

2014-2015 RFQ Questions & Answers

Request for Qualifications (“RFQ”) to serve as **Bond Counsel** for Kentucky state debt issuing entities for Fiscal Year 2014 and Fiscal Year 2015

1. Do you require that all three hard copies have signed original Attachments (A-E) or would one original and two copies be acceptable?

ANSWER: Yes, one original and two copies are fine.

2. In addition, may the electronic copy be emailed to you at this address or would you prefer to receive a CD?

ANSWER: We would prefer a CD, but will take PFD if need be.

Request for Qualifications (“RFQ”) to serve as **Senior Managing Underwriter, Financial Advisor, Swap Advisor and/or Local Co-Managing Underwriter** for Kentucky state debt issuing entities for Fiscal Year 2014 and Fiscal Year 2015

1. Would you please clarify, for co-managers, you only want Kentucky-based firms?

ANSWER: National Co-Managers are selected pursuant to 200 KAR 21:040 and any firm wishing to be considered as a national co-manager must be pre-qualified as senior managing underwriter for that particular state issuer. From that pre-qualified list, the Executive Director of OFM will determine which and how many national co-managers, if any, are included in a transaction on a case by case basis. If the firm wants to be prequalified as a Kentucky Local Co-Managing Underwriter, then they need to address #1 through #6 in Section J of the RFQ.

2. Are there any public documents that summarize the Commonwealth’s current swap portfolio across all state debt issuing entities and/or of its plans/intentions for future swap transactions?

ANSWER:

The only swaps we have outstanding are the ALCo 2007 Floating Rate Notes which are displayed in Appendix A of the ALCo semi-annual report. The office is not aware of any plans for future swap transactions.

See Page 23 of the current ALCo Semi-Annual Report:

<http://finance.ky.gov/services/ofm/Documents/ALCo/ALCo%20Reports/6-30-12%20Report-FINAL.pdf>

3. XXX is a minority owned firm who currently does not have any staff that resides in the Commonwealth, but we are very interested in growing our business there. As a testimony of that willingness to invest, we have been involved with over 40 competitive transactions in the state in 2012. Based on the strict way I interpret the qualifications for Kentucky Local Co-manager, we do not qualify. My question is this. Am I correct that XXX would not be considered as a co-manager? Additionally, if that is the case, then is there any way for us to present our qualifications with the knowledge that we would establish an office in Kentucky in 2013 given a successful appointment to the pool of co-managers?

2014-2015 RFQ Questions & Answers

ANSWER: Thank you for your question and interest in the Commonwealth. Per 200 KAR.010 it does emphasize an existing presence in the Commonwealth. Here is a link to the 200 KAR 21:010, <http://www.lrc.ky.gov/kar/200/021/010.htm>

4. Could you please provide a little more information regarding questions (6) under section II or the RFQ? As a swap advisor located out of state, what legal requirements do we have to register with the Commonwealth?

ANSWER:

A firm does not need to be registered as a swap advisor with the Commonwealth if they are an out-of-state firm.

5. Does applying to serve in a Local Co-Manager role prevent or reduce a firm's possibility of serving as a Senior-Manager or National Co-Manager?

ANSWER:

Applying to serve as a Local Co-Manager role does not prevent or reduce a firm's possibility of serving as Senior Manager or National Co-Manager.

6. *Relating to Item III J.2*

Is it a requirement that a firm's office in Kentucky have the authority to commit capital to an underwriting?

ANSWER: Yes, the requirement is that a firm's office in Kentucky has the authority to commit capital to an underwriting per 200 KAR 21.010.

7. *Relating to Item III J.4*

If the firm was a Co-Manager (but not the Senior Manager) of a syndicate that had bid on at least 32 competitive sales for the state's school districts and postsecondary education institutions during Calendar Year 2012, would that suffice?

ANSWER: Yes, to be qualified as a Kentucky Local-Co-Manager, the firm has to show evidence of bidding on at least 32 deals per 200 KAR 21.010.

8. *For the Relevant Experience section, it states that "the following sections A-I are structured to allow you to indicate prior issues in which your firm and applicable banker(s) have participated."*

May we include both deals that Mr. XXX has worked on as well as deals that our bankers assigned to the proposed team have worked on before prior to coming to Mr. XXX?

ANSWER: Yes, the firm can include both types of experience

9. *For the Relevant Experience section, it states that "your firm must have served as senior book running manager on three (3) similar transactions. . ."*

Do we still only need to "provide information for at least two (2) student loan revenue transactions" as the RFQ states in the Kentucky Higher Education Student Loan Corporation section instead of the three (3) stated above?

ANSWER: Overall the firm must have senior-managed three similar transactions, only two of those three have to be related to student loans if applying for KHESLC.

2014-2015 RFQ Questions & Answers

10. *For the Relevant Experience section, it states that “your firm must have served as senior book running manager on three (3) similar transactions. . .”*

May we include deals for which we have been a co-senior manager although not necessarily a senior book running manager?

ANSWER: You can submit material that best illustrates the capability of you/your firm but the scoring will be based on the requirements outlined in the RFQ.

11. *For the Relevant Experience section for each issuer, it describes the necessary information that must be provided for each transaction.*

Does it have to be in the format provided or can we put it in “case study” (paragraph) format as long as we still include all of the requested information?

ANSWER: Yes, case study format is fine.