



CITY OF KYLE, TEXAS
REQUEST FOR QUALIFICATIONS (RFQ)

RFQ NO. 2012-01-PM
FINANCIAL ADVISORY SERVICES

DUE DATE:
AUGUST 27, 2012 AT 10:00 A.M. (CST)

ISSUED BY:
City of Kyle, Texas
Financial Services Department



**LEGAL NOTICE
AND
REQUEST FOR QUALIFICATION STATEMENTS
RFQ NO. 2012-01-PM**

The City of Kyle will accept sealed Request for Statement of Interest and Qualifications for a Financial Advisor **until 10:00 A.M., August 27, 2012** in the City's Financial Services Department. **Qualification statements received after this time will not be considered.**

Qualification Statements will be acknowledged on August 29, 2012 at 8:00 A.M. All persons are invited to attend the acknowledgement at the City of Kyle, Financial Services Department's Conference Room, Kyle City Hall, 100 W. Center Street, Kyle, Texas.

Please mark on the **outside of the envelope and on any carrier's envelope**: "RFQ No. 2012-01-PM Request for Statement of Interest and Qualifications for a Financial Advisor", and send to the attention of Mr. Perwez A. Moheet, CPA, Director of Finance, 100 W. Center Street, Kyle, Texas 78640 (physical location) or P.O. Box 40, Kyle, Texas, 78640 (mailing address).

The City of Kyle will not be responsible in the event that the U.S. Postal Service or any other courier system fails to deliver the sealed qualification statement to the City of Kyle by the given deadline above. Electronic transmission or facsimile of Qualification Statements will not be acceptable.

The City of Kyle reserves the right to reject any or all responses and to waive irregularities contained therein and to accept any response deemed most advantageous to the City of Kyle.

Perwez A. Moheet, CPA
Director of Finance
City of Kyle, Texas



Please submit this page upon receipt

ACKNOWLEDGEMENT FORM - RFQ NO. 2012-01-PM

Request for Statement of Interest and Qualification for a Financial Advisor

For any clarifications, please contact Mr. Perwez A. Moheet, CPA, Director of Finance, by email at pmoheet@cityofkyle.com

Please fax or mail this page upon receipt of the RFQ package or legal notice. If you only received the legal notice and you want the RFQ package mailed please provide a method of shipment with account number in the space designated below.

Check one:

Yes, I will be able to send a response based on RFQ package obtained from City of Kyle's website.

Yes, I will be able to send a response; please email the RFQ package.

Email: _____

No, I will not be able to send a response to this RFQ for the following reason:

If you are unable to send your response to this RFQ, kindly indicate your reason above and return this form to Mr. Perwez A. Moheet, CPA, Director of Finance, City of Kyle **via fax to: (512) 262-3800**. This will ensure you remain active on our vendor list.

Date _____

Company: _____

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: _____ Fax: _____

Email: _____



ETHICS STATEMENT
(Complete and Return this form with Response)

The undersigned firm, by signing and executing this RFQ, certifies and represents to the City of Kyle that the firm has not offered, conferred or agreed to confer any pecuniary benefit, as defined by (1.07 (a) (6) of the Texas Penal Code, or any other thing of value as consideration for the receipt of information or any special treatment of advantage relating to this RFQ; the firm also certifies and represents that the firm has not offered, conferred or agreed to confer any pecuniary benefit or other thing of value as consideration for the recipient's decision, opinion, recommendation, vote or other exercise of discretion concerning this RFQ, the firm certifies and represents that firm has neither coerced nor attempted to influence the exercise of discretion by any officer, trustee, agent or employee of the City of Kyle concerning this RFQ on the basis of any consideration not authorized by law; the firm also certifies and represents that firm has not received any information not available to other firms so as to give the undersigned a preferential advantage with respect to this RFQ; the firm further certifies and represents that firm has not violated any state, federal, or local law, regulation or ordinance relating to bribery, improper influence, collusion or the like and that firm will not in the future offer, confer, or agree to confer any pecuniary benefit or other thing of value of any officer, trustee, agent or employee of the City of Kyle in return for the person having exercised their person's official discretion, power or duty with respect to this RFQ; the firm certifies and represents that it has not now and will not in the future offer, confer, or agree to confer a pecuniary benefit or other thing of value to any officer, trustee, agent, or employee of the City of Kyle in connection with information regarding this RFQ, the submission of this RFQ, the award of this RFQ or the performance, delivery or sale pursuant to this RFQ.

THE FIRM SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY OF KYLE, ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM AND AGAINST ALL CLAIMS, ACTIONS, SUITS, DEMANDS, PROCEEDING, COSTS, DAMAGES AND LIABILITIES ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY ACTS OR OMISSIONS OF FIRM OR ANY AGENT OR EMPLOYEE OF FIRM IN THE EXECUTION OR PERFORMANCE OF THIS RFQ.

I have read all of the specifications and general RFQ requirements and do hereby certify that all items submitted meet specifications.

FIRM: _____

OFFICER NAME: _____

OFFICER SIGNATURE: _____

ADDRESS: _____

CITY: _____

STATE: _____ ZIP CODE: _____

TELEPHONE: _____ TELEFAX: _____

FEDERAL ID#: _____ AND/OR SOCIAL SECURITY #: _____

DEVIATIONS FROM SPECIFICATIONS IF ANY:



**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS
(Complete and Return this form with Response)**

Name of Entity: _____

The prospective participant certifies to the best of their knowledge and belief that they and their principals:

1. Are not presently debarred, suspended, proposed for debarment, and declared ineligible or voluntarily excluded from covered transactions by any Federal or State of Texas department or agency;
2. Have not within a three year period preceding this RFQ been convicted of, had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
3. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (Federal, State, Local) with commission of any of the offenses enumerated in this paragraph of the certification; and
4. Have not within a three year period preceding this application/RFQ had one or more public transactions (Federal, State, Local) terminated for cause or default.

I understand that a false statement on this certification may be grounds for rejection of this RFQ or termination of the award. In addition, under 18 USC Section 1001, a false statement may result in a fine up to a \$10,000.00 or imprisonment for up to five (5) years, or both.

Name and Title of Authorized Representative (Typed)

Signature of Authorized Representative

Date

I am unable to certify to the above statements. My explanation is attached.



CONFLICT OF INTEREST QUESTIONNAIRE
For vendor or other person doing business with local governmental entity

FORM CIQ

This questionnaire reflects changes made to the law by H.B. 1491, 80th Leg., Regular Session.

OFFICE USE ONLY

This questionnaire is being filed in accordance with Chapter 176, Local Government Code by a person who has a business relationship as defined by Section 176.001(1-a) with a local governmental entity and the person meets requirements under Section 176.006(a).

Date Received

By law this questionnaire must be filed with the records administrator of the local governmental entity not later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code.

A person commits an offense if the person knowingly violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

1. Name of person who has a business relationship with local governmental entity.

2. Check this box if you are filing an update to a previously filed questionnaire.

(The law requires that you file an updated completed questionnaire with the appropriate filing authority not later than the 7th business day after the date the originally filed questionnaire becomes incomplete or inaccurate.)

3. Name of local government officer with whom filer has employment or business relationship.

Name of Officer

This section (item 3 including subparts A, B, C & D) must be completed for each officer with whom the filer has an employment or other business relationship as defined by Section 176.001(1-a), Local Government Code. Attach additional pages to this Form CIQ as necessary.

- A. Is the local government officer named in this section receiving or likely to receive taxable income, other than investment income, from the filer of the questionnaire?
 Yes No
- B. Is the filer of the questionnaire receiving or likely to receive taxable income, other than investment income, from or at the direction of the local government officer named in this section AND the taxable income is not received from the local governmental entity?
 Yes No
- C. Is the filer of this questionnaire employed by a corporation or other business entity with respect to which the local government officer serves as an officer or director, or holds an ownership of 10 percent or more?
 Yes No
- D. Describe each employment or business relationship with the local government officer named in this section.

4.

Signature of person doing business with the governmental entity

Date



DESCRIPTION OF THE CITY

The City of Kyle is a political subdivision and municipal corporation of the State of Texas (the "State"), duly organized and existing under the laws of the State including the City's Home Rule Charter, initially adopted by the voters in the year 2000.

The City operates as a Home rule City under a Council/Manager form of government with a City Council comprised of the Mayor and six Council Members. The City Manager is the chief executive officer for the City of Kyle. The City covers approximately 18.86 square miles and has a population of 28,016 based on the 201 census.

Kyle is now a thriving community and home to thousands of citizens. Straddling I-35, eight miles north of San Marcos, 20 miles south of Austin and 60 miles north of San Antonio Kyle is the second largest city in Hays County and enjoys a south central location convenient to most major population centers in Texas. With a strategic location close to major highways, airports and rail, Kyle is a great community to live and conduct business.

I. INSTRUCTIONS TO PARTICIPATING FIRMS

The City of Kyle, Texas is requesting qualification statements from qualified and experienced firms performing financial advisory services interested in providing such services to the City of Kyle's City Council and its financial management team.

Firms with relevant municipal financial advisory experience and qualifications are encouraged to submit their statement of interest and qualifications. Preparation of submittals will be at the expense of the financial advisory firm.

The agreement period will be for a five-year period with one five-year option for contract extension under the same terms and conditions of the contract contingent upon mutual agreement by both parties (See Section VIII-Term).

The following instructions should be followed:

1. Please respond specifically to all information requested in this Request for Statement of Interest and Qualifications or indicate on the attached acknowledgement form why no response is given.
2. Please limit response to relevant material; additional information must be submitted in the form of an attachment or appendix.
3. Identify the question being answered in the introduction to each response.



4. Respondents or their representatives are prohibited from communicating with any City of Kyle officials to include City Council Members regarding the RFQ from the time the RFQ is released until it has been acted upon by the City Council. Respondents or their representatives are prohibited from communicating with City of Kyle employees regarding the RFQ, except as provided for in the final paragraph of the cover letter accompanying this RFQ, until the contract is awarded. Violation of this provision by the respondent or their agent will lead to disqualification of the respondent's response from consideration.

KEY DATES

DESCRIPTION OF EVENTS

August 13, 2012:	RFQ posted on the City's website and distributed to firms who had made a request previously.
August 27, 2012:	Responses due by 10:00 A.M. in the Financial Services Department.
August 30, 2012:	City <u>may</u> request presentations by firms.
August 31, 2012	Evaluation finalized.
September 4, 2012:	City Council's selection of firm and award of contract.

II. RIGHTS RESERVED BY THE CITY OF KYLE

1. If only one or no RFQ is received by "submission date", the City has the right to accept, reject, re-propose, accept and/or extend the RFQ by up to an additional two (2) weeks from original submission date.
2. The right to reject any/or all RFQs and to make award as they may appear to be advantageous to the City of Kyle.
3. The right to hold RFQ for 90 days from submission date without action, and to waive all formalities in RFQ.
4. The right to extend the total RFQ beyond the original 90-day period prior to an award if agreed upon in writing by both parties and if RFQ holds firm.
5. The right to terminate all or any part of the unfinished portion of the work resulting from this solicitation within thirty (30) days written notice; upon default by the firm, for delay or non-performance by the firm, or if it is deemed in the best interest of the City of Kyle for convenience.
6. The City of Kyle reserves the right to request additional information or to meet with representatives from responding organizations to discuss points



in the RFQ before and after submission, any and all of which may be used in forming a recommendation.

7. The City of Kyle reserves the right to reject any and all qualification statements, and to accept the RFQ it considers in its best interest based upon the requirements and descriptions outlined in this RFQ.

Any interpretation, correction, or change of the RFQ will be made by ADDENDUM. Changes or corrections will be issued by the City of Kyle's financial Services Department.

Any Addendum issued by the City of Kyle will be emailed or faxed to all who have returned the RFQ Acknowledgement Form. Addendum will be issued as expeditiously as possible. It is the responsibility of the firms to determine whether all addenda have been received. It will be the responsibility of all respondents to contact the City of Kyle prior to submitting a response to the RFQ to ascertain if any addendum has been issued, and to obtain any and or all addenda, execute them, and return addenda with the response to the RFQ.

III. SUBMISSION REQUIREMENTS/CONTENTS

A qualified and experienced firm interested in being considered for the financial advisory services contract is requested to submit on the firm's letterhead, a statement which provides information on the following specific requirements each numbered and labeled as indicated.

Responding firms should refer to Section I, Instructions to Participating Firms for the response format. You should be aware that the contents of the successful RFQ will become a part of subsequent contractual documents. Failure to accept this obligation may result in the cancellation of any award.

1. Firm's Background Information

- a. Name and address of the firm. If the firm has a permanent office within the Austin/Kyle regional area, indicate the name, type, address, telephone number, and number of employees in such office.
- b. History of the firm, indicating date the firm was founded and how long the firm has provided financial advisory services including financial planning and arbitrage services to issuers of tax-exempt debt in the State of Texas.
- c. Organization of the firm, including a discussion of any recent or proposed changes in management or ownership.



- d. Provide a firm organizational chart.
- e. A copy of the firm's most recent audited financial statements.

2. Qualifications of Firm

- a. Discuss the firm's experience relative to Section IV, Qualifications. Include in this discussion a list of at least five small to medium size municipal clients (under 50,000 population) to include name, and phone number which the firm and the representative assigned to the City of Kyle have served in the capacity of financial advisor during the past five years.
- b. Discuss the firm's approach in assisting small to medium size municipal clients (under 50,000 population) in developing general obligation and revenue bond financing programs. Identify techniques used to lower financing and/or issuance costs.
- c. Discuss the firm's approach to rating requests and rating agency meetings, including material, media, City of Kyle staff preparation, etc.
- d. Discuss the firm's approach to marketing the City of Kyle's bonds, including contacts with prospective bidders and potential major purchasers.
- e. Discuss the firm's capabilities to provide the services listed in Section VI, Scope of Services, under Financing, number 14 and under Financial Planning, numbers 1-4.
- f. Discuss the firm's technical support services and how those services would be used in relation to the City of Kyle's financing program.
- g. Discuss the firm's ability to provide arbitrage rebate services to the City of Kyle.
- h. Discuss the firm's ability to provide testimony in litigation.

3. Identify the specific individuals who will be assigned to the City of Kyle, and provide brief resumes for each highlighting their experience with municipal and or other tax-exempt issuers in Texas. Indicate each individual's role relative to the City of Kyle account. Also, indicate each individual's availability and the minimum notice required by the firm to guarantee availability.



4. Provide fee schedules as described in section VII, Fees. List any estimated out-of-pocket expenses to be paid by the City of Kyle. Explain how your firm controls out-of-pocket expenses.
5. Identify and discuss any potential conflicts of interest, including those dealing with other jurisdictions in the Austin/Kyle regional area.
6. Disclose if your firm currently is or, in the past three years, has been the subject of an SEC, NASD, MSRB, federal, state, or local government inquiry and/or investigation? If so, describe the nature and disposition of any and all such inquiries or investigations. Have any of these entities invoked sanctions against your firm or your staff?
7. Evidence of professional liability (E&O) policy with a minimum limit of \$1,000,000.

The City of Kyle is requesting five (5) sets of the qualification statements, including any attachments. Qualification Statements shall be enclosed in an envelope and clearly marked on the outside of the envelope or any carrier's envelope: "RFQ No. 2012-01-PM Request for Qualifications for a Financial Advisor", to be mailed, sent by overnight courier, or hand delivered to the attention of:

Mr. Perwez A. Moheet, CPA
Director of Finance
City of Kyle
100 W. Center Street, Kyle Texas 78640 (Physical Location)
P.O. Box 40, Kyle, Texas 78740 (Mailing Address)

Qualification Statements will be accepted until 10:00 A.M., August 27, 2012.

NO QUALIFICATION STATEMENT WILL BE ACCEPTED AFTER 10:00 A.M. ON AUGUST 27, 2012, THE SUBMISSION DEADLINE.

Qualification Statements will be acknowledged at 8:00 a.m., August 29, 2012, in the Financial Services Department's Conference Room in City Hall located at 100 W. Center Street, Kyle, Texas 78640.

The City of Kyle is subject to the Texas Open Records Act. However, certain types of information may be exempt from disclosure under the Act. Firms submitting information which they deem confidential or proprietary must clearly mark and identify such information page by page. The City of Kyle will, to the extent allowed by applicable law, protect such information from disclosure. The final decision as to what information must be disclosed under the Open Records Act lies with the Texas Attorney General.

Questions or clarifications concerning the City of Kyle's RFQ requirements may be directed by email to:



Mr. Perwez A. Moheet, CPA
Director of Finance
City of Kyle
pmoheet@cityofkyle.com

Responses will be in the form of an addendum issued to all firms that have returned the RFQ Acknowledgement Form.

During the performance of this contract, the firm agrees not to discriminate against any employee or applicant for employment because of race, national origin, age, religion, gender, marital or veteran status, or physically challenging condition.

IV. QUALIFICATIONS

A potential Financial Advisor should meet the following qualifications:

1. A minimum of ten (10) years of prior experience in the business of providing financial advisory services to issuers of tax-exempt debt in Texas.
2. Experience with various debt instruments including bonds, notes, commercial paper, variable rate issues, leases, and other alternate financing instruments.
3. Experience with enterprise system financing including but not limited to water, wastewater, drainage, airport, transportation, and public venue infrastructure.
4. Experience with obtaining credit supports and bond insurance.
5. Experience with rating agencies and hands-on experience with the credit rating process. Knowledge and experience with ratings criteria used not only by the major credit rating agencies, but also the typical large institutional purchasers of tax-exempt debt.
6. Experience with refinancing and other negotiated underwritings, including refinancing of State loans, restructuring of existing debt, underwriter selection, timing of issues, and pricing.
7. Adequate and experienced staff to assess and complete arbitrage rebate analysis in conformance with regulatory requirements including but not limited to performing the analysis, advising the City of Kyle, issuing formal reports and schedules, and completing all required forms for submission to the U.S. Department of Justice (Internal Revenue Service).



8. Adequate qualified and experienced staff with previous municipal finance experience. Key staff members must be willing and available to respond to questions from the City of Kyle's financial staff on a continuing basis.
8. Adequate technical support to meet the needs of the City of Kyle.
9. Ability to testify in litigation and rate cases, including cases within the purview of state and federal regulatory agencies.
10. Ability to assist with financial and management studies of various municipal and enterprise services/functions, perform fee analysis studies, assist in labor negotiations, conduct compensation analysis, assist with federal and state grant/loan applications, and other similar requests and or assignments from the City of Kyle.

V. CRITERIA FOR SELECTION

This procurement will comply with all applicable City of Kyle policy and procedures. Any exceptions shall be submitted in writing and be attached hereto. The successful firm will be selected by the City of Kyle using the evaluation factors outlined below. The City of Kyle reserves the right to require oral presentations by any or all firms. In the event of oral presentations, a second matrix shall be used based on the Evaluation Criteria used below with the exception of item (e). These factors shall be applied to all eligible, responsive firms in comparing RFQ's and selecting the financial advisor. Award may be made without oral presentation and or discussion with financial advisory firms after RFQ responses are received by the City of Kyle. Therefore, RFQ responses should be submitted on the most favorable terms.

All costs directly or indirectly related to preparation of a response or oral presentation, if any, required to supplement and/or clarify an RFQ shall be the sole responsibility of and shall be borne by the responding firm.

The City of Kyle will use the following evaluation criteria in selecting the best qualified firm.

- a. Demonstrated understanding of the City of Kyle's needs as stated in the Request for Qualifications.
- b. Prior demonstrated applicable experience.
- c. Qualifications and time commitments of staff to deliver all required services stated in the RFQ.
- d. Fee Schedule (as noted in Section VII)
- e. Municipal client references.



VI. SCOPE OF SERVICES

The scope of services to be provided by the financial advisor may include, but not be limited to, the following services:

Financing

1. Provide recommendations on the marketing of bonds including methods for enhancing the rating, advice on bond covenants, pledge of tax and revenue, flow of funds, legal coverage requirements, municipal bond market trends, and timing of the issue.
2. Provide advice and assistance on the requirements of various financing structures, the principal amount of bonds to be sold, maturity schedules, call and put features, premiums/discounts, basis of awarding bids and types of sales.
3. Provide analysis based advice and recommendations for restructuring of existing debt.
4. Provide advice and assistance with regard to disclosure requirements and document filings to Nationally Recognized Municipal Services Information Repository (NRMSIR).
5. Coordinate and work with the City of Kyle's financial staff in the development and preparation of Official Statements and other offering documents. It will be the financial advisor's lead responsibility for the timely preparation of Official Statements.
6. Make all necessary arrangements for the printing and mailing of Official Statements.
7. Arrange for delivery of bonds and coordinate with bond counsel and registrar.
8. Market and explain the City of Kyle's offerings to prospective bidders in the municipal bond market and solicit participation from various investment banking firms.
9. Coordinate bond sale bid openings or electronic bid verifications and recommend acceptance or rejection of bids.
10. Arrange for bond closings with successful bidder, printer, registrar, bond counsel and City of Kyle staff, including instructions for closing.



11. Provide bound copies of transcripts to the City of Kyle for individual issues and maintain copies of all transcripts in permanent records.
12. Keep the City of Kyle fully informed and abreast of market developments and financing techniques which might be applicable to the City of Kyle's bond financing program, including funding available from state and federal programs.
13. Assist in the preparation and evaluation of the Request for Proposal to provide underwriting services and the selection of underwriting teams.
14. Assist in evaluating the performance of remarketing agents and credit facilities for commercial paper programs and variable rate demand notes, including borrowing rates, fees, and other costs.
15. Evaluate and offer alternative financing techniques and instruments in addition to the traditional methods of financing utilized by the City of Kyle.
16. Assist City of Kyle with investment and cash management advisory services (i.e. investment policy updates, notices on legislative changes, reporting and portfolio maintenance rule changes).
17. Perform arbitrage rebate advisory, all required calculations, and compliance reporting services.
18. Evaluate, advise, and provide recommendations for refinancing and or restructuring of existing debt in order to optimize cost savings for the City of Kyle.

Financial Planning

1. Provide special financial advice to the City of Kyle as needed. This may include assistance in the development of alternative financing programs for potential capital projects, working with citizen committees, evaluating State and Federal legislation for the City of Kyle, and other tasks as needed.
2. Evaluate and develop strategies for refinancing and or restructuring of existing debt in order to optimize cost savings for the City of Kyle.
3. Provide advice and assistance in the development of financing strategies and plans for the City of Kyle's capital improvement program.
4. Provide advice and assistance in the development of the City of Kyle's long-range financial plan and proforma financial schedules.



5. Provide other financial planning services on a case-by-case basis including: assisting with management studies of various governmental and enterprise funds, performing fee studies, assist in labor negotiations, conduct compensation analyses, and other similar assignments.

VII. FEES

The successful firm will be asked to provide:

- Fee schedules for short and long-term debt issuance on a transactional basis, expressed as a rate per \$1,000 debt issued.
- **A simultaneous sale of similarly secured bonds or certificates should be billed as one issue.**
- Services not directly associated with the issuance of debt to be shown on an hourly or retainer basis.
- A fee schedule for arbitrage rebate calculation services.

VIII. TERM

Because of the special advisory nature of the position of Financial Advisor, it is the City of Kyle's desire to enter into a long term relationship with the successful firm providing financial advisory services to the City. It is anticipated that the City of Kyle will enter into a five-year contract term for financial advisory services with a 5-year extension option. This term is subject to annual renewal and may be terminated at any time by either party with sufficient notice as stated in the contract.

