

MASSACHUSETTS STATE COLLEGE BUILDING AUTHORITY
REQUEST FOR PROPOSALS
INVESTMENT BANKING, DEALER MANAGER, AND UNDERWRITING SERVICES
June 28, 2023

I. Introduction

The Massachusetts State College Building Authority (the “MSCBA” or “Authority”) is seeking proposals to provide investment banking, dealer manager, and underwriting services to the Authority for the potential refunding of outstanding bonds. Specifically, the Authority is seeking to select firms to participate in a syndicate that will facilitate the evaluation, negotiation, and execution of a tender offer funded by a tax-exempt refunding of maturities within the Authority’s Series 2019B, 2019C and 2020A taxable bonds (collectively the “Taxable MSCBA Bonds”). The transaction may also include the execution of a current refunding of the Authority’s eligible Series 2014A bonds.

II. Background

Established in 1963, the Authority is a public instrumentality of the Commonwealth and is charged with financing, designing, constructing, and overseeing the management of housing, dining, athletic, parking, and other student activity facilities (“Projects”) for the nine Massachusetts State Universities and fifteen Community Colleges (together, the “State Colleges”, as listed in Attachment B). Annually, the Authority assesses the State Colleges for debt service on revenue bonds issued to finance its Projects, operating costs of the Authority and deposits to capital reserves.

As of June 15, 2023, the Authority had 24 bond issues outstanding totaling \$1.1 billion. The Authority sells new money bonds to finance requested capital projects (typically every year or two) and sells refunding bonds when it is economically compelling. The Authority’s outstanding debt is 100% fixed rate with no associated swaps or derivative products. The Authority is presently rated Aa2 by Moody’s and AA by Standard and Poor’s.

For more information on the Authority and its debt, see [Bonds, Documents, Resources | Massachusetts State College Building Authority | BondLink \(msc babonds.com\)](#)

III. Schedule of Selection Process

The following is the anticipated schedule for the 2023 Refunding Request for Proposals (“RFP”) selection process.

RFP Issued	...	June 28, 2023
Deadline for Questions	...	July 6, 2023 (by 4 PM)
Proposals Due	...	July 12, 2023 (by 4 PM)

Note: If deemed necessary, interviews will be scheduled on a date to be determined.

IV. Minimum Qualifications

Evidence of satisfaction of all required business, industry, etc. registrations and/or licensing at the firm level and at the individual (to be assigned to the Authority) level.

V. Evaluation Criteria

Evaluation and selection will be based on written qualification and oral presentations, if deemed necessary, with emphasis on the following general criteria:

1. Respondent's experience executing relevant transactions and proposed plan of finance including the related timeline (Question 1).
2. Respondent's proposed marketing plan (Question 7).
3. Respondent's demonstrated commitment to public finance and provision of investment banking and underwriting coverage and services to the Authority.
4. The knowledge, skills, experience, and professional credentials of the key personnel to be assigned to the Authority.
5. Overall quality of response to this RFP.
6. Massachusetts Supplier Diversity Office and/ or recognized third party certifications that promote diversity, equity, and inclusion. Workforce diversity of the team assigned in the RFP.

VI. Submission Requirements

All proposing firms must submit the following information and materials:

1. Certification in the form and substance of Attachment A.
2. Please provide your experience executing a tender and tax-exempt refunding as being contemplated by this RFP. Please provide examples of specific experience by your firm participating in tender offer/exchange transactions since January 1, 2022, including overall savings achieved, and cost of issuance.
3. Please discuss the holders of the Taxable MSCBA Bonds and implications of such on the success of the contemplated tender and refunding.
4. Please provide a proposed plan of finance based on/including the following:
 - i. Issuance of MSCBA Refunding Revenue Bonds bearing a tax-exempt interest rate to maturity.
 - ii. No extension of final maturity date of the refunding bonds.

- iii. Tax-exempt interest rates based on MMD (Municipal Market Data) as of July 6, 2023.
 - iv. Tender prices based on market values as of July 6, 2023.
 - v. Reasonably expected costs of issuance and underwriter's discount/fees.
 - vi. Minimum net present value savings as a percentage of refunded par of 4%.
 - vii. Please include a recommended timeline for the execution of the transaction.
 - viii. Please include in your plan of finance an analysis of savings associated with the potential current refunding of eligible outstanding Series 2014A bonds.
 - ix. Please provide a summary of refinancing results based on your analysis.
 - x. Please provide any additional considerations related to the contemplated transaction.
5. Please specifically address your proposed fees and expenses, whether the fees and expenses of your firm or its counsel are contingent on the delivery of the refunding bonds and your willingness to pay or defray the costs associated with receipt of a credit rating on the refunding bonds in the event the tender is not successful as determined in the reasonable opinion of the MSCBA.
 6. Please identify any changes to the proposed team from the team that was identified in your firm's response to the Authority's RFP for investment banking and underwriting services in November 2021. For any member of your team that would participate in this transaction that was not included in your firm's response to the 2021 RFP, please provide a brief professional biography and describe the team member's role in this transaction.
 7. Provide a marketing and sales strategy and approach for your firm's proposed plan of finance transaction, including a discussion of targeted investors. Discuss your approach to selling Authority debt to retail buyers and identify the benefits of this approach. Include a discussion of the advantages and disadvantages of a retail order period and a retail selling group. Describe the key features of your marketing plan for the proposed transactions, including investors to be targeted. Please address how current market conditions impact your marketing plan.
 8. Propose a method of compensating members of the underwriting syndicate for this transaction and selling group members. Include your recommended allocation of fees and liability, and proposed takedowns and underwriter's expenses for the plan of finance transaction.
 9. Identify any material litigation, administrative proceedings or investigation(s) regarding your firm or team member(s) that is ongoing or has been settled or otherwise concluded since the submission of your firm's response to the Authority's 2021 RFP for investment banking and underwriting services. Identify any conflict of interest related to this RFP.

VII. Questions regarding this RFP

All questions regarding this RFP must be submitted via e-mail to Jennifer Gonzalez (contact information below) no later than 4:00 P.M. July 6, 2023. Oral questions will

not be permitted. If the Authority chooses to respond, it will be in writing and will be distributed to all recipients of the RFP.

No other employee or agent (including bond counsel, financial advisor and trustee) of the Authority and no member of the Authority's Board or employee of the State Colleges should be contacted until the RFP process has concluded and firms have been notified of the outcome. Failure to adhere to this may result in disqualification of the RFP.

VIII. Proposal submittal

Proposals must be received by the Authority no later than **4:00 p.m., July 12, 2023** via the e-mail address indicated below. Proposals must be limited to six (6) 8 ½" x 11" pages and clearly marked "MSCBA 2023 Refunding RFP".

Jennifer Gonzalez
Deputy Director, Administration and Finance
Massachusetts State College Building Authority
10 High Street, Suite 201
Boston, Massachusetts 02110
jgonzalez@mscba.org

IX. Other Information

1. The Authority reserves the right to seek additional information from any responding party and to schedule interviews with one or more of the responding firms.
2. The Authority reserves the right to reject any and all Proposals, to waive any minor informality in the Proposals or to enter into any contract deemed by the Authority to be in its best interest.
3. The Authority reserves the right to amend this RFP at any time and negotiate the scope of services with one or more of the responding firms.

Certification Form

Proposal to Provide Investment Banking and Underwriting Services
to Massachusetts State College Building Authority

I, the _____ (Title) of _____ (Firm), affirm that I have the authority to contractually bind (Firm). I also affirm that:

1. (Firm) will act in accordance with all applicable federal and state laws.
2. (Firm) warrants that all information and statements in the proposal submitted in response to this RFP are complete and true. Any statement or claim found to be incomplete, misleading, or false will be grounds for immediate disqualification or dismissal and may be subject to legal action.
3. (Firm) will be responsible for any error or omission on its part.
4. (Firm) is prohibited from assigning any interest in this contract to any other party, were it to be granted to (Firm), without the written consent of the Authority.

Name of person signing this letter (print or type)

Authorized signature of person signing this letter

Address

Telephone(s)

E-mail

Massachusetts “State Colleges”

State Universities

Bridgewater State University
Fitchburg State University
Framingham State University
Mass College of Art & Design
Mass College of Liberal Arts
Mass Maritime Academy
Salem State University
Westfield State University
Worcester State University

Community Colleges

Berkshire
Bristol
Bunker Hill
Cape Cod
Greenfield
Holyoke
Mass Bay
Massasoit
Middlesex
Mount Wachusett
North Shore
Northern Essex
Quinsigamond
Roxbury
Springfield Technical

- 1) If we are requesting a Co-Manager position, we need to answer all the questions, particularly the ones related to structuring and refunding analysis?

In recent RFIs the Authority has posted, certain questions were limited to those wishing to respond as senior manager. However, in this RFP, we have requested that all respondents answer all questions. You may indicate your desired role in the response to any question to provide context to your response.

- 2) Does the 6-page limit include title page, brief cover letter, table of contents, and Attachment A, or does it pertain to only the body of the response (Questions 2-9)?

The 6-page limit applies to the body of the response (Questions 2-9).

Additional clarification:

The first item listed under Evaluation Criteria referenced Question 1; however, Questions 2 and 4 are the correct reference.