



# **STATE OF LOUISIANA**

**DEPARTMENT OF TREASURY  
STATE BOND COMMISSION**

## **REQUEST FOR PROPOSALS**

**FINANCIAL ADVISORY SERVICES**

**Issued: April 11, 2011**

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## SECTION I

### 1.0 GENERAL INFORMATION

#### 1.1 INTRODUCTION

The Louisiana State Bond Commission (the "Commission"), which oversees and administers the incurring of State debt and also reviews and approves debt obligations of local governmental entities, is requesting proposals from qualified financial advisory firms to provide financial advisory services on an ongoing basis in connection with the issuance of debt by the State of Louisiana (the "State"). The Commission encourages proposals from all qualified firms, including minority or women owned business enterprises.

#### 1.2 BACKGROUND

Firms interested in submitting proposals in response to this request may wish to understand more about the Commission and recent State debt issues. An overview of the Commission, which includes information about its history, its membership and its current members, the Office of the Commission, and its administrative functions has been included as Appendix B. A copy of the Official Statement prepared in connection with the State's most recent issue of general obligation bonds can be viewed online at:

<http://www.munios.com/id.aspx?i=e8I5xPb%2fpI0b%2b0%2blfBSteg%3d%>

#### 1.3 GOALS AND OBJECTIVES

By engaging a financial advisory firm, the Commission intends to further two goals: (1) the minimization of the cost of issuance and maintenance of debt to the State and its taxpayers and (2) the improvement of the State's credit rating and standing in the investment community. In performing its work, the financial advisor's client will be the Commission. Supervision of the financial advisory firm will be vested in an Executive Committee of the Commission (the "Committee") comprised of the Treasurer, the President of the Senate, the Speaker of the House, and the Commissioner of Administration.

#### 1.4 PROPOSER QUALIFICATIONS AND MANDATORY REQUIREMENTS

In order to respond to this Request for Proposals (RFP), a proposer MUST meet the following conditions:

1. The proposer must have experience in providing financial advisory services to governmental entities in all aspects of debt issuance. This experience shall include but not be limited to all of the following:

- Providing fundamental and technical research;
  - Assisting in evaluating capital funding alternatives and developing financing plans.
  - Providing advice on method of sale;
  - Participating in the development of Request for Proposals, Solicitations for Offers, and Requests for Qualifications or similar documents;
  - Evaluating proposal submissions (when requested);
  - Recommending the timing of bond sales, refunding, restructurings, etc.;
  - Identifying tasks, responsibilities, and dates for completion of activities leading up to a bond sale, refunding, etc.;
  - Designing debt structures and related derivative structures;
  - Providing advice on approaches to rating agencies;
  - Assisting in rating agency and insurer presentations;
  - Evaluating the use of and obtain bids for credit enhancements, if appropriate;
  - Assisting in reviewing documents, including preliminary and final official statements;
  - Evaluating bids, including accuracy of TIC calculation, and recommend award (competitive sales);
  - Reviewing pricing and allocation of bonds (negotiated sales);
  - Assisting with closing arrangements;
  - Providing advice on investment of bond proceeds (if appropriate);
  - Providing advice related to compliance with arbitrage regulations;
  - Providing advice related to proposed or actual derivative instruments; and
  - Providing derivative evaluation services.
2. The proposer must have experience in general obligation, revenue, appropriation dependency, and tax-secured bonds, as well as experience with issues related to asset securitizations, tobacco securitizations, and capital infrastructure.
  3. The proposer must be able to demonstrate a complete understanding of commonly utilized derivative structures and mechanisms and be capable of providing derivative advisory services as enumerated under item 14 of Section 3.0 of this RFP, if requested.
  4. The proposer must provide at least five customer references for work performed similar to the financial advisory services being proposed in this RFP.
  5. The proposer must be a Registered Municipal Advisor with the Securities and Exchange Commission at the time of proposal submission.
  6. The proposer must be able to enter into a contract in substantially the same format as the example contract attached to this RFP and must be able to comply with Section II, Terms of Appointment.

## SECTION II

### 2.0 ADMINISTRATIVE INFORMATION

### 2.1 EXPECTED TIME PERIOD FOR CONTRACT

The period of the contract resulting from this RFP is tentatively scheduled to begin on or about **July 1, 2011** and will continue through **June 30, 2012**. The Commission could elect, subject to agreement by the contractor, to extend the contract for two additional one-year terms, the maximum allowed by State law.

### 2.2 RFP COORDINATOR

This RFP is available in electronic form at <http://www.treasury.state.la.us/> or by submitting a written request to the RFP Coordinator.

Written requests and written questions must be directed via email to the RFP Coordinator listed below:

**Lela Folse**  
**Department of Treasury**  
**State Bond Commission**  
**Post Office Box 44154**  
**Baton Rouge, La. 70804**  
**E-mail: lfolse@treasury.state.la.us**

### 2.3 CALENDAR OF EVENTS

1. Advertise RFP and mail public announcements..... April 11, 2011
2. Deadline for submitting written inquiries (12:00 noon, Baton Rouge)..... April 25, 2011
4. Deadline to respond to proposer inquiries..... April 27, 2011
5. Proposal submission deadline (2:00 P.M. Baton Rouge)..... May 9, 2011
6. Presentation of Evaluation Results to SBC ..... May 19, 2011
7. Invitation to finalists for oral presentations (if necessary) ..... May 19, 2011
8. Oral Presentations (if necessary) ..... June 1-2, 2011
9. Formal announcement of selected proposer ..... June 16, 2011
10. Initiate contract negotiation with selected proposer ..... June 16, 2011
11. Contract execution..... July 1, 2011

**NOTE: The Commission reserves the right to amend and/or change this schedule of RFP activities, as it deems necessary.**

## 2.4 PROPOSER INQUIRIES

The Commission will consider written proposer inquiries regarding RFP requirements or Scope of Services. The Commission reserves the right to modify the RFP should a change be identified that is in the best interest of the State. It is the sole responsibility of the prospective financial advisory firm to inquire into and clarify any item of the RFP that is not understood.

To be considered, written inquiries and requests for clarification of the content of this RFP must be received at the email address shown in Section 2.2 by 12:00 noon (Baton Rouge time) on April 25, 2011. Official responses to each of the questions presented by the proposers will be posted by April 27, 2011 at <http://www.treasury.state.la.us/> and by email to each submitting proposer. It is the responsibility of the proposer to check the web site for the official responses to proposer inquiries.

Only Whitman J. Kling, Jr., Director of the State Bond Commission, has the authority to respond to proposers' questions on behalf of the Commission. Communications from any other individual is not binding on the Commission.

## 2.5 ADDENDA, SUPPLEMENTS, AND AMENDMENTS TO RFP

In the event that it becomes necessary to revise any part of this RFP, an addendum, supplement, or amendment to this RFP will be posted at <http://www.treasury.state.la.us/>. It is the responsibility of the proposer to check the web site for any addendums, supplements, or amendments made to the RFP.

## 2.6 PROPOSAL SUBMISSION

The fully completed proposal must be delivered at the proposer's expense and received in both hard copy (printed) and electronic version (Word/WordPerfect/PDF) on CD or UBS flash drive by the RFP Coordinator designated in Section 2.2 above on or before **2:00 PM** (Baton Rouge time) on May 9, 2011.

Proposers mailing their proposals should allow sufficient mail delivery time to ensure receipt of their proposal by the date/time specified. **Fax or e-mail submissions are not acceptable.**

For courier delivery, the street address is **900 Third Street, State Capitol, 3rd Floor, Baton Rouge, LA 70802**, and the telephone number is **(225) 342-0040**.

The proposer shall provide **ten (10)** hard copy printed copies and one electronic version (either CD or UBS flash drive) submitted to the address specified above in Section 2.2. At least one (1) copy of the hard copy printed proposal must contain the original signature of a company official or agent duly authorized to sign proposals on behalf of the organization, using the **Certification Statement in Appendix E**. This copy should be clearly marked or differentiated from the other required copies of the proposal by a notation in the lower left corner of the cover with the words **"Signed Original."** This copy will be retained for incorporation by reference

in any contract resulting from this RFP. A certified copy of a board resolution granting such authority should be submitted for all corporations.

It is solely the responsibility of each prospective financial advisory firm to assure its proposal [hard copy (printed) and electronic version] is delivered at the specified place and prior to the deadline for submission. Proposals that, for any reason, are not so delivered will not be considered and those proposers will be notified.

The Commission reserves the right to request clarification and modification of any proposal prior to the contract award being made.

The proposal must be valid for at least 120 days from the date of submission.

## **2.7 DETERMINATION OF RESPONSIBILITY**

Determination of the proposer's responsibility relating to this RFP shall be made according to the standards set forth in LAC 34:136. The State must find the proposer:

- Has adequate financial resources for performance or that has the ability to obtain such resources as required during performance;
- Has the necessary experience, organization, technical qualifications, skills, and facilities or has the ability to obtain them;
- Is able to comply with the proposed or required time of delivery or performance schedule;
- Has a satisfactory record of integrity, judgment, and performance; and
- Is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Proposers should ensure their proposals contain sufficient information for the state to make its determination by presenting acceptable evidence of the above to perform the services called for by the contract.

## **2.8 WAIVER OF ADMINISTRATIVE INFORMALITIES**

The Commission reserves the right, at its sole discretion, to waive administrative informalities contained in any proposal.

## **2.9 WITHDRAWAL OF PROPOSAL**

A prospective financial advisory firm may withdraw a proposal that has been submitted at any time up to the date and time the proposal is due. To accomplish this, a written request to withdraw the proposal must be signed by the authorized representative of the financial advisory firm and submitted to the RFP Coordinator.

## **2.10 SUBCONTRACTORS**

The State shall have a single prime contractor as the result of any contract negotiation, and that prime contractor shall be responsible for the scope of services referenced in the RFP or proposal. **No proposals involving subcontractors or joint proposals will be accepted, with the exception of joint proposals submission to provide the services enumerated in Item 14 of Section 3.0 of this RFP.**

## **2.11 PROPOSAL MATERIAL OWNERSHIP**

All material submitted regarding and in response to this RFP becomes the property of the State of Louisiana. Selection or rejection of a proposal does not affect this right.

## **2.12 INCURRING COSTS**

The State is not liable for any costs incurred by prospective proposers prior to issuance of the contract. Costs associated with developing and submitting the proposal, preparing for oral presentations, and any other expenses incurred by the proposer in responding to this RFP are entirely the responsibility of the prospective financial advisory firm and shall not be reimbursed in any manner by the State.

## **2.13 ERRORS AND OMISSIONS IN PROPOSAL**

The State will not be liable for any errors in proposals. The State reserves the right to make corrections or amendments due to errors identified in proposals by the State or the proposer. The State, at its option, has the right to request clarification or additional information from the proposers.

## **2.14 PROPRIETARY INFORMATION**

Only information that is in the nature of legitimate trade secrets or non-published financial data may be deemed proprietary or confidential. Any material within a proposal identified as such must be clearly marked in the proposal and will be handled in accordance with the Louisiana Public Records Act, R.S. 44:1-41 and applicable rules and regulations. Any proposal marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse.

## **2.15 REJECTION OF PROPOSALS**

Issuance of this RFP in no way constitutes a commitment by the Commission to award a contract. The Commission reserves the right to accept or reject, in whole or part, all proposals submitted and to cancel this announcement.

## 2.16 CONTRACT AWARD, NEGOTIATIONS, AND EXECUTION

The contract will be awarded to the proposer whose proposal accumulates the highest score as outlined in Section IV. The formal announcement of the selected financial advisory firm will occur on or about the date indicated in the Calendar of Events, Section 2.3. Negotiations may begin with the announcement of the successful proposer.

The Commission reserves the right to request additional information and/or to negotiate certain clarifications with the prospective financial advisory firm selected through this RFP. The Commission also reserves the right to contract for all or a partial list of services offered in the proposal as well as to negotiate fees and terms of the contract.

The successful financial advisory firm will be expected to enter into a contract with the State, that is substantially the same as the sample contract included in **APPENDIX A**. The RFP and proposal of the selected financial advisory firm will become part of any contract initiated by the Commission. **In no event is a financial advisory firm to submit its own standard contract's terms and conditions as a response to this RFP.**

If the contract negotiation period exceeds 45 days or if the selected proposer fails to sign the final contract within five (5) business days of delivery, the Commission may elect to cancel the award and award the contract to the next highest ranked proposer.

## 2.17 CORPORATION REQUIREMENTS

Prior to contract execution, the following requirements must be met:

- If the contractor is a corporation not incorporated under the laws of the State of Louisiana, then a certificate of authority pursuant to R. S. 12:301 et seq. must be secured from the Louisiana Secretary of State, and verification of such certificate must be made available to the Office of Contractual Review.
- If the contractor is a for-profit corporation whose stock is not publicly traded, a disclosure of ownership form must be properly filed with the Louisiana Secretary of State, and verification of such form must be made available to the Office of Contractual Review.

## 2.18 CODE OF ETHICS

Proposers are responsible for determining that there will be no conflict or violation of the Ethics Code if their company is awarded the contract. Ethics issues are interpreted by the Louisiana Board of Ethics. Appendix C contains the Bond Commission rule regarding agreements by and between financial professionals for negotiated transactions.

## 2.19 BILLING AND PAYMENT

The financial advisory firm will submit itemized hourly billing statements for each file monthly and may request payment no more than quarterly. Such itemized statements must contain, at a minimum, the following information: (a) number of hours and portions of hour worked (figured to the nearest tenth of an hour); (b) identification of the individual(s) providing the service; (c) brief description of the service provided and the date on which it was done; (d) billing rate of the individual providing the service; (e) party requesting the service; and (f) charge for the service. Requests for reimbursement of expenses may be submitted for payment monthly and shall indicate the file for which the expense was incurred, type of expense, individual incurring the expense (if appropriate), and amount of expense budget remaining available for the file after payment of expense.

No work will be paid for unless it is approved in advance in accordance with the procedure outlined in the contract. Further, specific types of fees and expenses will not be considered as billable services in the contract. Billing review criteria will be established to ensure no payment is made for such fees and expenses. **Examples of fees and expenses that will be considered as non-billable in the contract are:**

- more than ten (10) hours per day or sixty-five (65) hours per week of work by any one person;
- "interoffice conferences", "review of file", or research on subjects on which a financial advisory firm may be expected to possess innate expertise (e.g., basic information on municipal and public finance);
- duplication of effort or "double-staffing" of a project;
- time spent on correspondence or on preparation of any written report or document, a copy of which is not provided to the Office of the Commission at the time such document is generated or written;
- secretarial overtime, photocopying, and postage;
- meals in the city in which the firm's offices are located; and
- time spent on billing preparation and generation.

**Note:** The above list is not intended to be comprehensive but rather to be representative of the types of fees and expenses that will not be allowed.

Under normal circumstances, the State should remit payment to the contractor within thirty (30) days of approval of invoices. The State makes every effort to pay all valid or undisputed invoices in a timely manner. There may be times when invoices are disputed or clarification of charges is needed before payment can be made.

## 2.20 CONFIDENTIALITY

All financial, statistical, personal, technical, and other data and information relating to the Commission's operations that are designated confidential by the State and made available to the contractor in order to carry out this contract, or that becomes available to the contractor in

carrying out this contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. Contractor shall not be required to keep confidential any data or information, that is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of this contract, or is rightfully obtained from third parties.

Additionally, under no circumstances is the contractor to discuss and/or release information to the media without prior express written approval of the Chairman of the Bond Commission or his designee.

## **2.21 DISQUALIFICATION**

The Commission reserves the right to verify all information provided by a proposer via direct contact with the proposer's prior clients and prior project personnel and proposers must agree to provide necessary authorizations for the State to verify any of the proposer's previous work. As described elsewhere in this RFP, each proposer will be required to submit a detailed resume of all key personnel. Misstatements of experience and scope of prior projects shall be grounds for disqualification of the proposer from further consideration.

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## SECTION III

### 3.0 SCOPE OF WORK

The Commission wishes to engage a financial advisory firm to take an active role in advising it, as appropriate, on all aspects of work performed by every party in connection with the issuance of State general obligation and revenue bonds and/or "Net State Tax Supported Debt" as defined by the Commission rules. It will be necessary for the financial advisory firm to completely understand the State's present and past debt situation, and to work with the Commission through the Committee, Commission members' staff, and Bond Commission staff to create and attain goals for sound management and placement of future debt.

Upon request, the financial advisory firm will assist the Commission in its work on all debt-related matters that are submitted to the Commission for approval or for inclusion on the Commission's agenda.

The financial advisory firm will be retained on an "on-call basis" to perform its duties and provide its expertise to the Commission, Commission members' staff, Bond Commission staff, bond counsel, underwriters, and other participants.

The financial advisory firm may be asked to provide services such as:

1. Assist in planning, marketing, and evaluating the State's debt financing program. Assist the Commission in meeting the State's overall debt marketing strategy while assuring efficiency of State bond programs;
2. Review and advise on information contained in preliminary and final official statements, notices of sale, and other documents and material required to facilitate the sale of a debt issue and attend meetings as necessary;
3. Advise on market conditions and provide information on other major national, state, and local debt issuances that may coincide or compete with the State's debt issuances;
4. Assist in the planning of competitive and negotiated sales. Review the financial feasibility of revenue projects and assist in structuring an appropriate debt structure to meet the State's needs;
5. Provide guidance on the position the Commission should take with respect to regulatory constraints imposed by Congress and the U. S. Treasury including, but not limited to, Internal Revenue Service rules and policies;
6. Review and report on the feasibility of refunding any of the State's outstanding bond issues or lease obligations;
7. Assist in preparing presentations and representing the interests of the State to credit rating agencies, credit enhancement providers, trustees, and paying agents;

8. Provide a post-sale evaluation of debt issues (interest cost compared to other issues sold that day, responsiveness of participants, subscription for the issue, etc.);
9. Advise on matters concerning disclosure requirements for debt issued by state and local governments;
10. Assist in the development of a marketing strategy and an overall investor relations program;
11. Provide current information and backup on a broad range of financial, legal, and business areas. Initiate and handle any research and analytical projects that are necessary to meet the Commission's objectives and goals outlined above;
12. Assist with approvals of applications and have personnel available and on-call to do review and analysis of applications upon request;
13. Provide an annual report on the activities and accomplishments of the Financial Advisory Firm for the previous twelve (12) months as related to the State;
14. Provide derivative/hedging advisory services to include the following:
  - a. Assist in the development and maintenance of the State's derivative policy for utilization by the Commission and the development of a set of internal controls for the administration of derivative contracts;
  - b. Provide advice regarding how and when to use derivative contracts in the context of the State's overall debt management program;
  - c. Assist the Commission in evaluating the risks and benefits of derivative contract proposals from underwriting and other potential counterparties;
  - d. Provide guidance on appropriate uses, selection of acceptable providers, negotiation of favorable terms and conditions, and developing monitoring criteria;
  - e. Monitor and advise on the appropriate market conditions for entry into derivative contracts;
  - f. Advise the Commission with regard to sizing and structure to be issued on a competitive or negotiated basis for derivative contracts;
  - g. Assist the Commission in the review of documentation for derivative contracts;
  - h. When requested, conduct workshops for Commission members and support staff to provide them information to become fully conversant with the structures risks and rewards of derivative contracts; and
  - i. Provide derivative valuation service on a daily basis or other time basis as requested.

## **SECTION IV**

### **4.0 PROPOSAL EVALUATION AND SELECTION PROCESS**

It is required that all prospective financial advisory firms refrain from contacting Commission members, State employees, or officials regarding the RFP during the proposal review and selection process. Failure to adhere to this restriction will result in the proposer being removed from selection consideration.

### **4.1 PRELIMINARY SCREENING**

Each proposal will be screened for compliance with the proposer qualifications and mandatory requirements as defined in Section 1.4. Failure to meet these qualifications and requirements will eliminate the proposal from further consideration. To insure full consideration, proposers should study carefully the instructions outlined in Section 4.3, which contain required information for submission.

### **4.2 EVALUATION CRITERIA**

Each proposal will be reviewed, evaluated, and graded by an evaluation committee according to the following criteria with a maximum of one hundred points awarded.

#### **4.2.1 PROPOSER QUALIFICATIONS AND STAFFING**

The maximum possible score for this criterion is **45 POINTS**. The evaluation committee will consider qualifications and experience level of the firm, as well as its individual staff members, in performing financial advisory work. This will be based upon the information contained in the proposal and upon information obtained from references for comparable past work of assigned personnel.

#### **4.2.2 WORK MANAGEMENT PLAN**

The maximum possible score for this criterion is **40 POINTS**. The evaluation committee will consider whether the work management plan demonstrates a thorough understanding of the State's present economic and financial condition and accurately reflects the work that must be performed by a financial advisor in order to meet the Commission's objectives.

### 4.2.3 COST

The maximum possible score for this criterion is **15 POINTS**. Cost proposals will be scored proportionally, based on variance from the lowest total cost proposed. The cost evaluation will be based on the total cost submitted by the proposer on the Cost Proposal Worksheet (Appendix D).

The lowest cost proposal will be determined by calculating cost points using the following formula:

Cost points = (lowest total cost proposal/specific proposer's total cost proposal) x *point factor*

### 4.3 PROPOSAL CONTENT AND FORMAT

The proposal must comply with the content and format criteria listed below:

- Required information is presented as outlined in Sections 4.3.1 - 4.3.5.
- The number of pages is limited to twenty (20).
- Promotional addenda may be included if limited to five (5) pages.
- Proposal must be bound in one (1) volume.
- Ten (10) hard copy printed copies and one (1) copy of the electronic version of the proposal must be submitted in a sealed envelope identified as:

**PROPOSAL TO PROVIDE FINANCIAL ADVISORY SERVICES TO THE  
STATE BOND COMMISSION, STATE OF LOUISIANA**

---

Name of Firm

---

Name, Address & Telephone of Contact Person

#### 4.3.1 EXECUTIVE SUMMARY

This section should include a summary of the proposer's qualifications and ability to meet the State's overall requirements. It must include specific authorization to contact all references, employers, or customers for whom the company or proposed staff referenced in the proposal have performed work.

It should include a positive statement of agreement to comply with the terms and conditions of the draft contract. If the proposer cannot comply with any of the contract terms, an explanation of each exception must be supplied.

### **4.3.2 FIRM EXPERIENCE, QUALIFICATIONS, AND PROPOSED STAFF**

#### **Place of Incorporation or Formation and Years of Experience**

The proposer must provide the firm's date and state of incorporation or formation, years in business, and years of firm's experience (not the individual employees' or managers' experience) as a financial advisory firm. The location of all offices at which the firm performs public finance activities in general and financial advisory services in particular should be listed. Firms must be listed in the Fall 2010 edition, or will be listed in the Spring 2011 edition, of "The Bond Buyer's Municipal Marketplace Directory".

#### **Qualifications and References**

The proposer must describe the firm's qualifications and experiences that demonstrate its capability to serve as the financial advisor to a state. Provide a list of five (5) references, identifying a lead contact with a telephone number, who may be contacted regarding the firm's abilities, integrity, and professional reputation in acting as financial advisor to a major debt issuer. Governmental contracts from 2006 through present, as well as any other information that would demonstrate the firm's understanding and experience in providing financial advice on the subject of governmental debt issuance, should be identified. Any issuers of municipal or public debt within the State for whom the firm currently serves as underwriter or financial advisor should be listed, along with a brief description of the firm's role for such issuers as well as the anticipated length and activity level of the firm's future involvement with those issuers.

#### **Organization of Firm/Department and Professional Staff**

The proposer must provide a description of how the firm or a specific department to provide financial advisory services is organized. Detailed information must be provided about the experience and qualifications of the staff who will be assigned to act for the firm in providing financial advisory services to the Commission as well as the functions to be performed by each. Full resumes of each person, including names, positions, education, and public finance experience should be included. Identify and describe fully all family or business relationships any employee or manager of the firm may have or has had with employees or elected officials of the State or local governmental entities in Louisiana.

#### **Research and Technical Support**

The proposer must describe the firm's capabilities relative to research and technical support in the public finance area that would be used in connection with the services to be provided. Include information regarding the availability of the following types of expertise or backup as applicable: economist, trading staff or information, location of offices in financial centers, electronic data processing capabilities and staff, research staff and facilities, and legal department.

#### **Rating and Ranking**

The proposer must list any ratings or rankings (both as to dollar volume and as to total number of issues) of the firm during the last five years as a provider of financial advisory services, including any given by Securities Data Company, Inc.

**Credit Information and Financial Statements**

The proposer must provide a current Dun & Bradstreet report or other national business credit bureau report, a current banking reference with a money center bank and/or a bank located in Louisiana, two trade credit references, and audited financial statements for the current and the two previous years. If such information is not available, provide an explanation.

**Criminal Proceedings/Investigations/Securities Law Violations**

The proposer must give a brief description of any criminal proceeding, criminal investigation, or other oversight entity's investigation of alleged securities laws violations involving the firm or any professionals in the firm who may be involved in providing the services. *Note:* This requirement is exempt from the 20 page limitation specified in Section 4.3.

**Rule No. 1993-A of the State Bond Commission**

The rule entitled "Disclosure Agreements Between Financial Professionals for Negotiated Transactions" is included in this Request for Proposals as Appendix C. The proposer must review the rule and provide an affirmative statement of the firm's ability to comply with it.

**4.3.3 WORK MANAGEMENT PLAN**

This section must summarize the firm's plan and approach to providing the services, including a statement of how the work would be organized, managed, and implemented, and a timetable, if appropriate. An explanation of the firm's technical and computer capabilities (hardware and software) should be included along with an explanation of how those capabilities would be utilized in performing the services.

It is important for continuity of staffing to be maintained throughout the entire contract and for the development of confidence and close personal working relationships between the Commission, Commission members' staff, Commission staff, and the financial advisory firm's employees and managers. The proposer must indicate how the quality and availability of personnel assigned to this work would be maintained over the term of the contract. Since immediate availability of the assigned personnel is of extreme importance, describe how such availability can be achieved.

**4.3.4 COST PROPOSAL**

Based on the Scope of Work outlined in Section III of this RFP, the cost proposal must indicate the hourly rates, both the standard and RFP quoted rate, of the various staff members expected to be involved in providing services. The cost proposal must specify the proposed maximum reimbursable expenses that will be eligible according to the billing criteria specified in Section 2.19 and the fee and billing arrangement outlined in the sample financial advisory services contract in Appendix A. The "blended" hourly rate will result from averaging hourly rates and reimbursable expenses. The "blended" hourly rate should be multiplied by the projected contract hours to obtain the total cost ceiling for the cost proposal.

The Commission will establish a cap or maximum for the fees and expenses payable over each term of the contract by multiplying the "blended" hourly rate by an annual total of 2,200 hours.

**NOTE:** The Commission believes 2,200 hours is a reasonable estimate of the number of hours for which services will be provided in any one-year period and should provide a realistic basis upon which a maximum may be set.

**The proposer must provide this information in the format defined in APPENDIX D. Any proposal not in this format will be disqualified.**

#### **4.3.5 CERTIFICATION STATEMENT**

At least one (1) copy of the proposal must contain the original signature of a company official or agent duly authorized to sign proposals or contracts on behalf of the organization, using the **Certification Statement in Appendix E**.

#### **4.4 EVALUATION PROCESS**

The Evaluation Committee, as designated by the Chairman of the Commission, will score each written proposal. The highest three (3) scoring proposers may be asked to provide clarification on proposed cost/services, may be invited to make oral presentations to the Committee and to answer any questions from the Committee.

No preliminary conclusions or results will be given out to proposers until the Evaluation Committee has completed the entire evaluation process and the formal announcement of the selected proposer has been made.

#### **4.5 ORAL PRESENTATIONS**

If the Evaluation Committee extends invitations for oral presentations, the proposers selected for final evaluation will be expected to accept the invitation and make an oral presentation to the executive Committee at a meeting to be held in Baton Rouge. Proposers may be asked to provide clarification on corporate background and experience; proposed staff's experience; research and technical support capabilities and staffing; pending investigations and lawsuits; financial position and activities; views on market trends, etc. Proposers are reminded that any oral commitments or representations made during these presentations that extend beyond the written representations in the proposal document may be formally recorded in the contract.

#### **4.6 FINAL SCORING**

If oral presentations are conducted, those presentations will be graded by the Executive Committee separately from the previously submitted written proposals on the basis of information obtained from the proposers' oral presentations and references with a maximum point value of 20 points being awarded. The final score will be the sum of the score received from both the written submission packet and the oral presentation, if any.

#### **4.7 FINAL SELECTION**

The Evaluation Committee will make a recommendation to be approved by the State Bond Commission. Upon approval by State Bond Commission, a formal announcement of the selected firm will be made, and all proposers will be notified. Contract negotiations should begin by the date listed in the Calendar of Events. The successful firm will be expected to sign the contract, in substantially the same form contained in Appendix A. Firms should review Section II, Terms of Appointment, prior to submission of a proposal response.

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**STATE BOND COMMISSION  
STATE OF LOUISIANA**

**CONTRACT FOR FINANCIAL ADVISORY SERVICES**

CONTRACT FOR FINANCIAL ADVISORY SERVICES ("Contract") by and between the State Bond Commission (the "Commission") of the State of Louisiana ("Louisiana" or the "State"), and \_\_\_\_\_, a corporation organized and existing under the laws of the State of \_\_\_\_\_ and duly qualified to do business in Louisiana as a foreign corporation (the "\_\_\_\_\_").

WHEREAS the Commission oversees, administers, and approves the issuance of all debt of both the State and local governmental entities within the State, and desires to have available to it and the State a firm that can provide financial advisory services to assist it in its work; and

WHEREAS the Commission has set out in detail the objectives of its use of a financial advisory firm and the scope of the services that firm will be asked to provide in a Request for Proposal dated April 11, 2011 (the "RFP"), in accordance with Louisiana law; and

WHEREAS the work that such financial advisory firm will handle cannot be performed by any member of the Commission or the Office of the Commission, or by any employee or group of employees currently working for any department of State government, since the work is of a specialized and unique nature requiring particular expertise that is not generally available, except from highly qualified firms which have broad experience and depth of personnel and resources; and

WHEREAS one of the major goals and intents herein is to improve the State's general obligation bond rating, which affects not only the amount and manner of issuance of such general obligation bonds, but also can affect other obligations that the Commission must review and approve, so that, accordingly, compensation to the financial advisory firm hereunder shall be paid from any other lawful available source; and

WHEREAS \_\_\_\_\_ is willing and able to provide financial advisory services to the Commission and the Office of the Commission on the terms and conditions set forth in this Contract and in the RFP and addenda issued thereto, the proposal submitted by the \_\_\_\_\_ in response to the RFP and any exhibits specifically incorporated herein by reference, all of which constitute the entire agreement between the parties with respect to the subject matter; and in the event of any inconsistent or incompatible provisions, this signed agreement (excluding the RFP and \_\_\_\_\_ proposal) shall take precedence, followed by the provisions of the RFP, and then by the terms of the \_\_\_\_\_ proposal.

NOW THEREFORE, in consideration of the premises and the terms and conditions set forth in this Contract, the Commission and the \_\_\_\_\_ (the "Parties") agree as follows:

**I. APPOINTMENT OF FINANCIAL ADVISOR AND STAFF**

The Commission hereby appoints \_\_\_\_\_ as its financial advisory firm to assist it and advise it in its work in overseeing, administering and approving the issuance of debt by the State and local governmental entities in the State, and \_\_\_\_\_ accepts that appointment. Specifically, the following is the roster of individuals who will be assigned by \_\_\_\_\_ to provide the Services described in this Contract (the "Roster"):

The \_\_\_\_\_ may not change the Roster by substitution, deletion, or addition, except with the specific written consent of the Executive Committee of the Commission (the "Committee").

**II. TERMS OF APPOINTMENT**

The \_\_\_\_\_ shall perform all Services hereunder for the Commission, as the client, and all work shall be done for the financial benefit of the State and its citizens. During the term of this Contract the \_\_\_\_\_ agrees to disclose to the Commission in advance when and if it undertakes either (a) to underwrite, or assist in the underwriting, of debt in the State; or (b) to act as financial advisor or underwriter, or give financial or underwriting advice to, any other state or issuer of municipal debt whose issues are marketed directly or indirectly in competition with debt issues of the State or any issuer of municipal debt in the State; or (c) to act as financial advisor or underwriter, or give financial or underwriting advice to, any issuer of municipal debt in the State; or (d) to act as financial advisor or underwriter, or give financial or underwriting advice to, any public, quasi-public or non-profit corporate financing entities. If the \_\_\_\_\_ discloses any of the items outlined above in a - d, if the \_\_\_\_\_ notifies the Committee that a possible conflict of interest has arisen, or if the Committee determines that there is a possible conflict of interest, the Committee will meet with the \_\_\_\_\_ and recommend the appropriate resolution to such conflict, which may include termination by the \_\_\_\_\_ of the relationship with the other entity.

**III. SERVICES TO BE PROVIDED**

\_\_\_\_\_ shall provide those financial advisory services (the "Services") as outlined in the RFP and their response to the RFP, as well as any others that are requested by the Commission, through its members, or the staffs thereof, or suggested by the \_\_\_\_\_.

The \_\_\_\_\_ will be retained on an "on-call basis" to perform its duties and provide its expertise to the Commission, Commission members' staff, Bond Commission staff, bond counsel, underwriters, and other participants. Examples of services the \_\_\_\_\_ may be asked to provide are as follows:

1. Assist in planning, marketing and evaluating the State's debt financing program. Assist the Commission in meeting the State's overall debt marketing strategy while assuring efficiency of State bond programs.
2. Review and advise on information contained in preliminary and final official statements, notices of sale, and other documents and material required to facilitate the sale of a debt issue and attend meetings as necessary.
3. Advise on market conditions and provide information on other major national, state and local debt issuances that may coincide or compete with the State's sales.

4. Assist in the planning of competitive and negotiated sales. Review the financial feasibility of revenue projects and assist in structuring an appropriate debt structure to meet the State's needs.
5. Provide guidance on the position the Commission should take with respect to regulatory constraints imposed by Congress and the U. S. Treasury including, but not limited to, Internal Revenue Service rules and policies.
6. Review and report on the feasibility of refunding any of the State's outstanding bond issues or lease obligations.
7. Assist in preparing presentations and representing the interests of the State to credit rating agencies, credit enhancement providers, trustees, and paying agents.
8. Provide a post-sale evaluation of debt issues (interest cost compared to other issues sold that day, responsiveness of participants, subscription for the issue, etc.).
9. Advise on matters concerning disclosure requirements for debt issued by state and local governments.
10. Assist in the development of a marketing strategy and an overall investor relations program.
11. Provide current information and backup on a broad range of financial, legal, and business areas. Initiate and handle any research and analytical projects, that are necessary to meet the Commission's objectives and goals outlined above.
12. Assist with approvals of applications and have personnel available and on-call to do review and analysis of applications upon request.
13. Provide an annual report on the activities and accomplishments of the \_\_\_\_\_ for the previous twelve (12) months as related to the State.
14. Provide derivative/hedging advisory services to include the following:
  - a. Assist in the development and maintenance of the State's derivative policy for utilization by the Commission and the development of a set of internal controls for the administration of derivative contracts.
  - b. Provide advice regarding how and when to use derivative contracts in the context of the State's overall debt management program.
  - c. Assist the Commission in evaluating the risks and benefits of derivative contract proposals from underwriting and other potential counterparties.
  - d. Provide guidance on appropriate uses, selection of acceptable provider, negotiation of favorable terms and conditions, and developing monitoring criteria.
  - e. Monitor and advise on the appropriate market conditions for entry into derivative contracts.
  - f. Advise the Commission with regards to sizing and structure, competitive or negotiated basis for derivative contracts.
  - g. Assist the Commission in the review of documentation for derivative contracts.
  - h. When requested, conduct workshops for SBC members and support staff to provide them information to become fully conversant with the structures, risks and rewards of derivative contracts.
  - i. Provide derivative valuation service on a daily basis or other time basis as requested.

**IV. CONFIDENTIALITY**

All financial, statistical, personal, technical and other data and information relating to the Commission's operations that are designated confidential by the State and made available to the \_\_\_\_\_ in order to carry out this contract, or that becomes available to the \_\_\_\_\_ in carrying out this contract, shall be protected by the \_\_\_\_\_ from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State.

The \_\_\_\_\_ shall handle any inquiry from a member of the Bond Commission as confidential if requested to do so, to the extent permitted by law.

**V. COMPENSATION**

The \_\_\_\_\_ will be compensated for its work on this Contract by applying the hourly billing rate of \_\_\_\_\_ by the number of hours spent by an individual on Services performed. In no case shall the aggregate amount billed to and owing by the Commission to the \_\_\_\_\_ for all Services during any term of this Contract exceed \$\_\_\_\_\_.

**VI. BILLING AND PAYMENT**

A. File Opening Memorandum. As requests are made by the State for assistance on debt transactions or for a specific advisory service or project, the \_\_\_\_\_ will prepare a File Opening Memorandum. The File Opening Memorandum will outline the following information: (a) the work to be performed for the request, (b) the name of person making the request (c) the name of person as listed on the Roster who is in charge of the work and any other individual on the Roster who will be assisting, and (d) expected duration of work requested, both chronologically and in terms of billable hours. If Services to be provided are in response to a confidential request made by a member of the Bond Commission, it will be noted on the File Opening Memorandum.

B. Invoice format. The \_\_\_\_\_ shall submit itemized hourly billing statements based on the File Opening Memoranda and actual work performed. Such itemized statements must contain at a minimum the following information: (a) number of hours and portions of hours worked (calculated to the nearest tenth of an hour); (b) identification of the individual(s) providing the Service; (c) brief description of the Service provided and the date on which it was performed; and (d) charge for the Services.

If Services are provided in response to a permitted confidential request made by a member of the Bond Commission, the itemized statement will reflect the following information: (a) number of hours and portions of hours worked (calculated to the nearest tenth of an hour); (b) identification of the individual(s) providing the Service; (c) the name of the requesting Bond Commission member; (d) notation indicating the request was handled as "Confidential Service" with the date on which the Service was performed and (e) charge for the Services.

C. Review, Approval and Payment of Invoices. Each invoice shall be sent to the Commission addressed to: Whitman J. Kling, Jr., Director, Office of the State Bond Commission, P. O. Box 44154, Baton Rouge, Louisiana 70804. All items on the invoice will be reviewed for compliance with contract provisions. If the invoice contains items indicating services were performed as a confidential request, the itemized breakdown will be forwarded to the appropriate Bond Commission member noted as the requestor to obtain verification of inquiry made and service performed. The invoice will be submitted for payment once it is verified all services on the itemized billing statements were received.

**VII. TERM**

The term of this Contract shall be \_\_\_\_\_, 2011 to \_\_\_\_\_, 2012, unless terminated earlier as provided for herein. Subject to agreement by the \_\_\_\_\_ and the approval of the Commission, the contract may be extended for two additional one-year terms, the maximum allowed by state law.

**VIII. TERMINATION FOR CAUSE**

The Commission may terminate this Contract for cause based upon the failure of the \_\_\_\_\_ to comply with the terms and/or conditions of this Contract; provided that the Commission shall give the \_\_\_\_\_ written notice specifying the firm's failure. If within ten (10) days after receipt of such notice, the \_\_\_\_\_ shall not have either corrected such failure or, if the defect cannot be corrected in ten (10) days, begun in good faith to correct said failure and thereafter proceeded diligently to complete such correction, then the Commission may, at its option, place the \_\_\_\_\_ in default and the Contract shall terminate on the date specified in such notice. The \_\_\_\_\_ may exercise any rights available to it under Louisiana law to terminate for cause upon the failure of the Commission to comply with the terms and conditions of this Contract; provided that the \_\_\_\_\_ shall give the Commission notice specifying the Commission's failure and a reasonable opportunity for the Commission to cure the defect.

**IX. TERMINATION FOR CONVENIENCE**

Either the Commission or the \_\_\_\_\_ may terminate this Contract without cause and for its own and sole convenience by delivering thirty (30) days written notice to the other party in the manner provided for herein. In the case of termination by the \_\_\_\_\_ under the provision hereof, the \_\_\_\_\_ agrees to complete any and all matters in progress that the Commission desires that it complete, in accordance with the provisions of this Contract, after such termination, and compensation thereof shall be determined in accordance herewith.

**X. DELAYS, EXTENSIONS OF TIME, SUSPENSIONS OF WORK**

The \_\_\_\_\_ agrees to perform the Services required under this Contract continuously and diligently. The \_\_\_\_\_ understands and agrees that it will be relieved of any liability for such continuous and diligent performance should the Commission exercise its option, created hereby, to suspend, delay, or interrupt such performance for such period of time as the Commission may determine to be appropriate for its convenience.

**XI. WARRANTIES AND REPRESENTATIONS**

The \_\_\_\_\_ warrants and represents that the following are true and shall remain true throughout the term of this Contract:

- A. All information contained in its response to the RFP remains current and correct, including all information regarding its credit standing, financial status, resources, insurance, and personnel;
- B. It is in good standing as a corporation in the state of its incorporation, and it is qualified to do business in Louisiana, and will take all such action that may be necessary from time to time to remain in good standing and so qualified;

- C. It is not in arrears with respect to the payment of any monies due and owing the State or any department or unit thereof, or any local governmental entity within the State, including but not limited to the payment of taxes and employee benefits, and that it shall take such action as from time to time may be necessary to insure the continuous and current status of all monetary obligations it may owe the State or any local governmental entity within the State;
- D. It is in compliance with all federal, state, and local laws applicable to its activities generally, and, in particular, to its obligations under this Contract; and
- E. It now possesses, or shall immediately obtain and maintain, all licenses, permits, insurance, and governmental approvals, if any, that are necessary to the performance of its obligations under this Contract, or which are required by the Commission from time to time.

**XII. ASSIGNMENT**

The \_\_\_\_\_ shall not assign any interest in this Contract and shall not transfer any interest in same (whether by assignment or novation), without prior written consent of the Commission, provided however, that claims for money due or to become due to the \_\_\_\_\_ from the State may be assigned to a bank, trust company, or other financial institution without such prior written consent. Notice of any such assignment or transfer shall be furnished promptly to the Commission and to the Office of Contractual Review, Division of Administration.

**XIII. INDEMNIFICATION**

The \_\_\_\_\_ shall indemnify the Commission, Commission members' staff, Commission staff and the State from any and all loss, liability, or expenses (including the cost of defense and attorneys' fees) in connection with any claims or actions brought against any of them that arose directly or indirectly from actions, omissions, or obligations of the \_\_\_\_\_ in connection with this Contract. The \_\_\_\_\_ shall immediately notify the Commission of any such claim made or action filed or threatened against the \_\_\_\_\_, and shall cooperate, assist, and consult with the Commission, its staff, and the State, or their counsel, in the defense and investigation of any such claim or action. Neither the Commission nor the State has any obligation under the terms of this Contract or any other agreement or relationship with the \_\_\_\_\_ to provide legal counsel or defense to the \_\_\_\_\_ in such a claim or action, nor is there any obligation to pay any judgment on, or settlement of, any such claim or action.

**XIV. PAYMENT OF TAXES**

The \_\_\_\_\_ understands and agrees that it is responsible for paying any taxes (including Louisiana or federal income or payroll taxes), or license fees or official fees that may be due as a result of either its receipt of fees or other payments hereunder or its performance in accordance with the terms hereof under **Federal Tax Identification No.**\_\_\_\_\_.

**XV. AUDIT**

The \_\_\_\_\_ grants to the Office of the Legislative Auditor, Inspector General's Office, the Federal Government, and any other duly authorized agency of the State, where appropriate, the right to inspect and review all books and records pertaining to services rendered under this Contract for a period of five (5) years from the date of the last payment made under this Contract. The \_\_\_\_\_ shall comply with federal and/or state laws authorizing an audit of the \_\_\_\_\_'s operation as a whole, or of specific program activities. Records shall be made available during normal working hours for this purpose.

**XVI. INSURANCE**

The \_\_\_\_\_, as an independent contractor and not an employee of the Commission or of the State, agrees to carry general liability, fidelity, and errors and omissions insurance in an amount that the Commission deems adequate to insure against risks which may be present and may affect the \_\_\_\_\_ or the Commission or the State in connection with this Contract. Such insurance must be written by companies that are approved by the State's Commissioner of Insurance to do business in the State. The Commission and the State shall be named additional insureds under such policies as their interest may appear. The Commission shall, contemporaneously with the execution of this Contract by the \_\_\_\_\_, be given certificates of insurance showing the amounts and types of such coverage and verifying that the Commission and the State are named insureds thereon. These certificates shall be updated at least annually or at any policy anniversary date occurring during the term of this Contract. The \_\_\_\_\_ shall also act as an independent contractor and not as an employee of the Commission or of the State, carry workers compensation insurance on its employees.

**XVII. AMENDMENTS**

Any alteration, variation, modification, or waiver of provisions of this Contract shall be valid only when they have been reduced to writing, duly signed. No amendment shall be valid until it has been executed by all parties and approved by the Director of the Office of Contractual Review, Division of Administration.

**XIII. OWNERSHIP OF WORK PRODUCT**

At all times during the term of this Contract and thereafter, the products of this Contract, including computer application programs and systems developed by the \_\_\_\_\_ during the term of this Contract for use in connection with projects and Services hereunder shall be the sole and exclusive property of the Commission. Prior to the development of such computer application program or system, the \_\_\_\_\_ shall notify the State so that proper approval may be obtained. Computer programs purchased by and licensed to the \_\_\_\_\_, or developed by the \_\_\_\_\_ prior to the term of the Contract shall not become the property of the Commission or the State, but shall be licensed to the Commission and the State at no charge at the time of the commencement of the Contract and throughout the term of the Contract. At the end of the term of this Contract, unless a new Contract between the Parties creating a similar relationship for a new term is executed, the \_\_\_\_\_ shall deliver to the Commission a copy of any and all materials and product generated in connection with or pertaining to the Contract.

**XIX. NON-DISCRIMINATION IN EMPLOYMENT**

The \_\_\_\_\_ agrees to abide by the requirements of the following as applicable: Title VI and VII of the Civil Rights Act of 1964, as amended by the Equal Opportunity Act of 1972, Federal Executive Order 11246, the Federal Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Act of 1975, and \_\_\_\_\_ agrees to abide by the requirements of the Americans with Disabilities Act of 1990. \_\_\_\_\_ further agrees not to discriminate in its employment practices, and shall render services under this Contract without regard to race, color, religion, sex, sexual orientation, national origin, political affiliation or disabilities. Any act of discrimination committed by the \_\_\_\_\_, or failure to comply with these statutory obligations when applicable, shall be grounds for contract termination.

**XX. CONTINGENT FEE PROHIBITION**

The \_\_\_\_\_ warrants that it has not employed or retained any person, partnership, corporation or other entity, other than a bona fide employee or agent working for it directly, to solicit or secure this Contract, and that it has not paid or agreed to pay any person, partnership, corporation or other entity, other than a bona fide employee or agent, any fee or other consideration contingent on the making of this Contract. For breach or violation of this warranty, the Commission shall have the right to annul this Contract without liability for any work performed hereunder and with the right to recover any fees or expenses paid hereunder, or, in its discretion, to deduct from the consideration otherwise payable to the \_\_\_\_\_, the full amount of such fee or other consideration paid for such solicitation or lobbying effort.

**XXI. ENTIRE AGREEMENT AND ORDER OF PRECEDENCE**

This Contract, (together with the Request for Proposals and addenda issued thereto by the State, the proposal submitted by the \_\_\_\_\_ in response to the State's Request for Proposals, and any exhibits specifically incorporated herein by reference) constitutes the entire agreement between the parties with respect to the subject matter.

This Contract shall, to the extent possible, be construed to give effect to all provisions contained therein: however, where provisions are in conflict, first priority shall be given to the provisions of the contract, excluding the Request for Proposals and the Proposal; second priority shall be given to the provisions of the Request for Proposals and amendments thereto; and third priority shall be given to the provisions of the Proposal.

**XXII. GOVERNING LAW**

The laws of the State of Louisiana shall govern the terms of the contract and disputes arising therefore shall be resolved in accordance with the laws of the State of Louisiana. Venue of any action brought with regard to this contract shall be in the Nineteenth Judicial District Court, Parish of East Baton Rouge, State of Louisiana.

**XXIII. NOTICES**

All notices required to be given by one party to the other hereunder shall be effective when received, if given in writing and either mailed, first class with postage prepaid, or delivered by overnight courier, addressed as:

If to the Commission:

The Honorable John Neely Kennedy  
Treasurer and Chair, State Bond Commission  
P. O. Box 44154, 3rd Floor, State Capitol Building  
Baton Rouge, LA 70804

with a copy to:

Mr. Whitman J. Kling, Jr.  
Office of the State Bond Commission  
P. O. Box 44154  
3rd Floor, State Capitol Building  
Baton Rouge, LA 70804

If to the \_\_\_\_\_:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Parties agree to notify each other at least thirty (30) days in advance of any change of address or change of designated recipient of notice, and until such notification is received in the manner required above, the addresses for notice set out in this Paragraph shall remain effective.

**XXIV. APPROVAL OF THE OFFICE OF CONTRACTUAL REVIEW**

This Contract is not effective until approved by the Director of the Office of Contractual Review in accordance with La R.S. 39:1502. It is the responsibility of the \_\_\_\_\_ to advise the State in advance if contract funds or contract terms may be insufficient to complete contract objectives.

**XXV. GOALS AND OBJECTIVES; PERFORMANCE MEASURES; MONITORING PLAN**

The Commission hereby certifies and the \_\_\_\_\_ hereby acknowledges that;

1. **GOALS AND OBJECTIVES:** The Commission has entered into this contract in order to obtain professional and reliable financial advisory services as referred to hereinabove.
2. **PERFORMANCE MEASURE:** The Services provided by the \_\_\_\_\_ shall be evaluated to determine that the services are provided timely and professionally.
3. **MONITORING PLAN:** The staff of the Office of the Commission shall monitor the performance of the \_\_\_\_\_ by review of all interim written or verbal reports submitted by the \_\_\_\_\_.

**XXVI. REMEDIES FOR DEFAULT**

Any claim or controversy arising out of this Contract shall be resolved by the provisions of R.S. 39:1524-1526.

**XXVII. AVAILABILITY OF FUNDING**

The continuation of this Contract is contingent upon the appropriation of funds to fulfill the requirements of the contract by the legislature. If the legislature fails to appropriate sufficient monies to provide the continuation of the contract, or if such appropriation is reduced by the veto of the Governor or by any means provided in the appropriations act to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the contract, the contract shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated.

IN WITNESS THEREOF the Parties have executed this Contract in multiple originals at Baton Rouge, Louisiana on the dates set forth next to their names below.

Date: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Proposer

Title: \_\_\_\_\_

Date: \_\_\_\_\_

STATE BOND COMMISSION, STATE OF LOUISIANA

By: \_\_\_\_\_

Title: \_\_\_\_\_

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**Overview of the State Bond Commission**

The Louisiana State Bond Commission (the "Commission") was created in 1968 by the Louisiana State Legislature to centralize and administer the incurring of state debt. Subsequent to the creation of the Commission, the State Bond and Tax Board, which had been charged with approving the issuance of bonds by various political subdivisions of the state, was abolished and its functions were transferred to the Commission. The Louisiana Constitution of 1974, Article VII, Section 8, grants constitutional status to the Commission and provides "No bonds or other obligations shall be issued or sold by the State directly or through any State board, agency or commission, or by any political subdivision of the State, unless prior written approval of the Commission is obtained."

The Constitution provides the membership and authority of the Commission are determined by law, which presently provides that the Commission is to be composed of the ex-officio members (R.S. 39:1401) listed below.

<u>State Office</u>	<u>Appointment</u>
Treasurer (Chairman)	John Neely Kennedy
Governor	Bobby Jindal
Lieutenant Governor	Jay Dardenne
Secretary of State	Tom Schedler
Attorney General	James D. "Buddy" Caldwell
President of the Senate	Joel T. Chaisson, II
Speaker of the House	Jim Tucker
Chairman, Finance Committee, Senate	Michael J. "Mike" Michot
Chairman, Revenue & Fiscal Affairs Committee, Senate	Robert "Rob" Marionneaux, Jr.
Chairman, Committee on Appropriations, House of Representatives	James R. "Jim" Fannin
Chairman, Committee on Ways and Means, House of Representatives	Hunter V. Greene
Senator-at-Large	Lydia P. Jackson
House of Representatives-at-Large	Jeffrey J. "Jeff" Arnold
Commissioner of Administration	Paul Rainwater

**Oversight of Local Government Finances**

Oversight responsibilities defined in the statutes apply to all evidences of debt except "...purchases made in the ordinary course of administration on terms of credit not to exceed ninety days." (R.S. 39:1410.60) Also, notification should be made to the Commission, in writing, whenever there are delinquent payments or fund transfers on outstanding indebtedness (R.S. 39:1410.62). Commission approval must be sought for approval of petitions to bankruptcy court (R.S. 39:1410.64).

## Service Provided by the Commission

### I. Review and Recommendation of Debt Applications

In accordance with the Constitution and statutes of the State, the Commission is required to approve all debt obligations of state and local government. The applications are received by the staff of the Commission for review and recommendation to the full Commission. The review process includes, but is not limited to, the following:

1. Review of the statutes under which the proposed debt is to be issued. If there are any questions about the applicability of the statutes cited, discussions are held with the General Counsel to the Department of the Treasury, the Attorney General, and the Bond Counsel to resolve the questions.
2. Complete analysis of the financial and statistical data submitted with the application to ensure that the entity can repay the debt in the manner anticipated. During this analysis, discussions are held with the financial representatives of the entity to resolve any problems or ambiguities regarding the financial plan.
3. Review of the public purpose for which the debt is contemplated to ensure that the governing authorities expressed public purpose is clearly stated.

In order for an analyst to make a recommendation to the Commission, he/she must become familiar with the complete financial plan. The above process may include meetings with the entities public officials, financial representatives, or bond counsel. Meetings are held with the Attorney General and Legislative Auditor to review all applications prior to making final recommendations. These meetings ensure that any questions about a particular application can be resolved and local entities can be assisted in a successful financing.

### II. Review and Recommendations on Legislation

During the Legislative session, the staff of the Commission works with representatives of local government to review and make recommendations on legislation relative to debt and debt management. For example, the staff was instrumental in establishing the Fiscal Review Committee which advises those entities that might have difficulty paying debt service and provides an administrative solution prior to any legal action being taken.

### III. Ongoing Advice and Assistance

The staff of the Commission provides ongoing advice and assistance to local entities relative to debt and debt management. The staff is available to provide advice on capital financing options as well as to assist local government when problems arise with current debt obligations. When problems arise during the analysis process, the staff makes suggestions on other options the entity may have to meet their goals.

IV. Additional Functions and Services.

The State Debt section of the Commission is responsible for the lines of credit issued pursuant to the capital outlay bill and works with the Treasurer's fiscal staff to ensure that monies are available for the funding of these projects. Requests for funds for local government projects included in the bill are made to the Commission once the lines of credit have been issued by the full Commission. The State Debt section also administers the Reimbursement Contracts with local government.

**State Bond Commission Staff**

The staff of the Commission serves in an advisory capacity to the Commission members and operates under the policies, procedures, and administrative rules promulgated by the Commission and the Office of the State Treasury. The staff is available to provide technical assistance to local government with any matters relative to debt issuance or management. Information and assistance from the staff on matters directly or indirectly related to the state's bonded indebtedness is also available.

The staff of the Commission is located on the 3rd Floor of the State Capitol Building, Baton Rouge, Louisiana. Any member of the staff may be contacted by calling the main number, (225) 342-0040, or the direct number listed below. Current members of the staff include:

Whitman J. Kling, Jr.	Director/Secretary	342-0040
Lela Folse	Assistant Director	219-1134
Carrie Chen	Debt Analyst	342-0062
Cassie Berthelot	Debt Analyst	219-5964
Chris Mathews	Debt Analyst	219-1133
Jessyka Aizpurka	Debt Analyst	342-2798

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**RULE NO. 1993-A**  
**Adopted March 20, 1994**

**DISCLOSURE OF AGREEMENTS BETWEEN FINANCIAL PROFESSIONALS  
FOR NEGOTIATED TRANSACTIONS**

WHEREAS, the duties of the Louisiana State Bond Commission (the "Commission") require that it choose financial professionals (including, without limitation, firms of underwriters, financial advisors and bond attorneys) in connection with certain bond issues and the Commission predicates such choices upon the competing firms' experience, qualifications and performance, in order that a broad spectrum of firms including minority and women-owned and regional firms are given an opportunity to actively and fully participate in such financings; and,

WHEREAS, the Commission's duties also require that it approve applications from local governmental entities to issue bonds and such applications include information on the financial professionals involved in handling the issues;

NOW THEREFORE, in order to insure the integrity of the structure of the financing team which the Commission is charged with the responsibility of choosing and/or approving for handling bond issues, the Commission hereby adopts the following rule regarding agreements by and between such financial professionals as to the sale of such bonds:

1. Terms and/or existence of all joint accounts and/or any other fee-splitting arrangements by and between financial professionals must be disclosed and approved by the Commission.
2. For bond issues for which the Commission is charged with the responsibility to choose the financial professionals, the following will apply:
  1. Firms under consideration for selection by the Commission must file a disclosure statement to be submitted as part of their proposal (whether such proposal is solicited or unsolicited), listing any and all agreements by and between themselves and any other financial professionals which relate to the bond issue.
  2. Financial professionals must include, in any proposal submitted to the Commission, the name or names of any person or firm, including attorneys, lobbyist and public relations professionals engaged to promote the selection of the particular financial entity.
  3. Joint proposals from financial professionals will be allowed only if the Commission's solicitation for offers requests and/or permits joint proposals. The Commission reserves the right, in its sole discretion, to decide on an issue-by-issue basis whether joint proposals will be permitted.
  4. All financial professionals submitting joint proposals and/or intending to enter into joint accounts or any fee-splitting arrangements in connection with a bond issue must fully disclose and have approved by the Commission any plan or arrangement to share tasks, responsibilities, and fees earned, and disclose the financing professionals with whom this sharing is proposed, and any changes thereto which may occur.

5. The Agreement Among Underwriters will govern all transactions during the underwriting period and such agreement must be disclosed and filed with the Commission.
6. No later than forty-five (45) days following the bond sale, all participating underwriters must file with the Commission in notarized affidavit form individual post-sale reports which include a full accounting for all bonds sold and all commissions earned, and any other compensation paid or earned in connection with such sale.
3. Failure to comply with any of the provisions of Section 1 or 2 of this rule may result in a firm's immediate dismissal, disqualification from later issues, or other penalties as may be provided by law or the rules, policies and procedures of the Commission as the Commission in its sole discretion may deem appropriate.
4. For those bond issues which the Commission must approve but for which the Commission is not responsible for the choice of the financial professionals, the following will apply:
  1. The details of any arrangements for compensation of all the financial professionals in the transaction (including any joint accounts or fee-splitting agreements) and the method used to calculate the fees to be earned must be provided to the Commission in the written application. The Commission's receipt of this information is a prerequisite for being placed on the agenda.
  2. At closing, this information must be certified in notarized affidavit form by the financial professional to be correct and filed with the State Bond Commission within five (5) days thereof. This information will form a part of the public record of the bond issue.

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CERTIFICATION STATEMENT

The undersigned hereby acknowledges she/he has read and understands all requirements and specifications of the Request for Proposals (RFP), including attachments.

OFFICIAL CONTACT. The State requires that the proposer designate one person to receive all documents and the method in which the documents are best delivered. Identify the Contact name and fill in the information below:

Date: \_\_\_\_\_ Official Contact Name: \_\_\_\_\_

A. Phone Number with area code: (\_\_\_\_\_) \_\_\_\_\_

B. E-mail Address: \_\_\_\_\_

C. Facsimile Number with area code: (\_\_\_\_\_) \_\_\_\_\_

D. US Mail Address: \_\_\_\_\_

\_\_\_\_\_

Proposer certifies that the above information is true and grants permission to the State to contact the above named person or otherwise verify the information I have provided.

By its submission of this proposal and authorized signature below, proposer certifies that:

- (1) The information contained in its response to this RFP is accurate;
(2) Proposer complies with each of the mandatory requirements listed in the RFP and will meet or exceed the requirements specified therein;
(3) Proposer accepts the procedures, evaluation criteria, mandatory contract terms and conditions, and all other administrative requirements set forth in this RFP;
(4) Proposer's quote is valid for at least 120 days from the date of submission of proposal;
(5) Proposer understands that if selected as the successful proposer, he/she will have five (5) business days from the date of delivery of the final contract in which to execute the final contract document.
(6) Proposer provides authorization for the State to verify work performed for prior clients.

Authorized Signature: \_\_\_\_\_

Typed or Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Company Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_