

New Orleans Board of Liquidation, City Debt

REQUEST FOR PROPOSALS

TO SERVE AS

**UNDERWRITER or
BANK PURCHASER**

This Request for Proposals will be available on the Board of Liquidation's website on December 22, 2014 located at the following:

<http://www.bolcd.com/BondRatingsAndSales.aspx?tab=2>

RFP Issue Date: December 22, 2014

**Proposal Due Date: January 14, 2015
10:00 AM, CST**

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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 either underwriter (senior manager(s) and co-managers) or bank purchaser for the potential issuance of \$15,605,000 City of New Orleans, Louisiana Limited Tax Refunding Bonds, Series 2015A (the “2015A Bonds”) and \$6,515,000 City of New Orleans, Louisiana Taxable Limited Tax Bonds, Series 2015B (the “2015B Bonds” and collectively, “the Bonds”). The 2015A Bonds will be offered to currently refund all of the City of New Orleans, Louisiana Limited Tax Bonds, Series 2005 (the “Refunded Bonds” or “Series 2005 Bonds”) and the 2015B Bonds will be offered for capital improvements within the City of New Orleans, LA. The Refunded Bonds are callable at par as of March 1, 2015. The Bonds are not bank qualified and are expected to close in early to mid-February depending on the offering type selected.

The Board is interested in receiving proposals from both 1) investment banking firms to serve as an underwriter and assist in marketing the Bonds to outside investors and 2) financial institutions interested in purchasing the Bonds directly for their own inventory. The Board intends to select one or more parties to provide the Board with the Scope of Services as detailed below and who best demonstrates an ability to provide the lowest cost of financing for the transaction described herein. The Board will evaluate the best option for the Series 2015A Bonds and the Series 2015B Bonds. The Board may select separate financial institutions for each series of bonds.

The Board has retained the services of Foley & Judell, L.L.P., and Auzenne & Associates, L.L.C as co-bond counsel. Public Financial Management, Inc. (PFM) and CLB Porter LLC are serving as co-financial advisors.

II. BACKGROUND AND PLAN OF FINANCE

On November 19, 2014, the Board approved a resolution authorizing the issuance of the Bonds in an amount not to exceed \$27 million to mature not later than September 1, 2021 and to bear interest rates not to exceed five percent (5.0%).

On November 20, 2014, the Council of the City of New Orleans approved a similar authorizing resolution related to the Bonds.

The Bonds are special limited obligations of the City of New Orleans (the “City”) and are payable and secured solely by the proceeds of a special ad valorem tax upon all taxable property within the City. The City has the power and is authorized to issue bonds, payable solely from and secured by an irrevocable pledge and dedication of the avails or proceeds of the 1.82 mills ad valorem tax (subject to adjustment from time to time due to reassessment) on all property in the City subject to taxation approved at an election held in the City on July 15, 1995. Continuing disclosure related to the Bonds is located at <http://emma.msrb.org/SecurityView/SecurityDetailsARD.aspx?cusip=A1E2148FC0D2DFB2095EAF3601692DBE0>

The Series 2005 Bonds have ratings of Baa1 and A- by Moody’s and Standard & Poor’s,

respectively.

III. SCOPE OF SERVICES

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

- Working with Board staff, Financial Advisors and Bond Counsels to structure the Bonds (publicly or privately placed).
- Developing information for and presenting information to the Board, rating agencies, bond insurers, etc. as requested by the Board.
- Working closely with other transaction professionals.

If the Bonds are proposed to be issued as a Public Offering:

- Implementing a marketing plan proposed by the firm with the approval of Board.
- Selling the Bonds with quality execution according to the expectations developed during pre-pricing discussions with the Board and its Financial Advisors.
- Provide 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 sales.
- Providing a preliminary pricing scale one week prior to pricing, with updates daily as market conditions warrant.
- 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.

IV. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. GENERAL REQUIREMENTS

Email Delivery: The proposal, signed in ink and scanned, should be submitted via email to the parties at their email addresses listed below. In the subject line of the email, please identify the content as: “[Underwriting and/or Bank Purchase] Proposal for The Board of Liquidation City Debt of the City of New Orleans,” and send to:

David Gernhauser
Shawn Barney
Lauren Lowe

Email Addresses
davidg@bolcd.com
sbarney@clylebarney.com
lowel@pfm.com

ONLY THOSE RESPONSES RECEIVED AT THE ABOVE EMAIL ADDRESSES BY THE PROPOSAL DEADLINE WILL BE CONSIDERED. PROPOSALS RECEIVED AFTER 10:00 A.M. (CST) ON JANUARY 14, 2015 WILL NOT BE CONSIDERED. FAXED OR HAND DELIVERED PROPOSALS WILL NOT BE ACCEPTED.

B. PROPOSAL PREPARATION:

1. Proposals shall be signed by an authorized representative of the proposing firm. All requested information must be submitted. Failure to submit all requested information may result in a lower evaluation or 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 set forth below, 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 Financial Advisors, CLB Porter and PFM. Questions must be submitted via email and received before 4:00 p.m. CST on January 5, 2015.

There shall be no communication or contact initiated by proposers, potential proposers, or their representatives (collectively, "proposers") directed at members of the Board, its employees, its consultants, or its other representatives during the RFP selection process. Failure to comply with this provision may result in the disqualification of the proposer. All questions should be directed solely to CLB Porter and PFM. All questions and answers related to this RFP will be distributed to all proposers.

Contact Information for questions:

CLB Porter
Phone: (504) 299-3433
Shawn Barney, Managing Director
Email: sbarney@clylebarney.com

Public Financial Management, Inc.
Phone: (901) 682-8356
Lauren Lowe, Director
lowel@pfm.com

V. SPECIFIC REQUIREMENTS

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.

ALL FIRMS SUBMITTING A PROPOSAL SHOULD RESPOND TO THE ITEMS A AND B, BELOW.

A. LETTER OF TRANSMITTAL - (LIMIT ONE (1) PAGE)

Each proposal should be accompanied by a letter of transmittal which summarizes key points of the proposal, including if the firm is proposing to offer the bonds publically or to purchase the Bonds through a private placement offering for inventory, and which is signed by an officer of the firm who is authorized to commit the firm's resources. If your firm/institution is submitting a proposal to purchase the Bonds through a private placement, your firm/intuition's credit approval should already be obtained. Include such reference as part of the Letter of Transmittal.

B. BASIC INFORMATION REQUIREMENTS – (LIMIT ONE (1) PAGE)

Provide the following:

1. Name of the firm making the proposal.
2. Statement as to whether the firm qualifies as a Minority-Owned Business Enterprise (MBE) or Disadvantaged Business Enterprise (DBE) firm.
MBE and DBE firms are encouraged to participate in an effort to maximize opportunities for such firms to participate with the Board.
3. 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.)
4. Mailing and overnight delivery address.
5. Telephone and facsimile numbers of proposer.
6. E-mail address of the person signing the proposal and the person providing day-to-day contact.
7. Statement that individual signing the proposal has the authority to commit the firm/institution to the terms proposed.

ALL FIRMS SUBMITTING A PROPOSAL TO SERVE AS THE SENIOR-MANAGER FOR A PUBLICALLY OFFERED SALE SHOULD RESPOND TO THE ITEMS C AND D, BELOW:

C. MARKETING AND INVESTOR IDEAS (LIMIT ONE (1) PAGE)

Describe your firm's marketing strategy and target investors based on the proposed structure of the Bonds included in Appendix B.

D. PUBLIC OFFERING FEE PROPOSAL

Please complete the Public Offering Fee Template included as Appendix A to this RFP. 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 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 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.

ALL FIRMS PROPOSING TO PURCHASE THE BONDS AS A PRIVATE PLACEMENT OFFERING FOR INVENTORY SHOULD RESPOND TO ITEM E, BELOW:

E. BANK PURCHASE THROUGH PRIVATE PLACEMENT TERM SHEET

Each proposal shall complete the term sheet template included as Appendix C of this RFP. For purposes of completing this template, please assume that the Bonds will mature as represented in the amortization schedule included as Appendix B.

VI. SELECTION, EVALUATION AND AWARD CRITERIA

A. SELECTION OF UNDERWRITERS OR BANK PURCHASER (PRIVATE PLACEMENT)

The Board reserves the right to select one or multiple firm(s) to serve as the lead underwriter or bank purchaser for the Bonds. Furthermore, the Board reserves the right to name co-managers as part of this process, or at a later date, if deemed to be appropriate. The selected lead underwriter(s) will work with the Board, its Financial Advisors and its Bond Counsels to structure the financing, review documents, meet/discuss with the rating agencies and market the Bonds, as requested.

B. EVALUATION CRITERIA

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

Cost components – Fees and/or Bank Purchase rate

Firm's marketing and investor plan

Qualifications and experience of the firm, especially as it relates to underwriting experience nationally and in the State of Louisiana.

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 bond purchaser or senior managing underwriter contract for the upcoming bond issue to that proposer, with the understanding that any selection will be subject to review and approval by the Board.

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

Appendix A
Board of Liquidation, City Debt of the City of New Orleans
Public Offering Fee Template– Series 2015A & 2015B Bonds

(I) [Firm Name]

	2015A Bonds (per bond)	2015B Bonds(per bond)
Management Fee	_____	_____
Expenses ¹	_____	_____
Takedown ²	_____	_____
Risk ³	_____	_____

(II) Expenses: Please itemize the following

Expenses	_____
Underwriter’s Counsel	_____
Clearance	_____
MSRB, CUSIP, Dalnet	_____
Order Monitoring System (including cost for 3 rd party viewing)	_____
Travel and Closing (assume local Closing)	_____
Data Processing, Communications	_____
Fed. Funds	_____
Other (Identify)	_____
_____	_____
_____	_____

- a. 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.
- b. 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.
- c. Amount indicated herein should represent a fixed, not to exceed amount. On this transaction, bond counsel will be the primary drafter of the preliminary and final official statements. **The Board reserves the right to approve the firm selected to serve as underwriter’s counsel.**

- NOTE:
- (1) The Management Fee and Expenses are fixed based upon this proposal.
 - (2) Please 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.)
 - (3) Underwriter(s) will be compensated from bond proceeds only. If bonds are not issued, underwriter(s) will not be compensated.

Appendix B^{1 2}

*To be used in preparation of the Fee Template and Bank Purchase Term Sheet
Preliminary, Subject to Change*

2015A Bond Amortization Schedule (Tax-Exempt)

<u>Maturity Date</u>	<u>Par Amount</u>
9/01/2015	\$ 180,000
9/01/2016	2,445,000
9/01/2017	2,485,000
9/01/2018	2,540,000
9/01/2019	2,595,000
9/01/2020	2,650,000
9/01/2021	<u>2,710,000</u>
	\$15,605,000

2015B Bond Amortization Schedule (Federally Taxable)

<u>Maturity Date</u>	<u>Par Amount</u>
9/01/2016	\$ 1,010,000
9/01/2017	1,045,000
9/01/2018	1,075,000
9/01/2019	1,100,000
9/01/2020	1,130,000
9/01/2021	<u>1,155,000</u>
	\$6,515,000

¹ Par amounts are subject to change based on actual rate proposed and final costs of issuance.

² Assumes \$225,000 estimate for costs of issuance (preliminary, subject to change).

Appendix C
Board of Liquidation, City Debt/ City of New Orleans
Bank Purchase Term Sheet –2015A Bonds (Tax-Exempt) &
2015B Bonds (Federally Taxable)

Provide a proposed Cost Proposal by completing this Form Pricing Sheet.

Once a financial institution has been selected to provide these services, negotiation of the fee may become necessary in order to account for the size of funding, the increments of funding, and any clarification. In no case will the negotiations result in a fee that is higher than the fee contained in the proposal. The Board is interested in a Bank Purchase for the term of the Bonds (approximately September 1, 2021).

2015A Loan Commitment Level: \$15,605,000 approximate

2015B Loan Commitment Level: \$6,515,000 approximate

Loan Commitment Valid through (date): _____

1. Interest Rate*:

The Board is seeking fixed rate loan proposals, please use the outline below to provide your loan options.

2015A Bonds (Tax-Exempt)		
<i>Fixed Interest Rate Proposal</i>	Payment (semi. / qtr. / arrears)	Day Count (ACT/360, 30/360, etc.)

2015B Bonds (Federally Taxable)		
<i>Fixed Interest Rate Proposal</i>	Payment (semi. / qtr. / arrears)	Day Count (ACT/360, 30/360, etc.)

	<u>2015A Bonds (Tax-Exempt)</u>	<u>2015B Bonds (Federally Taxable)</u>
Legal Expenses		

2. Prepayment Provisions:

Please describe the terms and calculation methodology for any proposed pre-payment penalties (if any). Please provide definitions of key terms, as necessary.

3. Other Conditions:

- a. Please detail any other conditions that would be required. Please define any terms necessary to understand these conditions.

* Should your firm/institution include multiple rates per maturity, please include the proper format and details.

- b. By submitting a Bank Purchase Proposal your firm agrees to the rights of a bondholder and may not impose “Additional Costs” to the Board.

4. Legal Fees:

Please provide a not-to-exceed figure for legal fees. Please provide the name of the legal firm you would use and the person from that firm who would serve as the primary contact.

5. Conflicts of Interest:

Please describe any conflicts of interests that could impact the contemplated transaction.