

REQUEST FOR PROPOSALS (RFP)

FOR

INVESTMENT BIDDING AGENT

ISSUED BY THE
STATE OF NEW JERSEY
OFFICE OF THE STATE TREASURER

DATE OF ISSUE: MARCH 14, 2019

RESPONSES DUE BY 3:00 P.M. EASTERN TIME ON
Thursday, March 21, 2019

Elizabeth Maher Muoio
State Treasurer
State of New Jersey
Department of the Treasury

**REQUEST FOR PROPOSALS (RFP) FOR
INVESTMENT BIDDING AGENT (“BIDDING AGENT”)**

1.0 PURPOSE

The Treasurer of the State of New Jersey (the “State”) is soliciting proposals on behalf of the New Jersey Economic Development Authority (“NJEDA”) from qualified firms interested in assisting with the investment of bond proceeds, structuring of escrow agreements and purchase of securities for deposit in escrow funds. The NJEDA is contemplating a refunding of a portion of its outstanding School Facilities Construction Bonds (the “Bonds”). The State currently anticipates the use of up to six distinct escrow accounts. The estimated securities costs and purchase date for each account are as follows, in millions:

	<u>Cost</u>	<u>Purchase Date</u>
Tax-Exempt Escrow 1:	\$111.3	April 25, 2019
Tax-Exempt Escrow 2:	\$43.3	June 6, 2019
Tax-Exempt Escrow 3:	\$111.0	March 24, 2020 or April 25, 2019
Tax-Exempt Escrow 4:	\$64.1	March 24, 2020
Tax-Exempt Escrow 5	\$415.0	May 2, 2019
<u>Taxable Escrow</u>	<u>\$20.0</u>	May 2, 2019
Total:	\$764.7	

The Bidding Agent will work with the State and the purchaser to determine whether the bids should be based upon (i) pre-defined portfolios of escrow securities identified by the purchaser, or (ii) the anticipated escrow cash flow requirements supplied by the purchaser.

Permitted securities will be limited to "Defeasance Securities" as defined in the General Bond Resolution, attached hereto as Appendix A. Upon consultation with the Bidding Agent and the purchaser, the State may elect to further limit the universe of permitted securities.

The Bidding Agent is expected to have or obtain a thorough understanding of the relevant covenants and contracts pertaining to the NJEDA’s Bonds.

The contract’s term will begin upon the award of the contract and end with providing all post-issuance information after the successful closing of the refunding. The State and the NJEDA reserve the right to terminate the engagement at their convenience and without cause.

There is no assurance that the services of the selected Bidding Agent will be required for the transaction. No compensation will be provided to the Bidding Agent unless the investments are bid and settled.

2.0 MINIMUM REQUIREMENT

A firm must meet the following minimum requirement in order to be given further consideration to be appointed:

Experience as a bidding agent or investment agent for at least three transactions of a governmental body, public corporation, authority or similar entity where each such transaction involved the investment of at least \$100 million in proceeds in open market Treasury securities or U.S. Agency securities.

Failure of a firm to meet the Minimum Requirement **will result in the immediate rejection of such firm's proposal.**

3.0 SCOPE OF SERVICES

A firm selected as Bidding Agent will be responsible for preparing all necessary documentation to qualify and select providers of a variety of investment products to ensure that the NJEDA achieves the highest rate of return possible on its escrow investments. All documentation will be subject to review by Bond Counsel, the Attorney General's Office and the Department of the Treasury. The firm appointed will be expected to be familiar with the laws of the State and the Bond documentation regarding the investment of bond proceeds and other available funds. Your firm will be expected to perform and provide the following services:

- Review and provide the State and NJEDA with advice concerning the investment language in the documents authorizing the Bonds;
- Provide suggestions as to appropriate investment strategy and review investment strategy for Bond proceeds and escrow agreements;
- Prepare term sheet(s) and request for proposals;
- Solicit bids for the investment of certain funds;
- Assist in the review and evaluation of responses;
- Coordinate the acceptance of bids and the award to the winning bidder;
- Coordinate the distribution and execution of the various documents and legal opinions regarding the investments and related agreements; and
- Provide general assistance as necessary with the investment of the proceeds as requested by the State and NJEDA.

4.0 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. The proposal must contain an explicit statement on how the firm meets the “Minimum Requirement” specified in Section 2.0. 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. Appendices may be included only where specified.

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

- 4.1 Explicitly state how the firm meets the Minimum Requirement specified in Section 2.0.
- 4.2 Contact information of the person(s) who will be directly responsible for working with the State on the appointment including address, phone and fax numbers and email address.
- 4.3 Briefly, in two pages or less, describe the firm’s experience in the investment of proceeds and structuring of escrows related to advance and current refundings.
- 4.4 In an appendix, please provide a list of all bidding agent engagements for the purchase of Treasuries or federal agency securities in the last three (3) years.
- 4.5 Please list two references from transactions for which your firm has served as Bidding Agent.
- 4.6 Provide the names, relevant experience and proposed roles of those individuals who will be responsible for providing the services described herein. Please include complete resumes in an appendix.
- 4.7 Your firm must hold and maintain all licenses required by the State, the NASD, MSRB, SEC or any other regulatory agency necessary to perform the services required by the State. Upon selection, the Bidding Agent should be prepared to submit these licenses to the State. Describe all licenses held and maintained by your firm, its directors, officers and principals and any of the individuals who will be responsible for providing the services described in this RFP that will be required in order to do business in the State or elsewhere.

- 4.8 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 thereof during the period beginning January 1, 2010 to the present.

Describe the nature and status of the matter and the resolution, if any. List any sanctions or penalties brought against your firm or any of its personnel (including suspension or disbarment) imposed on your firm or any of its personnel 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. Please describe any potential conflict that may affect your service to the State.

- 4.9 Identify any existing or potential conflicts of interest as well as your representation of other parties or relationships that might be considered a conflict that may affect or involve transactions for the State and/or the NJEDA.

5.0 FEE PROPOSAL

Please provide a schedule or fixed fee for the services described under Section 3.0 “Scope of Services,” above. **Note:** The State and the NJEDA will abide by all U.S. Treasury Regulations governing fees paid to bidding agents/brokers and all yield restricted defeasance escrows.

All proposed fees should be ‘fully loaded’, inclusive of all expenses. The State and the NJEDA will not pay expenses separately from the ‘fully loaded’ fees.

6.0 SUBMISSION OF THE PROPOSAL

All respondents are required to limit their proposals to ten (10) 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. A single page cover letter may be submitted with the proposal at the discretion of the respondent firm and will not count toward the page limit. Information contained in a cover letter will not be used to grade a response.

A copy of your proposal must be emailed to:

David K. Moore, Deputy Director david.moore@treas.nj.gov	Anthony M. Longo, Senior Manager anthony.longo@treas.nj.gov
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no later than 3 P.M. Eastern Time on Thursday, March 21, 2019. Proposals received after this time will not be considered.

All documents and information submitted in response to this RFP generally shall be available to the general public as required by applicable law, including Executive Order No. 26 and the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq.

Communications with representatives of the State or NJEDA concerning this RFP, by your firm or on your firm's behalf, are **NOT** permitted during the submission and evaluation 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 uwrfq.Responses@treas.nj.gov and include BIDDING AGENT RFP in the subject line of your email. **Failure to adhere to these communication restrictions will result in the immediate rejection of your firm's proposal.** Questions must be submitted by 12:00 noon Eastern Time on March 18, 2019. The State will post answers to all questions on the New Jersey Office of Public Finance's website on or about March 19, 2019 at: http://www.state.nj.us/treasury/public_finance/

The State 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.

The State reserves the right to request additional information 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. The State further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all firms submitting proposals. In the event that all proposals are rejected, the State reserves the right to re-solicit proposals.

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, the firm represents that it has satisfied itself, from its own investigation, of all the requirements of this RFP.

7.0 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, expertise and experience of the firm and/or firm's personnel, and fee's proposed 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.

8.0 STATUTORY REQUIREMENTS

A. The following documents must be completed, included and submitted with the bid proposal. All forms listed below can be downloaded from the Department of the Treasury website at: www.state.nj.us/treasury/purchase/forms.shtml.

- Standard Terms and Conditions dated July 18, 2018
- Waivered Contract Supplement to the State of New Jersey Standard Terms and Conditions dated June 14, 2018;
- New Jersey Business Registration;
- Ownership Disclosure;
- Disclosure of Investigations and Actions Involving Bidder;
- MacBride Principles;
- Affirmative Action Employee Information Report;
- Notice of Set Off for State Tax;
- Source Disclosure Certification Form;
- Disclosure of Investment Activities in Iran; and
- Contractor Certification and Disclosure of Political Contributions (N.J.S.A. 19:44A-20.13 et seq.); and
- Vendor Certification (P.L. 2005, c. 271) (The form listed below can be downloaded from the Department of the Treasury website at : <http://www.state.nj.us/treasury/purchase/forms/CertandDisc2706.pdf>.)

NOTE: A copy of a valid New Jersey business registration must be submitted. If not already registered with the New Jersey Division of Revenue, registration can be complete on-line at the Division of Revenue website: <http://www.state.nj.us/treasury/revenue/index.html>.

B. Specific Statutory Requirements

1. Chapter 51 and Executive Order No. 117. Pursuant to Public Law 2005, Chapter 51 ("Chapter 51") and Executive Order No. 117 (Corzine 2008) ("Executive Order 117"), State departments, agencies and authorities are precluded from awarding contracts exceeding \$17,500 to vendors who make certain political contributions on and after October 15, 2004, to avoid any appearance that the selection of contracts is based on the contractors' political contributions. Chapter 51 also requires the disclosure of all contributions to any political organization organized under 26 U.S.C. 527 that also meets the definition of a "Continuing Political Committee" within the meaning of N.J.S.A.

19:44A-3(n) and N.J.A.C. 19:25-1.7. **Failure to submit the certification and disclosure form(s) shall be cause for rejection of your firm’s proposal.** Please consult the website listed below for information and forms relating to Chapter 51 and Executive Order 117.

<http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf>

The firm or firms selected pursuant to this RFP shall be required to maintain compliance with Chapter 51 and Executive Order 117 during the term of its or their engagement.

2. Chapter 271. Pursuant to Public Law 2005, Chapter 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 State 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 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.

3. Chapter 92. In accordance with Public Law 2005, Chapter 92, all services performed pursuant to this engagement shall be performed within the United States of America.

4. 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 involve in any of the investment activities set forth in N.J.S.A.52:32-56(F). If the bidder is unable to certify, the bidder shall provide a detailed and precise description of such activities.