

RESOLUTION NO. 14 –09

**RESOLUTION OF THE TRUST AUTHORIZING A REQUEST FOR PROPOSAL BE ISSUED FOR
FINANCIAL ADVISORY SERVICES**

WHEREAS, the New Jersey Environmental Infrastructure Trust (the "Trust") has the authority to engage the services of financial advisors as may be necessary for the operations of the Trust pursuant to N.J.S.A. 58:11B-5(i); and

WHEREAS, there is a need for the New Jersey Environmental Infrastructure Trust (the "Trust") to appoint a Financial Advisor for the SFY2015 and SFY2016 New Jersey Environmental Infrastructure Trust Financing Programs.

NOW THEREFORE BE IT RESOLVED THAT the Trust hereby authorizes the Executive Director, in consultation with counsel, to prepare and distribute a Request for Proposal (RFP) to such Financial Advisors as may be determined in accordance with the provisions of Executive Order No. 26, and the procedure of the Trust; and

BE IT FURTHER RESOLVED THAT the Executive Director is further authorized to establish a committee to review all proposals received and to make a report and recommendation as to the selection of a Financial Advisor for a contract period of two (2) years, July 1, 2014 through June 30, 2016; with an option to extend one-year upon approval by the Board; and

BE IT FURTHER RESOLVED THAT the Executive Director is authorized to take all other actions consistent with Executive Order No. 26 to procure the services of a Financial Advisor.

Adopted Date: February 20, 2014

Motion Made By: Mr. Requa

Motion Seconded By: Ms. Campbell

Ayes: 6

Nays: 0

Abstentions: 0



Request for Proposal

Financial Advisory Services SFY2015 & 2016

Issued by the
New Jersey Environmental Infrastructure Trust

Date Issued:
March 10, 2014

Questions and Answer Cut-Off Date:
5:00 PM EST March 31, 2014

Proposals Due Date:
12:00 PM EST April 15, 2014

In the Office of the Chief Budget Officer
3131 Princeton Pike, Building 4, Suite 216
Lawrenceville, NJ 08648
(609) 219-8600

Please Label Proposals with Firm's Name and
"Proposal for Financial Advisory Services SFY2015 & 2016"

**NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE TRUST
REQUEST FOR PROPOSAL
FOR FINANCIAL ADVISOR SERVICES for THE TRUST'S
SFY2015 & SFY2016 FINANCING PROGRAMS**

OBJECTIVE

The New Jersey Environmental Infrastructure Trust (Trust) is looking to procure the services of a financial advisory firm for the purposes of assisting the Trust with its decisions and actions required in the daily activities surrounding the issuance of its annual lending programs and the management of its outstanding loan and bond issuance. Such assistance shall include [but not be limited to]:

- advising the Executive Director, the Trust and the State in developing and executing the Trust's financial strategy,
- marketing the program to potential borrowers and State officials,
- directing the sale of any and all Trust note or bond issues, both short-term and long-term as well as any refundings, and
- negotiating all documentation for the sale of notes or bonds and the loaning of monies to Borrowers.

Pursuant to this request for proposal, the Trust shall select a Financial Advisor from the list of responsive bidders as prescribed in Section 7.0 of this Request for Proposal (RFP).

The following paragraphs describe in more detail the Trust, the activities undertaken by the Trust, the scope of services for the Trust's Financial Advisor, and information to be provided by interested firms.

1.0 BACKGROUND

The Trust was organized pursuant to N.J.S.A. 58:11B-1 et seq. in August 1986, as an instrumentality of the State exercising public and essential government functions. The Trust exists within, but is independent of any supervision or control by, the New Jersey Department of Environmental Protection

The purpose of the Trust is to provide financial assistance to New Jersey local government units and public water utilities. One way the Trust fulfills its purpose is by participating with the New Jersey Department of Environmental Protection (State) in the Environmental Infrastructure Financing Program (Program). The Trust contracts to make loans to finance a portion of the costs of environmental infrastructure system projects that borrowers in New Jersey are authorized to undertake and which they may lawfully finance through borrowings. The State provides companion loans for these same projects.

2.0 POWERS and STRUCTURE of the ENVIRONMENTAL INFRASTRUCTURE TRUST

The Trust is a State financing authority empowered to issue revenue bonds, to make loans, and guarantee debt issued by borrowers for the construction of environmental infrastructure projects. The Trust consists of a seven-member board of directors. Of the four public members, two are appointed by the Governor, one by the Governor upon the recommendation of the Speaker of the General Assembly and one by the Governor upon the recommendation of the President of the Senate. The remaining three members, the State Treasurer, the Commissioner of the State Department of Environmental Protection and the Commissioner of the State Department of Community Affairs are members ex-officio. The powers of the Trust are vested in the Board of Directors of the Trust. However, the minutes of all Trust meetings must be delivered to the Governor and Legislature. The Legislature may provide written comment to the Governor and the Governor may veto any Trust action within 10 business days. No Trust actions initiating the issuance of bonds, notes, or other obligations can be effective without the prior written approval of both the Governor and State Treasurer.

The Trust's enabling legislation requires extensive legislative oversight of the Trust, including fiscal accountability and control over its operating expenses, loan and debt guarantee activities, and borrowing and debt obligations. No funds from State or federal sources or State bond issues will be made available to the Trust unless appropriated by the Legislature. The Trust may not expend any funds for environmental infrastructure projects unless the expenditure is authorized by an appropriations act approved by the Legislature.

The Department of Environmental Protection (DEP) and the Trust must submit a joint annual project priority list for environmental infrastructure projects to the Legislature by January 15 of each year. The list must be developed in accordance with the federal government's priority ranking system, which rates projects on environmental need and is set by the DEP.

The Trust must also submit a proposed financial plan to implement the financing of the projects on the project priority list to the Legislature by May 15 of each year. The plan must contain an enumeration of the revenue bonds and loans (including the terms and conditions thereof and the anticipated ranges of interest rate and repayment schedules), and loan guarantees which the Trust intends to execute, together with a financial statement covering its proposed operations during the forthcoming fiscal year.

Passage of Legislative Bills appropriating funds to the DEP and authorizing the Trust to sell bonds is required prior to financing environmental infrastructure projects. In addition, the financial plan must be approved by adoption of concurrent resolutions by both the Senate and Assembly.

The Trust has, among others, the following powers:

- (i) to borrow money and issue bonds, notes and other obligations and to secure the same by its revenues and other funds and to provide for the refunding thereof;
- (ii) to obtain as security or to provide liquidity for payment of its bonds, notes or other obligations, lines of credit, letters of credit and other security agreements;
- (iii) to invest any moneys not required for immediate use or disbursement, including

- proceeds from the sale of its bonds, notes, or other obligations, in any obligations, securities and other investments in accordance with the rules and regulations of the State Investment Council;
- (iv) to receive and accept aid or contributions from any source of property, money, labor or other things of value, to be held, used and applied to carry out the purposes of the Trust Act;
 - (v) to acquire, lease, hold and dispose of real and personal property or any interest therein in the exercise of its powers and the performance of its duties under the Trust Act.

The Trust may issue at public sale up to \$2.6 billion, or more at the discretion of the Legislature, of its own bonds. These bonds are secured by, among other things, Trust loan repayments from Borrowers, Fund loan repayments from Borrowers, and an ability to intercept State Aid payable to Borrowers borrowing from the Trust.

The SFY2015 and 2016 Financing Programs are expected to mirror the design of the most recent years' Financing Program with minor modifications made for adjustments in federal funding, EPA guidance and the NJEIFP's loan product offerings. Please see below for further details.

For the SFY2015 Financing Program, the law firm of McCarter & English, LLP has been designated as the Trust's bond counsel. The Trust expects to follow a similar request-for-proposal process for bond counsel services next year to cover the SFY2016 and SFY2017 Financing Programs.

3.0 FINANCING HISTORY: THE SFY2013 and SFY2014 FINANCING PROGRAMS

3.1 THE SFY2014 FINANCING PROGRAM SUMMARY

A. GENERAL PROGRAM OVERVIEW

In the NJEIFP's continued effort to encourage participation of local government units during these challenging economic times, the SFY2014 Program continued to offer 25% market rate loans to eligible participants. This low interest rate is possible due to the DEP's agreement to finance 75% of each project with its 0% interest cost funds. The net effect of the DEP's decision to continue offering a greater percentage of DEP funds in the SFY2014 Financing Program is that the borrowers' loans will bear net interest rates below that typically offered in prior years when the DEP provided funds for 50% of the Financing Program (on a typical \$1 million loan, this increase in the percentage of an NJEIFP loan financed with DEP 0% interest cost funds to 75% of total loan funds translates into an approximate interest savings over 20 years equal to an additional \$114,000 dollars above what NJEIFP's low rates save these borrowers during Financing Program years when the DEP's share of funds is 50%).

This year, the Financing Program anticipates financing approximately \$345 million in loans to eligible, qualifying participants. This total amount consists of approximately \$259 million DEP

Fund loans and \$86 million NJEIT Trust loans backed almost entirely by AAA issued, tax-exempt bonds (it is anticipated there will be a small number of NJEIT Direct Loans which will be financed with the Trust's cash-on-hand).

In addition, in SFY2014, the Trust initiated a new, bridge loan Program to provide short-term, temporary funds to borrowers whose facilities were affected by the natural disaster, Superstorm Sandy. Such loans, dubbed SAIL Loans for the Statewide Assistance Infrastructure Loan Program, are intended to be a fiscal management tool for communities in lieu of eventual receipt from the U.S. Federal Government of certain disaster federal grant funds such as FEMA 40 funds or US HUD CDBG funds. The Trust seeded the SAIL Program with approximately \$16 million of its own funds-on-hand and \$65 million of funds appropriated from the DEP's SRF repayments. It is the intention of the Trust to borrow additional funds, to the extent that excess demand for SAIL funds materializes, from commercial banks or other private lending sources.

Finally, the NJEIFP introduced the NANO Loan Program for small drinking water systems designated as those systems serving less than a population of 10,000. The Financing Program has set aside \$4 million consisting of \$2 million in PFLs from the DEP, \$1 million in 0% rate loan from the DEP and 1 million from the Trust to be offered at the Trust's market rate. The DEP is setting aside a debt service reserve of \$1 million to cover the Trust's exposure to these small borrowers. It is anticipated that, over time as the amount of outstanding loans in this program increases, the Trust will eventually create a Master Program Trust Account for the sole purpose of securing its outstanding loans to these borrowers and offer its loans to the public through a bond offering.

i. LOAN ELIGIBILITY

There are generally four prerequisites to any applicant's eligibility to receive a SFY2014 Financing Program loan for a particular project:

- (1) availability of funds,
- (2) identification of the project on a project priority list,
- (3) project approval (issuance by the DEP of an "Authorization to Award" upon receipt of executed construction documents), and
- (4) the applicant's satisfaction of financial eligibility and loan closing requirements.

ii. FUNDING SOURCES

For the traditional long-term Financing Program, approximately \$333 million will be available through a combination of Trust and Fund loans for clean water projects and \$50 million will be available for drinking water projects (inclusive of Green Project Loans, Redevelopment Loans, and Principal Forgiveness Loans as discussed below). Further, as a result of the sequestration order issued by President Obama on March 1, 2013, there will likely be a reduction in New Jersey's annual clean water and drinking water capitalization grants for FFY2013. Staff estimates the Clean Water Capitalization Grant to be \$50 million and \$14 million for the Drinking Water Capitalization Grant, a marked reduction from the \$80 to \$85 million in annual grants that the State has received in recent years.

There are a number of **project set-asides** as well as Principal Forgiveness Loans (PFLs) which function similar to grants in that do not require repayment, in this year's Financing Program:

1. Barnegat Bay Watershed Set-Aside
2. Combined Sewer Overflow Abatement (CSO) Reserve Set-Aside
3. Green Project Reserve Set-Aside
4. Redevelopment Project Reserve Set-Aside

iii. PROGRAM DEMAND

The Trust expects that fifty eight (58) borrowers representing \$345 million will satisfy all of the requirements necessary for receipt of a Financing Program loan in SFY2014 and that the remaining borrower applications will be rolled over into the SFY2015 Financing Program.

For more information, click on link below for the 2013 May Report:

http://assets.njeit.org/njeit/publications/sfy2014/SFY2014_May_Report.pdf

3.2 THE SFY2013 FINANCING PROGRAM SUMMARY

In SFY2013, thirty one (31) borrowers with aggregate project costs of \$124.9 million were approved and received long-term NJEIFP funding, including direct loans.

4.0 SCOPE OF SERVICES

- 1) Advise the Trust on a continuing basis of the financial aspects of the Trust's program.
- 2) Attend all meetings of the Trust Board of Directors.
- 3) Develop the Financial Strategy and Plan for Each Annual Funding Cycle. Assist in the preparation of the Trust's Financial Plan to be submitted to the Legislature by May 15th of each year.
- 4) Review pending and new federal and state legislation and advise the Trust on how the Financing Program might comply with same and/or take advantage of potential opportunities.
- 5) As requested, review alternative SRF financing structures and borrower fee structures.

- 6) Participate in the Financing Program's seminars which are expected to be scheduled around February 2015 and 2016 for Financing Program Applicants in the SFY2015 and SFY2016 Financing Program. Presentations will require a focus on Creditworthiness Requirements, Financing Program structure, loan covenants, Financial Addendum Form preparation and loan sizing to be utilized in Local Finance Board applications, Board of Public Utilities applications and bond ordinances and/or bond resolutions.
- 7) As necessary, participate in one-on-one meetings with borrowers having large complex projects and requested seminars or presentations, which may include the preparation of detailed credit and financial analysis prior to meeting.
- 8) Prepare, direct and participate in presentations regarding the Trust bond sales with the rating agencies, underwriters, bond insurers and interested investors. This service includes responding to questions raised by the above regarding credit and security issues.
- 9) Assist the Trust with its review of each Applicant's credit worthiness status and whether each Applicant meets the requirements of the Financing Program and, if not, work with the Trust and the Applicant on an appropriate resolution to facilitate a Financing Program loan where appropriate.
- 10) Review completed Financial Addendum Forms and assume responsibility for follow-up letters to be sent to the participants requesting additional information or clarification of answers.
- 11) Develop debt service schedules for each borrower to be included in their individual applications for Local Finance Board or Board of Public Utilities approval.
- 12) Determine the redemption provisions, security provisions, bond covenants and other provisions for each sale of Trust bonds in consultation with Bond Counsel.
- 13) Advise the Trust on how the credit, legal and financial characteristics of each participant may fit into the Trust's Financing Program. Determine whether municipal bond insurance, general obligation backing, general obligation deficiency agreements, loan guarantees, letters of credit and other forms of credit enhancement are adequate for the financing and sufficiently protect the Trust bonds.
- 14) Make recommendations for Program improvement as appropriate.
- 15) Assist the Bond and General Counsel in preparing all bond and loan documentation, including but not limited to bond resolutions, the Notice of Sale, the Preliminary and Final Official Statements.

- 16) Determine, upon consultation with Bond Counsel and General Counsel, the terms of the Notice of Sale defining the bidding procedures and conditions for the sale of the Trust's bonds based on prevailing market conditions.
- 17) Determine investment criteria and procedures for various Bond funds. Provide the Trust with access to investment professionals to advise the Trust on investment criteria and procedures. Within hours of bond sale, investment of bond proceeds must be completed. The purchase of the investments must be on a competitive basis and structured in a manner to be the lowest cost to the Trust. Prepare such cash flow and yield calculations as required by bond counsel and coordinate the settlement of the investments that best meet the needs of the borrowers. Evaluation of competitive investment bids and finalization of investment portfolios with winning bidder(s) based on final bond pool structure(s) must be completed the day of Bond Sale.
- 18) Develop final sizing model for each Trust bond pool prior to Bond Sale based on final Trust and Fund loan terms. This model must be tailored to the specific loan requirements in each year's program. This model is of a complex and iterative nature.
- 19) Pre-qualify bidders for the Bond Sale through a request for proposal process. Conduct the Bond Sale through the electronic bid process, evaluate competitive bond bids, structure each series of bonds based on the winning bid(s).
- 20) Develop bond and loan amortization schedules, sources and uses of funds, true interest cost and arbitrage yield calculations, earnings allocations to each sub-account, Trustee schedules and detailed flow of funds, update Master Program Trustee flow of funds and any other items requested by the Executive Director and Bond Counsel for the Bond Closing.
- 21) Calculate SLG requirements when applicable and assist the Trust in finalizing its SLG application.
- 22) As requested, review and evaluate prior bond issues for refinancing purposes. Perform all activities in connection with any Refunding as presented in the Scope of Services, including the preparation of a report for the Joint Budget Oversight Committee.
- 23) Perform all activities in connection with any separate series for large single issue borrowers as presented in the Scope of Services.
- 24) Prepare Debt Service Schedules and calculate interest rate according to the Trust's formula for all direct loans.

- 25) Perform when requested all necessary calculations for an individual borrower's loan defeasance.
- 26) Update the Trust's model for calculating borrower's project and debt service costs for participation in the program (for use by Trust staff).
- 27) Attend all requested project meetings and Local Finance Board meetings as required.
- 28) Participate in an annual review of the Trust's Credit Policy, including review of reports of any downgraded municipal borrowers, and any other matters which the Trust deems relevant.
- 29) Assist with determination of amount and investment of Debt Service Reserve Funds (DSRF).

5.0 INFORMATION REQUIRED TO BE PROVIDED BY BIDDER

- 1) Provide a brief description of your firm including the organizational structure of your: (a) public finance and municipal bond departments and (b) investment management group.
- 2) List 10 tax-exempt financings for municipal bond banks, municipal loan pools, revolving funds, or any transaction where the issuer served as a financial intermediary for other governmental entities, for which your firm served as financial advisor and which have been completed since July 1, 2009 or are in progress. Include the following information and highlight those which involve New Jersey issuers:
 - Name of Issuer
 - Amount of Financing
 - Sale Date
 - Rating
 - Credit Support (yes or no, type)
 - Maturity and Pricing Structure
 - Source of Repayment
 - Use of Proceeds
 - Firm's Role
 - Type of Sale
 - Personnel Assigned
 - Client Reference
- 3) Describe in detail the analytical procedure your firm would use to size the Trust's bond sale and arrange for its investment of bond proceeds, recognizing the requirement to sell the Trust's bonds by competitive bid and the requirements of

the federal tax law.

- 4) Describe in detail various alternative investment strategies for the competitive investment of bond proceeds within the requirements of the federal tax law and the Trust's existing legislation. The successful bidder will be asked to provide to the Trust assurances that it can undertake the various alternative investment strategies and comply with the Investment Advisors Act of 1940, as currently interpreted by the Securities and Exchange Commission.
- 5) Describe in detail the credit and rating issues that you believe the Trust will face in marketing its bonds. Your discussion should include your assessment of the value and effectiveness of the State Aid intercept and the deficiency agreements in providing a sufficiently uniform credit structure for the Trust. Also list the key provisions of Trust loan agreements you think are necessary to assure adequate credit quality of Trust bonds. Also describe the appropriateness, effectiveness and feasibility of using credit enhancement devices, including but not limited to bond insurance both for the borrowers bonds and for the Trust's own bonds.
- 6) The Trust's Financial Advisor will be asked to review the Trust's financial strategy for current and future years to assure the optimal use of the Trust's financial resources over time. So that the Trust can evaluate your firm's ability to address these long- term programmatic and financial issues, address briefly the following:
 - Does the basic structure of the Financing Program whereby borrowers receive three quarters of the allowable project cost through a zero percent loan from the State and the other quarter from an interest bearing loan from the Trust provide the lowest possible financing costs to the greatest dollar amount of projects?
 - Are there other ways for the Trust to use its statutory powers to achieve its objectives to a greater degree at lower cost (interim financing programs, etc.) and the best ways for the Trust to execute your recommendation?
- 7) Discuss how you would plan to staff the project and provide resumes of the personnel you would assign to the project. Identify any special expertise that you expect to call upon for this assignment. Be sure to identify the person who would have primary responsibility for providing the services to the Trust.
- 8) Describe your firm's capacity to manage a program of the size, complexity, and intensity of the Trust's including, but not limited to, the firm's ability to negotiate loan agreements with many Borrowers with unique financial structures at the same time; to perform the myriad of calculations necessary to size the Trust's

bond sale and each Borrower's bond under the tight time constraints associated with a net-funded competitive bond sale with a competitive investment of the bond sale proceeds on the same day as bond sale; and to develop and implement procedures to close the local unit bonds and Trust bonds.

- 9) Describe your firm's capacity and resources to assist with strengthening the Trust's credit review process to ensure best execution and compliance within the Statute and to best protect the Trust.
- 10) Please describe your firm's presence in New Jersey.
- 11) Identify and describe all professional or business relationships which your firm might have/be aware of with potential SFY2015 Program participants (see attached list of SFY2015 applicants).
- 12) The Trust will accept questions pertaining to this RFP from all potential bidders electronically. Questions shall be directed to John Hansbury, Chief Budget Officer, at the following e-mail address:

JHANSBURY@NJEIT.ORG

Please note that the "subject" line of your e-mail must specifically reference this RFP as follows: "RFP for NJEIT SFY2015 and SFY2016 Financial Advisory Services."

Questions will be accepted until 5:00 pm EST on March 31, 2014.

- 13) In the event the Trust determines that additional clarification to this RFP or additional information is necessary, the Trust reserves the right to do so through telephone conference call with eligible firms for the purpose of providing the same.
- 14) Provide a compensation schedule by providing the following information:
 - Hourly rates for different categories of professionals
 - List the employees to be assigned to this project by name and category
 - Indicate by year your proposed upper limit ("cap") on the amount of fees for the services to be provided as set forth in this RFP

	SFY2015	SFY2016
--	---------	---------

Base fee for all work contained in this RFP - Including the first 50 borrowers		
Cap for disbursements and any other expenses that you would normally bill for 50 participants		
Incremental fee for each additional borrower - Between 51 and 100		
Cap for disbursements and any other expenses per borrower that you would normally bill if the number of participants is between 51 and 100		
Incremental fee for each additional borrower - Above 100 borrowers		
Cap for disbursements and any other expenses per borrower that you would normally bill if the number of participants is in excess of 100		
Base fee per borrower to facilitate a refunding		
Cap for disbursements and any other expenses per borrower in a refunding		
Fee for preparation of required defeasance calculations		
Fee for preparation of required calculations for Direct Loans		
Fee for Investment of Bond Proceeds		
Fee for NJEIT Short-term Cash Loans		
Fee per borrower to facilitate a SAIL loan through a Competitive Bond Sale. (Anticipate 25% Trust portion of \$80 million tranches)		
Fee for DSRF Investment Portfolio structuring		
Fee for Single Borrower Issue		
Hourly rate for Special Projects by Title		

The term of the contract shall be for the period commencing on or about July 1, 2014 and shall

continue until June 30, 2015 or June 30, 2016, depending on the review of the responses received. The Trust reserves the right to extend the term of the contract one additional year, until June 30, 2017, at the option of the Trust Board of Directors.

6.0 OTHER REQUIREMENTS

Emergency Preparedness –

The NJEIT recognizes and acknowledges that the protection of its assets and business operations is a major responsibility to its employees, business associations, and other communities that it services. The Trust must be sure that all essential vendors/contractors that provide critical business services to the Trust have planned for unforeseen emergencies and or disasters and that all aforementioned vendors/contractors have a Business Continuity and Disaster Recovery Plan in place. To that end the Trust is requiring all bidders to provide responses to the following:

1. Does the firm have a Disaster Recovery Plan/Business Continuity Plan in place?
2. If yes, please attach a copy of the firm's plan, or at a minimum an executive summary. How often it is updated, and what assistance if any would be available to the Trust?
3. If no, please summarize how the firm plans to deal with a catastrophic event which might disrupt the firm's business operations and services.

NOTE: Each firm submitting a response to this RFP is required to provide the State with proof of business registration in New Jersey. Further, in compliance with Executive Order No. 129 issued September 9, 2004 each firm submitting a response to this RFP is required to indicate in their proposal the location by country where services under the contract will be performed.

FURTHER NOTE: The firm selected pursuant to this RFP will be required to comply with Executive Order 134 issued on September 22, 2004, limiting the ability of State agencies and independent authorities to enter into contracts with business entities that have made certain political contributions.

The response to this Request for Proposal must be organized in the order set forth above.

Pursuant to Municipal Securities Rulemaking Board rules, the financial advisor may not participate as an underwriter in any of the Trust's negotiated or competitive bond offerings.

IMPORTANT: To eliminate any potential or actual conflict of interest, or any appearance of a conflict, the successful bidder may not represent, during the period of this contract, any Borrower, which is eligible to borrow from the Trust, on issues involving the Trust or for the purpose of rendering any service or assistance with respect to the Trust's SFY2015 and SFY2016 Financing Programs, unless the following conditions are satisfied:

- i) Borrower representation and Trust representation must be done from separate offices.
- ii) No communications between the Trust and the office representing the Trust are to be shared with the office representing Trust clients.
- iii) There is to be no contact between the two offices with regards to the Financing Program, except for those services performed by the Trust's Financial Advisor for all borrowers. Any other questions or issues should be directed to the Trust and/or the Trust's bond counsel.
- iv) The Trust's Financial Advisor will not conduct negotiations on behalf of the Trust with any Trust client represented by their borrower office.

If your firm represents any Trust borrowers and you do not meet the above criteria for separation of representation, describe in detail how your firm will address this issue to eliminate any real or perceived conflicts of interest.

Attachments

- a) Preliminary SFY2015 Financing Program Schedule
- b) Draft Form of Contract for Financial Advisory Services
- c) E.O. 134 Forms
- d) E.O. 117 Certification
- e) Stockholder Disclosure Form
- f) List of potential borrowers for SFY2015
- g) Disclosure of Investment Activities in Iran Form

7.0 EVALUATION PROCEDURE and CRITERIA

The Trust has appointed a committee to review the proposals submitted in response to this request and to make recommendations in accordance with Executive Order 26. The committee members will individually review all proposals in light of the following major evaluation criteria, ranking each firm on a scale of 1 to 10 and assign the following weights for each such criterion:

- Quality of response regarding the proposed bond structure, credit, and/or marketing strategy (3)
- Sophisticated cash flow capabilities as required by the Trust's financing (2)
- Development of a new idea (2)
- Quality of relevant service to the Trust in previous transactions (3)

- Experience with similar financings in which the firm and its proposed financing team participated (5)
- Proposed fees (6)
- The firm's presence in New Jersey (1)
- Emergency Preparedness (3)

Please note: Joint ventures will not be considered.

Appointment of the Financial Advisor by the Trust is contingent upon the execution of an Agreement for Financial Advisory Services.

Four paper copies and one electronic copy in pdf format of your response should be sent to John Hansbury, Chief Budget Officer, New Jersey Environmental Infrastructure Trust. Mailing address and Location: 3131 Princeton Pike, Building #4-Suite 216, Lawrenceville, New Jersey 08648. All proposals must be received by **12:00 Noon, Tuesday, April 15, 2014**. Proposals received after this date and time will not receive further consideration. If it is necessary to interview one or more firms, the interview will take place on during the week of April 29, 2014. You will be notified if your firm needs to appear.

The Trust reserves the right; 1) to reject any and all proposals or 2) to waive any informalities or irregularities therein. The award will be made to the firm whose appointment as Financial Advisor is deemed to be in the best interest of the Trust and the State.

Dated: March 10, 2014

INCLUDE THE RANKING SHEET HERE