TREASURER OF THE STATE OF LOUISIANA

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ADDENDUM NO. 1

Your reference is directed to RFP file number 17-002 for the Request for Proposal for Financial Advisor Services for the Louisiana State Bond Commission, RFP which opened April 11, 2017. The following questions were asked and are hereby answered:

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1. **Question:** Can a FA propose to deliver a portion of the derivative-related services by including in its proposal a subcontractor who meets the qualifications outlined in the RFP? If so, are there any specific requirements or restrictions regarding subcontracting?

Answer: Yes. A subcontractor is permissible to provide the services enumerated in item 14 of Section 2.3 of the RFP relative to derivative/hedging advisory services, however the prime contractor shall be responsible for all deliverables/services and all payments under the contract will be paid to the prime contractor and not directly to the subcontractor. As outlined in Section 1.17, the commission shall have a single prime contractor.

2. **Question:** If so, are there any specific requirements or restrictions regarding subcontracting?

Answer: See answer to number 1.

3. **Question:** While we are comfortable in offering the fiduciary advice related to the advisory scope of services on an hourly basis as you request in the RFP, would you be open to fee based compensation structure for market execution of a bond transaction and derivative transaction based upon the par or nominal value as appropriate?

Answer: No.

4. **Question:** If not, can you provide your expectations relative to the number and size of derivative transactions that you expect to execute during the term of the contract?

Answer: The State currently maintains 3 outstanding Floating Rate Notes hedged with 6 floating to fixed rate interest rate swap agreements. The Floating Rate Notes currently have mandatory tenders on 5/1/18 and 5/1/20 while the swap termination dates are 5/1/22, 5/1/41 and 5/1/43. It is not known at this time if additional derivative transactions would be executed during the term of the contract.

5. **Question:** Similarly, can you provide your expectations relative to the number and size of debt transactions that you expect to execute during the term of the contract?

Answer: The State regularly issues General Obligation Bonds to fund the Capital Outlay Budget, the amount of which will be determined by multiple factors including policy, budget availability and debt limitation factors. In addition, the State maintains 2 Floating Rate Notes secured by gas and fuels taxes with a mandatory tender on 5/1/18 in the aggregate amount of $224,375,000. Further, refunding's related to General Obligation Bonds, Gas and Fuels Tax Bonds, State Hwy Improvement Bonds and Unclaimed Property Bonds may be issued when warranted and any other debt obligations authorized to be issued by the State acting through the State Bond Commission.