

REQUEST FOR PROPOSALS (RFP)

AGREEMENT NO. 1751

UNDERWRITING SERVICES DELAWARE TRANSPORTATION AUTHORITY US301 TOLL REVENUE BONDS

Executive Summary

The Delaware Transportation Authority (“DTA” or the “Department”) is requesting proposals for underwriting services related to the sale of the Department’s US301 Toll Revenue bonds, which are expected to be issued in November 2015. DTA intends to issue up to \$230 million of US301 toll revenue bonds (“301 Bonds”), the proceeds of which will fund the US 301 Maryland State Line capital improvement project. The 301 Bonds will be secured by a gross Senior Lien 301 toll revenues and further secured by a subordinate lien on the pledged revenues of the DTA Transportation Trust Fund.

DTA reserves the right to select multiple underwriters for the same or multiple transactions. Further, DTA may continue to sell its bonds on a competitive bid basis and reserves the right to issue additional RFP’s for these or other services.

This RFP will define the scope of the work to be performed, the requirements of the underwriter(s), the method for response and the administrative requirements that must be followed. DTA also reserves the right to modify and/or cancel this solicitation at any time during the RFP process.

RFP Schedule

Date/Time	Activity
May 15, 2015	Request for Proposal issued
June 5, 2015	Questions regarding RFP due
June 16, 2015 (3:00 p.m. local time)	RFP response due date and time
June 26, 2015	Anticipated selection date

All interested firms should submit an original proposal (the “Proposal”) as well as one (1) copy of their Response with any proprietary or confidential information redacted. This copy should be clearly marked as “Redacted Copy” and submitted along with the original to the contact person. Proposals should be mailed or hand-delivered for receipt no later than 3:00 p.m. local time on June 16, 2015 (“Closing Date”). Any Proposal, request for modification, or request for withdrawal received after 3:00 p.m. on the Closing date is late and may not be considered. The Department's time is considered the official time for determining the cut-off for accepting submissions. Requests for extensions of the Closing Date will not be granted. All timely Proposals become the property of the State.

Should the office be closed at the time responses are due (i.e. an unexpected event or inclement weather) the submission due date shall be the following business day, at the time originally scheduled.

The Proposal may be delivered by Express Delivery (e.g., FedEx, UPS, etc.), U.S. Mail, or by hand. Proposal shall be submitted to:

Wendy B. Henry
Contract Administration
Delaware Department of Transportation
800 Bay Road, Dover, DE 19901

In order to comply with the State of Delaware's Freedom of Information Act, firms responding to this Request for Proposal should prepare one (1) copy of their Response with any proprietary or confidential information redacted. This copy should be clearly marked as "Redacted Copy" and submitted along with the original and copy requested above. Firms should review Delaware's Freedom of Information Regulations, section 6, Requests for Confidentiality, on the DelDOT Website www.deldot.gov and Section 10002(1) "Public record" of the Delaware Code, <http://delcode.delaware.gov/title29/c100/index.shtml> to determine what information may be considered proprietary or confidential and may be redacted from their Proposal.

The cost of preparing Proposals will be borne solely by the offerors. Proposals shall address all the questions posed by the Issuers in the order in which they appear in this request.

CONTACTS

Responses to questions concerning the RFP, submissions, and procedures may be obtained by submitting questions to the DOT Professional Services mailbox at DOT.Profservices@state.de.us or via telephone at (302)760-2034. In order to ensure a timely response, questions must be submitted at least two (2) business days before the Proposal due date.

QUESTIONS

Questions regarding this RFP should be submitted via email to the address listed above. The Department's response to questions will be posted on the State of Delaware Bid Solicitation Directory Website: <http://www.bids.delaware.gov/>.

I. GENERAL INFORMATION

Scope and Objectives

Generally, the Delaware Transportation Authority issues revenue bonds to finance its capital needs through its Transportation Trust Fund. However, the 301 Bonds described in this RFP are secured by a pledge of the new toll revenues upon completion of US301. Under its current plan of finance, DTA intends to issue up to \$230 million bonds amortizing

over 40 years to finance the construction of the US301 project with the expansion and improvement of US301 through Delaware.

Underwriters will be expected to:

- i. Recommend structures for debt issuance and alternatives to minimize overall debt service costs and maximize debt capacity;
- ii. Assist in drafting and reviewing relevant bond documents, including, but not limited to, official statements, bond resolutions and indentures;
- iii. Assist in preparations, discussions, and meetings with rating agencies, and investors;
- iv. Manage the underwriting process;
- v. Commit capital to underwrite bonds;
- vi. Provide post-closing analysis of debt issuances, including but not limited to pricing, orders and allotments;
- vii. Provide such additional underwriting and investment banking services as requested by the Department.

The selected firm will work with DTA and other professionals selected to undertake the negotiated sale of the 301 Bonds. The book-running senior manager will be required to provide some or all of the services identified below at the request of DTA. Co-senior managers shall provide information and assistance upon request and shall act as members of the underwriting syndicate. The selected underwriters will work closely with the DTA and their financial and legal advisors assigned to assist in these matters.

Minimum Required Qualifications

1. Minimum licensing and insurance.
 - a. All licenses and registrations required by applicable Federal and State laws for businesses offering brokerage services must be current and in good standing with each of the following:
 - i. the U.S. Securities and Exchange Commission;
 - ii. the National Association of Securities Dealers; and,
 - iii. the State of Delaware.

Professional Liability Insurance

Potential bidders shall agree to maintain in full force and effect professional liability insurance in an aggregate amount of not less than \$2 million. In order to satisfy this requirement, firms must:

1. Include a statement in its proposal affirmatively responding to this requirements; and

2. Include in its proposal a certificate of insurance or letter from its insurer demonstrating that the firm meets this requirement.

II. TECHNICAL PROPOSAL FORM

The following information shall be provided in each proposal in the order listed below. A firm is expected to provide a response for each requirement listed in this RFP. Failure to respond to any request for information within this proposal may result in rejection of the proposal at the sole discretion of the State.

General

All technical proposals shall be prepared with a concise description of the firms' capabilities to satisfy the minimum qualifications in Section I.B. above and the information requested in this section. Firms should format their proposals so that their responses correspond to the specific sections to the extent possible without unnecessary repetition.

Required Information

The proposal shall contain the information described below.

1. General Information

- a. Please provide your firm's identifying information including:
 - i. the name and address of the organization with whom the contract will be entered into and any trade names associated with that entity;
 - ii. the firm's Federal Employer Identification Number;
 - iii. the name, telephone number and e-mail address of the representative of the firm who is authorized to discuss the firm's proposal; and
 - iv. the names, titles, addresses and e-mail addresses, including telephone and fax numbers, of other individuals in the firm who might provide relevant services to the State.

2. Sales and Pricing Methodology

- a. As of close of business June 1, 2015, please indicate, by maturities of one through forty years, an estimate for where the DTA US301 toll Revenue Bonds would price relative to Municipal Market Data's ("MMD") AAA scales.
- b. Please describe specific marketing ideas and efforts for the inaugural

sale of the US301 Bonds. Include a discussion to introduce this new credit to investors.

3. Fees and Expenses

- a. Please provide your expectation with regard to any and all fees and expenses, including management fees, and takedown by maturity for one through forty years.
- b. Other
 - i. Please discuss any other factors or alternate proposals not mentioned above which should be considered in connection with the consideration of your firm.

4. Experience and Capabilities

- a. Provide a list of at least two (2) transportation Toll Revenue bond issues, your firm has served as book running senior manager, one of which has been issued within the last two years. The list should include;
 - i. Issuer
 - ii. Description of issue
 - iii. Sale date
 - iv. Par amount
 - v. Fixed / variable
 - vi. Credit rating
 - vii. Credit enhancement

Be specific as to the structure of the bond issues and describe the added value your firm or its personnel provided in developing the plan of finance for the transaction.

- b. Describe your firm's bond sales and distribution capabilities, including both retail and institutional sales. Highlight your ability to distribute Delaware securities and your experience distributing Toll revenue Bonds subject to a springing lien provision within a subordinate TIFIA Loan.

III. Evaluation Process

All proposals submitted in response to the RFP shall be reviewed by a selection committee, which may consist of staff members from the Department and others as well

as representatives of the State’s financial advisory firm (“Committee”). The Committee shall determine the firms that meet the minimum requirements pursuant to selection criteria of the RFP and procedures established in 29 Del. C. §§ 6981, 6982. The Committee may interview at least one of the qualified firms but may negotiate with one or more firms during the same period and may, at its discretion, terminate negotiations with any or all firms. The Committee shall develop a list of qualified underwriters, senior managers as well as qualified co-managers.

The selection of the firms will be based on an evaluation of the proposals to determine which proposals represents not only the lowest cost to the Department, but can also demonstrate expertise, experience, and ability to perform in the specific debt instruments described in this RFP.

The proposals should contain all the essential information on which the decision shall be made. The information required to be submitted in response to this RFP has been determined to be essential for use by the Committee in the bid evaluation and award process.

The Committee reserves the right to:

- Select more than one firm to provide the specified services.
- Select for contract or for negotiations a proposal other than that with lowest costs.
- Reject any and all proposals received in response to this RFP or to make no award or issue a new RFP.
- Waive or modify any information, irregularity, or inconsistency in proposals received.
- Request modification to proposals from any or all contractors during the review and negotiation.
- Negotiate any aspect of the proposal with any firm and negotiate with more than one firm at the same time.
- Purchase all of the services or less than all of the services sought in the proposal.

All proposals shall be evaluated using the same criteria and scoring process. The following criteria shall be used by the Committee to evaluate proposals:

<u>Evaluation Item</u>	<u>Maximum Points</u>
Experience	30
Sales and Pricing Methodology	30
Fees and Expenses	30
Other	10
 Total Points	 100 Points

The Department is not liable for any cost incurred by the consultant in the preparation or presentation of the Statement of Qualifications.

Any individual, business, organization, corporation, consortium, partnership, joint venture, or any other entity including subconsultants currently debarred or suspended is ineligible to participate as a candidate for this process. Any entity ineligible to conduct business in the State of Delaware for any reason is ineligible to respond to the RFP.

The Department will affirmatively insure individuals and businesses will not be discriminated against on the grounds of race, creed, color, sex, or national origin in consideration for an award. Minority business enterprises will be afforded full opportunity to submit bids/proposals in response to this invitation.

Delaware Transportation Authority
State of Delaware
By: Jennifer Cohan
Secretary
Dover, DE
May 15, 2015