

Shaker Heights Public Library

Request for Proposals

Bond Underwriting Services

Shaker Heights Public Library, Cuyahoga County, Ohio, is requesting proposals to provide underwriting services for the Library's planned issuance of approximately \$12 million debt supported by public library funds (PLF) and permanent improvement funds.

Background

The Library is contemplating a public library fund note issue under Ohio Revised Code (ORC) section 3375.404. The existing tax levy generates operating funds, which in part can be used for debt service. ORC 3375.404 may not allow the Library to borrow as much as it needs, therefore it may look at a lease-purchase financing to raise additional funds beyond what can be supported by the PLF.

General Terms and Conditions

1. The Library may revise this Request for Proposals, including the Schedule, at its discretion and at any time.
2. A respondent may be asked to make a presentation at a time and place to be determined by the Library.
3. The Library shall not be liable for any costs incurred by any respondent in the preparation and submission of a proposal, or for any other costs incurred by any respondent (including, but not limited to, costs of travel) prior to selection.
4. By submitting a proposal, a respondent acknowledges that it has fully read and understood this Request for Proposals and, through such review and by making any requests for information deemed necessary, has full knowledge of the nature and scope of the services to be provided.
5. Unless withdrawn prior to the submission deadline, the Library shall consider proposals received as irrevocable offers subject to acceptance for a period of 60 days.
6. The Library reserves the right to reject any and all proposals (including the lowest cost proposal), to waive any irregularities or informalities, and to request further information or clarification.
7. The Library intends to select one or more firms whose proposals conform to this Request for Proposals, whose services are expected to be the most advantageous to the Library, and which are deemed by the Library to be the most qualified to assist with the proposed financing.
8. The Library reserves the right to negotiate separately with any respondent in any manner necessary to serve the best interest of the Library.
9. Decisions of the Library are not subject to appeal.

Requested Scope of Services

As the Library's municipal advisor, Sudsina & Associates, LLC will take the lead on preliminary structuring, assisting Library personnel with Preliminary Offering Circular and rating preparation, credit enhancement assessment and coordination and post-sale pricing book production. The successful underwriter will be responsible for the following:

- Work cooperatively with Library officials, bond counsel, Squire Patton Boggs (US) LLP and Sudsina & Associates to establish the financing plan, debt structure and mutually agreeable financing time schedules.
- Provide structuring ideas to maximize benefit to the Library,
- Perform due diligence on the Preliminary and Final Offering Circulars,
- Assist with the preparation for, and participate in, presentations, discussions, meetings and conference calls with credit rating agencies, as appropriate.
- Assist with the preparation for and participate in informational meetings and conference calls with prospective investors and credit enhancement providers, as appropriate, prior to the issuance of the bonds,
- Prepare and deliver a pre-pricing analysis to precede the sale of securities by at least 3 days including a proposed coupons and re-offering yields (e.g. spreads to MMD) for each maturity of the bonds and, review of the coupons, yields and underwriting spreads for comparable issues recently sold by the selected underwriter(s) or issued by any other Ohio subdivision, and a line-by-line detailed description of all expected expense items for the Library's issues.
- Assume responsibility for all activities associated with marketing of bonds, as appropriate, including the development and execution of a suitable marketing plan, including approaches to retail and institutional investors, market the bonds in a public sale, then underwrite any unsold portion.
- Provide a post-sale evaluation report on the issuance including among other things: sales and distribution, i.e. order levels by maturity, names of investors, retail order levels, institutional order levels, geographical area, comparable sale comparisons, complete debt service and any other financing schedules.

Proposal

We are not expecting you to provide a lengthy qualifications statement. The introductory and background portions of your proposal should not exceed three pages, but must include:

- Confirmation of your firm's understanding of the contemplated transaction,
- A statement of your firm's willingness to provide the scope of services described above,
- A brief overview of your firm. Please include the following statistics in addition to your narrative:
 - Total firm capital,
 - Uncommitted excess net capital,
 - Number of institutional salespersons & offices, and
 - Number of retail salespersons & offices.
- Brief resumes of the individuals from your firm that will be assigned to this transaction and an identification of their respective roles,
- Details on any pending or threatened investigations or litigation, suits or administrative actions by the United States Securities and Exchange Commission, or any other regulatory body or court (local, state or Federal) or other state or Federal agencies regarding your firm or its management or involving particular transactions for which your firm served as senior manager.
- Provide a list of no more than five Ohio library references, including a contact name, phone number and e-mail address for each.

In addition to the introductory and background section, please include in separate appendices:

1. A list of Ohio tax-exempt revenue bonds, certificates of participation or lease-revenue issues that your firm sold or senior managed during 2016, 2017 and thus far in 2018. For each transaction, please detail the issuer's name, par amount and sale date. Also, please identify which of those transactions the lead banker assigned to Shaker Library also served as lead banker. Finally, include any transactions currently underway that are expected to be completed by March 31, 2019 to which the lead banker is assigned, so we can assess the anticipated workload requirements of each individual over and above that required by the Library's financings.
2. A pricing comparison for two Ohio, tax-exempt revenue bonds, certificates of participation or lease-revenue issues underwritten by your firm since January 2016. These comparisons must be made to similarly sized transactions, of similar credit quality, that priced within two weeks of each other. Please provide at least one and no more than 3 comps for each of the issues sold by your firm. If you are unable to show comparisons to transactions priced on within two weeks of each other, please detail any necessary adjustments for actual market movements between pricing dates. A template for the comparative analysis is attached. The analysis should compare reoffering yield for par and discount bonds, and yield-to-maturity for any premium bonds. Please provide all transaction details identified on the template.
3. Your suggestions for the Library's financing plan complete with proposed time schedules and debt service schedules. Please pay special attention to the current state of the municipal bond market.

Finally, UNDER SEPARATE COVER, clearly marked "FEE PROPOSAL", please provide your fee quote stated in \$/\$1,000 for your underwriting services.

The following table details how fees will be categorized and paid:

<p>Costs of issuance to be determined at a later date and paid by the underwriter on behalf of the Library at closing from funds generated by the bond sale:</p>	<p>Fees to be included in the underwriter's \$/\$1,000 quote:</p>
<ul style="list-style-type: none"> • Credit rating fees • Bond insurance premium, if any. • Bond counsel fees • Bond registrar fees • Municipal advisor fees • Offering Circular printing and distribution expenses • Rating and pricing travel expenses (if any). 	<ul style="list-style-type: none"> • Sales commissions/takedown • Management fees • Marketing expenses • Underwriters counsel fee, if any, • Non-rating related travel expenses, • OMAC fees • CUSIP fees • DTC fees • Other out-of-pocket expenses

Failure to include your fee quote according to the above breakdown may disqualify your firm from participating on the financing team.

The Library will not be responsible for any Securities Industry and Financial Markets Association (SIFMA) fees or Municipal Securities Rulemaking Board (MSRB) fees.

Your response is due by 3:00 PM, Thursday, December 20, 2018. Please e-mail a PDF copy of your proposal to the Library's Business Manager/Fiscal Officer, Ms. Susan Beaver susan.beaver@shakerlibrary.org and me at mike@sudsina.com.

Once the proposals are received and evaluated, we may or may not determine the need to conduct interviews. Regardless of whether interviews are conducted, we currently expect to have our decision on an underwriter made by Friday, January 11, 2019.

Feel free to contact Mr. Sudsina with any questions or any other informational needs you might have.

