

CITY OF HOUSTON
REQUEST FOR PROPOSAL (RFP)
SOLICITATION NO.: S70-T25543

Date Issued: August 26, 2015

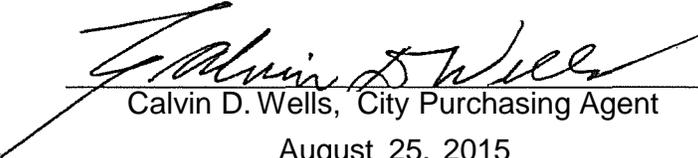
Solicitation Due Date: September 11, 2015 @ 2:00 P.M., CST

Solicitation Contact Person: Ashley Alessandrini
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(832) 393-9131

Project Summary: The City of Houston, Texas (the "City") is seeking proposals from qualified financial institutions to provide an interim financing vehicle for up to \$450 million.

NIGP Code: 94-656

MWBE Goal: 0%



Calvin D. Wells, City Purchasing Agent

August 25, 2015

Date

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PART I- GENERAL INFORMATION

A. General Information

The City of Houston ("City") is seeking proposals from qualified financial institutions to provide an interim financing vehicle for up to \$450 million. The financing vehicle will be for the Houston Airport System, secured by the Inferior Lien pledge of Net Revenues, and will be used by the City to assist, primarily, in appropriating for and, potentially, financing the Airport System's capital improvement program

B. City of Houston Background

The City of Houston is the fourth largest City in the United States comprising 23 departments with multiple locations throughout the City. The City has approximately 23,000 employees with approximately 500 employees involved in the procurement and/or contracting process. Contracts where the City must pay in excess of \$50,000 are routed to City Council for approval. The annual volume of contracts and purchase orders issued in the City in the last five years has ranged from 19,000 to 23,000.

As a point of reference, prospective proposers may refer to the City's Procurement Manual and corresponding Purchasing Manual (currently under revision) for current processes. The manuals can be accessed at <http://purchasing.houstontx.gov/docs/SPD%20Procurement%20Manual.pdf> and <http://purchasing.houstontx.gov/docs/Procurement Manual.pdf>. The City is looking for additional opportunities to streamline its processes through the implementation of technology.

C. Solicitation Schedule

Listed below are the important dates for this Request for Proposal (RFP).

<u>EVENT</u>	<u>DATE</u>
Date of RFP Issued	August 26, 2015
Proposals Due from Proposers	September 11, 2015
Notification of Intent to Award	September 16, 2015 (Tentative)
Council Agenda Date	October 7, 2015 (Tentative)
Contract Start Date	October 16, 2015 (Tentative)

PART II- SCOPE OF WORK

A. Purpose

The City of Houston ("City") is soliciting proposal from firms Proposer(s) with an established history of expertise to provide a financing solution for the Houston Airport System. Proposer may include various term lengths for the facility at your firm's discretion, but in no event less than two years, along with fee structures as they relate to each proposed term. If the Proposer(s) would only be willing to make a commitment for a lesser amount than the full size of the program, the City will entertain two (2) or more separate interim financing vehicles.

B. Specification of Services

Issuer:	City of Houston, Texas (see Security, below)
Facility Amount:	A total commitment covering the principal amount \$450 million (and required interest, if applicable). The City will consider proposals for less than \$450 million, but will also consider costs associated with initiating and maintaining separate facilities.
Use of Program:	The facility will be issued from time to time primarily to provide appropriation capacity for the City's capital improvements program related to the Houston Airport System. The facility may also be used to provide interim financing, although the City does not expect to utilize the facility for this purpose.
Security:	<p>The facility obligations are drawn against, are a lien upon and are payable as to principal and interest primarily from (i) the proceeds of other facility obligations issued to pay principal; (ii) proceeds from the sale of bonds issued to pay principal, and (iii) net revenues of the City's Airport System, as provided by ordinance, for the payment of principal and interest.</p> <p>The City prefers this obligation be on the Airport System's Inferior Lien. Currently, the City has an active \$150 million commercial paper program at the senior lien, which is expected to remain in place without change, and a commercial paper program on the inferior lien which is expected to be replaced after closing of the facility(ies) solicited in this RFP.</p>
Termination:	After an agreed period of time, the City would like to have the right to terminate the facility at any time, in whole or in part, upon thirty (30) days' notice to the provider, without any additional cost to the City. Depending on the nature of the facility, if the long-term rating of the credit provider falls below investment grade, then the City may want to have a right to terminate at any time without penalty. In the case of a backing of commercial paper, ratings qualifying for money-market fund purchase will be key for the City.
Events of Default	<p>These will depend upon the nature of the facility.</p> <p>In the case of a facility backing commercial paper, the City requests standard (a) events of default and (b) special events of default as to bankruptcy, non-payment of debt and breaches of covenants. A City ratings downgrade or loss of tax-exempt status for the TECP may not constitute an event triggering automatic termination of the facility.</p>
Covenants:	The City requests standard covenants as to maintenance of existence, licenses, permits and records, maintenance of tax-exempt status of the facility, and no amendments to the authorizing ordinance without prior written consent.
Legal Opinions:	The City requests legal opinions relating to the enforceability of the facility from U.S. counsel and from foreign counsel where appropriate.
Schedule:	The City is targeting September 16, 2015 as a date by which to choose a firm or firms to begin negotiations towards a final agreement. The City is currently targeting October 2015 as the effective date of the new facility.

To assist you in preparing responses, we refer you to the City's website for the latest annual financial reports. Those can be found at: <http://www.houstontx.gov/controller/cafr.html>. More specific Airport System reports can be found at: <http://www.fly2houston.com/InvestorRelations>. Further financial information for the City may be found on the City's website, including monthly financial data. Monthly reports, and other data, can be found at: <http://www.houstontx.gov/budget/>.

By responding to this RFP, each Proposer(s) affirms that it understands this RFP and has sufficient knowledge of the scope, nature, quality and amount of work to be performed.

Payment of all fees and expenses (including Proposer(s) counsel fees, if any) by the City are contingent upon the final approval of the credit agreement transcript of proceedings by the Attorney General of Texas (if applicable) and that the laws of the State of Texas will govern the obligations of the City. Any necessary credit approvals required by your bank should be completed upon the submission of your response or the process for approval should be described in the response.

If your firm is interested in providing an interim financing facility as outlined above, please complete a term sheet which addresses the following items:

1. Provide the contact details for the main point of contact for the respondents.
2. Provide the type(s) of facility being offered.
3. Provide the term(s) of the facility and all fees for each respective term.
4. Describe the mechanics of each response facility, **keeping in mind that the City expects the facility to primarily be used for appropriation purposes**. Any ability of the City to achieve a lower cost when using for appropriation, compared to when actually drawing on the facility, will be a favorable factor in the City's consideration of proposals.
5. Identify the proposer's counsel (who must be acceptable to the City), indicate whether the City is expected to pay for such services, and detail their fees and expenses separately, including a cap on such fees and expenses. (No legal fees or expenses will be paid to counsel for any participating banks)
6. Detail the other costs associated with providing the proposed facility, including start-up fees, administrative fees, commitment fees, and expenses, if any. The City will consider each proposed term along with its associated fees in making its selection.
7. Describe the interest rate on borrowings, if any, under the credit facility and the interest rate in the event of default. Indicate the cost for draws with same-day reimbursement.
8. Discuss the terms for conversion into a term loan for amounts not paid within a stated period and for amounts outstanding at the expiration of the credit facility.
9. Itemize the conditions precedent to draws, including any cost of funding such draws.
10. Describe the respondent's long-term and short-term credit ratings and discuss the current status of these ratings.
11. Describe the provisions for and costs, if any, to the City resulting from a decision by the City to reduce the size of or to terminate the facility earlier than the stated maturity.
12. Describe any "favored nations" requirements, including the scope of what the requirements would cover.

PART III - REVIEW AND SELECTION PROCESS

A review committee will evaluate responsive proposals in accordance with the evaluation criteria listed below. The review committee reserves the right to issue letter(s) of clarification when deemed necessary to any or all Proposer(s).

A. Selection Process

Upon review of all information provided by shortlisted proposers, the review committee will make a recommendation for selection to City officials. The City reserves the right to check references on any projects performed by the proposer whether provided by the proposer or known by the City. Selected proposal will be submitted for approval by the appropriate City officials. The City of Houston intends to select responses that best meets the needs of the City and provides the overall best value. Upon approval of the selected Proposer, a contract will be executed by the appropriate City officials.

B. REVIEW CRITERIA

1. Responsiveness of Proposal

Proposal shall be responsive to all material requirements that will enable the review committee to evaluate responses in accordance with the review criteria so as to make a recommendation to City officials.

2. Technical Competence

The City's review committee will review the submissions in accordance with the extent to which the following elements best meet the requirements of the City:

- > Structure
- > All-in costs
- > Past performance*
- > General market information

**The City will obtain information on past performance and general market information from its own sources.*

All Submittals will be reviewed on the basis of costs, terms and conditions of the facility and the expected impact, if any, on ratings.

PART IV-SUBMISSION OF PROPOSAL

A. Instructions for Submission

1. Number of Copies. Please submit one (1) copy of the Proposal, including one (1) printed original signed in BLUE ink, and an additional one (1) electronic thumb drive in a sealed envelope bearing the assigned Solicitation Number, located on the first page of the RFP document to:

City Purchasing Agent
City Hall
901 Bagby, Suite B521
Houston, Texas 77002

The City of Houston shall bear no responsibility for submitting responses on behalf of any Proposer. Proposer(s) may submit their responses to the Office of the City Purchasing Agent any time prior to the stated deadline.

2. Time for submission. Proposals shall be submitted no later than the date and time indicated for submission in this RFP. Late submittals will not be considered and will be returned unopened.
3. Format. Proposal should be left-bound with information on both sides of the page when appropriate. Material should be organized following the order of the submission requirements separated by labeled tabs. Expensive paper and bindings are discouraged since no materials will be returned.

4. Complete submission. Proposers are advised to carefully review all the requirements and submit all documents and information as indicated in this RFP. Incomplete proposals may lead to a proposal being deemed non responsive. Non-responsive proposals will not be considered.
5. Packaging and Labeling. The outside wrapping/envelope shall clearly indicate the RFP Title and date and time for submission. It shall also indicate the name of the proposer. The Price Proposal shall be submitted in a separate sealed envelope. The envelope shall clearly identify the content as "Price Proposal". All other submission requirements shall be included with the Technical Proposal.
6. Timely delivery of Proposals. The Proposal, including the Technical Proposal, the Pricing Proposal and signed Contract, must be delivered by hand or sent to the City of Houston, Chief Procurement Officer through U.S. Mail or other available courier services to the address shown on the cover sheet of this RFP. Include the RFP number on any package delivered or sent to the Chief Procurement Officer and on any correspondence related to the Proposal. If using an express delivery service, the package must be delivered to the designated building. Packages delivered by express mail services to other locations might not be re-delivered in time to be considered.
7. Late Proposals. The proposer remains responsible for ensuring that its Proposal is received at the time, date, place, and office specified. The City assumes no responsibility for any Proposal not so received, regardless of whether the delay is caused by the U.S. Postal Service, the courier delivery service, or some other act or circumstance.

B. Submission Requirements

1. Cover letter. The cover letter shall be signed by an authorized representative of the Proposer. The letter should indicate the Proposer's commitment to provide the services proposed. In addition, the cover letter shall identify the members of the team that comprise the Proposer. Indicate the organizational relationship of the team members.
2. Forms and Certifications. Complete all forms and certifications attached, as appropriate.

Part V - SPECIAL CONDITIONS

A. No Contact Period

Neither Proposer(s) nor any person acting on Proposer(s)'s behalf shall attempt to influence the outcome of the award by the offer, presentation or promise of gratuities, favors, or anything of value to any appointed or elected official or employee of the City of Houston, their families or staff members. All inquiries regarding the solicitation are to be directed to the designated City Representative identified on the first page of the solicitation. Upon issuance of the solicitation through the pre-award phase and up to the date the City Secretary publicly posts notice of any City Council agenda containing the applicable award, aside from bidder's formal response to the solicitation, through the pre-award phase, written requests for clarification during the period officially designated for such purpose by the City Representative, neither Proposers(s) nor persons acting on their behalf shall communicate with any appointed or elected official or employee of the City of Houston, their families or staff through written or oral means in an attempt to persuade or influence the outcome of the award or to obtain or deliver information intended to or which could reasonably result in an advantage to any bidder. However, nothing in this paragraph shall prevent a bidder from making public statements to the City Council convened for a regularly scheduled session after the official selection has been made and placed on the City Council agenda for action, or to a City Council committee convened to discuss a recommendation regarding the solicitation.

B. Equal Opportunity Employment

The City of Houston Ordinance Section 15-17 establishes Equal Employment Opportunity Contract Compliance requirements for all City of Houston contracts involving the expenditure of Fifty Thousand Dollars (\$50,000) or more. Any contract for professional services that results from this RFP will provide that the failure to carry out the requirements set forth in the City of Houston Equal Employment Opportunity Program shall constitute a breach of contract and may result in termination of the agreement or contract. In addition, the City may take any such additional remedy as deemed appropriate.

C. Protests

A protest shall comply with and be resolved, according to the City of Houston Procurement Manual http://purchasing.houstontx.gov/docs/Procurement_Manual.pdf and rules adopted thereunder. Protests shall be submitted in writing and filed with both, the City Attorney and the Solicitation contact person. A pre-award protest of the RFP shall be received five (5) days prior to the solicitation due date and a post-award protest shall be filed within five (5) days after City Council approval of the contract award.

1. A protest must be filed in accordance with the timing requirements set forth herein and must include:
 - a. the name, address, telephone number and email address of the protestor;
 - b. the number of the solicitation;
 - c. all information confirming that the protestor is an interested party;
 - d. a written statement of the grounds for the protest and the law, ordinance, or policy alleged to have been violated. The statement should be accompanied by relevant supporting documentation and the relief requested.
 - e. all information confirming the timeliness of the protest; and
 - f. the signature of the protestor

Protests shall be submitted to:

Ashley Alessandrini
City of Houston
901 Bagby, B300
Houston, TX 77002

2. The City recognizes three types of protests:
 - a. Protests regarding solicitation (Pre-Bid Protest)
Any protest regarding a solicitation published by the City shall be filed no later than five (5) days before the opening of bids (if a competitive bid) or due date for submittals or proposals (if an RFP/RFQ), as appropriate. Any protest filed after the due date raising issues regarding the solicitation will not be considered.
 - b. Protests regarding the evaluation of bids, qualifications, or proposals (Pre-Award Protest). Any protest regarding the evaluation of bids, qualifications, or proposals by the City must be filed no later than ten (10) days after: opening of bids (if a bid); or due date (if RFQ/RFP); or notification that the interested party's bid or proposal has been rejected. Any protest received after the deadline will not be considered.
 - c. Protests regarding award of contract (Post-Award Protest)
Upon receipt of a timely and properly filed protest regarding the award of a contract, the City will not issue a notice to proceed or submit an order for goods until the protest has been resolved, provided such delay will not be detrimental to the interests of the City.

PART VI - INSTRUCTIONS TO PROPOSERS

A. Additional Information and Specification Changes

Requests for additional information and questions should be addressed to the Finance Department, Strategic Procurement Division Buyer Ashley Alessandrini, telephone: (832) 393- 9131, fax: 832.393. 8759, or e-mail (preferred method to): ashley.alessandrini@houstontx.gov no later than 2:00 p.m., CST, September 2, 2015. The City of Houston shall provide written responses to all questions received in writing before the submittal deadline. Questions received from all Proposer(s) shall be answered and sent to all Proposer(s) who are listed as having obtained the RFP. Proposer(s) shall be notified in writing of any changes in the specifications contained in this RFP.

B. Examination of Documents and Requirements

1. Each Proposer shall carefully examine all RFP documents and thoroughly familiarize themselves with all requirements prior to submitting a Proposal to ensure that the Proposal meets the intent of this RFP.
2. Before submitting a Proposal, each Proposer shall be responsible for making all investigations and examinations that are necessary to ascertain conditions and affecting the requirements of this RFP. Failure to make such investigations and examinations shall not relieve the Proposer from obligation to comply, in every detail, with all provisions and requirements of the RFP.

C. Exceptions to Terms and Conditions

1. All exceptions included with the Proposal shall be submitted in a clearly identified separate section of the Proposal in which the Proposer clearly cites the specific paragraphs within the RFP where the Exceptions occur. Any Exceptions not included in such a section shall be without force and effect in any resulting contract unless such Exception is specifically referenced by the City Purchasing Agent, City Attorney, Director(s) or designee in a written statement. The Proposer's preprinted or standard terms will not be considered by the City as a part of any resulting contract.
2. All Exceptions that are contained in the Proposal may negatively affect the City's Proposal evaluation based on the evaluation criteria as stated in the RFP, or result in possible rejection of Proposal.

D. Post-Proposal Discussions with Proposer(s)

It is the City's intent to commence final negotiation with the Proposer(s) deemed most advantageous to the City. The City reserves the right to conduct post-Proposal discussions with any Proposer(s).

PART VII - REQUIRED FORMS TO BE SUBMITTED WITH PROPOSAL

- A. Offer and Submittal
- B. Anti-Collusion Statement (Exhibit V)

OFFER AND SUBMITTAL

NOTE: PROPOSAL MUST BE SIGNED AND NOTARIZED BY AN AUTHORIZED REPRESENTATIVE(S) OF THE PROPOSER, WHICH MUST BE THE ACTUAL LEGAL ENTITY THAT WILL PERFORM THE CONTRACT IF AWARDED AND THE TOTAL FIXED PRICE CONTAINED THEREIN SHALL REMAIN FIRM FOR A PERIOD OF ONE-HUNDRED EIGHTY (180) DAYS.

"THE RESPONDENT WARRANTS THAT NO PERSON OR SELLING AGENCY HAS BEEN EMPLOYED OR RETAINED TO SOLICIT OR SECURE THIS CONTRACT UPON AN AGREEMENT OR UNDERSTANDING FOR A COMMISSION, PERCENTAGE, BROKERAGE, OR CONTINGENT FEE, EXCEPTING BONA FIDE EMPLOYEES. FOR BREACH OR VIOLATION OF THIS WARRANTY, THE CITY SHALL HAVE THE RIGHT TO ANNUL THIS AGREEMENT WITHOUT LIABILITY OR, AT ITS DISCRETION, TO DEDUCT FROM THE CONTRACT PRICES OR CONSIDERATION, OR OTHERWISE RECOVER THE FULL AMOUNT OF SUCH COMMISSION, PERCENTAGE, BROKERAGE OR CONTINGENT FEE."

Respectfully Submitted:

(Print or Type Name of Contractor – Full Company Name)

City of Houston Vendor No. (If already doing business with City): _____

Federal Identification Number: _____

By: _____
(Signature of Authorized Officer or Agent)

Printed _____ Name: _____

Title: _____

Date: _____

Address of Contractor: _____
Street Address or P.O. Box

City – State – Zip Code

Telephone No. of Contractor: (____) _____

Signature, Name and title of Affiant: _____

(Notary Public in and for)

County, Texas

My Commission Expires: _____ day of _____ — 20 _____

ANTI-COLLUSION STATEMENT

Anti-Collusion Statement

The undersigned, as Proposer, certifies that the only person or parties interested in this Proposal as principals are those named herein; that the Proposer has not, either directly or indirectly entered into any Agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with the award of this Contract.

Date

Proposer Signature

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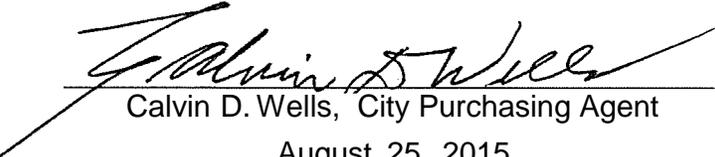
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