
CITY OF KEWANEE, ILLINOIS

REQUEST FOR PROPOSALS
FOR
FINANCIAL ADVISORY SERVICES

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for
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I. General Information Regarding the City of Kewanee, Illinois

Located in northwest Illinois and bi-sected by US Highway 34 and Illinois Route 78, Kewanee is the largest community in Henry County with a population of 12,916. Since the arrival of early settlers in 1837, the area has long been a hub of commercial, financial, and social activity in the region. As a center for commerce, the city's downtown area blossomed, and today remains an important piece of the community's heritage.

During the past few decades, the community has experienced a slow decline in population, much like the rest of the region. However, anchored by large employers such as Great Dane, OSF St. Luke's Medical Center, Boss Gloves, and Peterson Healthcare facilities, the community is entering a period of economic resurgence. A full-service community, Kewanee provides residents, businesses, and visitors with Police, Fire and Emergency Medical Services, water treatment and distribution, sewer, stormwater, parks and public facilities, general aviation, streets, and community and economic development. Additional information regarding the City's services is available on the City's website at www.cityofkewanee.com.

Kewanee has operated under the Council-Manager form of Government since 1986, with an appointed City manager who is selected by a governing body consisting of the Mayor and four (4) City Councilmembers that are elected at large for staggered four-year terms. The City Manager is responsible for the day-to-day operations of the City, and has hiring authority for the Department Heads that provide leadership at the department level.

The city's approved budget for the 2017 fiscal year is \$16.3 million. In 2009, voters approved a non-home rule sales tax of ½ cent for capital improvements, with no sunset provision. Other sales tax measures for specific improvements may be contemplated in the future, and the City has outstanding bond obligations that currently total approximately \$9.4 million. Additional information about the budget, financial management, and City of Kewanee can be found at the city's website.

The City's most current bond rating from Standard and Poor's was A+ (2015 Issue).

II. Scope of Services

Kewanee, Illinois is inviting proposals for the purpose of selecting a firm to serve as independent financial advisor to the City of Kewanee. The Kewanee's independent financial advisor will be expected to perform services as required by the City in a professional and timely manner. Services will include, but are not limited to, the following tasks:

- Task 1: Financial Planning and Debt Management
- Task 2: Capital Budget Programming
- Task 3: Debt Issue Development and Oversight
- Task 4: Investment Program/Arbitrage-Rebate Management/Continuing Disclosure
- Task 5: Economic Development Advisory

Any outlined task(s) requiring periodic updates and monitoring by the City and/or the Financial Advisor, for which working documents and/or computer models are necessary, shall be formatted to be compatible with, LOCIS, the City's current computer software. Such working documents and/or computer models shall become property of the City of Kewanee.

Task 1: Financial Planning and Debt Management

The Financial Advisor will assist the City in financial planning and debt management activities. These services will include, but are not limited to:

1. Assist and advise with the implementation of a long-range financial plan for the City of Kewanee. Development of the plan will include:
 - a) establishing policies and procedures
 - b) identifying and evaluating objectives
 - c) reviewing and analyzing cost effective alternatives for financing the City's operating and capital requirements
 - d) estimating revenue and financing requirements
2. Assist and advise the City of Kewanee in managing its short- and long-term debt programs. Such services will include:
 - a) assist and advise on the development of debt management policies, including total debt, levy and per capita levels, pay-back provisions, etc.
 - b) monitor markets for opportunities to refinance existing City of Kewanee debt
 - c) advise and assist the City in determining the scope of new debt financing
 - d) assist in communications with the financial community to promote the City of Kewanee debt securities and improve bond ratings
 - e) assist the City in meeting its regulatory compliance responsibilities in secondary market disclosure requirements

Task 2: Capital Budget Programming

The Financial Advisor will advise and assist the City of Kewanee with the implementation of a multi-year capital budget. These services will include, but are not limited to:

1. Establish policies and procedures
2. Review current and potential future revenue sources and determination of funding capacities
3. Consider funding options including "pay-as-you-go" alternatives, cash, grants, and the appropriate use of debt
4. Examine related fiscal and credit rating impacts

Task 3: Debt Issue Development and Oversight

The Financial Advisor will be responsible for the oversight of the issuance of all competitive and negotiated bond transactions. This task will include: Planning and Development, Marketing, Bond Sale and Bond Closing.

1. Planning and Development

- a) Analyze alternatives for structuring the proposed financing and establishing the terms of the sale to strengthen marketability.
- b) Recommend the best method of sale, competitive or negotiated, considering current economic and market conditions and the character of the financing.
- c) Consult with rating agencies on the proposed financing and assist the City of Kewanee in obtaining the most favorable rating possible.
- d) Act as a liaison with bond counsel and coordinate the work of other professionals providing similar services.

2. Marketing

The Financial Advisor will assist the City of Kewanee in the marketing of bond issues. Such services will include:

- a) Advise on the appropriate terms and conditions of the sale
- b) Advise on the timing of the bond sale
- c) Assist in preparing the City's Official Statement and coordinating review with the City and Bond Counsel
- d) Advise the City on full disclosure requirements and conformance to suggested guidelines
- e) Assist in publicizing the bond sale to develop regional public and institutional interest
- f) Advertise the bond sale in financial publications as may be appropriate
- g) Advise on the most appropriate formats for bidding (electronic, fax, telephone, etc.)

3. Bond Sale

The Financial Advisor will assist the City of Kewanee with the actual sale of the bonds.

- a) For competitive sales, the Financial Advisor will:
 - i. assist the City in conducting the sale, take bids and tabulate results
 - ii. analyze sale results and make a recommendation on the award of the sale
- b) For negotiated sales, the Financial Advisor will:
 - i. assist with the development of a Request for Proposal for underwriting services where appropriate
 - ii. assist in the evaluation of proposals for selection of an underwriter
 - iii. participate in negotiating the structure and terms of sale of the issue
 - iv. participate as necessary in any pre-marketing activities
 - v. prepare market analysis and assist the City of Kewanee in negotiating the pricing of the issue
 - vi. evaluate the flow of orders and determine final pricing and terms of the sale

- vii. make recommendations on the result of the pricing and final issue structure and execution of the bond purchase agreement
- viii. evaluate underwriter performance

4. Bond Closing

The Financial Advisor will assist the City of Kewanee in directing, coordinating and supervising bond closing transactions. Such services will include:

- a) verifying all bond pricing and overseeing registration procedures
- b) soliciting bids for investment of funds if necessary

Task 4: Economic/Community Development Advisory

The Financial Advisor will assist the City of Kewanee on an as needed basis in evaluating developer-initiated and local government-initiated economic development projects. These services will include, but are not limited to:

Prepare or review financial aspects of development agreements, market and financial feasibility studies, financial pro forma, tax impact analysis, economic impact analysis, development fees or special assessments, cost-benefit analysis, incentive packages, "but for" analysis, risk analysis/mitigation, etc.

III. Organization of the Proposal

Proposals should include responses to each of the following items. Include sample work products as appropriate to address the services expected from the consultant, as outlined in the "Scope of Services" Section II. Please construct your proposal with responses in the same order as listed below to facilitate review and comparison by the review committee.

1. Provide a general profile of the firm and identify primary office serving the City of Kewanee.
2. Identify the professional staff assigned to work with the City, indicating lead representative. Attach relevant experience for each assigned staff member.
3. Outline your firm's experience in providing financial planning and debt management services as outlined in Section II and briefly summarize three representative projects that illustrate your experience.
4. Outline your firm's experience in providing capital budget programming services as outlined in Section II and briefly summarize three representative projects that illustrate your experience.
5. Outline your firm's experience in providing debt issue development services as outlined in Section II and briefly summarize three representative projects that illustrate your experience.
6. Outline your firm's experience in providing economic development advisory services as outlined in Section II and briefly summarize three representative projects that illustrate your experience.
7. Explain any other relevant qualifications including experience providing management services such as analysis of service delivery systems, revenue diversification and cost recovery studies, infrastructure investment and debt management studies, financial analysis, and other case-by-case special projects.
8. Demonstrate your experience working with communities that have comparable characteristics to the City. List up to five (5) references from these communities, including names, addresses and phone number of contact persons.

9. Disclose any affiliation or relationship your firm may have with any broker-dealer.
10. Disclose any finder's fees, fee splitting, payments to consultants, or other contractual arrangements of your firm that could present a real or perceived conflict of interest.
11. Summarize your support service capability; i.e. technology and research capabilities.
12. All proposers will be required to submit evidence of professional liability insurance at the limits required by the City of Kewanee and disclose any applicable deductible amount.
13. Disclose any pending investigation nor your firm or disciplinary actions taken within the past three years by the SEC or other regulatory bodies.

IV. Fees

City of Kewanee is interested in selecting that firm which provides the City with optimal services in the highest professional manner, yet also meets the City's concern with cost.

Firms are prohibited from engaging in activities on behalf of the City of Kewanee that produce a direct or indirect financial gain for the financial advisor, other than the agreed-upon compensation, without the City's informed consent.

V. Terms and Conditions

1. The City of Kewanee reserves the right to reject any or all proposals, with no penalty to the City, or to award the contract to the next most qualified financial advisor if the successful financial advisor does not execute a contract within thirty (30) days after the award of the proposal.
2. Proposals should be submitted electronically in pdf format. This may be emailed to gbradley@cityofkewanee.net and must be received no later than 4:00 pm on Friday, May 26, 2017 to be considered.
3. All inquiries about the project or the request for proposal should be directed only to:

Gary Bradley
City Manager
gbradley@cityofkewanee.net
(309) 853-4200

All questions are to be submitted in writing (email is acceptable) and must be received by 4:00 pm on Friday, May 19, 2017. City responses/clarifications to questions will be forwarded to all firms by the end of the day on Monday, May 22, 2017.

4. The unauthorized communication with any other staff or elected/appointed official besides the listed contact is grounds for rejection of the proposal.
5. The City of Kewanee reserves the right to reject any or all proposals submitted.
6. Following a review and ranking of the proposals by City Staff a recommendation for award will be made to the City. A final decision for award of the work will be made by majority vote of the City following successful negotiations of the terms including costs with the preferred Consultant. The City reserves the right to award the work based on the best combination of qualifications, response to the scope of services and cost at the sole discretion and in the best interest of the City.

7. During the evaluation process, the City reserves the right to request additional information or clarifications from proposers.
 8. Only independent financial advisors should submit proposals to the City of Kewanee. An independent financial advisor is a firm which does not engage in the underwriting of municipal securities.
 9. Firms submitting proposals will not be allowed to resign in order to serve as underwriter for any proposed transactions.
 10. The City of Kewanee reserves the right to request clarification of the information submitted and to request additional information of one or more applicants.
 11. Any proposal may be withdrawn up until the date and time set above for the opening of the proposals. Any proposals not withdrawn shall constitute an irrevocable offer, for a period of 90 days, to provide the City of Kewanee the services set forth in the attached specifications, or until one or more of the proposals have been approved by the City.
 12. If, through any cause, the firm shall fail to fulfill in timely and proper manner the obligations agreed to, the City of Kewanee shall have the right to terminate its contract by specifying the date of termination in a written notice to the firm at least thirty (30) working days before the termination date. In this event, the firm shall be entitled to just and equitable compensation for any satisfactory work completed.
 13. Any agreement or contract resulting from the acceptance of a proposal shall be on forms either supplied by or approved by the City of Kewanee, and shall contain, as a minimum, applicable provisions of the Request for Proposal. The City reserves the right to reject any agreement that does not conform to the Request for Proposal and any City requirements for agreements and contracts.
 14. The selected firm(s) shall not subcontract or assign any interest in the contract and shall not transfer any interest in the same without prior written consent of the City of Kewanee.
 15. No reports, information, or data given to or prepared by the firm under contract shall be made available to any individual or organization by the firm without the prior written approval of the City of Kewanee.
 16. All data, documents and other information provided to the City of Kewanee by the consultant as a result of this Request for Proposal shall become the property of the City and subject to its disposal.
 17. All costs associated with the preparation of a proposal in response to the Request for Proposal shall be the responsibility of the firm submitting the proposal.
 18. The selected firm(s) will be required to provide a certificate of insurance naming the City as an "additional insured" in the minimum amounts specified:
 - i. Professional liability insurance of a minimum of \$1,000,000 with a maximum \$50,000 deductible,
 - ii. Workers' Compensation coverage with limits required by the State of Illinois, and
 - iii. Employer's Liability coverage with limits of \$500,000/\$500,000/\$500,000 per occurrence.
3. The Financial Advisor will be expected to meet with City of Kewanee officials at the City offices as needed during the course of service engagements.

4. The City of Kewanee expects the Financial Advisors to respond to routine questions on the phone which do not require considerable research on a complimentary basis.
5. Should the firm hired merge or be purchased by another individual or firm contract continuation would be at the City of Kewanee's option.
6. As this is a Request for Proposals and not a bid, the City of Kewanee reserves the right to negotiate with any party and on any matter.
7. The City of Kewanee, being an equal opportunity employer, will not discriminate against any respondent because of race, color, religion, sex or national origin; any person or group which enters into a contract with the City of Kewanee must agree to comply with any and all applicable federal and state laws regarding the prohibition of discrimination. All respondents, by placing a proposal, shall accept the affirmative duty to ascertain and comply with such laws.

VI. Interviews

The City of Kewanee may select two or more firms for oral presentations. Each firm will give a 15-minute presentation summarizing their qualifications and their approach to the project. The presentation will be followed by a question-and-answer period. The individuals who will be assigned to the project will be expected to make the oral presentation.

VII. Evaluation of Proposals

An evaluation committee shall be used to evaluate the proposals. The committee shall evaluate the proposals based on the following criteria:

1. Quality of the proposal and completeness of response to the Request for Proposal (10%)
2. Relevance of experience cited for each of the major tasks outlined in the Scope of Services (30%)
3. Experience and creativity in providing financial advisory services to local governments of comparable characteristics to the City of Kewanee (20%)
4. Experience of staff assigned to serve the City of Kewanee (15%)
5. Proven ability to provide other financial and management advisory services (20%)
6. References (5%)

VIII. Schedule of Events

The City of Kewanee has developed the following schedule of events for selection:

RFP Sent to Select Firms and Published	April 28, 2017
Last day for proposals due to the City	May 26, 2017 (4:00 pm)
Proposals reviewed, interviews if needed	May 30-June 6, 2017
City Council approval of contract	June 12, 2017