REQUEST FOR EXPRESSIONS OF INTEREST

DIRECT PAY LETTERS OF CREDIT AND
ALTERNATIVE VARIABLE RATE FINANCINGS

CITY OF PHILADELPHIA
Philadelphia Water and Wastewater Revenue Commercial Paper Notes

The City of Philadelphia (the “City”) is hereby seeking proposals for the provision of Direct Pay Letters of Credit (the “Facility”) or alternative financing structures (i.e., Line of Credit) to provide credit enhancement and liquidity for the Philadelphia Water and Wastewater Revenue Commercial Paper Notes.

The City is conducting a competitive process for the provision of credit enhancement and liquidity in the form of letters of credit from highly rated credit and liquidity providers on the proposed Commercial Paper program described below. Both current and new bank facility providers are strongly encouraged to participate. The City reserves the authority to select the chosen provider to also serve as dealer on the Commercial Paper.

<table>
<thead>
<tr>
<th>Credit</th>
<th>Underlying Rating (Moody’s/S&amp;P/Fitch)</th>
<th>Series</th>
<th>Facility Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philadelphia Water &amp; Wastewater</td>
<td>A1/A+/A+</td>
<td>CP (Aggregate)</td>
<td>$400,000,000</td>
</tr>
</tbody>
</table>

For rating agency press releases, latest official statements, and other information, please see the City’s investor website at http://www.phila.gov/investor. A presentation regarding the Philadelphia Water Department can be found at https://www.phila.gov/investor/Pages/InvestorConference.aspx.

On December 1, 2020, the Mayor approved the Twenty-Fifth Supplemental Ordinance (the “Twenty-Fifth Supplemental Ordinance”), which supplemented the City’s Restated Water and Wastewater General Revenue Bond Ordinance of 1989, as amended (as so supplemented, the “General Ordinance”), to establish a revolving Commercial Paper program for the Water and Wastewater System, in an aggregate principal amount not greater than $400 million at any time outstanding. When issued, the Commercial Paper will constitute senior debt secured and payable with other senior Bonds issued by the City under the General Ordinance. Similarly, amounts owing by the City under any Credit Facility on account of advances to pay principal of or interest or redemption premium on Commercial Paper will be secured and payable with senior Bonds issued by the City under the General Ordinance.

Alternative Variable Rate Financing Proposals

The City will consider proposals for alternative variable rate refinancing structures outside of a Direct Pay Letter of Credit. Alternative Bank Facility Financings would include a Line of Credit. Any alternative proposal submitted should be detailed, including pricing, terms and conditions, and should only be included if it is a firm offer.

Anticipated Schedule of Events

The preliminary Schedule of Events for the proposals solicited hereby is set forth below.

<table>
<thead>
<tr>
<th>Issue REI</th>
<th>Thursday, December 10, 2020</th>
</tr>
</thead>
</table>

-1 -
Proposal Information

Prospective providers who have received this document from a source other than the City, and who wish to assure receipt of any changes or additional materials related to this REI, should immediately e-mail Matthew Bowman (Matthew.Bowman@phila.gov) and provide their name and mailing address so that amendments to the REI or other communications may be sent to them.

Please respond on behalf of your firm only; the City will not consider joint proposals.

The expenses of your proposal will not be the responsibility of the City or any of their respective counsel or advisors. The City reserves the right to waive any irregularity in any proposal, negotiate with one or more firms and to reject any or all proposals. The City reserves the right not to proceed with the execution of the Facility.

THE CITY ENCOURAGES SUBMISSIONS BY MINORITY, WOMAN, AND DISABLED OWNED FIRMS. THE CITY REQUIRES THAT ANY FIRM SELECTED TO PARTICIPATE AS PROVIDER 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.

Proposal Submission & Deadline

Please submit your proposals via e-mail by no later than 4:00 PM EST on, Friday, February 5, 2021 to Jacqueline Dunn (Jacqueline.Dunn@Phila.gov), Matthew Bowman (Matthew.Bowman@Phila.gov), and Melissa LaBuda (Melissa.LaBuda@Phila.gov). The subject title should read, “REI-Submission - Direct Pay LOC - [insert firm name]”.

Your response should follow the format in Exhibit A which is attached. THE CITY ANTICIPATES NEGOTIATING COMPLETE TERM SHEETS AFTER RESPONSES HAVE BEEN RECEIVED.

Interested parties must indicate by when they would expect to be able to receive final credit approval. A form of the Direct Pay Letter of Credit and Reimbursement Agreement or relevant legal documents for alternative proposals to be entered into by the City and the Facility provider must be made available to the City promptly upon notice to the respondent that they are the apparent choice of the City.

Questions

The City will accept written questions from prospective Providers. Questions and presentation requests will be accepted by e-mail to Jacqueline Dunn (Jacqueline.Dunn@Phila.gov) and Matthew Bowman at Matthew.Bowman@phila.gov. The deadline for written questions is Thursday, December 17, 2020 at 4:00 PM, Local Time.
NO QUESTIONS ARE TO BE DIRECTED TO THE MAYOR’S OFFICE, OR TO ANY OTHER CITY DEPARTMENT, AGENCY, OR PERSONNEL.

Answers to all substantive questions that are not clearly specific only to the requestor, will be distributed to all vendors who are known to have received a copy of the REI. Such distribution may include the posting of such information on the City’s website www.phila.gov/REI. The City will respond to questions by Thursday, January 21, 2021.

**Evaluation Criteria and Selection**

Selection shall be made to the responsive and responsible providers whose proposals are deemed to be the most advantageous to the City, along with any relevant performance data and other information available to the City. Proposals will not be opened publicly.

**Revisions to the REI**

If it becomes necessary to revise this REI before the due date for proposals, amendments will be provided to all prospective providers who were sent this REI or otherwise are known by the City to have obtained this REI. Amendments made after the due date for proposals will be sent only to those Providers who submitted a timely proposal.

Acknowledgment of the receipt of all amendments to this REI issued before the proposal due date must accompany the provider’s proposal in the transmittal letter accompanying the proposal. Acknowledgement of the receipt of amendments to the REI issued after the proposal due date shall be in the manner specified in the amendment notice. Failure to acknowledge receipt of amendments does not relieve the provider from complying with all terms of any such amendment.

**Reservation of Rights**

The City reserves the right to cancel this REI, accept or reject any and all proposals, in whole or in part, received in response to this REI, to waive or permit cure of minor irregularities, and to conduct discussions with any or all qualified or potentially qualified providers in any manner necessary to serve the best interests of the City. The City also reserves the right to award a contract based upon the written proposals received without discussions or negotiations. 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; and/or to solicit new responses from providers that did not respond to this REI. The City reserves the right not to enter into any contract with any respondent, with or without the re-issuance of this REI, if the City determines that such is in the City’s best interest. The City reserves the right to change the details at any time. Nothing in this REI shall bind the City to enter into any agreements pursuant to this solicitation.

*Thank you for your interest in serving the City.*
Exhibit A

CITY OF PHILADELPHIA
Water and Wastewater Revenue Commercial Paper Notes
REI for Direct Pay Letters of Credit and other Alternative Credit Enhancement and Liquidity
Fee Proposal Form

Submitted proposals must include responses to all items on this form in order to be considered

SECTION 1 – GENERAL INFORMATION
Full Legal Name of Provider: ________________________________
Contact Person: ___________________________ Phone: ___________________________
Fax: ___________________________ E-mail: ___________________________
Bank’s Ratings:
Fitch: Long-term _______ Short-term _______ Outlook/Credit Watch _________
Moody’s: Long-term _______ Short-term _______ Outlook/Credit Watch _________
Standard & Poor’s: Long-term _______ Short-term _______ Outlook/Credit Watch _________

1.1. Please indicate if your firm has overall limits for providing credit and/or liquidity to the City.

1.2. Maximum Principal Amount for the Commercial Paper LOC: ______________________ (plus required interest coverage)

1.3. Timeframe for Credit Approval: ___________________________

1.4. How many Commercial Paper programs do you currently provide Letters of Credit or alternative support for, and what is the total principal amount of such support?

SECTION 2 – PRICING
2.1 Complete the fee table below and separately provide a downgrade pricing grid.

<table>
<thead>
<tr>
<th>Facility Length</th>
<th>Annual Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Year/365 days</td>
<td></td>
</tr>
<tr>
<td>2 Years</td>
<td></td>
</tr>
<tr>
<td>3 Years</td>
<td></td>
</tr>
<tr>
<td>4 Years</td>
<td></td>
</tr>
<tr>
<td>5 Years</td>
<td></td>
</tr>
</tbody>
</table>

2.2 Term-Out Provisions (including interest rates and conditions)
2.3 Bank Counsel: Firm Name and primary contact: ________________________________
Legal Fees and Expenses: Estimated at $ ___________; capped at $ ____________

SECTION 3 – COVENANTS
3.1 Please itemize and briefly describe all required Security Covenants
3.2 List all Termination Events and Events of Default.
SECTION 4 – ALTERNATIVE PROPOSALS (LIMIT: 2 PAGES)

Please include a description, terms and pricing associated with any proposed alternative variable rate financing proposals. Indicate whether the proposal is a firm offer. Proposals should not exceed two pages.