



ERIE COUNTY

REQUEST FOR PROPOSAL (RFP)

2011 REVENUE ANTICIPATION NOTE

RFP # 1112BC

July 27, 2011

Mark C. Poloncarz
Erie County Comptroller
EDWARD A. RATH COUNTY OFFICE BUILDING
95 FRANKLIN STREET
BUFFALO, NEW YORK 14202

COUNTY OF ERIE, NEW YORK
REQUEST FOR PROPOSALS (“RFP”)

RFP# 1112BC

2011 REVENUE ANTICIPATION NOTE

I. INTRODUCTION

The County of Erie, New York (the “County”) is currently seeking Proposal Statements from qualified financial institutions interested in serving as purchaser, placement agent and/or underwriter for an amount not to exceed \$90,000,000 of the County’s 2011 revenue anticipation notes (the “2011 Notes”).

The 2011 Notes will be general obligations of the County, secured by its faith and credit. The payment of principal and interest on the 2011 Notes shall be supported by, but not limited to, the County’s power and statutory authority to levy ad valorem taxes on all taxable property in the County, without limitation as to rate or amount.

Proposers interested in either (1) purchasing the entire note issue or (2) underwriting or privately placing the notes are invited to respond to this request. Please clearly indicate which role(s) your firm would like to perform.

It is the County's intent to select the Proposer that provides the best solution for the County's needs.

The County reserves the right to amend this RFP. The County reserves the right to reject any or all of the proposals, or any part thereof, submitted in response to this RFP, and reserves the right to waive formalities, if such action is deemed to be in the best interest of the County. The County reserves the right to request additional information from any proposer. The County reserves the right to award negotiated contracts to one or more proposers.

This RFP is not intended and shall not be construed to commit the County to pay any costs incurred in connection with any proposal or to procure or contract with any firm.

The County will only contract with firms that do not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation, citizenship status or any other status protected by New York State and Federal laws.

PLEASE NOTE: ERIE COUNTY IS OPERATING UNDER THE FINANCIAL OVERSIGHT OF A STATE AUTHORITY, THE ERIE COUNTY FISCAL STABILITY AUTHORITY (“ECFSA”). UNDER ITS STATUTORY AUTHORITY, THE ECFSA HAS THE POWER TO COMMENT ON ANY PROPOSED BORROWING, BUT DOES NOT HAVE THE POWER TO REJECT OR APPROVE SAID BORROWING UNLESS IT SHOULD ENTER A CONTROL PERIOD. AS OF THE DATE FIRST STATED ABOVE, THE ECFSA IS NOT IN A CONTROL PERIOD. THE COUNTY MAY ALSO REQUEST

THAT ECFSA BORROW ON THE COUNTY'S BEHALF. HOWEVER, AS OF THE DATE FIRST STATED ABOVE, THE COUNTY HAS NOT REQUESTED ECFSA TO BORROW ON ITS BEHALF. POTENTIAL RESPONDENTS TO THIS RFP ARE ADVISED THAT THE COUNTY'S ACCEPTANCE OF RESPONSE(S) AND AWARD OF A CONTRACT FOR THIS BORROWING MAY BE SUBJECT TO ECFSA APPROVAL IF IT SHOULD ENTER A CONTROL PERIOD DURING THE INTERIM PERIOD OF THE ISSUANCE OF THIS RFP AND CLOSING OF THE 2011 NOTES.

II. PROPOSAL PROCEDURES

A. ANTICIPATED SCHEDULE OF PROPOSAL

The following schedule is for informational purpose only. The County reserves the right to amend this schedule at any time.

Issue RFP:	Wednesday, July 27, 2011
Proposals Due:	Friday, August 5, 2011
Selection Made:	On or before Thursday, September 1, 2011

B. GENERAL REQUIREMENTS

1. Each proposal shall be prepared simply and economically avoiding the use of elaborate promotional materials beyond what is sufficient to provide a complete, accurate and reliable presentation. Proposals shall be limited to five (5) pages.
2. One (1) original and four (4) copies shall be submitted. Proposals MUST be signed. Unsigned proposals will be rejected.
3. Submission of the proposals shall be directed to:

Honorable Mark C. Poloncarz
Erie County Comptroller
95 Franklin Street, Room 1100
Buffalo, New York 14202-3972

Packages Must Be Clearly Marked: Request for Proposal – 2011 Revenue Anticipation Note

All proposals must be delivered to the above office on or before Friday, August 5, 2011 at 3:00 p.m. Proposals received after the above date and time will not be considered. The County is under no obligation to return proposals.

4. Requests for clarification of this RFP must be written and may be submitted via electronic mail to Lorne Steinhart at lorne.steinhart@erie.gov or Mark Cornell at mark.cornell@erie.gov no later than Friday, July 29, 2011. Formal written responses will be distributed by the County on or before Tuesday, August 2, 2011. NO COMMUNICATIONS OF ANY KIND WILL BE BINDING AGAINST THE

COUNTY, EXCEPT FOR THE FORMAL WRITTEN RESPONSES TO ANY REQUEST FOR CLARIFICATION.

5. Proposers may be required to give an oral presentation to the County to clarify or elaborate on the written proposal. Those proposers will be notified to arrange specific times. No in-person interviews are expected to be conducted, but the County Comptroller reserves the right to conduct telephone or other interviews and to make such inquiries as the County Comptroller determines to be appropriate.
6. No proposal will be accepted from nor any agreement awarded to any proposer that is in arrears upon any debt or in default of any obligation owed to the County. Additionally, no agreement will be awarded to any proposer that has failed to satisfactorily perform pursuant to any prior agreement with the County.
7. Certified Minority Business Enterprise/Women's Business Enterprise (MBE/WBE) proposers should include the Erie County certification letter with the proposal.
8. If proposer is a Veteran Owned Business, proposer should include letter indicating company is 51% or more Veteran-owned.

All proposers submitting proposals must include a cost proposal in a separate sealed envelope clearly labeled with the proposer name, due date of proposal, proposal name ("2011 Revenue Anticipation Note RFP # 1112BC") and Cost Proposal.

III. SCOPE OF PROFESSIONAL SERVICES REQUIRED

Erie County, New York (the "County") is seeking one or more financial institutions to serve as purchaser, placement agent and/or underwriter for an amount not to exceed \$90,000,000 of the County's 2011 revenue anticipation notes (the "2011 Notes").

The 2011 Notes will be general obligations of the County, secured by its faith and credit. The payment of principal and interest on the 2011 Notes shall be supported by, but not limited to, the County's power and statutory authority to levy ad valorem taxes on all taxable property in the County, without limitation as to rate or amount.

The County is looking for proposals from institutions willing to either (1) purchase the entire note issue or (2) underwrite or privately place the notes. Please clearly indicate which role(s) your firm would like to perform.

INSTRUCTION DETAILS

Late proposals will not be accepted and will be marked "PAST DUE" and returned unopened. In addition, proposals may be submitted via e-mail to Lorne Steinhart, Deputy Comptroller at Lorne.Steinhart@erie.gov with Cc: to Mark Cornell, Associate Deputy Comptroller at Mark.Cornell@erie.gov.

- All corrections made by the proposer prior to the opening must be initialed and dated by the proposer. No changes or corrections will be allowed after proposals are opened.
- Each proposer should carefully examine this RFP and shall contact the County Comptroller via electronic mail for interpretations or corrections of any ambiguity, inconsistency or error.
- Joint responses will not be accepted.
- Responses must contain a manual signature of an authorized representative of the responding firm on a letter of transmittal.

TRANSACTION DETAILS

1. The par amount of the 2011 Notes will not exceed \$90,000,000;
2. The County expects to price the 2011 Notes in September 2011 and close the transaction on or before September 30, 2011, though the County may delay closing of the transaction until no later than October 31, 2011;
3. The 2011 Notes shall be issued in anticipation of the collection or receipt of revenues due to the County in its 2011 fiscal year from one or more of the following sources: (i) State Social Services aid; (ii) Federal Social Services aid; and (iii) Sales Tax;
4. The County anticipates issuing the 2011 Notes in a single transaction but retains the option of using multiple draws;
5. The 2011 Notes will be due no later than one year from settlement;
6. The 2011 Notes should have a fixed interest rate, and no interest will be payable until maturity;
7. The County expects that interest on the 2011 Notes will be tax-exempt; and,
8. The quoted fixed interest rate, terms and conditions shall remain in effect for up to 60 days after proposer's submission.

INFORMATION REQUIRED FOR YOUR RESPONSE

1. The capacity in which you will act (i.e., either as a purchaser, an underwriter or a placement agent);
2. The County's general obligations are currently rated A2 (stable outlook) by Moody's, A (stable outlook) by Fitch Ratings and BBB+ by Standard and Poor's;
Please respond to the following questions: (1) Should the County pursue ratings for this transaction? If so, from which agencies? (2) Is your firm willing to perform its role as described in your response to Question (1) without (a) additional credit enhancement or (b) a rating from at least one of the rating agencies?

3. The County is considering several alternatives to market the 2011 Notes. Please provide indicative interest rates on the following marketing options. Also, please indicate which option you recommend the County should choose. Finally, please use interest rates as of the close of business on Thursday, July 28, 2011;

Marketing Options	Proposed Interest Rate
Public Sale with Credit Enhancement to Achieve Highest Level Ratings	
Public Sale with no Credit Enhancement	
Private Placement with Credit Enhancement and no Ratings	
Private Placement with no Credit Enhancement	
Direct Purchase	

4. An enumeration of any and all fees that the County would be required to pay to your firm in conjunction with the role described in your response to Question (1) including any variations in such fees resulting from using alternative marketing options described in Question (3);
5. A list of similar one-year note transactions in New York State that your firm has acted in the role described in your response to Question (1) over the past 24 months. Please provide a listing by issuer, par, maturity date, interest rate and rating;
6. Identify the senior banker, quantitative specialist, and underwriter you propose for this transaction and indicate each of their experiences in these types of financings;
7. Any other information that you believe may be significant relative to the County's decision-making process; and,
8. Discuss any significant disclosure concerns which may have to be addressed and the proposed due diligence process you would conduct for each alternative described in Question (3).

IV. STATEMENT OF RIGHTS

UNDERSTANDINGS

Please take notice, by submission of a proposal in response to this request for proposals, the proposer agrees to and understands:

- That any proposal, attachments, additional information, etc. submitted pursuant to this Request for Proposals constitute merely a suggestion to negotiate with the County of Erie and is not a bid under Section 103 of the New York State General Municipal Law; and
- By submitting a proposal, the proposer agrees and understands that the County of Erie is not obligated to respond to the proposal, nor is it legally bound in any manner whatsoever by submission of same.

In addition to the foregoing, by submitting a proposal, the proposer also understands and agrees that the County of Erie reserves the right, and may at its sole discretion exercise, the following rights and options with respect to this Request for Proposals:

- To reject any or all proposals;
- To issue amendments to this RFP;
- To issue additional solicitations for proposals;
- To waive any irregularities in proposals received after notification to proposers affected;
- To select any proposal as the basis for negotiations of a contract, and to negotiate with one or more of the proposers for amendments or other modifications to their proposals;
- To conduct investigations with respect to the qualifications of each proposer;
- To exercise its discretion and apply its judgment with respect to any aspect of this RFP, the evaluation of proposals, and the negotiations and award of any contract;
- To enter into an agreement for only portions (or not to enter into an agreement for any) of the services contemplated by the proposals with one or more of the proposers;
- To select the proposal that best satisfies the interests of the County and not necessarily on the basis of price or any other single factor;
- To interview the proposer(s);
- To request or obtain additional information the County deems necessary to determine the ability of the proposer;
- To modify dates;
- All proposals prepared in response to this RFP are at the sole expense of the proposer, and with the express understanding that there will be no claim, whatsoever, for reimbursement from the County for the expenses of preparation. The County assumes no responsibility or liability of any kind for costs incurred in the preparation or submission of any proposal;
- While this is a RFP and not a bid, the County reserves the right to apply the case law under General Municipal Law § 103 regarding bidder responsibility in determining whether a proposer is a responsible vendor for the purpose of this RFP process; and,
- The County is not responsible for any internal or external delivery delays which may cause any proposal to arrive beyond the stated deadline. To be considered, proposals MUST arrive at the place specified herein and be time stamped prior to the deadline.

EVALUATION

The proposals will be reviewed by the Erie County Comptroller and members of the County's financing team.

The selection of a financial institution will be based on an assessment of the specific terms offered by each proposer. The County reserves the right, however, to reject any and all responses received, and also to waive any irregularity or informality if deemed to be in the best interest of the County.

PUBLIC RECORDS

Responses will be public records, subject to the New York State Freedom of Information Law.

NON-COLLUSION

The proposer, by signing the proposal, does hereby warrant and represent that any ensuing agreement has not been solicited, secured or prepared directly or indirectly, in a manner contrary to the laws of the State of New York and the County of Erie, and that said laws have not been violated and shall not be violated as they relate to the procurement or the performance of the agreement by any conduct, including the paying or the giving of any fee, commission, compensation, gift, gratuity or consideration of any kind, directly or indirectly, to any County employee, officer or official.

CONFLICT OF INTEREST

All proposers must disclose with their proposals the name of any officer, director or agent who is also an employee of the County of Erie. Further, all proposers must disclose the name of any County employee who owns, directly or indirectly, an interest of ten percent or more in the firm or any of its subsidiaries or affiliates.

There shall be no conflicts in existence during the term of any contract with the County. The existence of a conflict shall be grounds for termination of a contract.

COMPLIANCE WITH LAWS

By submitting a proposal, the proposer represents and warrants that it is familiar with all federal, state and local laws and regulations and will conform to said laws and regulations. The preparation of proposals, selection of proposers and the award of contracts are subject to provisions of all Federal, State and County laws, rules and regulations.

CONTENTS OF PROPOSAL

The New York State Freedom of Information Law as set forth in Public Officers Law, Article 6, Sections 84 et seq., mandates public access to government records. However, proposals submitted in response to this RFP may contain technical, financial background or other data, public disclosure of which could cause substantial injury to the proposer's competitive position or constitute

a trade secret. Proposers who have a good faith belief that information submitted in their proposals is protected from disclosure under the New York Freedom of Information Law shall:

a) insert the following notice in the front of its proposal:

“NOTICE

The data on pages ___ of this proposal identified by an asterisk (*) contains technical or financial information constituting trade secrets or information the disclosure of which would result in substantial injury to the proposer’s competitive position.

The proposer requests that such information be used only for the evaluation of the proposal, but understands that any disclosure will be limited to the extent that the County considers proper under the law. If the County enters into an agreement with this proposer, the County shall have the right to use or disclose such information as provided in the agreement, unless otherwise obligated by law.”

and

b) clearly identify the pages of the proposals containing such information by typing in bold face on the top of each page " * **THE PROPOSER BELIEVES THAT THIS INFORMATION IS PROTECTED FROM DISCLOSURE UNDER THE STATE FREEDOM OF INFORMATION LAW.**"

The County assumes no liability for disclosure of information so identified, provided that the County has made a good faith legal determination that the information is not protected from disclosure under applicable law or where disclosure is required to comply with an order or judgment of a court of competent jurisdiction.

The contents of the proposal which is accepted by the County, except portions "Protected from Disclosure", may become part of any agreement resulting from this RFP.

EFFECTIVE PERIOD OF PROPOSALS

All proposals must state the period for which the proposal shall remain in effect (i.e. how much time does the County have to accept or reject the proposal under the terms proposed). Such period shall not be less than 60 days from the proposal date.