REQUEST FOR PROPOSALS (RFP) 
FOR 
INVESTMENT BANKING SERVICES: 
SENIOR MANAGER, CO-SENIOR MANAGER, AND CO-MANAGER 

Appointment to the NJ Health Care Facilities Financing Authority’s 
University Hospital’s Refunding Bond Sale – Spring/Summer 2013 

Issued by the 
State of New Jersey 
Treasurer’s Office 

Date Issued: Monday, March 4, 2013 

Responses due by 3:00 PM NJ Time on 
Friday, March 15, 2013 

Andrew Sidamon-Eristoff 
State Treasurer 
State of New Jersey 
Department of the Treasury
REQUEST FOR PROPOSALS (RFP): INVESTMENT BANKING SERVICES

1. PURPOSE AND INTENT
The Treasurer of the State of New Jersey (the “State”) is soliciting proposals on behalf of the New Jersey Health Care Facilities Financing Authority (“NJHCFFA”), University Hospital and the State Treasurer from qualified firms interested in performing senior manager, (“Senior Manager”), co-senior manager, (“Co-Senior Manager”) or co-manager, (“Co-Manager”) underwriting services for a transaction(s) that will close by June 30, 2013 in accordance with the New Jersey Medical and Health Sciences Education Restructuring Act, L. 2012, c. 45 (“Restructuring Act”). It is the State Treasurer’s policy directive, that when competitive bidding is not appropriate, to issue a request for proposal for investment banking services. Based upon a review of the responses to this Request for Proposal (“RFP”), the State along with the NJHCFFA and University Hospital, intends to select a Senior Manager. Firms which apply for Senior Manager, Co-Senior Manager, and Co-Manager will be considered if a syndicate is formed. Firms which apply for Senior Manager but are not selected will be considered for Co-Senior Manager or Co-Manager. All remaining firms, including those who have applied only for Co-Manager, will then be considered for the syndicate.

Current Situation:
On August 22, 2012 Governor Christie signed into law the Restructuring Act. The Restructuring Act provides that University Hospital shall be the principal teaching hospital of the New Jersey Medical School and New Jersey Dental School, and any other Newark-based medical education program. University Hospital, under the Restructuring Act is to be established as a body corporate and politic and shall be treated and accounted for as a separate non-profit legal entity from Rutgers, The State University, and its assets, liabilities, and funds shall not be consolidated or commingled with those of Rutgers, The State University. The exercise by University Hospital of the powers conferred by the Restructuring Act are deemed to be public and essential government functions necessary for the welfare and health of the State and the people of New Jersey. University Hospital shall also be an instrumentality of the State.

To the maximum extent possible, consistent with applicable law, the State shall assist University Hospital in the refinancing of that portion of the debt of the University of Medicine and Dentistry of New Jersey attributable to University Hospital.

2. SCOPE OF SERVICES
The selected underwriter will work with personnel from the Department of the Treasury, University Hospital, the NJHCFFA, the Office of the Attorney General and other professionals selected by University Hospital, the State and the NJHCFFA, in the negotiated sale of bonds for refunding purposes. The Senior Manager selected will be required to provide some or all of the services identified below, at the request of University Hospital, the State and the NJHCFFA. Co-Senior Managers (if any), and Co-Managers shall provide information and assistance upon request and shall act as members of the underwriting syndicate should one be formed.

2.1. Recommend structures for each specific bond series being issued in order to minimize overall debt service costs.

2.2. Assist in drafting and reviewing relevant bond documents, including, but not limited to, official statements, purchase agreements, bond resolutions and indentures, leases and contracts.

2.3. Assist in preparation of materials or presentations, discussions and meetings or other communications with rating agencies, insurers, credit enhancers and investors.

2.4. Obtain bids for credit enhancement and recommend efficient utilization of available credit enhancement, including but not limited to bank facilities and bond insurance. This service shall include, without limitation, preparing term sheet(s) for escrow bids and requests for proposals; assisting in the evaluation of responses; confirming all bids and identifying the lowest bidder; coordinating the acceptance of bids and the award to the winning bidders.

2.5. Identify financing opportunities available to the State on behalf of University Hospital and the NJHCFFA.
2.6. Manage the underwriting process.

2.7. Commit capital to underwrite the financial instrument being issued.

2.8. Provide post-closing analysis of the debt issuance, including but not limited to pricing, orders, allotments and all information required by Executive Order No. 26 (Whitman 1994).

2.9. Identify investment opportunities that provide savings and improve the efficiency or execution of a transaction.

2.10. Provide such underwriting and investment banking services as requested by the State on behalf of University Hospital and the NJHCFFA.

3. REQUIRED COMPONENTS OF THE PROPOSAL

Each firm submitting a proposal must follow the instructions contained in this RFP in preparing and submitting its proposal. The proposing firm is advised to thoroughly read and follow all instructions. A proposal must contain all of the information in the order and format indicated below. All terms and conditions set forth in this RFP will be deemed to be incorporated by reference in their entirety into any response submitted by your firm. All proposals received, and any information contained therein, are subject to disclosure in accordance with the NJ Open Public Records Act. Firms interested in being selected for the Senior Manager or Senior Co-Manager position (if any) must respond to all questions provided below. Firms interested in being selected only as Co-Managers must respond to questions 3.1 through and including 3.3.

In your proposal please respond to each question by repeating the question at the top of the section and referring to the question by the numbers used in this RFP.

3.1 In lieu of a cover letter, please state the positions (i.e., Senior Manager, Co-Senior Manager, or Co-Manager) for which you are applying. Provide an executive summary of not more than one page identifying and substantiating the basis of your contention that you are the best qualified firm to provide the requested underwriting services to University Hospital, the State and the NJHCFFA.

3.2 Provide the name, title, business address, e-mail address, telephone number and fax number of the individual the State should contact regarding your proposal.

3.3 Provide a brief description of your firm, its ownership structure and its state/country of incorporation or formation. **Describe your firm’s physical presence in the State of New Jersey**, including the number of offices, the number of employees and the type of business activity conducted in the State. Also, please describe the participation of women and minorities in your firm. Please indicate the percentage of your firm that is owned by women and minorities.

3.4 Provide specific examples of successful negotiated underwritings that were similar to University Hospital’s current situation. Additionally, provide two (2) specific examples of your ability to distribute bonds issued by a new credit, including but not limited to i) underwriting liability, ii) orders (retail/institutional/member), iii) allotments and iv) designations (Limit two pages).

3.5 Given the existing bonds, please provide your ideas for a structure that will optimize the University Hospital’s portfolio in order to meet its financial goals, and providing other benefits to the State or University Hospital. Please address the various benefits and risks inherent in any proposed structure(s) and any key dates or market timelines that may affect the ability to execute a transaction(s) in that regard (limit four (4) pages).

3.6 Please provide any additional information relating to your firm or the members of your proposed team that you think would be relevant to the evaluation of your proposal.

3.7 List your proposed fees and expenses for this transaction, excluding fees and expenses of underwriter’s counsel. Your fee must not be contingent on any specified syndicate policy.
3.8 Provide, as an appendix, all appropriate schedules of your quantitative analysis that supports Section 3.8.

3.9 List and describe the primary personnel that will be assigned to provide investment banking and underwriting services to University Hospital, the State and the NJHCFFA with a discussion of their relevant experience.

3.10 As an appendix, identify any existing or potential conflict of interest, or any relationships that might be considered a conflict of interest, that may affect or involve transactions for University Hospital, the State or the NJHCFFA, including but not limited to conflicts with financial advisors, law firms providing services to University Hospital, the State or the NJHCFFA and University Hospital employees, State employees or NJHCFFA employees.

3.11 As an appendix, 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. Describe the nature and status of the matter and the resolution, if any.

3.12 As an appendix, list any sanctions or penalties brought against your firm or any of its personnel (including suspension or disbarment) by any regulatory or licensing agencies. Include a description of the reasons for the sanction or penalties and whether such sanctions or penalties are subject to appeal.

3.13 As an appendix, provide the last two G37 reports your firm has filed and if applicable, form G38t.

4. SUBMISSION OF THE PROPOSAL

All respondents are required to limit their proposals to twelve (12) pages or less (exclusive of appendices) at no smaller than 12 point type. Excess pages and extraneous materials or appendices will detract from the overall quality of the response. JOINT PROPOSALS WILL NOT BE PERMITTED. All documents and information submitted in response to this RFP generally shall be available to the general public as required by Executive Order No. 26 and applicable law.

Communications with representatives of University Hospital, the State or the NJHCFFA concerning this request, by you or on your behalf, are NOT permitted during the submission process (except as specified below). No telephone inquiries will be accepted. If you have questions or require clarification on any aspect of this RFP, please forward the request via email to: RFQresponses@treas.state.nj.us. Questions must be submitted by 3:00 p.m. Thursday, March 7, 2013. The State will post answers on the Office of Public Finance website at: http://www.state.nj.us/treasury/public_finance/ on or about Monday, March 11, 2013.

University Hospital, the State and the NJHCFFA will not be responsible for any expenses in the preparation and/or presentation of the proposals and oral interviews, if any, or for the disclosure of any information or material received in connection with the solicitation, whether by negligence or otherwise.

University Hospital, the State and the NJHCFFA reserve the right to request additional information or clarification, if necessary, or to request an interview with firm(s), or to reject any and all proposals with or without cause, and waive any irregularities or informalities in the proposals submitted. University Hospital, the State and the NJHCFFA further reserve the right to make such investigations as deemed necessary as to the qualifications of any and all firms submitting proposals. University Hospital, the State and the NJNHHCFFA reserve the right to negotiate lower prices with responding firms as deemed in the best interests of University Hospital, the State and the NJHCFFA. Responding firms may withdraw their proposal at any time prior to the filing date and time by written notification signed by an authorized agent of the firm. The proposal may thereafter be resubmitted, but only up to the final filing date and time.

The responding firm assumes sole responsibility for the complete effort required in this RFP. No special consideration shall be given after proposals are opened because of a firm’s failure to be knowledgeable about all the requirements of this RFP. By submitting a proposal in response to this RFP, the firm represents that it has satisfied itself, from its own investigation, of all the requirements of this RFP.

Five (5) copies of your proposal (one signed original and four copies) plus a CD with all appendices must be delivered by courier or overnight express mail no later than 3 PM on Friday, March 15, 2013 to: James Petrino,
5. SELECTION PROCESS
All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. Responsive proposals will be reviewed and scored by an evaluation committee pursuant to the grading scale it creates. The State reserves the right to request clarifying information subsequent to submission of the proposal if necessary. The criteria used to evaluate responsive proposals shall include, but not be limited to, ideas, expertise, capacity, experience and personnel in accordance with Executive Order No. 26.

Interviews may be conducted, at the option of the evaluation committee, with any or all of the firms submitting a proposal. If interviews are to be held you will be notified approximately one week in advance.

6. STATUTORY REQUIREMENTS
6.1 Chapter 51 and Executive Order No. 117 (Corzine 2008). In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature enacted L. 2005, c. 51 (codified at N.J.S.A. 19:44A-20.13-25) (“Chapter 51”), on March 22, 2005, effective retroactive to October 15, 2004, superseding the terms of Executive Order No. 134 (McGreevey 2004). In addition, on September 24, 2008, Governor Corzine issued Executive Order No. 117, effective on November 15, 2008 (“EO 117”) setting forth additional limitations on the ability of executive branch departments, agencies, authorities or independent State authorities to contract with a business entity which has made or solicited certain contributions.

Prospective bidders are advised that at the time of execution of the bond purchase agreement between the NJHCFFA and the winning bidder (the “Bond Purchase Agreement”), the winning bidder must be in compliance with Chapter 51 and EO 117. Pursuant to the requirements of Chapter 51 and EO 117, the terms and conditions set forth in Attachment I will be material terms of the Bond Purchase Agreement.

To obtain the necessary forms and information on how to comply with Chapter 51, EO 117 and EO 7, prospective bidders should access:

http://www.state.nj.us/treasury/purchase/forms/eo134/c51_eo117_cd_02_10_09.pdf for the necessary forms and
http://www.state.nj.us/treasury/purchase/forms/eo134/c51_eo117_cd_instr%2002_2009.pdf for instructions on using the forms.

Under Chapter 51, EO 117 and EO 7, the NJHCFFA is not permitted, and will not enter into a Bond Purchase Agreement with a firm that is not in compliance with Chapter 51 and EO 117. The NJHCFFA will verify with the Division of Purchase and Property of the New Jersey Department of the Treasury as to whether the prospective bidders are compliant with Chapter 51 and EO 117. By submission of a bid, the winning bidder shall be deemed to have agreed to maintain its compliance with Chapter 51 and EO 117 during the term of the engagement. Failure to do so would constitute a default by the winning bidder.

6.2 Chapter 271. Pursuant to L. 2005, c. 271 (“Chapter 271”), your firm is required to disclose its (and its principals’) political contributions within the immediately preceding twelve (12) month period prior to entering into a contract. No prospective firm will be precluded from entering a contract with the NJHCFFA by virtue of the information provided in the Chapter 271 disclosure provided the form is fully and accurately completed. Prior to award of this engagement, the firm(s) selected pursuant to this RFP shall be required to submit Chapter 271 disclosures. Please refer to http://www.state.nj.us/Treasury/Purchase/forms/CertandDisc2706.pdf for a copy of the Chapter 271 disclosure form. It is not required to be completed in connection with the submission of your proposal.

If selected pursuant to this RFP, please also be advised of your firm’s responsibility to file an annual disclosure statement on political contributions with the NJ Election Law Enforcement Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if your firm receives contracts in excess of $50,000 from a public entity during a calendar year. It is your firm’s responsibility to determine if filing is necessary. Failure to so file can
result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at (888)313-3532 or www.elec.state.nj.us.

6.3. Executive Order No. 9. Pursuant to Executive Order No. 9 (Codey 2004), dated and effective as of December 6, 2004, it is the policy of the State that in all cases where bond underwriting services are or may be required by the State or any of its departments, agencies or independent authorities, such department, agency or independent authority shall deal directly with the principals of the underwriting firms or their registered lobbyists. The department, agency, or independent authority shall not discuss, negotiate or otherwise interact with any third-party consultant, other than principals of underwriting firms and their registered lobbyists, with respect to the possible engagement of the firm to provide bond underwriting services. Compliance with Executive Order No. 9 shall be a material term and condition of any bond purchase contract entered into by underwriters selected for this assignment.

6.4. Chapter 92. In accordance with L. 2005, c. 92 (codified at N.J.S.A. 52:34-13.2), all services performed pursuant to this contract shall be performed within the United States.

6.5. Certification of Non-Involvement in Prohibited Activities in Iran. Pursuant to N.J.S.A. 52:32-58, the bidder must certify that neither the bidder, nor any of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the Department of the Treasury’s List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in N.J.S.A. 52:32-56(f). If the bidder is unable to so certify, the bidder shall provide a detailed and precise description of such activities.