



STATE OF RHODE ISLAND
OFFICE OF THE GENERAL TREASURER
RHODE ISLAND STATE HOUSE, ROOM 102
PROVIDENCE, RHODE ISLAND 02903

REQUEST FOR PROPOSALS TO PROVIDE FINANCIAL ADVISOR SERVICES

Issued March 17, 2023

Proposals due by 4:00 PM, March 31, 2023

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See p. 8 Submission of Responses

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REQUEST FOR PROPOSALS
to serve as
FINANCIAL ADVISOR

**SECTION I:
INTRODUCTION AND PURPOSE OF THE RFP**

The State of Rhode Island (the “State”) requests proposals from qualified firms interested in providing financial advisory services to the State. The State intends to use this RFP process to select a firm to serve as financial advisor to the State in connection with its primary financing programs including, but not limited to the following:

- General Obligation Bond issues totaling approximately \$150 million to \$200 million per year.
- Certificates of Participation and Lease programs.
- GARVEE Financing.
- Refunding opportunities for the State’s outstanding general obligation debt, certificate of participation debt, and/or Motor Fuel Bonds
- Short-term financing program, as necessary, which may include the issuance of Tax Anticipation Notes.
- Assistance in the preparation of the biennial Debt Affordability Study, required under R.I. Gen. Laws § 42-10.1-2 (8)
- As yet undetermined, additional services for other financing programs will also be covered under the contracted scope of services for the engagement.

The firm selected to provide financial advisory services as part of the RFP process will be required to enter into a contract with the State. It is expected that the contract covering the engagement relative to this RFP will be similar in scope to the scope of services listed below and for an initial two year term, annually renewable at the State’s option for four additional years for a total of up to six years.

**SECTION II:
SCOPE OF SERVICES**

The scope of services to be provided by the financial advisor at the request of the State will include, but not be limited to, the following:

- Advise the State on its overall approach to the State’s financings working with Treasury; Department of Administration, Office of Management and Budget; bond counsel; disclosure counsel; underwriters; rating agencies; trustees and other professionals involved in the State’s financings.
- Assist the State in competitive financings, including publication and distribution of the offering statements, use of electronic bidding and publication methods, communication with underwriter syndicates and verification of bids.

- Assist the State in negotiated financings, including advice on market factors, syndicate policies, issue price and structure.
- Assist in the bidding of services and coordination of vendors required for competitive and negotiated bond issuances (i.e., printing of official statement, trustee or paying agent services, verification agent, etc.).
- Assist the State in the development and presentation of information to the rating agencies and for the State's Investor Portal and to credit enhancers, if applicable.
- Assist in the evaluation of the availability and economics of credit enhancement.
- Assist the State in developing and implementing investor relations and marketing plans in connection with the State's financings.
- Evaluate proposals on new products, refunding opportunities and other financing ideas.
- Assist in the review and analysis of State and Federal legislation pertaining to the State's financing programs.
- Assist the State in evaluation of debt defeasance opportunities, in the event resources are dedicated for such purpose.
- Provide market information and respond to other information requests on a regular basis.
- Provide advice and assistance in the development of any capital improvements programs of the State.
- Provide advice and assistance in the development of long-range financing plans of the State.
- Assist the State in special projects relating to debt issuance, debt management and debt reporting, including the biennial Debt Affordability Study, as assigned.
- Assist the State in meeting its short-term cash flow financing needs and the selection of lending institutions.
- Provide recommendations on the management of the State's debt including, but not limited to, refunding opportunities, the analysis of derivative products, bond proceeds investments and asset/liability management strategies.
- Work with the State to provide educational sessions regarding bond market conditions/updates/best practices to local governments and other governmental agencies in Rhode Island.
- Assist in the analysis and bidding of investments of bond proceeds at the State's request.

- Special Projects for the State or its agencies as determined by mutual agreement.

SECTION III: REQUESTED INFORMATION

Part A: General Information – Responses to Part A must not exceed 10 pages.

1. Provide the name, title and contact information for the primary contact in connection with your proposal.
2. Provide a summary of the key strengths and qualifications of your firm to serve as financial advisor to the State.
3. Provide a brief description of your firm, its affiliate and subsidiary corporations, its history in providing financial advisory services and its ownership structure. Describe any changes in ownership over the past three years. Discuss the location(s) of the office(s) from which the primary work on this engagement is to be performed. Detail the staffing levels of your firm including managing directors, senior vice presidents, associates, and analysts as of the date of your proposal. Explain any significant changes in staffing and/or organization of your firm during the previous three years. Describe how your firm is strategically positioned to cope with the changes in the public finance industry in the future.
4. Provide summary resumes with the background and qualifications of the individuals who would be assigned to work with the State, including tenure with your firm. Specify the person who will serve as the primary day-to-day contact and discuss the primary roles of other assigned members of your team. Indicate how the quality and availability of the staff over the term of the contract will be maintained.
5. Provide, in tabular form, information on the employee composition of your firm indicating the total number of employees and the total number and percentages of minorities and women employed as managing directors, senior vice presidents, vice presidents, associates, analysts and clerical/technical support. Provide a summary description of your firm's equal opportunity and affirmative action policy. (This policy description may be included as an Appendix to your proposal.)
6. Provide the name, title, address, and telephone number of three client references the State may contact in connection with your proposal. Include length of relationship and a summary of your experience with the client. Detail and explain any terminated relationships over the past three years.
7. Discuss your firm's analysis of competitive versus negotiated financings. What methodology do you use to assure optimal pricing for your clients? Where would a twenty-year, general obligation bond of the State be priced as of March 30, 2023. Include a scale with estimated takedowns by maturity. What call features would you recommend and under what circumstances would you recommend non-callable bonds?
8. Discuss your experience in and approach in evaluating the use of derivative products for municipal issuers. Under what circumstances should the State consider the use of derivative

products?

9. The State is a regular issuer of general obligation bonds. What recommendations do you have regarding the marketing of the State's debt? Discuss the relative merits of hiring a firm which has underwriting capabilities versus a firm that does not. Please discuss how important it is for the State to balance the distribution of the State's debt offerings to Rhode Island and other retail investors in order to achieve the lowest possible interest cost.
10. Specifically identify your firm's analytical resources and quantitative capabilities.
11. Where does your firm obtain market information? What assurances do you have that your market information is accurate, current, and derived from a reliable source? Disclose your affiliation or relationship with any broker dealer, including describing the firm's dependence or reliance on other broker dealer firms or underwriting firms to obtain information on market interest rates, other factors of the bond market, and in the pricing of issues by financial advisory clients.
12. Disclose any material agreements, relationships, retainers, or other employment that your firm or any employee of your firm has with any other financial advisory firm, investment banking firm, law firm, or other person or entity that conducts business in the municipal securities industry.
13. Disclose any actual or potential conflict of interest in performing your fiduciary duties as financial advisor to the State and other clients, within or outside the State. Please describe how you manage the conflict and provide a summary description of your firm's conflict of interest policy, if applicable. (The policy description may be included as an Appendix to your proposal.)
14. Describe any pending and ongoing criminal or civil investigation, pertinent litigation and/or regulatory action involving your firm or members of your firm.
15. Describe your proposed fee structure for (i) new money general obligation bonds, (ii) certificates of participation/appropriation backed bonds, revenue bonds and Garvee bonds, (iii) the refunding of any the above, (iv) the new issuance of tax anticipation notes, and (v) the fee arrangement for any special assignments and public/private partnership development opportunities. The State prefers an arrangement whereby a modest retainer would be paid in addition to a calculated per transaction fee. However, the State will entertain any proposed fee ideas including hourly fees. Please do not quote artificially low initial fees with the expectation of raising fees in the future.

Part B: General Obligation Bonds and Certificates of Participation-Responses to Part B must not exceed 5 pages.

1. Summarize in tabular format your financial advisory experience with tax exempt issuers since January 2020. Separately identify your Rhode Island experience. The table should include the name of issuer, issue size and name, date of sale, negotiated or competitive and rating.
2. Describe at least two financial advisory assignments involving your firm over the last two years that are most relevant to this RFP. Please indicate the name of the issuer, a description(s) of the transaction(s), the individual(s) from your firm involved and the value added by your firm.

3. In your view, what are the most important challenges and opportunities facing the State over the next two years, specifically in connection with its general obligation financing program? How will your firm help the State in addressing these issues?
4. How would your firm assist the State in communicating with the rating agencies and investors?
5. Identify emerging credit rating agency concerns such as those related to climate change, cyber security, and recent ESG related controversies that have arisen nationally.

Part C: Other Assignments-Responses to Part C must not exceed 5 pages.

1. Describe how your firm can be helpful on projects for which the State might engage your firm.
2. Provide examples of special projects or unique services provided to similar clients.
3. Outline your firm's in-house resources and discuss how they can benefit the State.
4. A specific topic of interest for the State is the assessment of best practices and resourcing associated with cash management. Outline your firm's capacity to assist the State in this area.

SECTION IV: FEES AND BEST AND FINAL OFFERS

Fees are a material element in awarding the contract pursuant to this RFP. The State and/or its agents reserve the right to negotiate fees and request best and final offers. Fees, however, are only one of several factors used to evaluate proposals and the State may rely on factors other than the lowest level of fees in awarding the contract pursuant to this RFP.

SECTION V: SELECTION PROCESS

SCHEDULE

RFP Issued	March 17, 2023
Deadline for Respondents to submit questions	March 24, 2023
Response to questions	March 28, 2023
RFP Responses due	March 31, 2023
Evaluations/interviews	April, 2023
Financial Advisor selection	April, 2023
Contract negotiations and drafting	April, 2023

RESPONDENTS' QUESTIONS

If Respondents have any questions, they should submit their questions to Frank Quinn at francis.quinn@treasury.ri.gov no later than 4:00 P.M. Eastern on March 24, 2023. All questions will be aggregated and posted publicly on the RFP section of www.treasury.ri.gov. The State will not

answer questions verbally or individually during the RFP process.

SECTION VI: SUBMISSION OF RESPONSES

- A. To be considered, all proposals must be clearly marked “RFP Financial Advisory Services” and include all of the following:
 - 1. Cover letter signed by an individual authorized to commit the firm to a financial advisory contract with the State of Rhode Island.
 - 2. Responses to the questions asked and information requested in this RFP; and
 - 3. Letter from the firm’s Chief Executive Officer or managing partner, certifying that the firm and individuals representing the firm have not engaged in direct or indirect unauthorized communication with State officials regarding this RFP.
- B. Proposals may not exceed the page limits specified. Page limits are given for each Part A through Part C. Excluded from these page limits are the cover letter, the firm’s equal opportunity and affirmative action policy description, the firm’s conflict of policy description and the no unauthorized communication certification. Brief and concise responses which keep boiler plate information to a minimum are encouraged. Page limits are intended to set limits; not targets.
- C. Joint proposals will not be considered.
- D. Respondents should submit two electronic copies: (1) in PDF format and (1) MS Word format to the online portal at <https://treasury.ri.gov/open-government/requests-proposals-rfps> no later than 4:00 P.M. Eastern Time on March 31, 2023. Proposals received after that deadline will not be considered. Telephoned or faxed submissions will not be considered.
- E. The State reserves the right, in its sole discretion, to reject any and all responses to this RFP, to waive any minor irregularities or informalities in a response and to enter into any agreement deemed by the State to be in its best interest.

SECTION VII: EVALUATION OF RESPONSES

The Financial Advisor will be selected based upon an assessment of the Respondent’s ability to provide the services as described above and the Respondent’s proposal. The selection process will consider the relevant experience of the Respondent, the strength of the proposal, the demonstrated ability and willingness of the Respondent to structure the best possible delivery of services, and the cost of the proposed services.

During the evaluation process the State reserves the right to request additional information or clarification from those submitting responses. Respondents may be asked to participate in a telephonic

interview, an in-person interview in Rhode Island or an on-site visit at the Respondent's place of business.

The RFP does not commit the State to make any selection or to pay any costs incurred in the preparation of the responses or attendance at interviews and the State, in its sole discretion, reserves the right to accept or reject any or all responses received as a result of this RFP, to waive any nonconformity with the provisions hereof, to negotiate with any qualified source, or to cancel this RFP, in part or in its entirety. All proposals shall become the property of the State and shall be subject to public records request under R.I. Gen. Laws § 38-2-1 et seq. ("Access to Public Records Act", or "APRA").

EVALUATION CRITERIA

The criteria for evaluation and weight assigned to each are summarized below. Firms will be evaluated on the basis of their written responses to this RFP, additional written information requested by the State and oral interviews, if any, utilizing the following criteria (not necessarily in order of importance):

1. Experience, Competence, Expertise 40 Points
 - a. Experience of the firm in serving as financial advisor to large issuers including the firm's understanding and level of competence in assisting with the preparation of debt affordability studies, structuring and marketing debt offerings and in developing innovative or alternative financing structures.
 - b. General character and resources of the firm, including, but not limited to key strengths, qualifications, employees' backgrounds, references, past or pending investigations and/or litigation and other factors listed in Section III, Part A above.
 - c. Financial Quantitative analytical ability of the firm and professionals assigned.
 - d. Qualifications of the financing team, including the experience and availability of the primary contact and the breadth and depth of the other professionals available to provide financial advisory services to the State.
2. Organizational Characteristics and Administration 40 Points
 - a. Demonstrated understanding of the State of Rhode Island, its credit, its capital structure, financing plans, economy, legal constraints, bureaucratic organization, legislative process, and other relevant factors.
 - b. Team organization and approach, including the ability of the firm to adequately staff and complete time-sensitive transactions and to interact effectively with the General Treasurer and other State agencies, bond and disclosure counsel, underwriters, underwriters' counsel, trustees, and other professionals involved in the State's financings.
 - c. Resources and ability to provide full scope of services with in-house personnel and assets.
 - d. Equal employment opportunity record as evidenced by the composition of firm personnel and the firm's affirmative action and equal employment opportunity policies and practices.
 - e. Conflict of interest management plan and implementation.
 - f. Overall quality of the written proposal, and oral presentation, if any.

3. Fees (See Section III #15)

20 Points

- a. Yearly Retainer Fee
- b. Bond Issuance Fees (distinguish between new issue and refunding)
- c. Non-debt related services
- d. Debt Affordability Study Fees
- e. Other

SECTION VIII ADDITIONAL INFORMATION

- A. The State reserves the right to request and consider additional information and/or supplements to proposals or to particular proposals after the deadline for initial proposals, until such time as a contract with a particular Respondent is finalized.
- B. The State will not reimburse for any expenses incurred in connection with this RFP including the cost of preparing the initial responses and any additional information requested and travel expenses related to an oral presentation.

CONFIDENTIALITY

The State may treat all information submitted by a Respondent as public information following the conclusion of the selection process unless the Respondent properly identifies and specifies certain information be treated as confidential at the time of submitting the bid proposal. The release of information is governed by the Access to Public Records Act. Respondents are encouraged to familiarize themselves with this law before submitting a proposal.

Any request for confidential treatment of information must be included in the transmittal letter with the Respondent's bid proposal. In addition, the Respondent must enumerate the specific grounds under APRA or other applicable law which support treatment of the material as confidential and explain why disclosure is not in the best interest of the public. The request for confidential treatment of information must also include the name, address, and telephone number of the person authorized by the Respondent to respond to any inquiries concerning the confidential status of the materials.

Any bid proposal submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information. Identification of the entire bid proposal as confidential will be deemed non-responsive.

If the Respondent designates any portion of the proposal as confidential, the Respondent must submit one additional copy of the bid proposal from which the confidential information has been excised or redacted. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the bid proposal as possible.

TERMINATION OF FINANCIAL ADVISOR

After engagement by the State, the Financial Advisor may be terminated for reasons which include, but are not limited to, the following:

1. Unacceptable performance, as determined by the Treasurer's Office.
2. Being the subject of disciplinary action by the Department of Business Regulation or any other federal or state governmental regulatory agency.
3. Filing for protection under federal or state bankruptcy laws or the transfer or liquidation of all or substantially all of the entity's assets.