

**SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA  
REQUEST FOR PROPOSAL #2022002  
UNDERWRITING SERVICES**

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**EXHIBITS:**

**EXHIBIT A** - Taxpayer Identification Form W9

**EXHIBIT B** - Purchasing Affidavit

**EXHIBIT C** - Title Page

**EXHIBIT D** - Agreement Addendum

**EXHIBIT E** – Vendor Guidelines for Bid Submissions via Email

**Questions must be received by Thursday, April 21, 2022 by 12:00 p.m. EST**

**Proposals and Pricing must be received by Friday, April 29, 2022 by 12:00 p.m. EST**

**SCHOOL BUILDING AUTHORITY OF WEST VIRGINIA  
REQUEST OF PROPOSAL #2022002  
UNDERWRITING SERVICES**

**SECTION 1: GENERAL INFORMATION AND STANDARD TERMS AND CONDITIONS**

**1.1. PURPOSE:** The School Building Authority of West Virginia (“SBA” or “Authority”) is seeking to establish a pool of Investment Banks/Underwriters (“Underwriter(s)”) to serve as Senior Manager and/or Co-Manager(s) for a five (5) year engagement period in connection with the Authority’s issuance of new money and refunding transactions, as further described in Section Three (3).

**1.2 SCHEDULE OF EVENTS:**

<b>Release of RFP:</b>	Friday, April 15, 2022
<b>Questions Deadline:</b>	Thursday, April 21, 2022 by 12:00 p.m. EST
<b>Addendum/Response to Questions:</b>	Friday, April 22, 2022
<b>Proposal Due Date:</b>	Friday, April 29, 2022 by 12:00 p.m. EST
<b>Target Award Date:</b>	Friday, May 13, 2022

**1.3 BIDDER’S POINT OF CONTACT:** The sole point of contact for questions, clarifications and inquiries concerning this Request for Proposal (RFP) is:

Tamela Brewer  
Procurement Officer  
School Building Authority of WV  
2300 Kanawha Boulevard, East  
Charleston, WV 25311  
Email: [Tamela.A.Brewer@wv.gov](mailto:Tamela.A.Brewer@wv.gov)  
Phone: 304-558-2541

**1.4 POSTING OF INFORMATION:** This RFP and any addenda, including answers to question, will be posted to: <https://sba.wv.gov/Finance/Pages/default.aspx>

**1.5 QUESTIONS AND ANSWERS:** Questions concerning this RFP will be received in writing (via e-mail is acceptable) by point of contact until the deadline identified in Section 1.2. When submitting questions by email, please reference **RFP #2022002** in the subject line. Questions, if any, will be answered by addendum and posted to the webpage identified in Section 1.4.

**1.6 PROPOSAL AND PRICING SUBMISSION:** Proposals and Pricing must be received by email (with the pricing information included as a separate attachment), **RFP #2022002** must be noted in the Subject Line, to the address included with the point of contact listed in Section 1.3, on or before the date required in Section 1.2. Electronic submissions must also include electronic copies to the Authority’s municipal advisor at [jdonnelly@pragadvisors.com](mailto:jdonnelly@pragadvisors.com) and [cfay@pragadvisors.com](mailto:cfay@pragadvisors.com).

The total length of the proposal should not exceed ten (10) pages (excluding appendices/ attachments).

***PROPOSALS RECEIVED AFTER THE DUE TIME AND DATE WILL NOT BE CONSIDERED. IT IS THE BIDDER'S SOLE RESPONSIBILITY TO ENSURE TIMELY DELIVERY OF THE PROPOSAL.***

- 1.7 Proposals shall remain in effect until 90 days from the submission date.
- 1.8 **CONFLICT OF INTEREST:** By signing the Proposal, the bidder affirms that it and its officers, members and employees have no actual or potential conflict of interest, beyond the conflicts disclosed in its proposal. Bidder will not acquire any interest, direct or indirect, that would conflict or compromise in any manner or degree with the performance of its services under this contract. If any potential conflict is later discovered or if one arises, the bidder must disclose it to the SBA promptly.
- 1.9 **INDEPENDENT PROPOSAL:** A proposal will not be considered for award if the price in the proposal was not arrived at independently, without collusion, consultation, communication or agreement as to any matter relating to such prices with any other offer or with any competitor. The Price quote in the bidder's proposal will not be subject to any increase and will be considered firm for the life of the contract unless specific provisions have been provided for adjustment in the original contract.
- 1.10 **REJECTION OF THE PROPOSALS:** The SBA reserves the right to accept or reject any or all proposals, in part or in whole, at its discretion. The SBA reserves the right to withdraw this RFP at any time for any reason. Submission of, or receipt by, the SBA confers no rights upon the bidder nor obligates the SBA in any manner.
- 1.11 **EXPENSES:** The SBA will not be held liable for any expenses incurred by any bidder responding to this RFP including expenses to prepare or deliver the proposal or attend any oral presentation.
- 1.12 **INTERVIEWS:** Discussions and/or interviews may be held with the bidders under final consideration prior to making a selection for award.
- 1.13 **ORAL STATEMENTS AND COMMITMENTS:** Any oral representations made or assumed to be made during discussions held between the bidder's representatives and SBA personnel are not binding. Only the information issued in writing and added to the RFP by an official written addendum is binding.
- 1.14 **AWARD:** The SBA reserves the right to configure the contract in whatever manner is in its best interest.
- 1.15 **PUBLIC RECORD:** All documents submitted in response to the RFP and any documents created as a result of this RFP are considered public record. All bids, proposals or offers submitted shall become public information and will be available for inspection during normal business hours at the SBA.
- The only exception for public record is disclosure information listed in WV Code §29B-1-4. Primarily, only trade secrets are considered exempt from public disclosure.
- 1.16 **CONTRACT:** The RFP and the bidder's response will be incorporated into the contract by reference. The order of precedence is the contract, the RFP and any addendum and the bidder's proposal in the response to the RFP.
- 1.17 **CONTRACT CHANGES:** Any changes to the original contract will be made via a Change Order issued by the SBA. No change is official until a signed Change Order is produced.

- 1.18 CONTRACT TERMINATION FOR FAILURE TO PERFORM:** The SBA may terminate the contract resulting from this RFP immediately at any time the vendor fails to meet the terms of the contract.
- 1.19** Payment of fees and expenses, not to exceed the maximum proposed, will be made upon satisfactory completion of the required services. Payment will be made from the bond proceeds via the Cost of Issuance Fund. If the bond sale does not occur, no payment for services will be made.
- 1.20 GOVERNING LAW:** This contract shall be governed by the laws of the State of West Virginia.

## **SECTION 2: ELIGIBILITY REQUIREMENTS**

- 2.1 VENDOR REGISTRATION:** WV Code §5A-3-12 - The West Virginia Code requires that all vendors be registered with the West Virginia Department of Administration, Purchasing Division, **prior to receiving a purchase order for competitive products and/or services exceeding \$25,000.** See: <http://www.state.wv.us/admin/purchase/VendorRge.html> for additional vendor registration information.
- 2.2 DEBARMENT:** WV Code §5A-3-33 through §5A-3-33F - Vendors that have been debarred by the Federal Government are not eligible to offer or receive contracts to supply goods or services to the State and its subdivisions for a specified period of time.
- 2.3 WEST VIRGINIA SECRETARY OF STATE:** The vendor must be in compliance with the Secretary of State and should provide a copy of their business license with the proposal. For more information contact the West Virginia Secretary of State's Office.
- 2.4 TAXPAYER IDENTIFICATION INFORMATION:** The Internal Revenue Service (IRS) requires the SBA to request a taxpayer identification number (TIN) for tax reporting purposes. IRS Form W9 is used to obtain this information. **EXHIBIT A**
- 2.5 PURCHASE AFFIDAVIT:** WV State Code §5A-3-10a - WV State Code requires all vendors to submit an affidavit regarding any debt owed to the State. The Affidavit should be completed, signed and returned with the bidder's proposal. **EXHIBIT B**
- 2.6 RFP RESPONSE TITLE PAGE (EXHIBIT C) SHOULD INCLUDE:**
- 2.6.1** RFP Number
  - 2.6.2** Addenda Received check boxes
  - 2.6.3** Business name
  - 2.6.4** Business Address
  - 2.6.5** Signature Line and Date for the individual authorized to obligate the Business

## SECTION 3: BACKGROUND INFORMATION

**3.1** The School Building Authority of West Virginia (“SBA” or “Authority”) is seeking to establish a pool of Investment Bankers/Underwriters (Underwriter(s)) to serve as Senior Manager and/or Co-Manager(s) in connection with the Authority’s issuance of new money and refunding transactions. During the Engagement Period the Authority is expected to issue one or more series of Lottery Revenue Bonds (the “New Money Bonds”) to finance new money construction projects in the State. The New Money Bonds are expected to be issued under and subject to the State Lottery Act (the “Act”).

The Authority is also considering the issuance of refunding bonds which may include but are not limited to refunding all or a portion of the following series of bonds:

- Excess Lottery Revenue Bonds Series 2010B (Series 2010B Bonds).
- Lottery Revenue Bonds, Series 2012A (Series 2012A Bonds).
- Lottery Revenue Bonds, Series 2013A (Series 2013A Bonds).

Together the Series 2010B Bonds, Series 2012A Bonds and the Series 2013A Bonds (“Refunding Candidates”) will continue to be evaluated by the Authority and its Municipal Advisor, Public Resources Advisory Group (“PRAG) based on changing market conditions. There is no assurance that the SBA will issue such bonds. If the Authority, in consultation with PRAG, decides to move forward with the refunding of the Series 2013A Bonds in advance of its July 1, 2023, call date the refunding bonds may be issued on a forward delivery or taxable basis.

**3.2 APPLICABLE CODE:** The following West Virginia Code Chapters are applicable to this issue:

**3.2.1** West Virginia Code - Chapter §18-9D

**3.2.8** West Virginia Code - Chapter §29-22 West Virginia Code, the Lottery Act

**3.3 OTHER PROFESSIONALS:** Bowles Rice LLP is currently serving as the State’s Disclosure Counsel and in such capacity will serve as Disclosure Counsel to the SBA and in such role will be responsible for preparing the preliminary and final official statements and delivering the continuing disclosure agreement.

## **SECTION 4: SCOPE OF SERVICES**

- 4.1** Public Resources Advisory Group (PRAG) is serving as Municipal Advisor to the SBA for its upcoming bond issuances. Upon the request of the SBA and its Municipal Advisor, the selected Senior Manager and/or Co-Manager(s), where appropriate, will:
- 4.1.1** Provide information on general market conditions and the outlook for bond issuances. Perform analysis related to such matters as requested.
  - 4.1.2** Provide information on the structuring of issues including the use of serial and term bonds, redemption provisions, maturity schedules and other structuring options that can impact the SBA cost and credit.
  - 4.1.3** Cause the bonds to be prepared in definitive form for delivery to the initial purchaser thereof.
  - 4.1.4** Participate in the preparation and review of material for the Preliminary and Final Official Statements and other offering documents, as requested.
  - 4.1.5** Provide information on rating agency matters and strategies, if requested, the preparation of material in final form for inclusion in a briefing book for agency communications, a synopsis of their likely concerns, outlines of talking points to be made by presenters and potential questions and answers.
  - 4.1.6** Provide information on the marketability of the proposed Bonds and perform analysis related to the marketing of the bonds, including the benefits of credit enhancement.
  - 4.1.7** Provide details of comparable transactions including spreads to MMD.
  - 4.1.8** Provide and develop traditional cash flow schedules for the refinancing including debt service schedules, sources, uses of funds, yield calculations, etc.
  - 4.1.9** Pre-Market the Bonds and provide traditional syndicate management services if the firm is selected as a Senior Manager and provide pre-marketing and sales support if the firm is selected as a Co-Manager.
  - 4.1.10** Market, sell and distribute the Bonds. Provide information on the pricing including orders by firms, maturity and type. Provide the SBA a proposal to underwrite the Bonds.
  - 4.1.11** Provide a post bond sale analysis. Provide details of comparable transactions, including performance against MMD. Detail the distribution of the Bonds among members of the syndicate, as well as the allocation of the Bonds among different types of investors.
  - 4.1.12** Perform other tasks consistent with the purpose of the underwriting appointment, including any other service necessary, customary or incidental to the sale and issuance of the Bonds.

## **SECTION 5: EVALUATION AND SELECTION PROCESS**

- 5.1** All acceptable proposals will be evaluated by a committee composed of SBA staff and hired consultants.
- 5.2** Once the evaluation committee has narrowed the number of proposals for further consideration, telephone conference calls and/or on-site presentations may be required to determine the most qualified firm. The evaluation committee members may make final adjustments in their scoring of the evaluative criteria based upon such calls/presentations. The proposal receiving the highest overall score will be selected.
- 5.3** Evaluations will be based on overall experience, qualifications and cost. Award will not necessarily be made to the firm submitting the lowest cost.

## SECTION 6: PROPOSALS

6.1 Proposals will be accepted only from entities which are:

- 6.1.1 Free from all objections and interests that might conflict with the interests of the SBA and the State of West Virginia
- 6.1.2 Experienced with public finance transactions and have an established reputation for excellence and the ability to successfully transact public finance business
- 6.1.3 Able to demonstrate the availability of relevant resources including capital, personnel, quantitative analysis, credit analysis, sales distribution capacity and other professional services necessary in connection with the issuance, structuring, underwriting and sales of the bonds.

**FAILURE TO MEET THE CRITERIA LISTED ABOVE WILL BE CAUSE FOR  
IMMEDIATE DISQUALIFICATION OF THE PROPOSAL.  
NO JOINT PROPOSALS WILL BE ACCEPTED.**

- 6.2 The SBA reserves the right to establish the underwriting team. It is anticipated that the SBA will select a single Senior Manager and possibly one or more Co-Managers for each issuance. **Joint proposals will not be accepted.**
- 6.3 Proposals should respond to each of the following requests in the order indicated. Firms proposing for the Senior Manager role should respond to all questions in this section. Firms proposing to be considered for a Co-Manager position need only to respond to questions: **6.4.1, 6.4.2, 6.4.3 and 6.4.4 a and b.**
- 6.4 **REQUIRED COMPONENTS OF THE PROPOSAL:** A cover letter should accompany your proposal containing an expression of interest, certification that your firm is eligible and setting forth the primary contact's name, address, telephone number and email address. Additionally, the cover letter at the beginning of the proposal, should specify whether your firm wants to be considered as a Senior Manager, Co-Manager, or both.

### **6.4.1 CONFLICT OF INTEREST AND ADVERSE LEGAL SITUATION (Not included in page limitation):**

- a. Affirm that your firm and all individuals that will be assigned to this transaction are free from obligations, interest and regulatory problems that might conflict with the interests of the SBA and the State other than standard underwriting Conflicts.
- b. Identify all pending litigation or regulatory action, either State or Federal, related to public finance in which your firm or any predecessor or associated firm is involved. For each matter state:
  - Style of the case
  - Summary of the nature of the case or claim
  - Status of the case or claim (e.g., circuit court, on appeal to the district court, awaiting certiorari, etc.)
  - Approximate dollar amount involved, if any and
  - Improper conduct alleged if any
- c. Disclose any information about your firm that presently, or in the future, could impair your firm's ability to provide the services required for this transaction

**6.4.2 FIRM'S QUALIFICATIONS AND EXPERIENCE (20 Points Possible):**

- a. Describe your firm's Senior Manager experience most relevant to the proposed categories of bonds. If proposing for a Co-Manager role, please include your firm's relevant Co-Manager experience.
- b. Indicate the capital position and net excess capital of your firm for the year ending December 31, 2021, and the three preceding years.
- c. List the amount of tax-exempt bonds for which your firm has served as a senior manager of negotiated transactions for 2022 to date and the five preceding years 2017-2021 for:

- (1) West Virginia transactions
- (2) Lottery Revenue transactions

If proposing for a Co-Manager role, please include your firm's relevant Co-Manager experience.

- d. Provide no fewer than three references for issues concerning your firm's qualifications and experience in West Virginia and/or with Lottery Revenue Bonds.

**6.4.3 FINANCINGS TEAM'S QUALIFICATIONS AND EXPERIENCE (10 Points Possible)**

- a. Identify all members of your team who will be involved in the transaction.
- b. Provide their background, relevant experience, and their role in the proposed transaction. Detailed resumes may be included as appendix.

**6.4.4 MARKETING (20 Points Possible)**

- a. Briefly describe your firm's Municipal Sales and Distribution Network (retail and institutional) nationally and with the State of West Virginia, including the number of offices, registered representatives, municipal salespersons and municipal traders.
- b. Provide a discussion of the proposed structure of the syndicate, including a brief discussion of the use and number of Co-Managers of the Bonds and recommended retail order, priority and designation rules.
- c. Outline your strategy for marketing the bonds particularly in volatile markets. Describe your firm's commitment to using capital to underwrite the offering.
- d. SBA is considering selling its State Lottery Revenue Bonds and Excess Lottery Revenue Bonds in a single issuance. Please discuss any considerations for a combined lottery issuance.



**6.4.5 PLAN OF FINANCE (30 Points Possible)**

- a. Describe your firm’s quantitative capabilities, particularly as it relates to structuring refunding transactions.
- b. The Authority is planning to create an ongoing and consistent capital funding program that optimizes the leverage of its statutory lottery allocations. Provide a recommended plan of finance that maximizes refunding savings and generates new money capital while preserving capacity for future issuances.

Response should include cash flows (as an appendix) and should be based on your firm’s proposed pricing scales (requested below) based on market conditions as of COB April 20, 2022 (cash flows are not included in the page limitation). In developing this section of your proposal, please use the following assumptions:

	Excess Lottery Bonds	State Lottery Bonds
Ratings (M/S/F)	A1/AAA/A+	A1/AAA/A+
Refunding Series	Series 2010B	Series 2012A
New Money Series	Up to \$20 million	Up to \$20 million
Closing Date	7/1/2022	7/1/2022
Interest Payment Dates	1/1 and 7/1	1/1 and 7/1
Principal Payment Dates	7/1	7/1
Maturity	7/1/2042	7/1/2042
MMD	July MMD as of 4/20/2022	July MMD as of 4/20/2022
COI	\$200,000	\$200,000

Your underwriter’s discount should be consistent with the amount submitted in your Pricing Proposal (Question 6.4.6) and the interest rate scales should reflect levels at which your firm would, if necessary, be prepared to price and underwrite the bonds as of the above date. Your firm’s response must include the following items:

- True Interest Cost
- Takedowns for each maturity
- Coupons and reoffering yields for each maturity and
- Assume spreads to July MMD, please provide the indicative coupon yields and spreads to July MMD as of close of business April 20, 2022. **Please also include a full 30-year scale.**

Please provide a set of numbers including sources and uses, bond statistics, bond pricing, bond debt service, summary of refunding savings, savings, escrow requirements, escrow statistics as an Appendix to your firm’s response.

**6.4.6 PRICING PROPOSAL - UNDERWRITING FEE (20 Points Possible)**  
**SUBMITTED SEPARATELY**

Firms should submit a spread proposal expressed in dollars per thousand for the proposed bonds and segregated as to management fee (if any), underwriting, takedowns, and expenses, including a not-to-exceed fee for underwriter's counsel services. Please note that the SBA, State, Bond Counsel, and Disclosure Counsel will have primary responsibility for preparation of all major documents such as the Preliminary and Final Official Statement and Continuing Disclosure Agreement.

## SECTION 7: ADDITIONAL INFORMATION

- 7.1 The SBA reserves the right to utilize any structures presented in the proposals, even if the proposing vendor is not selected.
- 7.2 The SBA reserves the right to reject any and all proposals with or without cause, and to waive any irregularities in the responses received as a result of this request, when such irregularities are not in conflict with the WV Code or the SBA's Purchasing Regulations. In addition, the SBA reserves the right to make such investigations as it deems necessary as to the qualifications of any and all proposers and to conduct pre-contract negotiations.
- 7.3 Discussions and interviews may be held with firms under final consideration prior to making selection for award; however, proposals may be accepted without such discussions or interviews.
- 7.4 In the event that mutually acceptable terms cannot be reached with the apparent successful bidder within a reasonable period of time, SBA reserves the right to undertake negotiations with the next highest scoring firm without undertaking a new procurement process. The State's WV-96 Form - **EXHIBIT D** is attached to demonstrate the State Law and Guidelines that must be adhered to in any contracts presented to the SBA for execution. A Copy of additional terms and conditions that a firm wishes to offer for consideration should be enclosed with the proposal. The successful firm must be a registered vendor with the Purchasing Division of the WV Department of Administration.
- 7.5 Payment of fees and expenses, not to exceed the maximum proposed, will be made upon satisfactory completion of the required services. Payments will be made from the bond proceeds via the Cost of Issuance fund. If the bond sale does not occur, no payment for services will be made.
- 7.6 The following is a list of Exhibits that are attached which are applicable to this RFP:
- 7.5.1 **EXHIBIT A** - W-9
  - 7.5.2 **EXHIBIT B** - Purchasing Affidavit
  - 7.5.3 **EXHIBIT C** - Response Title Page
  - 7.5.4 **EXHIBIT D** - Agreement Addendum
- 7.7 By submitting a proposal in response to this FRP a firm shall be deemed to have accepted all the terms, conditions, and requirements set forth in herein unless otherwise clearly noted and explained in writing. Any exception(s) or additional terms and conditions a firm wishes to offer for consideration must be clearly itemized and explained. Otherwise, the RFP in total shall be incorporated into the contract by reference. The SBA may accept or reflect the Firm's proposed exceptions as it deems appropriate and in the best interests of the SBA.
- 7.8 The State's Agreement Addendum - WV-96 **EXHIBIT D** demonstrates the State Law and Guidelines which must be adhered to in any contracts presented to the SBA for execution. A copy of additional terms and conditions that a firm wishes to offer for consideration should be enclosed with the proposal. The West Virginia Attorney General's Office must accept or reject proposed modifications to the WV-96.