

**STATE OF RHODE ISLAND**  
**REQUEST FOR QUALIFICATIONS FOR UNDERWRITING SERVICES**

**PURPOSE**

The Office of the General Treasurer is seeking qualifications to establish a pool of qualified firms to serve as senior managing underwriter(s) and/or co-managing underwriters in connection with the future issuance(s) of general obligation bonds, lease participation certificates (certificates of participation or COPs) or other obligations by the State of Rhode Island (the “State”). The initial term of the underwriter pool will be for two years commencing at the conclusion of this solicitation, running through June 30, 2026, with the State’s option to extend for up to three additional one-year periods. The State reserves the right to sell its obligations through a competitive sale, negotiated sale, direct purchase or private placement.

The State reserves the right to waive any irregularity in any response and to reject any or all responses. Expenses of preparing and submitting qualifications will be the responsibility of the underwriting firms. Should the State determine that a negotiated offering is in its best interest, the underwriter(s) and their attorneys will be compensated as determined by the State for the obligations when, and if, the State issues bonds on a negotiated basis.

Notwithstanding this request for qualifications of underwriters for inclusion in a pool, the State reserves the right not to use any member or members of the pool, if it is determined to be in the best interest of the State to do so. Selection to a pool does not entitle the selected firm assignment to any specific bond issue(s) or any specific participation in State bond issuance(s). **Being selected to be part of the State’s negotiated sale underwriting pool does not guarantee that the State will issue any of its bonds using a negotiated sale process.**

The State, its bond counsels (Partridge Snow & Hahn LLP and Hinckley Allen & Snyder) and disclosure counsels (Adler Pollock & Sheehan P.C. and Bowditch & Dewey LLP) will have primary responsibility for preparation of the Preliminary and Final Official Statement and the Continuing Disclosure Agreement. Public Resources Advisory Group (“PRAG”) serves as Financial Advisor to the State.

**TIMETABLE**

The following is the projected schedule for this request for qualifications process:

<b><u>Event</u></b>	<b><u>Date</u></b>
Issuance of Request for Qualifications	April 2, 2024
Deadline for Questions Related to the RFQ	April 8, 2024, 5:00 PM EDT
Deadline for Submission of Qualifications	April 19, 2024, 3:00 PM EDT
Anticipated Notification of Interviews (if needed)	Week of April 29, 2024
Interviews of Short-Listed Firms (if needed)	Weeks of May 6, 2024
Anticipated Notification of Selected Firms	Week of May 13, 2024

**STATEMENT OF QUALIFICATIONS REQUIREMENTS**

Responses should include information requested in the following requests and questions. **Responses are limited to a maximum of 15 pages in a 12-point font**, not including the firm’s cover letter (not to exceed two pages) and any appendices provided in response to questions A.4, A.5, A.6, A.7 and A.8. **Effort should be made to provide concise and brief responses.**

All questions related to this request for qualifications should be directed by e-mail to Janet Lee, Public Resources Advisory Group, (Email: [jlee@pragadvisors.com](mailto:jlee@pragadvisors.com)) not later than 5:00 PM EDT on April 8, 2024. Responses to questions will be posted at <https://treasury.ri.gov/open-government/requests-proposals-rfps/open-requests-proposal>. Any contact with State officials regarding issues raised by the request for qualifications is prohibited and may result in disqualification. Please include a letter from a qualified individual in your firm certifying that (i) from the date of this Request for Qualifications (“RFQ”) through the date of your submission, no member of your firm made inquiries with respect to this RFQ other than in written communication to Janet Lee, Public Resources Advisory Group, and (ii) that all the information in your submission is true and correct to the best of his/her knowledge.

All materials submitted in response to this RFQ become the property of the State and will not be returned. Vendors are advised that all materials submitted to the State for consideration in response to this RFQ will be considered to be public records pursuant to Title 38, Chapter 2 of the General Laws of Rhode Island.

The successful vendor/s will be required to be in compliance with Title 7 Chapter 1.2 of the General Laws of Rhode Island requiring that foreign corporations (those without a Rhode Island-based business) must procure and maintain a Certificate of Authority to transact business from the Rhode Island Secretary of State.

The State is committed to diversity, inclusion and equal employment opportunities among its banking firms and encourages workforce diversity goals for its financial professional service procurements to encourage the hiring of minority and female staff and the involvement of minority and female staff in meaningful roles on the assignments undertaken for the State. It is a goal of the State to utilize qualified banking firms that have a demonstrated history of hiring, training promoting and retaining minority and female staff persons. The selected respondents must be willing to partner with qualified M/WBE and veteran owned firms and must agree to abide by all applicable Rhode Island minority hiring laws, Equal Opportunity Rules and Regulations, Executive Orders, and any and all other applicable Rhode Island employment laws, rules and regulations.

**Firms requesting to be considered for Senior Manager Underwriting Positions should respond to all questions. Firms requesting to be considered for only Co-Manager Underwriting Positions should respond to questions A.1, A.4 through A.11 and B.1 through B.5.** Selection for the underwriting pool will be made from the firms deemed fully qualified and best suited among those submitting qualifications based on responses to the following evaluation requests and questions. Note: Additional information and/or submissions may be requested from some or all members of the underwriting pool when, and as needed to further assess qualifications to serve on the underwriting team related to a particular bond issue.

## **REQUESTS AND QUESTIONS**

### **A. Firm Qualifications and Experience**

1. Provide the personnel who will be assigned to the engagement and their roles, including the person or persons from the underwriting desk. Be specific regarding the person or persons who would have day-to-day responsibility. Please provide telephone number and e-mail address of the primary contact. Provide short resumes in an appendix as to experience with state level general obligation bond issues and certificates of participation and also with any issuers in the State of Rhode Island.
2. Provide a brief description of your firm’s experience as a **senior bookrunning manager** for all state-level general obligation bonds, certificates of participation and appropriation-backed bonds, \$100 million or more, since January 1, 2022. Highlight any particular challenges faced with those issues.

3. Provide a brief description of your firm's experience serving as a **senior bookrunning manager** for bonds issued in Rhode Island since January 1, 2022. Highlight any particular challenges faced with those issues.
4. Provide separate listings (as an appendix) of (a) all state-level general obligation bonds over \$100 million, (b) state-level certificates of participation and appropriation-backed bonds over \$100 million and (c) Rhode Island bond issues over \$50 million for which your firm has served as senior bookrunning manager, co-senior manager or co-manager, including (i) name of issuer, (ii) description of issue, (iii) date of issue, (iv) par amount, (v) type of sale (competitive or negotiated), (vi) credit rating, and (vii) your firm's role (senior bookrunning manager, co-senior manager or co-manager), since January 1, 2022.
5. Provide a listing of the firm's history of submitting bids as a syndicate member or sole underwriter for the competitive sales of the State's general obligation bonds or certificates of participation since April 2016, noting the ranking of the firm's bid. If your firm's bid was part of a syndicate which submitted the winning bid, indicate the role of your firm in the syndicate.
6. Summarize how your firm has supported the State of Rhode Island since 2022. Provide specific examples of refunding analyses, market updates, credit support, financing program development support, etc.
7. Describe your firm's affirmative action track-record, programs, policies, practices and/or activities used to attract and maintain a work force that integrates minorities and females at all levels throughout the firm. Please include this information as an appendix to your response. Indicate if your firm is certified as a minority, woman and/or veteran owned.
8. Indicate the number of persons in your public finance department, as well as the total number and percentages of minorities and women that your firm employs as officers, managers, associates and paraprofessionals.
9. The State is committed to increasing the utilization of disadvantaged, woman, minority and/or veteran owned firms in underwriting its bond issues. Please share any ideas for suggested utilization of or partnerships with these firms in a negotiated bond issue undertaken by the State.
10. 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.) Discuss your firm's ability to underwrite bonds and recent examples of when your firm needed to underwrite bonds.
11. Disclose any conflicts of interest, as stated in MSRB Rule G-17, including finder's fees, fee splitting or other contractual arrangements of the firm that could present a real or perceived conflict of interest. Disclose any pending investigation of the firm or enforcement or disciplinary actions imposed on the firm within the past three years by the SEC, FINRA or other regulatory bodies. Identify fully the extent to which your firm or individual partners or employees 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 involving auction rate securities. Include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last three years.

12. Provide three (3) state-level references for issues your firm has senior managed, include telephone numbers and e-mail addresses.

### **B. Marketing Plan/Plan of Finance**

1. Discuss the current market conditions for tax-exempt bonds, taxable bonds, and retail demand for Rhode Island bonds. In particular, address the following issues: current access to the market for the State; any size restrictions; and use of competitive sale.
2. Describe your firm's municipal bond operations (e.g. sales, trading, research, and underwriting) and strategies which can be used to help the State achieve the lowest cost on its bonds. Describe your firm's retail and institutional marketing network for municipal bonds, with emphasis on distribution capabilities within the State. Include the number and locations of sales offices in Rhode Island, number of retail brokers working in those offices and the approximate number of retail accounts in Rhode Island. How is your firm positioned to place bonds with Rhode Island investors?
3. Describe your firm's marketing plan for a typical State general obligation bond issue with both tax-exempt and taxable bonds. Describe the likely distribution for the State's bonds and describe the investor base that should be targeted and strategies on how to reach those investors.
4. Assume the State will issue approximately \$125 million of tax-exempt general obligation bonds and approximately \$50 million of taxable general obligation bonds in October 2024. Discuss factors the State should consider in making the decision to sell the bonds on a negotiated basis. Comment on if the State should consider a separate retail order period. For retail demand, please distinguish between traditional retail investors and professional retail investors. Please provide an estimate of how much of the 2024 Bonds could be sold to traditional retail investors and professional retail investors both nationally and in Rhode Island and include information on the expected amounts in different parts of the yield curve. Briefly discuss how your firm can maximize the placement of the State's general obligation bonds with traditional retail buyers within the State.
5. In the past the underwriters of the State's bonds have been compensated for professional retail orders on a net designated basis. Please discuss the pros and cons of having (i) the Co-managers who receive professional orders be compensated for bringing in such orders, (ii) being compensated with a group net arrangement or (iii) other arrangements.
6. Provide a discussion of the proposed structure of the syndicate for the October 2024 bond issue, including a brief discussion of the use and number of co-managers and/or selling group members, local Rhode Island firms and disadvantaged, woman, minority and/or veteran owned firms. Provide recommended priority and designation rules for both retail and institutional orders, as appropriate.

### **C. Pricing**

1. Provide the estimated fees and expenses for the State of Rhode Island (a) \$125 million tax-exempt general obligation bond issue and \$50 million taxable general obligation bond issue, and (b) \$50 million tax-exempt appropriation-backed bonds. For purposes of the estimated fees, assume that each series has a 20-year maturity and is structured to achieve level debt service. Please include the following for each type of bond issue:
  - Takedown (takedowns by maturity and average takedown)
  - Management Fee
  - Expenses (itemized, including underwriter's counsel fee)

- Any other fees (itemized) (Please note there is a Public Finance Management Board fee to be paid by the underwriters upon the delivery of any bond issue equal to one-fortieth of one percent of the par amount of the bonds.)

(Note: The State expects to negotiate these fees and expenses in conjunction with a particular bond issue during the term of the engagement.)

2. Based on market conditions as of 3:30 PM EDT, Wednesday, April 17, 2024, provide (a) tax-exempt and taxable pricing scales (coupons, spreads to MMD/UST, as applicable, and yields) for (i) a \$125 million tax-exempt general obligation bond issue with a 10 year par call and (ii) a \$50 million taxable general obligation bond issue with a 10-year par call (with a note on the spread compared to a make-whole call) and (b) a tax-exempt pricing scale (coupons, spreads to MMD and yields) for a \$50 million tax-exempt appropriation-backed bond issue with a 10 year par call. For purposes of this question assume a twenty year final maturity with level debt service for all the bonds. Assume the general obligation bonds are rated Aa2/AA/AA and the appropriation-backed bonds are rated Aa3/AA-/AA-, by Moody's, S&P Global Ratings, and Fitch, respectively.
3. The State would like to encourage and reward the efforts of firms that support its transactions through the sale of the State's bonds through secondary market support. If your firm has served as a senior managing underwriter or co-managing underwriter member of a State of Rhode Island syndicate in the last 7 years, please describe the efforts of your firm to support Rhode Island's bond issuance in the secondary market. If your firm has not served as an underwriter for Rhode Island in the last 7 years, provide an example of how you support other issuers' bonds in the secondary market.

## **SELECTION CRITERIA**

All proposals received by the deadline will be evaluated. A 100-point scale will be used. Proposals will be evaluated based upon the following criteria:

- Qualifications and Experience (30 possible points)
- Quality of Ideas Presented (15 possible points)
- Personnel Assigned (15 possible points)
- Underwriter's diversity and commitment to equal opportunity programs including status as a certified MWBE (15 possible points)
- Marketing Plan (10 possible points)
- Pricing (15 possible points)

## **OTHER CONSIDERATIONS AND RESTRICTIONS**

### **A. Restrictions on Gifts**

State ethics laws restrict gifts which may be given or received by employees and directors and require certain individuals to disclose information concerning their activities with the State government. Respondents are responsible to determine the applicability of these laws to their activities and to comply with the requirements. In addition, it is a felony offense to bribe or attempt to bribe a public official.

### **B. State Code of Ethics**

The State of Rhode Island and Treasurer are committed to maintaining the highest standards of ethics in the awarding of contracts. In accordance therewith, all respondents should be familiar with and abide by

the State Code of Ethics, as set forth in R.I. Gen. Laws §36-14-1 et. seq., and any additional regulations as provided on the State Ethics Commission website <http://www.ethics.ri.gov/code/>.

**C. Non-Discrimination**

All proposals shall be considered on the basis of their merit in accordance with the criteria specified herein and shall not exclude any person, firm, or other entity, from consideration on the grounds of sex, race, color, religion, sexual orientation, gender identity or expression, age, disability or national origin. For more information, see the Division of Equity, Diversity & Inclusion at the State of Rhode Island Department of Administration website: [dedi.ri.gov](http://dedi.ri.gov).

**D. Confidentiality Requirements**

The Treasurer shall treat all documents submitted by a respondent in connection with this RFP as public records after awarding the contract pursuant to this RFP. The release of public records is governed by R.I. Gen. Laws §38-2-1 et seq. ("APRA"). Respondents are encouraged to familiarize themselves with this law before submitting a proposal.

By submitting a proposal, respondent agrees that the Treasurer and/or the State may reproduce respondent's proposal for purposes of facilitating the evaluation of the proposal or to respond to requests for public records. respondent consents to such reproduction by submitting a proposal and further warrants that such reproduction does not violate its rights or the rights of any third parties.

Any request by respondent that records submitted by them be exempt from being considered public records must be included in the cover letter with the respondent's proposal. In addition, respondent must enumerate the specific grounds upon which the APRA or other applicable law supports treatment of the documents as exempt from being considered a public record, and further, the factual basis, if any, upon which they rely in asserting that the documents should be exempt. Any request for treating records submitted as being exempt must also include: the name, address, and telephone number of the person authorized by the respondent to respond to any inquiries by the Treasurer and/or the State regarding such an assertion.

Any proposals submitted which contain non-public records must be conspicuously marked on the outside as containing non-public information, and each page upon which non-public information appears must be conspicuously marked as containing non-public information. Identification of the entire proposal as being non-public records may be deemed non-responsive and may disqualify the respondent.

If the respondent designates any portion of the proposal as being a non-public record, the respondent must submit one (1) copy of the proposal from which the non-public record is deleted or redacted. This copy shall be submitted in addition to the number of copies requested in this RFQ. The non-public records must be excised in such a way as to allow the public to determine the general nature of the information redacted and retain as much of the proposal as possible.

The Treasurer and/or the State will treat the records marked non-public as being confidential information to the extent such information is determined confidential under the APRA or other applicable law or by a court of competent jurisdiction. The respondent's failure to request records submitted as being non-public records will be deemed a waiver of any right to confidentiality which the respondent may have had.

## SUBMITTAL REQUIREMENTS

Responses are due no later than **3:00 PM EDT on April 19, 2024**. Instructions for submittal of responses are provided below:

<p><b><u>Office of the General Treasurer James Diosa</u></b>  <b>Email one PDF file to the following:</b>  eileen.cheng@treasury.ri.gov  francis.quinn@treasury.ri.gov  peter.phillips@treasury.ri.gov</p> <p><b>Additional Instructions:</b>  <b>Provide 3 copies in a sealed envelope for arrival by 3:00 PM EDT on April 19, 2024 to:</b>  <b>Francis J. Quinn</b>  Director, Debt Management  Office of Rhode Island General Treasurer James Diosa  50 Service Avenue, 2nd Floor  Warwick, RI 02886  Office: (401) 462-6951</p> <p>Responses should be labeled “State of Rhode Island Request for Qualifications for Underwriting Services”; Attention: Francis J. Quinn</p>	<p><b><u>Rhode Island Office of Management and Budget</u></b>  <b>Email one PDF file to the following:</b>  joseph.codega@omb.ri.gov  gary.pascoa@budget.ri.gov</p> <p><b>Additional Instructions:</b>  <b>Provide 3 copies in a sealed envelope for arrival by 3:00 PM EDT on April 19, 2024 to:</b>  <b>Joseph Codega</b>  State Budget Officer  Rhode Island Office of Management and Budget  One Capitol Hill  Providence, RI 02908  Office: (401) 574-8473</p> <p>Responses should be labeled “State of Rhode Island Request for Qualifications for Underwriting Services”; Attention: Joseph Codega</p>
<p><b><u>Municipal Advisor</u></b>  <b>Public Resources Advisory Group</b>  Email one PDF file to Janet Lee:  jlee@pragadvisors.com</p>	