

North Penn School District
401 East Hancock Street
Lansdale, PA 19446
www.npenn.org

REQUEST FOR PROPOSALS (RFP)
MUNICIPAL FINANCIAL ADVISOR

1. INTENT & BACKGROUND

North Penn School District (the “District”) is soliciting proposals from qualified licensed full service municipal financial advisor firms (the “FA”) to assist the District with the structure and issuance of General Obligation Bonds whether through a competitive or a negotiated sale process and other items as designated by the Administration.

The District is located in the north-central section of Montgomery County, Pennsylvania, and a small portion of the southern central Bucks County, Pennsylvania and is comprised of the municipal subdivisions of the Boroughs of Hatfield, Lansdale and North Wales and the Townships of Hatfield, Montgomery, Towamencin and Upper Gwynedd, all located in Montgomery County and a small portion of the Townships of Hilltown and New Britain located in adjacent Bucks County, Pennsylvania.

The District presently owns thirteen elementary schools, three middle schools, one high school, a credit recovery school, a Support Services Center and an Educational Service Center (administration building). Students in grades 9-12 also attend the North Montgomery County Area Vocational Technical School. The District has approximately 12,700 students. Additional information may be obtained by visiting the District’s website at www.npenn.org.

The District has engaged the services of The Schrader Group to perform a master plan and campus programming study for the North Penn High School located at 1340 S. Valley Forge Road in Lansdale. The results of the study may lead to a large-scale new construction/renovation project on the high school campus with initial cost estimates at approximately \$300 million. Feasibility and financing options will be the subject of several community forums tentatively planned to commence in October, 2022. The District’s current debt service structure is outlined in the attached Exhibit A. The District’s Official Statement for its last new money borrowing is attached as Exhibit B.

2. QUALIFICATION REQUIREMENTS

The FA retained by the District shall meet or exceed the following minimum qualifications:

- 2.1 The FA retained must be properly licensed to practice in the Commonwealth of Pennsylvania.
- 2.2 The individual acting as the primary liaison with the District must have served in the capacity of municipal financial advisor for a minimum of ten (10) years; but this provision shall not be construed as prohibiting the FA or primary District contact from assigning work to any individual

in his/her firm who may have less than ten (10) years' experience as a municipal financial advisor.

2.3 The FA must be registered with the Securities and Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB) and meet professional and testing standards.

2.4 The FA for the District must have demonstrable experience in most, if not all, of the following areas:

- Representing the issuer in the sale of bonds through a competitive or a negotiated sale process. The FA represents the issuer in the sale of bonds and has an explicit fiduciary duty to the issuer per the Dodd-Frank Act.
- Contracting, bidding and procurement issues;
- Compliance with applicable federal and state educational statutes;
- Fiscal issues, including school finance, investments, taxation, and collection;
- Provide ongoing municipal financial advisor services to at least three (3) other Pennsylvania school districts.
- If the firm is unable to provide service in an area identified above, state how the firm would provide consultative service from a secondary source.

3. **SCOPE OF SERVICES**

3.1 **Selection and Appointment of Municipal Financial Advisor**

3.1.a The FA may be a firm or individual practitioner.

3.1.b Prior to engagement, prospective FA will be required to provide documentation of credentials, including:

- expertise in the area for which engaged;
- unique accomplishments/examples of excellence;
- positions of leadership in the field of municipal finance;
- resumes of individuals expected to provide services to the District;
- a list of current school district clients and the primary contact for each client;
- other relevant information; and

- the proposed engagement letter or contract.
- 3.1.c The primary criteria in selecting the FA will be the provision of the highest quality and cost effective services.
- 3.1.d In determining the provision of the highest quality services, the Board will focus on documentation of credentials provided by FA. As a result, firms should highlight key issues, strengths, and priorities from their perspective. Further, what information should the District be aware of that it may not know now?
- 3.1.e In determining the provision of cost effective services, the Board will focus on:
- reasonableness of total fee charged in relation to services rendered and results produced; and
 - efforts or procedures to minimize overall costs by providing proactive or preventive services.
- 3.2 The services that the District may require of the FA retained by the District may include the following:
- Financial modeling;
 - Monitor market conditions to determine optimal timing of issue;
 - Recommend best available options and financing structure in order to achieve the most favorable rates;
 - Provide reminders, guidance, and support for the continuing disclosure requirements for the Municipal Securities Rulemaking Board's Electronic Municipal Market Access (EMMA) website;
 - School Board and community presentations as necessary;
 - Advise on the options and mechanics of cash settled interest rate swaps;
 - Complete the preliminary and final official statement for the bond issue;
 - Provide guidance, support, and preparation for bond rating calls with rating agencies such as Moodys;
 - Complete various PlanCon documents as necessary;
 - Advise and present at any Act 34 hearing;
 - Performing such other services that may be requested from time-to-time by the District; and
 - If the firm is unable to provide service in an area identified above, state how the firm would provide consultative service from a secondary source.

4. **TIMEFRAME**

The successful municipal financial advisor firm will be expected to commence the provision of services on or about September 16, 2022, and the term of the resultant contract will be for five (5) years. However, the District reserves the right to terminate the engagement at any time, without cause, with sixty (60) days prior notice.

5. **PROPOSALS**

Submission and Deadline

All proposals must be e-mailed to Steve Skrocki, Chief Financial Officer, at skrocksb@npenn.org. Questions regarding this RFP must be directed to Steve Skrocki, Chief Financial Officer, by e-mail at skrocksb@npenn.org by August 25, 2022. Please do not contact anyone else at the District regarding questions about this RFP. All questions and responses will be posted online at www.npenn.org/bidspec. An addendum will be issued should one be necessary. **Proposals are due no later than Monday, August 29, 2022, at 2:00 pm.** Interviews of selected firms may be conducted the week of September 5, 2022. The District will not be liable for any cost incurred in the preparation of proposals or attendance at an interview. Board action to accept the successful firm is expected to occur on September 15, 2022.

All firms who are furnished a copy of this RFP, but who decide not to offer a Proposal to the District, are asked to submit a negative reply. Specific comments and observations are encouraged.

5.1 **Submittal Letter**

Respondents shall submit a cover letter, addressed to the Chief Financial Officer, signed by an authorized principal or agent of the law firm, which provides an overview of the respondent's offer, as well as the name, title, email, and phone number of the person to whom the District may direct questions concerning the proposal. The letter should also include a statement by the respondent accepting all terms and conditions contained in this RFP, signed by an officer or other individual with authority to bind the firm.

5.2 **Experience**

Respondents are to provide a summary of the firm's experience on similar types and sizes of engagements with emphasis on school districts in the State of Pennsylvania, and detail on experience with public sector employment law, and education law. This summary must include your firm's experience in the areas of services described in Section 3, Scope of Services, provide detailed resumes of persons proposed to work directly with the District and indicate the level of responsibility of each person (professional staff only). Resumes are to include educational qualifications and previous work assignments that relate to this RFP.

5.3 **References**

FA must have a minimum of ten (10) years' experience in all areas specified in the Scope of Services. A minimum of three (3) Pennsylvania school district client references, which encompass the areas outlined in this RFP, should be submitted. The client references must include the name of the organization, address, telephone number, individual contact person, contact person's e-mail address, the dates services were performed, a description of the services provided, and the total district spend each fiscal year for the past three (3) years.

5.4 **Budget/Fee Proposal**

All respondents are required to complete and submit a detailed itemized fee schedule and expected schedule of payment to perform all services. Explain how is the suggested fee schedule the most cost effective way to serve the District. Each response may include a schedule of all out-of-pocket disbursements which you anticipate will result in a charge to the District, and the rate for each. Note that the District expects that these reimbursable charges will be charged at the firm's actual cost, without additional mark-up. The District is exempt from payment of excise taxes, transportation and sales taxes imposed by the Federal Government and/or State of Pennsylvania. Such taxes must not be included. List any expected changes to the fee proposal in the next five (5) years

5.5 **Form of Contract**

The District intends to negotiate and enter into a contract with the most responsible respondent whose proposal is determined to be in the best interest of the District. The form of contract for any award made as a result of this proposal will be a District purchase order, referencing this RFP, which shall be considered as part of this contract. The amount will be based on the fees shown in this proposal, as modified if necessary during negotiations. If your firm will be requiring the District to sign an additional or separate contract, a copy of the proposed contract must be included with the proposal. In the event of a discrepancy between the firm's proposed contract and this RFP, the terms of this RFP shall govern.

6. **EVALUATION AND AWARD**

The following criteria will be used, without limitation and in no particular order of importance, in evaluating proposals and determining the most responsive municipal financial advisor firm:

- The FA's technical understanding of the scope of services and proposed professional services as evidenced by the proposal submitted;
- The background and experience of the FA in providing similar services as well as specific background, education, qualifications and relevant experience of key personnel to be assigned to this contract;
- Location of firm's office;
- Proposed fees and costs, although the District is not bound to select the FA who proposes the lowest fees. The District reserves the right to negotiate fees with the selected FA firm;

- Information obtained by the District from firm’s references or other clients; and
- Best interests of the District

Proposals in response to this RFP will be reviewed against the criteria listed above.

6.1 Selection Procedures

- The District intends to enter into a contract with the most responsible responsive FA whose proposal is determined to be in the best interest of the District.
- The District reserves the right to reject any or all proposals or part thereof for any reason, to negotiate changes to proposal terms, to waive minor inconsistencies with the RFP, and to negotiate a contract with the successful FA.
- The District will evaluate all responsive and responsible proposals based on the criteria enumerated in Section 6 as referenced above. The District may afford firms the opportunity to clarify proposals for the purpose of assuring a full understanding of their responsiveness to the RFP.
- The District may conduct an interview of the municipal financial advisor firms it judges to be the most qualified to perform the services required, based upon the criteria in this RFP. If so, municipal financial advisor firms will be notified in advance of the proposed interview date. Interviews may be conducted in during the week of September 5, 2022. Respondents are advised that the District reserves the right to award this contract solely on the basis of the submitted proposals.

6.2 Fees and Other Charges

- Fees and other charges shall be as set forth in any engagement letter or contract approved by the school board.

7. **GENERAL REQUIREMENTS AND CONDITIONS**

7.1 **Insurance**

- Commercial General Liability, including Contractual Liability Insurance, with limits not less than \$1,000,000 per occurrence, \$2,000,000 aggregate. All, if any, deductibles are the sole responsibility of the selected FA to pay and/or indemnify.
- Professional Liability Insurance including errors and omissions with a limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate. Any changes to the FA’s policy or carrier from year to year will include “Full Prior Acts” coverage.
- The North Penn Board of Education is included as an Additional Insured, ATIMA under the Commercial General Liability and Employer’s Liability Insurance Policies. THE UNDERLINED WORDING MUST BE SHOWN IN THE SPACE PROVIDED FOR “COMMENTS” ON THE ACORD INSURANCE CERTIFICATE. (Additional Insured

requirement is expressly waived for Workers' Compensation and Professional Liability coverage.)

- Each insurance coverage named above shall provide not less than a 30-day notice of cancellation to the District. All policies shall be on the occurrence form. Any and all exceptions shall be reviewed by the District's Chief Financial Officer.
- It is further agreed that the amount of insurance required herein does not, in any way, limit the liability of the FA by virtue of its promise to hold the District harmless so that in the event that any claims result in a settlement or judgment in any amount above the limits set in Paragraph 7.1 herein, the FA shall be liable to, or for the benefit of, the District for the excess.
- Insurance requirements and coverage may be reviewed from time to time during the term of this contract and all extensions and renewals hereof. The FA agrees to comply with any and all reasonable insurance requirements or modifications made by the District's Chief Financial Officer.
- Cancellation or other termination of insurance policies required by this Agreement without immediate replacement thereof may be considered a default in the terms and conditions of this Agreement. The FA agrees that such default may be cured by procurement of insurance on behalf of the FA, at the FA's expense, at District's option.

7.2 **Hold Harmless Agreement**

In addition to its obligation to provide insurance as specified above, the FA, their consultants, agents and assigns shall indemnify and hold harmless the North Penn Board of Education, including but not limited to, its elected officials, its officers, and agents from any and all claims made against the District, including but not limited to, damages, awards, costs and reasonable attorney fees, to the extent any such claim directly and approximately results from the wrongful, willful or negligent performance of services by the FA firm during the firm's performance of its Agreement. The District agrees to give the FA prompt notice of any such claim and absent a conflict of interest, an opportunity to control the defense thereof.

8. **CONFLICT OF INTEREST**

Respondents shall provide a statement that no conflict of interest exists in rendering service to and in representing the North Penn Board of Education.

9. **PRINCIPALS/COLLUSION**

By Submission of a proposal, the FA does declare that the only person or persons interested in this proposal as principal or principals is/are named therein and that no other person other than therein mentioned has any interest in this proposal or contract to be entered into; that this proposal is made without connection with any person, company or parties making a proposal, and that it is in all respects fair and in good faith without collusion or fraud.

10. **DISCIPLINARY/LEGAL ACTION**

Respondents shall provide a statement that no employee affiliated with respondent has, within five years from the date of submission, been disciplined by any State or Federal agency.

Respondents shall answer the following questions regarding legal proceedings in connection with any offering of municipal securities:

- Are there any pending legal actions alleging violations of law in connection with an offering of municipal securities against the firm, any partner of the firm, or any employee of the firm? If yes, describe each such pending action.
- Have there been any settlements or judgements involving such actions within the past five years? If yes, describe each settlement or judgement, including the nature of the action and the amount of the recovery.
- Are there any pending legal or disciplinary matters involving such actions against the firm, any partner of the firm, or any employee of the firm by any Federal or state regulatory agency? If yes, describe each such action.
- Provide information about any criminal indictments or convictions against the firm or its employees where the charges involved an offering of municipal securities, and any material pending action, settlement, or judgement involving a claim of fraud, whether civil or criminal.

11. **AFFIRMATIVE ACTION STATEMENT**

As a condition of doing business with the District, the FA must comply with all Federal laws, state statutes and executive orders pertaining non-discrimination. All respondents, as part of their submission, must complete and submit the enclosed Affirmative Action Statement.

12. **ALTERNATIVES AND EXCEPTIONS**

Only slight additions or changes would be expected to be negotiated with the FA in order to resolve any variances between the proposal and the final contract. FA may submit alternate proposals or take exceptions to this RFP which deviate from the RFP; however, alternates and exceptions shall be clearly identified as such, and shall include a discussion of the purpose and benefits to such alternate/exception, and the District is not bound to accept them if it determines that they are not in the best interest of the District.

13. **ADDITIONAL INFORMATION AND REVISION TO PROPOSALS**

Information may be provided to potential respondents for the purpose of clarification to assure full understanding of, and responsiveness to, the solicitation requirements. Prospective respondents shall be afforded fair and equal treatment with respect to access to additional information and revision of proposals.

**North Penn School District
401 East Hancock Street
Lansdale, PA 19446
www.npenn.org**

TO: All Vendors
FROM: Chief Financial Officer
RE: Affirmative Action

The North Penn School District is an Equal Opportunity Employer. The Board of Education has made it a matter of policy that it will not transact business with firms which are not in compliance with all Federal and State Statutes and Executive Orders pertaining to non-discrimination.

In order to have your firm listed on our acceptable vendors list and thereby be eligible for consideration as a source for goods and services, please complete and return the following Statement of Policy to us.

STATEMENT OF POLICY

It is the employment policy of _____ that there shall be no discrimination against anyone on the grounds of race, creed, national origin, sex or age in the hiring, upgrading, demotions, recruitment, termination and selections for training.

In addition, this firm is in full compliance with the letter and intent of the various Equal Employment Opportunities and Civil Rights Statutes noted above.

Date

Signed (Name/Title of Company Officer)

Telephone

Street Address

City/State/Zip Code