



State Bond Commission

State of Louisiana

Solicitation for Offers

**Bond Counsel Services for
General Obligation Refunding Bonds**

February 26, 2016

I. Overview:

The Louisiana State Bond Commission (the "Commission") on behalf of the State of Louisiana (the "State") seeks responses from one or more qualified law firms to serve as bond counsel and/or legal counsel (the "Bond Counsel") for refunding of certain general obligation bonds (the "Refunding Bonds"). Only firms submitting proposals in accordance with this Solicitation for Offers (the "SFO") will be considered. The selected law firm(s) will provide legal services to the State in coordination with the Attorney General's Office in connection with the possible issuance of the Refunding Bonds, for a period of time commencing on the date the firm(s) is/are chosen and continuing until the completion of the financing including all post-closing matters (the "Term").

The State reserves the right to proceed with one or more transactions with one or more firms as well as to not proceed with any transaction. This Solicitation for Offers (the "SFO") seeks to provide the Commission with a fair and competitive process to select providers for the services described herein. Within this SFO, prospective firms will sometimes be referred to as "offerors", "respondents" or, when convenient and appropriate, addressed in the second person as "you", "your" and "yours".

The prospective firms chosen on the basis of their respective offers in response to this SFO will be employed by the Commission and will act on behalf of the State in all matters undertaken in connection with the financing. The successful offerors will report directly to the Commission and the Selection Subcommittee and will work with the Commission to develop the proposed financing.

II. Background and Objective

The State Constitution and Commission policy requires that any general obligation refunding result in the same or lower effective interest rate than the refunded bonds. AN EXTENSION OF THE DEBT TO BE REFUNDED WILL NOT BE ACCEPTABLE. The Refunding Bonds are to be structured as serial bonds with maturities no longer than those currently in existence, and yielding positive net present value savings on an aggregate basis.

III. Minimum Qualifications

All proposers must maintain a fully staffed office in the State and must have a partner or director whose primary residence and legal domicile is in the State. In order to be considered for appointment as "Bond Counsel", a proposer must demonstrate that it has "substantial experience" (as hereinafter described) in the practice of law related to municipal finance. For purposes of this SFO, "substantial experience" shall mean that a proposer has at least one partner, director, associate or attorney on staff who lives in Louisiana, has a minimum of ten (10) years of municipal finance experience as bond counsel and has been bond counsel for a General Obligation bond issue within the last 10 years. Additionally, all proposers must be listed in "The Bond Buyer's Municipal Marketplace", Municipal Bond Attorneys, fall 2015 Edition. No joint proposals will be allowed.

IV. Scope of Services

Services to be provided pursuant to this SFO shall include, but not be limited to, the following:

- Prepare an authorizing and approving resolution on a very tight timetable, estimated to be within 48 hours of selection. Respondents should be prepared to make the transaction their highest priority.
- In coordination with the Attorney General's Office, draft, review and/or prepare or assist in the preparation of all resolutions, Notice of Intent, Bond Purchase Contract and other legal documents to ensure that the Bonds are issued in accordance with State and Federal laws and regulations;
- Review and assist in the preparation of any required official statement(s) and other disclosure documents;
- As necessary, and in concert with the Attorney General's Office, resolve issues regarding the issuance of the Bonds that are raised by public officials;
- Review and/or verify the financing plan and cash flows prepared by the underwriting team to ensure compliance with relevant arbitrage restrictions;
- Render an opinion as to the legality and tax-exempt status and legality of the bond issue and 10(b)(5) opinions (if applicable);
- In concert with the Attorney General's Office, prepare and distribute closing documents (including the arbitrage certificate and filing of all required tax certificates and forms relating to Federal and State taxation) to the appropriate parties and coordinate and conduct the closing of the transaction;
- Negotiate or assist in the negotiation of or changes to credit enhancement arrangements if necessary;
- Negotiate or assist in the negotiation of the terms and conditions of the Bonds;
- Assist with all required presentations and/or appearances (including rating agencies);
- Attend all related meetings and participate in all related conferences on behalf of the State.

V. Term of Appointment

The law firm(s) chosen as Bond Counsel in connection with this SFO will be appointed to begin work immediately upon notification of their selection and to continue providing the services until the restructuring of the bonds is completed, but not to exceed 3 years from date of contract inception. The law firm(s) chosen shall also provide services in connection with any and all post-closing matters relative to the financing. The State may close the transaction in April 2016; however, the State reserves the right to adjust the financing schedule as may be in the best interest of the State.

VI. Preliminary Timetable (subject to change)

February 26, 2016	COB	Publish Solicitation
March 3, 2016	12:00 pm	Questions Regarding Solicitation Due
March 4, 2016	COB	Post Answers to Questions
March 9, 2016	1:00 pm	Proposals Due
March 17, 2016		Selection and Authorization, State Bond Commission Meeting
April 26, 2016		Expected Delivery Date Refunding Bonds

VII. Inquiries

The Director of the Commission will answer any inquiries from firms interested in making offers in response hereto. All inquiries must be submitted via email, and received no later than **12:00 p.m., Baton Rouge Time on Thursday, March 3, 2016**, by the following:

Lela M. Folse, State Bond Commission
State Bond Commission Bond Issues Inbox

lfolse@treasury.state.la.us
SBC-BondIssues@treasury.state.la.us

Respondents are solely responsible for both the timely transmission and receipt of inquiries. Answers to such inquiries will be sent to each inquiring firm and to all firms which received a copy of this SFO via email on Friday, March 4, 2016. **Respondents are asked not to contact any State employees, officials or consultants regarding any aspect of this SFO except through this inquiry process.**

VIII. Security

The Refunding Bonds shall constitute a general obligation of the State, and the full faith and credit of the State is pledged to the punctual payment of the principal of and interest of such indebtedness when the same become due and payable. The payment of the principal of and interest on the Refunding Bonds is secured additionally by the moneys pledged and dedicated and paid into the Bond Security and Redemption Fund, subject to prior contractual obligations as provided in Article VII, Section 9(B) of the Louisiana Constitution of 1974, as amended (the "State Constitution").

IX. Instructions for Presentation of Offer

Responsive offers must follow the page limits set in the "Required Components of Proposals" section below and typed in a font size of no less than 12 points. **Firms that submit proposals in excess of the page limits and font size set will be disqualified.**

All questions should be answered in the order presented. Initiate each response by restating the question. **No promotional material is to be included.** Firm responses must be bound in one volume, and telecopies will not be accepted. One (1) copy in an electronic format (Word/WordPerfect/PDF) on a CD or UBS, plus six (6) copies of the offer, each separately sealed in individual envelopes and bearing a label stating the name and address of the offeror and identifying this SFO, should arrive by **1:00 PM, Baton Rouge Time, on Wednesday, March 9, 2016**. One (1) additional copy (do not send more than one additional copy) must also be sent **at the same time and with the same deadline** to the State's Financial Advisor. Proposals should be delivered to:

6 Copies and Electronic Copy

Lela M. Folse, Director
State Bond Commission
State Capitol Building,
900 North Third Street
Baton Rouge, LA 70804
Telephone: (225) 342-0040

1 Additional Copy

Renee Boicourt, Financial Advisor
Lamont Financial Services Corporation
renee@lamontfin.com

X. Costs Incurred in Preparation of Offer

All costs directly or indirectly related to preparation of an offer responding to this SFO, any oral presentations required to supplement and/or clarify an offer, and any reasonable appearance which may be required by the Selection Sub-Committee or the Commission in connection with this SFO, shall be the sole responsibility of the respondent. Neither the State nor the financing entity will pay any fees or expenses to the firm(s) selected in the event that any anticipated financing is not completed.

The Selection Sub-Committee and the Commission reserves the right to reject any and all proposals, to waive any and all informalities outlined in this SFO and in the selection process, and generally, to make the award which, in its judgment, will best meet the objectives stated in this SFO.

XI. Competitive Selection, Evaluation Criteria and Process

Proposals will be evaluated by a Selection Sub-Committee of the State Bond Commission comprised of the Treasurer, the Commissioner of Administration, President of the Senate, Speaker of the House, and Attorney General, or their designees, and shall provide a recommendation for award to the full State Bond Commission.

The State Bond Commission's decision will be made on the basis of the "best proposal". The Sub-Committee expects to use the following evaluation criteria in its decision making process:

- | | | |
|-----|----|---|
| 25% | A. | Qualifications of the firm to provide requisite legal. |
| 25% | B. | Experience of professionals to be assigned to the engagement. |
| 30% | C. | Experience of firm in similar engagements. |
| 20% | D. | Fees for services. |

The Commission reserves the right to act without oral presentations or other discussions with offerors. Therefore, all offers should be submitted on the most favorable terms. However, if oral presentations are required for the selection of senior managing underwriter, 100 points of the total grade will be assigned to the written proposal as outlined above, and a maximum of 20 additional points will be assigned to the oral presentation.

The Selection Sub-Committee and/or the Commission may reject any and all offers, may require additional technical and background information during the evaluation period, and/or negotiate all elements, including fees, which are contained in or which relate to any offer. By submitting an offer, the offeror agrees to these terms. On the basis of the indicative terms offered in response to this SFO, the Commission reserves the right to request offerors to submit "Best and Final" terms prior to selection, and/or to conduct a private placement bidding process, which process will be announced via email to offerors.

The State shall not be liable for any expenses incurred by the offeror in the preparation and presentation of the offers and may terminate the selection process at any time without prior notice. All offers submitted pursuant to this SFO will become the property of the State. The State will not pay any fees or expenses to the firm(s) selected in the event that any anticipated financing is not completed. The State reserves the right to waive any informality in any offer. The State reserves the right to negotiate all fees and expenses.

XII. Addenda, Supplements and Amendments to SFO

In the event that it becomes necessary to revise any part of the SFO, an addendum, supplement, or amendment to the SFO will be posted at the State Bond Commission's website at:

<http://www.treasury.state.la.us/Home%20Pages/BondCommission.aspx?@Filter=BC2015>.

It is the responsibility of the proposer to check the website for any addendums, supplements, or amendments made to the SFO.

XIII. Independent Registered Municipal Advisor Exemption

The Commission has retained Lamont Financial Services Corporation as its Independent Registered Municipal Advisor. For the purpose of complying with the Independent Registered Municipal Exemption to the Securities and Exchange Commission's Municipal Advisor Rule, the Commission has publicly disclosed such information on its' website at:

<http://www.treasury.state.la.us/Site%20Documents/IRMA%20Exemption.htm>.

OTHER THAN WITH RESPECT TO INQUIRIES REGARDING LEGAL OR STRUCTURAL MATTERS RELATING TO THE PROPOSED FINANCING AS SET FORTH UNDER "INQUIRIES" ABOVE, OFFERORS (INCLUDING ANY REPRESENTATIVE OF AN OFFEROR, SUCH AS A LAWYER OR A LOBBYIST) MAY NOT CONTACT, UNDER ANY CIRCUMSTANCES, DURING THE OFFER REVIEW, AND UNDERWRITER SELECTION PROCESS, ANY OFFICIAL, EMPLOYEE OR REPRESENTATIVE OF THE STATE, OR THEIR CONSULTANTS, REGARDING ANY ASPECT OF THE SOLICITATION FOR OFFERS OR REGARDING THE PROPOSED FINANCING. ANY VIOLATION OF THIS REQUIREMENT WILL RESULT IN DISQUALIFICATION OF YOUR OFFER. ALL DISQUALIFICATION DECISIONS ARE FINAL.

Required Components of Proposals

Please note and observe the page limits stated at the end of each required inquire shown below. Please also note that when providing the information requested in this section, you should also refer to Section VIII, Instructions for Presentation of Offer. Each offer for bond counsel intended to be responsive to this SFO must answer the following inquiries:

A. Firm Background and Expertise.

1. Company Name, Address, Principal Place of Business, and Years of Experience. Provide your firm's name and business address, date of formation and principal place of business, years in practice and years of municipal finance experience. Describe your firm's commitment to the State, including number of offices, years of practice in the State and number of partners, directors, associates and attorneys on staff domiciled and licensed in the State. Identify the partner or director whose primary residence and legal domicile is in the State and who has a minimum of ten (10) years of municipal finance experience including initial issuance refunding or remarketing of general obligation bonds within the past 10 years. **PAGE LIMIT: 1 PAGE.**
2. Qualifications. Describe the work which best illustrates your firm's expertise as bond counsel and/or legal services in areas similar to those envisioned in this SFO. Describe past performance as bond counsel on State-level bond issues in Louisiana and other states (i.e. State G.O.'s, LCDA, LPFA, other agency issues). Describe your firm's capabilities in complying with Treasury arbitrage regulations and what capacity you may have to calculate and/or verify financing cash flows. **PAGE LIMIT: 1 PAGE.**
3. Please discuss the legal issues that, in your opinion, will be relevant to the potential restructuring of State of Louisiana General Obligation Bonds. **PAGE LIMIT: 1 PAGE.**
4. Experience. List transactions and briefly describe the relevance of similar transactions to the proposed Bonds for which your firm has served as Bond Counsel since January 1, 2013. **PAGE LIMIT: 1 PAGE FOR RELEVANCE; 1 PAGE FOR LISTING.**
5. Personnel. Please provide brief resumes or curriculum vitae of all attorneys, from partner level to associate, who would be assigned to work with the State on the Bonds. Identify and describe fully any family or business relationships (including legal representation) which any partners, directors, associates, attorneys on staff or employees of your firm may have or have had with the members of the State Bond Commission or with other employees or elected officials of the State or of other government entities in the State. **PAGE LIMIT: 2 PAGES.**
6. Malpractice Insurance. Please provide the limits of your firm's malpractice coverage. Please state whether your firm has any past claims and the disposition of such or has any claims pending against it related to opinions delivered in prior bond issues. **PAGE LIMIT: ½ PAGE.**

7. Give a brief but complete description of any criminal proceeding, criminal investigation, or other oversight entity's investigation of alleged securities laws violations involving your firm (all areas of the firm) or any professionals in your firm who would be involved in this financing. Please cover the period January 1, 2013 through the present. **NO PAGE LIMIT: UNLIMITED.**
8. Please disclose any conflicts of interest or potential conflicts of interest that may arise as a result of your firm's being hired for this engagement. Please cover the period January 1, 2013 through the present. **NO PAGE LIMIT: UNLIMITED.**
9. Review Rule No. 1993-A of the Commission, attached hereto, entitled "Disclosure Agreements Between Financial Professionals for Negotiated Transactions" (Exhibit 2), and provide a statement of your firm's ability to comply therewith. **PAGE LIMIT: ½ PAGE.**
10. References. Please list at least one and no more than three professional references, including names, addresses, telephone numbers and email addresses of clients which are familiar with your firm's work and qualifications as bond counsel. (Omit references from State staff, Louisiana Treasury Department staff, State Bond Commission members or staff, and State Legislators and staff). **PAGE LIMIT: ½ PAGE.**

B. Fee Proposal.

The Selection Sub-Committee of the Bond Commission intends to negotiate fees and expenses with the highest scoring firm. If these negotiations are not satisfactory to the Committee, negotiations will be entered into with the second highest scoring firm, and so on.

1. Basic Fee Proposal. Using the Fee Proposal Worksheet attached hereto as Exhibit 1, please provide your firm's total fixed fee for the Services as Bond Counsel, expressed as an amount per \$1,000 of debt issued. For purpose of this SFO, assume a \$400,000,000 bond issue. Outline the specific services you expect to provide which will be covered by this fee. Provide a "not to exceed" figure for out-of-pocket expenses. Additional expenses will not be paid unless such expenses were incurred at the Commission's specific written request.
2. Other Fees. Please list any additional services outside those described in the Scope of Services herein from which you think the State would benefit, and a "not-to-exceed" cost for each additional service. Please provide an hourly rate your firm would charge the State for consultation on such additional services and on any matters unrelated to the Services described herein for which the Commission may wish to consult your firm during the term of this appointment. In the event a bond validation suit would be required for the issue contemplated by this SFO, state your firm's maximum charge for such a suit. Please assume a district court level validation proceeding.

Exhibit 1

**BOND COUNSEL FEE PROPOSAL WORKSHEET
ASSUMING A \$400,000,000 BOND ISSUE
Fees are Subject to Negotiation**

	<u>Cost Per Bond</u>	<u>Estimated Hours</u>	<u>Total Cost</u>
All Bond Commission Services* <i>(per \$1,000 of debt issued)</i>	\$ _____	\$ _____	\$ _____
Out-of-Pocket Expenses (itemized)* <i>(must provide a cap)</i>			\$ _____
Other Services (itemized)*			\$ _____
TOTAL*			\$ _____

* Please note fees are subject to negotiation and the total will be used as the figure for evaluating the fee proposal.

The following items will not be used to rank fee proposals:

Hourly rate to be charged for unrelated services \$ _____

Estimated fee for bond validation suit \$ _____

Exhibit 2

RULE NO. 1993-A Adopted March 20, 1994

DISCLOSURE OF AGREEMENTS BETWEEN FINANCIAL PROFESSIONALS FOR NEGOTIATED TRANSACTIONS

WHEREAS, the duties of the Louisiana State Bond Commission (the "Commission") require that it choose financial professionals (including, without limitation, firms of underwriters, financial advisers and bond attorneys) in connection with certain bond issues and the Commission predicates such choices upon the competing firms; experience, qualifications and performance, in order that a broad spectrum of firms including minority and woman owned and regional firms are given an opportunity to actively and fully participate in such financings; and,

WHEREAS, the Commission's duties also require that it approve applications from local governmental entities to issue bonds and such applications include information on the financial professionals involved in handling the issues;

NOW THEREFORE, in order to insure the integrity of the structure of the financing team which the Commission is charged with the responsibility of choosing and/or approving for handling bond issues, the Commission hereby adopts the following rule regarding agreements by and between such financial professionals as to the sale of such bonds:

1. Terms and/or existence of all joint accounts and/or any other fee-splitting arrangements by and between financial professionals must be disclosed and approved by the Commission.
2. For bond issues for which the Commission is charged with the responsibility to choose the financial professionals, the following will apply;
 - a. Firms under consideration for selection by the Commission must file a disclosure statement to be submitted as part of their proposal (whether such proposal is solicited or unsolicited), listing any and all agreements by and between themselves and any other financial professionals which relate to the bond issue.
 - b. Financial professionals include, in any proposal submitted to the Commission, the name or names of any person or firm, including attorneys, lobbyist and public relations professionals engaged to promote the selection of the particular financial entity.
 - c. Joint proposals from financial professionals will be allowed only if the Commission's solicitation for offers requests and/or permits joint proposals. The Commission reserves the right, in its sole discretion, to decide on an issue-by-issue basis whether joint proposals will be permitted.
 - d. All financial professionals submitting joint proposals and/or intending to enter into joint accounts or any fee-splitting arrangements in connection with a bond issue must fully disclose and have approved by the Commission any plan or arrangement to share tasks, responsibilities, and fees earned, and disclose the financing professionals with whom this sharing is proposed, and any changes thereto which may occur.
 - e. The Agreement among Underwriters will govern all transactions during the underwriting period and such agreement must be disclosed and filed with the Commission.

- f. No later than forty-five (45) days following the bond sale, all participating underwriters must file with the Commission in notarized affidavit form individual post-sale reports which include a full accounting for all bonds sold and all commissions earned, and any other compensation paid or earned in connection with such sale.
3. Failure to comply with any of the provisions of Section 1 or 2 of this rule may result in a firm's immediate dismissal, disqualification from later issues, or other penalties as may be provided by law or the rules, policies and procedures of the Commission as the Commission in its sole discretion may deem appropriate.
4. For those bond issues which the Commission must approve but for which the Commission is not responsible for the choice of the financial professionals, the following will apply:
 - a. The details of any arrangements for compensation of all the financial professionals in the transaction (including any joint accounts or fee-splitting agreements) and the method used to calculate the fees to be earned must be provided to the Commission in the written application. The Commission's receipt of this information is a prerequisite for being placed on the agenda.
 - b. At closing, this information must be certified in notarized affidavit form by the financial professional to be correct and filed with the State Bond Commission within five (5) days thereof. This information will form a part of the public record of the bond issue.