



SEDGWICK COUNTY, KANSAS

REQUEST FOR PROPOSAL FOR FINANCIAL ADVISORY SERVICES

PROPOSAL NUMBER: 05-0087

December 12, 2005

1. PURPOSE

Sedgwick County, Kansas is soliciting proposals for the purpose of obtaining the services of a qualified financial consultant to act as the County's financial advisor for all current and future bond and short-term note issues intended to finance governmental projects.

The County issues bonds and temporary notes as general obligations of the government and through the conduit of the Sedgwick County Public Building Commission. The County is additionally authorized but has no plans to issue revenue bonds for a variety of County projects.

2. BACKGROUND INFORMATION

Sedgwick County is located in south central Kansas and encompasses 1,008 square miles. With a 2004 estimated population of 463,802, the County is the second most populous of the 105 counties in Kansas and has the second highest total personal income among Kansas's counties.

The County seat of government is Wichita, the largest city in the State of Kansas, with a 2003 population estimate of 354,617. Wichita is known as the "Air Capital of the World" for its internationally recognized concentration of military and commercial airplane production. A large percentage of the general aviation aircraft now flying in the world was produced in Sedgwick County.

The County consists of one city of the first class (Wichita), three cities of the second class, sixteen cities of the third class, twenty-seven townships, twenty school districts, watershed districts, drainage districts, improvement districts, and other various special districts for a total of 326 separate taxing units.

The County's adopted budget for the 2006 fiscal year is \$345.3-million and the adopted capital improvement program for the 2006 – 2010 planning period is \$171.9-million. The five-year capital improvement program is funded with \$77.5-million of cash, \$50.9-million of bond proceeds, and \$43.5-million of proceeds from other parties.

Additional information about the budget, capital improvement program and financial management of Sedgwick County can be found at the County's website, www.sedgwickCounty.org.

The County typically issues debt once per year in late summer, but may conduct multiple sales in a year. Usually a sale will be some combination of temporary notes, general obligation bonds, special assessment bonds that also are general obligations of the County, and Public Building Commission revenue bonds backed by leases that are general obligations of the County.

In the summer of 2006, the County plans to issue about \$22-million of bonds to finance a variety of road and facility projects.

The County's credit rating on long-term debt as of its last review (May, 2005) is:

AAA Fitch Ratings

AA+ Standard & Poor's

Aa1 Moody's Investors Service

3. SCOPE OF SERVICES

The financial advisor will provide services to the County related to the issuance and management of debt that will include, but not be limited to:

A. Review and recommend the structure of the issue and timing of sales.

B. Coordinate bond and/or note issues with County officials, bond counsel and credit rating agencies to include the following:

1. Assist in developing a debt financing and feasibility plan, terms of debt maturity and payment dates, alternative methods of financing, tax rate impact computations and other statistical information particular to the debt issuance at hand and the County's overall debt position taking into consideration all future debt to be issued.
2. Coordinate all current and future short-term and long-term debt issuances with County officials, bond counsel, and credit rating agencies, including, but not limited to the following:
 - a. Review and recommend the structure and time of issues.
 - b. Prepare recommended time schedules for all phases of each financing.
 - c. Maintain coordination with bond counsel to meet all legal requirements.
3. Assist the County in the preparation of the Official Statement.
4. Proof the Official Statement before distribution.
5. Assist in arrangement for the printing of the Official Statement, and the reprinting of the cover page as required by the Securities Exchange Commission Rule Number 15C, 2-12.
6. Arrange for electronic dissemination of the Preliminary Official Statement and Notice of Sale, and for receipt of bids electronically.
7. Distribute the Notice of Sale and Preliminary Official Statement to a comprehensive list of municipal bond dealers, banks, and any potential purchasers.
8. Assist in the preparation of the presentation to credit rating agencies, such as, but not limited to, Moody's Investors Service, Standard and Poor's, and Fitch Ratings.
9. Provide assistance for the acceptance of proposals received on the day of the sale. Assist in the verification of the lowest proposal submitted.
10. Assist with the final closing and settlement to assure proceeds are received and disbursed appropriately.
11. Should circumstances require municipal bond insurance, assist the County in coverage qualification. Analyze premium costs and its impact on the financing rate.
12. Attend occasional meetings with County officials, boards and committees and make presentations when requested.

C. Review and make recommendations regarding the planning of debt issuances as it relates to the County's long-term capital planning/improvement program.

1. Identify and evaluate financing alternatives available to the County, including debt restructuring options.
2. Assist in capital planning with County policy makers.

D. Review and make recommendations on the debt policy of the County.

- E. Evaluate and make recommendations about credit enhancements and call provisions.

4. PROPOSAL CONTENT

The Proposal should be organized in the following format and information sequence:

- A. State full name and address of your organization. Include names, titles, and qualifications of lead professional personnel to be assigned to the County account.
- B. Provide a brief description of your firm, including qualifications, experience, depth of staff, quality control, and the demonstration of your ability to be the County's financial advisor. Identify special licensing or registrations held by professional(s) assigned account responsibilities with a state, federal or other regulatory agency particular to financial services, consulting or advisory services, and your adherence to those requirements.
- C. Include a resume and list of engagements of those individuals who will act in an advisory capacity for the County.
- D. Provide a list of references including names, addresses, phone numbers, e-mail address and contact person.
- E. Provide a response to Section 13 of this RFP, pertaining to conflict of interest.
- F. Provide a response to Section 14 of this RFP, pertaining to pending or existing litigation or investigations.
- G. Provide a proposed contract that incorporates by referencing this RFP and your proposal.
- H. Include any topics not covered in the Request for Proposal that you wish to disclose to the County that further describes your firm's level of qualifications as a financial advisor.
- I. Provide a completed and signed Fee Proposal Form in the same format as that appearing at the end of this RFP.

Prior to the opening of proposals, proposers may correct, modify, or withdraw their proposals. A proposer who wishes to withdraw a proposal must make the request in writing to the Purchasing Director. Any correction or modification to a proposal must be submitted in writing and in a sealed envelope clearly identifying the envelope as being a correction or modification to the proposer's proposal.

5. BASIS FOR THE AWARD

The County will conduct a preliminary evaluation of all proposals on the basis of the information provided with the proposal, the ability of the proposer to perform, past performance, ability to meet time requirement, principals assigned to the project, technology capabilities, and an understanding of the work to be performed and the needs of the County.

Each submission will be evaluated in accordance with the criteria set forth below:

- A. Experience and activity of the personnel to be assigned in marketing (tax-exempt/taxable revenue, refunding) bonds and notes.
- B. Price
- C. Approach of the work.

6. SUBMISSION OF PROPOSALS

Each proposer must submit 5 copies in a sealed envelope bearing on the outside the name of the firm, full address, RFP # for which the proposal is submitted and date and time proposal is due. If forwarded by mail, the sealed envelope containing the proposal must be enclosed in another envelope addressed to:

Iris Baker
Purchasing Director
Sedgwick County, Kansas
604 N. Main, Suite F
Wichita, KS 67203
ATTENTION: Proposal for Financial Advisor

These proposals must be received by the County no later than **Friday, December 30, 2005** at **1:45** p.m. CST. Proposals received after the date and time prescribed will not be considered for contract award and will be returned to the proposer.

7. AWARD

Sedgwick County reserves the right to accept or reject any proposal to best serve its interest, or to hold the proposals for 60 days before rendering a decision. Acceptance of any firm's response does not place the County under any obligation to accept the lowest response.

8. CONTRACT PERIOD

The agreement for financial advisory services will become effective immediately upon execution of an agreement by all parties and will remain in effect through December 31, 2006.

The County, at its option, may extend the engagement annually for 2 additional option years upon written notice.

9. COMPENSATION

The Advisor's firm will agree to provide an itemized billing for fees and expenses based on the agreed upon fee schedule.

10. TERMINATION

Following implementation, should the Chief Financial Officer find that the firm has failed in any material respect to perform its agreed upon obligations under the agreement, the agreement may be canceled by the County as being in the best interest of the County. In the event of termination of this agreement as a result of a breach by contractor hereunder, the County will not be liable for any fees and may, at its sole option, award an agreement for the same services to another qualified firm with the best proposal, or call for new proposals and award the agreement there under. The contractor will be responsible for direct and consequential damages as a result of its breach, including, but not limited to, extra costs required under the new agreement of similar services.

11. INDEMNIFICATION

To the fullest extent permitted by law, the Provider, its subcontractor, agents, servants, officers or employees shall indemnify and hold harmless Sedgwick County, including, but not limited to, its elected and appointed officials, officers, employees and agents, from any and all claims brought by any person or entity whatsoever, arising from any act, error, or omission of the provider during the Provider's performance of the Agreement or any other agreements of the Provider entered into by reason thereof. The Provider shall indemnify and defend Sedgwick County, including, but not limited to, its elected and appointed officials, officers, employees and agents, with respect to any claim arising, or alleged to have arisen from negligence, and/or willful, wanton or reckless acts or omissions of the Provider, its subcontractor, agents, servants, officers, or employees and any and all losses or liabilities resulting from any such claims, including, but not limited to, damage awards, costs and reasonable attorney's fees. This indemnification shall not be affected by any other portions of the Agreement relating to insurance requirements. The Provider agrees that it will procure and keep in force at all time at its own expense insurance in accordance with these specifications.

12. INSURANCE

The Provider shall provide a certificate of insurance naming Sedgwick County as an "additional insured" in the minimum amounts as specified herein. All insurance must be with an insurance company with a minimum BEST rating of A-VIII and licensed to do business in the State of Kansas. It is the responsibility of the Provider to ensure that any and all approved subcontractors meet the minimum insurance requirements.

- A. Workers' Compensation - limits as required by the State of Kansas.
- B. Employer's Liability - limits of \$500,000/500,000/500,000 per occurrence.

C. Professional Liability - Financial Advisor's minimum recommended amount of \$1,000,000 combined single limit, occurrence form preferred. If issued on claims-made basis insurance, coverage shall be maintained for the duration of the contract and for 2 years following completion.

D. The contractor shall furnish the County with certificates of insurance effecting coverage required by this clause. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. The certificates and endorsements are to be received and approved by the County before work commences. Renewal of expiring certificates shall be furnished to the County 30 days prior to expiration.

13. CONFLICT OF INTEREST

Explain in detail any existing or potential conflict of interest that would be created by your firm's representation of Sedgwick County. In your response, note explicitly your understanding that if selected as Sedgwick County's financial advisor, your firm will not be permitted to participate as an underwriter on County bond issues.

Explain in detail any political contributions made in the past 5 years by your firm or any employee to candidates for office in Sedgwick County.

14. PENDING OR EXISTING LITIGATION OR INVESTIGATIONS

Is there any current or pending litigation against your firm? Any investigations by any regulatory agency? If yes, provide a detailed explanation.

15. EQUAL OPPORTUNITY- AFFIRMATIVE ACTION

The successful contractor shall comply in all aspects with the Equal Employment Opportunity Act. Each contractor with 15 or more employees shall be required to have an Affirmative Action Plan which declares that the contractor does not discriminate on the basis of race, color, religion, sex, national origin, or age, and which specifies goals and target dates to assure the implementation of equal employment. Each contractor with fewer than fifteen 15 employees shall be required to have a written equal opportunity policy statement declaring that it does not discriminate on the basis of race, color, religion, sex, national origin, or age. Findings of noncompliance with applicable state and federal equal opportunity laws and regulations could be sufficient reason for revocation or cancellation of this contract.

16. CONTACT FOR TECHNICAL OR CONTRACTUAL MATTERS

The person to contact concerning contractual, technical or any related matter pertaining to this Request for Proposal is:

Chris Chronis
Chief Financial Officer
525 N. Main, Ste. 823
Wichita, KS 67203
(316) 383-7591
cchronis@sedgwick.gov

Iris Baker, C.P.M.
Director of Purchasing

17. FEE PROPOSAL FOR FINANCIAL ADVISORY SERVICES

PROPOSAL NUMBER: 05-0087

Sedgwick County Purchasing Department
 Attention: Iris Baker
 604 N. Main, Suite F
 Wichita, KS 67203

Proposal date: _____

Name of firm: _____

Name of employee authorized to submit this proposal: _____

Our proposal for a fee schedule for a period extending through December 31, 2006 with a County option to extend up to two additional years is as follows:

Proposers must select only one fee method per line	<u>FEE PER TRANSACTION</u>	<i>or</i>	<u>RATE PER \$1,000 ISSUED</u>
Note sales:	_____		_____
General obligation bond sales:			
< \$10,000,000 par value:	_____		_____
\$10,000,001 – \$25,000,000 par value:	_____		_____
\$25,000,001 - \$50,000,000 par value:	_____		_____
> \$50,000,000 par value:	_____		_____
Special assessment bond sales:			
< \$10,000,000 par value:	_____		_____
> \$10,000,000 par value:	_____		_____
Refunding bond sales:			
< \$10,000,000 par value:	_____		_____
\$10,000,000 - \$25,000,000 par value:	_____		_____
> \$25,000,000 par value:	_____		_____
Public Building Commission bond sales:			
< \$10,000,000 par value:	_____		_____
\$10,000,001 – \$25,000,000 par value:	_____		_____
\$25,000,001 - \$50,000,000 par value:	_____		_____
> \$50,000,000 par value:	_____		_____

Fee proposal continued on next page . . .

. . .Fee proposal continued from prior page

Reasonable and customary expenses incurred for travel will be reimbursed by the County. All other costs incurred by the firm to perform services specified in this proposal will be borne by the firm without compensation other than the agreed upon fees.

Costs of issuance approved by Sedgwick County will be borne by the County and are not part of this request for proposal. Out-of-pocket costs include, but are not limited to, the following:

1. Rating Services
2. Printing of Official Statement
3. Mailing of Official Statement
4. Printing of Securities
5. Legal Advertising
6. Bond registration and paying agent services

The undersigned is familiar with the conditions surrounding this request for proposal, is aware that Sedgwick County reserves the right to reject any and all proposals, and is submitting this proposal without collusion with any other person, individual or corporate.

Signature: _____

Printed name: _____

Title: _____

Name of firm: _____

Address: _____

Telephone: _____

Fax: _____

E-mail: _____

Taxpayer I.D. _____

- - - Pages 1 through 7 of this RFP must be returned with this proposal - - -