



**RFP**

**FINANCIAL ADVISOR**

**Request for Proposal**  
**Bond Issue Financial Advisor**

Webster Groves School District is requesting proposals for the services of a Bond Issue Financial Advisor as described in the attached request.

Qualified organizations are invited to submit three copies of a proposal as described herein. Proposals are to be addressed to:

Bruce Ellerman  
Chief Financial Officer  
Webster Groves School District  
400 East Lockwood Avenue  
St. Louis, MO 63119

Proposals must be received **no later than 10:00 a.m., February 1, 2019.**

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## **Timetable**

The following timetable is provided to assist bidders:

December 21, 2018 Issue RFP

January 11, 2019 Bidder questions due to Webster Groves School District

February 1, 2019 Proposals due

February 25, 2019 Board of Education approval

April 2, 2019 Bond Issue Election

## Overview of the Webster Groves School District

The Webster Groves School District is an award-winning district with a bond rating among the highest in the nation at AA+ by Standard & Poors. Accredited with Distinction by the Missouri Department of Education, Webster is strengthened by more than 600 employees and countless volunteers serving 4,700 students and their families each day.

A personalized education and innovative working environment are the objectives at Webster Groves high school, middle school, 6 elementary schools plus separate campus for Early Childhood Program.

The Webster Groves School District, one of the oldest in St. Louis County, serves students in Webster Groves, Rock Hill and parts of Glendale, Shrewsbury and Warson Woods, Mo. The district, the product of a diverse, close-knit community, is known for its excellent faculty and high performing students as well as a curriculum that offers the best in traditional and innovative programs. This area has a long tradition of placing a high value on public education. In fact, in Webster Groves, the schools came first, predating incorporation of the city. The district has been cited 11 years in a row by the state of Missouri for “distinction in performance,” the highest accolade a public school district can receive. Standard & Poor’s School Evaluation Services has named the district “an academic outperformer.” Student achievement has always ranked above state and national averages and 94 percent of the class of 2018 enrolled in college. Three district schools have received Gold Stars from the state of Missouri and the district preschool was honored as the number one early childhood program in the state in 2010-11 by the Missouri School Boards’ Association.

Historically, the district’s enrollment has grown since 2013-14 (5 years) and this trend is expected to continue for the foreseeable future. The elementaries are projected to be at 115% capacity in 2022-23.

<b>Year</b>	<b>September Enrollment</b>
2013-14	4,407
2014-15	4,685
2015-16	4,692
2016-17	4,671
2017-18	4732
2018-19	4,734

The district’s annual revenue for the past five years has been:

<b>Year</b>	<b>Operating</b>	<b>Total</b>
2014-15	57,484,780	\$61,702,532
2015-16	57,634,790	62,741,902
2016-17	60,456,019	65,368,072
2017-18	60,835,463	84,784,621*
2018-19 (budget)	61,517,300	67,480,400

\*Includes revenue from an advance bond refunding transaction.

The following chart depicts the district assessed valuation change for a five year period:

<b>Year</b>	<b>Assessed Valuation</b>
Actual 2014-15	\$700,894,180
Actual 2015-16	734,988,920
Actual 2016-17	740,899,120
Actual 2017-18	807,275,270
Actual 2018-19	809,968,607

The current outstanding debt obligation of the district is \$67,419,000 which is serviced by a debt levy of \$.5699 out of a total levy of \$5.4944 (2018-19)

Name of Bond Issues:                   \$5,500,000 original principal amount General Obligation Bonds, Series 2007A

  \$18,900,000 original principal amount Taxable General Obligation Bonds, Series 2010B (Build America Direct-Pay Bonds)

  \$4,254,000 original principal amount Taxable General Obligation Qualified School Construction Bonds, Series 2010C (Direct-Pay Bonds)

  \$9,595,000 original principal amount General Obligation Refunding Bonds, Series 2012

  \$9,885,000 original principal amount General Obligation Refunding and Improvement Bonds, Series 2013

  \$7,440,000 original principal amount General Obligation Refunding Bonds, Series 2014

  \$16,990,000 original principal amount General Obligation Refunding Bonds, Series 2017A

Date of Report:                            Pertaining to Fiscal Year ended June 30, 2018

The District expects to propose a \$17 – 22 million General Obligation Bond Issue on the April 2019 ballot to upgrade elementary space and security upgrades with the final amount to be determined in January, 2019. These bonds, if approved by voters, may be issued all at once or in two or more installments as determined by the district.

The District’s revenue sources are heavily skewed toward local and county sources 88% of operating funds. The largest collections, consequently, are received late in the fiscal year, usually in late December and January. As such, the cash flow pattern of the District is to have excess funds available for investment in January through June, with fund balances weakening as the year moves toward December. The operating fund balance required by the recommendation of the Board of Education is 25%. The District’s 2017-18 operating fund balances was \$25.9 million or 39.33% of annual operating expense. In addition, the District has a balanced operating budget for the 2018-19 school year and projects that same for 2019-2020.

## **General Requirements**

Webster Groves School District has determined that a Bond Issue Financial Advisor is needed to serve as Bond Issue Financial Advisor for any new issue bonds that may be appropriate during the next five years and to monitor the proper time to call, refinance, or refund outstanding bonds. The District's bonds currently carry an AA+ credit rating issued by Standard and Poor's.

### **Scope of Services**

Services required of the Bond Issue Financial Advisor will include, but not be limited to, the following:

1. Work together with the district and the Finance Advisory Committee to determine the district's ability to issue new bonded debt in the next five years.
  - repayment in 20 years or less
  - alignment of principal payments with the useful life of the assets purchased
  - other criteria as established by the committee
  - retain capacity for future bond issues without requiring a tax increase

Provide revised and updated bonding capacity schedules at 6 month intervals or upon request in a timely manner which are clear and easily understandable to a lay-audience.

2. Review and analyze all outstanding bond issues. This should be done, at a minimum, on a semi-annual basis. The analysis should be summarized in a detailed report and should indicate if it is financially beneficial to refund, refinance, call, repurchase, or otherwise alter the repayment schedule of all or any part of any outstanding issue.
3. In the event that Webster Groves decides to refund, refinance, call repurchase, or otherwise materially affect the outstanding issues, Bond Issue Financial Advisor will be required to advise the district on the various structures/methods available to achieve its goals. This would include, but not be limited to the following:
  - a. Preparation of recommended maturity schedules and debt service projections that are cost effective and beneficial to Webster Groves School District.
  - b. Advise and assist Webster Groves School District School District in evaluating the cost effectiveness of credit enhancement.
  - c. Assist Webster Groves School District in obtaining the best possible rating from the various rating agencies, including attendance at any presentation to such agencies.
  - d. Function as receiver and evaluator of all underwriting bids to determine the best bid, including verification of interest rates and other pertinent data.
  - e. Responsible for coordinating and supervising the work of all parties involved in the restructuring to ensure that the events are completed in a timely manner.

4. Work jointly with bond counsel and underwriter(s) to prepare, and distribute any necessary documents and Official Statements pertaining to bond issues. The cost of preparing and distributing such documents should be billed to the district based upon actual cost.
5. Assist in the preparation and review of the Preliminary Official Statement and the Official Statement.
6. Develop bond ballot language, resolutions, certificates, and all other required documents.
7. Participate, as appropriate, with presentations to the District, bond insurers, credit providers, and rating agencies. Include bid review assistance, issuance cost advise, closing assistance, legal considerations and Board Meeting attendance.
8. Coordinate activities and development of scenarios with the District to address long range facility planning needs.

### **Required Components of the Bond Issue Financial Advisor Proposal**

1. The proposal should state the services to be provided by the Bond Issue Financial Advisor. It may restate the services described in the RFP, modify the services described in the RFP, and/or add to the services described in the RFP based on experience and judgment of the Bond Issue Financial Advisor. The proposal should be for a term of five years. Webster Groves reserves the right to terminate the relationship for convenience by providing a 30 day written notice.
2. Qualifications and Experiences - Describe your qualifications for providing the required services and your experience relevant to the required services. Please address the following areas:
  - a. Overall experience in serving as a Bond Issue Financial Advisor.
  - b. Identify the engagements in connection with tax-exempt financings and advisory services rendered by your firm since January 1, 2014.
  - c. Cite your experience with regard to special elements of tax-exempt financings, including new bond issue optional early redemption provisions (i.e., call provisions), arbitrage considerations, bond refunding, and forward contracts.
3. Staffing/Resources - Identify the individuals within your firm who would be responsible for this engagement, and describe the qualifications and relevant experience of each person named. In addition, present an overview of your firm's support/advisory resources, if any, related to public financing in such areas as debt structure, bond refinancing and refunding, and alternative financial strategies.
4. Engagement Letter – Furnish your suggested form of engagement letter for a particular offering should your firm be selected as Financial Advisor.

### **Submittal Instructions- Deadline Date Submittal Letter**

Include the RFP's title and submittal due date, and the name, address and telephone number of the responding firm. Include a contact person and corresponding email address. The letter shall state that the Proposal shall be valid for no less than a 45-day period and the date when the staff proposed is available to work on this project. The letter shall note the individual authorized by the firm to negotiate a contract with Webster Groves School District and provide his or her contact information.



## Qualifications

Firms interested in being considered should reply with three (3) bound copies and one (1) electronic copy (.pdf format preferred).

Bound copies should be delivered in a sealed envelope marked "Request for Qualifications – Webster Groves School District’s Bond Counsel," to Webster Groves School District not later than 10 AM Friday, February 1, 2019. Proposals received after this date and time will not be accepted.

## Cost Proposal

A Cost Proposal must also be included as a part of the Proposal; however it is to be submitted in a separate sealed envelope clearly identifying it as the Respondent’s Cost Proposal. The Cost Proposal shall be on a fixed fee basis that is contingent on a successful voter approved bond issue. It should indicate a fixed cost for initial bond issue and also indicate a separate fixed cost for any subsequent sales should the District choose to issue bonds in two or more installments, or should an additional new bond issue or refunding occur during the 5 year term agreement.

Upon completion of the proposal evaluation process, the selected firm’s Cost Proposal shall be opened and evaluated by the District. If necessary, in the sole judgement of the District, negotiations will proceed with the selected Bond Counsel for the required scope of services to be performed and fee amounts. In the event of non-productive negotiations, as determined in the sole judgement of the District, the subsequently ranked firm will be asked to pursue negotiations.

## Submitted of Proposal

Request for Qualifications/Proposals should be sent to the attention of:

Webster Groves School District  
Attention: Bruce Ellerman Chief Financial Officer  
400 East Lockwood Avenue  
St. Louis, MO 63119

Electronic copy should be sent in .pdf format to [Ellerman.bruce@wgmail.org](mailto:Ellerman.bruce@wgmail.org) no later than 10 AM Friday, February 1, 2019.

Responding firms will be evaluated separately and ranked in order of their qualifications. As part of this evaluation, Webster Groves School District may hold interviews with individual firms. If necessary, these interviews would occur during the week of January 21, 2019. Webster Groves School District expects to enter into contract negotiations with the firm ranked most qualified to perform the services needed.

## Selection Criteria

All proposals will be evaluated on the following criteria:

	Point Range
• Prior experience	
In municipal bonds in Missouri	0 – 10
In school financing in Missouri	0 – 10
• Firm’s organization, size, structure and prior comparable experience	0 – 15
• Qualifications of personnel assigned to work with the district	0 – 20
• Responsiveness of the written proposal to the required services and extent of the firm’s advisory resources	0 – 15

Based on the results of the proposal evaluations and review, one firm will be recommended to the Board of Education at its February 25, 2019 meeting for selection as the District's Bond Counsel.

The District will provide notification, in writing, to the successful bidder. No transactions will be conducted with an approved Bond Counsel until all paperwork required by both parties has been executed. District personnel will review and substantiate all information and references requested in this document.

If, through any cause, the firm shall fail to fulfill, in a timely and proper manner, the obligations agreed to, Webster Groves School District shall have the right to terminate its contract by specifying the date of termination in a written notice to the firm at least fifteen working days before the termination date. In this event, the firm shall be entitled to just and equitable compensation for any satisfactory work completed.

Webster Groves School District reserves the right to reject any and all bids for any reason; to accept any bid which it deems to be in its best interest; and to reject all bids and solicit new bids.

### **Questions and Inquiries**

Questions regarding interpretation of contents of this Request for Qualifications/Proposal must be directed to:

Bruce Ellerman  
Chief Financial Officer  
Webster Groves School District  
400 East Lockwood  
St. Louis, MO 63119  
Email: [Ellerman.bruce@wgmail.org](mailto:Ellerman.bruce@wgmail.org)

Questions must be submitted no later than 10 a.m. on Friday, January 11, 2019. Answers to any shall be in writing and shall be sent to all firms who are on record with the District as having received a copy of this RFQ/P. It is therefore imperative that firms provide full and accurate contact information to the District including an email address. The name of the party submitting the question will not be identified in the answers. Firms considering responding to this RFQ/P are strictly prohibited from communicating with any member of Webster Groves School District staff or representatives of Webster Groves Schools except as set forth in

## REQUEST FOR GENERAL INFORMATION

Name of Firm \_\_\_\_\_

Address – Local \_\_\_\_\_

Headquarters \_\_\_\_\_  
*(Please provide both street address and/or PO Box No. if applicable)*

Telephone No. Local \_\_\_\_\_ Fax No. Local \_\_\_\_\_

Primary personnel assigned to Webster Groves School District account:

Name: \_\_\_\_\_ Name: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Telephone: \_\_\_\_\_ Telephone: \_\_\_\_\_

Please indicate financial status of the firm and identify the owners of the firm:

Please specify if are there existing and pending investigation of the firm or enforcement or disciplinary actions taken within the past three years by any regulatory bodies.

## REFERENCES

Please provide the following information regarding at least four comparable clients with whom any of the representatives listed in the **General Information** section has an established relationship. We would prefer school district clients in our geographical area, if possible.

Client Name

Address  
Person to Contact  
Telephone No.  
Length of Relationship  
Number of issues handled

Client Name  
Address  
Person to Contact  
Telephone No.  
Length of Relationship  
Number of issues handled

Client Name  
Address  
Person to Contact  
Telephone No.  
Length of Relationship  
Number of issues handled

Client Name  
Address  
Person to Contact  
Telephone No.  
Length of Relationship  
Number of issues handled

**FEDERAL WORK AUTHORIZATION PROGRAM (“E-VERIFY”) AFFIDAVIT**

Pursuant to Missouri Revised Statute 285.530, all business entities awarded any contract or grant in excess of five thousand dollars (\$5,000) with a Missouri public school district must, as a condition to the award of any such contract, be enrolled and participate in a federal work authorization program with respect to the employees working in connection with the contracted services being provided, or to be provided, to the District (to the extent allowed by E-Verify). In addition, the business entity must affirm by signing this affidavit and provide documentation **annually** that it does not knowingly employ any person who is an unauthorized alien in connection with the services being provided, or to be provided, to the District.

Accordingly, your company:

- a) agrees to have an authorized person execute the “Federal Work Authorization Program Affidavit” and deliver the same to the District prior to or contemporaneously with the execution of its contract with the District;
- b) affirms it is enrolled in, and is currently participating in, E-Verify or any other equivalent electronic verification of work authorization program operated by the United States Department of Homeland Security under the Immigration Reform and Control Act of 1986 (IRCA) with respect to employees working in connection with the services being provided (to the extent allowed by E-Verify), or to be provided, by your company to the District;
- c) affirms that it is not knowingly employing any person who is an unauthorized alien in connection with the services being provided, or to be provided, by your company to the District;
- d) affirms you will notify the District if you cease participation in E-Verify, or if there is any action, claim or complaint made against you alleging any violation of Missouri Revised Statute 285.530, or any regulations issued thereto;
- e) agrees to provide documentation annually of your participation in E-Verify to the District prior to or contemporaneously with the execution of its contract with the District (or at any time thereafter upon request by the District), by providing to the District an E-Verify screen print-out (or equivalent documentation) confirming your participation in E-Verify;
- f) agrees to comply with any state or federal regulations or rules that may be issued subsequent to this addendum that relates to Missouri Revised Statute 285.530; and
- g) agrees that any failure by your company to abide by the requirements a) through f) above will be considered a material breach of your contract with the District.

By: \_\_\_\_\_ (signature)

Printed Name and Title: \_\_\_\_\_

For and on behalf of: \_\_\_\_\_ (company name)

Subscribed and sworn to before me on this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public Signature

My commission expires: \_\_\_\_\_