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MEMORANDUM

TO: Governor and Cabinet, as the Governing Board of the Division of Bond Finance

FROM: J. Ben Watkins III 

DATE: July 18, 2024

SUBJECT: Results of Selection Process for Dealer Manager

Pursuant to authorization by the Governor and Cabinet by a resolution adopted on June 12, 2024, the Division of Bond Finance solicited proposals for Dealer Manager pursuant to a Request for Proposals to facilitate the reduction of State debt in accordance with the Debt Reduction Program.

Responses to the Request for Proposals were due on July 1, 2024, and eight proposals were received. The proposals were evaluated and scored by a selection committee consisting of employees of the Division of Bond Finance, and representatives from the Executive Office of the Governor and the Office of the Chief Financial Officer. The top three ranked proposals were J.P. Morgan Chase & Co., BofA Securities, and Loop Capital LLC, which will be selected to serve as dealer managers. The ranking of all respondents is attached and will be posted to the Division's website on July 19, 2024.

State of Florida Division of Bond Finance
Ranking of Responses to Dealer Manager RFP
July 2024

1	J.P. Morgan
2	Bank of America
3	Loop Capital
4	Wells Fargo
5	Jefferies
6	Barclays
7	RBC Capital Markets
8	Truist

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

**REQUEST FOR PROPOSALS
FOR
DEALER MANAGER**

RFP DISTRIBUTION DATE: June 17, 2024

PROPOSALS DUE: July 1, 2024

Prior to 5:00 p.m. Eastern Time

RFP NUMBER 2024-1

NOTICE

A LIMITATION ON THE LENGTH OF RESPONSES TO CERTAIN QUESTIONS IN THIS RFP IS CONTAINED HEREIN. 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 serve as a dealer manager for tender offers or to assist with other methods to buy back outstanding bonds in the secondary market. The Division issues bonds for the State of Florida (the “State”) and has approximately \$15 billion in bonds outstanding. During the 2024 legislative session, pursuant to sections 286 and 287 of the 2024-25 General Appropriations Act (House Bill 5001), \$500 million was appropriated for debt reduction for the State (the “Debt Reduction Program”). Of the \$500 million, \$90 million and \$165 million are allocated to be used to reduce debt for the Department of Transportation’s Right of Way Acquisition and Bridge Construction Bonds and Turnpike Revenue Bonds, respectively, while \$245 million is allocated for other non-transportation State bonds. A portion of the funds appropriated for the reduction of debt will be utilized to buy back certain bonds or to make one or more tender offers for certain bonds to be identified by the Division. Additional information about the Division is available on the Division’s website at <https://bondfinance.sbafla.com/>.

II. PROCEDURES AND PROVISIONS

A. Proposals must be received by the Division no later than 5:00 p.m., Eastern Time, on Monday, July 1, 2024. Firms must submit their proposals by email to Bond@sbafla.com with “Florida Division of Bond Finance Request for Proposals for Dealer-Manager, RFP Number 2024-1” in the subject line of the email.

All questions regarding the RFP should be directed to Alexis Lambert 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 selection and engagement of the dealer manager.

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 decide which bonds will be included in a tender offer or other bond purchase and also retains the right to terminate this selection process 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. This Division reserves the right to negotiate compensation at or below the amount set forth in any proposal.

III. SCOPE OF SERVICES

Services are to be performed only upon the written direction of the Division. When requested, such services may include serving as a dealer manager and performing the services customarily performed by dealer managers in connection with tender offers or bond purchases, including, without limitation, using reasonable best efforts to solicit tenders or purchases of bonds in exchange for consideration pursuant to tender offers or offers to purchase by the State, communicating generally regarding tender offers or other methods of purchasing bonds with securities brokers, dealers, banks, trust companies, mutual funds, insurance companies, nominees, and other institutional investors or holders of the bonds subject to the tender, and performing other services as requested.

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://bondfinance.sbafla.com/>) 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 a dealer manager)* during the period beginning on November 6, 2018, and ending on the date on which the Division selects dealer managers pursuant to this RFP; and
 - (b) *(for any firm selected as a dealer manager)* during the period beginning on November 6, 2018, and ending two years after the conclusion of all tender and bond purchase services provided by the dealer manager on behalf of the State or at the next general election in Florida after the conclusion of all tender and bond purchase services provided by the dealer manager on behalf of the State, 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 17, 2024, and will continue until firms are selected as dealer managers by the Division.

VI. INFORMATION TO BE PROVIDED IN PROPOSAL

In providing the following information, restate each item, and limit your proposal to 15 pages, with no more than 10 of those pages covering answers to VI.B. Substantive Scored Questions as referenced below. 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 on the team available to work for the Division.

B. Substantive Scored Questions

NO MORE THAN 10 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 10-PAGE LIMIT.

(1) Firm Resources: Describe the firm, how it is organized, the number and type of offices in Florida, and the resources available to execute a tender offer, open market repurchase program, or other potential methods to reduce the State's outstanding debt.

(2) Firm Experience:

(a) Provide details on the number and dollar volume of tender transactions for which the firm has acted as dealer manager over the past three (3) years.

(b) Provide a case study or otherwise describe a tender offer for which your firm acted as dealer manager.

(c) Describe the tender process and how your firm is uniquely positioned to assist the State in such transactions.

(d) Describe your recommendation for how the State should most efficiently and cost effectively deploy the \$500 million available for debt reduction through tenders, open market repurchase programs, or other methods, given the complexion of the State's outstanding debt portfolio, with the overall goal of maximizing savings to the State.

(3) State Support:

(a) Describe how you have engaged with the State regarding secondary market bond repurchases and/or tender offers since the announcement of the State's Debt Reduction Program.

(b) Describe how you have supported the State over the past three (3) years in its competitive sale of bonds.

(4) Provide your firm's proposed compensation arrangement for the services to be provided pursuant to this RFP.

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 be considered as a tiebreaker in ranking respondents.

(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 dealer manager or whose compensation is based in whole or in part on compensation for acting as dealer manager 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 dealer manager 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 dealer manager 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 2024-1 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. 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 selected to serve as a dealer manager for the Division. The points available for each of the items being evaluated are as follows:

ITEM REFERENCES	MAXIMUM POINTS
VI(B)(1) Firm Resources	20
VI(B)(2) Experience	30
VI(B)(3) State Support	40
VI(B)(4) Compensation	10
Total Available Points	100

VIII. DEALER MANAGER CONTRACT

The Division reserves the right to assign transactions to different dealer managers for any reason, to utilize the services of less than all of the selected dealer managers for a particular transaction, and to remove any dealer manager from participation in a transaction if the dealer manager and the Division are unable to agree on any provision of the dealer manager contract.