

**ISSUE DATE: OCTOBER 26, 2023**  
**DUE DATE: DECEMBER 14, 2023**

**Request for Expressions of Interest**

**DIRECT PAY LETTERS OF CREDIT AND ALTERNATIVE VARIABLE RATE FINANCINGS**  
**CITY OF PHILADELPHIA, PENNSYLVANIA**  
**Philadelphia Authority for Industrial Development Multi-Modal Lease Revenue Refunding Bonds,**  
**Series 2007B-2**  
**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 or alternative financing structures (e.g., direct purchase notes, revolving lines of credit, etc.) (the “Bank Facility”) for the Philadelphia Authority for Industrial Development (“PAID”) Multi-Modal Lease Revenue Refunding Bonds, Series 2007B-2; and Philadelphia Water and Wastewater Revenue Commercial Paper Notes, Series B.

The City is conducting a competitive process for the provision of credit enhancement and/or liquidity on the following outstanding bonds or commercial paper notes with credit facilities from highly rated credit and liquidity providers on the outstanding bonds listed below. Both current and new bank facility providers are strongly encouraged to participate. If your firm has overall limits for providing credit enhancement and/or liquidity to the City which could be fungible between credits, please state this clearly in your response.

| <b>Credit</b>                                     | <b>Underlying Rating<br/>(Moody's/S&amp;P/Fitch)</b> | <b>Series</b> | <b>Facility Par Amount</b> | <b>Current LOC Exp. Date</b> |
|---|--|---------------|----------------------------|------------------------------|
| Philadelphia Authority for Industrial Development | A1/A/A   | 2007B-2       | \$46,575,000               | 5/29/2024                    |
| Philadelphia Water & Wastewater                   | A1/A+/A+   | CP (Series B) | \$125,000,000              | 7/29/2024                    |

For rating agency press releases and the latest official statements on the above credits and other information, please see the City’s investor website at [www.phila.gov/investor](http://www.phila.gov/investor).

**Alternative Variable Rate Financing Proposals**

In addition to Direct Pay Letters of Credit, the City will also consider proposals for alternative variable rate financing structures, including direct purchase index notes and revolving facilities. If your firm is an authorized underwriter in the current pools for the relevant credits, you can also submit public-market variable rate proposals. 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.

|   |  |
|---|--|
| <b>Issue REI</b>  | <b>Thursday, October 26, 2023</b>  |
| <b>Deadline to Submit Questions</b>   | <b>Thursday, November 2, 2023</b>  |
| <b>City Responses to Questions Posted</b>   | <b>Thursday, November 30, 2023</b>   |
| <b>PROPOSAL SUBMISSION DEADLINE</b>   | <b>Thursday, December 14, 2023 @ 5:00 pm<br/>Philadelphia, PA Local Time</b> |
| <b>Select Facility Providers</b><br><i>(Final award is subject to approval by the City of terms of any Bank Facility)</i> | <b>Thursday, January 26, 2024</b>  |

## **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](mailto:Matthew.Bowman@phila.gov)) and Yifan Feng ([Yifan.Feng@phila.gov](mailto:Yifan.Feng@phila.gov)) and provide their name and email 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 any Bank Facility.

THE CITY ENCOURAGES SUBMISSIONS BY MINORITY, WOMEN, 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 5:00 PM Philadelphia, PA Local Time on, Thursday, December 14, 2023** to Matthew Bowman ([Matthew.Bowman@Phila.gov](mailto:Matthew.Bowman@Phila.gov)) and Yifan Feng ([Yifan.Feng@phila.gov](mailto:Yifan.Feng@phila.gov)) The subject title should read, "REI-Submission - Direct Pay LOC - [insert firm name]".

Your response should follow the format in Exhibits A-1 and/or A-2, which are 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 Matthew Bowman ([Matthew.Bowman@phila.gov](mailto:Matthew.Bowman@phila.gov)) and Yifan Feng ([Yifan.Feng@phila.gov](mailto:Yifan.Feng@phila.gov)). **The deadline for written questions is Thursday, November 2, 2023 at 5:00 PM, Philadelphia, PA Local Time.**

NO QUESTIONS ARE TO BE DIRECTED TO THE MAYOR'S OFFICE, OR TO ANY OTHER CITY DEPARTMENT, AGENCY, OR PERSONNEL.

Answers to substantive questions 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 <https://www.phila.gov/departments/office-of-the-chief-administrative-officer/contract-opportunities-with-special-application-processes/>. The City will respond to questions by Thursday, November 30, 2023.

### **Evaluation Criteria and Selection**

Selection shall be made to the 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 make award(s) 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 make an award 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-1**



**CITY OF PHILADELPHIA, PENNSYLVANIA  
Philadelphia Authority for Industrial Development Multi-Modal Lease  
Revenue Refunding Bonds, Series 2007B-2**

**REI for Direct Pay Letters of Credit  
and other Alternative Credit Enhancement and Liquidity  
Fee Proposal Form**

Proposals submitted must complete this form or 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 \_\_\_\_\_

All responses must provide capacity for the full amount of the PAID Series 2007B-2 Bonds.

1.1. Please indicate if your firm has overall limits for providing credit and/or liquidity to the City and would capacity be available for other City-owned credits.

1.2. Timeframe for Credit Approval: \_\_\_\_\_

**SECTION 2 – PRICING**

2.1 Complete the fee table below and separately provide a downgrade pricing grid.

| Facility Length | Annual Fee |
|-----------------|------------|
| 1 Year/365 days |            |
| 2 Years         |            |
| 3 Years         |            |
| 4 Years         |            |

2.2 Term-Out Provisions (including interest rates and conditions)

2.3 Early Termination Provisions for the City

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. Please do not provide generic statements such as those requesting “usual and customary provisions”

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.

**Exhibit A-2**



**CITY OF PHILADELPHIA  
Water and Wastewater Revenue Commercial Paper Notes, Series B**

**REI for Direct Pay Letters of Credit  
and other Alternative Credit Enhancement and Liquidity  
Fee Proposal Form**

*Proposals submitted must complete this form or 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 _____ |

All responses must provide the full \$125 million capacity for the Series B Notes.

1.1 Please indicate if your firm has overall limits for providing credit and/or liquidity to the City and would capacity be available for other City-owned credits.

1.2 Timeframe for Credit Approval: \_\_\_\_\_

**SECTION 2 – PRICING**

2.1 Complete the fee table below and separately provide a downgrade pricing grid.

| <b>Facility Length</b> | <b>Annual Fee</b> |
|------------------------|-------------------|
| 1 Year/365 days        |                   |
| 2 Years                |                   |
| 3 Years                |                   |
| 4 Years                |                   |

2.2 Term-Out Provisions (including interest rates and conditions)

2.3 Early Termination Provisions for the City

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. Please do not provide generic statements such as those requesting “usual and customary provisions”

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 alternative proposals for variable rate revolving facilities in lieu of the Water and Wastewater Commercial Paper program. Indicate whether the proposal is a firm offer. Proposals should not exceed two pages.