



# City of Lompoc

RFP No 2851 ADDENDUM NO. 1  
**CFD FORMATION Services**  
THE DATE TODAY IS: Tuesday, May 09, 2017

Please note the following questions and responses to this procurement.

## QUESTION/RESPONSE

1. Who comprises the city's team for the CFD?

**Internally: Finance, Planning, Attorney's office; City Administration Externally: Bond Attorney – Jones Hall, Fiscal Advisor – KNN Public Finance**

2. Any financial advisor and or attorney?

**KNN Public Finance is our financial advisor, Jones Hall and Aleshire & Wynder are our attorneys**

3. Can you elaborate on the current need?

**A multi-partner developer has requested and committed to fund the development of a CFD for their project and are looking to the City to prepare the documents and process the CDF to formation. The CFD will be issuing infrastructure debt to finance the offsite improvements to the project and the CFD will survive to be a permanent funding source for maintenance of the district assets.**

4. I see mentions of Burton Mesa area, as well as "Nipomo" area.

**Must have missed the Nipomo reference when editing, this is entirely for the Burton Ranch project in the City's Burton Mesa area.**

5. Are these same or two projects?

**Burton Ranch Project at the Wye is the single project. The project is owned by a handful of property owners which is why they have asked for the CFD so they can do the infrastructure for the project rather than having each individual property owner be responsible as they see fit.**

6. If you have more info on these possible projects, please pass them my way as soon as you can.

**The City desires to have a permanent CFD to take care of maintenance of the common areas, public right of way, lighting, parks, landscaping, etc while the developer desires the CFD to be a financing conduit so they can do the necessary infrastructure in order to be able to have houses built.**

This Addendum must be acknowledged and returned by fax to (805) 735-7628. Thank you,



Ray Ambler  
Purchasing and Materials Manager

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Bidder's Acknowledgment: I/We the undersigned bidder hereby acknowledge this Addendum to RFP/BID No. 2851-1

**(Please type or print)**

\_\_\_\_\_  
COMPANY NAME

\_\_\_\_\_  
SIGNATURE OF AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE (PLEASE PRINT)

\_\_\_\_\_  
CITY, STATE AND ZIP

\_\_\_\_\_  
TITLE

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PHONE NUMBER

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E-MAIL ADDRESS

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WEB PAGE ADDRESS

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DATE

Document7



# City of Lompoc

RFP No.2851

## CFD Formation Services

May 2, 2017

Notice is hereby given that sealed Proposals will be received per the attached specifications, at the office of the Purchasing and Materials Manager, 1300 West Laurel Avenue, Lompoc, California, until 2:00 p.m. on May 19, 2017. Proposals will not be publicly opened and read. If further information is needed, contact Ray Ambler at (805) 875-8003.

Please immediately complete the Proposer Contact Information Sheet and fax to 805-735-7628 to be added to the list to receive all clarifications and addendums.

The only authorized City contact will be the Purchasing Officer listed below or other contact through Purchasing Office Staff, from the original issue date through the contracting period. Interested bidders or their representatives are not allowed to communicate with City staff regarding this solicitation. If any bidder is found to be in violation of this provision, the City reserves the right to reject their proposal.

It is the responsibility of the bidder/proposer to see that any bid/proposal submitted shall have sufficient time to be received by the Purchasing Office prior to bid/proposal opening time. **A late bid/proposal will be returned to the bidder/proposer unopened.** The receiving time in the Purchasing Office will be the governing time for acceptability of bid/proposals. Bid/proposals will not be accepted by telephone or facsimile machine. All bid/proposals must bear original signatures and figures.

A handwritten signature in black ink that reads 'Ray Ambler'.

Ray Ambler  
Purchasing Manager

**“Registered Proposer Information Sheet”**

If we do not have your information on file, please immediately complete and fax this page to (805) 735-7628 to be added to the list to receive all clarifications and addendums.

1. Complete this form (print or type your information).
2. Fax the completed sheet to (805) 735-7628.

\_\_\_\_\_  
Company Name

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Name of Proposer

\_\_\_\_\_  
Name & Title (please print)

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
E-Mail Address

\_\_\_\_\_  
City, State, Zip Code

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Date

### Scope of Work

The Mello-Roos Community Facilities Act of 1982 permits local agencies to establish a Mello-Roos Community Facilities District (a "CFD") which allows for financing of public improvements and services. The services and improvements that Mello-Roos CFDs can finance include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. The City of Lompoc would like to consider the value.

DELIVERABLES We will expect to see with your proposal at least the following:

1. A cover letter stating your interest, and your approach to the in the project, acknowledging the insurance requirements.
2. Your historical experience with CFD Services.
3. Proposal Reference Listing
4. Proposal Signature Form
5. Proposal Cost Summary

### Summary

The City of Lompoc (City) is currently soliciting proposals for professional Community Facilities District Formation Services consisting of the following:

**Phase 1:** Preparation of goals and policies concerning the use of Community Facilities District (CFD) financing pursuant to Government Code Section 53312.7.

**Phase 2:** Preparation of a Resolution of Intent to form a CFD and other companion resolutions necessary to implement CFD financing for public improvements and ongoing services in the Burton Mesa development area.

This will be a phased project. The City will decide whether to authorize the second phase after the first phase is completed.

### Background

The City has never used CFD financing. However, the City recognizes that CFD financing may be an appropriate financing mechanism for public improvements or public services in some circumstances. Therefore, the City wishes to prepare and adopt written goals and policies which are necessary under Government Code Section 53312.7 before CFD financing can be implemented.

The City further intends that the CFD goals and policies provide clear guidance regarding the types of public improvements and general circumstances under which the City may consider authorizing CFD financing.

The proposed CFD goals and policies should take into consideration the Priority Goals adopted by the City Council.

### Tasks

Note: Consultant may recommend modifications to the following tasks for consideration by the City.

#### **Phase 1:**

- Task 1.A. Evaluate and provide examples

The consultant shall evaluate and provide examples of CFD goals and policies that have been adopted by jurisdictions which have physical, economic and demographic characteristics that are similar to the City.

The consultant shall review the Priority Goals adopted by the City Council. With input from City staff, the consultant shall prepare a draft written CFD goals and policies that meet the requirements of Government Code Section 53312.7 and the City's desire to provide clear guidance regarding the types of public improvements and general circumstances under which the City may consider authorizing CFD financing. Where appropriate, the draft CFD goals and policies should incorporate the City's Priority Goals.

Task 1.B. Assist City in the preparation of a set of procedures and application forms to be utilized by developers and other applicants for CFD financing. Consultant shall present to City staff draft procedures and documents, and shall revise such procedures and documents to meet City needs.

Task 1.C. Attend one meeting of the City Council to introduce the draft CFD goals and policies. Provide an option to attend a second meeting if necessary.

**Phase 2:** The costs for this phase should be identified separately as this phase will be authorized only if both the City and the aforementioned property owner agree to proceed with implementing CFD financing for the Nipomo project.

**The City will provide the following** materials and documents if Phase 2 is authorized.

- i. Proposed boundary map
- ii. Description of improvements
- iii. Description of services provided
- iv. Map of improvements
- v. Cost estimate

Task 2.A. Background Research

Conduct background research to determine property ownership and existing property taxes, including special assessments, taxes, and charges, as necessary for preparation of the special tax formula for parcels in the project area. Consultant shall base its analysis on tax data obtained from the City, other taxing entities, property owners, and consultants to these parties, and need not conduct independent research to verify the accuracy of data provided to it. City and property owners shall provide data regarding expected land uses, improved property values, development absorption rates and taxable acreage.

Task 2.B. Preliminary Tax Spread Analysis

Prepare preliminary spread of special taxes (the "Tax Spread") to estimate CFD revenues and expenses. Determine supportable bonded indebtedness and the special tax rates required to fund the Project. Estimate effective total property tax rates.

Task 2.C. Rate and Method of Apportionment of Special Tax

Prepare the rate and method of apportionment of the special tax ("RMA"). The RMA will document the special tax formula, maximum special tax rates, classification of property for purposes of the annual levy, the prepayment methodology, etc. All such components of the RMA will be structured so they are consistent with State CDIAC guidelines and City's approved CFD policies, as well as the development, operations, and maintenance objectives of the City.

Task 2.D. CFD Report

Prepare the public report which shall contain a description and estimated cost of the proposed public facilities to be financed by the CFD, estimated bonded indebtedness and related issuance costs and incidental expenses, anticipated data of issuance, an explanation of the special tax apportionment methodology, and projections of special taxes for each year that bonds are outstanding.

Task 2.E. Registered Voters

Request from the County of Santa Barbara Registrar of Voters confirmation of registered voters status residing in the boundaries of the CFD following adoption of the Resolution of Intention (Government Code Section 53322).

Task 2.F Document Review and Preparation

Assist finance team in the preparation and review of legal and bond documents for the formation of the CFD, including City reports regarding operations and maintenance costs, Resolution of Intention, and Resolution of Formation. Also provide necessary data and advice to Bond Counsel regarding the implementation of the CFD, including policies which address changes in land uses which occur after district formation.

Task 2.G Meeting/Hearings

Attend initial meeting attended by City, City's finance team and project landowners to present the preliminary Tax Spread analysis, discuss alternative approaches to the CFD formation and financing, and recommend alternative techniques to apportion special taxes and enhance project feasibility. After receiving input on the preliminary Tax Spread analysis, Consultant will then attend a second meeting with all applicable parties to discuss the revised Tax Spread analysis, the RMA, and any applicable formation documents. Consultant shall also provide verbal assistance to City and finance team as necessary. Furthermore, Consultant will testify on behalf of the City at the protest hearing or other public meeting if required.

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## Proposal Evaluation Criteria

The Services will be selected by a City Evaluation Committee on the basis of the following criteria:

1. COST PROPOSAL Amount of the proposed fee for service
  - a. By phase and task
  - b. Travel expense cost proposal
  - c. Proposal for other expenses
2. UNDERSTANDING of the nature of services desired by the City
  - a. Explanation/Description of the CFD Government Code Section 53322 process and how you propose to proceed.
3. QUALIFICATIONS - Experience and Qualifications in performing the type services desired by the City

- a. Verifiable References
  - b. Historical experience
4. Responsiveness to the RFP and completeness of the proposal
- a. The extent to which written proposal addresses items specified in Scope of Services section of this request, cost and merits of the proposed work program.

The Evaluation Committee, in its sole discretion, may assign rating weights to the above criteria. The Committee may also consider any other factors that it considers relevant to making its recommendations.



## Cost Summary

Provide a cost summary a not to exceed amount for each task item.

Description	Time to Complete	Not to Exceed Price
<b>Phase 1</b>		
Task 1.A. Evaluate and provide examples		
Task 1.B Draft procedures and documents		
Task 1.C Legislative presentation		
<b>Phase 2</b>		
Task 2.A Conduct background research		
Task 2.B. Preliminary Tax Spread Analysis		
Task 2.C. Rate and Method of Apportionment of Special Tax		
Task 2.D. CFD Report		
Task 2.E. Registered Voters		
Task 2.F Document Review and Preparation		
Task 2.G Meeting/Hearing		

**PROPOSAL SIGNATURE FORM**  
**(Complete & return)**

Responding to a Request for Proposal the undersigned proposer agrees to provide professional services in accordance with the specifications.

All information submitted by proposer, including signatures, must be original. Copies will not be accepted. The representations herein are made under penalty of perjury.

We hereby certify that:

- That this proposal was not made in the interest of or on behalf of any undisclosed person, partnership, association or corporation.
- That this proposal is genuine and not collusion or sham; and that we did not, directly or indirectly, induce or solicit anyone else to submit a false or sham proposal.
- That we have not, directly or indirectly, by agreement, communication or conference with anyone attempted to induce action prejudicial to the interest of the City of Lompoc, or any other proposer or anyone else interested in the proposed contract; and further,
- Did not, in any manner, directly or indirectly, seek by agreements, communications, or conference with anyone to raise or fix any overhead, profit, or cost element of this proposal price, or that of anyone else.

We hereby offer to sell the City of Lompoc the above material and/or service at the prices shown and under the terms and conditions printed hereon or attached or referenced.

**(Please type or print)**

\_\_\_\_\_  
COMPANY NAME

\_\_\_\_\_  
SIGNATURE OF AUTHORIZED REPRESENTATIVE

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
NAME AND TITLE (PLEASE PRINT)

\_\_\_\_\_  
CITY, STATE AND ZIP CODE

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E - MAIL ADDRESS

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WEB PAGE

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FAX NUMBER

\_\_\_\_\_  
DATE

**Attachment A**  
**Bidder References**  
 Complete and return

List and describe fully the last three contracts performed by your firm that demonstrate your ability to provide the Professional Services included with the scope of the Proposal specifications. Attach additional pages if required. The City reserves the right to contact each of the references listed for additional information regarding your firm's qualifications.

Reference No. 1	
Customer Name	
Address:	
Contact Individual:	Phone No:
Contract Amount	Year:
Description of Supplies, Equipment, or Services Provided:	
Reference No. 2	
Customer Name	
Address:	
Contact Individual:	Phone No:
Contract Amount	Year:
Description of Supplies, Equipment, or Services Provided:	
Reference No. 3	
Customer Name	
Address:	
Contact Individual:	Phone No:
Contract Amount	Year:
Description of Supplies, Equipment, or Services Provided:	
Reference No. 4	
Customer Name	
Address:	
Contact Individual:	Phone No:
Contract Amount	Year:
Description of Supplies, Equipment, or Services Provided:	

ATTACHMENT "B"  
**PROPOSED INSURANCE REQUIREMENTS**

The City of Lompoc requires that, for any on site services, you furnish and maintain current certificates of insurance for the duration and term of that contract within the scope and limits of the Indemnity and Insurance Requirements listed here. The certificates and endorsements are to be signed by a person authorized by the insurers to bind coverage on their behalf.

You must secure the following insurance coverage to protect the City from claims brought against the City, employees, authorized representatives, agents, or third parties.

1. **Worker's Compensation Insurance in an amount not less than \$1,000,000** per occurrence as required by State of California statutes, and employer's liability insurance (including disease coverage). Insurer shall waive all rights of subrogation against the City, its employees, representatives, and agents.
2. **Automobile Liability Insurance** with coverage for any vehicle including those owned, leased, rented, or borrowed. This insurance shall have an endorsement naming the City as Additional Insured and with a standard cross-liability clause or endorsement. The limit amount for this insurance shall be not less than **\$500,000 per occurrence** combined single limit for bodily injury and property damage.
3. **General Liability Insurance** including premises and operations, products, completed operations, contractual liability, independent contractors, and broad form property damage coverages. This insurance shall be on a commercial insurance, occurrence form with an endorsement naming the City as Additional Insured and with a standard cross-liability clause or endorsement. The limit amount for this insurance shall be **not less than \$1,000,000** per occurrence combined single limit for bodily injury and property damage.
4. **You must provide evidence the insurance policy names the City and its officers, employees and representatives as additional insureds or a separate endorsement naming them as additional insureds** referencing your name and policy number. Examples of such endorsements are ISO CG 25 04 11 85, ISO CG 25 03 11 85, ISO CG 25 01 11 85.
5. The insurance policies described above shall include the following provisions or have added by endorsement:
  - a. The **coverages shall be primary**, and no other insurance or self-insurance such as may be utilized by the City shall contribute to a loss under these policies.
  - b. The policies shall not be canceled or materially altered without **30-days' prior written notice** to the City.
6. The insurers utilized shall conform to the following terms:
  - a. Insurers shall have at least an "A-" policyholder's rating and a "VII" financial rating in accordance with the most current Best's Key Rating Guide.
  - b. Vendor shall furnish the City, within ten (10) calendar days of receiving Notice of Award, or a Request for Insurance letter, and not less than two (2) working days prior to the commencement of the work, with adequate certificates of insurance and with original endorsements affecting coverage as will demonstrate that the provisions and/or requirements of this section have been complied with.