

# REQUEST FOR PROPOSAL

Investment Advisory Services

FOR

TOWN OF PARADISE, CALIFORNIA

July 17, 2020

Due: August 17, 2020 at 4:00 p.m.  
Administrative Services Department



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ATTACHMENT I – SCOPE OF SERVICES

## I. GENERAL

### A. INTRODUCTION

The Town of Paradise ("Town") is seeking proposals from a qualified individual or firm to provide service as Investment Advisory Services.

The Town seeks advice as to the most appropriate approach to manage Pacific Gas and Electric ("PG&E") settlement funds.

### B. BACKGROUND

The Town of Paradise was incorporated on November 27, 1979. Nestled in the foothills of California's Sierra Nevada Mountains, Paradise is located on a ridge with elevations ranging from 2,000 to 2,800 feet above sea level. The neighboring town of Chico is twelve miles west, and Sacramento is just ninety miles north. Before the CAMP Fire on November 8, 2018, the Town's population was over 26,000 and Paradise was the second largest city in Butte County. Paradise was known for its tall pines and towering oaks, and an engaging environment and friendly people.

On November 8, 2018 the deadliest and most destructive wildfire in California history known as the CAMP fire, came through the Town and destroyed over 90% of homes and businesses within the first six hours. In the aftermath nearly two years later Pacific Gas and Electric (PG&E) was held responsible for the deaths and destruction of the CAMP fire. Finally, on June 16, 2020, settlements between PG&E and the various agencies affected by the CAMP fire were reached. Paradise's net settlement totaled \$219 million.

The Town of Paradise is seeking proposals from qualified firms to provide investment advisory services for its PG&E settlement funds. Currently the Town uses LAIF for cash on hand for liquidity purposes. The Town's investment objectives for the use of PG&E settlement funds has been adopted by resolution and lays the foundation for a long-term plan for the Town's operational sustainability necessary for the rebuild efforts of the Town of Paradise for years to come.

### C. SUBMITTAL LOCATION, CLOSING DATE, AND TIME

Proposals will not be received after the "closing" date and time indicated. Faxed or e-mail proposals will not be accepted.

Submittal Closing: August 17, 2020 at 4:00 p.m.  
Location: Administrative Services Department, Town of Paradise  
Mailing Address: 5555 Skyway, Paradise, California 95969

To reiterate, the Town will not consider proposals delivered after the deadline.

#### D. INQUIRIES

Any prospective Proposer desiring an explanation or interpretation of the solicitation, specifications, etc., must request so in writing, no later than ten (10) days before proposal due date to allow a reply to reach prospective Proposers before the proposal submission date. Verbal explanations or instructions given during any phase of this solicitation will not be binding. Any information provided to a prospective Proposer will be furnished promptly as an amendment to the solicitation, if that information is necessary for submitting proposals or if the lack of it would be prejudicial to other prospective proposers. Written inquiries regarding this solicitation should be directed to:

Brooke Kerrigan  
Admin Services Director / Town Treasurer  
Town of Paradise  
Phone: (530) 872-6291 x 119  
Email: bkerrigan@townofparadise.com

Please reference “Investment Advisory Services” when contacting the Town regarding this solicitation. A copy of this document can be found on The Town of Paradise website [townofparadise.com](http://townofparadise.com).

#### E. SELECTION CRITERIA

Selection among the proposals received by the deadline will be based upon the following criteria:

1. Firms must be registered with the Securities and Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB).
2. The Investment Advisor Firm shall be in good standing with the MSRB and remain in compliance with all applicable rules and requirements of the MSRB and any other applicable governing authorities, laws, and regulations.
3. The Investment Advisor will have a fiduciary responsibility and obligation to the Town of Paradise’s objectives and interests and will act solely on the Town’s behalf.
4. The Financial Advisory firm shall have a minimum of ten (10) years of exemplary experience in providing the municipal financing advisory services.

#### F. NON-DISCRIMINATION

The Town of Paradise hereby notifies all proposers that it will affirmatively ensure that minority business enterprises will be afforded full opportunity and consideration when submitting proposals in response to this invitation and will not be discriminated against on the grounds of race, color, sex, creed or national origin when reviewing the plans for award of contract.

## II. PROPOSAL FORM AND CONTENT

### A. COVER LETTER

Cover letter expressing interest in the Town engagement, stating the Proposer's name, address, email, and telephone number, and signed by a representative of Proposer authorized to bind the Proposer.

### B. PROPOSED SERVICES NARRATIVE

The narrative on how Proposer will undertake the Scope of Services and description and list of demonstrated experience.

### C. QUALIFICATIONS

Identify the person(s) with critical responsibilities who will be assigned to work for the Town and describe their role/duties. Describe experience and qualifications which qualify the individual to perform consulting services specified within the Scope of Services. Include resumes for each person(s).

### D. CLIENT LIST

List of public clients for whom the Proposer currently provides services.

### E. REFERENCES

List of references relating to projects completed for local governments over the last three (3) years. Include name, address, email, and phone number of a contact person.

### F. COMPENSATION AND FEES

Describe fee proposal in detail whether the fee is for services or retainer.

## III. TERMS AND CONDITIONS

NOTE: IT IS THE PROPOSER'S RESPONSIBILITY TO EXAMINE THE "REQUEST FOR PROPOSAL" SOLICITATION IN ITS ENTIRETY PRIOR TO SUBMITTING A PROPOSAL

### A. WAITING PERIOD

Proposals shall be firm offers, subject to acceptance or rejection for a period of up to ninety (90) days from the due date of the proposal until proceedings are completed and an award is made. Proposer shall assume full responsibility for the effect of the waiting period on all proposal fees and terms.

## B. INSURANCE

In order to protect the Town of Paradise from any liability based on the selected proposer's work for the Town, we will require a certification for proof of insurance prior to the commencement of services.

During the term of the Agreement, the selected proposer shall maintain at their sole expense, the following insurance.

### *Minimum Scope of Insurance*

1. General Liability: \$2,000,000 combined single limit per occurrence for bodily injury, personal injury, and property damage.
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage.
3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California.
4. Professional Liability, and Errors and Omissions Insurance with a limit not less than \$2,000,000.

### *Acceptability of Insurers*

All insurance is to be placed with insurers with a Best's rating of no less than A: VII, and who are admitted Insurers in the State of California.

### *Verification of Coverage*

The firm shall furnish the Town with certificates of insurance and with original endorsements affecting coverage required by the Town for themselves prior to commencing work or within fourteen (14) days of notification of award of the contract; whichever is shorter.

### *Submittal of Certificates*

Submittal of the required certificates of insurance and endorsements are to be made to the attention of the following:

Brooke Kerrigan  
Administrative Services Director / Town Treasurer  
Town of Paradise

### C. PROPOSAL PREPARATION COSTS

The Town is not, nor shall be deemed, liable for any costs incurred by Proposer in the preparation, submittal, or presentation of their proposals.

### D. WITHDRAWAL OF PROPOSAL BEFORE CLOSING

Any Proposer may request the withdrawal of their submitted proposal by written request at any time prior to the scheduled closing date and time. Upon receiving written request to withdraw any proposal, the Town will consider the Proposal null and void. Withdrawal of proposal will not prejudice Proposer's resubmittal for this or any future proposal(s).

### E. PROPOSAL SUBMITTAL

All Proposers shall complete and return one (1) original copy of their proposal. Any proposal found to be illegible or incomplete shall not be considered for selection. Whether they send their proposal by courier, mail, or by means of personal delivery, Proposers assume full responsibility for having their proposal deposited at the proper address and not later than the scheduled closing time. E-mailed or faxed proposals will not be accepted.

### F. PROPOSAL ACCEPTANCE

The Town of Paradise reserves the right to accept or reject any and all proposals and waive any irregularities or informalities in any proposals or in the proposal process. The Town may interview selected proposers. The Town of Paradise further reserves the right to award the contract to other than the lowest Proposer if such action is deemed to be in the best interest of the Town of Paradise.

### G. COMPENSATION

For maximum consideration, respondents should provide a minimum of two alternative pricing structures for consideration by the Town as described below in (1) and (2). Respondents are welcome to provide additional pricing structures that they believe are appropriate for the Scope of Services.

#### *Option 1: Time and Materials*

Please provide hourly rates for all employees of the proposer's firm who would be providing services under this contract. List separately any additional costs or reimbursements that would be applicable to work performed under the contract scope.

#### *Option 1: Terms*

Invoiced monthly.

#### *Option 2: Fixed Contingency Fee*

Please provide the fixed contingency fee applicable to the work proposed under this contract. List separately any additional costs or reimbursements that would be applicable under the contract scope.

*Option 2: Terms*

Paid from bond proceeds as cost of issuance.

*Alternative Options*

If respondents wish, they may provide other appropriate alternatives with descriptions and terms.

**H. SCOPE OF SERVICES**

This Request for Proposals is for Investment Advisory Services as set forth in Attachment I – Scope of Services.

**I. PROPOSAL FEE**

Be advised that, at any time, the Town may require the Proposer to itemize further and detail components of any or all proposal fees, invoices, etc.; e.g., labor, materials, sales tax, etc.

All items presented by the successful Proposer in the proposal shall be subject to negotiations between the Town and the Proposer.

**J. PUBLIC RECORD**

Be advised that all information contained in proposals submitted in response to this solicitation shall become a matter of public record upon contract award, and be made available upon request unless otherwise marked. The Proposer must identify, in writing, all copyrighted material, trade secrets or other proprietary information the Proposer claims are exempt from disclosure pursuant to the California Public Records Act. The Proposer who claims such an exemption must also state in the proposal that, "The Proposer agrees to indemnify and hold harmless the Town and its officers, employees, and agents from any claims, liability or damages against the Town and to defend any actions brought against the Town for its refusal to disclose such material, trade secrets or other proprietary information to any party."

**K. CONTRACT EXECUTION**

Upon selection, the Proposer executes a Consultant Services Agreement with the Town prepared by Town.

**L. BUSINESS LICENSE**

The selected service provider, and any sub-consultant(s), shall obtain a valid, current Town of Paradise Business License on or before their commencement of work.

**M. PROFESSIONAL LICENSING**

The selected service provider, and any subconsultant(s), shall possess any necessary professional certifications and/or license(s) relative to the work to be performed required by an appropriate licensing authority of the State of California and shall provide evidence of such to the Town with their proposal or prior to commencement of the work in such form as the Town shall require.

#### N. INDEMNIFICATION

As appropriate, indemnification provisions will be incorporated in the Provider Services Agreement, which will be executed between the provider selected for the services and the Town.

#### O. FEDERAL, STATE, AND LOCAL LAWS

The selected provider shall comply with all applicable federal, state, and local laws, rules, and regulations.

#### P. RETENTION OF AND ACCESS TO RECORDS

At all reasonable times during the term of this contract and for a minimum of three (3) years following final settlement, the Town of Paradise, and any designated representative shall have access to all records related to work performed under this contract and the attorney/law firm and all subcontractors shall make such records available for inspection, audit, copying excerpts and transcriptions.

#### Q. DRUG-FREE WORKPLACE REQUIREMENTS

The provider and all subcontractors shall comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Sections 8350 et seq.).

#### R. AMERICANS WITH DISABILITIES

The provider and all subcontractors shall comply with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.) which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

#### S. CONFLICT OF INTEREST

No official, officer, or employee of the Town of Paradise or of a local public body during his/her tenure or for one (1) year thereafter shall have any interest, direct or indirect, in this contract or the proceeds thereof. Furthermore, the parties hereto covenant and agree that to their knowledge, no board member, officer or employee of the Town of Paradise has any interest, whether contractual, non-contractual, financial or otherwise, in this transaction, or in the business of the contracting party other than the Town of Paradise, and that if any such interest comes to the knowledge of either party at any time, a full and complete disclosure of such information will be made in writing to the other party or parties, even if such interest would not be considered a conflict of interest under Article 4 (commencing with Section 1090) or Article 4.6 (commencing with Section 1120) of Division 4 of Title 1 of the Government Code of the State of California.

#### T. DISPUTES

Any controversy or claim arising out of or relating to the provisions of this Agreement or the breach thereof shall be settled by arbitration, in accordance with the Rules of the American

Arbitration Association, unless the parties agree, in writing, to some other form of alternative dispute resolution.

#### U. SMALL AND DISADVANTAGED BUSINESS

The Town of Paradise hereby notifies all proposers that it will affirmatively insure that minority business enterprises will be afforded full opportunity and consideration when submitting proposals in response to this invitation and will not be discriminated against on the grounds of race, color, sex, creed, or national origin when reviewing the proposals for award of contract.

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**ATTACHMENT I – SCOPE OF SERVICES**

This scope of work is a general guide to the work the Town expects to be performed and is not a complete listing of all services that may be required or desired. The Town is soliciting proposals from Investment Advisory Service Firms that may be selected to provide a comprehensive range of services necessary to produce a financially sound and cost-effective transaction, study, finance plan, or other work product requested by the Town.

Selected firms shall provide qualified personnel for services that may include, but are not be limited to, the following:

1. Manage the Town’s investment portfolio in a fiduciary capacity with discretionary authority.
2. Execute trades in accordance with the governing laws and Town’s investment policy and provide assurances of portfolio compliance thereof.
3. Establish an appropriate performance benchmark.
4. Ensure portfolio structure matches Town objectives.
5. Assist in the formulation of financing plans, including presentations of alternative financial programs and strategies, taking into consideration appropriate debt structures, timing, budgeting, credit ratings, tax laws, and assessment of capital market conditions. Respondents should have familiarity with various tax approaches, including real property transfer tax, parcel tax, and others.
6. Provide recommendations whenever requested. In the performance of all aspects of investment planning, investment advisors must be cognizant of constraints imposed upon the Town by virtue of its Investment Policy, budget, fiscally conservative posture, and long-term financial sustainability.
7. Make available qualified personnel for consultations and conferences with Town officials staff members of the Town, as well as for other meetings on an as needed basis. Assist Town management with written updates to the Town Council and staff reports as needed throughout the process.
8. Assist the Town with maturity analysis.
9. Provide credit analysis of investment instruments in portfolio.

10. Provide monthly/quarterly/annual reporting. These reports will cover a range including but not limited to the local and national economy, the Town’s portfolio holdings, performance objectives, and policy compliance.
11. Attend selected quarterly meetings with Town Council as needed. Note that presentation materials must meet or exceed the Town’s current aesthetic and informational standards.
12. Evaluate market risk and develop strategies that minimize the impact on the portfolio.
13. Provide advice and recommendation related to the Town’s financial plan and investment of Settlement Funds as needed
14. At the request of the Town, advise the Town on reinvestment strategies for Settlement Funds and any other funds related to the financing.
15. Provide continuing updates and advice on the impact of current or proposed state or federal legislation and market conditions that could affect the investment plans of the Town.
16. Firm shall not have custody or possession of the funds or securities that the Town has placed under its management. Town has retained a custodian or safekeeping agent to take and have possession of its invested assets.

