

# **Request for Proposal for Financial Advisor City of Milwaukee, Wisconsin Water Works**

## **I. Summary**

The City of Milwaukee (City) seeks to engage a Financial Advisor to assist the City in selecting a Sell Side Advisor Team relating to the Water Works of the City.

Questions are due by **4:00 pm Central Time on March 12, 2009**

Proposals are due by **4:00 pm Central Time on March 19, 2009**

**If you are likely to prepare a response, please respond IMMEDIATELY via e-mail to [rsli@milwaukee.gov](mailto:rsli@milwaukee.gov) of the Comptroller's Office with the following information:**

- **Firm Name**
- **Contact name, phone number, fax number, and e-mail address.**

This information will allow the City to distribute additional information and clarifications, if needed, to all of the potential Proposers.

## **II. Background**

The City desires to engage a Financial Advisor to assist in the selection of a Sell Side Advisor Team. Pursuant to City of Milwaukee (the "City") Common Council File #081086, the Comptroller's office of the City is soliciting proposals from qualified firms to serve as a Sell Side Advisor Team in the exploration of public-private partnership (PPP) opportunities related to the City's Water Works as described below. The Sell Side Advisor Team will provide a complete range of sell side services, including valuation, financial, technical and legal related services for a potential long-term lease of the utility, for the evaluation and execution of alternatives that may be in the City's best interest.

The City intends to explore the feasibility of entering into a long term agreement with a qualified private entity involving the long term transfer of public assets - asset management rights of the Water Works - in exchange for a range of financial, liability transfer, and risk mitigation benefits. The City is looking at ways to provide an ongoing new revenue source for the City. Should the utility be leased, it is anticipated that the net proceeds will be placed in an endowment type fund in order to provide the City with a stable source of new revenue. This effort will proceed in four phases, each to be approved by the Common Council:

- I. **Selection of a Sell Side Advisor Team** including approval of the necessary funding.
- II. **Preliminary Valuation** including review of the Utility and all operating parameters under which the Utility will operate under the lease agreement for the purpose of obtaining a preliminary valuation of the Water Utility.
- III. **Bidding & Selection** including an updated valuation of the Utility.
- IV. **Contract Execution & Closing** of a long term lease-concession agreement with the selected lessee including transfer of funds and operations.

The City's water utility is a well-run, well-maintained, high quality source of drinking water for City residents and some neighboring communities. Requirements of a successful lease include maintaining the quality of water and service that City residents expect to receive, as well as maintaining the excellent operating condition of the utility.

Information about the Water Utility, including prior year Annual Reports, can be found at:  
<http://www.water.mpw.net/>

The year 2007 financial information for the Water Utility can be found in the City's 2007 CAFR:  
<http://isdweb1.ci.mil.wi.us/citygov/cms/comptroller/2007FinancialReportWEB.pdf>

### **III. Details of Services Requested**

The City has solicited responses for Sell Side Advisor Teams, and would like expert assistance in reviewing the proposals. The City anticipates the following in-person meetings:

- 1) Initial review of all Sell Side Advisor Team proposals received;
- 2) Oral interviews of select Sell Side Advisor Teams;
- 3) Final recommendation on Sell Side Advisor Team; and
- 4) Presentation to the Common Council on recommended Sell Side Advisor Team.

Note: Any Firm who has submitted a proposal to serve as Financial Advisor will not be considered for Sell Side Advisor Team.

The contract for these services shall end at the selection of the Sell Side Advisor Team. The City may, or may not, retain a Financial Advisor during the valuation, bidding, and closing phases of the PPP transaction. If a Financial Advisor is selected for future phases, the City provides no assurance that the firm selected for this engagement will be selected for future phases.

### **IV. Format for Proposal Submission:**

Proposers are required to submit 5 copies (one clearly marked bound original, three clearly marked bound copies, and one clearly marked unbound copy) to:

**W. Martin Morics, Comptroller**  
**Attention: Richard Li re PPP**  
**200 E Wells St, Room 404**  
**Milwaukee, WI 53202**

Closing Date: March 19, 2009

**The original copy of the proposal shall be clearly marked "original".** The Proposer's name and address must be clearly marked on all copies of the proposal. Respondents may submit their proposals anytime prior to the opening date and time. **Proposals must be received in their entirety no later than 4:00 PM (Central Time) on March 19, 2009 in Room 404 of City Hall.**

Proposals received after the due date and time will not be considered and will be returned to the Proposer unopened. Regardless of the method used for delivery, Proposers shall be wholly responsible for the timely delivery of submitted proposals to the address detailed herein.

The original copy of the proposal must be manually signed by an authorized representative of the Proposer's firm to be considered. **No facsimiles.**

In addition, the City desires a PDF copy of the proposal to be e-mailed to [rsli@milwaukee.gov](mailto:rsli@milwaukee.gov). The PDF may arrive after the due date for the proposals, and is NOT considered part of, nor a substitute for, the hard copy.

Proposal submittal sequence is as follows:

1) Proposal cover page/cover letter that includes:

- a) Name and address of the firm.
- b) State whether your firm is a qualified EBE firm.
- c) Address of the office at which the majority of the services to be provided hereunder will be performed.
- d) Name, telephone number, fax number, and e-mail address of the **ONE** individual responsible for the proposal response who may be contacted for questions, clarifications, etc.
- e) Signature on letter is a signing of the RFP

2) Firm Experience

- a. Describe your firm's experience in planning and implementing PPP agreements.
- b. List and describe relevant (utility) PPP transactions your firm has participated in over the past five years and the specific role of your firm and the primary members of your firm. If desired, relevant utility PPP's more than 5 years ago may be included.
- c. Identify the ONE team member who will have the day-to-day responsibility for the transaction.

3) Personnel Experience

Role, name, address, phone number, and brief resume of your firm's personnel to be involved in the transaction. Include a list of PPP transactions, and the persons' role in each transaction.

5) Proposed Compensation

The City has budgeted a maximum of \$10,000 for Financial Advisor services under the proposed contract. Please specify your fee quote as follows:

Hourly Fee with: a) Hourly rate(s); b) estimated hours; c) proposed reimbursable expenses; and d) not-to-exceed amount

## V. Questions

Questions regarding this RFP are to be submitted via email (preferred) or by fax to:

Email: [rsli@milwaukee.gov](mailto:rsli@milwaukee.gov)

Fax: (414) 286-0653, Attention: Richard Li

Questions are due no later than Thursday, March 12, 2009 at 4:00 p.m. The City intends to respond to questions as soon as possible after receipt, and will post responses in the form of an addendum to the RFP on the City's Comptroller webpage no later than Monday, March 16, 2009. Interpretations or changes made to this RFP in any other manner will not be binding. **Questions received after March 12, 2009 will not be accepted.**

## VII. Guidelines

By virtue of submitting a proposal, Proposers are acknowledging:

- The City reserves the right to waive any irregularities in a proposal.
- The City reserves the right to accept or reject any or all submissions. Such reasons include, but are not limited to: a proposal not being responsive to the RFP; is deemed to be outside the fiscal constraint; not in the City's best interest; the City desires not to proceed with the transaction; the City is not comfortable with any proposal; etc. The City reserves the right to reconsider any proposal submitted at any phase of the review. It also reserves the right to meet with select Proposers at any time to gather additional information. Furthermore, the City reserves the right to delete and/or add services up until the final contract signing.
- Conflicts of interest between the Firm and a Sell Side Advisor Team will not be permitted. Should any question regarding conflict of interest arise, the potential bidder should contact Mr. Li as provided above.
- The City reserves the right to terminate the contract at any time.
- By submitting a response for Financial Advisor, you agree that any response for Sell Side Advisor Team that includes your firm will be disqualified from consideration. No permission will be granted to withdraw a Financial Advisor response in order to submit a Sell Side Advisor Team response.
- Being selected as Financial Advisor will disqualify any Sells Side Advisor Team response that includes the Financial Advisor from being considered.

## VIII. Negotiations

The City may, at its sole option, open negotiations with the Proposers after the proposal closing date and prior to award.

## **IX. Incurred Costs**

Those vendors submitting proposals do so entirely at their expense. There is no expressed or implied obligation by the City to reimburse any individual or firm for any costs incurred in preparing or submitting the proposals, for providing additional information when requested by the City or for participating in any selection interviews and contract negotiations.

## **X. Follow-up Interview Requirements**

The City may conduct discussions with Proposers who submitted a proposal. Proposers must be available for interviews/presentations at City facilities (preferred) on specific dates or by conference call if selected.

## **XI. Assignment**

The Proposer may not reassign any award made as a result of this RFP, without prior written consent from the City.

## **XII. Award**

The City will select the respondent whose proposal best meets the City's needs as defined in this RFP. Contractual commitments are contingent upon the availability of funds. All contracts are subject to approval of the City's legal counsel prior to execution. Once awarded, the contract will be the final expression of the agreement between the parties and may not be altered, changed, or amended except by mutual agreement in writing.

## **XIII. Jurisdiction, Venue, Choice of Law**

This RFP and any resulting contract shall be governed by and construed according to the laws of the State of Wisconsin.

Dated: March 3, 2009