

**Request for Qualifications**  
**Financial Services for Municipal Conduit Issuer**

The ABAG Finance Authority for Nonprofit Corporations (FAN) seeks the services of investment banking or financial services professional to assist with the rebuilding of the FAN program.

The selected financial professional (Consultant) will work with ABAG personnel, the Executive Committee of FAN, the FAN Board, and others to accomplish the tasks enumerated herein.

**Project Background:**

The Association of Bay Area Governments (ABAG) manages the ABAG Finance Authority for Nonprofit Corporations (FAN) for its members throughout the State. FAN issues debt only for projects located in member jurisdictions. FAN is a Joint Powers Agency formed to help eligible nonprofits and other borrowers gain access to tax-exempt and taxable debt financing. FAN simplifies the debt issuance process for both the borrower and the jurisdiction in which the borrower is located by issuing conduit tax exempt or taxable bonds or certificates of participation to finance projects with demonstrated public benefit. FAN has an agreement with ABAG for the purposes of carrying out its responsibilities.

The FAN program has served the community well, but its work was suspended pending an investigation of a serious embezzlement perpetrated by the prior FAN director. In December 2015, the investigation of the embezzlement was concluded and a package of recommendations was proffered by the investigation team retained by the FAN Executive Committee. ABAG Legal Counsel, acting as the FAN General Counsel as well, along with the ABAG Interim Finance Director, the ABAG Interim Financial Services Director, and the ABAG Executive Director conducted or supported the investigation and accepted its conclusions.

Based on the recommendations of the investigation and consulting work, FAN has agreed to establish high quality internal controls, anti-fraud measures, and new financial systems that connect to ABAG's Oracle accounting system. ABAG will assume full control over FAN's management, accounting, administrative, and operational activities, and will implement all the recommendations advised through the consultant retained as part of the investigation. These reports are published on ABAG's website.

FAN used to carry three employees: a director, a securities analyst, and an administrator. There is currently one employee of FAN, an interim director who is planning to leave shortly.

ABAG is interested in how FAN can be used as an economic engine for cities. One of the key areas of exploration is how FAN can be integrated better into the regional planning portfolio of ABAG. Since the loss of redevelopment, cities will need to finance much of their infrastructure to support their development plans. In addition, ABAG is working on issues related to energy

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efficiency, seismic upgrades, enhanced infrastructure finance districts, community facilities districts, and the use of utility bills to finance residential and commercial water and energy efficiency improvements. State agencies are very interested in ABAG's ideas in this area, and it is expected that State agencies will help support ABAG's mission. FAN could play an important role in carrying out these innovations.

**Requested Services:**

The Consultant is expected to market existing FAN products, manage on-going operations, and attract and execute new transactions. The Consultant shall transact business deals as soon as possible to restore an income flow to FAN. Additional personnel to be approved by the FAN Executive Committee may be recommended. In addition, FAN is recommending that the Consultant develop a multi-phase approach in addition to the above. The phases need not necessarily be accomplished in the order discussed here.

- Understand the assets and liabilities of FAN and identify the financial margins of alternative transactions of FAN, examine their potential for success, and recommend any changes in fee structure based on competitive factors.
- Assist in the development of a mission statement for FAN and recommend any changes in bylaws, or a process for considering changes in bylaws, to the FAN Executive Committee.
- Present to a meeting of the larger FAN Board the work that lies ahead, and obtain input and approval for the new mission statement and any proposed bylaw changes.
- Assist in providing any information necessary for the FAN President to prepare a FAN business plan for presentation to the FAN Executive Committee.

**Other Responsibilities:**

The services to be provided by Consultant shall include, but are not limited to, the following duties, as necessary:

- Direction and coordination of all programs of financing.
- Arrange for reports of independent consultants.
- Coordinate efforts for delivery of debt instruments and preparation and verification of closing figures.
- Maintain liaison with Bond Counsel in preparation of all legal documents.
- Provide advice in the preparation of trust documents and the selection of trustees.
- Attend meetings as requested.
- Advise of changes in relevant laws and regulations concerning financial issues.
- Advise and assist in exercising any call and/or refunding bond issuances.
- Provide advice on continuing disclosure requirements in relation to any debt.
- Make recommendations on matters of credit enhancement.

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**Statement of Qualifications:**

The Proposer shall provide a description of his/her history and background, including any experience with conduit and/or land based financings, and identification of the services currently being provided or provided in the past.

Compensation: The Consultant will prepare an acceptable package of deliverables pursuant to a contract that will be negotiated by the parties. The budget for this project is \$100,000. ABAG expects that the services will be performed over a six month time period.

Responses due by: 4:00 p.m. on April 15, 2016.

Address submittals to: Peggy Caruso, Interim Financial Services Director, ABAG, 101 8<sup>th</sup> Street Oakland, California 94607.

Please provide the following information:

1. A brief transmittal letter summarizing the proposer's key skills to accomplish the tasks.
2. A resume or CV that describes the relevant work history of the applicant
3. Three referrals in the financial services industry.