

New Orleans Board of Liquidation, City Debt

Request for Proposals to Serve as Underwriter for the General Obligation Refunding Bonds, Series 2016

Original RFP Issue Date: July 5, 2016

Original Proposal Due Date: July 19, 2016

PLEASE NOTE REVISED ISSUE AND DUE DATE

RFP Re-Issue Date: Thursday, July 21, 2016

Proposal Due Date: Friday, August 5, 2016

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I. PURPOSE

The New Orleans Board of Liquidation, City Debt (the “Board”) is soliciting the services of qualified firms to act as underwriter (senior manager(s) and co-managers) for the potential issuance of not to exceed \$65,000,000 City of New Orleans, Louisiana General Obligation Refunding Bonds, Series 2016A (the “Bonds”). The Bonds will be offered to advance refund all or a portion of the Public Improvement Bonds, Issue of 2007A (the “Refunded Bonds”). The Refunded Bonds are callable at par as of December 1, 2017. The Bonds are not bank qualified and are expected to price in late August or early September as tax-exempt securities.

The Board is interested in receiving proposals from investment banking firms to serve as an underwriter and assist in marketing the Bonds to outside investors. The Board intends to select one or more parties who best meet the Evaluation Criteria in Section VI.B and can provide the lowest cost of financing for the transaction described herein.

The Board has retained the services of Foley & Judell, L.L.P., McKee Law Firm, L.L.C., and Haley Law Firm, L.L.C., as co-bond counsel. Public Financial Management, Inc. (PFM) and CLB Porter LLC are serving as co-financial advisors. Foley & Judell will prepare the Official Statement per the direction of the Board.

II. THE BOARD

On June 29, 2016 the Board approved a resolution authorizing the issuance of the Bonds in an amount not to exceed \$65 million to mature not later than December 1, 2036 and to bear interest rates not to exceed five percent (5.0%).

The Bonds are general obligations of the City of New Orleans (the “City”) for which the full faith and credit of the City is pledged, and are secured and payable from a special, unlimited ad valorem tax levied on all the property subject to such taxation within the City in an amount sufficient to pay the principal and the interest on the Bonds. Continuing disclosure related to the Bonds is located at <http://emma.msrb.org/IssueView/IssueDetails.aspx?id=MS103258>. Other matters relating to the City’s credit and outstanding debt can be found on the website of the Board at <http://www.bolcd.com/FinancialReports.aspx?tab=1>.

The Bonds currently have ratings of A3, A-, and A+ by Moody’s, Fitch, and Standard & Poor’s, respectively.

III. SCOPE OF SERVICES

The selected underwriter(s) shall provide services to the Board for the Bonds. The scope of services will include, but not be limited to, the following:

Senior Managing Underwriter (Book Runner). The senior manager(s) selected as part of this RFP will be responsible for the following services, including but not limited to:

- Working with Board staff, the co-Financial Advisors and co-Bond Counsels to structure the Bonds.
- Reviewing all documents associated with the Bonds (in consultation/direction with underwriter's counsel).
- Running final debt service cash flows.
- Developing information for and presenting information to the City Council, rating agencies, bond insurers, etc. as requested by the Board.
- Implementing the marketing plan proposed by the firm with the approval of the Board.
- Selling the Bonds with quality execution according to the expectations developed during pre-pricing discussions with the Board and the co-Financial Advisors.
- Providing timely feedback of orders and subscription levels on day(s) of pricing through i-Deal electronic order entry system or similar system used.
- Coordinating the work of the underwriting team, including co-managers and a selling group (if desired by the Board), and implementing the designation rules and allocation guidelines established by the Board.
- Preparing a bond purchase agreement and other standard documentation, in concert with underwriters' counsel.
- Providing market information to the Board daily in the two weeks prior to the bond sale date.
- Providing a preliminary scale one week prior to pricing, with updates daily as market conditions warrant.
- Providing to co-bond counsel and the Board appropriate evidence of the pricing of the Bonds to the public, as required by applicable tax laws.
- Preparing a closing memorandum and closing the transaction on time.
- Preparing a post-pricing analysis for the transaction.
- Participating in a post-sale evaluation process, if elected by the Board.

Co-Managers: In addition to their customary responsibilities, co-managers will be requested to give independent pricing recommendations directly to the Board and its co-financial advisors.

IV. REQUIREMENTS FOR ALL PROPOSALS

A. General Requirements

Email Delivery: The proposal, signed in ink and scanned, should be submitted via email to the following parties at the email addresses listed below. In the subject line of the email, please identify the content as: “Underwriting Proposal, BLCD” and send to:

Name	Email Address
David Gernhauser	davidg@bolcd.com
Lisa Daniel	daniell@pfm.com
Shawn Barney	sbarney@clylebarney.com

ONLY THOSE RESPONSES RECEIVED AT THE ABOVE EMAIL ADDRESSES BY THE PROPOSAL DEADLINE WILL BE CONSIDERED. PROPOSALS RECEIVED AFTER 2:00 PM (CT) ON AUGUST 5, 2016 WILL NOT BE CONSIDERED. FAXED PROPOSALS WILL NOT BE ACCEPTED.

B. Proposal Preparation:

1. Proposals shall be signed by an authorized representative of the proposer. All requested information must be submitted. Failure to submit all requested information may result in rejection of the proposal.
2. Proposals should be prepared simply and economically, providing a straightforward, concise description of the capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content. No printed brochures or material, other than written responses to the Specific Requirements should be provided.

C. Coordination of RFP Questions:

It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP that is not understood. Questions and requests for clarification should be directed to the Board’s co-Financial Advisors at the email addresses noted above. Questions must be submitted via email and received before 2:00 p.m. Central Time (“CT”) on July 27, 2016.

There shall be no communication or contact initiated by proposers, potential proposers, or their representatives directed at members of the Board, its employees, its consultants, or its other representatives during the RFP and during the selection process. Failure to comply with this provision may result in the disqualification of the proposer.

V. SPECIFIC REQUIREMENTS FOR UNDERWRITER

Proposals should contain direct responses to the following questions or requests for information and should be organized such that the specific question being responded to is readily identifiable. Responses should be as thorough and detailed as possible so that those reviewing the proposals may properly evaluate your capabilities to provide the required services. Proposers are required to respond to the following questions and requests for information.

A. Letter of Transmittal

Provide the following (Limit: One (1) Page):

Each proposal should be accompanied by a letter of transmittal which summarizes key points of the proposal, signed by an officer of the firm who is authorized to commit the firm's resources.

B. Basic Information Requirements

Provide the following (Limit: One (1) Page):

1. Name of the firm making the proposal.
2. Name and title of individual who will be the day-to-day contact to the Board. (This person may be different from the individual signing the transmittal letter.)
3. Mailing and overnight delivery address.
4. Telephone and facsimile numbers of Proposer.
5. E-mail address of the person signing the proposal and the person providing day-to-day contact.
6. Statement that the individual signing the proposal has the Board to commit the firm to the terms proposed.

C. Basic Qualifications and Experience

Provide the following (Questions 1-6, limit: Three (3) Pages):

1. Please describe the qualifications and experience of the team and its members that would serve the Board on this engagement.
 - a) Identify and provide the background of the senior proposer who would assume the day-to-day and on-site responsibilities for managing and supporting the Board's financing(s). This is the individual who will be expected to regularly represent your firm at all financing meetings.
 - b) Please indicate others who will serve the Board directly with responsibility in respect to structuring, pricing, and marketing.

- c) Please include brief resumes of key team members as an Appendix to your proposal.
2. What level of pricing can the Board expect in today's market? What are the influencing factors that could alter these expectations? (Please assume July 12, 2016 for this analysis)
3. Please provide your takedown structure per maturity. Assuming a max designation of 65%, please provide your thoughts on a recommended syndicate size.
4. The Board anticipates pricing a taxable or tax-exempt new money issuance in the third quarter of 2016. Please describe any benefits or risks the Board could face should the Board choose to issue the Bonds in conjunction with the new money issuance.
5. Given the tumultuous financial status of the State of Louisiana, please identify any credit concerns of which the Board should be aware. Please describe any actions the Board can take to mitigate any credit concerns for the investor.
6. Please provide any other information you think relevant that positions your firm to best meet the Board's underwriting needs and the stated evaluation criteria?
7. (No page limit) Provide a list of your firm's underwriting experience for all Louisiana issuances in 2014, 2015 and year to date in 2016. For each transaction noted, show the following:
 - a) Name, dated date, and par amount of the issue
 - b) Negotiated or competitive sale of the bonds
 - c) Tax status
 - d) Purpose of the issue
 - e) Role your firm played in the transaction
 - f) The amount of underwriting liability and the amount of bonds sold by your firm at the initial offering price
 - g) Firm takedown levels

D. Fee Proposal

Applicable to Senior Managing Underwriter Proposals Only. Provide the following (Limit: One (1) Page):

Provide a firm indication of the spread (in dollars/\$1,000) which would be required if your firm is selected as Senior Managing Underwriter for the Board's Bonds. These numbers will be considered as fixed "fees" and will constitute one of the primary criteria for selection. State the basic financing assumptions on which these fees are predicated and factors that would affect this quote. Please do not provide ranges, as the high-end of any range will be recorded as your response. Please include the attached form in recording your responses. For purposes of this request, please assume the amortization schedule in Appendix A which has been included as a template to be used for the fee proposal.

While the selected underwriter will be able to select an underwriter's counsel firm of its choosing, the Board reserves the right to veto any selection deemed inappropriate for the Bonds.

VI. SELECTION, EVALUATION AND AWARD CRITERIA

A. Selection of Firms

The Board intends to select one or more firm(s) to serve as the senior managing underwriter for the Bonds. Furthermore, the Board reserves the right to select co-managers as part of this process or at a later date, if deemed to be appropriate. The selected underwriter will work with the Board, Issuer's Counsel, Co-Financial Advisors, and Co-Bond Counsels to structure the overall plan of finance associated with the Bonds.

B. Evaluation Criteria

The evaluation of the proposals will be based on the following criteria:

- Fee Proposal (Appendix A)
- Qualifications and experience of the individuals assigned to the project team.
- Proposer's demonstration of the ability and willingness to underwrite bonds.
- Proposer's history of presenting ideas to the Board and participation in the Board's competitive sales.
- General evaluation of the response.

C. Award Criteria

Selection shall be made from the proposers deemed to be fully qualified and best suited among those submitting proposals on the basis of the above evaluation. The Board shall select the proposer, which in its opinion, best meets the evaluation criteria and shall award the contract for the upcoming issuance to the respective proposer, with the understanding that any selection will be subject to review and approval by the Board. The Board has engaged Public Financial Management, Inc. and CLB Porter LLC in the capacity of Co-Financial Advisor to render advice in the procurement of an underwriting team.

The Board may cancel this RFP or reject proposals at any time prior to an award. The Board is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous.

Appendix A –RFP Underwriter Fee Proposal

Takedown ¹	_____
Management Fee ²	_____
Expenses	_____
Risk ³	_____

(II) Expenses: Please itemize the following

Underwriter’s Counsel	_____
Expenses	_____
Clearance	_____
MSRB, CUSIP, Dalnet	_____
Oder Monitoring System	_____
Travel and Closing (assume local closing)	_____
Data Processing, Communications	_____
Fed Funds	_____
Other	_____

The Board expects to receive its funds at closing in the form of a wire transfer or a Federal Funds check and plans to deposit those funds into its account that day. Therefore, if the underwriter plans to charge the Board for these funds it should be included as an expense item.

The Board will contract directly with a financial printer to print the preliminary and final official statements. The senior manager should include in their expenses an estimate for all other printing expenses.

The underwriter will provide a good faith deposit equal to 1% of the par amount of the issue to the Board concurrently with the signing of the bond purchase agreement. The Board will hold the good faith check and return to the underwriter at closing.

Amount indicated herein should represent a fixed, not to exceed amount. The Board reserves the right to approve the firm selected to serve as underwriter’s counsel.

NOTE:

¹Please indicate if takedown and risk compensation is fixed or will be based on market conditions at time of sale. (Please be specific as to the conditions and for the length of time.)

²The Management Fee and Expenses are fixed based upon this proposal.

³Underwriter(s) will be compensated from bond proceeds only. If bonds are not issued, the underwriter(s) will not be compensated.

Appendix A –RFP Underwriter Fee Proposal

For purposes of preparing your fee proposal, please assume that the Bonds will amortize in the following manner¹:

Maturity Date	Amount
12/01/2018	1,735,000
12/01/2019	1,815,000
12/01/2020	1,890,000
12/01/2021	1,975,000
12/01/2022	2,065,000
12/01/2023	2,155,000
12/01/2024	2,250,000
12/01/2025	2,350,000
12/01/2026	2,470,000
12/01/2027	2,595,000
12/01/2028	2,720,000
12/01/2029	2,855,000
12/01/2030	2,990,000
12/01/2031	3,140,000
12/01/2032	3,290,000
12/01/2033	3,445,000
12/01/2034	3,615,000
12/01/2035	3,785,000
12/01/2036	3,965,000
Total	<u><u>51,105,000</u></u>

¹ Preliminary; Subject to Change