REQUEST FOR EXPRESSIONS OF INTEREST

DIRECT PAY LETTERS OF CREDIT AND
ALTERNATIVE VARIABLE RATE FINANCINGS
CITY OF PHILADELPHIA, PENNSYLVANIA

General Obligation Multi-Modal Refunding Bonds, Series 2009B
Philadelphia Authority for Industrial Development Multi-Modal Lease Revenue Refunding Bonds, Series 2007B-2
Gas Works Revenue Refunding Bonds, Fifth Series A-2, Eighth Series B and E
Philadelphia International Airport Revenue Refunding Bonds, Series 2005C-1,
Philadelphia International Airport Revenue Commercial Paper Notes, Series ABC

The City of Philadelphia (the “City”) is hereby seeking proposals for the provision of Direct Pay Letters of Credit (the “Facility”) or alternative refinancing structures (i.e., privately placed SIFMA notes) to provide credit enhancement and liquidity for the General Obligation Multi-Modal Refunding Bonds, Series 2009B, Philadelphia Authority for Industrial Development Multi-Modal Lease Revenue Refunding Bonds, Series 2007B-2, Gas Works Revenue Refunding Bonds, Fifth Series A-2, Eighth Series B and E, Philadelphia International Airport Revenue Refunding Bonds, Series 2005C-1, and Philadelphia International Airport Revenue Commercial Paper Notes, Series ABC.

The City is conducting a competitive process for the provision of credit enhancement and liquidity on the following outstanding bonds with letters of credit 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.

<table>
<thead>
<tr>
<th>Credit</th>
<th>Underlying Rating (Moody's/S&amp;P/Fitch)</th>
<th>Series</th>
<th>Facility Amount</th>
<th>LOC Exp. Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Obligation</td>
<td>A2/A/A-</td>
<td>Series 2009B</td>
<td>$100,000,000</td>
<td>5/24/2019</td>
</tr>
<tr>
<td>Philadelphia Authority for Industrial Development</td>
<td>A2/A/A-</td>
<td>Series 2007B-2</td>
<td>$72,400,000</td>
<td>5/29/2019</td>
</tr>
<tr>
<td>Philadelphia Gas Works</td>
<td>A3/A/BBB+</td>
<td>Fifth Series A-2</td>
<td>$30,000,000</td>
<td>12/21/2019</td>
</tr>
<tr>
<td></td>
<td>A3/A/BBB+</td>
<td>Eighth Series B</td>
<td>$27,370,000</td>
<td>8/1/2019</td>
</tr>
<tr>
<td></td>
<td>A3/A/BBB+</td>
<td>Eighth Series E</td>
<td>$27,370,000</td>
<td>8/1/2019</td>
</tr>
<tr>
<td>Philadelphia International Airport</td>
<td>A2/A/A</td>
<td>Series 2005C-1*</td>
<td>$49,650,000</td>
<td>12/23/2019</td>
</tr>
<tr>
<td></td>
<td>A2/A/A</td>
<td>CP (Aggregate)</td>
<td>$350,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>CP LOC #1</td>
<td>$85,000,000</td>
<td>9/13/2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CP LOC #2</td>
<td>$83,000,000</td>
<td>11/1/2019</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CP LOC #3</td>
<td>$182,000,000</td>
<td>1/7/2019</td>
</tr>
</tbody>
</table>

* The City would be interested in LOC or other proposal for the Series 2005C bonds totalling up to $99,300 million (plus required interest) including the Series 2005C-1 and Series 2005C-2 bonds

For rating agency press releases on the above credits, latest official statements, and other information, please see the City’s investor website at http://www.phila.gov/investor. Presentations regarding all of the City’s credits can be found at https://www.phila.gov/investor/Pages/InvestorConference.aspx.
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 private placement index notes. 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 condition, 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>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue REI</td>
<td>Friday, October 26, 2018</td>
</tr>
<tr>
<td>Deadline to Submit Questions</td>
<td>Friday, November 2, 2018</td>
</tr>
<tr>
<td>City Responses to Questions Posted</td>
<td>Friday, November 16, 2018</td>
</tr>
<tr>
<td>PROPOSAL SUBMISSION DEADLINE</td>
<td>Friday, December 14, 2018 @ 5:00 pm EST</td>
</tr>
<tr>
<td>Select Facility Providers</td>
<td>Friday, January 11, 2019</td>
</tr>
</tbody>
</table>
| *(Final award is subject to approval by the City of terms of the Facilities)* |}

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, 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 EST on, Friday, December 14, 2018 to Rasheia Johnson (Rasheia.Johnson@Phila.gov) and Matthew Bowman (Matthew.Bowman@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, A-2, A-3 and/or A-4 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 at Matthew.Bowman@phila.gov. The deadline for written questions is Friday, November 2, 2018 at 5:00 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 Friday, November 16, 2018.

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-1

CITY OF PHILADELPHIA, PENNSYLVANIA
General Obligation Multi-Modal Refunding Bonds, Series 2009B
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 and would capacity be available for other City owned credits, such as the Philadelphia Airport.

1.2. Maximum Principal Amount for the Bonds: __________________________ (plus required interest coverage)

1.3. Timeframe for Credit Approval: ____________________________________________

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>
</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.
Exhibit A-2

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: ______________________________ Phone: _____________________________

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 and would capacity be available for other City owned credits, such as the Philadelphia Airport.

1.2. Maximum Principal Amount for the Bonds: _____________________ (plus required interest coverage)

1.3. Timeframe for Credit Approval: _________________________________

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>
</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.
CITY OF PHILADELPHIA, PENNSYLVANIA
Gas Works Revenue Refunding Bonds, Fifth Series A-2,
Eighth Series B and E

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:

<table>
<thead>
<tr>
<th></th>
<th>Long-term</th>
<th>Short-term</th>
<th>Outlook/Credit Watch</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fitch:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moody’s:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standard &amp; Poor’s:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.4. 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, such as the Philadelphia Airport.

1.5. Maximum Principal Amount for the Bonds: ____________________ (plus required interest coverage)

1.6. Timeframe for Credit Approval: ____________________

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>
</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.
Exhibit A-4

CITY OF PHILADELPHIA, PENNSYLVANIA
Philadelphia International Airport Revenue Refunding Bonds,
Series 2005C-1 and 2005C-2
Philadelphia International Airport Revenue Commercial Paper
Notes, Series ABC

REI for Direct Pay Letters of Credit
And/or 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 _________

1.7. 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, such as the Philadelphia Airport.

1.8. Maximum Principal Amount for the Bonds: ___________________________ (plus required interest coverage)

1.9. Timeframe for Credit Approval: _____________________________

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 Early Termination Provisions for the City

2.4 Bank Counsel: Firm Name and primary contact: ____________________________

Legal Fees and Expenses: Estimated at $ _______________; capped at $ _______________

SECTION 3 – COVENANTS

3.1 Please list any and all specific changes to the form of Reimbursement Agreement attached hereto. Do not provide generic statements such as those requesting “usual and customary provisions”. 
SECTION 4 – ALTERNATIVE PROPOSALS (LIMIT: 2 PAGES)

Please include a description, terms and pricing associated with any proposed alternative variable rate financing proposals for the Series 2005C-1 and 2005C-2 Bonds and any alternative proposals for variable rate drawdown facilities in lieu of the Airport Commercial Paper program. Indicate whether the proposal is a firm offer. Proposals should not exceed two pages.