

**RFP2021-22 FINANCIAL ADVISORY SERVICES FOR A PERIOD OF ONE (1) YEAR THE CITY OF TRENTON, DEPARTMENT OF FINANCE PROPOSALS OPENED 6/29/2021 AT 11:00AM**

<b>RFP2021-22 FINANCIAL ADVISORY SERVICES FOR A PERIOD OF ONE (1) YEAR THE CITY OF TRENTON, DEPARTMENT OF FINANCE</b>				
<b>NUMBER OF RESPONDENTS:</b>	<b>4</b>			
<b>NAME OF BIDDER</b>	<b>GB ASSOCIATES, LLC</b>	<b>ACACIA FINANCIAL GROUP, INC.</b>	<b>PHOENIX ADVISORS, LLC</b>	<b>NW FINANCIAL GROUP, LLC</b>
<b>ADDRESS</b>	24 BROADLAWN DRIVE	600 MIDLANTIC DRIVE, STE. 410N	625 FARNSWORTH AVENUE	2 HUDSON PLACE, 3RD FLOOR
<b>CITY, STATE, ZIP</b>	LIVINGSTON, NJ 07039	MOUNT LAUREL, NJ 08054	BORDENTOWN, NJ 08505	HOBOKEN, NJ 07030
<b>CONTACT NAME</b>	<b>NEIL E. GROSSMAN</b>	<b>KIM M. WHELAN</b>	<b>ANTHONY P. INVERSO</b>	<b>DENNIS J. ENRIGHT</b>
<b>TELEPHONE</b>	973-994-4314	856-234-2266	609-291-0130	201-656-0115
<b>FAX</b>	973-994-4042	856-234-6697	609-291-9940	201-656-4905
<b>E-MAIL</b>	<a href="mailto:NEGBA@VERIZON.NET">NEGBA@VERIZON.NET</a>	<a href="mailto:KWHELAN@ACACIAFIN.COM">KWHELAN@ACACIAFIN.COM</a>	<a href="mailto:AINVERSO@MUNIADVISORS.COM">AINVERSO@MUNIADVISORS.COM</a>	<a href="mailto:DENRIGHT@NWFANCIAL.COM">DENRIGHT@NWFANCIAL.COM</a>
<b>STATEMENT OF OWNERSHIP DISCLOSURE</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>REQUIRED EVIDENCE EEO/AFFIRMATIVE ACTION REGULATIONS QUESTIONNAIRE</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>EQUAL EMPLOYMENT OPPORTUNITY EXHIBIT A</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>ACKNOWLEDGEMENT OF RECEIPT OF ADDENDA</b>	N/A	N/A	N/A	N/A
<b>NJ BUSINESS REGISTRATION CERTIFICATE</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>NON-COLLUSION AFFADAVIT</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>AMERICANS WITH DISABILITIES ACT OF 1990 LANGUAGE</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>ETHICS COMPLAINT DISCLOSURE</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>CERTIFICATION AND DISCLOSURE OF POLITICAL CONTRIBUTIONS</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>DISCLOSURE OF INVESTED ACTIVITIES IN IRAN</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>EIC</b>	CERT.#52163 EXP. 01/15/2028	CERT.#11262 EXP. 06/15/2027	CERT.#36711 EXP. 03/15/2026	CERT.#45453 EXP. 09/15/2024
<b>CITY OF TRENTON RESIDENT EMPLOYMENT</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>DEBARMENT NOTICE</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>CERTIFICATE OF INSURANCE</b>	<b>REQUIRED FROM AWARDED VENDOR WITH SIGNED CONTRACTS</b>	<b>REQUIRED FROM AWARDED VENDOR WITH SIGNED CONTRACTS</b>	<b>REQUIRED FROM AWARDED VENDOR WITH SIGNED CONTRACTS</b>	<b>REQUIRED FROM AWARDED VENDOR WITH SIGNED CONTRACTS</b>
<b>REFERENCES</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>W-9</b>	INCLUDED	INCLUDED	INCLUDED	INCLUDED
<b>60-DAY EXTENSION COMPLIANCE</b>	YES	YES	YES	YES
<b>WILLING TO PROVIDE PRIORITY EMERGENCY SERVICES</b>	YES	YES	YES	YES
<b>TOTAL AMOUNT</b>	<b>SEE BREAKDOWN OF PRICING</b>	<b>SEE BREAKDOWN OF PRICING</b>	<b>SEE BREAKDOWN OF PRICING</b>	<b>SEE BREAKDOWN OF PRICING</b>
<b>EXCEPTIONS (IF ANY)</b>	NONE	NONE	NONE	NONE
<b>FATAL FLAW</b>	NONE	NONE	NONE	NONE

**\*\* ORIGINAL \*\***

**PRICING PROPOSAL FOR RFP # 2021-22 (FINANCIAL ADVISORY SERVICES)  
FOR GB ASSOCIATES LLC**

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 the year. However, we believe (from recent contracts) that it is also the intention of the City that, to the extent possible all financial advisory services be funded from proceeds of debt issuances, as it has not wished to include the cost of financial advisory services in its operating budget. Our proposal will reflect this understanding.

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
- \$2,500 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)
- \$17,000 for each bond issue (NOTE: if multiple series' are sold at the same time, we would charge only one fee)
- 50 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 \$190/hour. However, as noted above, we would include 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.**

**Note that our fee is NOT tied to the size of an issue, as the financial advisor's role does not vary whether a debt issuance is \$5 million or \$50 million.**

**Early in June, the City closed on a sale of Notes that totaled \$20,827,000 million. Our total fee (with no pass-throughs for out-of-pocket expenses) was \$7,500 (less than 0.4% of the par issued) AND we have provided approximately 35 hours of additional service in the last six months at no cost to the City.**

**For the City's last bond issue (totaling \$25,624,000 in December 2020), our fee was approximately 0.65% of the bond issue. Many advisors (with fees tied to size of issuance) would have charged considerably more. In addition, there was a separate series of School Bonds sold with the General Improvement Bonds; some advisors would have deemed that a separate issuance and charged an additional fee. Finally, we do NOT charge for any out-of-pocket expenses (travel, postage/delivery, fax/copying, etc.) that (for many advisors) are an additional cost of utilizing their services.**

*Compensation Proposal.*

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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 \$0.80 per \$1,000 of par value issued, with a minimum fee of \$12,500 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 \$0.80 per \$1,000 of par value issued, with a minimum fee of \$7,500 per issue.

**2. Hourly Basis:**

For general consulting services, Acacia proposes that compensation be based upon the hourly rate of \$200/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: travel, postage, overnight deliveries, and conference calls.



## **Fee Structure.**

Phoenix Advisors, LLC's value-added services and our work as an SEC and MSRB registered municipal advisor in the structuring, issuance, and management of long-term and short-term financing, save you time, effort and, importantly, cost. Further, our debt management advice will position you to plan appropriately for future market access.

Our services, outlined in the enclosed scope of services, encompass the full life cycle of your financing -- from early planning, to public or third-party approval, to rating agency strategy, to development of your offering documents, to closing and post-issuance requirements. When you have retained Phoenix Advisors, you have enlisted an experienced, independent municipal advisor with a fiduciary duty to put your interests first in all matters relating to our engagement.

Phoenix Advisors' compensation is typically **all-inclusive**. We do **not** charge for out-of-pocket expenses, fees for travel time, or attendance at meetings unless specifically delineated. Out-of-pocket expenses are always difficult for a client to monitor and can ultimately be significant, so this is an important and beneficial feature of Phoenix Advisors' compensation arrangement. Third party charges paid through Phoenix Advisors are relayed at our cost. This regularly results in cost savings to clients due to our volume pricing discounts. Moreover, any costs associated with an issuance are customarily built into the issuance and are not current budget expenses for the issuer.

We work toward long, enduring relationships with our clients, and, therefore, collect our debt issuance fee only after the financing closes, unless specifically stated otherwise.

The compensation for municipal advisory services relating to this engagement, which will not be exceeded without prior notification to you, is:

- Bond Issuance:
  - \$9,500 plus \$0.50 per \$1,000 issued (maximum fee of \$24,500)<sup>1</sup>
- Note Issuance:
  - \$1,500 plus \$0.20 per \$1,000 issued (maximum fee of \$10,500)<sup>1</sup>
- Hourly rates<sup>2</sup>:

○ Chief Executive Officer	\$195 per hour
○ Senior Managing Director/Managing Director/Director	\$175 per hour
○ Associate/Analyst	\$ 95 per hour

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<sup>1</sup> Per transaction.

<sup>2</sup> Hourly rates are only if applicable for specialized work outside of a bond or note issuance.

## **COMPENSATION**

For financial consulting/advisory services rendered in connection with the sale of bonds and notes, NW Financial proposes to be compensated based on the following schedule:

**1. Notes:**

For the issuance of notes, NW Financial proposes to be compensated \$1/bond with a minimum of \$7,500 based upon the par amount. This amount shall be payable at the closing of the proposed bond issuance. NW Financial will not invoice unless the bond issuance is finalized and closed.

**2. Bonds:**

For the issuance of bonds, NW Financial proposes to be compensated \$1/bond with a minimum of \$7,500 based upon the par amount. This amount shall be payable at the closing of the proposed bond issuance. NW Financial will not invoice unless the bond issuance is finalized and closed.

**3. Continuing Disclosure Services:**

NW Financial can provide at the Clients request, continuing disclosure services at the hourly rates noted below

**4. Consulting:**

For financial consulting services not related to the issuance of bonds and notes, NW Financial proposes that compensation be based upon the hourly rates established below.

<u>Position</u>	<u>Hourly Rate (\$/hour)</u>
Principal	\$225
Managing Director	\$205
Senior Vice President	\$195
Vice President	\$190
Associate	\$185

