

## **Prairie State College**

### **REQUEST FOR PROPOSAL (RFP)** Underwriting Services

Community College District 515 of the Counties of Cook and Will and State of Illinois (“Prairie State College” or the “College”) will receive sealed proposals to provide underwriting services as outlined in the College’s Request for Proposals for Underwriter until 3:00pm on September 12, 2019.

The RFP document may be obtained from the College website at <http://prairiestate.edu/bids-rfps>

The Board of Trustees reserves the right to waive any informalities, qualifications or irregularities, and/or reject any and all RFPs, when, in its opinion, such action will serve the best interest of the Board of Trustees of Prairie State College.

**REQUEST FOR PROPOSALS FOR UNDERWRITER**  
**PRAIRIE STATE COLLEGE**

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SUBMIT INQUIRES REGARDING THIS PROPOSAL TO:

James Rachlin  
Meristem Advisors LLC  
JNRachlin@MeristemAdvisors.com  
773-677-3653

-OR-

Dr. Thomas D. Saban  
Vice President, Finance and Administration  
Prairie State College  
202 South Halsted Street  
Chicago Heights, IL 60411  
tsaban@prairiestate.edu  
708-709-3568

I. GENERAL INFORMATION

Community College District 515 of the Counties of Cook and Will and State of Illinois (“Prairie State College” or the “College”) is requesting proposals from firms interested in providing underwriting services to the College for approximately \$20,000,000 in Debt Certificates and subsequent General Obligation Limited Tax Refunding Bonds (the “Bonds”). The scope of assignment and information required to be submitted are outlined in this Request for Proposal (the "RFP").

The College is aware of the “Municipal Advisor Rule” of the Securities and Exchange Commission (effective July 1, 2014) and the exemption from the definition of “municipal advisor” for a person providing “advice”. In response to this RFP, the College hereby notifies the recipient firms that it wishes them to provide advice and recommendations concerning the issuance of municipal securities (as such terms are defined in the Municipal Advisor

Rule). The College intends for such advice and recommendations to qualify for the RFP/RFQ exemption. The advice and recommendations may be made orally or in writing.

The College reserves the right to accept or reject any proposals submitted to it and to conduct a formal procurement process, in each case if deemed by the College to be in its best interests and in conformance with applicable laws. This RFP is open from September 1, 2019 to September 12, 2019. The College understands that by responding to this RFP, respondents are not municipal advisors to the College.

## II. PROCEDURES AND PROVISIONS

A. Proposals must be submitted in hard copy or via e-mail, received by the College prior to 3:00pm September 12, 2019. Hard copy submissions must be contained in a sealed envelope marked "**Proposal for Underwriter – Prairie State College**". The proposal must be submitted accordingly to:

Dr. Thomas D. Saban  
Vice President, Finance and Administration  
Prairie State College  
202 S. Halsted Street  
Chicago Heights, IL 60411

The College is not responsible for, and will not accept, proposals delivered after the stated deadline whether sent by mail or email. It is the proposer's responsibility to assure that the proposal is delivered at the time and place set forth herein.

B. All proposals are subject to the conditions specified herein. Proposers not complying with these conditions are subject to rejection.

C. Specific requests and questions concerning this RFP should be submitted via email to James Rachlin at [JNRachlin@MeristemAdvisors.com](mailto:JNRachlin@MeristemAdvisors.com) prior to 3:00 p.m. on Monday September 9, 2019. The College will make every attempt to send copies of all questions and the College's responses, if any, to all RFP recipients of record. Please notify James Rachlin at the email address above of your intent to respond to this RFP if you wish to be included in such communications.

D. The College is not responsible for any expense incurred in preparing and submitting a proposal or taking any action in connection with the selection process, or for the costs of any services performed by any firm prior to the execution of a contract with an underwriter. Any information submitted in conjunction with the proposals will become the property of the College and are public records pursuant to Illinois Statutes.

E. The College reserves the right to conduct any investigation of the qualifications of any firm that it deems appropriate, negotiate modifications to any of the items proposed in the proposal, request additional information from any firm, reject any or all proposals, or waive any irregularities in the proposal which do not interfere with or impede the College's decision making process.

F. The Board of Trustees of the College retains the discretion to decide not to utilize the services of any selected firm or to terminate the selection without cause and without penalty and the selection of a firm does not assure that any services will ultimately be requested.

### III. SCOPE OF SERVICES

For the specified bond issue, at the request of and in consultation with the College and its municipal advisor, the underwriter shall: work with the College to make recommendations as to possible changes in the financing program; provide numerical analysis of proposed and final structures; participate as requested in the rating agency process, determine whether bond insurance will be advantageous for the transaction, perform various functions to facilitate the marketing and sale the bonds; assist with the bond closing; review and advise as to the reasonableness of the timing of the sale; attend Board meetings if requested and perform such other services customarily provided by underwriters with regard to the structure, marketing and sale of bonds.

### IV. CORRECTIONS AND CHANGES

Any corrections or changes to this RFP will be made by addendum or a revised document issued by the College and posted on the College's website. Corrections or changes made in any other manner will not be binding and proposers should not rely on such corrections or changes. It is the responsibility of the proposer to obtain all corrections and changes prior to submitting a proposal.

### V. INFORMATION TO BE PROVIDED IN PROPOSAL

Project Summary: The College is planning approximately \$20,000,000 of renovations and repairs. Bonding uses will also include a refunding of outstanding bonds and costs of issuance with a total anticipated issue amount of \$24,365,000. Accordingly, the College anticipates authorizing Debt Certificates to fund the improvements portion of the financing, and promptly refinancing the Debt Certificates with longer term General Obligation Limited Tax Bonds maturing approximately from 2020 to 2039. The College anticipates refunding all or a portion of its outstanding Series 2009 and Series 2010 bonds for savings and to accommodate debt structuring requirements and may additionally need to refund a portion of its Series 2015 Bonds to accommodate debt service limitations. The Debt Certificates are planned for a November 2019 closing, while the closing of the Limited Tax Bonds is anticipated in early March 2020.

A summary of the College's outstanding Debt Service is provided in Exhibit A. A preliminary amortization schedule for the 2019 Bonds is presented in Exhibit B.

Please respond, in the order presented, to the questions below:

A. Briefly describe the firm's structure, history and background. How long has the firm provided underwriting services to public entities such as the College? Provide a description of your

firm's capital, capital committed to public finance, and your firm's willingness to commit capital.

- B. Provide the contact information for the primary contact for this assignment. Provide the name, title, role and a brief resume for each key professional who will work on this assignment.
- C. The College has limited capacity within its Debt Service Extension Base (DESB) for carrying interest on the Bonds in levy years 2022 and 2023 and may be over its DSEB in those years. Discuss the rating impact of an overage and your recommended strategy for addressing it.
- D. What steps does your firm take to ensure maximum investor interest in the bonds?
- E. Provide a list of all transactions for which your firm has served as senior managing underwriter or placement agent to Illinois taxing bodies within the last two years. The list should include the name of the taxing body, title of bond issue, par amount and dated date for each transaction, and method of sale (negotiated, competitive or private placement), and an indication of whether the bonds were bank-qualified.
- F. Investigations and litigation.
  - a. Provide information on any litigation, administrative proceeding, or allegations of securities law violations by the Securities Exchange Commission, FINRA, the State of Illinois or other law enforcement agency related to the professional activities of the firm during the five years prior to the date of this RFP that would interfere with it from performing its duties under this proposal.
- G. Will the selection of the firm result in any current or potential conflict of interest?
- H. Additional Information. Provide any other additional information which you feel would be of value to the College in the selection process.

## VI. PRICING AND COMPENSATION

- A. The College's Debt Certificates will be structured with 10-year level debt service, but will be callable after approximately 90 days. Please discuss your recommended strategy for minimizing interest to the call date on this issue and ensuring a successful sale of this unconventional structure. Would you recommend structuring this issue as a private placement or public offering? Have you successfully marketed your recommended structure previously?
- B. For the College's Limited Tax Bonds, please provide comparable pricing and credit spread-to-MMD analyses for two to four recent bank-qualified Illinois college or school district transactions, preferably negotiated, for which your firm served as senior underwriter. If possible, this analysis should incorporate transactions with structures and credit ratings similar to that of the College's proposed bond issue. Please provide both yield/spread to call and the yield/spread to maturity if bonds were priced to the call.

C. Using the late MMD scale for September 10, 2019, please provide indicative pricing and spread-to-MMD information for the preliminary structure of the Limited Tax Bonds (provided in Exhibit B) if the bond sale had occurred on September 10, 2019. Please assume a call date of December 1, 2028, and provide both yield/spread to call and the yield/spread to maturity if bonds are priced to the call. Proposers are encouraged to briefly discuss the rationale for their scale, for example, by reference to similar transactions they have underwritten, other transactions in the market, their particular marketing strengths and/or general market trends and activity.

D. Please provide your proposed fee, and any expenses to be reimbursed (e.g. CUSIP, Ipreo, DTC/settlement fees, etc.) for the Debt Certificates and, separately, for the Limited Tax Bonds. As applicable, differentiate between fees as Underwriter and/or Placement Agent. Unless you choose to propose a fixed dollar fee, please detail your fees as a percentage of gross proceeds.

If your firm requires underwriter's counsel for this transaction, please identify the firm and provide a not-to-exceed fee for this service assuming such counsel will be required to prepare the offering documents for the transaction and provide the College with a 10b-5 opinion as part of its scope of services. If your firm does not require underwriter's counsel, the College will retain Disclosure Counsel for this purpose, and will take such cost into consideration for purposes of comparing fees.

The College reserves the right to negotiate proposed fees prior to awarding a contract.

## VII. EVALUATION PROCESS SELECTION CRITERIA

Selection of underwriter services will be based on evaluation of the various proposal elements, and the following will be of primary importance:

1. Experience and qualifications of firm and assigned staff
2. Financing plan insights, sales and pricing strategy and methodology
3. Fees and expenses
4. Other proposal aspects

The Administration will recommend the selected firm to the College Board of Trustees and will request authority to enter into the proposed agreement.

Schedule: The selection of an underwriter is tentatively anticipated to proceed according to the following timetable:

RFP posted: September 1, 2019

Deadline Questions/Clarifications: September 9, 2019

Proposals Due: September 12, 2019

Recommendation/Board Selection of Firm: September 24, 2019

## Exhibit A: Outstanding Debt Service\*

Levy Year	Non-voted General Obligation Debt				DSEB Usage	
	Series 2009	Series 2010	Series 2015	Total Non-voted Debt Service	DSEB	DSEB Margin
2018	159,075.00	171,825.00	1,376,950.00	1,707,850.00	1,797,415	89,565
2019	629,200.00	809,200.00	270,250.00	1,708,650.00	1,831,566	122,916
2020		1,440,800.00	270,250.00	1,711,050.00	1,831,566	120,516
2021		416,000.00	1,295,250.00	1,711,250.00	1,831,566	120,316
2022			1,709,000.00	1,709,000.00	1,831,566	122,566
2023			1,709,500.00	1,709,500.00	1,831,566	122,066
2024			1,391,250.00	1,391,250.00	1,831,566	440,316
2025					1,831,566	1,831,566
2026					1,831,566	1,831,566
2027					1,831,566	1,831,566
2028					1,831,566	1,831,566
2029					1,831,566	1,831,566
2030					1,831,566	1,831,566
<b>Total</b>	<b>788,275.00</b>	<b>2,837,825.00</b>	<b>8,022,450.00</b>	<b>11,648,550.00</b>		

\*Principal on the College's outstanding debt matures December 1 of each year. Amounts levied in December of the indicated year cover debt service for the following June 1 payment and subsequent December 1 payment.

## Exhibit B: Preliminary Series 2020 Limited Tax Bonds Amortization Structure

<b>Date</b>	<b>Principal (\$000)</b>
5/15/19	1,315
12/1/20	1,370
12/1/21	400
12/1/22	600
12/1/23	600
12/1/24	200
12/1/25	1,160
12/1/26	1,200
12/1/27	1,240
12/1/28	1,280
12/1/29	1,320
12/1/30	1,360
12/1/31	1,400
12/1/32	1,440
12/1/33	1,480
12/1/34	1,520
12/1/35	1,560
12/1/36	1,600
12/1/37	1,640
12/1/38	1,680
12/1/39	1,720
<b>Total</b>	<b>24,365</b>