

**REQUEST FOR INVESTMENT BANKING PROPOSALS:
SENIOR MANAGER, CO-SENIOR MANAGER, AND CO-MANAGER**

**Appointment to the
New Jersey Transportation Trust Fund Authority's
Refunding Bond
Spring 2021 Transaction**

**Issued by the
State of New Jersey
Treasurer's Office**

Date Issued: December 15, 2020

**Responses due by 10:00 AM EST on
December 23, 2020**

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

REQUEST FOR INVESTMENT BANKING PROPOSALS: SENIOR MANAGER, CO-SENIOR MANAGER, AND CO-MANAGER

1. PURPOSE AND INTENT

The Treasurer of the State of New Jersey (the “State”) is soliciting proposals on behalf of the New Jersey Transportation Trust Fund Authority (the “TTFA” or the “Authority”) from qualified firms interested in underwriting bonds to be issued by the TTFA as either a senior manager (“Senior Manager”), co-senior manager (“Co-Senior Manager”), or co-manager (“Co-Manager”) for a potential TTFA refunding transaction in the Spring of 2021. It is the State Treasurer’s policy directive, that when competitive bidding is not appropriate, to issue a request for proposals for investment banking services. Based upon a review of the responses to this Request for Proposals and the transaction that the State decides to pursue, the State intends to select a Senior Manager. Firms that apply for Senior Manager, Co-Senior Manager, and Co-Manager will be considered when the 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.

2. MINIMUM REQUIREMENTS

The selected underwriter(s) will work with the Department of the Treasury, the Authority, the Office of Attorney General and other professionals selected by the State and the Authority. The Senior Manager selected must be proficient in the items described below. Co-Senior Managers (if any), and Co-Managers shall provide information and assistance upon request and shall act as members of the underwriting syndicate.

- 2.1. Recommend structures for each specific series being issued in order to minimize overall debt service costs.
- 2.2. Assist in drafting and reviewing relevant documents, including but not limited to, official statements, purchase agreements, resolutions and indentures, contracts, and other agreements.
- 2.3. Assist in the preparation of materials or presentations, discussions and meetings or other communications with rating agencies, swap consultants, counterparties, 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.
- 2.5. Identify financing opportunities available to the State on behalf of the Authority.
- 2.6. Manage the underwriting process.
- 2.7. Commit capital to underwrite the bonds or notes 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.

Note: Documentation

All documents and contractual arrangements will be governed by New Jersey Law and the form and substance of any agreement must be satisfactory to both Bond Counsel and the Office of the Attorney General.

3. REQUIRED COMPONENTS OF THE PROPOSAL

Each firm submitting a proposal must follow the RFP instructions 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. Firms interested in being selected

for the Senior Manager or Co-Senior 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, 3.2 and 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, provide a one-page Executive Summary identifying and substantiating the basis of your contention that you are the firm best qualified to underwrite the transaction. Please state the position(s) (i.e., Senior Manager, Co-Senior Manager, or Co-Manager) for which you are applying. Also provide the name, title, business address, e-mail address, telephone number and fax number of the individual the State should contact regarding your proposal.
- 3.2 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.
- 3.3 Describe your firm's bond sales and distribution capabilities, including both retail and institutional sales.
- 3.4 In tabular form to be included as an appendix, provide details (par amount, number of trades, issuer) of your firm's support of bonds of the State, the TTFA, and other State Authorities' issuing State appropriation backed bonds in the secondary market for the period beginning January 1, 2015 to date.
- 3.5 List all ideas that your firm has presented in writing to the Office of Public Finance or the Office of the State Treasurer **that have been implemented** (please include the implementation date) by the State for the period beginning January 1, 2015 to date.
- 3.6 The State currently intends to update its financial disclosure ("Appendix I") following the introduction of the Governor's Budget Message for Fiscal Year 2022 (the "Budget Message"). The Budget Message is expected to be delivered to the Legislature on or before the fourth Tuesday in February and the Appendix I to be available by the end of March 2021.

Please identify any refunding opportunities available to the TTFA under its System Bond, Program Bond or Federal Highway (GARVEE) programs. Any proposed System Bond or Program Bond refunding should be scheduled to take place following the availability of the updated Appendix I as described above. Given your firm's knowledge of the State, the TTFA, and related legal procedures, statutes, and issues, please address the various benefits and risks inherent in any proposed transaction and any key dates or market timelines that may affect the ability to execute a transaction in that regard. Provide as one or more appendices all appropriate documents and schedules that supports your proposed Plan of Finance. You should also provide an assessment of the expected rating for the bonds proposed in your financing strategy as well as an assessment of the market's capacity to absorb your proposed transactions.

Should your firm desire to propose a bank loan or variable rate product as a funding vehicle for part or all of the transaction kindly provide your rationale for such proposal.

- 3.7 Demonstrate that your firm possesses sufficient capital to serve as lead managing underwriter for the transactions proposed in 3.6.
- 3.8 List your proposed fees and expenses for these transactions, excluding fees and expenses of underwriter's counsel. Your fee must not be contingent on any specified syndicate policy. **Please note that the State and the Authority reserve the right to negotiate fees with responding firms as deemed in the best interests of the State and the Authority.**
- 3.9 List and describe the primary personnel that will be assigned to the proposed transaction. Please discuss in-depth all relevant experience they have with both the State and the Authority.

- 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 the State or the Authority, including but not limited to conflicts with financial advisors, law firms providing services to the State or the Authority and State employees or Authority 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, provide a list of 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, the last two G37 reports your firm has filed and if applicable, form G38t.

4. SUBMISISON OF THE PROPOSAL

All respondents are required to limit their proposals to fifteen 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 ARE NOT 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 the State or the Authority 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: uwrfg.Responses@treas.nj.gov. Questions must be submitted by December 18, 2020. The State will post answers on the Office of Public Finance website at: http://www.state.nj.us/treasury/public_finance/ on or about December 21, 2020.

The State and the Authority 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 and the Authority 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. The State and the Authority further reserve the right to make such investigations as deemed necessary as to the qualifications of any and all firms submitting proposals. **The State and the Authority reserve the right to negotiate fees with responding firms as deemed in the best interests of the State and the Authority.** 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.

A copy of your proposal must be emailed no later than 10 AM EST on December 23, 2020 to: David K. Moore, Deputy Director, Office of Public Finance, State of New Jersey, at the following three email addresses: david.moore@treas.nj.gov; betsy.davis@treas.nj.gov; and uwrfg.Responses@treas.nj.gov

Proposals received after the time and date listed above will not be considered. Physical proposals will neither be accepted nor reviewed.

New Jersey Open Public Records Act. Proposals can be released to the public pursuant to the New Jersey Open Public Records Act (“OPRA”), N.J.S.A. 47:1A-1 to 13, or the common law right to access, subject to any applicable exemptions contained therein. All information submitted by a firm in response to the RFP is considered public information notwithstanding any disclaimers to the contrary submitted by a responding firm. Proprietary and confidential information, and information which, if disclosed, would give an advantage to competitors or other bidders may be exempt from public disclosure by OPRA and/or the common law. The proposal will not be subject to public disclosure until a selection notice is posted on the Office of Public Finance website.

As part of its proposal, a firm may designate any data or materials it asserts are exempt from public disclosure under OPRA and/or the common law, explaining the basis for such assertion. The location in the proposal of any such designation should be clearly stated in a cover letter.

The State and the Authority reserve the right to make the determination as to what is proprietary or confidential, and/or information which, if disclosed, would give an advantage to competitors or other bidders, and will advise the responding firm accordingly. Any proprietary and/or confidential information, and information which, if disclosed, would give an advantage to competitors or other bidders in a proposal will be redacted by the State and the Authority. Neither the State nor the Authority will honor any attempt by a responding firm to designate its entire proposal and/or prices as proprietary, confidential, as information which, if disclosed, would give an advantage to competitors or bidders, and/or to claim copyright protection for its entire proposal. Copyright law does not prohibit access to a record which is otherwise available under OPRA. In the event of any challenge to the firm’s assertion of confidentiality with which the State or the Authority does not concur, the firm shall be solely responsible for defending its designation, but in doing so, all costs and expenses associated therewith shall be the responsibility of the firm. The State and the Authority assume no such responsibility or liability.

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 for 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 to -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 Authority and the winning bidder (the “Bond Purchase Agreement”), the winning bidder must be in compliance with Chapter 51 and EO 117.

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

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

Under Chapter 51 and EO 117, the AUTHORITY 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 Authority 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 Authority 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.nj.gov/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 New Jersey 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.