

REQUEST FOR PROPOSAL

for

FINANCIAL SERVICES

for

_____, TENNESSEE

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1.0 INTRODUCTION

1.1 Purpose

This Request for Proposal (RFP) is to solicit proposals from qualified companies to serve as financial advisor for _____, Tennessee in connection with a proposed debt issuance of approximately _____ Dollars (\$_____) for _____ capital project purposes. The debt shall be issued under the provisions of Title 9 of the Tennessee Code Annotated. Although it is anticipated that the vehicle will be a tax-exempt bond issue (and this RFP is so structured), companies are permitted and encouraged to submit alternate proposals using other debt vehicles, including but not limited to variable rate loan pool programs.

1.2 Proposal Submittal

Sealed proposals (____ () copies) will be accepted by the _____ City _____ no later than (time) _____ on (date) _____ at the office of the _____ . All proposals must be submitted in accordance with the conditions and instructions provided herein. **All proposals must remain open for acceptance for _____ () days.**

1.3 Schedule

RFP released - _____

Pre-proposal Conference - _____

Deadline for amendments to RFP - _____

Deadline for proposal submittal - _____

Oral presentations - To be scheduled by the _____ City _____

This schedule is intended as a guideline for the timing of various events in this effort. Management requirements and other factors may cause certain of these dates to vary from original intentions. **In no event will the deadline for proposal submittal be changed.**

2.0 GENERAL CONDITIONS

2.1 Conformity with RFP

All proposals must conform with the requirements presented in this RFP. Proposals not in conformity may be rejected. Exceptions to any requirement must be clearly noted in the company's response.

2.2 Uniformity of Proposals

To facilitate evaluation, all proposals must be submitted in the uniform format described in Section 9.0 of this RFP. In addition, all companies submitting proposals are required to submit each of the forms, fully completed, which are attached as Exhibits to this RFP. FAILURE TO COMPLETE THE REQUIRED FORMS COULD RESULT IN PROPOSALS BEING REJECTED. The requirements for companies submitting proposals for tax-exempt bonds are discussed in Sections 4.0 and 5.0. The requirements for companies submitting alternate proposals for loan programs are discussed in Section 6.0. Alternate proposals involving both bonds and loans must furnish all information discussed in Sections 4.0, 5.0 and 6.0. Alternate proposals must be clearly labeled "Alternate Proposal."

2.3 Advisor Agreement

Upon award of this project, the parties will enter into a mutually acceptable written contract. All terms and conditions contained in this RFP, together with the company's materials submitted in response, shall become a part of the contract. All contracts between the parties shall be governed by and enforced in accordance with the laws of the State of Tennessee. The company shall furnish a sample form of the agreement proposed by his/her firm.

2.4 Licenses

The company shall have and maintain all required licenses necessary for it to conduct business in the State of Tennessee.

2.5 Right to Reject Proposals

_____ City reserves the right to reject any or all proposals, to waive technicalities or informality and to accept any proposal deemed to be in the best interest of the City. _____ City reserves the right to seek additional or new proposals and to waive informalities and minor inequities in proposals received.

2.6 Rights to Submitted Material

All proposals, responses, inquiries, or correspondence relating to or in reference to this RFP, and all reports, charts, displays, schedules, exhibits, and other documents provided by companies will become the property of _____ City when received. The company understands that all documents submitted will become public record.

2.7 Non-Collusion

Each company must submit a company affidavit, a copy of which is attached as **Exhibit V**.

2.8 Additional Information

All inquiries or requests for additional information relative to this RFP should be directed to _____
_____. His/Her telephone number is () _____.

3.0 COMPANY INFORMATION

A major consideration in awarding a contract is the experience and services the firm is able to provide, and the company personnel who will be handling the proposed debt issue. The following information must be supplied by each company:

3.1 General Company Information

Please furnish a brief history of your company, including how long in business, municipal bond financial advisory services offered, and major offices located in Tennessee.

3.2 Recent Bond Issues

Please furnish a list of the five (5) most recent municipal bonds and/or loans issued in Tennessee for which your company has served as advisor and/or underwriter, listing for each issue the name of issuer, date, amount, purpose, contact person, address, and telephone number.

3.3 Advisor Representative Resumes

Please furnish a brief resume of each of the key personnel who will be directly responsible for working with the appropriate official(s) of _____ City on this project. The resume should focus on underwriting, financial advisory and investment banking experience and should indicate his or her registration status with the appropriate state and federal authorities. If the personnel whose names are submitted are not in fact the personnel who perform the work in connection with the issuance, the City may terminate the agreement.

4.0 SCOPE OF SERVICES - BOND ISSUE

Each company is required to submit a statement outlining the scope of services which the company proposes to provide. The following items should be addressed for companies submitting proposals for the issuance of tax-exempt bonds:

4.1 Marketing /Oversight and Sales of Bond Issue

The financial advisor shall provide assistance and guidance to the City throughout the process of the debt issuance, including but not limited to the following services:

- ▶ Assist in the solicitation of an underwriter(s).
- ▶ Assist in the receipt and opening of bids relative to bond sales.
- ▶ Bond Counsel - It is the intention of _____ City to use nationally recognized bond counsel. Please indicate the law firm or firms which your company will use on this bond issue. The financial advisor will maintain correspondence with the bond counsel and regulatory officials and assist bond counsel in preparation of all financial documents and assist in the preparation and printing of necessary offering documents (i.e., preliminary and final official statements, official notices of sale, bid forms, and other market documents).

- ▶ Secure a printer of bonds.
- ▶ Arrange for assignment of CUSIP numbers.
- ▶ Arrange for interim financing/credit supplements when needed.
- ▶ Assist in the solicitation of bids for appointment of a trustee and/or paying agent and registrar.
- ▶ Coordinate the proper registration of the bonds.
- ▶ Set a schedule/calendar for financing and issuance with bond counsel.
- ▶ Arrange for closing and transfer of proceeds on the day of closing. The closing must be conducted in Tennessee.
- ▶ Responsible for preparation of all city resolutions in accordance with applicable law.
- ▶ Advertise pending offerings in appropriate national financial press publications and assure distribution of offering documents to a comprehensive list of potential bond purchasers/investors.
- ▶ Coordinate all activities related to the bond issue with the State of Tennessee, Director of Local Finance.
- ▶ Make prudent recommendations as to the size of bond issue, amortization schedules, and reduction and control of debt per capita.
- ▶ Conduct market timing analysis as actual date of closing draws near.

4.2 Rating Agencies and Insurance

_____ City believes a close and on-going relationship with the two (2) major rating agencies (Moody's and Standard & Poor's) is important. Please describe how your firm proposes to seek a rating on the bond issue. Also describe how your company will explore the possibility and feasibility of insuring the bond issue with a nationally recognized municipal bond insurance company, specifying which municipal bond insurance company would be used.

4.3 Capital Planning

The company shall describe the extent to which it proposes to assist in planning for capital improvements through analysis of the city's financial statements, budgets, cash flows, etc., and make recommendations as to the most feasible method of financing future projects.

4.4 Debt and Financial Resource Management

The company shall assist _____ City in analyzing its existing debt and proposed debt and offer suggestions as to the best method of structuring debt principal and interest repayments.

5.0 ISSUANCE COSTS AND DEBT SERVICE SCHEDULE - BOND ISSUE

The following information is required for companies submitting proposals for the issuance of tax-exempt bonds:

5.1 Assumptions

For the purposes of the debt service schedule (**Exhibit I**) and the issuance costs (**Exhibit II**), the following assumptions shall apply: the face amount of the debt will be \$ _____ and the interest rate

shall be the municipal market data general obligation yields as published in the Bond Buyers Guide as of _____ (date). It is understood that the actual debt service schedule utilizing actual rates shall be determined on the actual date of sale of the issue.

5.2 Issuance Costs

Each company must complete all items on the attached Cost of Issuance form, **Exhibit II**, using the assumptions set out in Section 5.1. The proposal submitted shall include all expenses _____. City will be responsible for in connection with the debt issuance. **Any expenses which the company has not listed on Exhibit II in response to this RFP will not be paid by _____ City**, with the sole exception of any legal fees charged by the _____ City Attorney. The costs and expenses detailed below shall in no way limit the company's obligation to disclose all other costs which may not have been mentioned.

5.21 Bond Registrar and Paying Agent

The first and second year costs for the Bond Registrar and Paying Agent shall include, without limitation, the following items:

1. Acceptance fee, if any.
2. Minimum annual fee.
3. Cost to record the bond issue and any additional cost if the financial advisor requires the original registration and then subsequent re-registration when the bonds are sold to the investor.
4. Maintenance fee for records of bond holders.
5. Preparation of interest payment checks.
6. Preparation of IRS forms W9 and W99B.
7. Cost of recording bonds sold and surrendered by the investor for reissuance.
8. Bonds paid at maturity.
9. Service charge for shipping securities, including postage, to holders of the bonds.
10. Other costs to the city. The total cost estimated should be a conservative estimate for city budgeting purposes. Any additional costs shall be the responsibility of the bond registrar and paying agent.

5.22 Investment of Bond Proceeds

Please list the cost of providing investment services for bond proceeds. Please state how the bond proceeds will be invested and who will handle the investments (include appropriate resumes).

5.23 Other Services Fees and Expenses

The company's proposal must include all services and fees your company and any other company necessary in providing services for the bond issuance. The fees and expenses proposed must include, without limitation, the following:

1. Preparation of all city resolutions in accordance with state law.

2. Advertising in accordance with Tennessee law and personal contact with various active bond purchasers.
3. Preparation, printing and distribution of sufficient copies of the final official statement (estimate up to 100 final with the City receiving 10 copies).
4. All legally required publication costs.
5. CUSIP registration fee.
6. Travel and communication expenses of your company relating to this issue.
7. Delivery of bonds to successful purchaser.
8. Debt retirement (amortization) schedules after closing.
9. Other requirements deemed necessary by the financial advisor.

6.0 ALTERNATE LOAN PROGRAM

Any company may submit a proposal utilizing an alternate financing vehicle, including but not limited to variable rate loan pool programs. The proposal must be clearly marked "Alternate Proposal." The following information is required for companies submitting an alternate proposal:

6.1 Scope of Services

- ▶ The company shall describe the services provided, describe the proposed loan program, and method(s) of borrowing and repayment of loan.
- ▶ The company shall coordinate all documentation and transactions as they relate to the finalization of the loan closing, fully describing all aspects of the process.
- ▶ Responsible for preparation of all city resolutions in accordance with applicable law.

6.11 Legal Notices and Advertising

The company shall provide all necessary legal notices and advertisements.

6.12 Governing Law

The company shall comply with all applicable state and federal laws and shall coordinate all activities related to the borrowing with the State of Tennessee, Director of Local Finance.

6.13 Debt and Financial Resource Management

The company shall assist _____ City in analyzing its existing debt and proposed debt and offer suggestions as to the best method of structuring loan repayments.

6.14 Capital Planning

The company shall describe the extent to which it proposes to assist in planning for capital improvements through analysis of the city's financial statements, budgets, cash flows, etc., and make recommendations as to the most feasible method(s) of financing future projects.

6.15 Other Duties

The company may list any other services not mentioned in the scope of services which it is available to perform, itemizing the cost to be charged.

6.2 Loan Closing Costs and Annual Program Fees

The proposal shall include all costs, fees and expenses which _____ City will be expected to pay in connection with the debt. The company shall complete the attached **Exhibit IV** showing loan closing costs and annual program fees. For the purpose of completing **Exhibit IV**, it is to be assumed that the face amount of the loan is \$ _____. _____ **City will not be responsible for any costs, fees or expenses not disclosed on Exhibit IV.**

6.21 Total Closing Costs

Please list the total closing costs (including trustee, administrator, legal, one-time costs, estimated accrued interest, annual add-on/interest rate, etc.).

6.22 Net Closing Costs

Please list the net closing costs (net of any rebates or similar items).

6.23 Closing Costs as a Percentage

Please list the net closing costs as a percentage of the total loan amount.

6.3 Debt Service Schedule

The company shall complete the attached estimated debt service schedule **Exhibit III** assuming the face amount of the loan is \$ _____ and using the company's base (interest) rate for the past _____ years beginning on _____ (date) and ending on _____ (date). The company shall also list a conservative (estimated) interest rate for the city to use for budgeting purposes only.

7.0 SELECTION PROCESS

The selection of a company by _____ City will involve both objective and subjective elements. The process to be used to make this selection is outlined below:

7.1 Request for Proposal (RFP)

This RFP is intended to provide interested companies with uniform information concerning _____ City's requirements, and to result in uniform responses for comparison purposes. In responding to this RFP, **companies must adhere to the required format and use the required forms.**

7.2 Evaluation Criteria

1. Technical Qualifications: Qualifications relating to this work including prior experience and demonstrated ability in related operations. Performance record and quality of work, ability to commit the necessary time required to perform the necessary required services, and qualifications of assigned individuals.

2. Approach methodology
3. Completeness of proposal
4. The company's perceived ability to obtain the best overall financing costs including cost of issuance and/or loan closing costs.

Note: Evaluation criteria is not ranked in order of importance.

7.3 Oral Presentations

Following submission of proposals, oral presentations will be scheduled in advance (by the _____ City Purchasing Agent) to accommodate the scheduling requirements of _____ City. The following limits shall be observed by companies during oral presentations:

The oral presentation may not be considered as a "negotiation session". Only material contained in the original written proposal will be considered in any subsequent evaluations.

Companies will observe time limitations imposed prior to the oral presentation.

Presentations may not exceed _____ () minutes in length.

7.4 Selection

Following the process described above, _____ City will make all decisions regarding selection of the finalists, contract negotiation, and the award of the contract. The decision of _____ City will be considered final.

8.0 PROPOSAL FORMAT (REQUIRED)

Proposals should be written in a concise, straightforward and forthright manner, and superficial marketing statements and materials should be avoided. Proposals should be organized in the following manner, using forms contained in the exhibits where appropriate:

Bonds Proposal Format

1. Statement of company credentials, history, and experience handling tax exempt bond issues.
2. Representative resumes.
3. Recent bond issues.
4. Scope of services provided.
5. Explanation of how investment of bond proceeds will be handled, including appropriate resumes.
6. Debt service schedule **Exhibit I**.
7. Cost of issuance **Exhibit II**.
8. Company affidavit **Exhibit V**.
9. Sample agreement form.

Loan Proposal Format

1. Statement of company credentials, history, and experience.
2. Representative resumes.
3. Recent loans.
4. Scope of services provided.
5. Debt service schedule **Exhibit III**.
6. Loan Closing Costs and Annual Program Fees **Exhibit IV**.
7. Company affidavit **Exhibit V**.
8. Sample agreement form.

9.0 PRESENT OUTSTANDING BONDS, NOTES AND INTEREST

To assist companies in responding to this RFP, information is presented in **Exhibit VI** relative to the current unpaid principal and interest on the City's outstanding general obligation bonds and various notes.

REQUIRED FORMS

The following forms, fully completed, must be submitted:

- Exhibit I - Debt Service Schedule (Bonds Proposal Only)
- Exhibit II - Cost of Issuance (Bonds Proposal Only)
- Exhibit III - Debt Service Schedule (Alternate Proposal Only)
- Exhibit IV - Loan Closing Costs and Annual Program Fees (Alternate Proposal Only)
- Exhibit V - Company Affidavit

EXHIBIT I

TYPE OF BONDS PROPOSED: _____

DEBT SERVICE SCHEDULE (ESTIMATED)

<u>DATE</u>	<u>PRINCIPAL</u>	<u>COUPON RATE</u>	<u>INTEREST</u>	<u>PERIOD TOTAL</u>	<u>ESTIMATED FISCAL YEAR TOTAL</u>
-------------	------------------	------------------------	-----------------	-------------------------	--

ACCRUED

_____	_____	_____
_____	_____	_____

DATED: _____

BOND YEARS: _____

AVERAGE COUPON: _____

AVERAGE LIFE: _____

NIC % _____ Using 100.0000000

TIC % _____

Firm Name

EXHIBIT II

COST OF ISSUANCE

Estimated Amount of Bonds to be Issued \$ _____

Type of Bonds Proposed _____

Section 5.0 Cost of Issuance

The following costs are proposed as an estimated maximum cost for the issuance of bonds:

**Firm's Proposal
for
Cost of Issuance**

	Option A (Without Insurance)	Option B (With Insurance)
LEGAL EXPENSES:		
1. Bond Counsel Cost	\$ _____	\$ _____
2. Bond Closing Cost	_____	_____
BOND REGISTRAR & PAYING AGENT COST AS FOLLOWS:		
1. First Year Cost to the County	_____	_____
2. Second Year Estimate	_____	_____
OTHER SERVICES, VARIABLE COSTS , FEES, AND EXPENSES AS FOLLOWS:		
1. Printing Cost	_____	_____
2. Advertising Cost	_____	_____
3. All other Financial Advisory Fees, Services, and Expenses	_____	_____
TOTAL LEGAL EXPENSES, BOND REGISTRAR, & OTHER SERVICES:	\$ _____	\$ _____
ESTIMATED COST FOR MARKETING OPTIONS AS FOLLOWS:		
1. Underwriter's Discount Fee _____	_____	_____
2. Insurance of Issue	X	_____
3. Credit Rating Agencies Cost	_____	_____
ESTIMATED TOTAL COST FOR MARKETING OPTIONS:	\$ _____	\$ _____
TOTAL ESTIMATED COST	\$ _____	\$ _____

Having read and considered the Request for Proposal (RFP) from _____ City, Tennessee
Any deviations from the Request for Proposal are clearly explained in this attached information.

Firm

Signed

Address

Typed Name

Address

Date

City, State, Zip

EXHIBIT III

(ALTERNATE PROPOSAL)

TYPE DEBT PROPOSED: _____

DEBT SERVICE SCHEDULE (ESTIMATED)

<u>DATE</u>	<u>ANNUAL PRINCIPAL</u>	<u>COUPON RATE (inc. add-on)</u>	<u>ANNUAL INTEREST</u>	<u>FISCAL YEAR TOTAL</u>
-------------	-------------------------	----------------------------------	------------------------	--------------------------

TOTAL AMOUNT	_____		_____	_____
	_____		_____	_____

Dated _____
Bond Years: _____
Average Coupon: _____
Average Life: _____
NIC% _____ Using 100.000000
TIC% _____

Firm Name

EXHIBIT IV
(ALTERNATE PROPOSAL)
SAMPLE LOAN CLOSING COSTS
AND
PROGRAM FEES

Estimated Loan Amount to be borrowed\$ _____

Section 6.0 Loan Closing Costs and Program Fees

The following costs are proposed as an estimated maximum cost:

	Firm's Cost Proposal
CLOSING COSTS:	
_____	\$ _____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
TOTAL CLOSING COSTS	\$ _____
OTHER FEES, EXPENSES, REFUNDS, ETC.:	
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
NET CLOSING COSTS	\$ _____
NET CLOSING COSTS AS A PERCENTAGE OF THE TOTAL LOAN	_____

Estimated annual costs (based on % of outstanding loan principal) - _____ %
 (i.e., marketing fees, liquidity fee, re-marketing fee, trustee fee,
 or any other fees charged on an annual basis)

Having read and considered the Request for Proposal from _____ City,
 Tennessee we hereby submit the following proposal for the City's Consideration.

Any deviations from the Request for Proposal are clearly explained in the attached
 information.

 Firm

 Signed

 Address

 Typed Name

 Address

 Date

 City, State, Zip

EXHIBIT V - COMPANY AFFIDAVIT

The affiant states with respect to this Proposal to _____ City, Tennessee:

I (we) hereby certify that if the contract is awarded to our firm that no member or members of the governing body, elected official or officials, employee or employees of said City, or any person representing or purporting to represent the City, or any family member including spouse, parents, or children of said group, has received or has been promised, directly or indirectly, any financial benefit, by way of fee, commission, finder's fee or any other financial benefit on account of the act of awarding and/or executing a contract.

I hereby certify that I have full authority to bind the company and that I have personally reviewed the information contained in the RFP and this proposal, and all attachments and appendices, and do hereby attest to the accuracy of all information contained in this proposal, including all attachments and exhibits.

I acknowledge that any misrepresentation will result in immediate disqualification from any consideration in the proposal process.

I further recognize that _____ City reserves the right to make its award for any reason considered advantageous to the City. The company selected may be without respect to price or other factors.

Signature _____ Date _____

Name _____ Phone _____

Title _____

Firm Name _____

Type of business organization (corporation, LLC, partnership, proprietorship) _____

Address _____

City, State, Zip _____