

Rhode Island Commerce Corporation

March 21, 2016

REQUEST FOR PROPOSALS

INVESTMENT BANKING AND UNDERWRITING SERVICES

INTRODUCTION

The Rhode Island Commerce Corporation (the "Corporation") is seeking proposals from firms with experience in providing investment banking and underwriting services to serve as Senior Managing Underwriter or Co-Senior Managing Underwriter for its proposed 2016 Grant Anticipation Refunding Bonds (the "2016 Refunding Bonds") and proposed new money \$300 million Grant Anticipation Bonds (the "2016 Bonds") (collectively with the "2016 Refunding Bonds", the "Bonds"). The recently adopted Rhode Island Bridge Replacement, Reconstruction and Maintenance Fund Act of 2016 legislation authorizes the Corporation to issue the Bonds.

Additional information about the Corporation, including audited financial statements, can be found on the following websites: www.commerceri.com.

REQUEST FOR PROPOSALS REQUIREMENTS

The Corporation prefers that the respondents keep the proposal to no more than fifteen double sided 8 ½ x 11 pages, not including resumes.

Proposing firm shall submit eight (8) printed copies and one (1) electronic copy (thumb drive in pdf format) of the proposal to:

Rhode Island Commerce Corporation
Attn: Underwriting Services RFP
315 Iron Horse Way, Suite 101
Providence, RI 02908

The proposal must be submitted no later than 2:00pm, March 31, 2016 Eastern Daylight Savings Time. Late submissions will not be accepted.

Questions, interpretations, or clarifications concerning this RFP should be directed by e-mail to William Ash at William.Ash@commerceri.com no later than 12:00pm on March 25, 2016. Responses to questions, interpretations, or clarifications concerning this RFP will be sent to all potential bidders on March 28, 2016 to ensure equal awareness of important facts and details. After the date of publication of this RFP firms may not contact the Corporation's staff directly for information related to this solicitation.

The Corporation accepts no financial responsibility for any costs incurred by a firm in either responding to this RFP, participating in oral presentations, or meeting with the Corporation prior to being hired. The proposals in response to this RFP become the property of the Corporation and may be used by the Corporation in any way it deems appropriate. By submitting a proposal, the firm certifies that it has fully read and understands the RFP, has full knowledge of the scope of work to be provided, and accepts the terms and conditions under which the services are to be performed.

The Corporation reserves the right to interview some, all, or none of the firms responding to this RFP based solely on its judgment as to the firm's proposals and capabilities. The Corporation reserves the right to request and consider additional information from submitters and to reject any and all submittals on any basis without disclosing the reason. No firm may withdraw their submittal for at least 120 days after the time and date set for submission.

The Corporation reserves the right to waive any irregularities and technical defects. The Corporation reserves the right to modify, amend or waive any provision of this RFP, prior to the issuance of a contract for these services.

SCOPE

The managing underwriter(s) selected will be expected to work closely with representatives of the Corporation, the Department of Transportation ("RIDOT") and other members of the financing team. The underwriting firm selected will be expected to provide all of the services typically provided by the senior manager on the negotiated sale of transportation revenue bonds, including, but not limited to:

1. Preparing detailed refunding and new money cash flow scenarios;
2. Reviewing documents related to the financing;
3. Participating in meetings with rating agencies related to the issue;
4. Developing and implementing a marketing plan to encourage a strong investor response to the issue;
5. Leading the bond sale, including ensuring compliance with any federal, state, or local laws, or regulations;
6. Assisting in various matters related to the closing of the bond sale, and providing any certificates or other documents that may be required for the closing of the bond issue;
7. Providing a post-sale report to the Corporation; and
8. Completing all services to the satisfaction of the Corporation, RIDOT, its staff, financial advisor, and bond counsel.

SUBMITTALCRITERIA

The RFP shall include the following items, to be addressed and information to be provided by firms submitting proposals to serve as an Underwriter for the Rhode Island Commerce Corporation, which will assist in the evaluation:

A. Qualification of the Respondent

1. State the name of your firm, address, telephone and fax numbers, and the name and title of the person who will serve as the key contact for your firm with respect to your proposal on behalf of the firm.

State whether you wish to be considered as book-running senior manager or co-

managing underwriter. If your firm is not selected as book-running senior manager, state if you are willing to serve as a co-manager.

2. Please provide a brief introduction to your firm. Describe the businesses in which it is engaged, the number of employees, and number of offices.
3. Describe your firm's commitment to municipal finance. Describe any actions taken to either increase or decrease the size of your municipal finance department in the past 18 months. Provide the number of employees in your municipal finance department and municipal sales underwriting and trading department, as of the date of your proposal.
4. Describe your firm's municipal finance presence in the State of Rhode Island. Please provide the number of employees and number of offices in Rhode Island that are involved in municipal finance business. Please also provide your firm's experience on municipal financings in the State of Rhode Island.
5. State the total capital and net available capital position of your firm as of December 31, 2015.
6. Discuss actual situations where your firm, as book-running manager, used its capital to successfully complete large underwritings in volatile markets.
7. State whether there are any pending investigations or completed investigations within the past five years by the SEC or any other regulatory body regarding the conduct of your firm or the firm's management. In addition, disclose any relationship, contractual or otherwise, that your firm has with the Corporation.
8. State whether there is currently any litigation between your firm and the State of Rhode Island or related entities. The Corporation may choose not to consider any firm that is presently in litigation with the State or related entities.
9. Please assume that the law firm serving as underwriter's counsel will play a lead role in preparing the official statement for this financing. Payment of underwriter's counsel will be made from the underwriting spread – expense component.

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10. Describe your firm’s experience with transportation and GARVEE financings. How many people are devoted to this practice? Identify those people, and state the percentage of their professional time that each devotes to serving transportation clients. Please also provide a summary of the transportation and GARVEE transactions for which your firm has served as an underwriter since January 1, 2011, and specify on the list what role your firm played for each (i.e., senior manager or co-manager).

Transportation Bond Financings

<u>Year</u>	<u>Senior Managed Issues</u>		<u>Co-Managed Issues</u>	
	<u>Number of Issues</u>	<u>Total Dollar Amount</u>	<u>Number of Issues</u>	<u>Total Dollar Amount</u>
2011				
2012				
2013				
2014				
2015				
Totals				

GARVEE Bond Financings

<u>Year</u>	<u>Senior Managed Issues</u>		<u>Co-Managed Issues</u>	
	<u>Number of Issues</u>	<u>Total Dollar Amount</u>	<u>Number of Issues</u>	<u>Total Dollar Amount</u>
2011				
2012				
2013				
2014				
2015				
Totals				

Please provide a list of the financings which are summarized in the table above as an appendix to your proposal.

B. Qualifications of Individuals Assigned to the Engagement

1. Please identify the individual who will be the lead day-to-day representative of your firm on this financing. Provide a brief description of that person's experience serving in a similar lead role on other financings for transportation clients. Identify not more than two other people who will also be part of your firm's day-to-day team on this financing. Explain the roles each would play and provide a brief description of their experience with airport financings.

As an appendix to your proposal, please include resumes for each of the persons identified.

2. Please provide three references, preferably from transportation clients, for the person identified in the question above as your lead day-to-day representative on this financing.

C. Understanding of Key Financing Issues Related GARVEE Bonds

1. Describe what you view as the challenges the Corporation may encounter in the process of obtaining ratings for its Bonds. What issues would you recommend be addressed, and what points should be emphasized in order to receive the highest possible ratings for these Bonds.

Note: In preparing your response to this question, firms are specifically advised not to contact the rating agencies about the Corporation or otherwise discuss the Corporation with representatives of the rating agencies. If the Corporation learns that any firm has made such contacts or engaged in such discussions, that firm will be disqualified from further consideration in this selection process.

2. The Corporation's existing GARVEE bonds were issued as direct GARVEEs. RIDOT is exploring the possibility of issuing its proposed new GARVEE bonds as indirect. Please provide market and rating implications (if any) with concurrently having two programs outstanding.
3. Describe the marketing strategies you would propose, and any other actions you would want the Corporation to undertake, in order to achieve the best possible investor response to The Corporation's bond sale. Please describe the specific steps in your marketing plan, and when such steps would occur in the bond sale process.
4. The Corporation is very cognizant of interest rates. Describe your methodology in pricing this issue. What assurances can you provide in advance of pricing that the Corporation will receive the most competitive interest rate(s) in the marketplace on the sale date?

D. Fees

1. Please present the fees you would propose to charge if your firm were selected to serve as the Corporation's senior managing underwriter on this issue, divided as follows: average takedown, management fee (if any) and underwriters expenses. In addition, please provide the following information:
 - a. The takedowns you would propose by maturity.
 - b. If you propose a management fee, please present only the amount you would propose to receive as senior manager.
 - c. Provide a breakdown of the types of expenses on the transaction for which your firm would expect to be reimbursed, and provide an estimate for each (including underwriter's counsel).

For this response, please provide separate fee proposals for the New Money Bonds and the Refunding Bonds.

For the New Money Bonds, assume a \$300 million project with principal amortizing in years 2025-2031 that results in level annual debt service.

For the Refunding Bonds, assume a structure with principal amortizing in years 2019-2024 that results in level annual debt service.

EVALUATION CRITERIA

Proposals will be evaluated by a Selection Committee, which will be seeking to distinguish which proposer has, through the appropriate combination of several criteria, the abilities to best perform the required services to the satisfaction of the Corporation. While some criteria may be ranked differently than others in the selection process, the proposal that achieves the highest overall ranking will be considered top-ranked by the Selection Committee. The proposals will be evaluated using the following criteria:

- A. Qualifications of the Respondent
- B. Qualifications of Individuals Assigned to the Engagement
- C. Understanding of Key Financing Issues Related to GARVEE bond financings
- D. Fees

ADDITIONAL REQUIREMENTS

Campaign Finance Compliance

Every person or business entity providing goods or services at a cost of \$5,000 cumulated value is required to file an affidavit regarding political campaign contributions with the RI State Board of Elections even if no reportable contributions have been made (RI General Law 17-27). Forms may be obtained at Board of Elections, Campaign Finance Division, 50 Branch Avenue, Providence, RI 02904, (401-222-2056).

Major State Decision-Maker

Does any Rhode Island "Major State Decision-Maker", as defined below, or the spouse or dependent child of such person, hold (i) a ten percent or greater equity interest, or (ii) a \$5,000 or greater cash interest in this business?

For purposes of this question, "Major State Decision-Maker" means:

- (i) All general officers; and all executive or administrative head or heads of any state executive agency enumerated in R.I.G.L § 42-6-1 as well as the executive or administrative head or heads of state quasi-public corporations, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of president, senior vice president, general counsel, director, executive director, deputy director, assistant director, executive counsel or chief of staff;
- (ii) All members of the general assembly and the executive or administrative head or heads of a state legislative agency, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff; and
- (iii) All members of the state judiciary and all state magistrates and the executive or administrative head or heads of a state judicial agency, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel, chief of staff or state court administrator.

If your answer is "Yes", please identify the Major State Decision-Maker, specify the nature of their ownership interest, and provide a copy of the annual financial disclosure required to be filed with the Rhode Island Ethics Commission pursuant to R.I.G.L. §36-14-16, 17 and 18.

OTHER REQUIREMENTS:

In submitting a response to this Request for Proposal, firms hereby understand the following:

1. The Proposer agrees that:
 - a. He/she shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, national origin, ancestry, or physical handicap;
 - b. In all solicitations or advertisements for employees, he/she shall include the phrase, 'Equal Opportunity Employer,' or a similar phrase;
 - c. If he/she fails to comply, he shall be deemed to have breached the present contract, and it may be canceled, terminated, or suspended, in whole or in part, by the Corporation;
 - d. If he/she is found guilty of discrimination under a decision, he/she shall be deemed to have breached the present contract, and it may be canceled, terminated, or suspended, in whole or in part, by the Corporation; and,
 - e. He/she shall include the provisions of subsections (a) through (d) inclusively of this paragraph in every subcontract or purchase order so that such provision will be binding upon such subcontractor or vendor.

- END OF RFP -