

GLWA-CS-041

Request for Proposal for Underwriting Services

Bulletin #2

Posted March 29, 2016

Please See Below for Update Information Pertaining To:

Proposer's Questions & Revised Appendix "C"

This bulletin #2 is hereby made part of the above referenced RFP and shall be taken into consideration by all respondents to this RFP.

Proposer's Questions/Answers

Responses to proposer questions

1) **Question:**

Please clarify as to whether Appendices A, B and D need to be filled out by a respondent, as there is no mention in the body of the RFP about any appendix besides the cost proposal (Appendix C).

Answer:

- a) Appendix A; business questionnaire has been replaced with EEOC form which must be completed and accompany proposal; See Bulletin #1
- b) Yes, Appendix B & C need to be completed and must accompany proposal.

2) **Question:**

Can you please provide the following (or access to copies on a website or virtual data room):

- a. Most recent investor presentations for water and sewer bonds
- b. Final bond number runs for the 2014 and 2015 bond transactions for each of the water and sewer issues.
- c. Surety policies including premiums due to insurers as applicable (Do any of the outstanding insurance policies have deferred premiums or where they all paid upfront? Any ongoing costs and frequency of payment for each surety policy outstanding.)
- d. A breakdown on refunded/tendered term bonds by sinking fund payment (or the current sinking fund schedules for each of the term bonds for the water and sewer bonds where there has been a partial tender or partial refunding)
- e. Please provide a breakdown of the DSRF balances by series for each of the water and sewer bonds.

Answer:

Respondents should use their best inference to the questions included in the RFP based on publicly available information.

- 3) **Question:**
Is Appendix A (page 15) required to be completed by Underwriting firms? It appears that this appendix is related to the procurement of a communications / public relations firm and is not intended for Underwriters / Broker-Dealers.
Answer:
Please see question and answer #1
- 4) **Question:**
Question C.iv. (page 11) asks us to provide resumes in an appendix. Can this list of resumes supplant the Appendix B (page 17) or should we provide resumes and fill in Appendix B matrix?
Answer:
Proposers are to provide resumes and complete Appendix B.
- 5) **Question:**
Typically in an underwriting engagement, the Bond Purchase Agreement governs the contractual relationship between underwriter and issuer. Therefore, Appendix E appears to be related to a more typical vendor (i.e. not an underwriter) – are we required to complete Appendix D (Exceptions to the contract) and Appendix E given that a market-standard Bond Purchase Agreement would be in place in an actual bond sale?
Answer:
Proposers are to complete the Contract Terms and Conditions Exception Checklist.
- 6) **Question:**
In the body of the RFP, it is stated that the Cost Matrix form is shown in Appendix A, however, the current Appendix A is the Business Information Questionnaire. This Questionnaire does not appear to be very relevant to the services an underwriter would provide. Can you please a) consider removal of the Questionnaire and b) please confirm that the Cost Matrix would take its place as Appendix A?
Answer:
Appendix A (Business Questionnaire) has been replaced with the EEOC form which must be completed. Proposers should not complete the Business Questionnaire. The cost matrix is Appendix C and must be completed and accompany proposals.
- 7) **Question:**
Regarding the Cost Matrix (currently included as Appendix C), are there certain transaction sizes that GLWA would like us to assume or should we make our own assumptions on transaction size?
Answer:
Please use the transaction ranges below for Appendix C:
\$50 million to under \$100 million
\$100 million to under \$150 million
\$150 million to under \$250 million
\$250 million to \$500 million
Over \$500 million
- 8) **Question:**
Appendix D references a “Contract Terms and Conditions Compliance Checklist.” We were unable to find such a checklist in the RFP. If such a checklist will be required, please provide a copy.
Answer:
Appendix D is the checklist in which proposers should reference any terms within the sample contract that they take exception. The sample contract (Appendix E) follows the Contract Terms and Conditions Exception Checklist.
- 9) **Question:**

Appendix E contains a Professional Services Contract. This is not market-standard for municipal bond underwriting services and contains a number of provisions that we could not agree to as currently stated. We are typically governed by the terms set forth in a Bond Purchase Agreement (“BPA”), which is transaction-specific and is reviewed and negotiated by all parties throughout the process of a bond transaction. Is it GLWA’s expectation to enter into this Professional Services Contract or will it utilize the market standard approach of utilizing a BPA?

Answer:

Any provisions in the sample contract (Appendix E) in which a proposer could not agree should be noted in the Contract Terms & Condition Exception Checklist (Appendix D).

10) Question:

Is a signature needed on Section B (Disclosure Statement) if it is already provided on the transmittal letter in Section A?

Answer:

Yes, a signature is needed on the disclosure statement.

11) Question:

Will proposals to serve as selling group member be considered??

Answer:

GLWA is currently seeking proposals for managers and co-managers for underwriting.

