptcy proceedings.

F. Additional Data – Any additional information which the Proposer considers pertinent for consideration should be included in a separate section of the proposal. The BPW solicits a statement regarding why the Proposer feels its approach would be the most cost effective for the BPW.