



REQUEST FOR PROPOSALS (RFP)
PUBLIC PARKING AUTHORITY OF PITTSBURGH
BOND UNDERWRITER
DATE ISSUED: March 18, 2015

DAVID G. ONORATO
EXECUTIVE DIRECTOR

1. INTRODUCTION

The Public Parking Authority of Pittsburgh (“Authority”) is a Pennsylvania municipal parking authority existing pursuant to the Parking Authority Law approved June 5, 1947, P.L. 458 as amended. The Authority is authorized by law to plan, design, locate, acquire, hold, construct, improve, maintain, operate, own and lease lands and facilities devoted to public parking. In furtherance of the foregoing, the Authority is further authorized by law to borrow money and issue bonds to finance its operations.

The Authority has most recently issued bonds in 2005 and is interested in re-financing its current debt through the issuance of one or more series of parking system revenue bonds (the “Bonds”). Proceeds from the sale of the Bonds will be used to (1) pay for all costs associated with the current and/or advance refunding of its existing debt; (2) fund any necessary debt service reserves; and (3) pay all costs associated with the issuance. The Bonds will be secured by a parity lien on the receipts and revenues generated by the Authority’s parking system.

For purposes of responding to this Request for Proposals (the “RFP”), potential underwriters are advised that the Authority is contemplating the issuance of approximately \$50 million in new money parking system revenue bonds in late 2016/early 2017 to fund the costs of a downtown public parking facility. This RFP is, however, being issued solely with respect to the refunding of the Authority’s existing bonds. The Authority will be issuing a separate RFP soliciting proposals on any new money issue at a later date.

As more fully set forth in this RFP, the Authority is requesting proposals from investment banking firms interested in serving as a senior or co-manager in the issuance of the Bonds (the “Underwriter Services”). The Authority at its sole discretion may select multiple firms to participate in the creation of an Underwriting Syndicate in connection with the issuance of the Bonds.

2. ABOUT THIS DOCUMENT

This document is a Request for Proposals. It differs from an invitation for bid in that the Authority is seeking a solution, not a quotation meeting firm specifications for the lowest price. As such, the lowest price proposal does not guarantee an award recommendation. Instead, proposals will be evaluated based upon the criteria set forth herein and factors such as, among others, experience in the field, availability and/or capability may figure into the evaluation.

The request for proposal process allows the Authority to negotiate with respondents prior to awarding a contract. The Authority will thoroughly review all proposals received in a timely fashion and will utilize its best judgment when determining which respondents, if any, to schedule meetings with after receipt of all proposals. Subject to the other terms and conditions of this RFP, only those respondents that are qualified and responsible, as determined by the Authority, in its sole and absolute discretion, will be considered for an award of a contract hereunder.

3. SCHEDULE AND DEADLINES FOR RFP

RFP Issued	March 18, 2015
Deadline for Submission of Proposals	5 p.m. on April 10, 2015
Anticipated Board Action	April 16, 2015

4. ADMINISTRATIVE REQUIREMENTS AND RELATED INFORMATION

a. Respondents must submit three (3) hard copies and 1 electronic copy in a PDF format via email of their proposal in a clearly marked envelope by 5:00 p.m. Pittsburgh time on April 10, 2015, to the following address:

David G. Onorato, Executive Director
Pittsburgh Parking Authority
232 Boulevard of the Allies
Pittsburgh, PA 15222-1616
Email: DOnorato@pittsburghparking.com

And one electronic copy to the Authority's Financial Advisor:

BNY Mellon Capital Markets, LLC
Email address: Charles.goodwin@bnymellon.com

And one electronic copy to the Authority's Solicitor:

Buchanan Ingersoll & Rooney PC
Kenneth.luttinger@bipc.com

b. Any proposals received after 5:00 p.m. Pittsburgh time on April 10, 2015, may be rejected. The Authority may determine in its discretion whether to accept any responses that are not received by the date and time set forth in this Section.

c. The Authority reserves the right to extend or postpone the date and time for accepting proposals through an addendum.

d. All proposals should be signed by an individual authorized to bind the respondent and execute contracts on its behalf.

e. All proposals, responses, inquiries, or correspondence relating to or in reference to this RFP, and all electronic media, reports, charts and other documentation submitted by a respondent shall become the property of the Authority when received. Nothing submitted shall be considered confidential or proprietary and each respondent acknowledges and agrees that all information submitted in response to this RFP, irrespective of whether it is marked "Confidential," "Proprietary," "Trade Secret," or the like, may be disclosed by the Authority pursuant to a request submitted in accordance with Pennsylvania's Right-to-Know Law.

f. The Authority reserves the right to request additional information which, in the Authority's opinion, is necessary to assure that the respondent is qualified to perform in accordance with this RFP and any resultant contract.

g. The Authority and/or its Financial Advisor may make such investigation as they see fit to determine the ability of the respondent to perform the work, and the respondent shall furnish the Authority and its Financial Advisor all such information and data for this purpose as requested by the Authority. The Authority reserves the right to reject any proposal if the proposal submitted by, or investigation of, such respondent fails to satisfy the Authority that such respondent is properly qualified to carry out the obligations of a subsequent contract with the Authority and to satisfactorily perform the work specified herein.

h. The Authority reserves the right to reject any or all proposals, waive any irregularities or defects in any proposal, and modify or postpone or terminate the project detailed herein in its entirety or with respect to any respondent, at any time, for any reason or no reason.

i. All costs and expenses incurred by a respondent in the preparation and delivery of a proposal will be the sole responsibility of the respondent. The Authority will not be liable for any amounts to any respondent in any manner, under any circumstances, including without limitation, as a result of the termination of the RFP process.

j. The receipt of proposals or other documents by respondents during any stage of the process will in no way obligate the Authority to enter into any contract with any respondent or make the Authority liable for any respondent costs. This RFP is a solicitation only and is not intended to be nor should it be construed to be an offer to enter into any contract or other agreement.

k. No respondent, team member, employee, servant, agent, advisor, consultant or representative of that respondent may communicate with any other respondent, team member, employee, servant, agent, advisor, consultant or representative of any other respondent about the preparation of proposals. Each proposal shall be prepared without any connection, knowledge, comparison of information, or arrangement with any respondent, team member, employee, servant, agent, advisor, consultant, or representative of any other respondent. Each respondent is responsible to ensure that its participation in this RFP process is conducted fairly and without collusion or fraud.

5. It is the Authority's intention that respondents to this RFP qualify for an exemption from the SEC's definition of a municipal advisor. Respondents are advised to consult with their legal advisor to determine the available exemptions to the SEC's municipal advisor rules. In that regard, respondents are advised that the Authority has retained BNY Mellon Capital Markets, LLC ("BNY"), as its municipal advisor. The Authority has and will confer with BNY in connection with this RFP, the issuance of bonds for the projects described herein and any ideas, structuring suggestions and other information provided by respondents and proposed underwriters in their response to this RFP. BNY has informed the Authority that it is an Independent Registered Municipal Advisor. The individuals employed by BNY that are expected to advise the Authority on this transaction include: Charles Goodwin, Timothy Comerford, Jason Rakip and Chistopher Campbell.

6. CLARIFICATION OF REQUIREMENTS, ADDENDA & MODIFICATIONS

a. Any respondent in doubt as to the true meaning of any part of this RFP may request a clarification, interpretation and/or modification thereof from the Contact Person (as hereinafter defined). In the event the Authority deems the response to the request to be substantive, the clarification, interpretation and/or modification shall be made by an addendum.

b. The purpose of this RFP is to promote competitive proposals and avoid the imposition of requirements that limits the project to a single source or makes it impossible for any source to satisfy the requirements set forth herein. In furtherance of the foregoing, it shall be the responsibility of each respondent to advise the Contact Person if any language, requirements, or any combination thereof inadvertently restricts or limits the requirements stated in this RFP to a single source or makes it impossible for any source to satisfy the requirements set forth herein. Any amendments to this RFP to address the foregoing concerns, if deemed necessary by the Authority in its sole and absolute discretion, shall be made via an addendum to this RFP.

c. Inquiries regarding the RFP and all requests for clarification, interpretation or modification of the RFP must be directed in writing to to the Authority's Financial Advisor at Charles.goodwin@bnymellon.com (the "Contact Person").

d. If any alleged errors are noted in the RFP, a respondent should immediately notify the Contact Person and, if confirmed, an addendum shall be issued.

e. The Authority will not accept telephone calls or any other forms of communication pertaining to this RFP, except as set forth in Section 5.c.

This RFP may be updated, supplemented, amended or cancelled at any time by the Authority. Any changes, additions, deletions, or clarifications to the RFP will be made by addendums issued by the Authority.

f. Any addendum issued by the Authority shall be considered part of the RFP.

g. Addenda will be delivered to respondents via e-mail only. Each person/entity that obtains a copy of the RFP for purposes of submitting a proposal must provide to the Authority an e-mail address for delivery of addenda. The Authority will make reasonable efforts to notify respondents in a timely manner of modifications to the RFP. Notwithstanding the foregoing, each respondent shall be responsible for ensuring that its proposal reflects any and all addenda issued by the Authority prior to the proposal due date.

7. PROPOSAL REQUIREMENTS

Each proposal should be in the format set forth below and will be rated on a 100-point scale. Rating will be according to the degree to which a respondent demonstrates its capacity to satisfy the requirements set forth herein.

Each response should include the following parts, which will be assigned the indicated point values:

a. **Cover Page:** Please prepare a cover page similar to the one shown at the beginning of this RFP. *(Total Possible score: 0 points)*

b. **Organization Qualifications:** Please organize your Response so that it addresses each of the following items. *(Total Possible Score: 35 points)*

(i) Provide a description of the qualifications and relevant experience for each individual who will be providing the Underwriter Services. Briefly outline the roles of each such individual in the Underwriter Services

(ii) Identify the individual charged with the day-to-day management responsibility for the Underwriter Services and their experience in managing large, complex revenue bond transactions. Please also identify two to four other individuals who will also be actively involved in structuring, marketing and underwriting the proposed Bonds.

(iii) Identify a single contact person for all future communication between the respondent and the Authority. Please identify the contact person's name, title, organization, address, office telephone number, mobile telephone number, and e-mail address.

(iv) Provide three (3) references (including name, title, address, telephone number and e-mail address) from issuers that can attest to the relevant qualifications and capabilities your organization.

(v) Please list the issuer names, expected par amounts and anticipated sale dates of any upcoming revenue bond issues in which your organization will be serving as senior manager in the second half of 2015.

(vi) Describe recent examples of municipal underwritings that demonstrate your organization's willingness to commit capital to underwrite unsold balances.

(vii) Please disclose any other lines of business conducted by your organization that might present an actual or apparent conflict of interest with providing the Underwriter Services.

(viii) Please disclose and explain any allegations of securities law violations direct at your organization in the past five (5) years, including any criminal charges, civil litigation or administrative actions related thereto.

(ix) Please list the issuer names, par amounts and sale dates of any revenue bonds sold in the last 3 years in which your organization served as senior manager and describe your organization's role in that transaction. Provide information on your organization's participation and sales results for each of the aforementioned issues, including, without limitation, liability, allotments and designations.

(x) Provide a detailed explanation of your organization's ability to provide the Underwriter Services.

(xi) Describe your organization's Pennsylvania presence. State the number of full-time employees from your organization that are based in Pittsburgh and the location of your

offices in Pennsylvania. Please also describe the retail and institution sales capability for Pennsylvania tax-exempt securities.

c. **Fee Proposal:** (Total Possible Score: 15 points)

Please indicate what your organization proposes as a management fee, underwriting expenses, and takedown for the underwriting of the Bonds if any, assuming the principal amount of the Bonds will be at least \$50 million. Please state if your firm will be willing to provide a not to exceed number for its proposed management fee, expenses or takedown. Please state under what circumstances those not to exceed amounts might change. Please also state if the proposed fees, expressed as a percentage would change if the par amount of Bonds issued were to be decreased or if the Authority included co-managers in its underwriting syndicate. Please state what law firms that your organization would consider selecting as Underwriters' Counsel as well as an estimate of what those firms' fees and expenses might be. Will any of the firms listed be willing to provide a cap on their fees and expenses? The Authority will be soliciting proposals from law firms to provide services in the contemplated transaction(s) as bond counsel or underwriters' counsel in a request for proposals being submitted concurrently with this RFP for underwriting services. .

d. **MBE/WBE Participation:** (Total Possible Score: 10 points)

The Authority is committed to providing equal employment opportunities to minorities and women and equal opportunities for business growth and development to minority and women entrepreneurs. To that end, the Authority requires that all contractors and subcontractors performing work for the Authority demonstrate a good faith effort to obtain the participation of minority and women business enterprises in the work to be performed for the Authority and to employ minorities and women during performance of the work. It is the Authority's objective to obtain minority and women's participation in its contracts with the goal being 25% of the contract amount be expended for minority participation and 10% of the contract amount be expended for women's participation. The Authority promotes the full utilization of subcontracting activities to ensure a successful Minority and Women's Participation Plan. Provide tangible evidence that your organization has made a good faith effort to satisfy these goals.

e. **Prior Authority Experience:** (Total Possible Score: 5 points)

Explain any substantive prior work experience with the Authority or other public parking systems across the country.

f. **Structuring Ideas (Total Possible Score 15 points):** Please describe your firm's recommended approach to refinancing the Authority's outstanding bonds. Please provide any ideas that your firm might have to maximize the savings that the Authority could generate from the refinancing. Do you have any suggestion for locking in savings at current rates with respect to the portion of the Authority's outstanding bonds subject to a December 1 redemption that may only be refunded on a current basis? When would be the earliest that your firm would be willing to sign a Bond Purchase Agreement with the Authority assuming a December 1 redemption date? Does your firm have any suggestions on how to restructure the Authority's Capital Appreciation Bonds?

g. **Rating Agency Strategy (Total Possible Score 5 points) :** Please describe your firm's strategy for approaching the rating agencies regarding the refunding issue in light of a contemplated \$50 million new money issue in late 2016/early 2017? Based on the Authority's

recent financial results and its capital plans, what ratings does your firm believe that the Authority would obtain on its proposed refunding issues?

h. **Bond Insurance (Total Possible Score 5 points):** Does your firm believe that it would make financial sense for the Authority to obtain bond insurance for the Bonds? Please provide an estimate of the insurance premium as well as an estimate of the benefits of the insurance.

i. **Marketing Plan (Total Possible Score 5 points):** Please explain how your firm would approach the process for marketing the Bonds to retail and institutional investors. Does your firm believe that a Retail Only Order Period would benefit the Authority? As the Authority has not issued Bonds since 2005, how would your firm educate investors regarding the Authority, its debt and its capital plans?

j. **Syndicate Composition (Total Possible Score 5 points):** Please describe what you believe to be the optimal underwriting syndicate composition including suggested liabilities for a \$50 million refunding transaction. State whether if not selected as a senior managing underwriter, if your firm would be interested in serving as a co-manager.

8. EVALUATION AND SELECTION

The Executive Director will review and recommend proposals to the Board of Directors of the Authority (the "Board"). The Board has the final authority, in its sole and absolute discretion, for authorizing a contract with the Authority.

A shortlist of respondents may be scheduled for a structured oral presentation or interview and for discussions regarding best and final offers. Any such presentations shall be at no cost to the Authority. At the end of the oral presentation/interview process, if any, any shortlisted respondents may be required to submit revised proposals to be reviewed again in accordance with Section 6. Subject to the other terms and conditions of this RFP, the successful respondent will be recommended for contract negotiation.

The Authority anticipates executing a contract with the successful respondent within 60 days following award of the contract.

[END OF RFP]