

**PROPOSAL RESULTS FOR RFP2013-48
FINANCIAL ADVISOR SERVICES FOR THE DEPARTMENT OF FINANCE
12/10/13 @ 11:00 AM**

TERM OF CONTRACT: ONE (1) YEAR				
NUMBER OF RESPONDENTS:	4			
NAME OF BIDDER	PHOENIX ADVISORS, LLC	NW FINANCIAL GROUP, LLC	GOLDMAN, BEALE ASSOCIATES	ACACIA FINANCIAL GROUP, INC
ADDRESS	4 WEST PARK STREET	2 HUDSON PLACE	45 NURSERY ROAD	1300 LINCOLN DRIVE WEST, SUITE 206
CITY, STATE, ZIP	BORDENTOWN, NJ 08505	HOBOKEN, NJ 07030	TITUSVILLE, NJ 08560	MARLTON, NJ 08053
CONTACT NAME	DAVID B. THOMPSON	DENNIS J. ENRIGHT	NEIL E. GROSSMAN	KIM M. WHELAN
TELEPHONE	609-291-0130	201-656-0115	973-994-4314	856-234-2266
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E-MAIL	DTHOMPSON@MUNIADVISORS.COM	DENRIGHT@NWFINANCIAL.COM	NEGGA@VERIZON.NET	KWHELAN@ACACIAFIN.COM
STOCKHOLDER DISCLOSURE STATEMENT	INCLUDED	INCLUDED	INCLUDED	INCLUDED
REQUIRED EVIDENCE EEO/AFFIRMATIVE ACTION REGULATIONS QUESTIONNAIRE	INCLUDED	INCLUDED	INCLUDED	INCLUDED
ACKNOWLEDGEMENT OF RECEIPT OF ADDENDA	INCLUDED	INCLUDED	INCLUDED	INCLUDED
NJ BUSINESS REGISTRATION CERTIFICATE	INCLUDED	INCLUDED	INCLUDED	INCLUDED
NON-COLLUSION AFFADAVIT	INCLUDED	INCLUDED	INCLUDED	INCLUDED
AFFIRMATIVE ACTION STATEMENT	INCLUDED	INCLUDED	INCLUDED	INCLUDED
AMERICANS WITH DISABILITIES ACT OF 1990 LANGUAGE	INCLUDED	INCLUDED	INCLUDED	INCLUDED
CERTIFICATION AND DISCLOSURE OF POLITICAL CONTRIBUTIONS	INCLUDED	INCLUDED	INCLUDED	INCLUDED
DISCOURSE OF INVESTED ACTIVITIES IN IRAN	INCLUDED	INCLUDED	INCLUDED	INCLUDED
EIC	CERT # 36711 EXP. 3/15/2019	CERT #45453 EXP. 9/15/2017	CERT#13367 EXP. 1/15/2014	CERT # 11262 EXP. 6/15/2020
60-DAY EXTENSION COMPLIANCE	YES	YES	YES	YES
EXCEPTIONS (IF ANY)	NONE	NONE	NONE	NONE
CERTIFICATE OF INSURANCE	NEEDED PRIOR TO AWARD	NEEDED PRIOR TO AWARD	INCLUDED	NEEDED PRIOR TO AWARD
EMERGENCY SERVICES	YES	YES	YES	
W-9	INCLUDED	INCLUDED	INCLUDED	INCLUDED
TOTAL PRICE	SEE ATTACHED PRICE BREAK-DOWN	SEE ATTACHED PRICE BREAK-DOWN	SEE ATTACHED PRICE BREAK-DOWN	SEE ATTACHED PRICE BREAK-DOWN
FATAL FLAW	NONE	NONE	NONE	NONE



D. Compensation proposal.

Compensation Proposal

Based upon the multi-faceted, wide-ranging need for financial advisory services to be provided, we have separated our Cost Proposal into two basic components: Transactional and Non-Transactional services. Our goal is to provide value-added service to any and all of your financing needs.

There are two important features concerning our compensation: First, our compensation is all-inclusive for the functions included in our Scope of Services. We do not add on hourly rate charges nor do we charge extra for out-of-pocket expenses, fees for travel time, or attendance at meetings. **Out-of-pocket expenses are always difficult for a client to monitor and can ultimately be significant.** Second, our Debt Issuance fee is payable only upon the closing of your issue.

1) *Transactional Services (Debt Issuance)*. For all transactional services relating to the sale of Bonds or Notes, Phoenix Advisors proposes fees based on the par amount of Bonds or Notes issued according to the following schedule:

- a) Fee for Bonds: \$0.90 per \$1,000 issued (minimum of \$12,500)
- b) Fee for Notes: \$0.45 per \$1,000 issued (minimum of \$3,500)

2) *Non-Transactional Services (Optional)*. Phoenix Advisors proposes the following optional hourly rate fee for non-transactional professional services (not directly related to the issuance of debt), including, but not limited to, early preliminary modeling and conceptual meetings and discussions, according to the following schedule:

Chief Executive Officer	\$175/hr
Managing Director	\$150
Associate/Analyst	\$ 95

The above hourly rate charges only apply to specialized, non-transactional services that would be agreed to by a client prior to any hourly rate work being undertaken. They are not "add-ons" to our "Transactional Services" outlined in "1" above.

3) *Out-of-Pocket Expenses***NONE**

Phoenix Advisors does not charge for any out-of-pocket expenses incurred with regard to providing our Financial Advisory services. Third party charges, pre-approved and directed by a client to be paid by Phoenix Advisors are billed at cost with no mark-up.

concerning the submission of bids for the bonds or notes in accordance with the notice of sale and the requirements of law. After the bond or note sale, Counsel will prepare the bonds or notes for execution; will prepare and see to the execution of the necessary closing certificates, including the continuing disclosure undertaking of the Client, and will establish the time and the place for the delivery of the bonds or notes to the successful bidder. Counsel will coordinate the closing, at which time the bonds or notes will be delivered, payment will be made for the bonds or notes, and Counsel will issue a final approving legal opinion with respect to the validity and binding effect of the bonds or notes, the source of payment and security for the bonds or notes and the excludability of interest on the bonds or notes from gross income for federal and New Jersey income tax purposes, if applicable.

D. Counsel will provide basic advice in regard to the effect of the federal arbitrage regulations on the issuance of bonds or notes and the investment of the proceeds thereof.

E. Counsel will provide such other services as may be requested from time to time by the Client including any referendum, validation proceedings or other action relating to the Client or the authorization and issuance of a financing instrument by the Client.

2. The Client will make payment to Counsel for services rendered in accordance with the following schedule:

A. For services rendered in connection with each bond sale, a fee of \$3,500, plus \$.90 per thousand dollars of bonds issued for the first \$15,000,000 of bonds issued and \$.75 per thousand dollars of bonds issued in excess of \$15,000,000. If there is more than 1 series of bonds issued, there will be an additional charge of \$1,000 for each such additional series.

B. For services rendered in connection with (i) the preparation or review of each bond ordinance and (ii) the compiling and review of a certified record of proceedings in connection therewith, an aggregate fee of \$600.

C. For services rendered in connection with each note sale, a fee equal to the hourly rates reflected in paragraph I(2)(G), with a minimum fee of \$.50 per thousand dollars of notes issued up to \$15,000,000 of notes issued and \$.40 per \$1,000 of notes in excess of \$15,000,000 but not less than \$800. If more than one series of notes are issued, there will be an additional charge of \$500 for each such additional series.

D. For services rendered in connection with arbitrage compliance and related tax analysis, a fee of \$250.

E. In the event that a letter of credit, bond insurance, or similar credit enhancement facility is used in connection with either a bond or note issue, an additional fee of \$1,000 will be charged.

F. In the event of a refunding bond issue consistent with the provisions of the Internal Revenue Code to provide for the payment of a prior issue of bonds, there will be an additional fee of \$5,000 for each refunded issue.

G. Services rendered on an hourly basis, including preparation of an application to and an appearance before the Local Finance Board, attendance at meetings, litigation, continuing disclosure undertakings and preliminary and final official statement or other offering or disclosure document work, will be billed at the blended hourly rate of \$215 per hour for attorneys and \$135 per hour for legal assistants. Counsel shall not charge the Client for administrative work and services performed by secretarial staff.

H. Counsel's fee is usually paid at the closing of the bonds or notes, and Counsel customarily does not submit any statement until the closing unless there is a substantial delay in completing the financing. In the event that legal services described herein are provided in connection with a bond or note sale and the bond or note sale is not consummated or is completed without the delivery of Counsel's bond opinion as bond counsel, or this Agreement is terminated prior to the sale of bonds or notes, the fee for services to be charged shall be based on the hourly rates as set forth in paragraph I(2)(G).

I. Reasonable and customary out of pocket expenses and other charges, including but not limited to, photocopying, express delivery charges, travel expenses, telecommunications, telecopy, filing fees, computer-assisted research, book binding, messenger service or other costs advanced on behalf of the Client, shall be added to the fees referred to in this Agreement and shall be itemized in each invoice presented to the Client.

II. Redevelopment, Environmental, Litigation and Non-Public Finance Services

1. To the extent that the Client desires to engage Counsel for general legal services in connection with (i) redevelopment projects (the "Redevelopment Projects"), (ii) environmental issues including the giving of advice or preparation of work product at the direction of the Client related to or concerning the identification, investigation, remediation or preparing of grant applications to assist the Client in responding to potential or actual environmental conditions ("Environmental Services"), (iii) litigation, including representation in any and all action authorized by the Client and relating to a threatened, pending or actual legal proceeding or any condemnation or alternate dispute resolution matters ("Litigation Services") or (iv) any other legal services, such services shall be billed as follows:

2. The Client will make payment to Counsel for such general legal services at the blended hourly rates set forth in paragraph I(2)(G). Services rendered to the Client the cost of which is reimbursed by a developer through a developer-funded escrow account pursuant to an escrow agreement between the developer and the Client shall be billed at the blended hourly rate of \$325 for attorneys and \$180 for legal assistants. In addition to the hourly time charges described above, Counsel will be reimbursed for out-of-pocket expenses as set forth in paragraph I(2)(I).

D. COMPENSATION PROPOSAL

For financial advisory services provided, NW Financial proposes a compensation schedule as follows:

1) Review of outstanding debt:

For the review of outstanding debt for purposes of identifying refunding opportunities for the District, NW **will not charge a fee** for this service.

2) New Money and/or Refunding bond transactions:

For services provided in connection with a new money or refunding bond transaction, NW proposes to be compensated at the following rates:

Refunding par size of:

\$1.00-\$9,999,999: Flat fee of \$8,500 plus reasonable out of pocket expenses.

\$10,000,000-\$19,999,999: \$.85/\$1000 bonds issued, plus reasonable out of pocket expenses.

\$20,000,000-\$30,000,000: \$.75/\$1000 bonds issued, plus reasonable out of pocket expenses.

NOTE: NW will only be paid upon the successful closing of the bond issue.

3) Consulting:

For consulting services provided on projects other than the sale of bonds or notes, NW proposes to be compensated on a monthly basis based on the hourly rates as follows:

<u>Position</u>	<u>Hourly Rate (\$/hour)</u>
Principal	\$195
President	\$190
Managing Director	\$185
Senior Vice President	\$180
Vice President	\$170
Assistant Vice President	\$165
Associate	\$150
Analyst	\$140

4) Reimbursable Expenses:

NW proposes to invoice for reasonable out of pocket expenses such as phone, postage, copies, travel, etc. at the time of a bond or note transaction closing or monthly with the submission of hourly invoicing for consulting projects assigned.



D. Compensation

The City's RFP indicates that the financial advisory services will include all elements relating to the issuance of bonds and/or notes *and any other financial analyses as may be requested* during fiscal year 2013. However, we believe (from recent contracts) that it is also the intention of the City that all financial advisory services be funded from proceeds of debt issuances.

It is, of course, very difficult (if not impossible) to gauge the level of services that might be required under the "other analyses" umbrella. However, we have a good idea of what will be involved, due to our intimate knowledge of the City's budget and other financial issues and pressures. This stems from our long history with the City, including the current year, which gives us unique insight into the City's needs and how we may best be able to help.

Therefore, we would propose the following compensation arrangement, which we believe addresses all of the City's needs and concerns:

- \$7,500 for each Note sale
- \$7,500 for each issuance through the NJEIT (note that the separate Fund and Loan components will be considered a single issuance with just one fee applied)
- \$15,000 for each public bond sale;
- 60 hours of non-debt-related services and analyses included with no additional charge

In terms of the non-debt services and analyses that the City might require, our normal hourly rate is \$225/hour. However, as noted above, we would include 60 hours of such services at no charge to the City. We would let the City know well in advance of our reaching that limit and would propose a new contract or amendment (whichever the City prefers) to provide for additional services.

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Kim Whelan, Co-President, will be responsible for the **oversight of this engagement**. Jennifer Edwards, Managing Director, and Siamac Afshar, Vice President will be assigned the **day-to-day responsibilities**. Assisting Mr. Nyikita and Mr. Afshar with the day-to-day responsibilities and **analytical support** will be Brittany Whelan, Analyst. However, the entire network of professionals at Acacia is available for each of our clients on an as-needed basis, providing a level of support unique among financial advisors.

D. Compensation Proposal.

Acacia Financial Group, Inc. proposes that the compensation for financial advisory services provided to the City be based on: (i) the par amount of the bonds or notes or (ii) on an hourly basis. Reasonable out-of-pocket expenses may be added to each compensation component. Acacia's proposed fee structures are described below:

1. Based on the Par Amount of the Issue:

Bonds

For financial advisory services rendered to the City in connection with the sale of bonds, Acacia proposes to be compensated at a rate of \$0.90 per \$1,000 of par value issued, with a minimum fee of \$15,000 per issue.

Notes

For financial advisory services rendered to the City in connection with the sale of notes, Acacia proposes to be compensated at a rate of \$0.90 per \$1,000 of par value issued, with a minimum fee of \$9,500 per issue.

2. Hourly Basis:

For general consulting services, Acacia proposes that compensation be based upon the hourly rates established below.

HOURLY RATES

1. Co-President	\$195.00/hr.
2. Managing Director	\$185.00/hr.
3. Vice President	\$175.00/hr.
4. Assistant Vice President	\$165.00/hr.
5. Analyst	\$150.00/hr.
6. Administrative	\$ 50.00/hr.

3. Other Financings/Transactions:

For financings that include unique and/or complex financing structures or require additional services beyond our general scope, Acacia proposes that the fee for such transactions be negotiated in advance.

4. Expenses:

Acacia proposes to be reimbursed for the following reasonable expenses incurred in providing the services set forth herein at rates which are approved upon submission of appropriate invoices: graphics, postage, photocopies, telecopies, freight charges and telephone.