

**Rochester Joint Schools
Construction Board**

**Request
for Proposals**

Bond Underwriter Services
January 4, 2016

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Introduction

The Rochester Joint Schools Construction Board (RJSCB) was created by New York State to implement a Facilities Modernization Program (FMP). Specifically, Chapter 416 of the 2007 Laws of the State of New York (Enabling Legislation) provided for Phase 1 of the FMP and authorizing legislation for Phase 2 was signed into law by the Governor of the State of New York on December 17, 2014. The amended Act authorized up to 26 projects in Phase 2 of the RSMP including a District Wide Technology program which involves technology upgrades and infrastructure work at several of the possible projects. While there may be additional phases in the future, this Request for Proposals for Underwriter Services (RFP) is only for Phase 2. Selection as Underwriter for Phase 2 in no way suggests or guarantees continued contracts through other future phases.

The FMP consists of a joint capital improvement initiative of the Rochester City School District (RCSD) and the City of Rochester (City). For Phase 2, the State has authorized the RJSCB to finance up to \$435 Million of tax-exempt bonds for the renovation of a maximum of 25 school buildings in the Rochester City School District. The RJSCB will structure the Program to have the FMP projects qualify for significant amounts of State school building aid. The RJSCB intends to use state aid and certain local share funds to pay debt service on the bonds. As provided for in the authorizing legislation, the RJSCB will likely avail itself of the State aid intercept provisions of Section 99-b of the State Finance Law.

The RJSCB is an agent of the City of Rochester and the Rochester City School District. The principal offices of the RJSCB are located at 1776 North Clinton Avenue, Rochester, New York 14621.

Responses to this RFP will assist the RJSCB in reviewing the capabilities and/or experience of each respondent in areas such as: understanding of New York State school district building aid formulas and procedures; the sale and distribution of tax-exempt securities; financing through industrial development agencies; financing through the New York State Dormitory Authority (“DASNY”); financing with Certificates of Participation (“COP’s”); and the abilities, creativity and capital sufficiency of the firm. The RJSCB will evaluate the experience and expertise of each firm relative to the overall needs of the RJSCB. The RJSCB expects that one firm will be awarded the Underwriting services. However, it reserves the right to designate more than one Senior Manager if several bond issues are sold.

As described below under the heading “Equal Opportunity,” the RJSCB requires that a minimum of 30% of the work be allocated to M/WBE underwriting firms, and that the Senior Manager and each Co-Manager meet the RJSCB’s workforce diversity goals. Please follow the proposal requirements set forth in Section II, Sub-Section 8 of this RFP regarding diversity matters.

Proposal Requirements

I. Transmittal Letter

Each response should be accompanied by an executive summary not exceeding two (2) pages, which summarizes key points of the responses and is signed by an officer of the firm authorized to commit the firm's resources.

II. Responses

Responses should address the questions or requests for information listed below and be marked with the question or request for information, followed by your firm's response.

1. Description of Firm, Employment Practices and Audited Financial Statements

Provide a brief history and description of your firm, including the structure of your public finance and municipal bond departments. Set forth in tabular form the following financial information regarding your firm: total capital; equity, capital and net capital. Please indicate the limits of your firm's insurance coverage. Please discuss your firm's equal employment opportunity goals, policies and practice. Please indicate your firm's analytical capabilities including software and services. In addition, please provide (1) an organization chart and (2) a listing of the ethnicity/gender distribution of current employees. A copy of your firm's most recent audited financial statement should be submitted.

2. Commitment to Municipal Market

Provide a letter signed by a senior officer stating your firm's ongoing commitment to public finance, particularly in New York, and whether any proposed restructuring of your firm (including the public finance and/or municipal bond departments) could affect your firm's commitment. Specifically, discuss any proposed restructuring that might diminish your firm's commitment. Also discuss any restructuring of your firm within the last two (2) years that has affected your firm's commitment to municipal finance including, but not limited to, employment levels and the utilization of resources in the public finance and/or municipal bond departments.

3. New York State Underwriting

Provide a listing of all New York State bond financings that your firm has senior managed or co-managed since January 1, 2014 for the following: (a) "Big Five" Cities, (b) School Districts, (c) Industrial Development Agencies and (d) State Agencies and public authorities. In tabular form, indicate the name of the issue, the amount of the issue, the type of security and the method of sale. In addition, please provide, separately, similar information concerning your firm's involvement with bonds or notes offered by the City of Rochester and/or County of Monroe, if any, during 2013, 2014 and 2015. Also include similar information regarding your firm's work with the Dormitory Authority of the State of New York (DASNY) and the County of Monroe Industrial Development Agency (COMIDA), if any.

4. Personnel

Identify the primary contact including his/her experience and the investment bankers who will participate on a day-to day basis with the RJSCB's financing team. Please provide resumes for each of these individuals and the experience the proposed team has in similar financings, specifically indicating those financings where your firm served as senior manager. One or more members of the team should have prior experience with New York State school district finance and demonstrate a working knowledge of State school building aid. The RJSCB expects that the senior underwriter will participate in the preparation of the financial plan required by the Enabling Legislation. To that end, please describe your firm's experience working with the Office of the State Comptroller (OSC) and the State Education

Department (SED) preparing similar plans. Describe the role that each member of the proposed team will have in the financing. Also specify the extent of availability and commitment of every person assigned to the project team. Provide the name and telephone number of your firm's primary and secondary contact person.

5. Services

Please describe key services your team will provide as Senior Manager on this financing. Indicate what you foresee as potential financing issues and how your services could help the RJSCB to address these issues.

6. Marketing Strategy

Assuming the current prevailing market conditions, and any presently anticipated changes in those conditions during the next six (6) months, outline your preliminary financing strategy, including how your firm proposes to structure this issue. Discuss the effect that State school building aid may have on the proposed structure. Discuss your preliminary ideas regarding the marketing of the bonds. Indicate market segments that would most likely purchase the bonds and your marketing approach to reach these investors. Provide a brief discussion of the firm's general marketing strategy and distribution capabilities of securities on a national, regional and local scale

7. Tax-Exempt and Taxable Securities Sales Experience

Describe your firm's marketing and distribution capabilities (both institutional and retail) and its commitment to maintain an active secondary market for the RJSCB's bonds. For the years 2014 and 2015, please provide in tabular form, the volume and percent of your firm's sales of tax-exempt securities and taxable bonds to the following investors:

- A. Institutions
- B. Bond Funds
- C. Retail
- D. Other (Specify)
- E. Total

8. Bond Allocation for Co-Managers

Please include as part of your proposal a list of one or more M/WBE underwriting firms that you choose to include on your team. For each firm, please include the information set forth in Sub-Sections 1 - 7 of this Section II. In addition, please include a table showing the proposed allocations between your firm and each participating M/WBE Co-Manager.

Please include information regarding how the Senior Manager and each Co-Manager intend to satisfy the RJSCB's workforce diversity goals of no less than 20% minority workers and 6.9% female workers. Where possible, please list the names and qualifications of each person who will work on RJSCB matters.

As part of your proposal, you will need to include signed originals of Appendixes A, B, C and D. Please include the same items for each proposed M/WBE Co-Manager.

Please discuss how the RJSCB can achieve the lowest interest cost for its bonds while trying to assure the fair treatment of each member of the underwriting group relative to the distribution of: (a) the management fee and (b) the bonds.

9. Compensation and Fees

Please detail all expenses and factors affecting your firm's underwriting costs. Based on the expected size of the bond issue (\$435 million), indicate what you feel would be a reasonable underwriters' discount. Specify amounts for average takedown, risk, management fee and expenses. Underwriter expenses should include all costs and fees such as underwriters' counsel, clearance costs and any other miscellaneous expenses, including those described in MSRB Rule G-11(h)(i). Provide an estimated range for the total underwriting costs for this issue. If the per bond fee varies by issue size, please provide the underwriting costs for each range, up to, and including a \$435 million bond issue.

10. Underwriters' Counsel

The Senior Manager will select underwriter's counsel, however, the RJSCB reserves the right to approve such selection. Please list not more than three (3) law firms you would propose to use as counsel.

11. References

Please provide as references the names of three (3) clients, for whom financings were completed during the last 24 months. One reference should be from an industrial development agency other than COMIDA. For each reference, include the name of the client and the name, title, address and phone number of the officer with the primary responsibility for the financing.

12. Other

Please provide any other relevant information that will assist the RJSCB in evaluating your proposal.

Proposal Information

Proposals must be received in the stated offices of the Rochester Joint Schools Construction Board no later than Noon on Tuesday, January 19, 2016. Proposals will be reviewed and firms will be notified regarding interviews that are scheduled to be conducted the week of January 25, 2016. Final selection is anticipated at the monthly RJSCB meeting on February 8, 2016.

Individuals/firms must submit **one signed original** proposal response set. The original must be clearly marked. **Ten (10) copies** must also be submitted, clearly marked, and each copy in its own binder. Individuals/firms must submit a pdf format electronic version on a compact disc or flash drive. The CD or flash drive is to be enclosed with the signed original.

An electronic version of this document will be made available to each individual/firm in preparing Proposals. Proposals must be submitted as stipulated above to:

Rochester Joint Schools Construction Board
Thomas Renauto, Executive Director
1776 North Clinton Avenue
Rochester, NY 14621

The package shall be marked "**SEALED PROPOSAL-TO BE OPENED BY ADDRESSEE ONLY. – Date Here**". Please ensure that your name/firm's name is included on the outside of the package. If you are using a commercial delivery company that requires you to use its shipping package or envelope, your Proposal should be placed within a second sealed package labeled as detailed above. This will ensure your Proposal is not prematurely opened.

Individuals/firms not able to submit a Proposal are asked to inform the RJSCB of their regrets and interest in future work in writing in order to be considered for future solicitations. This letter should be directed to the above address.

Proposals will not be publicly opened. Cost information will not be released because the award will be made on best value analysis.

Select individuals/firms may be invited to give a formal presentation with time for a question and answer period.

Proposals not received by the time and date shown above will not be considered and shall be disqualified. There will be no exceptions.

In order to be considered for the award, Proposals must be clearly labeled, concise and easy to follow.

Communications/Correspondence

All communications and correspondence relative to this RFP should be sent by electronic mail to: trenauto@aol.com

Questions

To assist any and all individuals/firms in obtaining clarity of scope and a clear understanding of the requirements of this RFP, individuals/firms may present clarifying questions. All questions should be submitted via email to trenauto@aol.com by Noon on Monday, January 11, 2016. Questions and the resulting answers will be sent to all interested parties via email by the close of business on Wednesday, January 13, 2016.

Equal Opportunity

The Rochester Joint Schools Construction Board (RJSCB) recognizes the need to take action to ensure that minority and women-owned business enterprises and minority and women employees and principals are given the opportunity to participate in the performance of contracts of the RJSCB. This opportunity for full participation in our free enterprise system by persons traditionally, socially and economically disadvantaged is essential to obtain social and economic equality. Accordingly, the RJSCB fosters and promotes the participation of such individuals and business firms in contracts with the RJSCB.

Each firm for this undertaking should acknowledge its understanding and support of the social policy herein stated and will be expected to demonstrate its efforts to solicit the participation of such individuals as partners, and/or employees. In this regard, the RJSCB expects the successful firm to undertake or continue the existing programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination. **The RJSCB requires that a minimum of 30% of the work be allocated to M/WBE underwriting firms as Co-Managers, and that the Senior Manager and each Co-Manager meet the RJSCB's workforce diversity goals of no less than 20% minority workers and 6.9% female workers. Please follow the proposal requirements set forth in Section II, Sub-Section 8 of this RFP regarding diversity matters.**

Procurement Process

Pursuant to State Finance Law §§139-j and 139-k, this Request for Proposals includes and imposes certain restrictions on communications between the Board and an Offerer during the procurement process. An Offerer/bidder is restricted from making contacts from the earliest notice of intent to solicit offers through final award and approval of the Procurement Contract by the Board ("restricted period"), to other than the Board's Procurement Officer unless it is a contact that is included among certain statutory exceptions set forth in State Finance Law §139-j(3)(a). The Board's Procurement Officer(s) for this Governmental Procurement, as of the date hereof, is identified on page 6 of this Request for Proposals. Board employees are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the Offerer/bidder pursuant to these two statutes. Certain findings of non-responsibility can result in rejection for contract award and in the event of two findings within a four (4) year period, the Offerer/bidder is debarred from obtaining government Procurement Contracts. Further information about these requirements may be obtained from the Procurement Officer.

APPENDIX A
NON-COLLUSIVE BIDDING CERTIFICATION

By submission of this bid, each individual/firm and each person signing on behalf of any individual/firm certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of knowledge and belief:

- (1) The prices in this bid have been arrived at independently without collusion, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other individual/firm or with any competitor;
- (2) Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the individual/firm and will not knowingly be disclosed by the individual/firm prior to opening, directly or indirectly, to any other individual/firm or to any competitor; and
- (3) No attempt has been made or will be made by the individual/firm to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition.

A bid shall not be considered for award nor shall any award be made where (1), (2) and (3) above have not been complied with; provided however, that if in any case the individual/firm cannot make the foregoing certification, the individual/firm shall so state and shall furnish with the bid a signed statement which sets forth in detail the reasons therefore. Where (1), (2) and (3) above have not been complied with, the bid shall not be considered for award nor shall any award be made unless the head of the purchasing unit of the political subdivision, public department, agency or official thereof to which the bid is made, or his designee, determines that such disclosure was not made for the purpose of restricting competition.

The fact that an individual/firm (a) has published price lists, rates, or tariffs covering items being procured, (b) has informed prospective customers of proposed or pending publication of new or revised price lists for such items, or (c) has sold the same items to other customers at the same prices being bid, does not constitute, without more, a disclosure within the meaning of this certification.

Any bid hereafter made to any political subdivision of the state or any public department, agency or official thereof by an individual/firm for work or services performed or to be performed or goods sold or to be sold, where competitive bidding is required by statute, rule, regulation, or local law and where such bid contains the certification referred to in paragraph one, shall be deemed to have been authorized by the board of directors of the individual/firm, and such authorization shall be deemed to include the signing and submission of the bid and the inclusion therein of the certificate as to non-collusion as the act and deed of the individual/firm.

BY

*LEGAL NAME OF FIRM OR CORPORATION

AUTHORIZED SIGNATURE

ADDRESS

TYPED NAME OF AUTHORIZED SIGNATURE/TITLE

CITY, STATE, ZIP CODE

TELEPHONE/DATE

*Indicate the complete legal name of your firm or corporation. Do not abbreviate. If a corporation, use name as it appears on corporate seal.

APPENDIX B

OFFERER'S AFFIRMATION OF UNDERSTANDING OF AND AGREEMENT PURSUANT TO STATE FINANCE LAW §139-j(6)(b)

Instructions:

In connection with all proposals, bids, RFP's, etc., the Board must obtain the following affirmation of understanding and agreement to comply with procedures on procurement lobbying restrictions regarding permissible contacts in the Restricted Period for a Procurement Contract in accordance with State Finance Law §139-j and §139-k:

By signing below, Offerer affirms that it understands and agrees to comply with the Rochester Joint Schools Construction Board's Procurement Disclosure Policy, which Policy conforms to the requirements of State Finance Law §139-j (3) and §139-j(6)(b).

BY

*LEGAL NAME OF FIRM OR CORPORATION

AUTHORIZED SIGNATURE

ADDRESS

TYPED NAME OF AUTHORIZED SIGNATURE/TITLE

CITY, STATE, ZIP CODE

TELEPHONE/DATE

*Indicate the complete legal name of your firm or corporation. Do not abbreviate. If a corporation, use name as it appears on corporate seal.

APPENDIX C

OFFERER CERTIFICATION OF COMPLIANCE WITH STATE FINANCE LAW §139-k(5)

By signing below, Offerer certifies that all information provided to the Rochester Joint Schools Construction Board with respect to State Finance Law §139-k is complete, true and accurate.

BY

*LEGAL NAME OF FIRM OR CORPORATION

AUTHORIZED SIGNATURE

ADDRESS

TYPED NAME OF AUTHORIZED SIGNATURE/TITLE

CITY, STATE, ZIP CODE

TELEPHONE/DATE

*Indicate the complete legal name of your firm or corporation. Do not abbreviate. If a corporation, use name as it appears on corporate seal.

APPENDIX D

FORM OF OFFERER DISCLOSURE OF PRIOR NON-RESPONSIBILITY DETERMINATION

Name of Individual or Entity Seeking to Enter into the Procurement Contract:

Address: _____

Name and Title of Person Submitting this Form: _____

Contract Procurement Number: _____

Date: _____

1. Has any Government Entity made a finding of non-responsibility regarding the individual or entity seeking to enter into the Procurement Contract in the previous four years?
(Please circle):

NoYes

If yes, please answer the next questions:
2. Was the basis for the finding of non-responsibility due to a violation of State Finance Law §139-j?
(Please circle):

NoYes
3. Was the basis for the finding of non-responsibility due to the intentional provision of false or incomplete information to a Government Entity? (Please circle):

NoYes
4. If you answered yes to any of the above questions, please provide details regarding the finding of non-responsibility below.

Governmental Entity: _____

Date of Finding of Non-Responsibility: _____

Basis of Finding of Non-Responsibility: _____

(Add additional pages as necessary)

5. Has any Governmental Entity or other governmental agency terminated or withheld a Procurement Contract with the above-named individual or entity due to the intentional provision of false or incomplete information? (Please circle):

No

Yes

6. If yes, please provide details below:

Governmental Entity: _____

Date of Termination or Withholding of Contract: _____

Basis of Termination or Withholding: _____

(Add additional pages as necessary)

Offerer certifies that all information provided to the Rochester Joint Schools Construction Board with respect to State Finance Law §139-k is complete, true and accurate.

By: _____

Date: _____

Signature: _____