ERIE COUNTY, NY
REQUEST FOR PROPOSALS (RFP)

Purchaser, Placement Agent and/or Underwriter for 2012 Revenue Anticipation Notes

Erie County Request for Proposal #1226VF

August 10, 2012

Hon. David J. Shenk
Erie County Comptroller
Edward A. Rath County Office Building
95 Franklin Street, Room 1100
Buffalo, NY 14202

REQUEST FOR PROPOSALS
2012 REVENUE ANTICIPATION NOTES
COUNTY OF ERIE, NEW YORK

Reference Erie County RFP No. 1226VF

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 up to, but not to exceed, $80,000,000 of the County's 2012 revenue anticipation notes (the "2012 Notes").

The 2012 Notes will be general obligations of the County, secured by its faith and credit. The payment of principal and interest on the 2012 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 seeks proposals from institutions willing to: (1) purchase the entire note issue; (2) serve as underwriter in a public sale; or (3) privately place the 2012 Notes. Please clearly indicate which one or more roles your firm is prepared to perform.

INSTRUCTIONS

A. Five (5) copies of your proposal should be submitted to:

Honorable David J. Shenk
Erie County Comptroller
95 Franklin Street, Room 1100
Buffalo, New York 14202-3972

Packages Must Be Clearly Marked:
Request for Proposal – 2012 Revenue Anticipation Notes

Proposals must be delivered to the above address and received no later than Monday, August 20, 2012, at 3:00 p.m. Eastern Daylight Savings Time. Proposals delivered prior to the deadline will be secured unopened so long as the package is properly marked as set forth above. Late proposals will not be accepted and will be marked "PAST DUE" and returned unopened.

B. 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.

C. Each proposer should carefully examine this RFP and shall contact Lorne Steinhart at Lorne.Steinhart@erie.gov and Steven Kantor at steven.kantor@firstsw.com via electronic mail for interpretations or corrections of any ambiguity, inconsistency or error.

D. Joint responses will not be accepted.

E. Responses must contain a manual signature of an authorized representative of the responding firm on a letter of transmittal.

ADDITIONAL INFORMATION

It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP that is not understood. Questions and requests for clarification should be directed by electronic mail to either Lorne Steinhart at Lorne.Steinhart@erie.gov and Steven Kantor at steven.kantor@firstsw.com.

TIMETABLE

The County expects to select the successful respondent(s) no later than September 5, 2012. The 2012 Notes are expected to be issued in October 2012, with a settlement date on or before October 12, 2012. 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.

GENERAL TERMS AND CONDITIONS

Responses should be prepared simply and economically, and should provide straightforward and concise answers. Emphasis should be placed on the completeness and clarity of the content. The County shall not be liable for any expenses incurred in the preparation or presentation of the responses.

LEGAL REQUIREMENTS

Proposers must be in full compliance with Federal, State, County and local laws, ordinances, rules and regulations that in any manner affect the items covered herein. Lack of knowledge by the proposers shall in no way be cause for relief from responsibility.

PUBLIC RECORDS

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

EVALUATION PROCESS

The proposals will be reviewed by the Erie County Comptroller along with 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.

Responses must be limited to five (5) pages.

ACCEPTANCE/REJECTION

The County reserves the right to accept or to reject any or all Proposal(s) and to select the Proposal(s) which, in the opinion of the County, will be in its best interest. The County specifically may choose an institution to directly purchase and hold the notes or to represent it

as a placement agent other than the one which offered the lowest interest rate if, in its sole judgment, other terms and conditions are deemed to be in the best interest of the County.

THE ISSUANCE OF THIS RFP CONSTITUTES ONLY AN INVITATION TO PRESENT PROPOSALS. THE COUNTY RESERVES THE RIGHT TO DETERMINE, IN ITS SOLE DISCRETION, WHETHER ANY ASPECT OF THE PROPOSALS SATISFACTORILY MEETS THE CRITERIA ESTABLISHED IN THE RFP, THE RIGHT TO SEEK ADDITIONAL INFORMATION AND/OR CLARIFICATION FROM ANY PROPOSER(S), THE RIGHT TO NEGOTIATE WITH ANY PROPOSER(S) SUBMITTING A RESPONSE, AND THE RIGHT TO REJECT ANY OR ALL RESPONSES WITH OR WITHOUT CAUSE. IN THE EVENT THAT THE RFP IS WITHDRAWN BY THE COUNTY FOR ANY REASON, INCLUDING, BUT NOT LIMITED TO, THE FAILURE OF ANY OF THOSE THINGS OR EVENTS SET FORTH HEREIN TO OCCUR, THE COUNTY SHALL HAVE NO LIABILITY TO ANY PROPOSER FOR ANY COSTS OR EXPENSES INCURRED IN CONNECTION WITH THIS RFP OR OTHERWISE

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 2012 NOTES.

TRANSACTION DETAILS

1. The par amount of the 2012 Notes will not exceed $80,000,000.

2. The County expects to price the 2012 Notes in late September or early October 2012 and close the transaction on or before October 12, 2012.

3. The 2012 Notes shall be issued in anticipation of the collection or receipt of revenues due to the County in its 2012 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 2012 Notes in a single transaction but retains the option of using multiple draws.

5. The 2012 Notes will be due no later than one year from settlement.

6. The 2012 Notes should have a fixed interest rate, and no interest will be payable until maturity.

7. The County expects that interest on the 2012 Notes will be tax-exempt.

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 general obligations are currently rated A2 (stable outlook) from Moody's, A (stable outlook) from Fitch and A- (stable outlook) from 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 2012 Notes. Please provide indicative interest rates on the following marketing options. Please also indicate which option you recommend the County should choose. Please use interest rates as of the close of business of August 14, 2012 and assume a maturity date of June 30, 2013.

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) in 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.

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).