

**Only firms which have been prequalified by the Office of Financial Management for Fiscal Year 2016 and Fiscal Year 2017 to provide bond counsel services to the Kentucky State Property and Buildings Commission may submit a response to this Request for Proposal.**

**June 1, 2015**

**Request for Proposals (“RFP”) to Serve as Bond Counsel to the Kentucky State Property and Buildings Commission During Fiscal Year 2016.**

The Office of Financial Management (“OFM”) of the Finance and Administration Cabinet of the Commonwealth of Kentucky (the “Cabinet”), on behalf of the Kentucky State Property and Buildings Commission (the “Commission” or “SPBC”), is requesting proposals from prequalified firms to provide bond counsel services to the Commission for the issuance of bonds during the engagement period ending June 30, 2016.

Pursuant to KRS 45A.850, the Commission seeks to hire **one (1) bond counsel firm** to provide services to the Commission for bond issuances over a period of twelve (12) months. The firm chosen pursuant to this RFP will be contracted for a period of twelve (12) months to complete selected financings by the Commission for Fiscal Year 2016. OFM will have the option to extend the contracts of the bond counsel firm, on the same terms and conditions, for an additional twelve (12) month period. The Commission may issue bonds on a negotiated or competitive sale basis. All firm selections will be determined based upon the final rankings of this RFP. The Commission anticipates hiring one (1) bond counsel firm to provide services for all bond issuance transactions.

The 2010 Extraordinary (Special) Session of the General Assembly delivered House Bill 1 (Executive Branch Budget other than Transportation Cabinet) and House Bill 3 (Kentucky Transportation Cabinet Budget) to the Governor on May 29, 2010, establishing an Executive Branch Budget for the biennium ending June 30, 2012. Governor Beshear took final action on the bills on June 4, 2010. Together, the bills authorized bond financing for projects totaling \$1,980.2 million to support various capital initiatives of the Commonwealth. Of the total authorization, \$507.4 million is General Fund supported, \$515.3 million is Agency Restricted Fund supported, \$522.5 million is supported by Road Fund appropriations and \$435 million is Federal Highway Trust Fund supported through Grant Anticipation Revenue Vehicle Bonds designated for the Lake Barkley and Kentucky Lake Bridges Project and the Louisville-Southern Indiana Bridges Ohio River Bridges Project. A portion of the General Fund, Agency Restricted Fund and Road Fund authorizations have been permanently financed.

The 2012 Regular Session of the General Assembly delivered House Bill 265 (Executive Branch Budget other than Transportation Cabinet) to the Governor on March 30, 2012 and House Bill 2 (Kentucky Transportation Cabinet Budget) to the Governor on April 20, 2012, establishing an Executive Branch Budget for the biennium ending June 30, 2014. Governor Beshear took final action on House Bill 265 on April 13, 2012 and took final action on House Bill 2 on May 2, 2012. Together, the bills authorized bond financing for projects totaling \$238.86 million to support various capital initiatives of the Commonwealth. Of the total authorization, \$182.86 million is General Fund supported, \$12.5 million is supported by Road Fund appropriations, and \$43.5 million

is Agency Restricted Fund supported. A portion of the General Fund and Agency Restricted Fund authorizations listed above have been permanently financed.

The 2013 Regular Session of the General Assembly delivered House Bill 7 to the Governor on February 20, 2013 authorizing a list of capital projects for the Kentucky state universities. Governor Beshear took final action on House Bill 7 on February 21, 2013. The bill authorized bond financing for various university capital projects totaling \$ 363.3 million to support various capital initiatives of the state universities, which are Agency Fund supported, of which \$9.6 million is still authorized to be issued.

In addition, House Bill 238 was signed by the Governor on March 22, 2013 authorizing an agency fund bond supported capital project for the Judicial Branch in conjunction with the Administrative Office of the Courts for financing of Phase I E-Case and Docket Management system capital project totaling \$28.1 million. The full appropriation of \$28.1 million is still authorized to be issued.

The 2014 Regular Session of the General Assembly delivered House Bill 235 (Executive Branch Budget other than Transportation Cabinet) to the Governor on March 31, 2014 and House Bill 236 (Kentucky Transportation Cabinet Budget) to the Governor on April 15, 2014, establishing an Executive Branch Budget for the biennium ending June 30, 2016. Governor Beshear took final action on House Bill 235 on April 11, 2014 and took final action on House Bill 236 on April 25, 2014. Together, the bills authorize bond financing for projects totaling \$1,364.05 million to support various capital initiatives of the Commonwealth, net of \$105 million in previously authorized debt de-authorized in House Bill 235. Of the total authorization, \$742.77 million is General Fund supported, \$721.28 million is supported by Agency Restricted Fund appropriations, and \$5.0 million is Road Fund supported. A portion of the General Fund and Agency Restricted Fund authorizations listed above have been permanently financed.

The 2015 Regular Session of the General Assembly delivered House Bill 298 to the Governor on March 4, 2015 authorizing a General Fund Bond supported capital project to the University of Kentucky for construction of a Research Building. Of the total authorized project cost of \$265 million, \$132.5 million is Bond Fund supported and \$132.5 million is supported by Restricted Funds. The full General Fund appropriation is still authorized to be issued.

The balance of bond authorizations of the General Assembly prior to and including the 2015 Regular Session totals \$1,783.73 million. Of these prior authorizations, \$834.44 million is General Fund supported, \$551.79 million is Agency Restricted Fund supported, \$217.50 million is supported by Road Fund appropriations and \$180 million is Federal Highway Trust Fund supported.

The following table summarizes, in aggregate, the information in connection with authorized but unissued debt of the Commission as described in this section.

State Property and Buildings Commission  
 Summary of Authorized but Unissued Debt by Fund Type  
 as of May 27, 2015

Legislative Session (Year)	General Fund (millions)	Road Fund (millions)	Agency Fund (millions)	Federal Fund (millions)	TOTAL (millions)
2010 and prior	\$58.95	\$200.00	\$17.50	\$180.00	\$456.44
2012	18.17	12.50			30.67
2013			37.70		37.70
2014	624.82	5.00	496.59		1,126.42
2015	132.50				132.50
<b>TOTAL</b>	<b>\$834.44</b>	<b>\$217.50</b>	<b>\$551.79</b>	<b>\$180.00</b>	<b>\$1,783.73</b>

A list of all authorized but unissued debt for General Fund supported bond projects is identified in **Attachment A**. The Kentucky General Assembly may authorize additional debt financing to support capital initiatives of the Commonwealth in future sessions. The issuance of any new debt authorized, if any, could be included in this contract engagement.

The Road Fund supported bonds will generally be issued by the Turnpike Authority of Kentucky and are not anticipated as part of this engagement. Likewise, any GARVEE bonds will be issued by the Asset/Liability Commission (“ALCo”) and are not a part of this engagement. Additionally, a majority of the Agency Fund supported bonds authorized for the state-supported institutions of higher education will be issued by the individual institutions and will not be a part of this engagement.

The Commission has adopted resolutions which approved the General Fund supported capital construction projects authorized by the General Assembly. The resolutions provided for the reimbursement of authorized expenditures made prior to the issuance of any bonds, and additionally provides for the advancement of monies for the planning and construction of the projects to be reimbursed by bond proceeds, as applicable.

A preliminary project and debt analysis indicates that the Commission may conduct one or more bond issues during Fiscal Year 2016 with an estimated size of approximately \$100 to \$300 million. It is anticipated that the transactions will be to provide permanent financing for projects that are underway and are expected to meet expenditure tests as required by the Internal Revenue Code. Additional issuances may be required in Fiscal Year 2016 or 2017 if the General Assembly authorizes additional debt financings in the upcoming 2016 Session. Actual bond issuances for the Commission will depend on capital project needs and market conditions at the time of sale. There can be no assurance by the Commission that transactions contemplated in this RFP will be completed during the contract period. Potential refunding candidates may be combined with new money transactions as circumstances permit.

The primary objectives of the Commission for the bond financings are to:

1. Minimize the cost of funds and the carrying costs associated with unexpended bond proceeds within policy constraints;
2. Maximize the amount and level of legal expertise brought to each transaction;
3. Convert interim financing provided by ALCo to permanent financing issued by the Commission, if applicable;
4. Maximize permissible investment earnings;
5. Minimize budgetary process complications; and,
6. Minimize future administrative requirements.

### **Description of Services Sought**

The firm engaged to provide bond counsel services to the Commission will be working with OFM and a senior managing underwriting firm and/or a financial advisor firm that will be selected in a similar process as the bond counsel firm. The firm selected to perform these services for the Commission will be responsible for the oversight of legal services for the entire bond issue. For both the **negotiated** and **competitive** bond transactions, these duties include, but are not limited to, providing opinions and legal advice related to debt structuring and disclosure, reviewing preliminary and final official statements, coordinating the sale and closing of the securities, identifying tax issues including arbitrage regulations and ongoing status of project tax exemption, consulting with the Commission, the trustee and the Commonwealth, providing information as requested to the rating agencies, attending/testifying at legislative committee meetings, assisting in presentations as needed, overseeing the printing of bond certificates, drafting and circulating required issuance documents for approval, assisting with compliance of any continuing disclosure requirements as well as preparing official transcripts in a timely manner and assisting in the review of draft legislation related to the Commission. In addition, duties for any competitive bond transactions will include the drafting and producing of preliminary and final official statements. The General Assembly has not appropriated money for the payment of fees outside of the bond issuance process; therefore, any fees incurred will be payable only upon successful closing of the issue.

## **GENERAL INFORMATION**

### **The Commission**

Created pursuant to KRS 56.450, the Commission provides financing for capital construction projects and economic development programs approved by the General Assembly of the Commonwealth of Kentucky. The Commission issues lease revenue bonds to finance projects for which the debt service is appropriated from the Commonwealth's General, Agency, and in some cases, Road Funds. The Commission's uninsured ratings for General Fund supported bonds are

“Aa3” from Moody’s Investors Service, Inc., “A+” from Standard & Poor’s Ratings Services, and “A+” from Fitch Ratings. The Commission is composed of the Governor (who is the Chairman of the Commission), the Lieutenant Governor, the Attorney General, the Secretary of the Finance and Administration Cabinet (who is the Executive Director of the Commission), the Secretary of the Cabinet for Economic Development, the State Budget Director, and the State Controller. OFM serves as staff to the Commission, and the Executive Director of OFM serves as Secretary to the Commission.

KRS 56.450(4) authorizes the Commission, on application of any state agency of the Commonwealth, to issue revenue bonds in the Commission’s name in accordance with the provisions of KRS Chapters 56 and 58, secured by and payable solely from all or any part of the revenues derived from the leasing of the project financed to such state agency. The Commission is authorized to execute lease agreements with those state agencies requesting the Commission to issue revenue bonds, which leases provide for the payment of lease rentals to the Commission in order to make principal and interest payments on the revenue bonds issued in the name of the Commission. Additional information regarding the Commission can be found at OFM’s website <http://finance.ky.gov/services/ofm/Pages/SPBC.aspx>

### **Debt Service Appropriation Process**

The Commonwealth of Kentucky is constitutionally mandated to budget on a biennial cycle, with the new biennium beginning July 1 of the even numbered calendar years. The biennium consists of two (2) fiscal years, each fiscal year beginning July 1 and ending June 30 of the next calendar year. The budget process normally begins in August prior to the start of each new biennium. Each cabinet and agency prepares a budget request for the upcoming biennium, which is submitted to the Office of the State Budget Director (“OSBD”). Each cabinet and agency only requests the amount of new debt service dollars required to support new or expansion projects to be funded via the debt issuance process. General Fund supported debt service for all existing bonds is requested by OFM in the Finance and Administration Cabinet’s budget request. Debt service for new projects is estimated using a debt service template which provides rate assumptions for 5-, 7-, 10-, and 20-year bonds issued on a tax-exempt or taxable basis. The OSBD further refines the cabinet and agency budget requests into the Governor’s Executive Budget Request, which is then presented to the General Assembly. New money debt service appropriations are moved to the Finance and Administration Cabinet and combined with existing General Fund debt service appropriations at the beginning of each fiscal year. General Fund debt service, which is not expended in the fiscal year for which it is appropriated, cannot be carried forward into the subsequent fiscal year and will lapse to the General Fund Surplus Account.

## **REQUIRED COMPONENTS OF THE PROPOSAL**

**Your proposal must specifically address each of the following items. Failure to comply with the requirements of the RFP will result in the firm's response not being evaluated by the Selection Committee. (See Scoring, Selection and Notification as stated herein.)**

### **I. Disclosure**

- A.** Certify that there has been no material change to any of the statements and certifications made by the firm in its response to the Request for Qualifications, Section II, Disclosure, issued by OFM on February 3, 2015. In the event there has been a material change, please specify the nature of the change and the impact of the change on the firm and its ability to provide the desired services.
- B.** Detail any criminal investigation, indictment, prosecution or other proceeding that has ever been brought against members of your firm (provide attachment if necessary). Also, describe any civil litigation pending or concluded within the last three years against your firm that would impair the firm's ability to provide the requested services (provide attachments if necessary). Also, describe the nature of any conflicts of interest that you believe may exist or arise.
- C.** Disclose any potential conflicts of interest with representing the Commonwealth in this matter, including any potential conflicts of interest of employees assigned to this project and potential conflicts with any Commission members. The Commonwealth reserves the unqualified right to disqualify an entity or cancel any contract for any potential conflict of interest issues raised initially and/or during the life of any contract awarded.
- D.** Disclose if your firm's proposal has information considered proprietary that you wish to be confidentially disclosed. In the event that your firm chooses to declare the inclusion of proprietary information, please noticeably label such information as described in the "Proprietary Information" article of the RFP.

### **II. Qualifications (75%)**

#### **A. Relevant Experience of the Firm (15%)**

- 1. Briefly describe the history and organization of the firm and its municipal finance law department.
- 2. Provide a discussion of relevant bond counsel experience of the firm for lease appropriation revenue bonds. Highlight both taxable and tax-exempt experience and the conversion to permanent financing of a commercial paper or interim financing program similar in nature and credit to prior ALCo Bond Anticipation Note ("BAN") or line of credit transactions. Please indicate the date of each relevant transaction.

3. Describe your firm's technological capabilities, for example, software applications, ability to provide preliminary and official statements in searchable and ready-to-post pdf format, and ability to provide transcripts on CD-R Disc.

**B. Relevant Experience and Qualifications of the Representatives of the Firm (35%)**

1. Provide a discussion of the experience and qualifications of the firm's representatives who would work on the proposed financial transactions. Provide relevant experience the individuals have had on similar issues. Highlight both taxable and tax-exempt experience and the conversion to permanent financing of a commercial paper or interim financing program similar in nature and credit to prior ALCo BAN or line of credit transactions. Provide the names and resumes of all individuals who would be assigned to work on the issues and identify the lead and tax counsel. Specifically address the firm's intent regarding who would be assigned to be the contact for the Commission should the lead counsel be unable or unavailable to serve the Commission for any reason. **Please note that any changes made to the representation for the Commission must be approved in writing by OFM.**
2. Provide specific references of the firm's and lead counsel's experience with similar issuers. Include names, addresses and telephone numbers.

**C. Legal Issues Which May Impact the Issuance of Debt by the Commission (25%)**

Please identify and discuss any relevant tax and legal issues the Commission may face or wish to consider which would impact its ability to issue the authorized debt and efficiently achieve its financing objectives with respect to each of the following items:

**1. Economic Development Bond Pools**

The Economic Development Bond Pool predominately provides grants to local municipalities who extend the proceeds to eligible companies for economic development projects. Certain repayment provisions apply in the event the company does not meet required investment, wage, and job expectations. However in most cases, any repayment is returned to the local municipality (and not the state) to be used for further economic development projects with the approval of the Cabinet for Economic Development. Security for these proceeds will be fully supported by General Fund appropriations and not from any project loan repayments. Bonds for this pool are typically issued once the project has been identified and in some cases, the bond proceeds are used to reimburse any receivable initially established for the project.

The Kentucky Economic Development Finance Authority ("KEDFA") makes low interest loans to firms that locate or expand operations in the Commonwealth. All

loans are secured by collateral such as real estate, equipment, letter of credit, or guarantee.

The High Tech Construction/Investment Pool supports the growth of innovation-based business and industry in Kentucky. The bond pool makes forgivable loans and/or grants to firms as an incentive for the creation of technically skilled and higher wage jobs in the Commonwealth. Forgivable loans are contingent upon the firm meeting the job creation numbers and required wages agreed upon with the Cabinet for Economic Development and could be subject to repayment should they not satisfy the job creation or wage targets on specified dates. The bond pool may be used to finance long-term purchases that typically involve equipment purchases, and the cash portion of the pool is used to finance short term operating expenses. Pool loans and grants target high tech niche areas where Kentucky can gain a competitive edge in the emerging 21st Century economy, supporting a strong research and development infrastructure, training a high-tech workforce and increasing access to capital for high potential technology firms.

The following chart summarizes the initial authorizations and the remaining amounts to be issued for the Bond Pools in the Economic Development Cabinet.

Legislative Session (Year)	House Bill No.	Program	Authorization	Issued - Project Basis	Issued - Pooled Basis*	Remaining Authorization
2006	380	ED Bond Pool	\$17,500,000	\$12,000,000	\$5,500,000	\$5,500,000
2010	1	ED Bond Pool	7,500,000	0	7,500,000	7,500,000
2014	235	ED Bond Pool	7,000,000	0	7,000,000	7,000,000
2010	1	KEDFA	25,000,000	2,950,000	22,050,000	22,050,000
2014	235	KEDFA	7,000,000	0	7,000,000	7,000,000
2014	235	High Tech Pool	7,000,000	0	7,000,000	7,000,000

\* SPBC No. 108 was issued on a pooled project basis. Bond proceeds of \$150,000,000 were issued for a project list totaling \$745,542,000. Bond proceeds are available to every project on the project list and will be distributed to an individual project as the project progresses and funds are needed. The exact allocations cannot be completed until all proceeds from the pool have been allocated.

## 2. Water and Sewer Projects

The Kentucky Infrastructure Authority (KIA) administers two federally assisted revolving fund programs, Fund A (Federally Assisted Wastewater Revolving Fund Program) and Fund F (Federally Assisted Drinking Water Revolving Loan Fund Program). Fund A finances local wastewater treatment and collection facilities that qualify under U.S. Environmental Protection Agency (EPA) requirements and

Fund F finances local drinking water facilities that qualify under EPA requirements. Funds for both loan programs are provided by EPA through capitalization grants of 83.33 percent of the total project. The State matches these funds with a 16.67 percent match of the total project through the issuance of General Fund supported debt. Four percent of each capitalization grant is reserved for the program's administrative costs. The Commission anticipates issuing the state match bonds. The following chart summarizes the initial authorizations and the remaining amounts to be issued for the KIA Fund A and Fund F programs.

Legislative Session (Year)	House Bill No.	Program	Authorization	Issued - Project Basis	Issued - Pooled Basis*	Remaining Authorization
2010	1	Fund A	\$20,000,000	\$16,596,000	\$3,404,000	\$3,404,000
2012	265	Fund A	1,500,000	0	1,500,000	1,500,000
2014	235	Fund A	3,100,000	0		3,100,000
2010	1	Fund F	12,000,000	12,000,000		0
2012	265	Fund F	2,200,000	1,290,000	910,000	910,000
2014	235	Fund F	2,300,000	0		2,300,000

\* SPBC No. 108 was issued on a pooled project basis. Bond proceeds of \$150,000,000 were issued for a project list totaling \$745,542,000. Bond proceeds are available to every project on the project list and will be distributed to an individual project as the project progresses and funds are needed. The exact allocations cannot be completed until all proceeds from the pool have been allocated.

A potential current economic refunding of bonds previously issued by KIA may be issued by the Commission and be a part of this contract. Please identify any legal issues that could be of concern to OFM should such a transaction occur.

### 3. Judicial Branch Projects

There is currently \$28.1 million authorized in Agency Fund supported bonds for the Judicial Branch in conjunction with the Administrative Office of the Courts for financing of Phase I E-Case and Docket Management system capital project, for which the Commission may issue during the contract period.

### 4. Road Fund Projects

There is currently \$12.5 million in Road Fund supported bonds authorized for a Driver's Licensing System and \$5 million authorized for a highway garage that may be issued during this contract period by the Commission.

Please comment on suggested due diligence by the Commission in monitoring such projects for potential future changes in use, project size, grants, or other related issues to ensure the tax-exempt status of the bonds.

## 5. Other Legal Issues

- a. Please identify or discuss any further legal issues (e.g. Dodd-Frank or pension disclosure) pertaining to any recent regulations or developments (e.g. U.S. Government downgrade) that you believe may have a material impact on issuance of debt by the Commission.
- b. Does your firm have any specific guidance for issuers on post-issuance compliance? Please provide discussion/suggestions on the best, most efficient way to implement procedures regarding post issuance compliance for the Internal Revenue Service for ongoing tracking and documentation of capital projects financed with tax-exempt bond proceeds.

## III. Fee Proposal (25%)

The Commission is requesting one (1) fee quote on a per \$1,000 bond basis assuming your firm serves as bond counsel for the Commission for a single \$100 million traditional fixed rate General Fund lease appropriation revenue bond issue. Fee proposals will be evaluated utilizing the fee quote that you provide given this bond size assumption. Bond counsel fees will be paid only upon completion and closing of the respective bond issue. The fee proposal provided on a per \$1,000 bond basis shall be inclusive of all expenses which shall include copying, faxing, mailing (excluding overnight delivery), telephone, advertisements (public notice requirements), travel and other out-of-pocket expenses. Note that the Commonwealth will require that a minimum of three copies of the transcript of the issue be delivered which includes two (2) to the Commonwealth and one (1) to the Trustee within six months of closing of the issue. OFM requires that one hardbound, and one electronic (CD-R Disc) transcript be provided. The Commission will pay, with written proof, invoices for overnight delivery and transcripts. No variations from a per \$1,000 bond fee, including graduated scales or divergent minimum or maximum fees, will be accepted. All bond series, supported by the same fund source and sold on the same date, will be considered one issue for billing purposes. OFM assumes no responsibility for the actual amount of bonds issued during the contract period. Actual bond issuances, if any, may be greater or less than the assumed amount. The Commission will provide **minimum** compensation of \$10,000 per issuance and **maximum** compensation of \$125,000 per issuance, including any agency fund supported or refunding issues. **The firm's fee proposal must be submitted on Attachment B in a separate sealed envelope. The Executive Director of OFM will negotiate a per bond fee based upon the top ranked firms' fee proposal. Identify also in Attachment B, a per bond fee for any Agency/Road Fund supported bond issues which is included in**

the provided minimum and maximum compensation to be provided by the Commission as identified above. The identified Agency/Road Fund supported fee will not be included for purposes of calculating the firm's overall score for fee proposal. Note: The previously mentioned Agency Fund and Road Fund bond authorizations may need to be issued by the Commission during the contract period. Failure to adhere to these requirements will result in Disqualification of the Response.

### **Reservation of Rights**

OFM and the Commission reserve the right to:

1. Review and approve any change in staff members significantly involved in any financing during the contract period, and discharge the firm promptly if such personnel changes do not meet the needs of the Commission.
2. Reject any and all proposals with cause.
3. Reject all proposals and seek new proposals when such procedure is reasonably in the best interest of the Commission.
4. Make investigations regarding qualifications of any or all respondents, as the Selection Committee deems necessary.
5. Request and receive such additional information as the Selection Committee may reasonably require. Failure to comply with such a request will result in disqualification.
6. Waive minor irregularities in this RFP process.
7. Make all submitted proposals and any attached materials available for Open Records requests pursuant to KRS 61.870.

### **Liability**

OFM and the Commission shall not be liable for:

1. Any costs incurred in the preparation or submission of any proposal.
2. Any costs incurred by the proposer in connection with any interview or negotiation relating to this RFP (i.e. travel, accommodations, etc.).
3. Any disclosure, whether by negligence or otherwise, of any material or information in any form submitted in response to this RFP.

## Questions

All questions concerning this RFP must be submitted by e-mail or writing to the above address no later than **12:00 noon ET on Monday, June 8, 2015**. Any questions submitted, and answers, may be distributed to all prequalified firms at the discretion of the Selection Committee Chairperson. Please note questions submitted after the deadline will not receive a response.

## Submission of Proposals

**Submission of proposals must be received no later than 4:00 p.m. (ET) on Wednesday, June 17, 2015. Six (6) hard copies of your proposal and one (1) electronic copy (sent via email in PDF form) along with all related materials must be received at the following address:**

Office of Financial Management  
State Property and Buildings Commission  
Selection Committee Chairperson  
Bond Counsel FY 2016 RFP  
702 Capitol Avenue, Suite 76  
Frankfort, Kentucky 40601-3453  
Phone: (502) 564-2924  
E-mail: [Tammy.McCall@ky.gov](mailto:Tammy.McCall@ky.gov)

**Note: Proposals received after the stated deadline will NOT be accepted. It is NOT the responsibility of courier services to meet the deadline. It is the responsibility of the proposer. Electronic transmissions will NOT be accepted for submission of proposals; however, one electronic copy must be received by the stated deadline in addition to the hard copy submittal for the submittal package to be considered complete. The cost proposal does not need to be included in the electronic copy.**

**\*\*ALL PROPOSALS SHOULD BE NO MORE THAN 50 PAGES 11 POINT FONT. RE-PRINTED MATERIALS SHOULD BE IN AN APPENDIX AND PLEASE INCLUDE AN EXECUTIVE SUMMARY PAGE.**

## Scoring, Selection, and Notification

The Selection Committee established pursuant to KRS 45A.843 will be composed of five (5) OFM staff (voting and including a majority of merit employees) and one merit employee of the State Auditor of Public Accounts (nonvoting). **Proposals will be evaluated for Bond Counsel pursuant to the evaluation criteria outlined on Attachment C.** The Selection Committee will determine whether to hold interviews with proposing firms. The Selection Committee will make a recommendation for selection pursuant to KRS 45A.840 to 45A.870, KRS 45A.877 to 45A.879, and KRS 45A.490 to 45A.494. The scoring of proposals is subject to reciprocal preference for a Kentucky resident bidder and preference for a Qualified Bidder. (See Attachment E for recently enacted KRS 45A.490 to 45A.494 “Kentucky Preference Laws”.)

The Kentucky Revised Statutes and the Kentucky Administrative Regulations referenced in the RFP may be found at <http://www.lrc.ky.gov/>.

### **Proprietary Information**

The RFP specifies the required components and general content of proposals submitted in response to the RFP. **The Finance and Administration Cabinet will not disclose any portions of the proposals prior to Contract Award to anyone outside the Finance and Administration Cabinet, representatives of the agency for whose benefit the contract is proposed, representatives of the Federal Government, if required, and the members of the evaluation committee.** After a Contract is awarded in whole or in part, the Commonwealth shall have the right to duplicate, use, or disclose all proposal data submitted by firms in response to this RFP as a matter of public record. Although the Commonwealth recognizes the firm's possible interest in preserving selected data which may be part of a proposal, the Commonwealth must treat such information as provided by the Kentucky Open Records Act, KRS 61.870 et sequitur, which allows for exemptions as provided in KRS 61.870(1)(c).

Pursuant to KRS 61.870(1)(c), informational areas which normally might be considered proprietary shall be limited to **individual personnel data, customer references, selected financial data, formulae, and financial audits** which, if disclosed, would permit an unfair advantage to competitors. If a proposal contains information in these areas that a firm declares proprietary in nature and not available for public disclosure, **the firm shall declare in the Disclosure (See "Required Components of the Proposal," Section I, Subsection D) the inclusion of proprietary information and shall noticeably label as proprietary each sheet containing such information.** The Cabinet will make all reasonable efforts to maintain the confidentiality of any information provided by the firm, which is clearly identified by the firm as proprietary, provided such designation is reasonable, and subject to the order of the Attorney General or any court directing the Cabinet to release such information.

### **Contact with Selection Committee Members**

Please note that any contact made by the firm with any member of the Selection Committee, from the date of issuance of the RFP until an award of contract, is required to be disclosed by such Committee member to the entire Committee and will become a part of the permanent file for this selection process which is subject to "open records requests" pursuant to Kentucky Open Records laws.

The Office of Financial Management and the Commission respectfully solicits the submission of a proposal by your firm.

- Attachment A: Authorized but Unissued Bond Funded Capital Projects
- Attachment B: Fee Proposal
- Attachment C: Evaluation Criteria and Form
- Attachment D: Official Statement
- Attachment E: Kentucky Preference Laws (KRS 45A.490-494)

**ATTACHMENT A**

**Authorized But Unissued Bond Funded Capital Projects (As of 5/1/15)**

<u>Session</u>	<u>Agency</u>	<u>Project Description</u>	<u>Authorized Amount</u>	<u>Unissued Amount</u>	<u>Years</u>
		<b><u>General Fund</u></b>			
2006	CED-Financial Incentives	Economic Development Bond Pool	17,500,000	5,500,000	20
2006	Finance	Capital Plaza Complex - Renovation and Design	4,942,000	1,000,000	20
2008	Murray State University	<b>Breathitt Veterinary Center</b>	10,000,000	2,000,000	20
2008	Dept for Local Govt	Flood Control Matching Funds	2,200,000	1,700,000	20
2010 SS	Dept for Local Govt	Flood Control - State Match	3,000,000	3,000,000	20
2010 SS	CED-Financial Incentives	BRAC Water/Sewer Projects - 11 projects	38,495,000	11,495,000	20
2010 SS	CED-Financial Incentives	Economic Development Bonds	7,500,000	7,500,000	20
2010 SS	CED-Financial Incentives	KEDFA	25,000,000	22,050,000	20
2010 SS	Environmental Protection	State Owned Dam Repair	2,000,000	2,000,000	20
2010 SS	EEC	Ky Heritage Land Conservation Fund Projects	15,000,000	2,700,000	20
2012	KIA	KIA - Clean Water Revolving Fund Match	1,500,000	1,500,000	20
2012	KIA	KIA - Drinking Water Revolving Fund Match	2,200,000	910,000	20
2012	Dept for Local Govt	Flood Control Matching	2,000,000	2,000,000	20
2012	Environmental Protection	Maxey Flats Cap	17,000,000	9,000,000	20
2012	Environmental Protection	State Owned Dam Repair	2,500,000	2,500,000	20
2012	Finance	Statewide Microwave Network (KEWS) Maintenance	2,200,000	1,700,000	20
2012	Behavioral Health	Electrical System Upgrade at Western State Hospital - Design	960,000	560,000	20
2014	KIA	KIA Fund A - CWSRF - 2014-16	3,100,000	3,100,000	20
2014	KIA	KIA Fund F - DWSRF - 2014-16	2,300,000	2,300,000	20
2014	Dept of Military Affairs	Maintenance Pool - 2014-16	1,000,000	1,000,000	20
2014	SFCC	Offers of Assistance - 2012-2014	100,000,000	100,000,000	20
2014	CED	Economic Development Bond Program - 2014-2016	7,000,000	7,000,000	20
2014	CED-Financial Incentives	KEDFA Loan Pool - 2014-2016	7,000,000	7,000,000	20
2014	CED-Financial Incentives	High Tech Construction/Investment Pool - 2014-2016	7,000,000	7,000,000	20
2014	Dept of Education	Maintenance Pool - 2014-2016	675,000	675,000	20
2014	Environmental Protection	State-Owned Dam Repair - 2014-2016	600,000	600,000	20
2014	Finance	Next Generation Kentucky Information Highway	20,000,000	20,000,000	20
2014	Finance	Next Generation Kentucky Information Highway	10,000,000	10,000,000	20
2014	Finance	Business-One Stop Portal - Phase II	4,143,000	4,143,000	10
2014	Finance	Maintenance Pool - 2014-16	3,000,000	2,000,000	20
2014	Finance	Maintenance Pool - 2014-16	3,000,000	3,000,000	20
2014	Finance	Upgrade State Data Center Readiness	2,000,000	1,800,000	20
2014	CHFS	Maintenance Pool - 2014-16	2,500,000	2,500,000	20
2014	CHFS	Radiation Monitoring Equipment	2,486,000	400,000	7
2014	Corrections Management	Maintenance Pool - 2014-16	2,750,000	2,750,000	20
2014	Eastern Ky University	Construct Science Building - Phase II & III	66,340,000	22,252,900	20
2014	Ky State University	Replace Boilers and Repair Aging Distribution Lines	10,400,000	9,900,000	20
2014	Morehead State University	Renovate/Expand Student Services Facility	49,679,000	45,679,000	20
2014	Murray State University	Construct New Breathitt Veterinary Center	32,468,000	15,468,000	20
2014	Murray State University	Construct/Complete New Science Complex, Final Phase	31,890,000	21,890,000	20
2014	Northern Ky University	Renovate Old Science and Construct Health Innovation	97,000,000	92,500,000	20
2014	University of Kentucky	Expand/Renovate/Upgrade Law Building	35,000,000	35,000,000	20
2014	University of Louisville	Construct Belknap Classroom/Academic Building	80,560,000	71,160,000	20

<u>Session</u>	<u>Agency</u>	<u>Project Description</u>	<u>Authorized Amount</u>	<u>Unissued Amount</u>	<u>Years</u>
2014	Western Ky University	Renovate Science Campus - Phase IV	48,000,000	46,500,000	20
2014	KCTCS	Construct Advanced Manufacturing Facility - Georgetown	24,000,000	22,800,000	20
2014	Ky Center for the Arts	Roof Replacement	2,200,000	2,200,000	20
2014	Ky Historical Society	Digital Initiatives	1,000,000	1,000,000	10
2014	Dept of Parks	Maintenance Pool - 2014-16	4,000,000	4,000,000	20
2014	Dept of Parks	Upgrade Guest Accommodations	5,033,200	147,800	20
2014	State Fair Board	Ky International Convention Center Renovation and Expansion	56,000,000	56,000,000	20
2014	State Fair Board	Freedom Hall Sewer Line Replacement	3,224,000	3,061,500	20
2015	University of Kentucky	Construct Research Building	132,500,000	132,500,000	20
<b><u>Road Fund</u></b>					
2010 SS	KYTC	Highway Bonds	400,000,000	200,000,000	20
2012 SS	KYTC	Replace Driver Licensing System	12,500,000	12,500,000	10
2014	KYTC - General Administration	Transportation-Construct C-1 Garage	5,000,000	5,000,000	20
<b><u>Agency Fund</u></b>					
2010 SS	Northern Kentucky	Acquire Land/Master Plan	20,000,000	17,500,000	20
2013	University of Louisville	Expand Student Activities Center	9,600,000	9,600,000	20
2013	AOC	Phase I E-Case and Docket Management System	28,100,000	28,100,000	10
2014	Ky Infrastructure Authority	KIA Fund A - CWSRF - 2014-16	25,000,000	25,000,000	20
2014	Ky Infrastructure Authority	KIA Fund F - DWSRF - 2014-16	100,000,000	100,000,000	20
2014	Ky State University	Construct Athletics Sports Complex	5,487,000	5,487,000	20
2014	Northern Ky University	Expand University Drive Parking Garage	15,000,000	15,000,000	20
2014	University of Kentucky	Renovate/Expand University Student Center	160,000,000	160,000,000	20
2014	University of Kentucky	Expand/Renovate/Upgrade Law Building	30,000,000	30,000,000	20
2014	University of Louisville	Purchase Land Support Service (Northeast Quadrant)	15,600,000	15,600,000	20
2014	KCTCS	Newtown Campus Expansion-Bluegrass CTC	18,000,000	18,000,000	20
		Construct MCTC/MSU Postsecondary Center of Excellence, Phase I-			
2014	KCTCS	Maysville CTC	21,000,000	21,000,000	20
2014	KCTCS	Construct Carrollton Campus, Phase I - Jefferson CTC	12,000,000	12,000,000	20
2014	KCTCS	Construct Advanced Technology Center, Phase II-Owensboro CTC	9,000,000	9,000,000	20
2014	KCTCS	Construct Postsecondary Education Center-Madisonville CC	15,000,000	15,000,000	20
2014	KCTCS	Construct 2D Art School, Phase I-West Kentucky CTC	7,500,000	7,500,000	20
2014	KCTCS	Construct Urban Campus-Gateway CTC	11,250,000	11,250,000	20
		Construct Agriculture Health and Career Technology Center, Phase I-			
2014	KCTCS	Hopkinsville CC	11,250,000	11,250,000	20
2014	KCTCS	Construct Instructional Classroom Complex-Southcentral CTC	16,500,000	16,500,000	20
2014	KCTCS	Renovate Main Building-College Drive Campus-Ashland CTC	7,500,000	7,500,000	20
		Construct Educational Alliance Center-Middlesboro Campus-Southeast			
2014	KCTCS	Kentucky CTC	7,500,000	7,500,000	20
2014	KCTCS	Renovate Campus Wide Facilities-Henderson CC	3,750,000	3,750,000	20
2014	KCTCS	Renovate Owen Classroom Building-Elizabethtown CTC	750,000	750,000	20
2014	KCTCS	Construct Community Intergenerational Center-Lees-Hazard CTC	1,500,000	1,500,000	20
2014	KCTCS	Expansion of Pikeville Campus-Big Sandy CTC	1,500,000	1,500,000	20
2014	KCTCS	Construct Arts & Humanities Building-Somerset CC North	1,500,000	1,500,000	20

**ATTACHMENT B  
FEE PROPOSAL**

**Kentucky State Property and Buildings Commission  
Request for Proposals  
Bond Counsel  
Fiscal Year 2016**

**BOND COUNSEL FEE**

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General Fund Supported: Price Per \$1,000 Bond* = _____
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Agency Fund (Road Fund) Supported: Price Per \$1,000 Bond*** = _____
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Inclusive of all expenses including copying, faxing, mailing\*\*, telephone, advertisements (public notice requirements), travel and other out-of-pocket expenses. The per bond fee quoted will be applicable to all financings and completed during the contract period subject to the minimum and maximum fees stated below.

Minimum fee = \$ 10,000  
Maximum fee = \$125,000

\*Use the assumptions identified in the RFP to calculate your fee proposal.

\*\*Note: The Commission will reimburse counsel for necessary overnight mail expenses and for the cost of final transcripts in addition to the quoted fee.

\*\*\*Agency Fund (Road Fund) Supported Fee will not be used to calculate the firm's overall total score for fee proposals.

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SIGNED

DATE

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FIRM NAME

**NOTE: THIS FORM MUST BE USED WHEN SUBMITTING YOUR FEE PROPOSAL FOR BOND COUNSEL AND MUST BE SUBMITTED IN A SEPARATE SEALED ENVELOPE. FAILURE TO COMPLY WITH THE REQUIREMENTS OF THIS RFP WILL RESULT IN THE FIRM'S RESPONSE NOT BEING EVALUATED BY THE SELECTION COMMITTEE.**

**ATTACHMENT C  
EVALUATION CRITERIA**

**Kentucky State Property and Buildings Commission  
Request for Proposals  
Bond Counsel  
Fiscal Year 2016**

	<u><b>Evaluation Criteria</b></u>	<u><b>Weight</b></u>
1.	Relevant Experience of the Firm	15%
2.	Relevant Experience and Qualifications of the Firm's Representatives	35%
3.	Legal Issues	25%
4.	Fee Proposal	<u>25%</u>
	Total	100%

**ATTACHMENT C (page 2)  
EVALUATION FORM**

**Kentucky State Property and Buildings Commission  
Request For Proposals  
Bond Counsel  
Fiscal Year 2016**

FIRM: \_\_\_\_\_

REVIEWER ID: \_\_\_\_\_

Disclosure: \_\_\_\_\_ Yes \_\_\_\_\_ No

1. RELEVANT FIRM EXPERIENCE - (Qualifications, Recent Similar Transactions, Firm Organization)

Score (15 points possible): \_\_\_\_\_

Notes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. RELEVANT EXPERIENCE AND QUALIFICATIONS OF FIRM'S REPRESENTATIVES -  
(Number of staff available, background, individual experience on similar transactions, identification of principal contact, specific firm references)

Score (35 points possible): \_\_\_\_\_

Notes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. LEGAL ISSUES (Depth and quality of discussion of pertinent legal issues and demonstration of understanding of the Commission's bonds)

Score (25 points possible): \_\_\_\_\_

Notes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Total Score\*: \_\_\_\_\_

\*Scores for fee proposals will be uniformly assigned by the Committee Chairperson.

## **Attachment E**

### **Kentucky Preference Laws (KRS 45A.490-494)**

The scoring of bids/proposals is subject to Reciprocal preference for Kentucky resident bidders and Preferences for a Qualified Bidder. \*Vendors not claiming resident bidder or qualified bidder status need not submit the corresponding affidavit.

#### **Reciprocal preference for Kentucky resident bidders**

##### **KRS 45A.490 Definitions for KRS 45A.490 to 45A.494.**

As used in KRS 45A.490 to 45A.494:

- (1) "Contract" means any agreement of a public agency, including grants and orders, for the purchase or disposal of supplies, services, construction, or any other item; and
- (2) "Public agency" has the same meaning as in KRS 61.805.

##### **KRS 45A.492 Legislative declarations.**

The General Assembly declares:

- (1) A public purpose of the Commonwealth is served by providing preference to Kentucky residents in contracts by public agencies; and
- (2) Providing preference to Kentucky residents equalizes the competition with other states that provide preference to their residents.

##### **KRS 45A.494 Reciprocal preference to be given by public agencies to resident bidders -- List of states -- Administrative regulations.**

- (1) Prior to a contract being awarded to the lowest responsible and responsive bidder on a contract by a public agency, a resident bidder of the Commonwealth shall be given a preference against a nonresident bidder registered in any state that gives or requires a preference to bidders from that state. The preference shall be equal to the preference given or required by the state of the nonresident bidder.
- (2) A resident bidder is an individual, partnership, association, corporation, or other business entity that, on the date the contract is first advertised or announced as available for bidding:
  - (a) Is authorized to transact business in the Commonwealth; and
  - (b) Has for one (1) year prior to and through the date of the advertisement, filed Kentucky corporate income taxes, made payments to the Kentucky unemployment insurance fund established in KRS 341.490, and maintained a Kentucky workers' compensation policy in effect.
- (3) A nonresident bidder is an individual, partnership, association, corporation, or other business entity that does not meet the requirements of subsection (2) of this section.
- (4) If a procurement determination results in a tie between a resident bidder and a nonresident bidder, preference shall be given to the resident bidder.
- (5) This section shall apply to all contracts funded or controlled in whole or in part by a public agency.

(6) The Finance and Administration Cabinet shall maintain a list of states that give to or require a preference for their own resident bidders, including details of the preference given to such bidders, to be used by public agencies in determining resident bidder preferences. The cabinet shall also promulgate administrative regulations in accordance with KRS Chapter 13A establishing the procedure by which the preferences required by this section shall be given.

(7) The preference for resident bidders shall not be given if the preference conflicts with federal law.

(8) Any public agency soliciting or advertising for bids for contracts shall make KRS 45A.490 to 45A.494 part of the solicitation or advertisement for bids.

The reciprocal preference as described in KRS 45A.490-494 above shall be applied in accordance with 200 KAR 5:400.

### **Determining the residency of a bidder for purposes of applying a reciprocal preference**

Any individual, partnership, association, corporation, or other business entity claiming resident bidder status shall submit along with its response the attached Required Affidavit for Bidders, Offerors, and Contractors Claiming Resident Bidder Status. The BIDDING AGENCY reserves the right to request documentation supporting a bidder's claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.

A nonresident bidder shall submit, along with its response, its certificate of authority to transact business in the Commonwealth as filed with the Commonwealth of Kentucky, Secretary of State. The location of the principal office identified therein shall be deemed the state of residency for that bidder. If the bidder is not required by law to obtain said certificate, the state of residency for that bidder shall be deemed to be that which is identified in its mailing address as provided in its bid.

**REQUIRED AFFIDAVIT FOR BIDDERS, OFFERORS AND CONTRACTORS**  
**CLAIMING RESIDENT BIDDER STATUS**

**FOR BIDS AND CONTRACTS IN GENERAL:**

The bidder or offeror hereby swears and affirms under penalty of perjury that, in accordance with KRS 45A.494(2), the entity bidding is an individual, partnership, association, corporation, or other business entity that, on the date the contract is first advertised or announced as available for bidding:

1. Is authorized to transact business in the Commonwealth;
2. Has for one year prior to and through the date of advertisement
  - a. Filed Kentucky income taxes;
  - b. Made payments to the Kentucky unemployment insurance fund established in KRS 341.49; and
  - c. Maintained a Kentucky workers' compensation policy in effect.

The BIDDING AGENCY reserves the right to request documentation supporting a bidder's claim of resident bidder status. Failure to provide such documentation upon request shall result in disqualification of the bidder or contract termination.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Company Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Subscribed and sworn to before me by \_\_\_\_\_  
(Affiant) (Title)

of \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.  
(Company Name)

\_\_\_\_\_  
Notary Public

[seal of notary]

My commission expires: \_\_\_\_\_