

**REQUEST FOR PROPOSALS (RFP)
FOR
FINANCIAL ADVISORY SERVICES**

Appointment to the New Jersey Economic Development Authority's
School Facilities Construction Refunding Sale – Spring 2012

**Issued by the
State of New Jersey
Treasurer's Office**

Date Issued: January 27, 2012

**Responses due by 3:00 PM NJ Time on
Friday, February 10, 2012**

Andrew Sidamon-Eristoff
State Treasurer
State of New Jersey
Department of the Treasury

REQUEST FOR PROPOSALS (RFP): FINANCIAL ADVISORY SERVICES

1. PURPOSE AND INTENT

The Treasurer of the State of New Jersey (the "State") is soliciting proposals on behalf of the NJ Economic Development Authority ("NJEDA") from qualified firms interested in serving in the role of Financial Advisor in order to provide advice and assistance to the State and the NJEDA in connection with the NJEDA's Spring 2012 competitive School Facilities Construction Refunding Bond Sale. Your firm is invited to submit a proposal.

The State and the NJEDA intend to select one Financial Advisor (the "Advisor"). The Advisor is expected to have a thorough understanding of the NJEDA's statute, rules and regulations, covenants and contracts pertaining to its School Facilities Construction Bonds. The selected firm is expected to structure refunding scenarios from a given set of assumptions provided by the State and the NJEDA. The selected firm is also expected to review, analyze and recommend appropriate strategies that meet the State's and the NJEDA's financial goals, budgetary objectives and debt management standards, all as further described in the "Scope of Services" below.

The contract's term will begin upon the award of the contract and end with providing all post-issuance information after the successful closing of the refunding. The State and the NJEDA reserve the right to terminate the engagement at their convenience and without cause.

Bonds, refunding bonds, notes and other obligations may be issued by the NJEDA under the Educational Facilities Construction and Financing Act, L. 2000, c. 72, §§ 1-30, 57-71, as amended and supplemented (the "Educational Facilities Act") to finance or refinance the cost of various school facilities projects throughout the State. The Educational Facilities Act was enacted in response to various New Jersey Supreme Court rulings relating to the provisions of the New Jersey Constitution which guarantee a thorough and efficient system of public schools. Pursuant to the Educational Facilities Act, the NJEDA is authorized to finance and refinance from time to time, through the issuance of bonds, refunding bonds, notes and other obligations, certain costs of School Facilities Projects to be undertaken in the State, subject to statutory limitations contained in the Educational Facilities Act. Bonds, refunding bonds, notes and other obligations issued under the Educational Facilities Act are special, limited obligation of the NJEDA payable solely from and secured solely by pledged property which consists primarily of amounts received by the NJEDA pursuant to a Contract between the NJEDA and the State Treasurer (the "State Contract"). All amounts payable under the State Contract are subject to and dependent upon appropriations being made from time to time for such purposes by the New Jersey State Legislature. The New Jersey State Legislature has no legal obligation to make any such appropriation. No proceeds of any obligations issued under the Educational Facilities Act secure any of the obligations that have been issued thereunder.

2. MINIMUM REQUIREMENTS

All firms must meet the minimum requirements specified below. Failure of a firm to meet all of the minimum requirements will result in the proposal's immediate rejection.

- The firm must have served in the role of financial advisor from Calendar Year 2009 to the present to a state-level authority or agency in connection with a competitively bid refunding transaction.
- The firm must have served as financial advisor from Calendar Year 2009 to the present to a governmental entity on a minimum of three (3) bond transactions each with a par amount in excess of \$50 million, repayment of which was either a general obligation, subject to annual appropriation or a dedicated revenue obligation of such governmental entity.

3. SCOPE OF SERVICES

The selected Advisor will work with the State and the NJEDA and other professionals selected by the State and the NJEDA on the School Facilities Construction refunding plan anticipated for Spring 2012. The bonds will be sold competitively. The Advisor selected will be required to provide all of the services identified below, as requested by the State and/or the NJEDA.

- 3.1. Gain a working understanding of the NJEDA's School Facilities Construction debt.
- 3.2. Attend all document and working group meetings.
- 3.3. Recommend structures for each specific refunding series being issued in order to minimize overall debt service costs.
- 3.4. Assist in drafting and reviewing relevant bond documents, including, but not limited to, a preliminary official statement, a final official statement, a notice of sale, a bid proposal form, and a supplemental bond resolution.
- 3.5. Assist in preparation of materials, presentations, discussions, meetings and other communications with rating agencies, insurers, credit enhancers and investors.
- 3.6. Obtain bids for credit enhancement and recommend efficient utilization of available credit enhancement, including but not limited to bank facilities and bond insurance, as applicable. Obtain bids for verification agent and bidding agent services as applicable.
- 3.7. Coordinate printing and posting of preliminary and final official statements.
- 3.8. Advise on the timing of the sale and issuance of the obligations.
- 3.9. Confirm all bids and identify the low bidder.
- 3.10. Identify investment opportunities that provide savings and improve the efficiency or execution of a transaction.
- 3.11. Coordinate with the verification agent.
- 3.12. Collect and maintain costs-of-issuance information.

4. REQUIRED COMPONENTS OF THE PROPOSAL

Each firm submitting a proposal must follow the instructions contained in this RFP in preparing and submitting its proposal. The proposing firm is advised to thoroughly read and follow all instructions. A proposal must contain all of the information in the order and format indicated below. All terms and conditions set forth in this RFP will be deemed to be incorporated by reference in their entirety into any response submitted by your firm. All proposals received, and any information contained therein, are subject to disclosure in accordance with the NJ Open Public Records Act. Interested firms must respond to all of the questions listed below:

In your proposal please respond to each question by repeating the question at the top of the section and referring to the question by the numbers used in this RFP.

- 4.1 Provide an executive summary of not more than one page indentifying and substantiating the basis of your contention that you are the best qualified firm to provide the requested financial advisory services to the State and the NJEDA. **Explicitly state how your firm meets the minimum requirements identified in Section 2.**
- 4.2 Provide the name, title, business address, e-mail address, telephone number and fax number of the individual the State should contact regarding your proposal.
- 4.3 Provide a brief description of your firm, its ownership structure and its state/country of incorporation or formation. Describe your firm's physical presence in the State of New Jersey, including the number of offices, the number of employees and the type of business activity conducted in the State. Also, please describe the participation of women and minorities in your firm. Please indicate the percentage of your firm that is owned by women and minorities.

- 4.4 Provide a staffing plan listing those persons who will be assigned to the transaction, including the designation of the person who would have the primary responsibility for the engagement. Include for each person the relevant resume information including, at a minimum, a description of the person's relevant professional experience, and type of experience and number of years with the firm. Also, for each individual, identify what role, if any, the individual will perform in connection with the transaction described in Section 3, above.
- 4.5 List the blended hourly rate which you would expect to charge for any individual who would be responsible for providing assistance. Also, please provide your fee cap for successfully completing this transaction.
- 4.6 Please provide any additional information you consider relevant to the selection process, such as prior advisory experience with the issuer or the State; other recent transactions of this nature; or anticipated extraordinary expenses.
- 4.7 Given the constraints of the School Facilities Construction refunding program, please provide your ideas for a structure that best fits the State and the NJEDA. Please address the various risks inherent in the proposed structure(s) and any key dates or market timelines that may affect the ability to execute a competitive transaction in that regard (limit 3 pages).
- 4.8 List all ideas that your firm has presented in writing to the Office of Public Finance or the Office of the State Treasurer for the period beginning January 1, 2010 through the date of this RFP. Include the submission date, and a synopsis of the idea.
- 4.9 Provide as an appendix, all appropriate schedules of your quantitative analysis that supports Section 4.7.
- 4.10 Identify any existing or potential conflict of interest, or any relationships that might be considered a conflict of interest, that may affect or involve transactions of the State or the NJEDA.
- 4.11 Describe any pending, concluded or threatened litigation, administrative proceedings or federal or state investigations or audits, subpoenas or other information requests of or involving your firm or the owners, principals or employees thereof during the period beginning January 1, 2009 to the present. Describe the nature and status of the matter and the resolution, if any.
- 4.12 List any sanctions or penalties brought against your firm or any of its personnel (including suspension or disbarment) by any regulatory or licensing agencies. Include a description of the reasons for the sanction or penalties and whether such sanctions or penalties are subject to appeal.
- 4.13 Provide as an appendix, the last two G37 reports your firm has filed and if applicable, form G38t.

5. SUBMISSION OF THE PROPOSAL

All respondents are required to limit their proposals to ten (10) pages or less (exclusive of appendices) at no smaller than twelve (12) point type. Excess pages and extraneous materials or appendices will detract from the overall quality of the response. **JOINT PROPOSALS WILL NOT BE PERMITTED.** All documents and information submitted in response to this RFP generally shall be available to the general public as required by Executive Order No. 26 and applicable law.

Communications with representatives of the State or the NJEDA concerning this request, by you or on your behalf, are NOT permitted during the submission process (except as specified below). No telephone inquiries will be accepted. If you have questions or require clarification on any aspect of this RFP, please forward the request via email to: RFQresponses@treas.state.nj.us. Questions must be submitted by February 2, 2012. The State will post answers on the Office of Public Finance website at: http://www.state.nj.us/treasury/public_finance/ on or about February 6, 2012.

The State and the NJEDA will not be responsible for any expenses in the preparation and/or presentation of the proposals and oral interviews, if any, or for the disclosure of any information or material received in connection with the solicitation, whether by negligence or otherwise.

The State and the NJEDA reserve the right to request additional information or clarification, if necessary, or to request an interview with firm(s), or to reject any and all proposals with or without cause, and waive any irregularities or informalities in the proposals submitted. The State and the NJEDA further reserve the right to make such investigations as deemed necessary as to the qualifications of any and all firms submitting proposals. The State and the NJEDA reserve the right to negotiate lower prices with responding firms as deemed in the best interests of the State and the NJEDA. Responding firms may withdraw their proposal at any time prior to the filing date and time by written notification signed by an authorized agent of the firm. The proposal may thereafter be resubmitted, but only up to the final filing date and time.

The responding firm assumes sole responsibility for the complete effort required in this RFP. No special consideration shall be given after proposals are opened because of a firm's failure to be knowledgeable about all the requirements of this RFP. By submitting a proposal in response to this RFP, the firm represents that it has satisfied itself, from its own investigation, of all the requirements of this RFP.

Four (4) copies of your proposal (one (1) signed original and three (3) copies) plus a CD with all appendices must be delivered by courier or overnight express mail, no later than 3:00 PM on February 10, 2012 to: James Petrino, Director Office of Public Finance, State of New Jersey, 50 West State Street, 5th floor (hand delivery) P.O. Box 005, Trenton, NJ 08625. No fax or email proposals will be accepted. Proposals received after the time and date listed above will not be considered.

6. SELECTION PROCESS

All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. Responsive proposals will be reviewed and scored by an evaluation committee pursuant to the grading scale it creates. The State reserves the right to request clarifying information subsequent to submission of the proposal if necessary. The criteria used to evaluate responsive proposals shall include, but not be limited to, ideas, expertise, capacity, experience and personnel in accordance with Executive Order No. 26.

Interviews may be conducted, at the option of the evaluation committee, with any or all of the firms submitting a proposal. If interviews are to be held you will be notified approximately one week in advance.

7. STATUTORY REQUIREMENTS

A. The following documents must be completed, included and submitted with the bid proposal. All forms listed below can be downloaded from the Department of the Treasury website at: <http://www.state.nj.us/treasury/purchase/forms.html>.

- Standard Terms and Conditions;
- Ownership Disclosure;
- Disclosure of Investigations and actions Involving Bidder;
- MacBride Principles;
- Affirmative Action Employee Information Report;
- Set Off for State Tax; and
- Source Disclosure Certification Form.

NOTE: A copy of a valid New Jersey business registration must be submitted. If not already registered with the New Jersey Division of Revenue, registration can be complete on-line at the Division of Revenue website: <http://www.state.nj.us/treasury/revenue/index.html>.

B. Specific Statutory Requirements

1. Chapter 51 and Executive Order No. 117. Pursuant to Public Law 2005, Chapter 51 ("Chapter 51") and Executive Order No. 117 (Corzine 2008) ("Executive Order 117"), State departments, agencies and authorities are precluded from awarding contracts exceeding \$17,500 to vendors who make certain political contributions on and after October 15, 2004, to avoid any appearance that the selection of contracts is based on the contractors' political

contributions. Chapter 51 also requires the disclosure of all contributions to any political organization organized under 26 U.S.C. 527 that also meets the definition of a “Continuing political committee” within the meaning of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. **Failure to submit the certification and disclosure form(s) shall be cause for rejection of your firm’s proposal.** Please consult the websites listed below for information and forms relating to Chapter 51 and Executive Order 117.

Website: http://www.state.nj.us/treasury/purchase/forms/eo134/c51_eo117_cd_02_10_09.pdf

Instructions: http://www.state.nj.us/treasury/purchase/forms/eo134/c51_eo117_cd_instr%2002_2009.pdf

The firm or firms selected pursuant to this RFP shall be required to maintain compliance with Chapter 51 and Executive Order 117 during the term of its or their engagement.

2. Chapter 271. Pursuant to Public Law 2005, Chapter 271 (“Chapter 271”), your firm is required to disclose its (and its principals’) political contributions within the immediately preceding twelve (12) month period prior to entering into a contract. No prospective firm will be precluded from entering a contract with the State by virtue of the information provided in the Chapter 271 disclosure provided the form is fully and accurately completed. Prior to award of this engagement, the firm selected pursuant to this RFP shall be required to submit Chapter 271 disclosures. Please refer to <http://www.state.nj.us/treasury/purchase/forms/CertandDisc2706.pdf> for a copy of the Chapter 271 disclosure form. **It is not required to be completed in connection with the submission of your proposal.**

If selected pursuant to this RFP, please also be advised of your firm’s responsibility to file an annual disclosure statement on political contributions with the NJ Election Law Enforcement Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if your firm receives contracts in excess of \$50,000 from a public entity during a calendar year. It is your firm’s responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at (888)313-3532 or www.elec.state.nj.us.

3. Chapter 92. In accordance with Public Law 2005, Chapter 92, all services performed pursuant to this engagement shall be performed within the United States of America.