

CITY OF SAN ANTONIO

Finance Department



REQUEST FOR QUALIFICATIONS ("RFQ")

for

Financial Underwriting Services RFQ-027-11

Release Date: December 12, 2010

Proposals Due: January 19, 2011

This solicitation has been identified as High-Profile.

Notice Regarding Prohibition on Campaign or Officeholder Contributions for Individuals and Entities Seeking High-Profile Contracts. Under Chapter 2, Article VII, Division 5, Section 2-309 of the City Code of San Antonio, Texas, the following are prohibited from making a campaign or officeholder contribution to any member of City Council, candidate for City Council or political action committee that contributes to City Council elections from the 10th business day after a contract solicitation has been released until 30 calendar days after the contract has been awarded ("black out" period):

- 1 legal signatory of a high-profile contract;
- 2 any individual seeking a high-profile contract;
- 3 any owner or officer of an entity seeking a high-profile contract;
- 4 the spouse of any of these individuals;
- 5 any attorney, lobbyist or consultant retained to assist in seeking contract.

A high-profile contract cannot be awarded to the individual or entity if a prohibited contribution has been made by any of these individuals during the "black out" period.

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I. INTRODUCTION

The City of San Antonio, Texas Finance Department (the “City”) is requesting proposals from qualified firms to establish a financial underwriting pool comprised of firms to be utilized for the selection of underwriting syndicates for financial transactions effectuated by the City over the term of the pool. The selection of a Financial Underwriting Pool will be in effect from the date of selection on or about March 1, 2011 through on or about September 30, 2013.

The City reserves the right to determine, in its sole, unfettered discretion, the special financings (if any) for which the underwriting team will not be selected out of the financial underwriting pool. The City reserves the right, in its sole and absolute discretion, to dismiss from the financial underwriting pool or selected underwriting team any member for any reason at any time. Submission of a response to this Request for Qualifications (“RFQ”) shall constitute the agreement of the Respondent to these terms.

The City shall select other members of the financing teams, including but not limited to bond counsel, financial advisors, and if required, special tax consultants. Underwriters’ counsel will be selected by the senior managing underwriter. All members of the financing team shall structure financings that are in the best interests of the City.

This RFQ represents a competitive process, which will facilitate a fair opportunity for qualified Firms to offer their services for consideration. This competitive RFQ process will provide the City with the flexibility to select the Firms whose proposals are deemed most advantageous for the City.

II. BACKGROUND

The City may undertake various types of financings during the term of the proposed financial underwriting pool for which Financial Underwriting Services would be required. The purpose of this RFQ is to establish parameters within which the Firms are to provide Financial Underwriting Services.

Types of financings that may be effectuated include, but are not limited to:

- General Obligation Bonds
- Certificates of Obligation
- Tax Notes
- Build America Bonds (BABs)
- Municipal Facilities Corporation Lease Revenue Bonds
- Airport System Improvement Revenue Bonds
- Airport Special Facilities Revenue Bonds
- Airport Passenger Facility Charge Revenue Bonds
- Municipal Drainage Utility System Revenue Bonds
- Hotel Occupancy Tax Revenue Bonds
- Sales Tax Revenue Commercial Paper Notes
- Revenue Bonds

The City has various financing needs for infrastructure construction and improvements. A portion of the infrastructure capital improvements is financed with general obligation bonds, with smaller projects funded with proceeds from certificates of obligation and tax notes. On May 12, 2007, the citizens of San Antonio voted to authorize the issuance of \$550,000,000 general obligation bonds. The first, second, and third installments, totaling \$386,993,000, have been sold and the remaining \$163,007,000 is scheduled to be sold in fiscal year 2011. It is anticipated that the City will propose a general obligation bond election in 2012 in an amount similar to the 2007 authorization.

At September 30, 2010, the City's outstanding general obligation debt was \$1,300,330,000 which was comprised of \$931,120,000 in general obligation bonds, \$305,850,000 in certificates of obligation, and \$63,360,000 in tax notes. At September 30, 2010, the City had outstanding the following revenue bonds: \$211,100,000 City of San Antonio, Texas Airport System Revenue Bonds, \$133,425,000 City of San Antonio, Texas Passenger Facility Charge and Subordinate Lien Airport System Revenue Improvement Bonds, \$90,135,000 City of San Antonio, Texas, Municipal Drainage Utility System Revenue Bonds, \$229,057,412 City of San Antonio, Texas Hotel Occupancy Tax Revenue Bonds, and \$14,370,000 in City of San Antonio, Texas Sales Tax Revenue Commercial Paper.

All Respondents must submit separate proposals. The City reserves the right to select and appoint senior managing underwriters, co-managing underwriters, selling group, and/or a syndicate or team of underwriters from the selected Financial Underwriting Pool at its sole discretion for various financings, except those financings that are already in process, which include:

1. City of San Antonio, Texas Municipal Facilities Corporation Lease Revenue Bonds, Taxable Series 2010 (911 Center);

"Financial Underwriting Services," as used herein, shall refer to all those services outlined below in Section III, Scope of Services.

III. SCOPE OF SERVICES

The City, from time to time, will consider the utilization of various types of debt including, but not limited to, general obligation bonds, certificates of obligation, tax notes, commercial paper, revenue bonds, conduit financings including, but not limited to, housing, education, healthcare, economic development, and other types of financings which will facilitate the most effective, efficient, and the most cost effective method of financing projects.

Among other things, the Underwriter(s) will be required to provide professional services and perform the duties normally expected of such firms, which are generally described below.

A. Senior Managing Underwriter. The services to be provided by a senior managing underwriter shall include, but not be limited to the following:

1. Develop the structure and overall marketing strategy on a bond transaction to which

the Underwriter(s) has been assigned and coordinate with the City, bond counsel, financial advisors, rating agencies, trustees, and other professionals involved in the transaction.

2. Manage the underwriting team assigned by the City.
3. Assist in the preparation of an Official Statement or Prospectus containing official data and other information of the nature and to the extent ordinarily required in bidding on obligations, all of which is to be furnished to prospective bidders.
4. Advise the City of current bond market conditions, forthcoming bond issues and other general information and economic data which might normally be expected to influence interest rates or bidding conditions, so that the date for the sale of any obligations in the open market can be set at a time which is viewed to be most favorable.
5. Collect price views from co-managing underwriters and coordinate conference calls and various other communications with the City and financial advisors, including but not limited to, market updates and pre-pricing calls.
6. Assist the City with the sale and delivery of bonds and/or certificates, or other debt instruments.
7. Prepare a pricing book summarizing the market conditions, orders, and, allotments of bonds and terms of final sale.
8. Direct underwriter's counsel on matters in order to comply with various policies and/or directives as prescribed by the City and work with financial advisors, bond counsel, and others necessary to comply with state, federal, and local requirements, associated with various documents developed as part of any financing.
9. Provide the City and financial advisors with any other information deemed necessary, including post-pricing monitoring of trades, calculations associated with make-whole call provisions, and other related financial calculations as the City deems necessary.

B. Co-Managing Underwriter. The services to be provided by a co-managing underwriter shall include, but not be limited to the following:

1. Assist the senior managing underwriter in providing the primary and secondary market support in the form of market orders based on the priority of orders for the City's financing transactions.
2. Assist the senior managing underwriter in providing the analyses of market conditions and advise the City with regard to market timing and development of a marketing plan for the bonds.

3. Assist the City with the sale and delivery of bonds and/or certificates, or other debt instruments.
- C. Other Services. Other Services to be provided by firms in the Financial Underwriting Pool include services related to the issuance of variable rate debt, commercial paper, and other underwriting services.

IV. TERM OF THE FINANCIAL UNDERWRITING POOL

The selection of the Financial Underwriting Pool will be in effect from the date of selection on or about March 1, 2011 through on or about September 30, 2013, with the City's option to renew for two (2) additional, one (1) year periods under the same terms and conditions. It is at the sole discretion and option of the City to exercise its right to renew or extend the Financial Underwriting Pool. An election by the City not to renew the Financial Underwriting Pool shall require no action or notification by the City to the firms in the Financial Underwriting Pool.

V. RFQ REQUIREMENTS

Respondent's Proposal shall include the following items in the following sequence, tabbed and noted with the appropriate heading as indicated below.

A. TABLE OF CONTENTS

B. FINANCIAL UNDERWRITING QUESTIONNAIRE FORM: Complete and submit RFQ Attachment 1, Part 1 Financial Underwriting Questionnaire Form.

C. PROOF OF PROFESSIONAL INVESTMENT BANKER LICENSE(S): In accordance with Ordinance No. 2007-04-12-0396, this RFQ provides for 10% of the Financial Underwriting Services Evaluation Criteria to be applied to firms with Professional Investment Banker(s) located in San Antonio. In RFQ Attachment 1, Part 2, submit proof of license(s) maintained by all Professional Investment Bankers located in San Antonio. Professional Investment Banker is defined as having a Financial Industry Regulatory Authority (FINRA) (formerly the National Association of Securities Dealers (NASD)) Series 7 license, Municipal Rulemaking Board (MSRB) Series 7 license or State of Texas Series 63 license. Proof of license must include documentation from the FINRA, the MSRB or the State of Texas, as applicable, which includes the name of the professional investment banker, the license(s) held, the date license(s) was issued, and the expiration date of such license, if any.

D. REFERENCES: Complete and submit the References in RFQ Attachment 1, Part 3.

E. DISCRETIONARY CONTRACTS DISCLOSURE: Follow the instructions provided in RFQ Attachment 2, Discretionary Contracts Disclosure Form.

F. LITIGATION DISCLOSURE: Complete and submit RFQ Attachment 3, Litigation Disclosure Form.

- G. SMALL BUSINESS ECONOMIC DEVELOPMENT ADVOCACY PROGRAM: Complete, sign, and submit the Good Faith Effort Plan contained in RFQ Attachment 4.
- H. AUDITED FINANCIAL STATEMENTS: Submit a copy of Respondent's most recent annual financial statements prepared in accordance with Generally Accepted Accounting principles, audited by an independent Certified Public Accountant.
- I. SIGNATURE PAGE: Respondent must complete, sign, and submit the Signature Page found in RFQ Attachment 5. The Signature Page must be signed by a person, or persons, authorized to bind the entity, or entities, submitting the Proposal.
- J. RFQ CHECKLIST: Complete and submit the RFQ Checklist found in RFQ Attachment 6. Respondent is expected to examine this RFQ carefully, understand the terms and conditions for providing the services listed herein and respond completely. **FAILURE TO COMPLETE AND PROVIDE ANY OF THESE RFQ REQUIREMENTS MAY RESULT IN THE RESPONDENT BEING DEEMED NON-RESPONSIVE AND THEREFORE DISQUALIFIED FROM CONSIDERATION.**

VI. AMENDMENTS TO RFQ

Amendments to the RFQ, including written responses to questions received in compliance with Section VIII, Restrictions on Communication may be posted as addendums on the City's website at <https://webapps1.sanantonio.gov/RFPListings/>. It is Respondent's responsibility to review this site and ascertain whether any amendments have been made prior to submission of a proposal. A Respondent who does not have access to the Internet, must notify City in accordance with Section VIII, Restrictions on Communication, that Respondent wishes to receive copies of addendums by mail or fax.

No oral statement of any person shall modify or otherwise change or affect the terms, conditions or specifications stated in the RFQ, and changes to the RFQ - if any - shall be made in writing only.

VII. SUBMISSION OF PROPOSALS

- A. Respondent shall submit one (1) original, signed in ink, fifteen (15) copies of the proposal, and one (1) compact disk (CD) containing an Adobe PDF version of the entire proposal in a sealed package clearly marked with the project name, "Financial Underwriting Services" on the front of the package.

All Proposals must be received in the City Clerk's office no later than **2:00 p.m., Central Time, on Wednesday, January 19, 2011** at the address below. Proposals submitted prior to the above time and date may be modified provided such modifications are sealed and received by the City Clerk's Office prior to the time and date set for submission of proposals. Any proposal or modification received after this time shall not be considered, and will be returned, unopened to the Respondent. Respondents should note that delivery to the P.O. Box address in a timely manner does not guarantee its receipt in the City Clerk's office by the deadline for submission. Therefore, Respondents should strive for early submission to

avoid the possibility of rejection for late arrival.

Mailing Address:

City Clerk's Office
Attn: *Department of Finance*
P.O. Box 839966
San Antonio, Texas 78283-3966

Physical Address:

City Clerk's Office
Attn: *Department of Finance*
100 Military Plaza
2nd Floor, City Hall
San Antonio, Texas 78205

Proposals sent by facsimile or email will not be accepted.

- B. Proposal Format: The City specifically requests that all responses be limited to the information requested. All Proposals shall be limited to a maximum of **twenty (20)** pages, exclusive of the required attachments, and must be stapled and/or binder clipped. Please do not submit spiral bound, GBC bound, or three-ring binders, nor printed brochures, pamphlets or informational items. Failure to submit the requested information as required may result in the Respondent being deemed non-responsive and therefore disqualified from consideration.
- C. Respondents who submit Proposals to this RFQ shall correctly reveal, disclose, and state the true and correct name of the individual, proprietorship, corporation, and/or partnership (clearly identifying the responsible general partner and all other partners who would be associated with the Financial Underwriting Pool, if any). No nicknames, abbreviations (unless part of the legal title), shortened or short-hand, or local "handles" will be accepted in lieu of the full, true and correct legal name of the entity. These names shall comport exactly with the corporate and franchise records of the Texas Secretary of State and Texas Comptroller of Public Accounts. Individuals and proprietorships, if operating under other than an individual name, shall match with exact Assumed Name filings. Corporate Respondents and limited liability company Respondents shall include the 11-digit Comptroller's Taxpayer Number in their Financial Underwriting Questionnaire Form.

If an entity is found to have incorrectly or incompletely stated its name or failed to fully reveal its identity on their responses to the Financial Underwriting Questionnaire Form, the City's Chief Financial Officer ("CFO") shall have the discretion, at any point, to suspend consideration of the Proposal.

- D. Respondent shall submit full and accurate information in response to this RFQ. If a Respondent is found to have incorrectly or incompletely stated any information, the CFO shall have the discretion, at any point, to suspend consideration of the RFQ.
- E. All proposals become the property of the City upon receipt and will not be returned. Any information deemed to be confidential by Respondent should be clearly noted on the page(s)

where confidential information is contained; however, the City cannot guarantee that it will not be compelled to disclose all or part of any public record under the Texas Public Information Act, since information deemed to be confidential by Respondent may not be considered confidential under Texas law, or pursuant to a Court order.

- F. Any cost or expense incurred by the Respondent that is associated with the preparation of the Proposal, or during any phase of the selection process, shall be borne solely by Respondent.

VIII. RESTRICTIONS ON COMMUNICATION

- A. Respondents are prohibited from communicating with: 1.) elected City officials and their staff regarding the RFQ or Proposals from the time the RFQ has been released until the recommendation for selection of the Financial Underwriting Pool is posted as a City Council agenda item; and 2.) City employees from the time the RFQ has been released until the Financial Underwriting Pool is approved by City Council. These restrictions extend to “thank you” letters, phone calls, emails and any contact that results in the direct or indirect discussion of the RFQ and/or Proposal submitted by Respondent. Violation of this provision by Respondent and/or its agent may lead to disqualification of Respondent’s proposal from consideration.

Exceptions to the Restrictions on Communication with City employees include:

1. Respondents may submit written questions concerning this RFQ to the Staff Contact Person listed in the email address below until **2:00 p.m. Central Time, on Wednesday, January 5, 2011**. Questions received after the stated deadline will not be answered. It is suggested that all questions be sent by email to:

Debra Reyes, Contract Coordinator
City of San Antonio Purchasing and General Services Department
Debra.Reyes@sanantonio.gov

Questions submitted and the City’s responses will be posted in the form of an Addendum to the City’s web site at <https://webapps1.sanantonio.gov/RFPListings/>.

2. Respondents and/or their agents are encouraged to contact the Small Business Office of the International and Economic Development Department for assistance or clarification with issues specifically related to the City’s Small Business Economic Development Advocacy (SBEDA) Program policy and/or completion of the SBEDA form. The point of contact is Ms. Grace Luna. Ms. Luna may be reached by telephone at (210) 207-3900 or by email at grace.luna@sanantonio.gov. Contacting Ms. Luna or her office regarding this RFQ after the proposal due date is not permitted.
3. Respondents may provide responses to questions asked of them by the Staff Contact Person after responses are received and opened. During interviews, if any, verbal questions and explanations will be permitted. If interviews are conducted, Respondents

shall not bring lobbyists. The City reserves the right to exclude any persons from such selection committee meetings as it deems in its best interests.

4. Upon completion of the evaluation process, Respondents shall receive a notification letter indicating the recommended firm and anticipated City Council agenda date. Respondents desiring a review of the solicitation process may submit a written request no later than seven (7) calendar days from the date letter was sent. The letter will indicate the name and address for submission of requests for review.
- B. City reserves the right to contact any Respondent to negotiate if such is deemed desirable by City. Such negotiations, initiated by City staff persons, shall not be considered a violation by Respondent of this section.
- C. City Code Article VII, Section 2-309 provides that any person acting as a legal signatory for a proposed contractual relationship that applies for a “high profile” discretionary contract, as defined by the City of San Antonio Contracting Policy and Process Manual, may not make a political contribution to any City of San Antonio Councilmember or candidate at any time from the time the person submits the response to the RFQ until thirty (30) calendar days following the contract award. Any legal signatory for a proposed high-profile contract must be identified within the response to this RFQ, if the identity of the signatory will be different from the individual submitting the response.

If the legal signatory entering into the contract has made such a contribution, the City may not award the contract to that contributor or to that contributor’s business entity. Any contract awarded in violation of this provision shall be voidable at the discretion of the City of San Antonio City Council (“City Council”).

The City has identified this solicitation as “high profile”.

IX. EVALUATION CRITERIA

The City will conduct a comprehensive, fair, and impartial evaluation of all Proposals received in response to this RFQ. The City may appoint a selection committee to perform the evaluation. Each Proposal will be analyzed to determine overall responsiveness and qualifications under the RFQ. Criteria to be evaluated may include the items listed below. The selection committee may select all, some, or none of the Respondents for interviews. If the City elects to conduct interviews, Respondents may be interviewed and re-scored based upon the same criteria, or other criteria to be determined by the selection committee. The City may also request additional information from Respondents at any time prior to final approval of a selected Respondent. The City reserves the right to select one, or more, or none of the Respondents to provide services. Final approval of a selected Respondent is subject to the action of the City of San Antonio City Council.

Financial Underwriting Services Evaluation Criteria	
Category	Scoring Percentage
Firm Background, Experience, and Qualifications	20%
Lead Banker Experience	15%
Lead Trading Desk Personnel Expertise	15%
Other Financial Underwriting Services	10%
Proposed Plan for Securities Marketing and Distribution	10%
Professional Investment Banker(s) located in San Antonio	10%
Local Business Enterprise	10%
<p>Prime contractors who are headquartered within Bexar County for at least one (1) year will receive ten percent (10%) of the selection points.</p> <p>Prime contractors who have a local branch office within Bexar County for at least one (1) year with at least ten (10) employees will receive six percent (6%) of the selection points.</p> <p>Non-local prime contractors can receive points for subcontracting with local businesses proportional to the amount of work performed by those local subcontractors. (For example, if a non-local prime contractor subcontracts with a local subcontractor for 50% of the work, they are eligible for up to five points).</p>	
Historically Underutilized Enterprise (HUE)	5%
<p>Prime contractors who are HUEs will receive five percent (5%) of the selection points.</p> <p>Prime contractors who subcontract with HUEs can receive points proportional to amount of work performed by those HUEs. (For example, if a prime contractor subcontracts with a small, minority and/or a small, woman business enterprise for 50% of the work, they are eligible for up to 2.5 points).</p> <p>S/MBEs and/or S/WBEs must be certified by the South Central Texas Regional Certification Agency, the City’s certifying agency, or approved by the Director of International and Economic Development or designee to be considered HUEs.</p>	
Compliance with SBEDA Policy	5%
<ul style="list-style-type: none"> a. One percent (1%) for submission/approval of the SBEDA form. b. One percent (1%) for meeting/exceeding the MBE goal. c. One percent (1%) for meeting/exceeding the WBE goal. d. One percent (1%) for meeting/exceeding the AABE goal. e. One percent (1%) for meeting/exceeding the SBE goal. 	
Total	100%

X. PERSONAL PRESENTATION

The City anticipates conducting a preliminary review of the Proposals. The City may elect to interview, in person, any or all Firms that have submitted a Proposal. Notification of such interview will be made by the Staff Contact Person in a timely manner to allow sufficient time for Firms to prepare a personal presentation.

XI. SELECTION OF UNDERWRITERS AND RESERVATION OF RIGHTS

- A. City reserves the right to select one, more than one or no Respondents(s) for the Financial Underwriting Pool in response to this RFQ.
- B. Selection to the Financial Underwriting Pool will be awarded to the Respondent(s) whose Proposals are deemed most advantageous to City, as determined by the selection committee, upon approval of the City Council.
- C. City may accept any proposal in whole or in part. If subsequent negotiations are conducted, they shall not constitute a rejection or alternate RFQ on the part of City. However, final selection of a Respondent is subject to City Council approval.
- D. City reserves the right to accept one or more proposals or reject any or all proposals received in response to this RFQ, and to waive informalities and irregularities in the proposals received. City also reserves the right to terminate this RFQ, and reissue a subsequent solicitation, and/or remedy technical errors in the RFQ process.
- E. This RFQ does not commit City to award any services related to this RFQ, nor does it obligate City to pay any costs incurred in preparation or submission of a proposal in response to this RFQ.
- F. Selection of Respondent to be part of the Financial Underwriting Pool does not constitute either a guarantee by City or an entitlement to Respondent that Respondent will be included in any underwriting team(s) to be designated by City during the term of the Financial Underwriting Pool. Respondent should have no expectation of inclusion in any underwriting team(s) as the result of being selected to be part of the Financial Underwriting Pool.
- G. City reserves the right to request additional information from selected Firms relative to specific transactions for the purpose of assembling underwriting syndicates.
- H. Conflicts of Interest. Respondent acknowledges that it is informed that the Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as those terms are defined in the Ethics Code, from having a financial interest in any contract with City or any City agency such as City-owned utilities. An officer or employee has a “prohibited financial interest” in a contract with City or in the sale to City of land materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale: the City officer or employee; his parent, child or spouse; a business entity in which he or his parent, child or spouse owns ten (10) percent or more of the voting stock or shares of the business entity, or ten (10) percent or more of the fair market value of the business entity; or

a business entity in which any individual or entity above listed is a subcontractor on a City contract, a partner or a parent or subsidiary business entity.

Respondent is required to warrant and certify that it, its officers, employees, and agents are neither officials nor employees of the City, as defined in Section 2-42 of the City’s Ethics Code. (Discretionary Contracts Disclosure – form is posted as a separate document.)

- I. Independent Contractor. Respondent agrees and understands that, if selected, it and all persons designated by it to provide services in connection with the Financial Underwriting Pool, are and shall be deemed to be an independent contractor, responsible for their respective acts or omissions, and that City shall in no way be responsible for Respondent’s actions, and that none of the parties hereto will have authority to bind the others or to hold out to third parties, that it has such authority.
- J. Public Information. Respondents are advised that all proposals shall become City property at the time of submission, and the information contained in the proposals could be made available to the public upon request under the Texas Public Information Act.
- K. Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that persons, or their agents, who seek to contract for the sale or purchase of property, goods, or services with the City, shall file a completed conflict of interest questionnaire with the City Clerk not later than the 7th business day after the date the person: (1) begins contract discussions or negotiations with the City; or (2) submits to the City an application, response to a request for proposals or bids, correspondence, or another writing related to a potential agreement with the City. The conflict of interest questionnaire form is available from the Texas Ethics Commission at <http://www.ethics.state.tx.us/forms/CIQ.pdf>. Completed conflict of interest questionnaires may be mailed or delivered by hand to the Office of the City Clerk. If mailing a completed conflict of interest questionnaire, mail to: Office of the City Clerk, P.O. Box 839966, San Antonio, TX 78283-3966. If delivering a completed conflict of interest questionnaire, deliver to: Office of the City Clerk, City Hall, 2nd floor, 100 Military Plaza, San Antonio, TX 78205. Respondent should consult its own legal advisor for answers to questions regarding the statute or form.

XII. SCHEDULE OF EVENTS

Following is a list of projected dates/times with respect to this RFQ:

RFQ Issue Date	December 12, 2010
Deadline for Questions	January 5, 2011 at 2:00 p.m.
Proposals Due	January 19, 2011 at 2:00 p.m.
Anticipated City Council Approval	February 17, 2011
Anticipated Effective Date of Financial Underwriting Pool	March 1, 2011

RFQ ATTACHMENTS

THE DOCUMENTS THAT FOLLOW ARE FORMS THAT MUST BE COMPLETED BY RESPONDENT AND INCLUDED WITH RESPONDENT'S PROPOSAL. ATTACH THESE DOCUMENTS TO YOUR PROPOSAL IN THE ORDER INDICATED IN RFQ SECTION V, WHICH IS ENTITLED "RFQ REQUIREMENTS"

RFQ ATTACHMENT 1, PART 1

FINANCIAL UNDERWRITING QUESTIONNAIRE FORM

To be submitted with Respondent's Proposal as TAB B

A. Firm Background, Experience and Qualifications: Provide the following information regarding the Respondent.

1. Respondent Name: _____

(NOTE: Give exact legal name as it will appear on the financial underwriting pool, if awarded.)

Principal Address: _____

City: _____ State: _____ Zip Code: _____

Telephone No. _____ Fax No: _____

Website address: _____

Year established: _____

Provide the number of years in business under present name: _____

Social Security Number or Federal Employer Identification Number: _____

Texas Comptroller's Taxpayer Number, if applicable: _____

(NOTE: This 11-digit number is sometimes referred to as the Comptroller's TIN or TID.)

DUNS NUMBER: _____

Business Structure: Check the box that indicates the business structure of the Respondent.

Individual or Sole Proprietorship If checked, list Assumed Name, if any: _____

Partnership

Corporation If checked, check one: For-Profit Nonprofit

Also, check one: Domestic Foreign

Other If checked, list business structure: _____

Printed Name of Contract Signatory: _____

Job Title: _____

(NOTE: This RFQ solicits proposals to provide services under a contract which has been identified as "High Profile". Therefore, Respondent must provide the name of person that will sign the contract for the Respondent, if awarded.)

2. Provide any other names under which Respondent has operated within the last 10 years and length of time under for each: _____

3. Is Respondent authorized and/or licensed to do business in Texas?

Yes No If "Yes", list authorizations/licenses.

4. Explain changes that have occurred within Firm over the last three (3) years regarding staffing, capital, organizational structure, as well as future changes you expect may occur and any continuing on-going effects, which could impact your ability to perform during the term of the Financial Underwriting Pool.

5. Does Respondent anticipate any mergers, transfer of organization ownership, management reorganization, or departure of key personnel within the next twelve (12) months?

Yes No If “Yes”, state anticipated changes.

6. List the Firm’s number of offices, and registered account representatives.

	National ¹	Texas ²	Bexar County ³	San Antonio	Total
Indicate Headquarter Location (City, State)					N/A
Number of Offices in Area					
Length of Time in Business From Office	N/A	N/A	Years: Months:	Years: Months:	N/A
Number of Full-time Employees at Office					
Registered Account Representatives					

¹ National data excludes Texas, Bexar County and San Antonio.

² Texas data excludes Bexar County and San Antonio.

³ Bexar County data excludes San Antonio.

7. Provide a brief description of the Firm’s capital structure to include:
 - a) Total Capital
 - b) Total Equity
 - c) Net Capital
 - d) Total Excess Capital
 - e) Leverage Ratio

8. Describe any actions taken against Firm, any of its directors, officers, or employees currently, or within the past three (3) years by any governmental regulatory body including State or Federal agencies relating to services provided.

9. Has Firm been in litigation with the City within the past ten (10) years? If yes, please describe the nature of the litigation, ruling, and/or status of litigation.

10. Has the Respondent or any of its principals been debarred or suspended from contracting with any public entity?

Yes No If “Yes”, identify the public entity and the name and current phone number of a representative of the public entity familiar with the debarment or suspension, and state the reason for or circumstances surrounding the debarment or suspension, including but not limited to the period of time for such debarment or suspension.

11. Has the Respondent ever been declared bankrupt or filed for protection from creditors under state or federal proceedings?

Yes No If “Yes”, state the date, court, jurisdiction, cause number, amount of liabilities and amount of assets.

12. Has the Respondent ever received any disciplinary action, or any pending disciplinary action, from any regulatory bodies or professional organizations?

Yes No If “Yes”, state the name of the regulatory body or professional organization, date and reason for disciplinary or impending disciplinary action.

13. Utilizing the following format, provide a list of six (6) transactions within the State of Texas the past twelve (12) months for which Firm served as Senior Manager:

Issue	Issue Size	Number of Managers in Syndicate	Total Underwriters’ Discount ⁽¹⁾	% Discount Paid Co-Managers ⁽²⁾	% Discount Paid SBEDA Firms ⁽³⁾
1.					
2.					
3.					
4.					
5.					
6.					

(1) Represents total dollar value of underwriters’ discount.
 (2) Represents the allocation of all economics of the transaction: management fee, takedowns, designations, etc. paid to all Co-Managers.
 (3) Represents the allocation of all economics of the transaction: management fee, takedowns, designations, etc. paid to SBEDA Co-Managers (SBEDA as defined in RFQ Exhibit 1).

14. Utilizing the following format, provide information on your performance as a Co-Manager for at least three (3) City of San Antonio transactions. If your firm has not been a Co-Manager on recent City of San Antonio transactions, please provide the information for relevant transactions in the State of Texas:

Issue	Issue Size	Lead Manager	Firm's Liability %	Total Orders Submitted (in thousands)	Total Bonds Allocated (in thousands)
1.					
2.					
3.					

15. Describe at least three (3) transactions within the last year in which your firm was a part of a syndicate that underwrote bonds for the benefit of the issuer and the circumstances, including but not limited to market conditions for utilizing the firm's capital.

B. Lead Banker Experience

1. Identify the Lead Banker for the Firm who would be involved in potential engagements with the City and provide contact information in the following format:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Fax Number: _____

Mobile Number: _____ Email Address: _____

2. Provide a brief biography to include background, experience, expertise and capabilities specific to providing the services as described in the Scope of Services.

3. Provide a brief summary describing a complex transaction or combination of transactions in which the Lead Banker provided expertise which could be utilized and applied to the City's potential future transactions.

C. Lead Trading Desk Personnel Expertise

1. Identify the Lead Trading Desk Personnel for the Firm who would be involved in potential engagements with the City and provide contact information in the following format:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Fax Number: _____

Email Address: _____

2. Provide a brief biography to include background, experience, expertise and capabilities specific to the pricing of securities for the City under potential engagements under this RFQ.
3. Provide the city and state in which bonds will be priced.

D. Other Financial Underwriting Services

1. Identify the Support Staff, to include specialty bankers, for the Firm who would be involved in potential engagements with the City and provide contact information in the following format:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ Fax Number: _____

Email Address: _____

2. Provide a brief biography to include background, experience, expertise and capabilities specific to providing the services as described in the Scope of Services.
3. Include a description of your Firm's quantitative capabilities, including type of financial software utilized and other technical tools utilized.
4. Provide any other information that your team may deem applicable to the Financial Underwriting Services that the City may utilize but has not been directly requested in this RFQ.

E. Proposed Plan for Securities Marketing and Distribution.

1. Provide a complete list of all institutional and retail sales offices and their locations.
2. Describe Firm's strategy to market and distribute securities, including retail and institutional.
3. Describe what distinguishes the ability of Firm from that of your competitors to price and market the City's debt.
4. List specific recommendations to improve the marketing and pricing of the City's debt.
5. Provide Firm's years of experience selling San Antonio area obligations in the primary and secondary markets. Indicate specific transactions.

RFQ ATTACHMENT 1, PART 2

PROOF OF PROFESSIONAL INVESTMENT BANKER LICENSE(S)

To be submitted with Respondent's Proposal as TAB C

As per Ordinance No. 2007-04-12-0396, the City of San Antonio defines Professional Investment Banker as staff having a Financial Industry Regulatory Authority (FINRA) (formerly the National Association of Securities Dealers (NASD)) Series 7 license, Municipal Rulemaking Board (MSRB) Series 7 license or State of Texas Series 63 license.

Provide a **summary list** to include name, license(s) and office location, as well as, proof of license(s) maintained by **all Professional Investment Bankers located in San Antonio**.

Proof of license must include documentation from the FINRA, the MSRB or the State of Texas, as applicable, which includes the name of the professional investment banker, the license(s) held, the date license(s) was issued, and the expiration date of such license, if any.

For questions or a sample of license verification format, please contact Grace Luna in the Small Business Office at grace.luna@sanantonio.gov.

RFQ ATTACHMENT 1, PART 3

REFERENCES

To be submitted with Respondent's Proposal as TAB D

Provide three (3) references that Respondent has provided Financial Underwriting Services to within the past three (3) years. The contact person named should be familiar with the duties normally expected of an Underwriter and **be willing to respond to questions** regarding the type, level, and quality of service provided.

Reference No. 1:

Firm/Company Name: _____
Contact Name: _____ Title: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone No. _____ Fax No: _____
Email: _____
Date and Type of Service(s) Provided: _____

Reference No. 2:

Firm/Company Name: _____
Contact Name: _____ Title: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone No. _____ Fax No: _____
Email: _____
Date and Type of Service(s) Provided: _____

Reference No. 3:

Firm/Company Name: _____
Contact Name: _____ Title: _____
Address: _____
City: _____ State: _____ Zip Code: _____
Telephone No. _____ Fax No: _____
Email: _____
Date and Type of Service(s) Provided: _____

RFQ ATTACHMENT 2

DISCRETIONARY CONTRACTS DISCLOSURE FORM
To be submitted with Respondent's Proposal as TAB E

Discretionary Contracts Disclosure Form is posted as a separate document.

RFQ ATTACHMENT 3

LITIGATION DISCLOSURE FORM

To be submitted with Respondent's Proposal as TAB F

LITIGATION DISCLOSURE

Respond to each of the questions below by checking the appropriate box. Failure to fully and truthfully disclose the information required by this Litigation Disclosure form may result in the disqualification of your proposal from consideration or termination of the contract, once awarded.

1. Have you or any member of your Firm or Team to be assigned to this engagement ever been indicted or convicted of a felony or misdemeanor greater than a Class C in the last five (5) years?

Yes No

2. Have you or any member of your Firm or Team to be assigned to this engagement been terminated (for cause or otherwise) from any work being performed for the City of San Antonio or any other Federal, State or Local Government, or Private Entity?

Yes No

3. Have you or any member of your Firm or Team to be assigned to this engagement been involved in any claim or litigation with the City of San Antonio or any other Federal, State or Local Government, or Private Entity during the last ten (10) years?

Yes No

If you have answered “Yes” to any of the above questions, please indicate the name(s) of the person(s), the nature, and the status and/or outcome of the information, indictment, conviction, termination, claim or litigation, as applicable. Any such information should be provided on a separate page, attached to this form and submitted with your proposal.

RFQ ATTACHMENT 4

GOOD FAITH EFFORT PLAN FORM

SBEDA FORM

To be submitted with Respondent's Proposal as TAB G

GOOD FAITH EFFORT PLAN
(Page 1 of 4)

NAME OF PROJECT: Financial Underwriting Services

BIDDER/PROPOSER INFORMATION:

Name of Bidder/Proposer: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: _____ E-mail Address: _____

Is your firm certified? Yes No (If yes, please submit Certification Certificate.)

1. List all subcontractors/suppliers that will be used for this contract. (Indicate all MBEs-WBEs-AABEs-SBEs. Use additional sheets as needed.)

NAME AND ADDRESS OF SUBCONTRACTOR'S/SUPPLIER'S COMPANY	CONTRACT AMOUNT	% LEVEL OF PARTICIPATION	MBE-WBE- AABE-SBE CERTIFICATION NUMBER

Only companies certified as an MBE, WBE, AABE or SBE by the City of San Antonio or its certifying organization can be applied toward the contracting goals. All MBE-WBE-AABE-SBE subcontractors or suppliers must submit a copy of their certification certificate through the Prime Contractor. Proof of certification must be attached to this form. If a business is not certified, please call the Small Business Office at (210) 207-3900 for information and details on how subcontractors and suppliers may obtain certification.

GOOD FAITH EFFORT PLAN
(Page 2 of 4)

It is understood and agreed that, if awarded a contract by the City of San Antonio, the Contractor will not make additions, deletions, or substitutions to this certified list without consent of the Director of International and Economic Development and Director of the appropriate contracting department (through the proposal of the Request for Approval of Change to Original Affirmed Good Faith Effort Plan).

NOTE: If MBE-WBE-AABE-SBE contracting goals were met, skip to #9.

2. If MBE-WBE-AABE-SBE contracting goals were not achieved in a percentage that equals or exceeds the City's goals, please give explanation.

3. List all MBE-WBE-AABE-SBE Listings or Directories utilized to solicit participation.

4. List all contractor associations and other associations solicited for MBE-WBE-AABE-SBE referrals.

5. Discuss all efforts aimed at utilizing MBE-WBE-AABE-SBEs.

6. Indicate advertisement mediums used for soliciting bids from MBE-WBE-AABE-SBEs.

GOOD FAITH EFFORT PLAN

(Page 3 of 4)

7. List all MBE-WBE-AABE-SBE bids received but rejected. (Use additional sheets as needed.)

COMPANY NAME	MBE-WBE-AABE-SBE CERTIFICATION NUMBER	REASON FOR REJECTION

8. Please attach a copy of your company's MBE-WBE-AABE-SBE policy.

9. Name and phone number of person appointed to coordinate and administer the Good Faith Efforts of your company on this project.

10. This Good Faith Effort Plan is subject to the Economic Development Department's approval.

RFQ ATTACHMENT 5

SIGNATURE PAGE

To be submitted with Respondent's Proposal as TAB I

SIGNATURE PAGE

The undersigned certifies that (s) he is authorized to submit this proposal on behalf of the entity named below:

Respondent Entity Name

Signature: _____

Printed Name: _____

Title: _____

(NOTE: If proposal is submitted by Co-Respondents, an authorized signature from a representative of each Co-Respondent is required. Add additional signature blocks as required.)

Co-Respondent Entity Name

Signature: _____

Printed Name: _____

Title: _____

By signature(s) above, Respondent(s) agrees to the following:

1. If Respondent is a corporation, Respondent will be required to provide a certified copy of the resolution evidencing authority to enter into the contract, if other than an officer will be signing the contract.
2. If awarded a contract in response to this RFQ, Respondent will be able and willing to comply with all representations made by Respondent in Respondent’s proposal and during Proposal process.
3. Respondent has fully and truthfully submitted a Litigation Disclosure form with the understanding that failure to disclose the required information may result in disqualification of proposal from consideration.
4. Respondent agrees to fully and truthfully submit a Respondent Questionnaire and understands that failure to fully disclose requested information may result in disqualification of proposal from consideration or termination of contract, once awarded.
5. To comply with the City's Ethics Code, particularly Section 2-61 that prohibits a person or entity seeking a City contract - or any other person acting on behalf of such a person or entity - from contacting City officials or their staff prior to the time such contract is posted as a City Council agenda item.

Acknowledgement of Prohibition regarding Campaign and Officeholder Contributions

I acknowledge that this contract has been designated a “high-profile” contract. I have read and understand the provisions regarding high profile contracts that appear on the cover page of this RFQ.

RFQ ATTACHMENT 6

RFQ CHECKLIST

To be submitted with Respondent's Proposal as TAB J

RFQ CHECKLIST

Use this checklist to ensure that all required documents have been included in the proposal and that they are properly tabbed and appear in the correct order.

Tab in Proposal	Document	Initial to Indicate Document is Attached to Proposal
A	Table of Contents	
B	Financial Underwriting Questionnaire Form (RFQ Attachment 1, Part 1)	
C	Proof of Professional Investment Banker License(s) (RFQ Attachment 1, Part 2)	
D	References (RFQ Attachment 1, Part 3)	
E	* Discretionary Contracts Disclosure Form (RFQ Attachment 2) (complete attached form)	
F	Litigation Disclosure Form (RFQ Attachment 3)	
G	* Good Faith Effort Plan Form (RFQ Attachment 4) and associated Certificates, if applicable	
H	Audited Financial Statements	
I	* Signature Page (RFQ Attachment 5)	
J	RFQ Checklist (RFQ Attachment 6)	
	* One (1) original signed in ink and fifteen (15) copies	

***Documents marked with an asterisk on this checklist require a signature. Be sure they are signed prior to submittal of proposal.**

RFQ EXHIBIT 1

**SMALL BUSINESS ECONOMIC DEVELOPMENT
ADVOCACY (SBEDA) PROGRAM POLICY**

SMALL BUSINESS PROGRAM

1. **Small Business Participation**

Pursuant to Ordinance No. 2007-04-12-0396, it is the policy of the City of San Antonio to involve Small, Minority, Women and African-American Business Enterprises (S/M/W/AABE) to the greatest extent feasible in the City's discretionary contracts. The intent and purpose of the policy is to ensure that S/M/W/AABE firms have the opportunity to compete for City contracts without discrimination on the basis of race, color, religion, national origin, age, sex or handicap. To accomplish the objectives of the Small Business policy, the City has established specific goals for local S/M/W/AABE participation in this contract.

2. **DEFINITIONS** related to the Small Business Program Provisions:

- a. **Small Business Program:** the Small Business Economic Development Advocacy ("SBEDA") Program governed by this ordinance and managed by the SMALL BUSINESS Program Office.
- b. **Small Business Enterprises (SBE):** a corporation, partnership, sole proprietorship or other legal entity, for the purpose of making a profit, which is independently owned and operated and which meets the U.S. Small Business Administration (SBA) size standard for a small business. All firms meeting these thresholds will be considered an SBE.
- c. **Local Business Enterprise (LBE):** a corporation, partnership, sole proprietorship, or other legal entity which is headquartered within Bexar County for at least one year. For a branch office of a non-headquartered business to qualify as an LBE, the branch office must be located in Bexar County for at least one-year and employ a minimum of ten (10) residents of Bexar County for use at the local branch office.
- d. **Minority Business Enterprise (MBE):** a sole proprietorship, partnership, or corporation owned, operated, and controlled by a minority group member(s) who has at least 51% ownership. Minority group member(s) include African-Americans; Hispanic Americans; Asian-Pacific Americans; Asian-Indian Americans; American Indians; and Disabled Individuals. The minority group member(s) must have operational and managerial control, interest in capital, expertise and earnings commensurate with the percentage of ownership and be legal residents or citizens of the United States or its territories. To qualify as an MBE, the enterprise shall be headquartered in Bexar County or the San Antonio Metropolitan Statistical Area (the SAMSA) for any length of time, or shall be doing business in a locality or localities from which the City regularly solicits, or receives bids on or proposals for, City contracts within the MBE's category of contracting for at least one year.
- e. **Woman Business Enterprise (WBE):** a sole proprietorship, partnership, or corporation owned, operated and controlled by women who have at least 51% ownership. The woman or women must have operational and managerial control, interest in capital, expertise and

earnings commensurate with the percentage of ownership and be legal residents or citizens of the United States or its territories. To qualify as a WBE, the enterprise shall be headquartered in Bexar County or the SAMSA for any length of time or shall be doing business in a locality or localities from which the City regularly solicits or receives bids on or proposals for, City contracts within the WBE’s category of contracting for at least one year.

- f. **African-American Business Enterprise (AABE)**: a sole proprietorship, partnership, or corporation owned, operated and controlled by an African-American group member(s) who has at least 51% ownership. The African American Group member(s) must have operational and managerial control, interest in capital, expertise and earnings commensurate with the percentage of ownership and be legal residents or citizens of the United States or its territories. To qualify as an AABE, the enterprise shall be headquartered in Bexar County or the SAMSA for any length of time or shall be doing business in a locality or localities from which the City regularly solicits, or receives bids on or proposals for, City contracts within the AABE’s category of contracting for at least on year.

3. **Goals for Small Business Participation**

The goals for the utilization and participation of SBE-MBE-WBE-AABE businesses on this contract are as follows:

MBE	31%
WBE	10%
AABE	2.2%
SBE	50%

Please note that a small business could be classified in multiple categories and thus their utilization could in theory be counted in each category of goals. For example, **Prime Contractor X** submits a proposal, which specifies that they intend to subcontract with Subcontractor A for 10% of the contract. Subcontractor A is certified by the City as an SBE and MBE (a male-owned Hispanic Business owner can be certified as an SBE and MBE). **Prime Contractor X** also intends to subcontract with Subcontractor B for 13% of the contract. Subcontractor B is certified by the City as SBE, MBE and a WBE (a female-owned Hispanic Business owner can be certified as SBE, MBE and WBE). In addition, **Prime Contractor X** also intends to subcontract 10% of the contract to Subcontractor C—a City certified SBE, MBE and AABE (a male-owned African-American business owner can be certified as both a MBE and as an AABE Business). **Prime Contractor X** is also classified as a local SBE. **Prime Contractor X’s** compliance with the Small Business goals under this scenario would be as follows:

	City’s Small Business Goals	Prime Contractor X’s Compliance
MBE	31%	33%
WBE	10%	13%

AABE	2.2%	10%
SBE	50%	100%

Under this scenario, the contractor would be in full compliance with the Small Business policy.

Another example regarding compliance with the policy is as follows: **Prime Contractor Y** submits a proposal, which specifies that they intend to partner through a joint-venture agreement with Company D. Company D is certified by the City as both an SBE and MBE (a male-owned Hispanic Business—certified as an SBE and MBE). As part of their joint-venture agreement, Company D will perform on 32.5% of the contract. **Prime Contractor Y** also intends to subcontract 13% of the contract with Subcontractor F. Subcontractor F is a City certified SBE/MBE/WBE and AABE business. **Prime Contractor Y** is also classified as a local SBE. **Prime Contractor Y** compliance with the Small Business goals would be as follows:

	City’s Small Business Goals	Prime Contractor Y’s Compliance
MBE	31%	45.5%
WBE	10%	13%
AABE	2.2%	13%
SBE	50%	100%

Under this scenario, the contractor would be in full compliance with the Small Business policy.

4. **Good Faith Effort Required**

Proposals shall include a Good Faith Effort Plan (GFEP—ATTACHED). The GFEP shall include specific documentation to utilize local, small, MBE-WBE-AABE businesses in a percentage, which equals or exceeds the above goals. **Any proposal that does not include this SBEDA form shall be declared non-responsive, and excluded from consideration.**

5. **SBE-MBE-WBE-AABE Certification Required**

Only companies certified as SBE, MBE, WBE, or AABE through the South Central Texas Regional Certification Agency (SCTRCA), or as approved by the City of San Antonio Director of International and Economic Development, can be applied towards the contracting goals. Proof of certification must be submitted.

6. **Small Business Program Information**

Interested Respondents are encouraged to contact the Small Business Office for information regarding the City’s Small Business Program in accordance with the City’s Communication Policy outlined in the solicitation document. Please call (210) 207-3900 or FAX: (210) 207-8151.