

REQUEST FOR PROPOSAL FINANCIAL ADVISOR TO THE RHODE ISLAND COMMERCE CORPORATION

INTRODUCTION

The Rhode Island Commerce Corporation (the "Corporation") is seeking the services of a Financial Advisor to assist in the planning and issuance of bonds on behalf of the Corporation. The Corporation primarily acts as a conduit issuer.

BACKGROUND

The Corporation is a quasi-public entity created pursuant to Rhode Island General Laws Sec. 42-64-1 et. seq. The Corporation is empowered to issue bonds consistent with its enabling legislation, which primarily consists of conduit issuances in relation to projects for state agencies, other quasi-public entities, as well as private corporations.

The Rhode Island General Assembly enacted legislation authorizing the Corporation to issue bonds in relation to the State's Historic Preservation Tax Credits and it is anticipated that this issuance will be in the approximate amount of \$75 million. Applicants are asked to provide fee quotes in relation to this issuance as well as for more general services as discussed below.

Minimum Applicant Requirements

1. Financial Advisor shall be registered with the SEC as required under section 975 of Title IX of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act").
2. Financial Advisor shall have the appropriate certifications to undertake business within the State of Rhode Island.
3. Financial Advisor shall be available as needed in Providence Rhode Island for meetings and be generally familiar with the State.
4. Financial Advisor shall procure and maintain insurance of the types and minimum amounts stated:

<u>Type</u>	<u>Amount</u>
Professional Liability / Error and Omissions	\$2,000,000
Comprehensive or Commercial Gen. Liability	\$1,000,000
Comprehensive or Business Auto Liability	\$1,000,000
Worker's Compensation	\$ Statutory

5. Financial Advisor shall hold harmless the Corporation and indemnify the Corporation for any negligent act or omission of the Financial Advisor.
6. Financial Advisor must be an independent advisor specializing in providing municipal advisory services solely on debt transactions.

SCOPE OF SERVICES

Role of Financial Advisor

1. Serve as the Corporation's advisor on debt financing projects.
2. Provide independent financial advice and serve solely the interests of the Corporation.
3. Assist in the management of the bond financing process and negotiate key business points to accomplish the Corporation's objectives.

Services to be provided

The services to be provided by the selected Financial Advisor will include, but are not limited to, the following:

A. Participant Assistance:

- Evaluate possible financing options for the Corporation,
- Evaluate potential underwriters for a negotiated sale or define process for competitive sale,
- Evaluate and assist in securing credit enhancement if necessary,
- Evaluate trustee proposals

B. Participant Financial Condition Review

- Evaluate participant credit quality and financial strength using typical industry standards,
- Review, evaluate and comment on adequacy of financial forecast studies,
- Prepare written report to the Corporation regarding the feasibility of issuing the bonds and sufficiency of revenues and funds pledged to support the bonds.

C. Bond Document Participation and Review

- Attend all organizational, document review, and special meetings related to a bond financing,
- Evaluate, advise, and consult with the Corporation and bond counsel regarding financial and non-financial bond covenants of each bond issue,
- Assist in furnishing materials and data to rating agencies, bond insurers, and letter of credit providers,
- Assist in structuring bond transaction for competitively sold bond issues.

D. Official Statement Review and Preparation

- Assist in team discussions in conjunction with counsel on form, content, and sufficiency of information in the official statement,
- Prepare the official statement in conjunction with counsel for competitively sold bond issues.

E. Pricing of Bond Issue

Competitive Sale:

- Coordination of pre-sale publicity, call for bids, evaluation of bids, recommendations to the Corporation regarding sufficiency of bids, and awarding of bonds.

Negotiated Sale:

- Coordinate pricing meetings and offerings of negotiated issues,
- Recommend structure of underwriting teams; i.e., co-managers, selling group, syndicate, etc. ,
- Recommend timing of bond pricing,
- Review, monitor and advise the Corporation regarding proposed negotiated interest rates and spreads.

F. Recommendations to the Corporation

- Prepare an oral and written recommendation to the Corporation for each Bond issue regarding financial feasibility, bond covenants, and pricing of the bonds.

G. Bond Closing

- Review closing memorandum with bond counsel to confirm activities at the closing and role of each party,
- Assist participant in evaluating the investment of bond proceeds (where applicable) for construction fund, debt service, fund, escrow, etc.

H. Special Meetings of the Corporation

- Prepare and deliver presentations designed to facilitate an understanding of public sector financing and its implications to the Corporation's lending subcommittee and its board of directors.

I. Post Issuance Assistance

- Advise the Corporation on post issuance changes, credit enhancement, management consultants, etc. ,
- Conduct post issuance reviews (e.g., remarketing agent performance) as requested by the Corporation,
- Provide a report to the Corporation on the project and the bond issue sale.

J. Program Development

- Assist staff by evaluating program proposals or changes in policy.

TERM OF CONTRACT

Upon satisfactory performance and availability of funds, the contract may be extended, at the same prices, terms and conditions, by the Corporation for not more than three (3) additional twelve (12) month periods, without re-bidding, upon mutual agreement in writing.

PROPOSAL REQUIREMENTS

A. Scope of Services

Advisor shall provide a clear, concise response to the scope of service requirements set forth above. In the event of joint proposals between two or more firms, indicate the role that each sub consultant or co-proposer would perform. The Corporation reserves the right to select or choose between co-proposers and sub consultants.

B. Qualifications

The applicant shall identify the financing team and any other key personnel involved in this project, including subcontractors and co-proposers. The people identified as this team will be the ones allowed to participate in the event the team is invited to an interview. Provide a brief resume for each person listing specific qualifications.

1. Please provide a list of financial advisory assignments completed for similar quasi-governmental entities.
2. Please provide a list of municipal bond obligations (appropriation, revenue, moral obligation) in which your firm has served as financial advisor.

3. Please discuss your familiarity with Rhode Island, the Commerce Corporation and its financial objectives, policies and goals.
4. Please discuss your general availability to provide services in Rhode Island.

C. References

Advisor shall include the name, address and telephone number of not less than three clients for whom services similar to those described in this Request for Proposal have been performed.

D. Disclosure

The Advisor will disclose any professional or personal financial interest which could be a possible conflict of interest in representing the Corporation. Advisor shall further disclose arrangements to derive additional compensation from various investment and reinvestment products, including financial contracts.

Advisor shall 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, 2010 to the present. Describe the nature and status of the matter and the resolution, if any.

Advisor shall list any sanctions or penalties brought against your firm or any of its personnel (including suspension or disbarment) by any regulatory or licensing agencies during the period beginning January 1, 2010 to the present. Include a description of the reasons for the sanction or penalties and whether such sanctions or penalties are subject to appeal.

E. Fee

Describe the applicant's proposed fee schedule for the proposed services for various alternative financing methods. Please also include any proposed hourly fee arrangement for additional studies or support as needed.

F. Proposal Submission

Four copies of the completed proposal with length not to exceed 10 pages must be submitted no later than 4:00 PM on Thursday, November 20, 2014 to:

Rhode Island Commerce Corporation
Attn: Financial Advisor Selection Committee RFP
315 Iron Horse Way, Suite 101
Providence, RI 02908

Questions, interpretations, or clarifications concerning this RFP should be directed by e-mail to Adam Quinlan at aquinlan@commerceri.com no later than 4:30pm on Friday, November 7, 2014. Responses to questions, interpretations, or clarifications concerning this RFP will be posted online at www.commerceri.com and www.purchasing.ri.gov by Thursday, November 13, 2014 to ensure equal awareness of important facts and details.

SELECTION PROCESS

Decision criteria include:

1. Overall quality of responses - 20%

2. Firm experience with municipal issuances and/or conduit issuances - 15%,
3. Qualifications of Financial Advisor - 25%
4. Fees and expenses - 20%

Fees and expenses will be evaluated using the following formula: (lowest cost proposal X max number of points)/cost of proposal being evaluated. In order to determine the proposal cost, we will add 25 hours at the applicant's proposed hourly fee for anticipated additional studies or support as needed to the proposed fee for the identified issuance.

5. Demonstrated understanding of the Scope of Work - 20%.

The Corporation reserves the right to reject any and all proposals and to waive informalities and minor irregularities in any proposal reviewed. Further, the Corporation may reject any proposal which does not conform to the instructions herewith. Additionally, the Corporation reserves the right to negotiate all final terms and conditions of any agreement entered into by the parties. Nothing in the Request for Proposals shall be deemed to commit the Corporation to engage any Financial Advisor. Discussions may be conducted with offerors, however, proposals may be accepted without discussions.

Applicants shall designate in writing those portions of the un-priced proposal that contain trade secrets or other proprietary data that they wish to remain confidential, (subject to disclosure only as required under state law); that the material designated as confidential shall be readily separable from the proposal in order to facilitate inspection of the non-confidential portion of the proposal by the public.