

State of Florida Division of Bond Finance
Ranking of Responses to Municipal Advisor RFP
July 2023

1*	Hilltop Securities, Inc.
1*	PFM Financial Advisors, LLC
3	Public Resources Advisory Group
4	Ford & Associates, Inc.
5	Baker Tilly Municipal Advisors, LLC
6	Davenport & Company LLC
7	Masterson Advisors LLC
8	Pop-Lazic & Co.
9	BNY Mellon Capital Markets, LLC

* = tie

**DIVISION OF BOND FINANCE OF THE
STATE BOARD OF ADMINISTRATION OF FLORIDA**

**REQUEST FOR PROPOSALS
FOR
MUNICIPAL ADVISOR**

RFP DISTRIBUTION DATE: June 12, 2023

**PROPOSALS DUE: July 10, 2023
Prior to 2:00 p.m. Eastern Time**

RFP NUMBER 2023-1

NOTICE

A LIMITATION ON THE LENGTH OF RESPONSES TO CERTAIN QUESTIONS IN THIS RFP IS CONTAINED ON PAGE 5. FAILURE TO COMPLY WITH THIS LIMITATION MAY RESULT IN ALL OR PART OF ONE OR MORE RESPONSES BEING DISREGARDED IN THE SCORING OF YOUR PROPOSAL.

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I. GENERAL INFORMATION

The Division of Bond Finance of the State Board of Administration of Florida (the “Division”) is requesting competitive sealed proposals from firms interested in being selected to provide municipal advisory services to the Division. The Division issues bonds for the State of Florida (the “State”). The State has approximately \$16 billion in bonds outstanding and executes on average approximately 15 bond issues per year for \$1-2 billion in principal amount. Bonds sold by the Division provide financing for capital projects for State agencies and related entities, including educational facilities, transportation infrastructure, environmental land acquisition, state office buildings, dormitories, parking garages, and revolving loans for wastewater treatment facilities. Additional information about the Division is available on the Division’s website at www.sbafla.com/bond.

The scope of assignment and the information required to be submitted are outlined in this Request for Proposals (the “RFP”). After a selection process conducted pursuant to the RFP, the Division will enter into municipal advisor contracts with one or more firms whose proposals conform in all material respects to this RFP (each a “Municipal Advisor”). In addition to providing advice with regard to traditional fixed rate bond issues, the Division may also require Municipal Advisors to provide analysis and advice concerning additional financing products.

II. PROCEDURES AND PROVISIONS

A. Proposals must be received by the Division no later than 2:00 p.m., Eastern Time, on Monday, July 10, 2023. Firms may submit their proposals by email to Bond@sbafla.com with “Florida Division of Bond Finance Request for Proposals for Municipal Advisor, RFP Number 2023-1” in the subject line of the email.

All questions regarding the RFP should be directed to Donna Biggins at (850) 488-4782 or Bond@sbafla.com

B. Proposals which do not comply with the conditions specified herein may be rejected.

C. Only one proposal will be evaluated for each firm. Joint proposals will not be accepted.

D. The Division is not responsible for any expenses incurred in connection the submission of a proposal, with the selection process, or the cost of any services performed by any firm prior to the execution of a contract.

E. The Division is obligated to make available for inspection or copying any non-exempt public record pursuant to the requirements of Section 119.07(1), Florida Statutes, and Article I, Section 24 of the State Constitution. Responses to this RFP are public records. Accordingly, upon receipt of a request to inspect or copy responses to this RFP, the Division will make available responses to this RFP that are no longer exempt pursuant to Section 119.071(1)(b), Florida Statutes.

F. The Division may reject a proposal which does not include all requested information, or which does not adhere to the formatting requirements set forth in Section VI.

G. The Division may investigate the qualifications of a firm, negotiate modifications to any items in a proposal, request additional information, reject any or all proposals if in the best interest of the

Division, and waive any irregularities which do not interfere with the Division's decision-making process.

H. The Division retains the discretion to not utilize the services of any selected firm or to terminate the selection without cause and without penalty.

I. The Division does not anticipate conducting oral interviews although they may be scheduled at the option of the Division.

J. Municipal Advisors are prohibited from engaging in activities in connection with services for the Division which produce direct or indirect financial gain for the Municipal Advisor other than for agreed-upon compensation without the Division's written consent after being fully informed of such activities in writing.

K. Municipal Advisors will not be permitted to underwrite any bond issue of the Division for which their services were utilized.

III. SCOPE OF SERVICES

A. Services are to be performed only upon the written direction of the Division.

B. As requested for any bond issue, Municipal Advisors shall: develop a financing plan; make recommendations as to changes in the financing program; recommend a method of sale which will result in the lowest borrowing cost; perform functions to facilitate the marketing and sale of bonds; assist in the development and preparation of bond sale documents; prepare and present information to rating agencies, insurance companies, and investors; assist in the sale and closing of any bonds; advise the Division as to the timing of the sale, the underwriting spread and the price of the bonds; subsequent to the negotiated sale of bonds, prepare a pricing book which includes a statement of the Municipal Advisor's opinion as to the fairness or reasonableness of the timing of the sale, the gross underwriting spread, and the pricing of the bonds; and perform other services as requested.

C. Municipal Advisors shall provide advice regarding the development and implementation of new financing programs, analyze financing techniques or proposals, and provide general advice concerning debt of the State or the operations of the Division.

D. The Division may authorize State agencies, including any university or direct support organization of a university within the State University System, to directly utilize the services of Municipal Advisors under its municipal advisor contracts and pay such Municipal Advisors directly.

IV. CORRECTIONS AND CHANGES

Any corrections or changes to this RFP will be issued by the Division and will be identified as a correction or change. Any correction or change shall be posted on the Division's website (<https://www.sbafla.com/bond>) under the heading "News and Updates." Corrections or changes made in any other manner will not be binding. It is the responsibility of the respondent to obtain all corrections and changes prior to submitting a proposal.

V. CERTIFICATION

(DO NOT REPRODUCE THE LANGUAGE OF THIS SECTION IN THE PROPOSAL):

By inclusion and execution of the statement provided in Section VI.C.(4), each firm is certifying the following with respect to the firm and its proposal:

A. The proposal is made without prior understanding, agreement, or connection with any corporation, firm, or person submitting a proposal for the same services, and is in all respects fair and without collusion or fraud.

B. The firm is in compliance with Rule 19A-6.004, Florida Administrative Code, which requires that the firm (and the agents, officers, principals, and professional employees thereof) has not and will not:

- (1) make contributions in excess of the amount permissible under Section 106.08(1), Florida Statutes, to or participate in the management of fundraising for or on behalf of any candidate for Governor or for a Cabinet position in Florida during the periods below:
 - (a) (for firms not selected as Municipal Advisor) during the period beginning on November 6, 2018, and ending on the date on which the Division selects Municipal Advisors pursuant to this RFP; and
 - (b) (for any firm selected as Municipal Advisor) during the period beginning on November 6, 2018, and ending two years after the termination of the municipal advisor contract or at the next general election in Florida after the termination of the municipal advisor contract, whichever occurs last; and
- (2) participate in any prohibited business solicitation communication.

A prohibited business solicitation communication is a written or verbal communication during a selection period:

- (a) between a member of the governing board of the Division or an employee of any such member and any firm or its lobbyist or representative regarding the qualifications, ranking or selection of the firm; or
- (b) between a Division employee and any person who is not a Division employee regarding the merits of any firm or whether the Division should select or retain the firm.

The “selection period” for this RFP began on June 12, 2023 and will continue until firms are selected as Municipal Advisors by the Division.

C. The firm has fully complied with the registration requirements of the Securities Exchange Commission and the Municipal Securities Rulemaking Board.

VI. INFORMATION TO BE PROVIDED IN PROPOSAL

In providing the following information, restate each item, and limit your proposal to 25 pages. Responses to the questions should be included immediately after the restated question without reference to any appendix. References to materials in appendices will not be included in the evaluation.

A. Basic Information Requirements

- (1) Provide the name of the firm, the mailing address, the telephone number, and the website of the firm. Also include the name, address, telephone number, and email address of the individual who will be the firm's primary contact.
- (2) List the names and titles of the professionals available to work for the Division. Place each individual within the appropriate compensation category (further described in Section VII).

B. Substantive Scored Questions

NO MORE THAN 15 PAGES SHOULD BE USED IN ANSWERING THESE "SUBSTANTIVE SCORED QUESTIONS." ADDITIONAL PAGES WILL NOT BE INCLUDED IN THE EVALUATION OF YOUR RESPONSE. YOU WILL RECEIVE NO POINTS FOR MATERIAL IN EXCESS OF THE 15-PAGE LIMIT.

(1) Firm Resources

- (a) Describe the firm, how it is organized, the number and type of offices in Florida, and the resources available to execute the services set forth herein.
- (b) Identify the individuals who will have primary responsibility for providing service to the Division and provide the years of experience, type of experience, professional qualifications, and any special expertise of each individual identified.
- (c) Describe the quantitative resources and abilities of the firm, including, but not necessarily limited to, the firm's ability to model complex cash flows. Describe the firm's experience and expertise as a municipal advisor and how such experience and expertise would be helpful to the Division in designing or implementing financing programs for the State.

(2) Financing Experience

- (a) Provide details on the number and dollar volume of transactions for which the firm has acted as municipal advisor over the past five (5) years. This information should be categorized by purpose of the transaction, e.g., education, transportation, water and sewer, etc., with the totals for each category.
- (b) Describe the firm's experience with developing innovative financing structures and programs for governmental issuers in the State. Give specific examples and provide a description of the fundamentals of how each financing structure or program operates and any issues the firm overcame in designing or implementing such financing arrangements.

(3) Pricing and Financing Techniques

- (a) Explain how the firm uses credit analysis in the structuring, rating, and selling of bonds.
- (b) Describe how the firm oversees the pricing in a negotiated bond sale to ensure the lowest possible interest rates on the bonds. Include the steps that the firm would take to assure that the original offering prices on the bonds during the marketing period are reasonable.
- (c) Given your knowledge of the State's existing debt practices and policies, and the existing regulatory and tax landscape of the municipal bond market, provide insight into current financing techniques that the Division should consider when borrowing (i.e., alternative strategies to tax-exempt advance refundings, tender option bond programs, non-traditional call provisions, etc.). Discuss the firm's experience with advising clients regarding these issues and provide specific examples, if any.
- (d) Describe a way the State could structure a bond retirement/redemption program of currently outstanding debt from appropriations made by the Legislature from the State's General Revenues.

C. Information for Minority Participation/ Qualifications/ Conflicts of Interest/ Certification
(Questions in this section are non-scored questions)

- (1) The State supports and encourages diversity and participation of small businesses and minority business enterprises in state contracting. In order to identify firms which actively pursue providing opportunities to minority persons, as defined in Section 288.703(3), Florida Statutes, please provide the following information. Indicate if the firm is a minority business enterprise, as defined in Section 288.703(3), Florida Statutes. Indicate the number of professionals within the firm that are minority persons and list the positions of such professionals; please indicate if any of such professionals will provide services to the Division. Responses to this question will not be used to evaluate proposals under Section VIII of this RFP but will be considered when assigning work to firms selected as Municipal Advisors.
- (2) (a) Provide information on any litigation or administrative proceeding in which the firm was a party in any matter related to the professional activities of the firm involving the issuance of securities by a governmental agency during the two (2) years prior to the date of this RFP.
- (b) Provide information on any pending litigation, investigation, or proceeding in which a court or administrative agency is addressing any question relating to the professional activities of the firm in relation to the issuance of bonds by a governmental agency during the two (2) years prior to the date of this RFP.

- (c) Provide information on any fines paid or settlement agreements entered into in the five (5) years prior to the date of this RFP with state or federal regulatory bodies regarding the public finance business.
- (3) (a) Will the selection of the firm result in any current or potential conflict of interest? Should any potential or existing conflict be known by the firm, specify the party with which the conflict exists or might arise, the nature of the conflict, and whether the firm would step aside or resign from that engagement or representation creating the conflict.
- (b) Does the firm have any arrangement with any individual or entity with respect to the sharing of any compensation, fees, or profit received from or in relation to acting as municipal advisor or whose compensation is based in whole or in part on compensation for acting as municipal advisor which would be applicable to services it would provide for the Division? If so, provide a copy of any contract relating to the arrangement and describe in detail the nature of the arrangement and the method of computing compensation.
- (c) Has the firm retained any person or firm for the purpose of seeking to be selected as a Municipal Advisor pursuant to this RFP? Will the firm pay or be obligated to pay any firm or an individual who is not a full-time employee of the firm if selected as a Municipal Advisor for the Division? If so, identify the individual or firm, provide specific information relating to compensation paid or to be paid, and provide a copy of any written contract relating to such arrangement.
- (d) Has the firm, or any member or employee thereof, engaged any person or entity in connection with being hired for tax-exempt local bond issues? If yes, identify the person or entity being represented, the nature of the representation and the compensation arrangement.

(4) The following shall be repeated in the firm’s proposal and signed by an individual authorized to bind the firm:

“I agree to abide by all conditions of RFP Number 2023-1 and Rule 19A-6.004 of the Florida Administrative Code and certify that all information provided in this proposal is true and correct, that I am authorized to sign this proposal for the respondent, and that the respondent is in compliance with all requirements of the RFP including, but not limited to, the certification requirements.

Authorized Signature (Manual)

Name and Title

Date”

VII. COMPENSATION

The Division shall pay any municipal advisor on an hourly basis not to exceed the rates set forth below. Firms may submit a lower fee proposal. The fees include all costs and expenses (except direct out-of-pocket expenses for phone, copying, delivery charges, and travel, as agreed to by the Division) including, but not limited to, overhead and support staff for each level.

Fee for:	Senior Management	\$250 per hour
	Other Professionals	\$200 per hour

VIII. EVALUATION PROCESS

The responses to this RFP will be independently evaluated by a selection committee. As indicated below, points will be assigned to certain of the items presented in the RFP. Those items without points assigned will not be used in computing the score received but will be used for informational purposes or as a basis for possible disqualification. The selection committee members will evaluate the responses to this RFP by reviewing the responses to each of the items and assigning points within the maximum points allowed for each item. Each committee member will rank each respondent based upon total points assigned to each respondent by that committee member. The ranking by each member of the selection committee will be aggregated to establish an overall ranking by the committee. It is anticipated that more than one firm will be approved by the Governor and Cabinet, as the Governing Board of the Division, to provide municipal advisory services to the Division. The points available for each of the items being evaluated are as follows:

ITEM REFERENCES	MAXIMUM POINTS
Firm Resources	20
Section VI.B.(1)(a)	
Section VI.B.(1)(b)	
Section VI.B.(1)(c)	
Financing Experience	35
Section VI.B.(2)(a)	
Section VI.B.(2)(b)	
Pricing and Financing Techniques	40
Section VI.B.(3)(a)	
Section VI.B.(3)(b)	
Section VI.B.(3)(c)	
Section VI.B.(3)(d)	
Compensation	<u>5</u>
Section VII	
Total Available Points	100

IX. MUNICIPAL ADVISOR CONTRACT

Upon approval by the Governing Board, any selected municipal advisor shall perform services in accordance with a contract between the Division and the selected municipal advisor. It is anticipated that the municipal advisor contract will be for a term of five (5) years, cancelable at any time by either party with notice. This is only a statement of intent and shall not be binding on the Division or its Governing Board.