

January 28, 2013

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

The Office of Financial Management (“OFM”) of the Finance and Administration Cabinet of the Commonwealth of Kentucky, on behalf of the Kentucky Asset/Liability Commission (“ALCo”), Kentucky Higher Education Student Loan Corporation (“KHESLC”), Kentucky Housing Corporation (“KHC”), Kentucky Infrastructure Authority (“KIA”), Kentucky Local Correctional Facilities Construction Authority (“KLCFCA”), State Property and Buildings Commission (“SPBC”), State Universities (“Universities”), Kentucky River Authority (“KRA”) and the Turnpike Authority of Kentucky (“TAK”) requests the submission of qualifications of your firm to serve as bond counsel to these entities for Fiscal Year 2014 (July 1, 2013 through June 30, 2014) and Fiscal Year 2015 (July 1, 2014 through June 30, 2015).

Kentucky Revised Statutes (“KRS”) 45A.840 to 45A.879 states the process by which managing underwriter, financial advisor, co-manager and bond counsel firms are selected for state bond issuing agencies. A firm shall not be considered for providing bond counsel services unless OFM has pre-qualified the firm on a biennial basis prior to the date of issuance of a Request for Proposals (“RFP”). Please refer to <http://www.lrc.ky.gov/Law.htm> to view the KRSs cited in this Request for Qualifications (“RFQ”). This RFQ is also available on OFM’s website, listed below:

<http://finance.ky.gov/services/ofm/Pages/OFMRFPsandRFQs.aspx>

From the responses received pursuant to this RFQ, OFM will establish a list of pre-qualified firms to respond to future RFPs issued for work to be performed during Fiscal Years 2014 and 2015.

Description of Issuer

Kentucky Asset/Liability Commission (“ALCo”)

Created pursuant to KRS 56.860 to 56.869, ALCo is authorized to issue Tax and Revenue Anticipation Notes (“TRANS”), Project Notes and Funding Notes on behalf of the Commonwealth and its agencies. TRANS are issued to manage the mismatch between revenues and expenditures within a fiscal year. Project Notes are issued to provide interim or permanent (fixed or variable rate) financing for capital projects and economic development programs. Debt service for Project Notes may be funded by General, Agency, and Road Funds or federal transportation receipts (“GARVEES”). Funding Notes may be issued to fund court ordered judgments against the Commonwealth or to fund obligations owed under KRS 161 to the Teachers’ Retirement System of Kentucky. ALCo may enter into financial agreements such as interest rate swaps or options to achieve the Commonwealth’s financial goals and objectives. ALCo’s uninsured ratings vary depending on the type and repayment source. The term of an engagement for ALCo is for a contract period not to exceed two (2) years with an option to renew the contract for an additional period not to exceed two (2) years. OFM currently does not anticipate the need to issue an RFP for services in Fiscal Year 2014.

Kentucky Higher Education Student Loan Corporation (“KHESLC”)

Created pursuant to KRS 164A, KHESLC provides loan programs and related services to promote higher education opportunities for Kentucky students and families. OFM and KHESLC currently do not anticipate the need to issue an RFP for bond counsel services for Fiscal Year 2014; however, OFM and KHESLC expect to issue an RFP for bond counsel services for Fiscal Year 2015.

Kentucky Housing Corporation (“KHC”)

Created pursuant to KRS 198A, KHC makes mortgage and construction loans to increase the supply of affordable housing for low-to-moderate income residents of the state. KHC’s housing revenue bond indenture is rated “Aaa” from Moody’s Investors Service, Inc. and “AAA” from Standard & Poor’s Ratings Services. OFM and KHC do not anticipate the need to issue an RFP for services for fiscal year 2013. However, OFM and KHC expect to issue a RFP to select one or more firms to provide bond counsel services for its single family and/or multi-family programs for Fiscal Year 2014. OFM and KHC will have an option to renew any resulting contract for an additional one year period.

Kentucky Infrastructure Authority (“KIA”)

Created pursuant to KRS 224A, KIA provides financial assistance to local governments in Kentucky for the construction, financing and refinancing of infrastructure facilities. KIA additionally administers the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund. Historically, KIA’s financings were either lease appropriation or pooled loan transactions. KIA’s uninsured ratings for appropriation supported bonds are “Aa3” from Moody’s Investors Service, Inc., “A+” from Standard & Poor’s Ratings Services, and “A+” from Fitch Ratings. Past legislation authorized KIA to begin a leveraged revolving loan program. KIA has twice issued leveraged bonds, the Wastewater and Drinking Water Revolving Fund Revenue Bonds Series 2010A and 2012A. The ratings on these bonds are Aaa, AAA, AAA from Moody’s, Standard and Poor’s and Fitch respectively. OFM and KIA anticipate issuing an RFP for bond counsel services for Fiscal Year 2014. OFM and KIA will have an option to renew any resulting contract for an additional one year period.

Kentucky Local Correctional Facilities Construction Authority (“KLCFCA”)

Created pursuant to KRS 441.605 to 441.695, KLCFCA provides an additional and alternative method for constructing, improving or repairing, and financing local and regional jails and other correctional facilities in the Commonwealth. It is uncertain whether there will be a need for bond counsel services for KLCFCA during Fiscal Years 2014 and 2015. However, in the event that an RFP should need to be issued, OFM must have a pre-qualified list from which to solicit responses. OFM would have an option to renew any resulting contract for an additional one year period.

State Property and Buildings Commission (“SPBC”)

Created pursuant to KRS 56.450, SPBC provides financing for capital projects and economic development programs approved by the General Assembly of the Commonwealth of Kentucky. SPBC issues lease revenue bonds to finance projects for which the debt service is appropriated from the Commonwealth’s General, Agency or Road Funds. SPBC’s uninsured ratings are “Aa3” from

Moody's Investors Service, Inc., "A+" from Standard & Poor's Ratings Services, and "A+" from Fitch Ratings. OFM expects to issue one RFP on behalf of SPBC to select one or more firms to provide bond counsel services during Fiscal Year 2014. OFM will have the option to renew any resulting contract for an additional one year period.

State Universities ("Universities")

State-supported institutions of higher education in the Commonwealth include the following:

- Eastern Kentucky University
- Kentucky Community and Technical College System
- Kentucky State University
- Morehead State University
- Murray State University
- Northern Kentucky University
- University of Kentucky
- University of Louisville
- Western Kentucky University

These institutions issue debt to finance capital construction and asset acquisition which includes consolidated educational building projects, community colleges educational building projects and housing and dining facilities projects. The security for the debt issued by these institutions is general receipts or revenue generated from the operation of the facilities being financed, e.g. student registration fees, housing and dining fees. At this time, all the state universities have converted to the General Receipts Indenture and all housing and dining and consolidated education bonds are slowly being refunded or retired. The postsecondary education institutions are required by law to issue on a competitive basis. The State Universities' uninsured ratings vary by institution and depend on the type of transaction. OFM does not anticipate the need to issue an RFP on behalf of the postsecondary education institutions to provide bond counsel services for Fiscal Year 2014. However, OFM will issue an RFP on behalf of the postsecondary education institutions to provide bond counsel services for Fiscal Year 2015. The term of this engagement would be for a contract period of one year with an option to renew the contract for an additional period of one year.

Kentucky River Authority ("KRA")

Created pursuant to KRS 151.720 to 151.730, the KRA was created to protect and improve the waters of the Kentucky River through environmental management of the entire watershed. Through financing they construct, reconstruct, provide for the major maintenance, or repair the locks and dams on the Kentucky River and all real and personal property pertaining thereto, as well as maintain the channel. KRA's financings are supported by water user fees. It is uncertain whether there will be a need for bond counsel services for KRA during Fiscal Years 2014 and 2015. However, in the event that an RFP should need to be issued, OFM must have a pre-qualified list from which to solicit responses. OFM would have an option to renew any resulting contract for an additional one year period. KRA current uninsured ratings are "A1" from Moody's Investors Service, Inc. and "A+" from Standard & Poor's Ratings Services and "A" from Fitch Ratings Services.

Turnpike Authority of Kentucky (“TAK”)

Created pursuant to KRS 175.410 to 175.990, TAK provides financing for construction, maintenance and repair of economic development roads within the Commonwealth. TAK issues lease revenue bonds to finance projects for which the debt service is appropriated from the Commonwealth’s Road Fund. TAK’s uninsured ratings are “Aa2” from Moody’s Investors Service, Inc., “AA+” from Standard & Poor’s Ratings Services, and “A+” from Fitch Ratings. OFM and TAK currently do not anticipate the need to issue an RFP for bond counsel services for Fiscal Year 2014; however, OFM and TAK expect to issue an RFP for bond counsel services for Fiscal Year 2015, with an option to renew for an additional year.

I. Prequalification of Firms

As this RFQ serves multiple issuers, please specifically identify issuers for which your firm is seeking prequalification. OFM will create a list of pre-qualified firms for each issuer. If your firm is seeking prequalification for more than one issuer, please identify each issuer in your response.

Prequalification Requests

(Firm Name) wishes to be pre-qualified to serve as bond counsel for the following issuers.

(Please check all that apply.)

	<u>Bond Counsel</u>
ALCo	_____
KHESLC	_____
KHC	_____
KIA	_____
KLCFCA	_____
SPBC	_____
Universities	_____
KRA	_____
TAK	_____

II. Disclosure/Certification Forms

The following identifies the disclosure of information and certification forms (Attachment A through D) which must be completed in their entirety, notarized, and returned with your response. Failure to complete and submit **all forms** could result in your disqualification from the prequalification process.

1. Disclose any information about your firm that presently or with the passage of time could materially impair your firm's ability to provide the level of service required as bond counsel.
2. Certify that your firm is in compliance with the Commonwealth's campaign finance law pursuant to KRS 121.015 through KRS 121.056, KRS 121.150, KRS 121.310, KRS 121.320 and KRS 121.330. (See Attachment A.)
3. Certify that your firm is in compliance with and is not prohibited by the Executive Branch Code of Ethics established by KRS 11A.001 to KRS 11A.990 from entering into a contract with the Commonwealth of Kentucky. (See Attachment B.)
4. Certify that your firm is in compliance with the provisions of KRS 45A.485. (See Attachment C.)
5. Certify that your firm is not prohibited by KRS 45A.863 from entering into a contract with the Commonwealth of Kentucky. (See Attachment D.)
6. Certify that the firm is listed as a "Municipal Bond Attorney" in *The Bond Buyer's Municipal Marketplace Directory Fall 2012*.
7. Certify that your firm has professional liability insurance coverage and that the minimum amount of such coverage is equal to or greater than \$3 million on a per occurrence and aggregate basis.
8. Provide a statement to certify whether the firm may be given preference per Kentucky Preference Laws (KRS 45A.490-494).
9. Provide a statement to certify that all the information provided herein, to the best of your knowledge, is accurate and complete, and that you understand that any misleading or false information may result in disqualification of the firm at the sole discretion of the Commonwealth.

III. Relevant Experience

Provide a brief history of your firm including characteristics unique to your organization that qualify your firm to serve the issuers for which you have requested to be pre-qualified. Please try to limit your response to one page.

The following sections A-I are structured to allow you to demonstrate your firm's prior bond counsel or underwriter's counsel experience. These sections seek to determine your

firm's experience in issues similar in nature and credit to the identified state issuers. **Please provide the information requested in order to be considered as bond counsel for the issuers for which you seek prequalification.** Relevant experience must have occurred within the past six (6) years (**January 1, 2007-present**) for identified transactions. A refunding is considered a qualifying transaction. **It is not necessary for the relevant experience identified to have occurred with the Kentucky issuer(s) for which you are requesting prequalification.**

A. KENTUCKY ASSET/LIABILITY COMMISSION ("ALCo")

Provide information for three (3) short-term or intermediate financings of a similar nature and credit to ALCo for which the firm has served as bond counsel or underwriter's counsel within the past six (6) years. Please include at least one (1) tax-exempt Commercial Paper Note, Bank Loan or Variable Rate Demand Note/Floating Rate Note or a multi-modal transaction. In addition to the short-term financings, you must also identify at least one (1) transaction that integrated a financial agreement where you rendered an opinion on an interest rate swap transaction. Specify the general goals and objectives for use of the instrument in this transaction.

Include the following information for each financing:

Issuer: _____ Series Description: _____

Source of Repayment: _____

Date of Sale: _____ Size: _____ Lead Counsel: _____

Firm Served As: Bond Counsel: _____ Underwriter's Counsel: _____ Other _____

Special Tax Provisions: _____

B. KENTUCKY HIGHER EDUCATION STUDENT LOAN CORPORATION ("KHESLC")

Provide information for two (2) student loan revenue or revenue refunding bond financings for entities similar to the KHESLC for which the firm has served as bond counsel or underwriter's counsel within the past six (6) years.

Include the following information for each financing:

Issuer: _____ Series Description: _____

Source of Repayment: _____

Date of Sale: _____ Size: _____ Lead Counsel: _____

Firm Served As: Bond Underwriter's
 Counsel: _____ Counsel: _____ Other _____

Special Tax Provisions: _____

C. KENTUCKY HOUSING CORPORATION (“KHC”)

Provide information for three (3) mortgage revenue bond financings for which the firm has served as bond counsel or underwriter’s counsel for a state housing finance agency similar to KHC within the past six (6) years, specifically (a) post-1988 “qualified mortgage bonds”, both new money and replacement refundings, issued on a parity basis under a general resolution, and (b) for the tax analyses, variable and fixed rate tax-exempt blended financings and taxable and tax-exempt blended financings. Multi-family conduit issuances will not be considered as bond counsel experience.

Include the following information for each financing:

Issuer: _____ Series Description: _____

Source of Repayment: _____

Date of Sale: _____ Size: _____ Lead Counsel: _____

Firm Served As: Bond Underwriter's
 Counsel: _____ Counsel: _____ Other _____

Special Tax Provisions: _____

D. KENTUCKY INFRASTRUCTURE AUTHORITY (“KIA”)

Provide information for three (3) financings of a similar nature and credit to KIA for which the firm has served as bond counsel or underwriter’s counsel within the past six (6) years. Currently, KIA financings are either lease appropriation or pooled loan transactions. The financings identified must include one (1) transaction which provides funding for either the Clean Water State Revolving Fund or the Drinking Water State Revolving Fund, one (1) pooled loan financing transaction, and if possible, one (1) transaction that includes experience with leveraged State Revolving Fund bonds.

Include the following information for each financing:

Issuer: _____ Series Description: _____

Source of Repayment: _____

Date of Sale: _____ Size: _____ Lead Counsel: _____

Firm Served As: Bond Underwriter's
 Counsel: _____ Counsel: _____ Other _____

Special Tax Provisions: _____

E. KENTUCKY LOCAL CORRECTIONAL FACILITIES CONSTRUCTION AUTHORITY (“KLCFCA”)

Provide information for three (3) revenue bond transactions for which the firm has served as bond counsel or underwriter’s counsel within the past six (6) years. The transactions identified must be true revenue bonds payable from a specified source of revenue that does not represent a pledge of the full faith and credit of an issuer. The transaction should be backed by a pledge of revenues from the operation of the project which the bonds finance or other special assessments or excise taxes (**not lease revenue or appropriation supported**). The transactions identified do not necessarily have to be jail transactions and may include other types of revenue bonds.

Include the following information for each financing:

Issuer: _____ Series Description: _____

Source of Repayment: _____

Date of Sale: _____ Size: _____ Lead Counsel: _____

Firm Served As: Bond Underwriter's
 Counsel: _____ Counsel: _____ Other _____

Special Tax Provisions: _____

F. STATE PROPERTY AND BUILDINGS COMMISSION (“SPBC”)

Provide information for three (3) lease appropriation supported transactions of similar nature and credit to the SPBC for which the firm has served as bond counsel or underwriter’s counsel within the past six (6) years.

Include the following information for each financing:

Issuer: _____ Series Description: _____

Source of Repayment: _____

Date of Sale: _____ Size: _____ Lead Counsel: _____

Firm Served As: Bond Underwriter's
 Counsel: _____ Counsel: _____ Other _____

Special Tax Provisions: _____

G. STATE UNIVERSITIES (“Universities”)

Provide information for three (3) revenue bond or general receipts pledge transactions, preferably for postsecondary education financings, public or private, but not required for which the firm has served as bond counsel or underwriter's counsel within the past six (6) years. The financings identified must include funding for housing systems or general building purposes. All referenced transactions do not have to be for a Kentucky state supported school.

Include the following information for each financing:

Issuer: _____ Series Description: _____

Source of Repayment: _____

Date of Sale: _____ Size: _____ Lead Counsel: _____

Firm Served As: Bond Underwriter's
 Counsel: _____ Counsel: _____ Other _____

Special Tax Provisions: _____

H. KENTUCKY RIVER AUTHORITY (“KRA”)

Provide information for three (3) financings similar in nature and credit to the KRA, preferably water use fee supported transactions, for which the firm has served as bond counsel or financial advisor within the past six (6) years. A minimum of one (1) water user fee bond issue must be provided to meet the three (3) required issues.

Include the following information for each financing:

Issuer: _____ Series Description: _____

Source of Repayment: _____

Date of Sale: _____ Size: _____ Lead Counsel: _____

Firm Served As: Bond Underwriter's
 Counsel: _____ Counsel: _____ Other _____

Special Tax Provisions: _____

I. TURNPIKE AUTHORITY OF KENTUCKY (“TAK”)

Provide information for three (3) transactions similar in nature and credit to the TAK, preferably state level transportation lease appropriation and/or motor fuels tax supported transactions, for which the firm has served as bond counsel or underwriter's counsel within the past six (6) years.

Include the following information for each financing:

Issuer: _____ Series Description: _____

Source of Repayment: _____

Date of Sale: _____ Size: _____ Lead Counsel: _____

Firm Served As: Bond Underwriter's
 Counsel: _____ Counsel: _____ Other _____

Special Tax Provisions: _____

IV. Staffing

- 1.) Provide a discussion of the experience and qualifications of the firm's representatives who would work on issues of the Commonwealth.
- 2.) Provide three (3) references for the firm's experience, as applicable, with similar issuers. Include names, addresses and telephone numbers.

Reservation of Rights

The Commonwealth reserves the right to:

- A. Reject any and all submissions without cause.
- B. Waive minor irregularities in all procedures relative to this RFQ.
- C. Reject all submissions and seek new submission when such procedure is reasonably in the best interest of the Commonwealth.
- D. Make investigations regarding qualifications of any or all respondents as the Commonwealth deems necessary.
- E. Request and receive such additional information as the Commonwealth may reasonably require. Failure to comply with such a request will result in disqualification.

Liability

The Commonwealth shall not be liable for:

- A. Any cost incurred in the preparation or submission of qualifications.
- B. Any disclosure, whether by negligence or otherwise, of any material or information in any form submitted by any respondent to this RFQ.

Questions

All questions concerning this RFQ must be submitted by facsimile, e-mail or in writing to the address below no later than **12:00 p.m. (ET) on Friday, March 1, 2013**. Any questions submitted and their answers may be distributed to all respondents.

Submission of Qualifications

Submission of proposals must be received no later than **2:00 p.m. (ET) on Monday, March 11, 2013**. **Three (3) copies of your proposal and one (1) electronic copy** and all related material must be received at the following address:

Office of Financial Management
Selection Committee Chairperson
RFQ BC FY 2014-2015
702 Capitol Avenue, Suite 76
Frankfort, Kentucky 40601-3453
Phone: (502) 564-2924 Fax: (502) 564-7416
E-mail: Marcia.Adams@ky.gov

ATTACHMENT A

Commonwealth of Kentucky
Finance and Administration Cabinet
Sworn Statement Regarding Campaign Finance Laws
Pursuant to KRS Chapter 121

The undersigned hereby swears or affirms, under penalty prescribed by law or perjury, that neither he/she, individually, nor, to the best of his/her knowledge and belief, the corporation, partnership, or other business entity which he/she represents in connection with this procurement, has knowingly violated any provisions of the campaign finance laws of the Commonwealth of Kentucky, pursuant to KRS 121, and that the award of a contract to him/her, individually, or to the corporation, partnership or other business entity which he/she represents, will not violate any of the above-referenced statutes.

Signature

Name

Title

Firm Name

State of _____

County of _____

The foregoing statement was sworn to me this _____ day of _____ 20 _____ by _____

_____.

Notary Public

My commission expires: _____

ATTACHMENT B

Commonwealth of Kentucky
Finance and Administration Cabinet
Sworn Statement Regarding Executive Branch
Code of Ethics
Pursuant to KRS Chapter 11

The undersigned hereby swears or affirms, under penalty prescribed by law or perjury, that neither he/she, individually, nor, to the best of his/her knowledge and belief, the corporation, partnership, or other business entity which he/she represents in connection with this procurement, has knowingly violated any provisions of the Executive Branch Code of Ethics of the Commonwealth of Kentucky, pursuant to KRS 11A.001 to KRS 11A.990, and that the award of a contract to him/her, individually, or to the corporation, partnership or other business entity which he/she represents, will not violate any of the above-referenced statutes.

Signature

Name

Title

Firm Name

State of _____

County of _____

The foregoing statement was sworn to me this _____ day of _____ 20 _____ by _____

_____.

Notary Public

My commission expires: _____

ATTACHMENT C

Commonwealth of Kentucky
Finance and Administration Cabinet
Sworn Statement Regarding Violations of
Kentucky Revised Statutes
Pursuant to KRS Chapter 45A.485

KRS 45A.485 states:

- (1) Any state contract awarded under KRS Chapter 45A, 175, 176, 177, or 180 after July 15, 1994, shall require the contractor to:
 - (a) Reveal any final determination of a violation by the contractor within the previous five (5) year period pursuant to KRS Chapters 136, 139, 141, 337, 338, 341, and 342 that apply to the contractor; and
 - (b) Be in a continuous compliance with the provisions of KRS Chapters 136, 139, 141, 337, 338, 341, and 342 that apply to the contractor for the duration of the contract.

- (2) A contractor's failure to reveal a final determination of a violation of KRS Chapters 136, 139, 141, 337, 338, 341, and 342 or to comply with these statutes for the duration of the contract shall be grounds for the Commonwealth's:
 - (a) Cancellation of the contract; and
 - (b) Disqualification of the contractor from eligibility for future state contracts for a period of two (2) years.

The undersigned hereby swears or affirms, under penalty prescribed by law or perjury, that neither he/she, individually, nor, to the best of his/her knowledge and belief, the corporation partnership, or other business entity which he/she represents in connection with this procurement, has knowingly violated any provisions of the 45A.485, and that the award of a contract to him/her, individually, or to the corporation, partnership or other business entity which he/she represents, will not violate any of the above-referenced statutes.

Signature

Name

Title

Firm Name

State of _____

County of _____

The foregoing statement was sworn to me this _____ day of _____ 20 _____ by _____
_____.

Notary Public

My commission expires: _____

ATTACHMENT D

Commonwealth of Kentucky
Finance and Administration Cabinet
Sworn Statement Regarding Anti-Nepotism Provisions
Pursuant to KRS Chapter 45A.863

The undersigned hereby swears or affirms, under penalty prescribed by law or perjury, that neither he/she, individually, nor, to the best of his/her knowledge and belief, the corporation, partnership, or other business entity which he/she represents in connection with this procurement, has knowingly violated any provisions of the 45A.863, and that the award of a contract to him/her, individually, or to the corporation, partnership or other business entity which he/she represents, will not violate any of the above-referenced statutes.

Signature

Name

Title

Firm Name

State of _____

County of _____

The foregoing statement was sworn to me this _____ day of _____ 20 _____ by _____

_____.

Notary Public

My commission expires: _____

ATTACHMENT E

Contact Information

Please complete this form and return it with your proposal. Thank you for your assistance in helping OFM maintain an accurate database of bond counsel contacts.

Name: _____

Address: _____

Phone: _____

Fax: _____

E-mail: _____