

**REQUEST FOR QUALIFICATIONS FOR
UNDERWRITING SERVICES**

ISSUING OFFICE

Pennsylvania Turnpike Commission

Finance/Administration Department

RFQ 17-10320-7783

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**REQUEST FOR QUALIFICATIONS FOR
UNDERWRITING SERVICES
RFQ 14-10320-7783**

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PART I

GENERAL INFORMATION FOR PROPOSERS

I-1. Purpose. The Pennsylvania Turnpike Commission (Commission) seeks to retain the services of one or more “Investment Banking Firms” (firms) experienced in municipal bond financings to provide Underwriting Services. Through this Request for Qualifications (RFQ) process, the Commission seeks to establish a pool or pools of qualified firms who will be available to serve the Commission as part of an underwriting syndicate as needed from time to time. The Commission’s underwriting pools may generally consist of firms classified as “Senior Managers” or as “Co-Managers.” Please note that inclusion in the pool(s) does not guarantee or provide assurances that an underwriting firm will be selected to serve as an underwriter on a Commission public finance transaction. There should be no expectation of a rotation of firms providing underwriting services to the Commission and the Commission reserves the right to include or exclude any firm in its underwriting pool(s) or to include or exclude any firms from any Commission public finance transaction.

This RFQ provides interested firms with sufficient information to enable them to prepare and submit statements of qualifications for consideration by the Commission to satisfy a need for Underwriting Services. Firms wishing to be considered as a Senior Manager should respond to this RFQ in all respects. Respondent firms only wishing to be considered for qualification as a Co-Managing underwriter should also respond to this RFQ in all respects, but should only answer questions not identified as for “Senior Manager Only”.

I-2. Background.

A. The Turnpike System

The present system is composed of the following: a 359 mile Turnpike Mainline traversing the southern portion of Pennsylvania from east to west, a 110 mile north-south section identified as the Northeast Extension, a 16 mile north-south connection, known as the Beaver Valley Expressway which intersects the Turnpike Mainline in the southwestern portion of the Commonwealth, the 13 mile Amos K. Hutchinson Bypass, which adjoins the Turnpike Mainline near the New Stanton Interchange, a 48-mile section of the Mon/Fayette Project, and the first 6-mile section of the Southern Beltway, the Findlay Connector, near Greater Pittsburgh International Airport. When completed, the Mon/Fayette Expressway will extend 65 miles from Interstate Route 68 in West Virginia to Interstate Route 376 near Pittsburgh and the Southern Beltway Expressway will extend 32 miles from Interstate Route 376 near the Greater Pittsburgh International Airport to the Mon/Fayette Expressway near Finleyville.

The Pennsylvania Turnpike System has a total of 79 interchanges which connect it with major arteries and population centers in its 552 mile traffic corridor. Thirty-two of the interchanges are located on the Turnpike Mainline, 11 interchanges are situated on the Northeast Extension, and 36 interchanges on the western extensions. The Turnpike system contains 68 toll plazas which are predominantly at the interchanges, with 14 barrier tolling points. There are 17 service plazas along the Pennsylvania Turnpike System providing gasoline and diesel fuel, other automotive supplies and services, and restaurant services.

B. Financial Condition and Outlook

As of January 26, 2017, the Commission had over \$11.7 billion in long-term debt, issued under four separate indentures. Outstanding debt and debt ratings are as follows:

	<u>Outstanding Debt</u> <u>\$(000s)</u>	<u>Ratings (M,S&P,F)</u>
Mainline Senior Revenue	\$4,895,850	A1 , A+, A+,
Mainline Subord. Revenue	\$4,809,669	A3, A-, A-,
Motor License Fund	\$990,947	A2 ,NR,AA-
Oil Franchise Tax Revenue	\$646,666	Aa3, AA, AA (Sr.); A2, A+, A+ (Sub.)
Registration Fee Revenue	\$394,695	Aa3, A, AA-

Toll revenue for the fiscal year ended May 31, 2016 exceeded \$1,030 million, and is expected to increase in FY 2017 due to toll increases that were implemented in January 2016 and 2017. Preliminary and unaudited estimates indicate FY 2017 toll revenues of approximately \$586 million for the first 6 months of the fiscal year. The Commission also receives revenue annually from the Commonwealth from oil company franchise taxes and motor license registration fees totaling approximately \$150 million.

C. Capital and Financing Plan

The Commission prepares a ten-year capital plan and financing plan which shows anticipated funding sources, including Commission funds and revenue bonds. The capital plan currently addresses projects estimated at approximately \$5.62 billion scheduled for construction through fiscal year 2026.

D. Enabling Statutes

On July 18, 2007, Pennsylvania Governor Edward G. Rendell signed Act 44 into law, creating a “public-public partnership” between the Commission and PennDOT to provide funding for roads, bridges, and transit throughout the Commonwealth, thus greatly expanding the Commission’s previous focus on operating and improving the Turnpike. Under Act 44, a Lease and Funding Agreement was entered into between the Commission and PennDOT. The Funding Agreement contains certain provisions dealing with various items including, among other things, the payment by the Commission of annual payments to PennDOT, and the issuance of special revenue bonds by the Commission.

Act 44 and the Funding Agreement require the Commission to submit an annual financial plan to the Secretary of the Budget on or before June 1 of each year that describes the Commission’s operating and capital expenditures, borrowings, liquidity and other financial management covenants and policies, estimated toll rates and all other revenues and expenditures for the ensuing fiscal year. Act 44 provides that the financial plan shall demonstrate that the operation of the Commission can reasonably be expected to generate sufficient funds to make payments to PennDOT pursuant to the Funding Agreement and Act 44 during the ensuing and future fiscal years. The most recent Act 44 Financial Plan can be found at www.paturnpike.com under the Financial/Planning-Investor Relations link.

On November 25, 2013, Act 89 was enacted to provide substantial additional and sustained investment in the Commonwealth's aging transportation infrastructure. Act 89 also enacted substantial revisions to the Commission's transportation funding obligations under Act 44 and authorized the Commission and PennDOT to immediately amend the Act 44 Funding Agreement to reflect the statutory provisions of Act 89. The Commission and PennDOT have executed an amendment to the Act 44 Funding Agreement (the "**Act 89 Amendment**" and together with the Act 44 Funding Agreement, the "**Amended Funding Agreement**"). The Amended Funding Agreement will terminate on October 14, 2057.

I-3. Issuing Office. This RFQ is issued for the Commission by the Office of Finance and Administration. All questions regarding this RFQ must be directed to the Commission pursuant to the process identified in Section I-9 below. No questions will be addressed except through such process.

I-4. Scope. This RFQ contains instructions governing the statements of qualifications to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each Statement of Qualifications.

I-5. Problem Statement.

A. General Description

The Commission is soliciting statements of qualifications from investment banking firms for the purpose of creating two or more pools of potential underwriting firms from which the Commission may appoint one or more firms to an underwriting syndicate for future Commission public finance transactions. Such selection may be made with or without the issuance of a subsequent Request for Qualifications with respect to a specific public finance transaction. **Firms should indicate clearly in the responses to the RFQ whether they wish to be considered as either a Senior Manager or as a Co-Manager (those firms that are not selected into a Senior Manager pool(s) will automatically be considered for the Co-Manager pool).** The Commission may select Co-Senior Managers and Co-Managers from any pool(s). The specific structure and size of any future underwriting syndicate for Commission public finance transactions has not been determined at this time. The Commission will structure its underwriting syndicates in a manner that best meets its objectives to complete a public finance transaction efficiently and cost effectively.

The Commission reserves the right, in its sole and absolute discretion, to select firms as Senior Manager, Co-Senior Manager or as Co-Manager that are not in a particular pool – such selection may be based on proprietary products, ideas presented to the Commission, transaction size and such other factors as the Commission deems relevant to a particular financing. The Commission does not intend to name all firms that could potentially be deemed "qualified" to a pool(s) of Senior Managers, but rather intends to select those firms that best meet the Commission's selection criteria, as identified in Section III-3 of this RFQ. Note that following the creation of the pool(s), the Commission reserves the right, in its sole and absolute discretion, to add or remove firms from the pool(s) or to move firms among pools or to select firms from outside any pool(s) at any time as circumstances may arise or warrant on each public finance transaction.

B. Requested Services

The underwriting services requested will include, but are not limited to, assisting the Commission with the following:

Senior Managers

1. Provide as-needed financial information regarding market conditions and trends, financial products, credit and credit analysis, third party alternative financing and special facility financing, and to keep the Commission abreast of market developments and financing techniques which might be applicable to the Commission's financing programs.
2. Prepare analyses and evaluations of potential refundings and new money issues, including reviews of financial feasibility and debt capacity.
3. Review and evaluate financing options, derivative and other innovative products, financial feasibility studies, legal documents, and pricing of any financing and any escrow.
4. Assist the financial advisor in identifying tasks, assigning responsibilities and coordinating dates for completing activities related to the plan of finance.
5. Assist with preparation of Official Statements and Investor Presentations.
6. All managers should provide G-17 letters and be in compliance with all MSRB requirements.
7. Develop a comprehensive marketing plan, including identification of potential investors and market conditions for alternative products.
8. Provide information on and participate in the selection of credit enhancement providers, if deemed appropriate for a particular financing.
9. Review and assist in the preparation of disclosure and other legal documentation for both issuance of debt and continuing disclosure.
10. Coordinate disclosure "due diligence review" of the Commission in consultation with underwriter's counsel.
11. Coordinate the investment banking process leading to the negotiated sale of Commission bonds, including preparation of pricing books. Underwrite bonds if necessary to enable an orderly pricing and to meet the Commission's goals for pricing. This includes the willingness to remarket the bonds underwritten in a manner that does not affect the long-term price of the Commission's bonds
12. During the pricing of bonds, provide:
 - a. The ability to remotely monitor the placement of orders on a real-time basis, including the type of order and the firm placing such order
 - b. On-site facilities for Commission staff and financial advisors to monitor and oversee the process of pricing the bonds

- c. Status reports summarizing order flow by maturity as well as intra-day developments that affect the pricing
13. Provide post-sale analysis of the transaction, including a:
 - a. A review of pricing (including all relevant information pertaining to rates and yields, arbitrage yield and true interest costs, etc.)
 - b. Summaries of orders and allocations
 - c. Provide investor feedback and reverse inquiries
 - d. Provide final debt service schedules for the transaction
 - e. Provide underwriter discount paid by firm
 14. Coordinate closing of the bond transaction with other working group members

All Managers

1. Assist in pre-sale marketing and development of price views
2. Provide for effective institutional and/or retail distribution of the Commission's bonds
3. Commit firm capital to underwrite unsold balances as necessary

I-6. Contractor Integrity Provisions. Contractor Integrity Provisions will apply to this contract upon award and the awarded vendor may be required to complete a Background Qualifications Questionnaire prior to entering into an Agreement with the Commission and attend annual ethics training provided by the Commission. Respondents can find these two documents on the Commission's website at www.paturmpike.com (Doing Business, General Information, Integrity Provisions).

Include full disclosure of any potential conflict with the State Adverse Interest of State Advisor or Consultant Statute by the prime or any subconsultant. If there is no adverse interest, you shall include the following statement: "I have reviewed the State Adverse Interest Statute and determined that there is no adverse interest for anyone on this Agreement team." This information should be included in your transmittal letter/cover page or executive summary.

I-7. Rejection of Statement of Qualifications. The Commission reserves the right to reject any and all Statements of Qualifications received as a result of this request.

I-8. Incurring Costs. The Commission is not liable for any costs incurred by firms in their preparation and submission of Statements of Qualifications, in participating in the RFQ process or in anticipation of award of bond underwriting opportunities.

I-9 Questions and Answers. Written questions may be submitted to clarify any points in the RFQ which may not have been clearly understood. Written questions should be submitted by email to RFQ-Q@paturmpike.com with **RFQ 17-10320-7783** in the Subject Line to be received no later than **2:00 PM local time on April 3, 2017**. Respondents shall use the form provided in **Appendix A** to submit the questions. All questions and written answers will be posted to the website as an addendum to and become part of this RFQ. No questions regarding the RFQ will be addressed except through this process.

I-10. Addenda to the RFQ. If it becomes necessary to revise any part of this RFQ before the response date, addenda will be posted to the Commission's website under the original RFQ document. It is the responsibility of all firms to periodically check the website for any new information or addenda to the RFQ.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFQ due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted Statement of Qualifications complies with any changes in the published advertisement.

I-11. Response. To be considered, Statements of Qualifications must be delivered to the Pennsylvania Turnpike Commission's Contracts Administration Department, Attention: Wanda Metzger, on or before **2:00 PM local time on Tuesday, April 25, 2017**. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106.

Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to the Contracts Administration Department by the above listed time for submission. Respondents mailing Statements of Qualifications should allow sufficient delivery time to ensure timely receipt of their Statement of Qualifications. If the Commission office location to which Statements of Qualifications are to be delivered is closed on the response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless Respondents are otherwise notified by the Commission, the time for submission of responses shall remain the same.

I-12. Statements of Qualifications. To be considered, Respondents should submit a complete response to this RFQ, using the format provided in PART II. Each Statement of Qualifications should be submitted in five (5) hard copies of the Technical Submittal and five (5) hard copies of the Diverse Business (DB) participation submittal. In addition to the hard copies of the Statement of Qualifications, two **complete and exact copies** of the Statement of Qualifications (along with all requested documents) should be submitted on CD-ROM or Flash Drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the hard copy. Proposer should ensure that there is no costing information in the technical submittal. The CD or Flash drive should clearly identify the Proposer and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Respondent shall present the Statement of Qualifications to the Contracts Administration Department only. No other distribution of Statements of Qualifications will be made by the Respondent. Each Statement of Qualification page should be numbered for ease of reference.

An official authorized to bind the Proposer to its provisions must sign the Statement of Qualifications. If the official signs the Statement of Qualifications Cover Sheet (Appendix B to this RFQ) and the Statement of Qualifications Cover Sheet is attached to the submission, the requirement will be met. For this RFQ, the Statement of Qualifications must remain valid for at least **120** days. Moreover, the contents of the Statement of Qualifications of the selected Respondent will become contractual obligations if a contract is entered into.

Each and every Respondent submitting a Statement of Qualifications specifically waives any right to withdraw or modify it, except as hereinafter provided. Statement of Qualifications may be withdrawn by written or fax notice (fax number (717) 986-8714) received at the Commission's address for Statement of Qualifications delivery prior to the exact hour and date specified for Statement of Qualifications receipt.

Overnight Delivery Address:
Contracts Administration Department
Attn: Wanda Metzger
PA Turnpike Commission
700 South Eisenhower Blvd.
Middletown, PA 17057

US Mail Delivery Address:
Contracts Administration Department
Attn: Wanda Metzger
PA Turnpike Commission
P.O. Box 67676
Harrisburg, PA 17106

However, if the Respondent chooses to attempt to provide such written notice by fax transmission, the Commission shall not be responsible or liable for errors in fax transmission. A Statement of Qualifications may also be withdrawn in person by a Respondent or its authorized representative, provided his/her identity is made known and he/she signs a receipt for the Statement of Qualifications, but only if the withdrawal is made prior to the exact hour and date set for Statement of Qualifications receipt. Statement of Qualifications may only be modified by the submission of a new sealed Statement of Qualifications or submission of a sealed modification which complies with the requirements of this solicitation.

I-13. Economy of Preparation. Statements of Qualifications should be prepared simply and economically, providing a straightforward, concise description of the Respondent's ability to meet the requirements of the RFQ. For firms submitting as Senior Manager, the body of the proposal shall not exceed twenty-five (25) pages of 12-point type, excluding appendices. For firms submitting as Co-Manager, the body of the proposal shall not exceed fifteen (15) pages of 12-point type, excluding required tables.

I-14. Discussions for Clarification. Proposers who submit Statements of Qualifications may be required to make an oral or written clarification of their Statements of Qualifications to the Issuing Office to ensure thorough mutual understanding and Proposer responsiveness to the solicitation requirements. The Issuing Office through the Contract Administration Department will initiate requests for clarification.

I-15. Statement of Qualifications Contents. Statements of Qualifications will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the statement becomes the property of the Pennsylvania Turnpike Commission and may be returned only at the Commission's option. Statements of Qualifications submitted to the Commission may be reviewed and evaluated by any person other than competing Respondents at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any response. Selection or rejection of the responding firm does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Respondents shall identify any and all portions of their Statement of Qualifications that contains confidential proprietary information or is protected by a trade secret. Statements of Qualifications shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the response that contains the trade secret or confidential proprietary information.

Respondents should note that “trade secrets” and “confidential proprietary information” are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both “trade secrets” and “confidential proprietary information” as follows:

Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; **and** (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; **and** (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

the extent to which the information is known outside of his business;

the extent to which the information is known by employees and others in the business;

the extent of measures taken to guard the secrecy of the information;

the value of the information to his business and to competitors;

the amount of effort or money expended in developing the information; and

the ease of difficulty with which the information could be properly acquired or duplicated by others.

See Crum v. Bridgestone/Firestone North Amer. Tire., 907 A.2d 578, 585 (Pa. Super. 2006).

The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure **would** cause substantial competitive harm.” (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at www.openrecords.state.pa.us.

I-16. Debriefing Conferences. Respondents whose firms are not selected to be included in the pool or pools will be notified of the name of the selected respondents and given the opportunity to be debriefed, at their request. The Issuing Office will schedule the time and location of the debriefing. The Respondent will not be compared with other respondents.

I-17. News Releases. News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

I-18. Term of Appointment. The Commission intends that the pool or pools established pursuant to this request will remain in effect for three (3) years with an option of one year extensions until such time that the Commission chooses to dissolve and/or reconstitute the pool or pools.

I-19. Respondent's Representations and Authorizations. Each Respondent by submitting its Statement of Qualifications understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Respondent are material and important and will be relied upon by the Issuing Office in establishing underwriting pool(s). Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this Statement of Qualifications. A misrepresentation shall be punishable under 18 Pa. C.S. §4904.
- b. To the best knowledge of the person signing the proposal for the Respondent, the Respondent, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Respondent in its Statement of Qualifications.
- c. To the best of the knowledge of the person signing the proposal for the Respondent and except as otherwise disclosed by the Respondent, the Respondent has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Respondent that is owed to the Commonwealth.
- d. The Respondent is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Respondent cannot certify, then it shall submit along with the Statement of Qualifications a written explanation of why such certification cannot be made.
- e. The Respondent has not, under separate contract with the Issuing Office, made any recommendations to the Issuing Office concerning the need for the services described in the proposal or the specifications for the services described in the proposal.
- f. Each Respondent, by submitting its Statement of Qualifications, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

I-20. Indemnification. The Proposer shall be responsible for, and shall indemnify, defend, and hold harmless the Commission and its Commissioners, officers, employees, and agents from any claim, liability, damages, losses, causes of action, and expenses, including reasonable attorneys' fees, arising from damage to life or bodily injury or real or tangible personal property caused by the negligence or other tortious acts, errors, and omissions of Proposer, its employees, or its subcontractors while engaged in performing the work of the Agreement or while present on the Commission's premises, and for breach of the Agreement regarding the use or nondisclosure of proprietary and confidential information where it is determined that Proposer is responsible for any use of such information not permitted by the Agreement. The indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Contractor or its subcontractors under Workers' Compensation Acts, Disability Benefits Acts, or other Employee Benefit Act.

I-21. Insurance. Proposer will comply with the Insurance requirements as described in Appendix C - Insurance Specification.

I-22. Diverse Business (DB) Requirements. Proposer will comply with the DB Requirements as described in Appendix D – Diverse Business (DB) Requirements.

PART II

INFORMATION REQUIRED FROM RESPONDENTS

Statements of Qualifications must be submitted in the format, including heading descriptions, outlined below. To be considered, the response must respond to all requirements in this part of the RFQ. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the Statement of Qualifications.

Each Statement of Qualifications shall consist of two separately sealed submittals:

1. Technical Submittal, which shall be a response to RFQ **Part II, Sections II-1 A through Q**;
2. Diverse Business Participation Submittal, in response to RFQ **Part II, Section II-2**; and

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the Respondent's competence, number of qualified employees, business organization, and financial resources are adequate to perform per the RFQ. The Commission may make such investigations as deemed necessary to determine the ability of the Proposer to perform the work, and the Proposer shall furnish to the Issuing Office all such information and data for this purpose as requested by the Commission. The Commission reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Proposer fails to satisfy the Commission that such Proposer is properly qualified to carry out the obligations of the agreement and to complete the work specified.

II-1 Technical Submittal.

A. Statement of Qualifications Cover Sheet (See Appendix B)

Show the name of your firm, Federal I.D. number, address, name of contact person, contact person's email and telephone number date and the subject: **Underwriting Services RFQ 17-10320-7783**. Appendix B must be signed by an individual who is authorized to negotiate terms, render binding decisions and commit your firm's resources. In addition, it is required that all information requested in Appendix B be provided including information pertaining to location of office performing the work, contact information, listing of all Pennsylvania offices and total number of Pennsylvania employees, and location of company headquarters.

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Executive Summary

Summarize the respondent's understanding of the work to be done and make a positive commitment to perform the work necessary. This section should summarize the key points of your submittal. (Limit to two pages.) Include in this section or in a transmittal letter/cover page a statement regarding full disclosure of any potential conflict with the State Adverse Interest of State Advisor or Consultant Statute as instructed in Proposal Section 1.6 Contractor Integrity Provisions. Limit to two pages.

D. Minimum Qualifications

The investment banking firm(s), or its lead banker(s) designated to work on Commission public finance transactions, must have a minimum of three years of municipal finance experience serving as an underwriter with respect to revenue credits and/or transportation/toll road related public finance transactions. The investment banking firm(s) and its lead banker(s) must hold and maintain at all times, all licenses and registrations required by applicable federal and state laws for businesses offering underwriting or investment banking services. All licenses and registrations must be current and in good standing with each of the following:

1. The U.S. Securities Exchange Commission (SEC)
2. The Financial Industry Regulatory Authority (FINRA)
3. The firm must also have at all times, at least one full-time professional supervisory employee with a FINRA Series 53 license (Municipal Securities Principal); and
4. The Municipal Securities Rulemaking Board (MSRB).

E. Firm Overview

1. Provide a brief history and description of your firm's business organization and its Underwriting service expertise and experience as it relates to the requirements discussed in this RFQ. Include the location of offices, and the number of public finance and municipal underwriting and sales professionals in each office, and the role of the municipal department in your firm.
2. Indicate your firm's commitment to the municipal bond industry and comment on any recent significant changes in your organization, including any expansions or reductions in staffing for areas of public financing that you serve.
3. Discuss your firm's presence in and commitment to the Commonwealth of Pennsylvania including offices and employees. Include a discussion of the specific expertise and services that distinguish your firm.
4. The dollar volume of your firm's Senior-Managed transportation-related transactions and your firm's Co-Managed transportation-related transactions (nationally) for calendar years 2015, 2016 and year-to-date 2017.

F. Personnel and References

Please provide responses to each of the following:

1. Provide the names, proposed roles, background and experience, current professional licenses, office location and availability of the consulting personnel that would perform the Underwriting services as described in this RFQ. Specifically identify the primary person(s) who will be responsible for managing the relationship with the Commission during this endeavor. Proposer must submit a current resume for all proposed staff listing relevant experience and applicable professional affiliations.
2. Identify who will provide any quantitative financial analysis services for the Commission. For the proposed personnel, provide a list of five clients that the proposed personnel have worked with in the last 36 months; a brief description of the type and size of transaction and the services you provided; and the names, titles, addresses and telephone numbers of the government officials primarily responsible for the transactions. You should only list clients and transactions which are similar to financings contemplated by the Commission (i.e., taxable or tax-exempt new money issues, variable rate financings, refundings, derivatives, etc.).

G. Relevant Financing Experience and Expertise

1. Provide a description of your firm's relevant experience over the last five years with transportation clients and other clients that you believe are relevant to this proposed engagement. Identify the transportation agencies for which you are currently serving as financial advisor or underwriter. Provide, in tabular form, the underwriting experience of the firm and the experience of the proposed project team over the past five years in the following areas:
 - a. Toll road/bridge financing
 - b. Experience with the Commission
 - c. Other transportation financing
 - d. Issuance of tax-exempt bonds
 - e. Issuance of taxable bonds
2. Provide no more than five case studies that detail your approach to underwriting services and your contributions to the relevant transactions. **(Firms submitting for Senior Manager only.)**
3. It is acceptable to provide transaction lists in an appendix. It is also acceptable to list less than all a firm's experience (e.g., only Senior-Managed negotiated transactions) if proposer believes that the more limited information will be equally effective in conveying qualifications to serve the Commission.

H. Firm's Financial Condition

Provide a table showing your firm's:

1. Equity capital, net capital and excess net capital, as defined by FINRA for each of the last five years.
2. Specify the dollar amount of bonds which your firm can underwrite at one time as of the date of the RFQ submission and provide a breakout of how much of that underwriting capacity is based upon your firm's own capital and how much is based upon other sources of capital which you have identified in response to this question.
3. Describe the firm's capital commitment to its municipal finance activities, including average daily inventory of municipal bonds (tax-exempt fixed rate only) by year during the last five years.

I. Firm's Credit Strength

Please provide your firm's short-term and long-term ratings and current outlook from Fitch, Moody's and Standard & Poors for each of the last 5 years. Please comment on any relevant events that may have caused any of the rating agencies to change their rating or place such rating under review. Please be concise and specific; do not attach the ratings reports for the rating agencies.

J. Distribution and Marketing Capability

Describe your firm's municipal sales and distribution capabilities for both retail and institutional customers. In particular, please address these capabilities with respect to each of the following products:

1. Traditional fixed-rate tax-exempt bonds
2. Variable rate products (notes, VRDB, TECP, FRNs)
3. CABs and Convertible CABs
4. Taxable bonds
5. Short-term debt products.

Please provide examples of the competitive strengths that you would ascribe to your tax-exempt bond sales team. Please provide the number of traders working in municipal securities that are dedicated to institutional sales and the number dedicated to retail sales. Please describe how your sales team could increase the institutional investor base for bonds in a Commission public finance transaction.

K. Commission's Financial Considerations (firms submitting for Senior Manager only)

Describe your firm's knowledge of the Commonwealth of Pennsylvania's Acts 44 and 89 as they apply to the Commission. Describe your understanding of the obligations placed on the Commission as result of Acts 44 and 89. Describe your firm's knowledge of the Commission's Act 44 Financial Plan and its constraints and requirements relative to debt service coverage ratios, liquidity, etc.

Provide a discussion of the financial challenges facing the Commission and ways in which creative and appropriate use of innovative financing techniques and fiscal management can assist the Commission in addressing these challenges (not to exceed five pages).

L. Market and Pricing Information (firms submitting for Senior Manager only)

1. Describe your firm's knowledge, experience and resources in tracking and monitoring the tax-exempt and taxable bond markets, including tax-exempt fixed rate, variable rate, and taxable fixed rate products. Include a discussion of how you evaluate the success of any pricing.
2. Discuss your firm's overall marketing approach and recognized strength (e.g. institutional vs. retail). If applicable, identify the number of retail accounts, regional concentration and unique marketing strengths your firm can offer the Commission. Please include a discussion of your experience, if any, as a secondary market maker for Commission bonds.
3. In the last five years, please list up to five deals which are good examples of your firm's ability and willingness to commit capital on behalf of an issuer's primary offering in a negotiated bond sale. In particular, the examples should demonstrate instances when the firm was willing to commit capital rather than making adjustments to the pricing of the bonds because the firm believed the price of the bonds was accurate. In your examples, please include the name of the issuer, the sale date, the size of the bond sale, the amount of bonds the firm underwrote to support the pricing and any market conditions at the time of the pricing that are worth mentioning.

M. Technical and Analytical Resources (firms submitting for Senior Manager only)

Describe the technical, quantitative and analytical resources available to your firm in the process of structuring, analyzing and pricing of bond issues.

N. Investor Base, Secondary Market Activity & Liquidity (firms submitting for Senior Manager only)

Please provide responses to each of the following:

1. Given the change in the investor base for municipal bonds over the past several years as well as the relative volume of outstanding Commission debt, what recommendations do you have to increase the Commission's investor base?
2. Identify the 25 largest holders of Commission debt
3. Identify the largest bond buyers nationally of tax-exempt debt and identify which, if any, of these investors are not significant holders of Commission debt.
4. Who should the Commission target in trying to expand its investor base?
5. List the regions of the U.S. and the significant investors in those regions where you believe the Commission has the greatest opportunity to expand its investor base.
6. How could the Commission increase participation from non-traditional investors?
7. Based on your evaluation of current holders of Commission bonds, please comment on the relative importance of various buyer segments for future bond sales of the Commission (e.g. retail, property and casualty companies, bond funds, relative value, etc.) both currently and in general. Are there any segments that you believe are under-represented in recent Commission sales?
8. Please discuss strategies, including direct investor outreach and bond structures, to enhance the retail participation in Commission bond sales from their current retail participation levels.
9. Over the past several years, the MSRB has collected and made available substantial data on secondary market trading activity. How could the Commission effectively use data on secondary market activity of Commission bonds trading in the secondary market? Please comment on analyzing the trading activity around the time of a primary offering and during the time when the Commission is not selling bonds.

O. Disciplinary Action

Please indicate if your firm has any knowledge of any active investigations or criminal proceedings by the SEC or any other state or federal agency with regard to your public finance department and municipal trading department members or practices.

Identify fully the extent to which your firm or individual partners or employees are a party to any securities litigation or arbitration, or are the subject of a subpoena in connection with a municipal securities investigation, including any investigations involving auction rates securities. Include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last four years.

Has your firm been removed from any underwriting appointment prior to the expiration of the contract term? If so, please describe the circumstances.

P. Potential Conflict of Interest

Disclose any conflicts of interest, as stated in MSRB G-17, including finder's fees, fee splitting or other contractual arrangements of the firm that could present a real or perceived conflict of interest. Disclose the current status and timing of any publicly acknowledged planned mergers with or acquisitions of any other firm that could impact your potential engagement with the Commission.

Identify any potential conflict known by your firm and discuss how, if selected, your firm would address any concerns raised by such potential conflict. If your firm is selected as an underwriter for a transaction, your firm must notify the Commission when you enter into any new contracts or relationships which may present a conflict of interest.

Q. Approach

Provide a description of the proposed approach/methodology that you will follow, along with a project plan and realistic timeline that identifies the phases and tasks required to complete the services defined in this RFQ. Include in this section the deliverables and reports that will be provided, the project controls that will be used, and the tasks that will be performed.

Provide a description of all the deliverables that you will provide as an output of the project plan.

Provide relevant samples of deliverables and project plans from similar services that your firm was primarily responsible for producing.

II-2 Diverse Business (DB) Requirements (Appendix D).

The Commission's Diverse Business (DB) Requirements are identified in Appendix D. There is no minimum participation level (MPL) for DBs established for this contract. However, the utilization of DBs is encouraged and will be considered as a criterion in the evaluation of proposals and in the evaluation for any Work Orders issued. In your Diverse Business Participation Submittal in response to this RFQ, provide information that identifies DB firms and the roles you anticipate for potential assignments. In addition, provide a commitment to making Good Faith Efforts as defined Appendix D, and provide your firm's approach to utilizing DBs for Work Order opportunities.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, the Statement of Qualifications shall be (a) timely received from a Respondent; and (b) properly signed by the Respondent. Proposer.

III-2. Statements of Qualification will be reviewed and evaluated by a Technical Evaluation Team (TET) of qualified personnel selected by the Commission. The TET will recommend for selection those firms that most closely meet the requirements of the RFQ and satisfy Commission needs. Consideration for inclusion in the pool(s) will only be made to Respondents determined to be responsive and responsible in accordance with Commonwealth of Management Directive 215.9, Contractor Responsibility Program.

III-3. The following criteria will be used, in order of relative importance from the highest to the lowest, in evaluating each Statement of Qualifications.

1. Respondent and Personnel Qualifications and Experience

- a. Responder's relevant experience and expertise in conducting underwriting services as it relates to the requirements discussed in this RFQ.
 - i. Responsiveness, organization, and clarity of Statement of Qualifications.
 - ii. Demonstrated understanding of the Commission's financial situation and constraints pursuant to Act 44 and 89 as well as the Act 44 Financial Plan.
 - iii. Presentation of innovative strategies to assist the Commission with the financing of its capital program and Act 44 obligations.
 - iv. Experience and expertise in the provision of revenue credit and/or transportation-related underwriting services.
 - v. Presence in and commitment to the Commonwealth of Pennsylvania.
 - vi. Financial capacity and willingness to underwrite bonds at appropriately aggressive levels.
 - vii. Organization, size and structure of firm.
 - viii. Distribution capability.
 - ix. Commitment to public finance.
 - x. Relevant experience in complex transportation-related public finance transactions.
 - xi. Responses of references if the Commission elects to solicit them.
- b. Qualifications, experience and competency of professional personnel who will be assigned to the contract by the Responder including tenure with firm, length of time in the industry and type of experience.
 - i. Qualifications and experience in structuring, negotiating and implementing the full range of tax-exempt and taxable revenue credit and/or transportation-related bond and note financings.

- ii. Experience and knowledge of transportation and toll road, municipal and Pennsylvania issuers and financings, including experience with the Commission
- iii. Location and availability to Commission staff
- iv. Tenure with firm and length of time in the industry

2. Approach

- i. Understanding of the Commission's needs and scope of work.
- ii. Soundness of proposed approach, methodology, and deliverables for conducting underwriting service as it relates to the requirements discussed in this RFQ.
- iii. Responsiveness to the Commissions desire for expeditious timeline for completion.
- iv. Quality, completeness and applicability of sample deliverables provided.

3. Diverse Business (DB) Requirements. This refers to the inclusion of and approach to utilizing DB firms, as described in Part II-2. Diverse Business participation will also be considered in the evaluation of responses to Work Order opportunities following the selection of pool(s) lists.

Proposer Questions			Pennsylvania Turnpike Commission (PTC)		
			Proposer Name:		
#	Page	Section	Section Description	Proposer Question	Commission Response
1.					
2.					
3.					
4.					

**APPENDIX B – STATEMENT OF QUALIFICATIONS COVER SHEET
 Pennsylvania Turnpike Commission
 UNDERWRITING SERVICES**

RFQ# 17-10320-7783

Enclosed is the statement of qualifications submission for the Respondent identified below for the above referenced RFQ:

Proposer Information:	
Respondent Name	
Respondent Mailing Address	
Respondent Website	
Respondent Contact Person/Title	
Contact Person's Phone Number	
Contact Person's Fax Number	
Contact Person's Email Address	
Respondent Federal ID Number	
Location of Headquarters	
Location of Office(s) Performing the Work	
Listing of all Pennsylvania Offices and Total Number of Pennsylvania Employees	

Submittals Enclosed:

<input type="checkbox"/> Statement of Qualifications Submittal <input type="checkbox"/> Diverse Business Submittal
Signature
Signature of an official authorized to bind the Respondent to the provisions contained in the Respondent's submission: _____
Print Name
Title

An official authorized to bind the Respondent to its provisions must sign the Statement of Qualifications. If the official signs this Statement of Qualifications Cover Sheet and the Statement of Qualifications Cover Sheet is attached to the Statement of Qualifications, the requirement will be met.

The Pennsylvania Turnpike Commission

Before starting any work and until completion and final payment is made for the work, or final acceptance of the work, the Contractor will provide and maintain the following minimum levels of insurance at Contractor's own expense. The cost of the required insurance shall be included in the Contractor's cost proposal and no adjustment shall be made to the contract price on account of such costs. Contractor shall furnish Certificates of Insurance showing the effective date of coverage as outlined below. No work may be performed until the required evidence of Insurance is provided in accordance with the terms of the contract. Contractor shall be responsible for ensuring that all Subcontractors hired by the Contractor are properly insured. Contractor shall not permit any such Subcontractors to start work until such evidence has been provided to the Contractor.

- a) All insurance shall be procured from insurers permitted to do business in the State in which the project is taking place and having an A.M. Best Rating of at least "A-, Class VIII".
- b) Contractor shall not have a Self Insured Retention (SIR) on any policy greater than \$50,000, which is the responsibility of the Contractor. If Contractor's policy(ies) has a Self Insured Retention exceeding this amount, approval must be received from the Commission prior to starting work. In the event any policy includes an SIR, the Contractor is responsible for payment within the SIR of their policy(ies) and the Additional Insured requirements specified herein shall be offered within the SIR amount(s).
- c) All insurance required herein, except for Professional Liability Insurance, shall be written on an "occurrence" basis.
- d) The Contractor's insurance carrier(s) shall agree to provide at least thirty (30) days prior written notice to the Commission in the event coverage is canceled or non-renewed, unless cancellation is for non-payment of premium. In the event of cancellation or non-renewal of coverage(s) for any reason, it is the Contractor's responsibility to replace coverage to comply with the Contract requirements so there is no lapse of coverage for any time period.

If the insurance carriers will not issue or endorse their policy(s) to comply with the above it is the responsibility of the Contractor to report any notice of cancellation or non-renewal at least thirty (30) days prior to the effective date of this notice.

- e) Contractor shall provide the Commission with Certificates of Insurance, showing the insurance coverages listed below, ten days prior to the start of work of this Project and thereafter upon renewal or replacement of each coverage. The Contractor shall not begin any work until the Commission has reviewed and approved the Certificate of Insurance.

Failure of the Commission to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the Commission to identify a deficiency from evidence that is provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance.

The Pennsylvania Turnpike Commission

Upon completion of the contract, an additional certificate(s) of insurance evidencing coverage shall be provided to the Commission with final application for payment.

- f) The Commission, and its Commissioners, officers, employees and agents shall be added as ADDITIONAL INSUREDS on all required liability policies (except Workers' Compensation and Professional Liability) for ongoing operations and completed operations on a primary noncontributory basis.

The Commission reserves the right to require Contractor to name other parties as additional insureds as required by the Commission.

- g) Waiver of Rights of Subrogation: Contractor shall waive all rights of recovery against the Commission and all the additional insureds for loss or damage covered by any of the required insurance (except Professional Liability).
- h) The amount of insurance in the required coverages shall not be construed to be a limitation of the liability on the part of the Contractor.
- i) The carrying of insurance described below shall in no way be interpreted as relieving the Contractor of any responsibility or liability under the contract.
- j) Any type of insurance or any increase in limits of liability not required by the Commission but which the Contractor requires for its own protection or on account of statute shall be its own responsibility and at its own expense.
- k) Contractor shall promptly notify the Commission and the appropriate insurance company(ies) in writing of any accident(s) as well as any claim, suit or process received by the insured Contractor arising in the course of operations under the contract. The Contractor shall forward such documents received to its insurance company(ies), as soon as practicable, or as required by its insurance policy(ies).

REQUIRED COVERAGES - the following may be provided through a combination of primary and excess policies in order to meet the minimum limits set forth below:

- 1. **Workers' Compensation and Employer's Liability:**
Provided in the State in which the work is to be performed and elsewhere as may be required and shall include:
 - a) Workers' Compensation Coverage: Statutory Requirements
 - b) Employers Liability Limits not less than:

Bodily Injury by Accident:	\$500,000 Each Accident
Bodily Injury by Disease:	\$500,000 Each Employee
Bodily Injury by Disease:	\$500,000 Policy Limit

The Pennsylvania Turnpike Commission

- c) Includes sole proprietorships and officers of corporation who will be performing the work.
 - d) Where applicable, if the Contractor is lending or leasing its employees to the Commission for the work under this contract, it is the Contractor's responsibility to provide the Workers Compensation and Employer's Liability coverage and to have their policy endorsed with the proper Alternate Employer Endorsement.
2. **Commercial General Liability:**
Provided on standard ISO forms or an equivalent form including Premises - Operations, Independent Contractors, Products/Completed Operations, Broad Form Property Damage, Contractual Liability, and Personal Injury and Advertising Injury.
- a) Occurrence Form with the following limits:
 - (1) General Aggregate: \$2,000,000
 - (2) Products/Completed Operations Aggregate: \$2,000,000
 - (3) Each Occurrence: \$1,000,000
 - (4) Personal and Advertising Injury: \$1,000,000
3. **Automobile Liability:**
- a) Coverage to include All Owned, Hired and Non-Owned Vehicles (or "Any Auto"). If Contractor does not have any Owned Vehicles, Contractor is still required to maintain coverage for Hired and Non-Owned Vehicles as either a stand-alone policy or endorsed onto the Commercial General Liability policy above
 - b) Per Accident Combined Single Limit \$1,000,000
4. **Commercial Umbrella Liability:**
- a) Policy(ies) to apply on a Following Form Basis of the following:
 - (1) Commercial General Liability,
 - (2) Automobile Liability, and
 - (3) Employers Liability Coverage.
 - b) Minimum Limits of Liability
 - Occurrence Limit: \$4,000,000
 - Aggregate Limit (where applicable): \$4,000,000
5. **Professional Liability Insurance:**
- a) Minimum Limits of Liability
 - Per Claim Limit: \$2,000,000
 - Aggregate Limit: \$2,000,000
 - b) The Definition of "Covered Services" shall include the services required in the scope of this contract.
 - c) If Professional Liability coverage is written on a claims made form the following requirements will apply:

The Pennsylvania Turnpike Commission

- 1) The retroactive date must be on or before the start of work under this contract;
- 2) The Contractor must purchase "tail coverage/an extended reporting period" or maintain coverage for a period of three (3) years after the completion of their work/final payment.

APPENDIX D – RFQ17-10320-7783
Pennsylvania Turnpike Commission
DIVERSE BUSINESS (DB) REQUIREMENTS

Diverse Business Participation. The Commission is committed to Diverse Business (DB) participation on competitive contracting opportunities. Firms or entities that have not previously performed work or provided services to the Commission are encouraged to respond to the solicitations. RFPs may include DB participation as part of the criteria for the evaluation of proposals, and the Commission may consider DB participation as a selection factor.

Minimum Participation Level (MPL). The minimum participation level (MPL) for the inclusion of DBs will be established in the RFP/advertisement as a percentage.

(a) General Requirements. Section 303 of Title 74 of the Pennsylvania Consolidated Statutes, 74 Pa.C.S. § 303, requires proposer on contracts funded pursuant to the provisions of Title 74 (Transportation) and 75 (Vehicle Code) administered and issued by the Commission to make Good Faith Efforts to solicit subconsultants that are Diverse Businesses (DBs) as defined in Section 303. The DB requirements of Section 303 apply to this contract.

Section 303 requires proposers to make Good Faith Efforts, as described below, to solicit subconsultants that are DBs during the proposal process to maximize participation of DBs in competitive contracting opportunities.

The Commission is committed to participation by DBs and will enforce the requirements of Section 303 and this section. Failure to make Good Faith Efforts and demonstrate such Good Faith Efforts in the solicitation of subconsultants may result in the proposer being declared ineligible for the contract.

Proposers shall document and submit to the Commission all Good Faith Efforts, as described in this section, to solicit subconsultants that are DBs during the solicitation process.

Proposers are encouraged to utilize and give consideration to consultants offering to utilize DBs in the selection and award of contracts.

Proposers shall not discriminate on the basis of gender, race, creed or color in the award and performance of contracts in accordance with 62 Pa.C.S. §3701.

Failure to comply with the requirements of Section 303 or this specification may result in the imposition of sanctions as appropriate under section 531 of the Procurement Code, 62 Pa.C.S. § 531 relating to debarment and suspension.

The Commission's Director of the Office of Diversity and Inclusion, or designee, is designated the Responsible Official who shall supervise the DB program and ensure that the Commission complies with the DB program.

(b) Definitions. The following definitions apply to terms used in this specification:

1. Disadvantaged Business – A business that is owned or controlled by a majority of persons, not limited to members of minority groups, who are subject to racial, social, ethnic prejudice or cultural bias.

2. Diverse Business – A disadvantaged business, minority-owned or women-owned business or service-disabled veteran-owned or veteran-owned small business that has been certified by a third-party certifying organization.

3. Minority-owned Business – A business owned and controlled by a majority of individuals who are African Americans, Hispanic Americans, Native Americans, Asian Americans, Alaskans or Pacific Islanders.

4. Professional Services – An industry of infrequent, technical or unique functions performed by independent contractors or consultants whose occupation is the rendering of the services, including: (1) design professional services as defined in 62 Pa.C.S. § 901 (relating to definitions); (2) legal services; (3) advertising or public relations services; (4) accounting, auditing or actuarial services; (5) security consultant services; (6) computer and information technology services; and (7) insurance underwriting services.

5. Pro Forma Effort-The act of completing a form or document identifying efforts to solicit DBs for a project in order to satisfy criteria with little or no expectation that the DBs contacted or identified will perform any of the work.

6. Service-Disabled Veteran-Owned Small Business – A business in the United States which is independently owned and controlled by a service-disabled veteran(s), not dominant in its field of operation, and employs 100 or fewer employees.

7. Subconsultant- Any individual, partnership, firm, or corporation entering into a contract with the prime consultant for work under the contract, including those providing professional and other services.

8. Third-party Certifying Organization – An organization that certifies a small business, minority-owned business, women-owned business or veteran-owned small business as a diverse business. The term includes: (1) the National Minority Supplier Development Council; (2) the Women’s Business Development Enterprise National Council; (3) the Small Business Administration; (4) The Department of Veteran Affairs; (5) the Pennsylvania Unified Certification Program.

9. Veteran-owned Small Business –A small business owned and controlled by a veteran or veterans.

10. Women-Owned Business – A business owned and controlled by a majority of individuals who are women.

(c) Actions Required by Proposer during the procurement/consultant selection phase

1. Submission Requirements – Consultant Responsiveness.

- a. **Minimum Participation Level (MPL) Documentation** - If the documentation submitted with the proposal demonstrates that the proposer has identified DBs sufficient to meet the MPL established for this contract, the proposer will be deemed to have satisfied the DB requirement during this phase. The proposer is required to provide the business name and business address of each DB and supporting documentation that includes proof of certification.

If the consultant’s proposal demonstrates the consultant’s inability to meet the MPL established for this contract, the proposer shall demonstrate Good Faith Efforts with its proposal. Failure to submit the required documentation demonstrating Good Faith Efforts as further described below with the proposal may result in a rejection of the proposal.

- b. If no MPL has been established for this contract, the proposer is required to either provide a statement of intent that it will self-perform 100% of the work for the agreement, or demonstrate Good Faith Efforts to solicit subconsultants that are DBs. In either case documentation shall be provided with the proposal.

Failure to submit the required information identified above with the proposal may result in a rejection of the proposal.

2. Good Faith Effort Requirements: The documentation of Good Faith Efforts must include the business name and business address of each DB considered. Supporting documentation must also include proof of certification and any explanation of Good Faith Efforts the proposer would like the Commission to consider. Any services to be performed by a DB are required to be readily identifiable to the agreement. Good Faith efforts are demonstrated by seeking out DB participation in the project given all relevant circumstances. The Commission requires the proposer to demonstrate more than Pro Forma Efforts. Evidence of Good Faith Efforts includes, but is not limited to:

- a. Consultant solicits through all reasonable and available means the interest of all certified DBs with the capacity to perform the scope of work set forth in the agreement.
- b. The proposer must provide written notification at least 5 business days before proposals are due to allow the DBs to respond to the solicitation.
- c. The proposer must determine with certainty if DBs are interested by taking appropriate steps to follow up initial solicitations.
- d. The proposer must make efforts to select portions of the work to be performed by DBs to include, where appropriate, breaking out contract work into economically feasible units to facilitate DB participation;
- e. It is the proposer's responsibility to make a portion of the work available to DBs and, to select those portions of the work, so as to facilitate DB participation.
- f. The proposer shall provide evidence of such negotiations that include the names, addresses, and telephone numbers of DBs considered; A description of the information provided regarding the required work and services for the work selected for subconsultants; and evidence as to why additional agreements could not be reached for DBs to perform the work.
- g. Proposers cannot reject or withhold solicitation of DBs as being unqualified without sound reasons based on a thorough investigation of their capabilities.
- h. The DB's standing within its industry, membership in specific groups, organizations or associations and political or social affiliations (for example union v. non-union employee status) are not legitimate causes for the rejection or non-solicitation of proposals in the proposer's efforts to meet the Good Faith Efforts requirement.
- i. Efforts to assist interested DBs in obtaining bonding, lines of credit or insurance.

3. Actions Taken by the Commission. As part of the proposal review process, the Commission will review the submissions to determine whether the proposer has complied with Section 303 and this requirement in the selection of DB subconsultants. The Commission will determine whether the proposer has either met the MPL or provided acceptable documentation as noted above. The Commission reserves the right to contact proposers for clarification during the review and negotiation process.

If the Commission determines that the proposer has failed to either meet the MPL or provide acceptable documentation as noted above, the proposal may be rejected.

(d) Consultant Requirements During Performance of Services.

1. Replacement of a DB Subconsultant. Consultant must continue good faith efforts through completion of the contract. The obligation to make Good Faith Efforts to solicit subconsultants for any type of service extends to additional work required for any service which is identified to be performed by a DB. If at any time during the performance of the work, it becomes necessary to replace or add a subconsultant that is a DB, the consultant, as appropriate, shall immediately notify the Commission and seek approval in writing in accordance with the Agreement of the need to replace the DB, which notice shall include the reasons for the replacement. If a prime consultant who originally indicated that it would self-perform all work subsequently decides to use a subconsultant for any work under the contract, the consultant must submit documentation of all Good Faith Efforts as to the work for which a subconsultant is obtained.

2. Records. Maintain project records as are necessary to evaluate DB compliance and as necessary to perform the reporting function addressed below. Maintain all records for a period of 3 years following acceptance of final payment. Make these records available for inspection by the Commission, its designees or agents. These records should indicate:

2.a. The number of DB and non-DB subconsultants and the type of services performed on or incorporated in this project.

2.b. The progress and efforts made in seeking out DB subconsultant organizations and individual DB consultants for work on this project to increase the amount of DB participation and/or to maintain the commitments made at the time of the proposal to DBs.

2.c. Documentation of all correspondence, contacts, telephone calls, and other contacts made to obtain the service of DBs on this project.

3. Reports. Maintain monthly reports and submit reports as required by the Commission concerning those contracts and other business executed with DBs with respect to the records referred to in subsection (e)2. above in such form and manner as prescribed by the Commission. At a minimum, the Reports shall contain the following:

3.a The number of Contracts with DBs noting the type of services provided, including the execution date of each contract.

3.b The amounts paid to each DB during the month, the dates of payment, and the overall amounts paid to date. If no payments are made to a DB during the month, enter a zero (\$0) payment.

3.c Upon request and upon completion of individual DB firm's work, submit paid invoices or a certification attesting to the actual amount paid. In the event the actual amount paid is less than the award amount, a complete explanation of difference is required.

4. Subconsultant Contracts

4.a. Subcontracts with DB firms will not contain provisions waiving legal rights or remedies provided by laws or regulations of the Federal Government or the Commonwealth of Pennsylvania or the Commission through contract provisions or regulations.

4.b. Prime consultant will not impose provisions on DB subconsultants that are more onerous or restrictive than the terms of the prime's contract with non-DBs.

4.c. Executed copies of subcontracts/purchase orders are to be received by the Commission before the commencement of work by the DB.

5. Payments to DB Subconsultants. Payments to DBs are to be made in accordance with the prompt payment requirements of Chapter 39, Subchapter D of the Procurement Code, 62 Pa.C.S. §3931 et seq. Performance of services by a DB subconsultant in accordance with the terms of the contract entitles the subconsultant to payment.

(e) Actions to be Taken by Commission After Performance of Services. Following completion of the Consultant's services, the Director of the Commission's Office of Diversity and Inclusion or his/her designee will review the overall DB participation to assess the Consultant's compliance with Section 303 and this contract. Appropriate sanctions may be imposed under 62 Pa.C.S. § 531 (relating to debarment or suspension) for a Consultant's failure to comply with Section 303 and the requirements of the contract.

Addendum No. 1

RFQ # 17-10320-7783

UNDERWRITING SERVICES

Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:

REVISION

1. Part I-9, Questions and Answers has been revised to read: Written questions may be submitted to clarify any points in the RFQ which may not have been clearly understood. Written questions should be submitted by email to RFP-Q@paturnpike.com with RFQ 17-10320-7783 in the Subject Line to be received no later than **2:00 PM local time on April 6, 2017**. Respondents shall use the form provided in Appendix A to submit the questions. All questions and written answers will be posted to the website as an addendum to and become part of this RFQ. No questions regarding the RFQ will be addressed except through this process.

QUESTIONS & ANSWERS

The questions submitted in response to the above referenced RFP up to April 6, 2017, will be answered in another addendum to be posted at a later date.

All other terms, conditions and requirements of the original RFP dated March 20, 2017 remain unchanged unless modified by this Addendum.

Addendum No. 2

RFQ # 17-10320-7783

UNDERWRITING SERVICES

Prospective Respondents: You are hereby notified of the following information in regard to the referenced RFP:

REVISIONS

1. Part II-1, Item Q is hereby deleted in its entirety.
2. Appendix C - Insurance Specification, has been revised and is attached.

QUESTIONS AND ANSWERS

Following are the answers to questions submitted in response to the above referenced RFP as of April 6, 2017. All of the questions have been listed verbatim, as received by the Pennsylvania Turnpike Commission.

Proposer Questions			Pennsylvania Turnpike Commission (PTC)		RFQ17-10320-7783
UNDERWRITING SERVICES					
#	Page	Section	Section Description	Proposer Question	Commission Response
1.	5, 9	I-6	Contractor Integrity Provisions	Items I-6, I-20, and others refer to an "Agreement" with the Commission. Is there a standard form of Agreement that the Commission could share, and are the terms of the Agreement subject to negotiation with the underwriters hired by the Commission?	No agreement will be executed between the Commission and firms selected for inclusion in any of the underwriting pools. If, however, selected from the pool to handle a transaction, the parties will negotiate terms and conditions of the Bond Purchase Agreement.

Proposer Questions			Pennsylvania Turnpike Commission (PTC)		RFQ17-10320-7783
			UNDERWRITING SERVICES		
#	Page	Section	Section Description	Proposer Question	Commission Response
2.	9	I-20	Indemnification	With respect to Item I-20, the RFP provides that the Proposer shall be responsible for and indemnify "breach of the Agreement regarding the use or nondisclosure of proprietary and confidential information." Could the Commission share the typical terms in its Agreement relating to the use or nondisclosure of proprietary and confidential information?	See response to Question #1 above.
3.	16	II-2 and Appendix D	Diverse Business Requirements	Will joint underwriter proposals be accepted?	Yes, provided that firms submitting a joint proposal do not also submit a separate independent proposal.
4.	16 of 18	Part 2/ Question "Q"	Approach	Is this question for all proposers or just for senior managers?	See Revision #1 above.
5.	16	Q	Approach	Is this question related to all managers or for firms submitting Senior Manager only?	See Revision #1 above.
6.	5	I-6	Contractor Integrity Provisions	"In reading the State Adverse Interest Act, it appears that the Commission is inquiring as to the Respondent's relationship(s) as it applies to conflicts of interest involving state or Commission employees. Please confirm or clarify this understanding."	See response to Question #1 above.
7.	11	II-1 C.	Executive Summary	Do responses for the "Executive Summary" section count towards the 25-page limit as outlined in Section I-13?	Yes

Proposer Questions			Pennsylvania Turnpike Commission (PTC)			RFQ17-10320-7783
			UNDERWRITING SERVICES			
#	Page	Section	Section Description	Proposer Question	Commission Response	
8.	12	II-1 F.1	Personnel and References	Can financing team resumes be included as an appendix?	Yes	
9.	12	II-1 F.2	Personnel and References	Does the requested list of five clients that the proposed personnel have worked with in the last 36 months apply solely to the team members providing quantitative analysis, or to the entire financing team outlined in the requested response to Question 1?	This applies to the entire financing team.	
10	15	II-1 O. and P.	Disciplinary Action	Can expanded responses related to litigation and disciplinary action be included as an appendix?	Yes	
11	4	I-5-B-2	Requested Services	Item I-5 asks for an analysis of potential refunding candidates. One of the Commission's outstanding debts, the \$155,140,000 term bond that was a part of the Turnpike Subordinate Revenue Bonds, Series A OF 2009, was recently partially refunded by \$20,990,000, yet the maturities of that refunding are not posted on EMMA. What mandatory sinking fund redemptions did that \$20.99 million refund?	The \$20.99 million partially refunded the 6/1/2030 and 6/1/2031 sinking fund maturities. The pre-refunded CUSIPs for these are 709224SY6.	
12	6	I-11	Response	With respect to the submission of the final Statement of Qualifications on CD-ROM or Flash Drive, can it be submitted in a searchable PDF format or must it be submitted as a Word document only?	PDF Format is acceptable.	

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13	9	I-20	Indemnification	1) The indemnification provision in the Request for Qualifications is not in accordance with standard provisions used in municipal bond underwritings. This provision includes, for example, liability for damage to life or bodily injury or real or tangible property. In municipal bond underwritings, the indemnification in the bond purchase agreement is limited to damages caused by statements or omissions in the disclosure documents. Would the Commission consider revising the indemnification provision to be limited to damages caused by statements or omissions in the disclosure document?	See response to Question #1 above.	
14	10	I-21	Insurance	2) As per the insurance requirements as stated in Appendix C – is it expected that proof of insurance will not be required until selection to the underwriting pool?	See Revision #2 above.	

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15	10	I-22	Diverse Business (DB)	<p>3) Regarding the Diverse Business Requirements, (DB), in Appendix D. Section 2, Good Faith Effort Requirements:</p> <p>A: "Consultant solicits through all reasonable and available means the interest of all certified DBs with the capacity to perform the scope of work set forth in the agreement" – How is a responding firm to solicit to all certified DBs – does the Commission maintain a database of certified DBs?</p> <p>B: The proposer must provide written notification at least 5 business days before proposals are due to allow the DBs to respond to the solicitation – Is written notice to be provided to certified DBs before the due date of this proposal?</p>	The Commission does not maintain a database. Part II-2 "Diverse Business (DB) Requirements (Appendix D) indicates that there is no minimum participation level (MPL) for DBs established for this contract. However, the utilization of DBs is encouraged.
16	11	II-1	Technical Submittal	Technical Submittal Section C – The Executive Summary is limited to two pages, is this included in the 25 page limit of the RFQ? This section also makes reference to a transmittal letter/ cover page that may be separate from the Executive Summary. Is the transmittal letter /cover page included in the 25 page limit?	Yes, the 25-page limit includes the Executive Summary. No, the transmittal letter/cover page is not included in the 25-page limit.
17	11	Part II-1 Section C	Executive Summary	Does the Executive Summary (which is limited to 2-pages) count against the overall response limit of 25 pages for firms submitting as Senior Managers?	Yes

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18			The latest update to the full CDM report was 3/2016.	Has there been any further updates since 3/2016. Can the Commission provide more recent multi-year financial projections detailing revenues, expenses, annual debt service and coverage?	March 2016 is the most recent published Traffic and Revenue Forecast. Additional information on multi-year financial projections detailing revenues, expenses, annual debt service and coverage are available in the PTC's Act 44 Financial Report which is posted on the Commission's website.	
19	4	#6	Senior Manager	Will the G-17 Letter be required for Co-Manager submissions as well?	Yes	

All other terms, conditions and requirements of the original RFP dated March 20, 2017 and Addendum dated April 3, 2017 remain unchanged unless modified by this Addendum.

The Pennsylvania Turnpike Commission

The Firms will be required to provide evidence of Professional Liability Insurance with minimum limits of liability of \$2,000,000 per claim/\$2,000,000 aggregate and any other insurance applicable to the services being provided by the Request for Qualifications (RFQ).