

# **Texas Public Finance Authority**

REQUEST FOR PROPOSALS  
FOR FINANCIAL ADVISOR

RFP No.: 347-23-0050

RFP Issue Date: July 21, 2023

Response Due Date and Time: August 17, 2023, 3:00 p.m. CT

TEXAS PUBLIC FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
FINANCIAL ADVISOR

**PURPOSE**

The Texas Public Finance Authority (the “Authority” or “TPFA”) seeks proposals in response to this Request for Proposals (“RFP”) from firms with the qualifications and experience required to provide financial advisory services to the Authority. This RFP is issued for the purpose of obtaining financial advisory services to assist the Authority beginning on or about September 1, 2023, and ending August 31, 2025, or, at the option of the Authority, through August 31, 2027. Based on consideration of the responses to this RFP, the Authority’s Board of Directors may either: (1) select one or more firms with which to contract for all bond matters; or (2) pre-qualify firms eligible to be selected for a contract for specific bond issues, on a transaction-by-transaction basis. The Authority has determined that this solicitation does not provide subcontracting opportunities.

It is the policy of the Authority to make a good faith effort to include participation of Historically Underutilized Business (“HUB”) firms in its contracts. A HUB is a for profit business that meets the requirements of Texas Government Code §2161.001(2) and 34 TAC §20.282(11). Provide a statement as to whether your firm is currently certified as a HUB pursuant to Texas Government Code §2161.061 and 34 TAC Chapter 20, Subchapter D. (For further information on the State's HUB program, please refer to <https://comptroller.texas.gov/purchasing/vendor/hub/>.) In order to best comply with the Authority's HUB policy, the Authority may select, from firms responding to this RFP, one or more firms to serve as co-financial advisor.

**HISTORY OF THE AUTHORITY’S FINANCING PROGRAMS**

Under the Texas Public Finance Authority Act, the Authority's power is limited to financing and refinancing project costs for State agencies and institutions and does not affect the power of the relevant State agency or institution to carry out its statutory authority, including the authority of such agency or institution to construct buildings. The Texas Public Finance Authority Act directs Texas state agencies and institutions to carry out their authority regarding projects financed by the Authority as if the projects were financed by direct legislative appropriation.

Pursuant to the Texas Public Finance Authority Act and other applicable state law, the Authority issues general obligation bonds and revenue bonds for designated state agencies (including certain institutions of higher education). In addition, the Authority currently administers three commercial paper programs: the Series 2019A (Tax-Exempt) and Series 2019B (Taxable) Revenue Commercial Paper Notes for financing construction projects and equipment purchases; the General Obligation Commercial Paper Notes (Cancer Prevention and Research Institute of Texas), Series A (Taxable) and Series B (Tax-Exempt) for funding cancer research; and the Series 2016 Revenue Commercial Paper Notes for the (Texas Facilities Commission Projects) for certain state government construction projects in the Capitol Complex and the North Austin Complex. In addition, in 2003, the Authority created a nonprofit corporation, the TPFA-Charter School Finance Corporation, to finance projects for eligible charter schools pursuant to Chapter 53, Texas Education Code. Further, in 2021, the authority created a nonprofit corporation, the Texas Natural Gas Securitization Finance Corporation, to issue customer rate relief bonds to recover the extraordinary natural gas cost associate with the 2021 Winter Storm Uri, pursuant to H.B. 1520, 87<sup>th</sup> Leg.,

TEXAS PUBLIC FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
FINANCIAL ADVISOR

R.S. (2021).

The Authority has issued revenue bonds on behalf of the Texas Parks & Wildlife Department, the Texas Facilities Commission, the Texas State Preservation Board, the Texas Department of Criminal Justice, the Texas Health & Human Services Commission, the Texas Department of State Health Services, the Texas Workforce Commission, the Texas State Technical College System, the Texas Military Department, the Texas Historical Commission, Midwestern State University, Texas Southern University, Stephen F. Austin State University, and the Texas Windstorm Insurance Association. It has also issued general obligation bonds for the Texas Parks & Wildlife Department, the Texas Facilities Commission, the Texas Department of State Health Services, the Texas Department of Criminal Justice, the Texas Department of Aging and Disability Services, the Texas Department of Public Safety, the Texas Juvenile Justice Department, the Texas National Research Laboratory Commission, the Texas Historical Commission, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, the Texas Department of Agriculture, the Texas Military Department, the Texas Department of Transportation, the Texas Military Preparedness Commission, and the Cancer Prevention and Research Institute of Texas.

Before the Authority may issue bonds for the acquisition or construction of a building, the Legislature must have authorized the specific project for which the bonds or other obligations are to be issued and the estimated cost of the project or the maximum amount of bonded indebtedness that may be incurred by the issuance of bonds. The Texas Supreme Court, in *Texas Public Building Authority v. Mattox*, 686 S. W. 2d 924 (1985), ruled that revenue bonds issued by the Authority do not constitute debt of the state within the meaning of the Texas Constitution. As set forth in the Texas Public Finance Authority Act, revenue obligations issued thereunder are not a debt of the state or any state agency, political corporation or political subdivision of the state and are not a pledge of the full faith and credit of any of them.

**DIRECTION AND MANAGEMENT OF THE AUTHORITY**

The Authority is governed by a seven-member Board of Directors (the “Board”), appointed by the Governor with the advice and consent of the Senate for staggered, six-year terms. The current members of the Board are: Billy M. Atkinson, Jr., Chair; Ramon Manning, Vice Chair; Jay A. Riskind, Secretary; Larry Holt, Shanda Perkins, Ben Streusand, and Lance S. Etcheverry. The Executive Director, Lee Deviney, is hired by the Board to implement Board policy and oversee operations of the Authority.

**SCOPE OF SERVICES**

The Authority’s financial advisor will be responsible for all duties and services necessary or advisable to facilitate the issuance of bonds and other obligations, including but not limited to:

1. devising and recommending to the Board a proposed method of sale and a plan of financing for bonds to be issued, consistent with Board’s underwriting policies, as will result in the most advantageous terms to the State of Texas;
2. determining the timing of the offering and the sizing of the issue;
3. participating in document preparation and assisting bond counsel in the coordination of the

TEXAS PUBLIC FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
FINANCIAL ADVISOR

offering;

4. preparing such information, as necessary, for the rating agencies and upon Authority approval, assisting in the presentation to such agencies and providing recommendations on the marketing of the public securities;
5. assisting the Authority in maintaining on-going relationships with the rating agencies, commercial paper dealers, liquidity providers, issuing and paying agents and other stakeholders and bond service providers;
6. participating in preparation of preliminary official statements and official statements and in the delivery of a “printer’s proof” copy to the printer;
7. advising the Authority concerning the need for credit enhancement and assisting in the negotiations in connection therewith;
8. assisting in the approval process of the Bond Review Board and any other agency as required for the issuance of the bonds;
9. providing financial advisory support for all other matters necessary to the issuance of the public securities;
10. assisting in closing details and post-closing duties, including the development of a closing memorandum and a final report to the Bond Review Board to include a verification of all costs of issuance;
11. answering questions or requests for additional information from prospective investors;
12. evaluating any bids submitted for the purchase of bonds;
13. advising the Authority with respect to the investment of bond proceeds and the accounting of arbitrage earnings;
14. assisting the Authority in providing information to the Office of the Governor, the state legislature and other state agencies;
15. advising the Authority of ongoing developments in the bond industry as they affect the Authority;
16. soliciting bids on behalf of the Authority and contracting for printing of bond offering documents, ratings, trustee and paying agent services, verification agent services, and related services when necessary;
17. monitoring and controlling the costs of fees and expenses incurred in connection with the issuance of the bonds;

TEXAS PUBLIC FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
FINANCIAL ADVISOR

18. maintaining and providing physical or electronic records of debt service on all outstanding TPFAs fixed rate bonds and other post-issuance bond administration services as requested;
19. providing assistance with verifying debt service payments amounts and formatting files for distribution to DTC;
20. monitoring debt and loan portfolios and advising the Authority on refunding opportunities, derivatives and other financial products that would help the Authority lower its cost of borrowing;
21. assisting in administration of the Authority's Master Lease Purchase Program and other commercial paper programs;
22. assisting in the evaluation of proposals for underwriting services and other professional service providers;
23. assisting in the evaluation of other proposals and related topics;
24. presentations outlining the results of requested analysis and supporting information; and
25. all other matters necessary or incidental to the issuance and ongoing administration of debt obligations.

In addition, the financial advisor shall advise the Authority on any matters that may have an effect on the Authority or any of its outstanding securities.

**Pursuant to agency policy and MSRB Rule G-23, financial advisors are prohibited from underwriting any portion of an issue or program for the Authority during a term of engagement as the Authority's financial advisor.**

**FORM OF RESPONSE**

Proposals that are determined to be materially incomplete or that fail to respond materially to any portion of the RFP may be disqualified from consideration. The Authority reserves the right to determine, in its sole discretion, whether a response is materially incomplete. **Please restate the question at the beginning of each response and provide a separate section for that response, or indicate why no response is given.**

**1. Overview of the Firm**

Provide a description of the firm, including general experience and history in public finance, date the firm was founded, number of offices, location and number of professionals and employees in each office, total number of employees and professionals in the firm, description of specialty practice areas and firm philosophy. Indicate those office(s) that will be responsible for day-to-day

TEXAS PUBLIC FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
FINANCIAL ADVISOR

contact with the Authority. Describe the structure of firm ownership (e.g., publicly held corporation, partnership, etc.), identifying any parent, affiliate, or subsidiary of the firm.

**2. Qualifications and Experience**

- A. List the transaction experience, since January 2020, of the firm and/or the professionals<sup>1</sup> proposed to be assigned to advise the Authority. This information shall be presented as an Appendix to your response, formatted as an Excel spreadsheet (template included as part of this RFP). When listing par amounts, please use the issuer categories provided.
- B. Select three transactions from the above list that best demonstrate your firm's capacity and abilities to provide financial advisory services to the Authority. Explain the issues or unique problems involved and the approach recommended by your firm. Provide a synopsis of the outcome of each transaction.
- C. Describe your firm's experience in structuring debt funded loan programs for governmental entities.
- D. Describe your firm's experience in assisting clients with obtaining liquidity facilities supporting commercial paper programs and with other forms of variable rate debt products. Include a list of all relevant experience, as well as a narrative description of the services rendered and/or concepts involved on any transactions in which your firm's experience is particularly relevant to the Authority.
- E. Describe your firm's expertise and experience in assisting public finance clients in complying with continuing disclosure requirements.
- F. Describe the steps your firm would take as financial advisor to ensure the pricing process on negotiated bond sales renders the lowest interest cost.
- G. Describe recommended practices when evaluating whether to use a competitive versus negotiated bond sale process. Please discuss an example of the appropriate use of a competitive sale.
- H. Describe your firm's experience since 2020 with the major rating agencies, and the applicability of that experience to TPFA's activities.
- I. Describe your firm's experience since 2020 with the following:
  - a. issuance of lease revenue bonds;
  - b. issuance of securitized debt instruments;
  - c. issuance of debt for Texas public institutions of higher education;

---

<sup>1</sup>If listing experience of a professional while at a different firm, please specify the name of the firm.

TEXAS PUBLIC FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
FINANCIAL ADVISOR

- d. issuance of debt related to unemployment compensation;
- e. issuance of debt related to catastrophe insurance; and
- f. issuance of debt related to charter schools.

**J.** Describe any applicable experience with self-supporting Government-to-Government or Government-to-Business loan or lease programs, particularly such programs that are funded in part or in full by the issuance of public debt.

**K.** Describe any ongoing bond administration services provided by your firm.

**L.** Describe your firm's process in evaluating a forward rate financing.

**M.** Provide a sample presentation of your firm's break-even analysis, illustrating your preferred methodology.

**3. Automated Information Resources**

Describe the analytical tools that your firm would apply to the Authority's work. Further, describe the automated information resources, including any bond market information, which would regularly be made available to the Authority.

**4. Resumes**

Provide brief resumes of those individuals who would be assigned to serve the Authority. Indicate the individual's years of experience in public finance, any relevant licenses they hold, and how any particular area of expertise would benefit the Authority. Specify who would be assigned as the primary contact for the Authority and the individual's principal office location, and indicate the role the individual played in the transactions listed your response to item "2.A." above. Also specify who would be the primary contact's backup and that individual's principal office location.

**5. Business Practices**

**A.** Please describe your firm's experience and involvement since January 2020 working with HUB-certified<sup>2</sup> firms (if your firm is not HUB-certified), or, if your firm is HUB-certified, your experience working in a co-financial advisor relationship. Further, describe your firm's approach to working with co-financial advisors, including level of effort and division of duties.

**B.** Please describe efforts made by your firm to encourage and develop the participation of minorities and women in your firm's provision of financial advisory services or underwriting, if any. Please note if your firm is eligible to be HUB-certified, but is not currently so certified, or if your firm would be eligible for HUB certification were its principal place of business in

---

<sup>2</sup> See: Texas Government Code §2161.061 and 34 TAC Chapter 20, Subchapter D.

TEXAS PUBLIC FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
FINANCIAL ADVISOR

Texas. Complete the grid describing workforce composition for 2020 and 2022 in the attached as Exhibit A, and if HUB-certified, attach a copy of your current certification.

**6. Conflicts of Interest**

- A. Disclose all contractual agreements and other informal business agreements, including fee arrangements and consulting agreements, between your firm and the Authority, any member of its staff and/or its Board, or any entity that provides services to the Authority. If you determine that the retention of your firm as a financial advisory to the Authority will not result in any conflict of interest with the Board, you must include an affirmative statement that the retention of your firm as Financial Advisor will not result in any conflict of interest with the Board. This would include, but is not limited to, any conflicts arising from both professional and personal relationships. Please describe your firm's criteria for evaluating each category of conflict, with citations to applicable MSRB and FINRA rules.
- B. Please conduct a conflicts analysis on your firm and disclose each actual, or potential, conflict in this section of your response. If your firm currently represents, or you anticipate that your firm may represent, clients that may have a relationship with a member of the Board, please describe the nature of this potential conflict of interest and the implications. Describe all possible consequences of such dual representation and your firm's proposed resolution. Describe any other relationship between your firm or an individual owner, partner, member, principal or employee of your firm that may give rise to a conflict of interest in doing business with the State of Texas.
- C. Please disclose any material litigation, administrative proceeding, violation of or investigation for violation of any regulatory entity rule (SEC, MSRB, NASD, FINRA, NYSE) in which your firm has been involved, whether currently ongoing or concluded within the last ten years.

**7. References**

Please provide names, addresses, and phone numbers of at least three references for whom your firm has provided financial advisory services in the past 24 months.

**8. Fee structure**

Please provide your proposed fee structure including, if applicable: hourly rates, per transaction maximums on hourly fees, and flat fees. Fees based on a percentage of par amount or on a per bond basis are discouraged.



TEXAS PUBLIC FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
FINANCIAL ADVISOR

**9. Signature of Authorized Representative**

The submitted proposal must be executed with the signature of a duly authorized representative of the firm. An unsigned proposal will not be considered.

**MODIFICATION/QUESTIONS**

The Authority reserves the right to modify this RFP by posting notice thereof on the Authority’s website at <http://www.tpfa.texas.gov/rfp.aspx> and the Electronic State Business Daily (“ESBD”) at [www.txsmartbuy.com/sp](http://www.txsmartbuy.com/sp). It is the sole responsibility of the respondent firm to check the Authority’s website or the ESBD to determine if any modifications have been made.

Refer to the RFP Time Schedule and Submission Requirements for dates related to this RFP. It is the responsibility of the respondent to seek clarification of any portion of this RFP by submitting written questions to the Authority. Questions regarding this RFP should be submitted via electronic mail to [RFP@tpfa.texas.gov](mailto:RFP@tpfa.texas.gov). Submitted questions and the Authority’s responses will be posted on the Authority’s [website](#). Questions submitted after the due date/time will not be answered.

A respondent may modify or withdraw a proposal at any time prior to the due date. No material changes to a proposal will be allowed after the expiration of the due date. The proposal must be valid for at least 90 days from the due date.

The Authority reserves the right to request clarification and modification of any proposal prior to the contract award being made.

**TIME SCHEDULE AND SUBMISSION REQUIREMENTS (All times are CT)**

RFP Published	July 21, 2023
Deadline for Questions	5 p.m., August 7, 2023
Responses to Questions Posted on Website	5 p.m., August 11, 2023
Proposals Due	3 p.m., August 17, 2023

Proposals must be submitted as a searchable, unlocked PDF document. Exhibit A and the Section “2.A.” Appendix must be submitted as Excel documents.

It is solely the responsibility of each prospective financial advisory firm to assure its proposal is delivered at the specified place and prior to the submission deadline. Proposals which, for any reason, are not timely delivered will not be considered.

Proposals must set forth accurate and complete information as required by this RFP. Oral instructions or offers will not be considered. **Contact with Board Members or Authority staff regarding this RFP, except as described further herein, is prohibited and will result in disqualification of your proposal.**

TEXAS PUBLIC FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
FINANCIAL ADVISOR

**BASIS OF AWARD/SELECTION CRITERIA**

A team comprised of Authority staff will review the proposals, evaluate them and make recommendations to the Board, which may select one or more firms to serve as financial advisor.

The evaluation criteria to be used in selecting firms to serve as financial advisor will include, but not be limited to, the factor listed below (the order of which is not necessary indicative of their weight):

1. relevant experience, qualifications, and success in providing the services outlined in this RFP;
2. depth of experience and commitment to municipal financial advisory services to the State of Texas;
3. prior services provided to the Authority;
4. Texas and locally based employment and bond market participation;
5. quality of the information provided regarding the firm's Qualifications and Experience; and,
6. any other factors relevant to the firm's capacity and ability to meet the Authority's needs.

The Authority will select one or more financial advisory firms whose experience and qualifications establish them, in the judgment of the Authority, as most qualified and offering the greatest benefits, experience and value to the Authority. The selected firms will constitute the Authority's financial advisory pool. The Authority anticipates appointing financial advisory for transactions and other project on a case-by-case basis. If an appointed financial advisory firm fails to execute a contract acceptable to the Authority within 30-days of such appointment, the Authority shall appoint an alternative financial advisor for that transaction.

The Authority may cancel this RFP or reject proposals at any time prior to an award and is not required to furnish a statement of the reasons why a particular proposal was not deemed to be the most advantageous. The Authority's decision to select a co-financial advisor, if any, will be determined by the evaluation of the responses to this RFP.

The Authority reserves the right to waive minor technical deficiencies in a response to this RFP; to reject any and all responses to this RFP; and to cancel this RFP if is deemed in the best interest of the Authority or the State of Texas.

The Authority will make its selection based on demonstrated competence, experience, knowledge and qualifications, as well as the reasonableness of the proposed fee and any conflicts of interest or potential conflicts of interest identified. The Authority may prioritize the selection of firms whose principal place of business is in Texas.

TEXAS PUBLIC FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
FINANCIAL ADVISOR

By issuing this RFP, the Authority does not commit itself to employ a financial advisor nor does the suggested scope of service or term of agreement indicated herein require that a financial advisor be employed for any or all of those purposes. The Authority reserves the right to make those decisions for each specific transaction or project. The Authority decision on these matters is final.

The Authority reserves the right to negotiate individual elements of any proposal and to reject any and all proposals.

**COSTS INCURRED IN RESPONDING**

All costs directly or indirectly related to preparation of a response to this RFP, or any oral presentation required to supplement and/or clarify a response, shall be the sole responsibility of, and shall be borne by, the respondent.

**RELEASE OF INFORMATION AND OPEN RECORDS**

Upon submission, all responses shall be deemed to be the property of the Authority. Information submitted in response to this RFP will not be released to the public by the Authority during the response evaluation process or prior to Board's contract award. After the evaluation process is completed by the Board's award of a contract, responses and the information included therein may be subject to public disclosure under the Public Information Act, Texas Government Code, Ch. 552 (the "PIA"). Respondents have a right to assert the confidentiality of financial and trade information. Any information considered by a respondent to be confidential under the PIA must be clearly marked in bold text, as indicated below, on each page, and only those pages, where such information appears:

**“CONFIDENTIAL PURSUANT TO [CITE TO THE RELEVANT  
EXCEPTION TO DISCLOSURE UNDER THE PIA]”**

Further, if the respondent does assert that certain information in its response is confidential under the PIA, the response to this RFP must contain the follow statement at or near the bottom of the cover page:

**“THIS DOCUMENT CONTAINS CERTAIN ITEMS OF INFORMATION FOR  
WHICH THE RESPONDENT HAS ASSERTED CONFIDENTIALITY UNDER  
THE TEXAS PUBLIC INFORMATION ACT”**

The Authority is not responsible for the release of confidential information after the award of a contract made pursuant to this RFP if the response is not clearly marked as required. If a request for disclosure is made for information marked confidential in accordance with this section, the Authority will notify the respondent so that the respondent may present argument and evidence to the Office of the Attorney General for protection from public disclosure, in accordance with the PIA.

**CONFIDENTIALITY OF AUTHORITY INFORMATION AND DATA**

TEXAS PUBLIC FINANCE AUTHORITY  
REQUEST FOR PROPOSALS FOR  
FINANCIAL ADVISOR

All financial, statistical, personal, technical and other data and information relating to Authority operations that are designated confidential by the Authority and made available to a contractor in order to carry out a resulting contract, or which becomes available to a contractor in carrying out a contract, shall be protected by the contractor from unauthorized use and disclosure through the observance of effective procedural requirements. A contractor shall not be required to keep confidential any data or information which: is or becomes publicly available, is already rightfully in the contractor's possession, is independently developed by the contractor outside the scope of a contract, or is rightfully obtained from third parties.

Additionally, under no circumstances is a contractor to discuss and/or release information to the media without prior express written approval of the Executive Director of the Authority or his designee.

**GENERAL TERMS AND CONDITIONS OF RESULTING CONTRACT**

**1. TERM OF AGREEMENT**

The contract term is to be for an initial term of September 1, 2023 to August 31, 2025, renewable, at the Board's option, through August 31, 2027. The Board reserves the right to negotiate all elements of the contract, including fees for renewal terms, if the renewal option is exercised. The Board will also reserve the right to terminate the contract, including for convenience, in the Board's sole discretion.

**2. MANDATORY TERMS AND CONDITIONS**

Any contract resulting from this RFP will be subject to the mandatory terms and conditions set forth in Exhibit B.