



**REQUEST FOR QUALIFICATIONS - UNDERWRITERS
September 18, 2008**

**City of Philadelphia
General Obligation Bonds
Tax and Revenue Anticipation Notes**

The Office of the Director of Finance is seeking responses to this request for qualifications (“RFQ”) in order to select one or more firms to serve as senior and co-managing underwriters with respect to certain City of Philadelphia (the “City”), General Obligation Bonds (the “Bonds”) and/or Tax and Revenue Anticipation Notes (the “TRAN”). The City intends to develop and maintain the following with respect to its financing: a pool of firms qualified to provide senior manager services and a pool of firms to serve as co-managers through the end of September 2009.

The transactions which may be included during the course of such service include:

- Bonds - Approximately \$180 million new money general obligation bond sale scheduled for October/November of this year. At this time, the City intends to pick underwriters for a retail period and sell the remainder of the bonds competitively; however, the City might choose to do the entire transaction on a negotiated basis if market conditions warrant. If the City decides to do the transaction through negotiated sale, underwriters will be chosen from the pool qualified through this RFQ response.
- TRAN - The size of the TRAN is estimated to be \$350 million. At this time the City anticipates selling the TRAN competitively. However, if market conditions warrant this transaction may be sold through a negotiated sale and underwriters will be chosen from the submitted RFQ responses.

The same firms may or may not be chosen to provide services for the Bonds and the TRAN.

Also note that joint proposals will not be accepted.

If your firm wishes to be considered for the position of Co-Manager ONLY, please indicate such in the cover letter of your response.

All firms proposing to serve as a Senior Manager will automatically be considered for a co-manager position.

For additional information concerning certain City financial reports and other City information, please go to <http://www.phila.gov/investor/>

Response Requirements

Responses should be 8 ½ x 11, double sided –no more than 14 numbered pages on 7 sheets, excluding the cover page, the cover letter, and the appendices.

The City, anticipates the following schedule for review of the responses. At the discretion of the City, late and/or incomplete responses will not be accepted.



Opportunity posted	9/18/2008
Deadline for questions	9/26/2008, 5:00 p.m. (Local Time)
Response to questions	9/30/2008
Response submission deadline	10/3/2008, 5:00 p.m. (Local Time)
Interviews (if required)	Week of 10/6/2008
Estimated selection	October 2008

Eight (8) copies of the proposals must be delivered by no later 5:00 PM (Local Time) on Friday, October 3, 2008 to the address below:

City of Philadelphia
 Office of the City Treasurer
 1401 John F. Kennedy Boulevard
 Municipal Services Building, 6th Floor- Suite 640
 Philadelphia, PA 19102
Attn: Rebecca Rhynhart

Questions Regarding this RFQ

Questions regarding this RFQ are to be submitted by email only to the attention of Rebecca Rhynhart (rebecca.rhynhart@phila.gov), and Nicole D’Urso (nicole.d’urso@phila.gov) by no later than **5:00 PM local time on Friday, September 26, 2008**. All questions received by this date and time will be answered appropriately. **The subject title of such emails should read, “RFQ – UW – [insert firm name].”** Questions emailed by respondents and any additional information that the City provides in response to such questions may be distributed to all of the respondents. Such distribution may include the posting of such information on the City’s website <http://www.phila.gov/rfp/>.

ATTENTION: No questions are to be directed to the Mayor’s Office or to the Director of Finance.

Selection Criteria and Process

The City, potentially, anticipates selecting one or more firms to serve as a senior or co-manager for the transaction(s) based on the responses to the requests for information found below.

Response Contents

Responses are to follow the following format:

1. Cover Letter

- a. Please include a cover letter of no more than one page indicating the name, title, location, telephone number, fax number, and email address of the party responsible for negotiating on behalf of your firm. If the day to day contact person for your firm is different than the person negotiating on behalf of your firm, please include the day to day contact person’s name, title, location, telephone number, fax number, and email address.



2. *Qualifications of the Firm*

- a. Provide a brief overview of the firm.
- b. Discuss why your firm is well suited to provide underwriting services to the City for the Bonds.
- c. Discuss why your firm is well suited to provide underwriting services to the City for the TRAN.

3. *Underwriting Experience*

- a. As Appendix A, provide a list of the firm's relevant experience since 1/1/2003 with **general obligation bond financings** (please indicate the date of the issue, the name of the issuer, the name of the transaction, par amount, credit structure, role of your firm as either senior-manager or co-manager, and the amount, if available, of bonds sold to retail buyers). On this list, highlight or otherwise indicate any transactions of the City.
 - At the end of the list described above, provide a summary table showing:
 - The total principal amount of all general obligation bond issues;
 - The total number of all general obligation bond issues;
 - The total principal amount of general obligation bond issues of the City; and
 - The total number of general obligation bond issues of the City;
 - Also, in each summary list include at what underwriting capacity your firm served as either Senior Manager or Co-Manager.
- b. As Appendix B, provide a list of the firm's relevant experience since 1/1/2003 with **tax and revenue anticipation notes or other similar forms of short term tax-exempt indebtedness** (please indicate the date of the issue, the name of the issuer, the name of the transaction, par amount, credit structure, and role of your firm as either senior-manager or co-manager). On this list, highlight or otherwise indicate any transactions of the City.
 - At the end of the list described above, provide a summary table showing:
 - The total principal amount of all tax and revenue anticipation notes or other similar forms of short term tax-exempt indebtedness;
 - The total number of all tax and revenue anticipation notes or other similar forms of short term tax-exempt indebtedness;
 - The total principal amount of tax and revenue anticipation notes or other similar forms of short term tax-exempt indebtedness of the City; and
 - The total number of tax and revenue anticipation notes or other similar forms of short term tax-exempt indebtedness of the City;



- Also, in each summary list indicate whether your firm served as either Senior-Manager or Co-Manager.
- c. Provide names, addresses, and phone numbers of three governmental references.
- d. Please provide information regarding your ability to successfully sell bonds to retail investors.
- e. Describe your firm's retail marketing network for GO bonds in Pennsylvania
 - a. The number of offices maintained nationally and in Pennsylvania;
 - b. The number of registered representatives nationally and in Pennsylvania;
 - c. The number of Pennsylvania accounts, preferably by county; and
 - d. The volume of Pennsylvania bonds (new issues and secondary market) sold to retail investors defined as Pennsylvania individuals, businesses, trusts and investment advisors in 2007.

4. Structuring

- a. The City currently plans to use a negotiated retail order period followed on the next day by a competitive sale to market its 2008 General Obligation bonds. The City's purpose in having the retail order period is to provide greater opportunity for MBE firms to participate in the transaction. Please comment on your view of this plan and, if your firm is selected to participate in the GO pool, how would you work to achieve this goal.
- b. Please show pricing levels for an uninsured transaction as well as an insured transaction, if your firm currently sees value in obtaining insurance. Assume a 25 year amortization, fixed rate bond issue as of the business day preceding the submission of this RFQ (expressed as a spread to AAA MMD for tax-exempt issuance and providing annual takedowns by maturity). Please note that detailed bond schedules can be provided as an Appendix C.

- Note: Do not include additional appendices; the only information that is to be included in the appendix is described above.

5. Experience with the City and City-related agencies

- a. Discuss the firm's relevant experience with the City and City-related agencies over the past 5 years. If such experience includes experience with the Bonds and/or TRAN, please emphasize such experience. Whether your firm has such experience or it does not, discuss your firm's knowledge and understanding of the decision-making process, rules, and regulations that will be applicable to this transaction.

5. Assigned Professionals

- a. Provide name, title, location and brief background for key professional(s) in each of the following areas:
 - 1. Investment Banking – primary investment banking team (provide contact information for these individuals)



2. Underwriting, Marketing and Sales – key pre-sale marketing professionals, key sales, underwriting and distribution management professionals

Please include number of years of experience, number of years at the firm, and experience applicable to these financings.

6. Legal and Firm Issues

1. Does your firm have an equal employment opportunity policy and program? If so, will your firm provide information to the City regarding its policy and program upon request?
2. Please disclose and explain any significant negative events in your firm’s recent history including criminal charges, civil litigation, or administrative actions involving allegations of securities law violations by your firm or its employees during the past five years.
3. Are there any other lines of business conducted by your firm that could complement or conflict with your role on this transaction(s)? Please disclose any arrangements that might present an actual or apparent conflict of interest with this role.

7. Additional Information

Provide any additional information that you deem appropriate.

Required Disclosure

1. Consultants and Campaign Contributions

- a. On behalf of the Respondent, the undersigned represents that, to its knowledge, it is currently in compliance with MSRB Rule G-37, and any Consultant (as defined in MSRB Rule G-38) it may have utilized in connection with this RFQ is, to the best of their knowledge, in compliance with MSRB Rule G-38.
- b. Please provide the disclosures listed below, if applicable. Please note that disclosure schedule(s) can be provided in the appendices.

List the names, business addresses and phone numbers of all Consultants (as that term is defined in MSRB Rule G-38) used by the Applicant with respect to this RFQ:

Were Consultants used or are they expected to be utilized in connection with the RFQ? No Yes if yes, give details below:

<u>Name</u>	<u>Address</u>	<u>Phone #</u>	<u>Amt. Paid/Payable</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

List all contributions of money or in-kind assistance made by the Respondent, or any Consultant listed in “1.” above, during the two years prior to the date of this RFQ to any candidate for



nomination or election to any public office in the City of Philadelphia, or to an individual who holds such office, or to any group, committee or association organized in support of any such candidate, office holder, and the date and amount of each such contribution.

Were contributions made? No Yes if yes, complete below Disclosures Forms.”

<u>Name</u>	<u>Address</u>	<u>Phone #</u>	<u>Amt. Paid/Payable</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

City Policies and Reservation of Rights

General Reservation of Rights - The City reserves the right to reject any and all responses and re-issue the RFQ at any time prior to execution of a final contract, issue a new RFQ with terms and conditions substantially different from those set forth in this RFQ, or cancel this RFQ with or without issuing another RFQ.

The City reserves and may exercise any one or more of the following rights and options with respect to this selection process:

- a) to reject any response if, in the City's sole discretion, the response is incomplete, the response is not responsive to the requirements of this RFQ or it is otherwise in the best interest of the City to reject the response;
- b) to supplement, amend, substitute or otherwise modify this RFQ at any time prior to selection of one or more respondents for negotiation;
- c) to reject the response of a respondent that, in the City's sole judgment, has been delinquent or unfaithful in the performance of any contract with the City, is financially, or technically incapable or is otherwise not a responsible respondent;
- d) to reject as informal or non-responsive, any response which, in the City's sole judgment, is incomplete, is not in conformity with applicable law, is conditioned in any way, deviates from this RFQ or contains erasures, ambiguities, alterations or items of work not called for by this RFQ;
- e) to waive any informality, defect, non responsiveness and/or deviation from this RFQ that is not, in the City's sole judgment, material to the response;
- f) to permit or reject, at the City's sole discretion, amendments (including information inadvertently omitted), modifications, clarifying information, alterations and/or corrections to responses by some or all of the respondents following response submission.

Responses, which the City determines in its sole discretion, are responsive to this RFQ, will be reviewed and evaluated by the City. The City reserves the right to request respondents to make one or more presentations to the City at the City’s offices at respondent’s sole cost and expense, addressing respondents' ability to achieve the objectives of this RFQ. The City further reserves the right to conduct on-site investigations of the respondents' facilities or of those facilities where respondent performs its services. Responses will be evaluated, in part, according to whether the Respondent meets the minimum qualifications and submits a response complying with all of the requirements of this RFQ.



The City reserves the right to enter into negotiations with any or all respondents regarding price, scope of services, or any other term of their responses, and such other contractual terms as the City may require, at any time prior to execution of a final contract. The City may, at its sole election, enter into simultaneous, competitive negotiations with multiple respondents or negotiate with individual respondents seriatim. Negotiations with respondent(s) may result in the enlargement or reduction of the scope of services, or changes in other terms that are material to the RFQ and the submitted responses. In such event, the City shall not be obligated to inform other respondents of the changes, or to permit them to revise their responses in light thereof unless the City, in its sole discretion, determines that doing so is in the City's best interest. The City may accept or reject any or all of the items in any response and award the contract in whole or in part if it is deemed in the City's best interest to do so.

In the event negotiations with any respondent(s) are not satisfactory to the City, the City reserves the right to discontinue such negotiations at any time; to enter into or continue negotiations with other respondents; to enter into negotiations with providers that did not respond to this RFQ; and/or to solicit new responses from providers that did not respond to this RFQ. The City reserves the right not to enter into any contract with any respondent, with or without the re-issuance of this RFQ, if the City determines that such is in the City's best interest. Further, the City reserves the right to negotiate with and enter into a contract directly with a provider that may or may not have been a respondent to the RFQ.

Joint responses will not be accepted.

The City will not be responsible for any costs incurred by respondents in responding to this RFQ.

Oral communications from City personnel or other persons shall not be binding on the City and shall in no way materially modify the provisions of the RFQ.

The City encourages submissions by minority, women, and disabled owned firms ("MWDBP"). The City requires that any firm selected to participate as financial advisor for a City financing agree not to discriminate nor permit discrimination against any person because of race, color, religion, national origin, or sexual orientation. In the event of such discrimination, the City reserves the right to terminate the firm's appointment to the issue.

Confidentiality/Public Disclosure

The respondent(s) selected to provide services to the City ("Successful Respondent(s)") shall treat all information obtained from the City which is not generally available to the public as confidential and proprietary to the City. Successful Respondent(s) shall exercise all reasonable precautions to prevent any information derived from such sources from being disclosed to any other person. Successful Respondent(s) agrees to indemnify and hold harmless the City, its officials and employees, from and against all liability, demands, claims, suits, losses, damages, causes of action, fines and judgments (including attorney's fees) resulting from any use or disclosure of such confidential information by Successful Respondent(s) or any person acquiring such information, directly or indirectly, from Successful Respondent(s).

By submission of a response, respondents acknowledge and agree that the City, as a municipal corporation, is subject to state and local public disclosure laws and, as such, is legally obligated to disclose to the public documents, including responses, to the extent required thereunder. Without



limiting the foregoing sentence, the City's legal obligations shall not be limited or expanded in any way by a respondent's assertion of confidentiality or proprietary data.