



Department of Finance

Carvel State Office Building, 8th Floor
820 N. French Street
Wilmington, DE 19801

Request for Proposals
to provide
Financial Advisory Services
to the
State of Delaware
and the
Delaware Department of Transportation

Bid Number: FIN 10 010

Bid Closing: September 16, 2010; 3:00 p.m. EST

REQUEST FOR PROPOSALS
to provide
FINANCIAL ADVISORY SERVICES
to the
STATE OF DELAWARE
and the
DELAWARE DEPARTMENT OF TRANSPORTATION

I. Overview

The State of Delaware seeks firms interested in providing independent financial advisory services to the State of Delaware and the Delaware Department of Transportation, (collectively, the “Issuers”) under a multi-year contract. This Request for Proposals (“RFP”) is issued pursuant to 29 Del. C. §§6902(1), 6981, and 6982.

RFP Schedule

ID	Date/Time	Activity
1	September 1, 2010	Request for Proposal issued, First Public Notice published and posted on http://bids.delaware.gov/
2	September 8, 2010	Second Public Notice posted
3	September 9, 2010	All Vendor questions regarding RFP are due
4	September 13, 2010	State issues answers to questions regarding the RFP via http://bids.delaware.gov/
5	September 16, 2010; 3:00 p.m. EST	RFP Response due date
4	October 1, 2010	Begin Vendor Interviews (subject to change)
5	October 16, 2010	Begin Negotiations (subject to change)
6	October 31, 2010	Contract awarded (subject to change)

II. Proposal Procedure

A. Proposals

Proposals should be clear and concise. One copy of the proposal should be submitted via e-mail to the e-mail address shown below AND an original signed copy of the proposal should be delivered to the postal address shown below.

Email: stephanie.scola@state.de.us

Mail:

Stephanie M. Scola, Director of Bond Finance
State of Delaware, Department of Finance
Carvel State Office Building
820 N. French Street, 8th Floor
Wilmington, DE 19801

Proposals must be received by 3:00 p.m. EST on September 16, 2010. Questions about the RFP should be directed to Stephanie M. Scola at (302) 577-8988.

III. Scope of Services

The State seeks independent financial advisory services to serve the sole interests of the Issuers. Joint proposals from two or more firms will be considered. The selected firm or firms will be precluded from acting as an underwriter or agent on any financing arranged by the Issuers. The firms will also agree that the contract may be terminated at any time with or without cause. The State's financial advisors will be expected to assist the Issuers in structuring a debt portfolio with the lowest cost of capital possible within the confines of State and federal law and will provide support for ongoing debt management. Assistance and support includes, but is not limited to the following:

1. Examine, evaluate and formulate fiscally sound and flexible financing programs that take into consideration the Issuer's objectives, existing debt structures, timing of capital projects, tax regulations, and the climate in the capital markets. In addition, consider the effective utilization of operating reserves, state appropriations, federal funds and subsidies and other resources available to the Issuers.
2. Assist in the preparation of special studies, including review of debt capacity and the formulation of related debt policies.
3. Review new program ideas and financing techniques, and generate or assist in the development of new program/financing initiatives. Conduct independent and objective reviews and evaluations of economic feasibility and cost-effectiveness of programs, project finance transactions or other initiatives developed by the State or proposed to the State by third parties including governmental entities, non-profit sponsors, for-profit developers, investment banking firms and others.
4. In the event bonds are to be sold pursuant to a negotiated sale, assist in the development of a Request for Proposals, review the qualifications of

financial institutions interested in acting as managing underwriters, and participate in the selection process.

5. Provide technical assistance as needed in the management of the State's existing portfolios to maximize cash flow and monitor bond-related investments, including review of pricing and timing.
6. Advise the State and its individual Issuers on the best practices for ensuring a favorable credit rating and provide preparatory information for rating agency visits. Prepare reports for, and participate in, presentations to the rating agencies, credit enhancement providers and bond insurers. Participate in the rating agency visits.
7. Assist the State and its individual Issuers in making submissions and presentations relating to the State's past, current and proposed financing activities to governmental entities, including the State Legislature, as well as to private entities, such as financial institutions.
8. Formulate, coordinate and participate in information meetings with institutional investors, credit analysts, underwriters and other public presentations as requested by the State, including hearings with the State Legislature and other government bodies as required.
9. Upon request of the State, perform periodic arbitrage rebate analyses as may be required by the IRS Code and trust indentures relating to Issuer's transactions. These services will be provided on an as-needed, fee paid basis, exclusive of the contract price.
10. Provide advice as needed on the investment guidelines pertaining to the State's portfolios, reserve accounts and escrow accounts.
11. Provide continuing information and advice on a timely basis to the State concerning the municipal debt markets, changes in applicable tax laws, on improving its financial performance in the marketplace and on avoiding any actions that may have a negative impact on the Issuer's credit standing and pricing performance in the marketplace.
12. Provide financial analyses and expert advice to the State in all the areas of a financing relative to timing, the merits of the method of sale, i.e. competitive vs. negotiated vs. private placement, strategies, economic considerations, market conditions, maturity structures, interest rates, redemption provisions, debt service requirements, evaluation of bond pricing and fees for services (underwriter, trustee, bond counsel, agents, etc.), evaluation of syndicate members, monitoring bond allocations, settlement and post-settlement analyses, and compliance with all IRS rules

for issuance and post-issuance and including the verification of post-sale pricing via the use of EMMA.

13. Advise and assist the State in preparing requests for proposals from, and in selecting service providers (underwriters, bond counsels, tax counsel, financial printers, verification agents, etc.) required to assist in effecting the issuance of State notes or bonds. Undertake bidding process, assist bond counsel with printing and distribution of any Official Statement, any Notice of Sale or other financing document. Prepare or assist in the preparation of all documents relative to a financing, including review of all legal documents.
14. Advise and represent the State in negotiating bond interest rates, transactions fees and expenses, and other provisions of bond purchase agreements or remarketing agreements governing the negotiated sale of notes or bonds to underwriters or the private placement of notes or bonds to institutional investors.
15. Assist in the preparation and review of closing documents including but not limited to authorizing resolutions, trust indentures, notices of sale, bond purchase agreements and disclosure documents. Assist the State and its Issuers in making information available for bidding to bidding syndicates, individual securities dealers, municipal analysts, institutional investors, credit enhancers and rating agencies in connection with new issues and prior issues and generally be available to respond to inquiries from such entities regarding the structure, security features and financial integrity of such securities.
16. Review cash flow analyses or other financial projections prepared by others such as budgeted expenditures, debt service requirements, application of bond proceeds, investment of funds and other program parameters.
17. Advise and assist the State on matters relating to reinvestment of bond proceeds, including services as investment agreement broker to prepare and distribute bid specifications/documents and to conduct required competitive bidding among prospective investment agreement providers. These services will be provided on an as-needed basis, exclusive of the contract price.
18. Attending working group meetings as required.
19. Perform such other duties that are reasonably required.

IV. Requested Information

1. Describe briefly your firm's organizational structure, primary business(es) engaged in, ownership, business affiliations, number and location of offices, and number of professional staff at each location.
2. Identify the individual who will be responsible for the State's account, including title, resume, area of specialization, expertise on federal and state law specific to Delaware, its Issuers and its bonds, other clients currently served, client references, and location of primary office. Provide the same information for any individuals who will serve the State's account.
3. In addition to financial advisory services, describe any other services your firm can make available to the State and its Issuers during an engagement. Provide the approximate contribution of these services to the firm's total revenue.
4. Provide a list of the firm's state-level municipal clients actively served and those on a retainer basis, with a description of the services provided (noting whether on-going or transaction-specific), dates and contact names and numbers for reference purposes. Provide a list of underwriters or agents with which your firm has teamed on behalf of your clients and provide contact information for reference purposes.
5. Describe the frequency, variety and size of recent municipal issues for which your firm acted as advisor. Describe the complexity of structures recommended.
6. For each of the Issuers for whom you wish to provide financial advisory services:
 - Describe your firm's knowledge of and expertise in the tax-exempt municipal markets of the Issuers.
 - Describe resources you can provide to ensure the Issuers receive the highest and best consideration for its bonds.
 - Describe how you would consider structuring the State's offerings, any credit-rating strategy you may consider and any investor-marketing strategy you may consider.
 - Describe any policy considerations you might recommend.
7. Describe any contractual relationships you may have with other firms that may be working on State accounts and/or describe any contractual relationships you may have with other State agencies.
8. Consider a multi-year contract. Provide a comprehensive fee schedule assuming an annual retainer, a transaction fee and an hourly rate for a

minimum of three years with annual extensions. Identify all other charges and expenses for which you will seek reimbursement, the method of determining such reimbursements and the frequency of billing. Note that invoices will be subject to review. The State prefers to make payments for services using procurement (credit) cards or electronic funds transfer. The firm or firms selected should discuss in their response accepting payment by procurement card or electronic funds transfer, at the State's option, without imposing any additional fees, costs or conditions.

9. Identify and describe any litigation, mediation, arbitration, administrative proceedings, or any investigation in which your firm is or was involved.
10. Discuss any other considerations or factors that impact upon your ability to perform the tasks relevant to or associated with this proposal.
11. Identify any portion of your proposal that contains confidential or proprietary information.
12. Provide proof that you are currently authorized to do business in Delaware (i.e. copy of valid Delaware business license) or indicate that you will provide such proof if selected as the successful bidder prior to the commencement of the contract.
13. Execute and attach to the proposal a completed Statement of Commitment and Non-Collusion (see attached sample for format).

V. Proposal Selection Criteria

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

Evaluation Item	Maximum Points
Experience and reputation of management and staff in the public finance industry	30 points
Demonstrated ability and expertise in each Issuer's specific industry with respect to analysis, policy issues and complexities, variety and size of public financial issues	40
Capacity to meet Issuer requirements including size, operational capability, location and staffing	15
Familiarity and availability of other services	15

Terms and Conditions

1. The State reserves the right to reject any or all proposals, the right, in its sole discretion, to accept the proposal it considers most closely aligned with its interests and the right to waive minor irregularities in the procedures. The State also reserves the right to reject all proposals and seek new proposals.
2. The State reserves the right to request clarification of information submitted and to request additional information from one or more respondents.
3. The State will not be liable for any costs incurred in the preparation of this proposal.
4. The State reserves the right to conduct oral interviews with any or all bidders prior to selection and will not be liable for costs incurred by the bidders in connection with such interview.

State of Delaware

Commitment and Non-Collusion Statement

This is to certify that the undersigned vendor has neither directly nor indirectly, entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with this proposal submitted this date to the State of Delaware.

This is to further certify that the signed delivery of this bid represents the vendor's acceptance of the terms and conditions of this invitation to bid including all specifications and special provisions. This statement is signed by an official of the financial advisory firm who is authorized to enter the firm into a legal agreement with the State of Delaware.

Please type the following information.

NAME OF FIRM _____

ADDRESS OF FIRM _____

AUTHORIZED OFFICIAL _____

TITLE OF OFFICIAL _____

PHONE NUMBER _____ FAX _____

SIGNATURE OF OFFICIAL _____

FEDERAL EMPLOYER IDENTIFICATION NUMBER _____ DELAWARE BUSINESS LICENSE NUMBER _____

(If available at bidding)

THIS PAGE MUST BE SIGNED AND NOTARIZED FOR YOUR BID TO BE CONSIDERED

SWORN TO AND SUBSCRIBED BEFORE ME this ____ day of _____, 2010.	
Notary Public _____	My commission expires _____
City of _____	County of _____ State of _____
Name of Notary Public _____	Signature _____