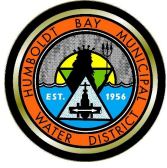


HUMBOLDT BAY MUNICIPAL WATER DISTRICT

REQUEST FOR PROPOSALS/REQUEST FOR QUALIFICATIONS **MUNICIPAL FINANCIAL ADVISORY SERVICES**

Date Issued:	April 6, 2023
Questions End Date:	April 20, 2023
Deadline for Submission:	May 4, 2023 at 3:00pm

Humboldt Bay Municipal Water District
828 7th Street
Eureka, CA 95501
(707) 443-5018



HUMBOLDT BAY MUNICIPAL WATER DISTRICT

REQUEST FOR PROPOSALS/REQUEST FOR QUALIFICATIONS

MUNICIPAL FINANCIAL ADVISORY SERVICES

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1. Request for Proposals/Qualifications (RFP/RFQ)

Humboldt Bay Municipal Water District (HBMWD, District) is seeking the services of a Qualified Municipal Financial Advisory Firm (QMFAF) to evaluate financing options (including alternative financing instruments) for potential capital improvement projects. The District seeks a QMFAF to provide professional advice and assistance with respect to negotiating the best combination(s) of rates and terms available for financing options in the current marketplace for capital improvement project(s). It is essential that the District's debt remain consistent with the District's budget constraints; financial planning goals, and the District's Capital Improvement Plan.

Depending on project phasing and financing strategies, financing needs are estimated between \$1M-\$20M. The District seeks financial guidance as to which capital project(s) are the most feasible to finance given the market conditions and the funding available. Potential capital improvement project(s) include, but are not limited to: 5MG Domestic Water Tank; expansion of the Turbidity Reduction Facility (TRF), expansion of the Essex Operations Center, rehabilitation of Ranney Collector #4, replacement of two (2) 2MW Generators at the Power House, and seismic improvements to the spillway at the R. W. Matthews Dam

Firms must be experienced in the general and technical aspects of special district financing. Responses to the RFP/RFQ must be submitted in accordance with the terms and conditions contained within this RFP/RFQ document. It is the desire of the District to select a firm that can meet or exceed the requirements set forth by the District and will provide the highest quality, comprehensive, financial advisory services at a competitive fee. The selected QMFAF will be responsible for all aspects of the project as more specifically described in Section #3, *Scope of Services to be Provided*.

2. District History

Humboldt Bay Municipal Water District was formed in 1956 pursuant to the Municipal Water District Act of the California Water Code (1911). The District completed construction of the regional water system in 1961. At that time, domestic water service commenced to the cities of Eureka and Arcata as well as industrial raw water service to two pulp mills on the Samoa Peninsula. Since the initial construction, a number of additional improvements to the regional system have been made, and additional wholesale customers have joined the regional system.

Since inception, the regional water system has efficiently and reliably serviced the municipal and industrial water needs of customers in the Humboldt Bay region. The regional water system is comprised of components located in both Trinity and Humboldt Counties: R. W. Matthews Dam, Gosselin Power House, (Trinity County); John R. Winzler Operations and Control Center, Barbara and Lloyd L. Hecathorn Turbidity Reduction Facility (TRF), multiple diversion water works located on the Mad River, pipeline infrastructure around the Humboldt Bay area, and extensive communication and control systems to

operate and control the regional system (Humboldt County). HBMWD has the capacity to supply 75 million gallons of water on a daily basis, currently providing drinking water to over 94,000 citizens in Humboldt County via seven different municipalities. These include the cities of Arcata, Blue Lake, Eureka, and the Community Services Districts of Humboldt, Fieldbrook-Glendale, Manila, and McKinleyville.

The District has long-term contracts in place with each of its seven wholesale municipal customers. These contracts will be in place until June 30, 2037, with an opportunity to extend for another ten years. The contracts define the terms and conditions by which the District provides water service to its wholesale customers. The contracts specify that all operating, maintenance, and capital costs associated with the regional water system are paid for by the wholesale customers and specify the manner in which these costs are allocated among the wholesale customers.

The District also has facilities to supply untreated raw industrial water to customers on the Samoa Peninsula. There are currently several large projects in progress on the peninsula with renewed interest in the raw industrial water that the District is able to supply.

In addition to the wholesale drinking water and raw industrial water, the District also provides retail water service to approximately 200 customers who reside outside the service territory of other water purveyors, but are located in close proximity to District facilities.

District staff works in conjunction with a five-member Board of Directors, each of whom represent their individual division within the HBMWD service area.

3. Scope of Services to be Provided

The selected QMFAF will demonstrate a record of success in developing comprehensive financial strategies for local government agencies, with a particular focus on developing and evaluating options to address currently unfunded capital improvement projects. Interested parties will submit a proposal addressing the specific responsibilities including, but not limited to:

1. Review the overall financial status and position of the District and the District's long-range financing strategy, particularly with respect to its Capital Improvement Plan and available resources;
2. Provide financial advice regarding market conditions and trends, financials products, credit analysis, alternative financing, State and/or Federally subsidized loan programs, and other specialty financing;
3. Create an analysis regarding potential construction projects and financing possibilities based on current market conditions and the District's needs and resource limitations;
4. Develop and recommend financing structure options, including the preparation of financing plans and analysis, and including estimated costs. Assist the District in determining which capital project(s) are best suited for the funding options to meet the District capital projects construction needs and resources;

5. Develop a timeline for financing and construction project timing;
6. Attend meetings with District staff, consultants, and the Board of Directors, as requested and make presentations to explain debt related issues;
7. Be available to provide additional analysis, financial services, and advice to staff on matters specific to the scope of work as requested;
8. Coordinate the efforts of District staff, legal counsel (as needed), and District Board of Directors with respect to the preparation and approval of the financing documents, and assist in the preparation of documents;
9. Manage the implementation and transaction process of the approved financing strategy, including, but not limited to: Drafting of the financing resolution (if needed), notices and other legal documents; Monitoring document preparation for accuracy and completion.

4. Timeline

RFP/RFQ Issued	April 6, 2023
Question Submission Deadline	April 20, 2023
Question Response Deadline	April 27, 2023
Proposals Due	May 4, 2023
Review and Evaluation of Proposals	May 8-12, 2023
Staff Report to Board of Directors/Possible Approval	June 8, 2023

5. Proposal Requirements

1. Proposal Submissions. To be considered, all submissions for QMFAF, must be submitted to harris@hbmwd.com no later than May 4, 2023 at 3pm. An email confirmation of receipt will be returned. Proposals must be valid of a minimum of 90-days;
2. Questions and Inquiries. Questions concerning the RFP/RFQ shall be submitted in writing to harris@hbmwd.com no later than April 20, 2023 at 5pm. Responses will be returned via email. Both questions and responses will be posted on the District website (hbmwd.com) under the Updates/Projects tab at the top;

3. Proposal packages should address all the points outlined in the RFP/RFQ. The proposal should be prepared simply and economically, providing a straightforward, concise description of the proposer's capabilities to satisfy the requirements of the RFP/RFQ. While additional data may be presented, the areas detailed below must be included:
 - 3.1 A cover letter briefly introducing the firm, indicating whether the firm is local, regional, national, or international. Include information regarding the size of the firm, the location of the office from which the work on the engagement is to be performed, and the number and nature of the professional staff to be employed in the engagement on a full-time and part-time basis. Include a summary of the proposal, an overview of the project and brief description of the firm's understanding of services to be provided. Also include a statement of why the firm believes itself to be the best qualified to perform the Scope of Work as defined in the RFP/RFQ. Finally, indicate the name of the person who will be authorized to answer questions and to bind the firm, include the person's title, office and the mailing address and telephone number;
 - 3.2 A list of qualifications including an affirmative statement that the firm and all assigned key professional staff are properly licensed to practice in California. Include a list of all licenses held;
 - 3.3 A list and description of relevant experience including other recent projects similar to this with special attention to work done for municipalities. Please provide the name of all cities, counties, special districts, and other government agencies for which the firm has worked during the past five (5) years. Indicate the scope of work, date, engagement partner, and total staff hours. Please include reference contact information for at least three (3) of these agencies, including the name, telephone number and email address of the principal client contact. The District reserves the right to contact any or all of the listed references;
 - 3.4 Staff consistency is a very important consideration. Please provide information on staff qualifications and experience for those employees that will be working on the project. Include resumes of those individuals supervising and/or providing services to the District;
 - 3.5 Proposed fee/compensation;
 - 3.6 Proposed project timeline;
 - 3.7 A statement confirming the firm's ability to comply with the District's insurance requirements. (See attached sample of District contract and insurance requirements, Appendix A.);
 - 3.8 Signature of the authorized party.

6. Proposal Evaluations

1. Proposal Evaluation. Proposals submitted will be evaluated by the General Manager, the Business Manager, District Counsel, and the District Board of Directors. During the evaluation process, the District reserves the right, where it may serve the District’s best interests, to request additional information and clarifications from the proposer, or to allow corrections of errors or omissions.

2. Criteria for Consultant Selection: Proposal evaluators will be using the following form. Compensation will be a consideration in consultant selection but it is not the sole criterion for agreement award. The general quality and thoroughness of the proposal will be considered. Following a review of the proposals, consultants will be ranked, and one or more firms may be asked to participate in an interview. Regardless of whether or not interviews are conducted, District staff will present evaluation findings to the Board of Directors for a decision. Once the Board has approved a QMFAF, the District and selected consultant will enter into an agreement. All firms will be notified by email or in writing of the outcome of the selection process.

3. Sample Proposal Qualification Ranking: The following represents the principle selection criteria which will be considered during the evaluation process:

	CRITERIA DESCRIPTION	POINTS POSSIBLE
1	<p>Firm Qualifications and Relevant Experience</p> <p>The Firm must be an independent consultant (not doing business underwriting business).</p> <p>Be a legal business authorized to do business in the State of California.</p> <p>Firm must have a minimum of five (5) years’ experience in providing municipal advisory services for projects in California.</p> <p>Provide resume for each senior team member who may be assigned to this project.</p> <p>Have at least one person with a minimum of five (5) year’s experience in providing services related to municipal financing.</p> <p>Briefly summarize the qualifications and experiences of your firms’ professionals regarding municipal finance in general and California Special District finance in particular.</p>	25 (25% of Total)

2	<p>Understanding of the Project</p> <p>Responses will be evaluated against the RFP specifications.</p> <p>Knowledge and understanding of local environment and a local presence for working with District staff.</p> <p>Knowledge and understanding of Special District financing in California.</p>	25 (25% of Total)
3	<p>Distinguishing Characteristics</p> <p>Please describe what distinguishes your firm from other financial advisory firms and how services will benefit the District financially.</p>	20 (20% of Total)
4	<p>Fees</p> <p>Proposed fee schedule.</p>	15 (15% of Total)
5	<p>References</p>	15 (15% of Total)

7. Additional Conditions

1. The District shall not be liable for any pre-contractual expenses incurred by any proposing firm in response to this RFP/RFQ, nor shall any firm include such expenses as part of the proposed costs. Pre-contractual expenses include any expense incurred in preparing a proposal and negotiating any terms with the District;
2. The District reserves the right to accept or reject any or all proposals received as a result of the request, to negotiate with any qualified source or to cancel in part or in its entirety this RFP/RFQ, if it is in the best interest of the District to do so without providing any reason. Any award of contract for services will be made to the firm that is best qualified and responsive in the opinion of the District;
3. Proposals may, at the District's opinion, be rejected if they contain any alterations, additions, conditions or alternatives; are incomplete; contain erasures or irregularities of any kind. The District reserves the right to reject any and all proposals. The District expressly reserves the right to postpone the opening of submittals for its own convenience and to reject any and all submittals responding to this RFQ/RFP;
4. Consultant must agree to indemnify, hold harmless and defend the District, it's officers, agents and assigns from any and all liability or loss resulting from any suits, claims or actions brought against the

District which result directly or indirectly from the wrongful or negligent actions of the Consultant in the performance of the contract;

5. Selected consultant will be required to comply with all existing state and federal labor laws including those applicable to equal opportunity provisions;
6. Selected consultant is required to have in full force and effect all licenses and permits required;
7. Selected consultant will need to provide applicable proof of insurance, etc.;
8. Selected consultant, its agents and employees, shall comply with all laws, ordinances, rules and regulations of the federal and state governments, the County of Humboldt, and all governing bodies having jurisdiction related to the work under the agreement with the District;
9. The District reserves the right to negotiate special requirements and proposed services levels using the selected proposal as a basis. Compensation for services will be negotiated with the Consultant;
10. Selected consultant shall not sublet any portion of the agreement with the District without express written consent of the General Manager or his designated representative;
11. No discrimination shall be made in the employment of persons because of any federal or state recognized protected class;
12. The District reserves the right to review and approve the qualifications of subcontracting firms or persons. Substitutions that are not approved are considered grounds for termination of the contract;
13. This RFP/RFQ does not commit the District to award an agreement, to pay any costs incurred in the preparation of the proposal, or to procure or contract for any services. Acceptance by the District of any qualification submitted pursuant to this RFP/RFQ shall not constitute any implied intent to enter into a contract for services;
14. No amendments, additions, or alterations shall be accepted after the submission deadline;
15. All documents, records, designs and specifications developed by the consultant in the course of providing services to the District shall be the proprietary property of the District. Anything considered to be proprietary should be so designated by the Consultant;
16. The District reserves the right to issue written notice to all interested parties of any change in the qualification submission schedule should the District determine, in its sole discretion, that such changes are necessary;

17. The Consultant shall advise the District immediately of any potential conflict known by the firm regarding the firm, any subcontractors or other parties involved in the transaction, and discuss how, if selected, the firm would address any concerns raised by such conflict.

8. Contact Information

PRIMARY CONTACT	Chris Harris, Business Manager 707-443-5018 harris@hbmwd.com
SECONDARY CONTACT	John Friedenbach, General Manager 707-443-5018 friedenbach@hbmwd.com

9. Appendix A – Sample Contract

Humboldt Bay Municipal Water District
P.O. Box 95, Eureka, CA 95502
Telephone (707) 443-5018 FAX (707) 443-5731

Professional Services Agreement

Some of the important terms of this agreement are printed on Page 2 & 3. For your protection, make sure that you read and understand all provisions before signing. The terms on Page 2 & 3 are incorporated in this document and will constitute a part of the agreement between the parties when signed.

TO: **SAMPLE**

DATE:

Agreement No.

CONTRACT FOR xxxxxxxxxxxx SERVICES

Contract price \$ XXXXXXX Not to exceed \$XXXXXX

Completion date _____
 SAMPLE

Instructions: Sign and return original. Upon acceptance by the Humboldt Bay Municipal Water District (District), a copy will be signed by its authorized representative and promptly returned to you. Insert below, the names of your authorized representative(s).

Accepted: District:

Consultant: **SAMPLE**

By

By

Title General Manager

Title

Other authorized representative(s):

Other authorized representative(s):

Consultant agrees with the District that:

- a. When the law establishes a professional standard of care for the Consultant's services, to the fullest extent permitted by law, Consultant will fund the defense of, indemnify and hold harmless the District, its directors, officers or employees from claims and demands of persons to the extent caused by the performance (or actual non-performance) of the work under this agreement, for damages to persons or property due to the Consultant's negligent or willful acts, errors or omissions committed. Consultant shall defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of Consultant's performance or non-performance of the work hereunder, and shall not tender such claims to District nor to its directors, officers, employees, or authorized volunteers, for defense or indemnity.
- b. Other than in the performance of professional services, to the fullest extent permitted by law, Consultant will fund the defense of, indemnify and hold harmless the District, its directors, officers or employees from claims and demands of persons to the extent caused by the negligent performance of the work or furnishing of materials; including but not limited to, claims by the Consultant or Consultant's employees for damages to persons or property except for the negligence or willful misconduct or active negligence of the District, its directors, officers, employees, or authorized volunteers.
- c. By his/her signature hereunder, Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Consultant will comply with such provisions before commencing the performance of the professional services under this agreement. Consultant and sub-consultants will keep workers' compensation insurance for their employees in effect during all work covered by this agreement.
- d. Consultant will file with the District, before beginning professional services, a certificate of insurance satisfactory to the District evidencing professional liability coverage of not less than \$1,000,000 per claim and annual aggregate, requiring 10 days prior notice of cancellation (or 10 days for non-payment of premium) to the District. Any insurance, self-insurance or other coverage maintained by the District, its directors, officers, employees, or authorized volunteers shall not contribute to it. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by the District. The retroactive date (if any) is to be no later than the effective date of this agreement. In the event that the Consultant employs other consultants (sub-consultants) as part of the work covered by this agreement, it shall be the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.
- e. Consultant will file with the District, before beginning professional services, certificates of insurance satisfactory to the District evidencing general liability coverage of not less than \$1,000,000 per occurrence (\$2,000,000 general and products-completed operations aggregate (if used)) for bodily injury, personal injury and property damage; auto liability of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits) and employer's liability (\$1,000,000) (if applicable); requiring 10 days prior notice of cancellation (or 10 days for non-payment of premium) to the District. Any insurance, self-insurance or other coverage maintained by the District, its directors, officers, employees, or authorized volunteers shall not contribute to it. The general liability coverage shall give the District, its directors, officers, employees, and authorized volunteers insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A- :VII, or equivalent, or as otherwise approved by the District. In the event that the Consultant employs other consultants (sub-consultants) as part of the work covered by this agreement, it shall be

the Consultant's responsibility to require and confirm that each sub-consultant meets the minimum insurance requirements specified above.

- f. Consultant hereby represents and warrants that Consultant and any of its subconsultants employed under this Agreement has all applicable licenses, permits and certifications that are legally required for Consultant and its subconsultants to practice its profession or provide the services or work contemplated under this Agreement in the State of California. Consultant and its subconsultants shall obtain or maintain said licenses, permits, or certificates in good standing throughout the term of this Agreement.
- g. If any of the required coverages expire during the term of this agreement, the Consultant shall deliver the renewal certificate(s) including the general liability additional insured endorsement to the District at least ten (10) days prior to the expiration date.
- h. Consultant shall not accept direction or orders from any person other than the General Manager or the person(s) whose name(s) is (are) inserted on Page 1 as "other authorized representative(s)."
- i. Payment, unless otherwise specified on Page 1, is to be 30 days after acceptance by the District.
- j. Consultant must have all applicable licenses, permits, and certifications that are legally required to practice its profession or provide the services or work contemplated under this Agreement in the State of California. Consultant will comply with applicable local, state, and federal regulations and statutes including Cal/OSHA requirements.
- k. Any change in the scope of the professional services to be done, method of performance, nature of materials or price thereof, or to any other matter materially affecting the performance or nature of the professional services will not be paid for or accepted unless such change, addition or deletion is approved in advance, in writing by a supplemental agreement executed by the District. Consultant's "authorized representative(s)" has (have) the authority to execute such written change for Consultant.