

State Road and Tollway Authority
Request for Proposals (“RFP”)
for
Underwriters
for
Federal Highway Grant Anticipation Revenue Bonds, Series 2017
and
Federal Highway Reimbursement Revenue Bonds, Series 2017

January 25, 2017

The State Road and Tollway Authority (“SRTA”) of the State of Georgia (the “State”) plans to issue GARVEE Bonds during the second quarter of 2017 to fund approximately \$75 million of right of way costs for its Revive 285 Project from I-75 to I-85 on the northern side of metro Atlanta. The GARVEE Bonds will consist of direct GARVEEs (“Grant Anticipation Revenue Bonds”) and indirect GARVEEs, (“Reimbursement Revenue Bonds”). The Reimbursement Revenue Bonds will be used to fund the required state match. SRTA currently expects to issue additional GARVEE Bonds in 2020 to fund an additional \$600 million of right of way costs for the project. Funding for the majority of the balance of the \$4.2 billion project is projected to be provided predominantly by a design, build, finance, operate and maintain (“DBFOM”) contract with a private developer, which is to be secured by availability payments by SRTA to the developer.

SRTA seeks to retain qualified senior managing and co-managing underwriters (any singular designation or combination of senior managing underwriter and co-managing underwriters hereinafter to be referred to as an “underwriting syndicate”), for its contemplated issuances of GARVEE Bonds in 2017 and 2020. The Federal Highway Grant Anticipation Revenue Bonds, Series 2017 and the Federal Highway Reimbursement Revenue Bonds, Series 2017 are anticipated to be fully tax-exempt and not subject to the alternative minimum tax.

This RFP and any addenda will be posted on the SRTA’s website at: www.georgiatolls.com/business and all potential respondents are cautioned and urged to check the website on a periodic basis prior to the submission deadline to ensure that the potential respondent is aware of any changes to this RFP as posted thereon.

For purposes of this RFP, the professional team (“Professional Team”) consists of all Board members, employees, or contract employees of the following:

State Offices: State Road and Tollway Authority
 Georgia Department of Transportation (“GDOT”)
 Governor’s Office
 Governor’s Office of Planning and Budget
 Georgia State Financing and Investment Commission (“Commission”)
 Office of the Attorney General

Bond Counsel: Sutherland Asbill & Brennan LLP

Financial Advisor: Public Resources Advisory Group (“PRAG”)

Consulting Engineer: HNTB Corporation

For consideration, responses must be received by February 15, 2017. All responses will be reviewed first by a team consisting of staff of SRTA, GDOT, the Commission and PRAG which will submit its recommendation to SRTA and also to members of a Commission RFP Committee for final approval. Based on the review of the proposals received, SRTA and/or the Commission RFP Committee may request clarification with respect to any portion of any responder’s proposal and/or that designated firms attend interviews, at their own expense, which currently are expected to be during the week of March 6, 2017. Any request(s) for clarification will be made in writing, as must be the response(s) to any such requests (emailed requests and responses are considered to be “in writing”). SRTA and the Commission RFP Committee reserve the right to reject any or all proposals, or any portions or items of a proposal. SRTA and the Commission RFP Committee will proceed with the selection of an underwriting syndicate based on responsiveness to the RFP and deemed to be in the best interest of SRTA and the State. SRTA and the Commission reserve the right not to proceed with the anticipated sale of Federal Highway Grant Anticipation Revenue Bonds, Series 2017 and Federal Highway Reimbursement Revenue Bonds, Series 2017 at any time and for any reason. All costs of preparing a response to this RFP and attending an interview as described above shall be the sole responsibility of the proposer; neither SRTA nor the State shall have any liability to reimburse the proposers for any costs so incurred by the proposer.

Any submission (including all documents, papers, letters, maps, books, tapes, photographs, computer based or generated information, data, data fields, or similar material hereinafter “record” or “records”) pursuant to this RFP will be subject to disclosure under the Official Code of Georgia Annotated (“O.C.G.A.”) Title 50, Section 18, Article 4 “Inspection of Public Records” (O.C.G.A. § 50-18-70 et. seq., as amended). In accordance with O.C.G.A. § 50-18-72(a)(10), pending, rejected, or deferred sealed proposals and related detailed cost estimates related thereto is not required until such time as the final award of the contract is made, the project is terminated or abandoned, or the agency in possession of the records takes a public vote regarding the sealed bid or sealed proposal, whichever comes first. Should any proposer wish to designate any records containing trade secrets as confidential, the proposer shall, in accordance with O.C.G.A. § 50-18-72(a)(34), submit and attach to the records an affidavit affirmatively stating that specific information in the records constitute trade secrets pursuant to Article 27 of Chapter 1 of Title 10 of the Official Code of Georgia Annotated. If the proposer attaches such an affidavit, then SRTA shall proceed in accordance with O.C.G.A. § 50-18-72(a)(34) in response to a request for any such designated record.

I. Proposal

To be deemed responsive, the proposer must include the following in its submission relative to this RFP:

- A. Provide the name of the firm, the firm’s proposed role, primary contact for the proposal, personnel to be assigned to the proposed financing and their roles - email addresses and phone numbers must be provided for all individuals thus identified.
- B. Briefly describe the firm’s experience as the book-running senior manager for GARVEE bonds since January 1, 2012. Provide a list in tabular form including each issuer’s name, date, amount issued and ratings for each issue of bonds.
- C. Briefly describe the firm’s experience as the book-running senior manager for bonds issued in the State of Georgia since January 1, 2014. Please provide a list in tabular form including each issuer’s name, date, amount issued and ratings for each issue of bonds.
- D. Discuss two recent engagements (i.e. the bonds were issued during calendar years 2015 or 2016) that are similar to this proposed transaction.

- E. Provide a proposed plan of finance assuming market conditions of February 7, 2017. Assume a dated and delivery date of June 1, 2017, principal payment dates of June 1, and costs of issuance, not including underwriter's expenses, of \$200,000. Include cash flows as an appendix to your proposal.
- F. Provide indicative interest rate scale(s) (with coupon, yields and spreads) as of February 7, 2017, based on your recommended plan of finance.
- G. Discuss your recommended rating agency strategy, including which rating agencies to utilize for the rating(s) and/or any use of bond insurance or any other form of credit enhancement.
- H. Discuss your recommended marketing plan for the bonds. In addition, discuss your recommendation for the structure of the underwriting syndicate and proposed designation rules.
- I. Provide both the name of the firm and the lead individual which you recommend to serve as underwriters' counsel.
- J. Provide your proposed fees, including takedown by maturity, average takedown and expenses, including underwriters' counsel.
- K. Provide a summary statement of the firm's capital position as of the date of its most recently published statement of financial position. Include information on the firm's total capital, equity capital, excess net capital and daily average uncommitted capital. (NOTE: DO NOT provide SEC filings or annual reports as a means of answering this question.)
- L. Disclose any conflicts of interest or potential conflicts of interest that may arise if the firm is selected for this engagement. Describe the status and timing of any announced mergers with, or acquisitions of, any other firm that could impact the firm's engagement with SRTA. Identify fully the extent to which the firm or individual partners or employees are the subject of any ongoing securities investigation (including investigations undertaken by the SEC, state blue-sky commissions, the U.S. Department of Justice and the Internal Revenue Service pursuant to IRC Section 6700), are a party to any securities litigation or arbitration, or are the subject of a subpoena in connection with a municipal securities investigation, including any

investigations (Federal, state or local level) involving auction rate securities and bid-rigging. Include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last three years and a description of those actions.

- M. Provide a statement to certify that the firm currently is in compliance with MSRB rules G-37 and G-38, if applicable. For purposes of this RFP, officials of the issuer include the elected officials who serve on the boards of SRTA, GDOT, and the Commission.

II. RFP Responses and Schedule of Events

- A. **Due Date: RFP responses shall be received via e-mail no later than 3:00PM EST February 15, 2017 to the following:**

Barry Zgonena, State Road and Tollway Authority, bzgonena@georgiatolls.com

Lee McElhannon, Georgia State Financing and Investment Commission,
lee.mcelhannon@gsfic.ga.gov

Steven Peyser, Public Resources Advisory Group, speyser@pragadvisors.com

Responses received after that time will be deemed non-responsive and will not be considered.

A cover letter and responses to I.A. to I.J., excluding requested appendices, must be limited to no more than **12 pages in total and with text in 12 point font.**

- B. Additional Information: Any questions or information requests regarding the RFP must be received via email to Steven Peyser, speyser@pragadvisors.com, no later than 12:00PM EST February 1, 2017. Questions received by that time and answers to those questions will be posted on the SRTA website at: www.georgiatolls.com/business on or about 3:00PM EST February 3, 2017.
- C. Except as provided above, firms are not to contact board members or staff of SRTA, GDOT or GSFIC or members of the Professional Team (as described on page 2 of this RFP) regarding this RFP. A failure to abide by this requirement will result in automatic disqualification.

D. RFP Review and Evaluation Process: SRTA and the Commission RFP Committee will be responsible for reviewing all proposals. Selection criteria and their relative weighting will include:

- i. Ability and experience of the firm and team members proposed to execute the transaction (35%)
- ii. The structure proposed (35%)
- iii. Proposed compensation (10%)
- iv. Marketing approach and distribution capability (10%)
- v. Overall quality of proposal (10%)

E. Tentative Schedule of Events

Release of the RFP	January 25, 2017
Submission of Questions	12:00PM EST February 1, 2017
Expected Posting of Answers to Submitted Questions	3:00PM EST February 3, 2017
Proposal Deadline	3:00PM EST February 15, 2017
Interviews (if held)	Week of March 6, 2017
Selection of Underwriter(s)	By March 10, 2017