



Request For Proposal

Financial Advisor for Special Tax Revenue Refunding Bonds

Issue Date: May 6, 2019

Proposals Due: May 28, 2019 @ 5:00 pm EDT

Pennsylvania Intergovernmental Cooperation Authority

1500 Walnut Street · 16th Floor · Philadelphia, PA 19102 · (215) 561-9160

www.picapa.org

Notice: PICA does not discriminate on the basis of race, color, religion, sex, age, national origin, familial status, handicap or disability. PICA does not discriminate against faith-based organizations.

CONTENTS

I. General Information	1
A. Introduction	2
B. Form of Proposal.....	2
C. PICA Background.....	2
II. Project Summary.....	3
A. Proposal Request.....	3
B. Project Background & Schedule.....	3
C. Statement of Work	3
D. Specific Proposal Instructions	4
III. Proposal Review Process.....	5
A. Evaluation Criteria	5
B. PICA’s Rights.....	6
IV. Disclosure of Litigation and Disclosure of Administrative Proceedings	7

I. GENERAL INFORMATION

A. Introduction

This Request for Proposal (“RFP”) provides information to enable qualified firms to submit proposals to the Pennsylvania Intergovernmental Cooperation Authority (“PICA”) to serve as Financial Advisor with respect to the potential refunding of approximately \$160 million aggregate principal amount of PICA’s Series 2009 and Series 2010 Special Tax Refunding Bonds.

PICA values diversity in the awarding of contracts. Proposals from, or that include, minority-owned, women-owned, veteran-owned and other historically underutilized businesses are encouraged and welcome.

The RFP is issued by PICA. Please submit all questions, inquiries, and requests for information concerning this RFP, in writing (including by electronic mail), by **May 20, 2019** to PICA. Direct all questions to:

Mr. Harvey Rice
Executive Director, PICA
1500 Walnut Street
Suite 1600
Philadelphia, PA 19102

Telephone: (215) 561-9160
E-mail: hrice@picapa.org

Mr. Rice will be the sole point of contact for this RFP. **In order to receive consideration, deliver five (5) copies of the proposal by 5:00 P.M. EDT, on May 28, 2019**, to Pennsylvania Intergovernmental Cooperation Authority, Suite 1600, 1500 Walnut Street, Philadelphia, PA 19102. Attention: Mr. Harvey Rice. These submissions are not returnable. Electronic versions of the proposal may also be submitted to hrice@picapa.org. PICA will not be liable for any cost related to the development, preparation, transmittal or presentation of any proposal submitted in response to this RFP. The last day for questions regarding this RFP will be **May 20, 2019 by 5:00 pm EDT**. Responses to questions that are applicable to all potential respondents will be posted on the PICA website.

This RFP information packet contains instructions governing the proposals to be submitted and the material to be included therein; a description of the project and specific services to be provided; requirements which must be met by a proposer to receive consideration; general evaluation criteria; and other pertinent requirements. The submission of a proposal shall be considered evidence that the proposer has read and agrees to the terms and conditions specified in this RFP.

Any modifications or changes made in this RFP will be made in writing in the form of an addendum issued by PICA and posted on PICA’s website. All proposers will receive written notice of any changes or modifications which may be made by PICA. Any communications from PICA staff or others concerning this proposal request shall not be binding on PICA and shall not in any way be considered as a commitment by PICA.

B. Form of Proposal

In order to be considered, the submitted proposal shall include the following components:

<u>Section</u>	<u>Description</u>
	Signed Cover or Transmittal Letter
Section 1	Description of firm, capabilities, and qualities
Section 2	Understanding of PICA and the current municipal bond market
Section 3	Relevant Project Experience
Section 4	Client References
Section 5	Fee Proposal
Section 6	Other Pertinent Information

In addition to a written proposal, prospective firms may be required to give oral presentations and to meet with the PICA governing board and staff for interviews and discussion. All proposals and other material submitted for this RFP shall become the property of PICA.

C. PICA Background

PICA was created by statute in 1991 to assist the City of Philadelphia (the "City") in overcoming a severe financial crisis. PICA is a public authority of the Commonwealth constituting an agency and instrumentality of the Commonwealth. As set forth in its enabling statute, PICA was created to: "(i) provide cities of the first class with the legal tools with which such cities can eliminate budget deficits that render them unable to perform essential municipal services; (ii) create an authority that will enable cities of the first class to access capital markets for deficit elimination and seasonal borrowings to avoid default on existing obligations and chronic cash shortages that will disrupt the delivery of municipal services; (iii) foster sound financial planning and budgetary practices that will address the underlying problems which result in such deficits for cities of the first class..."

Additional information about PICA and its governing board and staff can be found on PICA's website at www.picapa.org.

Through debt issuance and capital program earnings, PICA has made available in excess of \$1.138 billion to directly assist the City for deficit elimination; funding capital projects; retirement of high interest debt; and a productivity bank. A portion (1.5%) of the City's Wage and Earnings taxes is directed to repay the PICA debt service. All excess funds are returned to the City's General Fund. As of June 30, 2018, PICA's outstanding debt totaled \$168,505,000.

PICA also has the responsibility to evaluate and approve the City's annual Five-Year Financial Plans and monitor compliance with such Plans. PICA is governed by a five member board with one member appointed by the Governor, and the other members appointed by majority and minority leaders of the Pennsylvania House and Senate. PICA's Executive Director is appointed by the Board, and the PICA Staff currently consists of six employees.

PICA has been issuing reports on City of Philadelphia, as part of its legislated focus on “fostering sound financial planning and budgetary practices,” as stated above. All PICA reports can be found on the PICA website at www.picapa.org.

II. PROJECT SUMMARY

A. Proposal Request

PICA is seeking proposals from qualified firms to provide financial advisory services to PICA in connection with the potential refunding of PICA’s outstanding Series 2009 and Series 2010 Special Tax Refunding Bonds. Qualified firms must be municipal advisors registered with the Securities and Exchange Commission ("SEC") in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act. The arrangement will be a one-time contract for a limited negotiated duration.

B. Project Background & Schedule

All documents related to PICA’s outstanding Series 2009 and Series 2010 Bonds can be found on the PICA website at <http://www.picapa.org/about/revenue-bonds/> . PICA’s outstanding bonds are currently rated AAA by S&P Global.

Expected Date of Selection: Selection of financial advisor is expected to be made within approximately three weeks after submission date for proposals.

C. Statement of Work

PICA desires to retain a financial advisor to provide the full scope of services customarily provided by a municipal financial advisor in connection with a public bond issue.

The services will include, but are not limited to, any or all of the following:

- Advise PICA on the feasibility of the proposed bond refunding transactions and optimal financing structures, and maximize investor support for each transaction;
- Manage the implementation of the bond transactions, including advising and supporting PICA in selecting the financing team (such as underwriters); negotiations and discussions of business terms with relevant parties; and developing and analyzing plans of finance;
- Act as PICA’s representative when communicating with underwriters and rating agencies, as requested;
- Maintain a pricing database summarizing and comparing PICA’s historical pricings relative to market indices, other comparables, orders and allotments and established pre-sale goals;

- Assist in the preparation and review of preliminary and final official statements for adequacy and accuracy of disclosure;
- Advise PICA on areas of industry-specific knowledge that may impact the Bonds, including legal or regulatory developments;
- Provide information on other major national, state and local debt issuances as a reference for PICA Bonds;
- Provide additional services and economic or financial advice which may become necessary on a day-to-day basis;
- Provide requested assistance with respect to defeasance or escrow accounts, bond redemptions and prepayments;
- Bidding investment agreements and investments for refunding escrow agreements, as appropriate;
- Provide financing timetables and distribution lists;
- Develop rating strategies and coordinate rating agency presentations;
- Develop and coordinate credit enhancement and bond insurance strategies including assistance in procuring credit enhancement and bond insurance as appropriate;
- Advise PICA in preparing and delivering presentations designed to facilitate an understanding of PICA's financing programs;
- Assist PICA in preparing various disclosure documents;
- Participate in pricing discussions, provide data on market comparables and indices. Provide cost-benefit analyses of different structuring and pricing options, and independent pricing view for each maturity, considering available coupon and price options. Recommending fair pricing levels for current issues with respect to historical pricing and comparable credits; and
- Provide trading performance reports including refunding monitors, peer pricing and long term market updates.

D. Specific Proposal Instructions

Proposals in hard copy should be letter size, stapled, or spiral-bound format, and limited to 10 pages in length (excluding the letter of transmittal, and any appendices). Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP.

Proposals should address the following subjects:

<u>Section</u>	<u>Description</u>
Letter of Transmittal Section 1	Description of Firm including: unique capabilities of firm; record of providing financial advisory services; firm location; whether the firm is a state or locally registered M/W/DSBE firm; its commitment to diversity; a schedule of all similar work previously performed; a commercial activity license issued by the City of Philadelphia and a business income and receipts tax (BIRT) account number issued by the City of Philadelphia;
Section 2	Understanding of PICA and the current municipal bond market.
Section 3	Relevant Experience.
Section 4	Client references, any previous experience with the City of Philadelphia or its component units.
Section 5	Fee Proposal.
Section 6	Other pertinent information.

In addition to a written proposal, prospective firms may be required to give oral presentations and to meet with PICA for interviews and discussion.

III. PROPOSAL REVIEW PROCESS

A. Evaluation Criteria

All proposals which meet the minimum respondent requirements and the minimum proposal submission requirements will be reviewed and evaluated for completeness and responsiveness according to standards and selection criteria determined by PICA. Factors for consideration will be evaluated from information supplied in response to the RFP.

PICA shall evaluate proposals using the following criteria:

1. Understanding of PICA.
2. Experience with municipal bond issuance and refunding transactions.
3. Experience, expertise and capability of respondent in providing service to PICA or other similar state or local entities. Particular attention will be given to the size, experience, expertise, capability, reputation and location of the office expected to perform the work and its staff, although the size, experience, expertise, capability and reputation of the overall firm will be considered as well.
4. Specific plans or methodology, including time factors to be used to perform the services.

5. Local presence in the City of Philadelphia or the Commonwealth of Pennsylvania.
6. Small diverse business participation.
7. Cost estimates for the work to be provided.
8. References from other clients.
9. Completeness of proposal and satisfaction of requirements and specifications set forth herein.

The proposals will be evaluated as a whole with no single selection factor expected to be controlling.

B. PICA's Rights

PICA reserves and may exercise the following rights and options with respect to this selection process:

1. To reject any and all proposals and cancel or reissue the RFP at any time prior to execution of a final contract.
2. To supplement, amend, or otherwise modify this RFP at any time prior to selection of one or more proposers for negotiation and to cancel this RFP with or without issuing another RFP.
3. To negotiate pricing and other terms of the engagement, to accept or reject any or all of the items in any proposal and award the contract in whole or in part, if it is deemed in PICA's best interest to do so.
4. To reject the proposal of a proposer that, in PICA's sole judgment, has been delinquent or unfaithful in the performance of any contract with the City and/or the Commonwealth, is financially or technically incapable or is otherwise not a responsible proposer.
5. To waive any minor informality, defect, or deviation from this RFP that is not material to the proposal.
6. To request that some or all of the proposers clarify, modify or supplement proposals.
7. As an aid in the selection process, PICA may request interviews or oral presentations from one or more proposers prior to commencement of any contract negotiations.
8. As an aid in the selection process, PICA may request to visit the proposer's local office as a means of verifying the firm's capability to perform the work.

9. PICA may conduct investigations with respect to the qualifications of each proposer and call upon references.
10. Any proposer who is selected by PICA to perform work on this project shall be required to enter into a written contract with PICA that includes all requirements of law applicable to contracts with an agency of the Commonwealth, including the Commonwealth's standard Nondiscrimination/Sexual Harassment Clause, an indemnification of PICA by the proposer, rights of PICA to terminate such contract, and insurance requirements applicable to the proposer.
11. All materials produced under any contract with the successful proposer shall become the property of PICA.
12. As a public agency, PICA is subject to the Commonwealth's Right-to-Know Law.
13. PICA may make awards to multiple entities of all or a portion of the work covered by this RFP.

IV. DISCLOSURE OF LITIGATION AND DISCLOSURE OF ADMINISTRATIVE PROCEEDINGS

Describe, for the five-year period preceding the date of this solicitation, any judicial or administrative proceeding, involving the respondent, that is material to respondent's business or financial capability or to the subject matter of this solicitation, or that could interfere with respondent's performance of the work requested by this solicitation, including, but not limited to, any civil, criminal or bankruptcy litigation; any debarment or suspension proceeding; any criminal conviction or indictment; and any order or agreement with or issued by a court or local, state or federal agency.