

**REQUEST FOR QUALIFICATIONS FOR
BOND, SPECIAL, UNDERWRITERS AND DISCLOSURE COUNSEL**

ISSUING OFFICE

Pennsylvania Turnpike Commission

**Legal Department
Office of Chief Counsel**

RFQ 14-10190-4904

DATE OF ISSUANCE

July 23, 2014

**REQUEST FOR QUALIFICATIONS FOR
BOND, SPECIAL, UNDERWRITERS AND DISCLOSURE
COUNSEL SERVICES**

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PART I

GENERAL INFORMATION

I-1. Purpose. The Pennsylvania Turnpike Commission (Commission) seeks to retain the services of one or more law firms experienced in municipal bond financing, securities laws and taxation related to municipal bond financings to serve as bond, special, underwriter's and disclosure counsel (Counsel). Through this Request for Qualifications (RFQ) process, the Commission seeks to appoint a pool or pools of law firms which will be available to serve as bond, special, underwriter's or disclosure counsel as needed from time to time. Please note that inclusion in the pool does not guarantee or provide assurances that a law firm will be selected to serve as Counsel on a Commission public finance transaction.

This RFQ provides interested firms with sufficient information to enable them to prepare and submit statements of qualification for consideration by the Commission to satisfy a need for Counsel. Firms wishing to be considered for inclusion in a pool as Counsel should respond to this RFQ in all respects. Firms should identify whether they wish to be considered for qualification as lead counsel and/or co-counsel. The Commission reserves the right, in its sole discretion, to select a firm to serve as lead counsel, counsel or co-counsel.

The Commission also reserves the right to retain a law firm(s) to serve as Counsel which is not included in the pool(s). Such selection may be based on the public finance transaction's complexity, size and such other factors as the Commission deems, in its sole discretion, relevant to a particular financing.

Note following the creation of the pool(s), the Commission reserves the right, in its sole and absolute discretion, to add or remove firms from the pool(s) at any time. The Commission also reserves the right, in its sole and absolute discretion, to select Counsel from any pool(s) or from outside the pool(s) to serve as Counsel on a Commission public finance transaction.

I-2. Background.

A. The Turnpike System

The present system is composed of the following: a 359 mile Turnpike Mainline traversing the southern portion of Pennsylvania from east to west; a 110 mile north-south section identified as the Northeast Extension; a 16 mile north-south connection, known as the Beaver Valley Expressway which intersects the Turnpike Mainline in the southwestern portion of the Commonwealth; the 13 mile Amos K. Hutchinson Bypass, which adjoins the Turnpike Mainline near the New Stanton Interchange; a 48-mile section of the Mon/Fayette Project; and a six mile section of the Southern Beltway project from PA 60 to US 22

The Pennsylvania Turnpike System has a total of 67 interchanges which connect it with major arteries and population centers in its 552 mile traffic corridor. Thirty-two of the interchanges are located on the Turnpike Mainline, including Turnpike Mainline barriers at the New Jersey and Ohio state lines, and 10 interchanges are situated on the Northeast Extension. The additional 25 interchanges are located on the three extensions previously noted. There are 17 service plazas along the Pennsylvania Turnpike System providing gasoline and diesel fuel, other automotive supplies and services, and restaurant services.

B. Financial Condition and Outlook

As of June 2014 the Commission had over \$9.4 billion in long-term debt, issued under four separate indentures. Outstanding debt and debt ratings are as follows:

	<u>Outstanding Debt</u> <u>\$(000)</u>	<u>Ratings (M,S&P,F)</u>
Mainline Senior Revenue	<u>\$3,524,485</u>	A1 , A+, A+
Mainline Subord. Revenue	<u>\$3,615,635</u>	A3, A-, A-
Motor License Fund	<u>\$935,812</u>	A1,NR,AA
Oil Franchise Tax Revenue	<u>\$750,428</u>	Aa3, AA (Sr.); A2, A+ (Sub.); NR
Registration Fee Revenue	<u>\$416,930</u>	A1, A, AA-

Toll revenue for the fiscal year ended May 31, 2013 exceeded \$811 million, and is expected to increase in FY 2014 due to toll increases that were implemented in January 2013 and 2014. The Commission also receives revenue annually from the Commonwealth from oil company franchise taxes and motor license registration fees totaling approximately \$100 million.

C. Capital and Financing Plan

The Commission prepares a ten-year capital plan and financing plan which shows anticipated funding sources, including Commission funds and revenue bonds. The capital plan currently addresses projects estimated at approximately \$6.5 billion scheduled for construction through fiscal year 2024

D. Enabling Statutes

On July 18, 2007, Pennsylvania Governor Edward G. Rendell signed Act 44 into law, creating a “public-public partnership” between the Commission and PennDOT to provide funding for roads, bridges, and transit throughout the Commonwealth, thus greatly expanding the Commission’s previous focus on operating and improving the Turnpike. Under Act 44, a Lease and Funding Agreement was entered into between the Commission and PennDOT. The Funding Agreement contains certain provisions dealing with various items including, among other things, the payment by the Commission of annual payments to PennDOT, and the issuance of special revenue bonds by the Commission.

Act 44 and the Funding Agreement require the Commission to submit an annual financial plan to the Secretary of the Budget on or before June 1 of each year that describes the Commission’s operating and capital expenditures, borrowings, liquidity and other financial management covenants and policies, estimated toll rates and all other revenues and expenditures for the ensuing fiscal year. Act 44 provides that the financial plan shall demonstrate that the operation of the Commission can reasonably be expected to generate sufficient funds to make payments to PennDOT pursuant to the Funding Agreement and Act 44 during the ensuing and future fiscal years. The most recent Act 44 Financial Plan can be found at www.paturndpike.com under the Financial/Planning-Investor Relations link.

On November 25, 2013, Act 89 was enacted to provide substantial additional and sustained investment in the Commonwealth's aging transportation infrastructure. Act 89 also enacted substantial revisions to the Commission's transportation funding obligations under Act 44 and authorized the Commission and PennDOT to immediately amend the Act 44 Funding Agreement to reflect the statutory provisions of Act 89. The Commission and PennDOT have executed an amendment to the Act 44 Funding Agreement (the "**Act 89 Amendment**" and together with the Act 44 Funding Agreement, the "**Amended Funding Agreement**"). The Amended Funding Agreement will terminate on October 14, 2057.

I-3. Issuing Office. This RFQ is issued for the Commission by the **Office of the Chief Counsel**. All questions regarding this RFQ must be directed to the Commission pursuant to the process identified in Section I-8 below. No questions will be addressed except through such process.

I-4. Scope. This RFQ contains instructions governing the statements of qualification to be submitted and the material to be included therein; a description of the service to be provided; requirements which must be met to be eligible for consideration; general evaluation criteria; and other requirements to be met by each statement of qualifications.

I-5. Problem Statement.

A. General Description

The Commission is soliciting statements of qualifications from law firms for the purpose of creating a pool or pools of potential firms to serve as bond, special, underwriter's and disclosure counsel from which the Commission may select for individual public finance transactions. Such selection may be made with or without the issuance of a subsequent Request for Proposals with respect to a specific public finance transaction.

The Commission reserves the right to select firms as bond counsel, co-bond counsel, disclosure counsel or underwriter's counsel that are not in a particular pool – such selection may be based on proprietary products, ideas presented to the Commission, transaction size and such other factors as the Commission deems relevant to a particular public finance. The Commission intends to select those firms that best meet the Commission's selection criteria, as identified in Section III-3 of this RFQ. Note that following the creation of the pool(s), the Commission reserves the right, in its sole and absolute discretion, to add or remove firms from the pool(s), to move firms among pool(s), to select firms from any pool(s), or to select firms from outside any pool(s) at any time as circumstances may arise or warrant on each public finance transaction.

B. Requested Services

The scope of services as bond, special, underwriters, and/or disclosure counsel for Commission's public finance transactions may include, but not be limited to, the following.

1. Rendering the bond counsel opinion regarding the validity and binding effect of the bonds, the source of payment and security for the bonds, and the excludability of interest on the bonds from gross income for federal income tax purposes and/or state income tax purposes;

2. Examining applicable laws, preparing authorizing documents, consulting with parties to the transactions, reviewing proceedings, and performing additional duties as necessary to render the opinion(s);
3. Providing continuing advice regarding any actions necessary to ensure interest on the bonds will continue to be tax-exempt;
4. Review tax issues including arbitrage regulations and compliance and to prepare form 8038G or other similar IRS forms or questionnaires necessary to complete a public finance transaction;
5. Preparation and review of documents necessary or appropriate to the authorization, issuance, sale and deliver of the bonds, coordination of the authorization and execution of these documents, and review and, where appropriate, drafting enabling resolutions;
6. Assisting the Commission in seeking from other governmental authorities any approvals, permissions, and exemptions necessary or appropriate in connection with the authorization, issuance, sale or delivery of the bonds;
7. Reviewing legal issues relating to the structure of the public finance transaction;
8. Reviewing or preparing those sections of the offering documents to be disseminated in connection with the sale of the bonds that relate to the bonds, financing documents, bond counsel opinion, and tax exemption;
9. Participating, when requested, in activities associated with presenting information to rating agencies, potential investors and/or credit enhancement providers relating to legal issues affecting a public finance transaction;
10. Reviewing or preparing the bond purchase contract for a public finance transaction;
11. Preparing the appropriate supplements to Commission Indentures as necessary to complete a public finance transaction;
12. Offering continuing legal advice, as needed, on issues related to the sale and the trustee administration of Commission obligations;
13. Provide other legal opinions as required;
14. Participating in meetings, as requested, relating to a public finance transaction;
15. Keeping the Commission informed of rulings issued by federal or state regulatory agencies, such as the U.S. Securities Exchange Commission and Municipal Securities Rulemaking Board, which impact or may potentially impact a Commission public finance transaction;
16. Preparing the preliminary and final official statements;
17. Preparing the disclosure on the Commission, known as Appendix A, to the preliminary and final official statements for use in all offering documents for a public finance transaction to be issued by the Commission;
18. Providing a “10b-5 Opinion” with respect to the preliminary and final official statements;
19. Providing disclosure updates and information to the Commission as it may become available to the public finance market; and
20. Additional duties as may be required for specific public finance transactions.

I-6. Rejection of Statements of Qualification. The Commission reserves the right to reject any and all Statements of Qualification received as a result of this request.

I-7. Incurring Costs. The Commission is not liable for any costs incurred by firms in their preparation and submission of Statements of Qualification, in participating in the RFQ process or in anticipation of award of bond underwriting opportunities.

I-8. Questions and Answers. Written questions may be submitted to clarify any points in the RFQ which may not have been clearly understood. Written questions should be submitted via email to RFP-Q@paturndpike.com with “RFQ 14-10190-4904” in the subject line to be received no later than **2:00 pm, local time on Tuesday, August 5, 2014**. All questions and written answers will be posted to the website as an addendum to and become part of this RFQ. No questions regarding the RFQ will be addressed except through this process.

I-9. Addenda to the RFQ. If it becomes necessary to revise any part of this RFQ before the response date, addenda will be posted to the Commission’s website under the original RFQ document. It is the responsibility of all firms to periodically check the website for any new information or addenda to the RFQ.

The Commission may revise a published advertisement. If the Commission revises a published advertisement less than ten days before the RFQ due date, the due date will be extended to maintain the minimum ten-day advertisement duration if the revision alters the project scope or selection criteria. Firms are responsible to monitor advertisements/addenda to ensure the submitted proposal complies with any changes in the published advertisement.

I-10. Response. To be considered, Statements of Qualification must be delivered to the Pennsylvania Turnpike Commission’s Contracts Administration Department, Attention: Wanda Metzger, on or before **2:00 pm local time on Thursday, August 21, 2014**. The Pennsylvania Turnpike Commission is located at 700 South Eisenhower Boulevard, Middletown, PA 17057 (Street address). Our mailing Address is P. O. Box 67676, Harrisburg, PA 17106.

Please note that use of U.S. Mail, FedEx, UPS, or other delivery method, does not guarantee delivery to the Contracts Administration Department by the above-listed time for submission. Respondents mailing Statements of Qualifications should allow sufficient delivery time to ensure timely receipt of their Statement of Qualifications. If the Commission office location to which Statements of Qualifications are to be delivered is closed on the response date, due to inclement weather, natural disaster, or any other cause, the deadline for submission shall be automatically extended until the next Commission business day on which the office is open. Unless Respondents are otherwise notified by the Commission, the time for submission of responses shall remain the same.

I-11. Statements of Qualifications. To be considered, Respondents should submit a complete response to this RFQ, using the format provided in PART II. Each Statement of Qualifications should be submitted in eight (8) copies to the Contract Administration Department. No other distribution of Statements of Qualification will be made by the Respondent. Each page should be numbered for ease of reference. An official authorized to bind the Respondent to its provisions must sign the Statement of Qualifications. If the official signs the Statement of Qualifications Cover Sheet (Appendix B to this RFQ) and the Statement of Qualifications Cover Sheet is attached to the submission, the requirement will be met.

Each and every Respondent submitting a Statement of Qualifications specifically waives any right to withdraw or modify it, except as hereinafter provided. Statement of Qualifications may be withdrawn by written or fax notice (fax number (717) 986-8714) received at the Commission’s address for Statement of Qualifications delivery prior to the exact hour and date specified for Statement of Qualifications receipt.

Overnight Delivery Address:
Contracts Administration Department
Attn: Wanda Metzger
PA Turnpike Commission
700 South Eisenhower Blvd.
Middletown, PA 17057

US Mail Delivery Address:
Contracts Administration Department
Attn: Wanda Metzger
PA Turnpike Commission
P.O. Box 67676
Harrisburg, PA 17106

However, if the Respondent chooses to attempt to provide such written notice by fax transmission, the Commission shall not be responsible or liable for errors in fax transmission. A Statement of Qualifications may also be withdrawn in person by a Respondent or its authorized representative, provided his/her identity is made known and he/she signs a receipt for the Statement of Qualifications, but only if the withdrawal is made prior to the exact hour and date set for Statement of Qualifications receipt. Statement of Qualifications may only be modified by the submission of a new sealed Statement of Qualifications or submission of a sealed modification which complies with the requirements of this solicitation.

I-12. Economy of Preparation. Statements of Qualifications should be prepared simply and economically, providing a straightforward, concise description of the Respondent's ability to meet the requirements of the RFQ. For submissions, the body of the proposal shall not exceed twenty (20) pages of 12 point type, excluding required tables and appendices.

I-13. Statement of Qualifications Contents. Statements of Qualifications will be held in confidence and will not be revealed or discussed with competitors, unless disclosure is required to be made (i) under the provisions of any Commonwealth or United States statute or regulation; or (ii) by rule or order of any court of competent jurisdiction. All material submitted with the statement becomes the property of the Commission and may be returned only at the Commission's option. Statements of Qualifications submitted to the Commission may be reviewed and evaluated by any person other than competing Respondents at the discretion of the Commission. The Commission has the right to use any or all ideas presented in any response. Selection or rejection of the responding firm does not affect this right.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), 65 P.S. § 67.707 (Production of Certain Records), Respondents shall identify any and all portions of their Statement of Qualifications that contains confidential proprietary information or is protected by a trade secret. Statements of Qualifications shall include a written statement signed by a representative of the company/firm identifying the specific portion(s) of the response that contains the trade secret or confidential proprietary information.

Respondents should note that "trade secrets" and "confidential proprietary information" are exempt from access under Section 708(b)(11) of the RTKL. Section 102 defines both "trade secrets" and "confidential proprietary information" as follows:

Confidential proprietary information: Commercial or financial information received by an agency: (1) which is privileged or confidential; **and** (2) the disclosure of which would cause substantial harm to the competitive position of the person that submitted the information.

Trade secret: Information, including a formula, drawing, pattern, compilation, including a customer list, program, device, method, technique or process that: (1) derives independent economic

value, actual or potential, from not being generally known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; **and** (2) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy. The term includes data processing software by an agency under a licensing agreement prohibiting disclosure.

65 P.S. §67.102 (emphasis added).

The Office of Open Records has determined that a third party must establish a trade secret based upon factors established by the appellate courts, which include the following:

- the extent to which the information is known outside of his business;
- the extent to which the information is known by employees and others in the business;
- the extent of measures taken to guard the secrecy of the information;
- the value of the information to his business and to competitors;
- the amount of effort or money expended in developing the information; and
- the ease of difficulty with which the information could be properly acquired or duplicated by others.

See Crum v. Bridgestone/Firestone North Amer. Tire., 907 A.2d 578, 585 (Pa. Super. 2006).

The Office of Open Records also notes that with regard to “confidential proprietary information the standard is equally high and may only be established when the party asserting protection shows that the information at issue is either ‘commercial’ or ‘financial’ and is privileged or confidential, and the disclosure **would** cause substantial competitive harm.” (emphasis in original).

For more information regarding the RTKL, visit the Office of Open Records’ website at www.openrecords.state.pa.us.

I-14. Debriefing Conferences. Respondents whose firms are not selected will be notified of the name of the selected respondents and given the opportunity to be debriefed, at their request. The Issuing Office will schedule the time and location of the debriefing. The Respondent will not be compared with other respondents.

I-15. News Releases. News releases pertaining to this project will not be made without prior Commission approval, and then only in coordination with the Issuing Office.

I-16. Term of Appointment. The Commission intends that the pool(s) established pursuant to this RFQ will remain in effect for a term of three (3) years with an option of one year extensions until such time that the Commission chooses to dissolve and/or reconstitute the pool(s).

I-17. Respondent’s Representations and Authorizations. Each Respondent by submitting its Statement of Qualifications understands, represents, and acknowledges that:

- a. All information provided by, and representations made by, the Respondent are material and important and will be relied upon by the Issuing Office in establishing underwriting pools. Any misstatement, omission or misrepresentation shall be treated as fraudulent concealment from the Issuing Office of the true facts relating to the submission of this Statement of Qualifications. A misrepresentation shall be punishable under 18 Pa. C.S. § 4904.

- b. To the best knowledge of the person signing the proposal for the Respondent, the Respondent, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as disclosed by the Respondent in its Statement of Qualifications.
- c. To the best of the knowledge of the person signing the proposal for the Respondent and except as otherwise disclosed by the Respondent, the Respondent has no outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Respondent that is owed to the Commonwealth.
- d. The Respondent is not currently under suspension or debarment by the Commonwealth, or any other state, or the federal government, and if the Respondent cannot certify, then it shall submit along with the Statement of Qualifications a written explanation of why such certification cannot be made.
- e. Each Respondent, by submitting its Statement of Qualifications, authorizes all Commonwealth agencies to release to the Commission information related to liabilities to the Commonwealth including, but not limited to, taxes, unemployment compensation, and workers' compensation liabilities.

I-18 Insurance.

Respondent will comply with the insurance specifications as described in Appendix C - Insurance Requirements.

PART II

INFORMATION REQUIRED FROM RESPONDENTS

Statements of Qualification must be submitted in the format, including heading descriptions, outlined below. To be considered, the response must respond to all requirements in this part of the RFQ. Any other information thought to be relevant, but not applicable to the enumerated categories, should be provided as an appendix to the Statement of Qualifications.

The Commission reserves the right to request additional information which, in the Commission's opinion, is necessary to assure that the Respondent's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFQ.

II-1. Required Information

A. Title Page

Show the name of Respondent's firm, address, telephone number, name of contact person, date and the subject: REQUEST FOR QUALIFICATIONS FOR BOND, SPECIAL, UNDERWRITER'S AND DISCLOSURE COUNSEL SERVICES RFQ 14-10190-4904. Indicate whether your firm is requesting to be considered for qualification as lead counsel and/or co-counsel.

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Cover Letter and Executive Summary

This letter should be signed by the person in your firm who is authorized to negotiate terms, render binding decisions and commit the firm's resources.

Summarize the respondent's understanding of the work to be done and make a positive commitment to perform the work necessary. This section should summarize the key points of your submittal.

(Limit to two pages.)

D. Minimum Qualifications

The firm, or its lead attorney(s) designated to work on Commission public finance transactions, must have a minimum of three years of municipal finance experience serving as counsel with respect to revenue credit and/or transportation/toll road related public finance transactions.

E. Firm Overview

Provide a brief history and description of your firm and its public finance practice, experience and capabilities. Include the location of offices and the number of public finance professionals in each office. Discuss your firm's presence in and commitment to the Commonwealth of Pennsylvania. Include a discussion of the specific expertise and services that distinguish your firm on questions relating to, but not limited to, arbitrage, securities law, municipal finance, tax law, and the federal or state tax exempt status of bonds.

F. Personnel and References

Provide responses to each of the following:

1. The names, proposed roles, background, specifically identifying the attorney's public finance background and general experience, office location and availability of the personnel that would work on the Commission's account;
2. Specifically identify the primary person(s) who will be responsible for managing the relationship with the Commission;
3. For the proposed personnel, provide a list of five clients worked with in the last 36 months; a brief description of the type and size of transaction and the services you provided; and the names, titles, addresses and telephone numbers of the government officials primarily responsible for the transactions. You should only list clients and transactions which are similar to financings contemplated by the Commission (i.e., taxable or tax-exempt new money issues, variable rate financings, refundings, derivatives, etc.);
4. In a narrative statement, confirm that the law firm is listed in the "Municipal Bond Attorneys" section of the most recent edition of *The Bond Buyers Municipal Marketplace*;
5. Confirm that at least one member of the law firm's public finance transaction team is admitted to practice law before the Supreme Court of Pennsylvania and is a member in good standing;
6. Confirm that the law firm has and will maintain in full force and effect, during the duration of its participation in any pool(s), professional liability insurance through a "AA" (or the equivalent) Best-Rated insurance carrier in an aggregate amount of not less than \$10 million. The professional liability insurance shall include coverage for practice in the field of federal and state securities and tax law.

Identify the key members of the firm's bond team including but not limited to the lead attorney, tax partner and municipal securities partner and where they are admitted to practice. A copy of each bond team member's resume should be provided.

Describe the firm and bond team member's ability to evaluate legal issues, prepare documents and complete other tasks associated with a public finance transaction in an efficiently, timely and, at times, expeditious manner.

G. Relevant Experience

Provide a narrative statement regarding your understanding of and ability to provide services related to the issues of municipal bonds including but not limited to serving as bond, special, underwriter's and disclosure counsel.

Describe your firm's experience and role as counsel and co-counsel with financings of the Commission or comparable issues, and financings of similar size, types and structures, including other financings in Pennsylvania.

In narrative form describe the following:

1. Your firm's experience as Counsel for governmental entities in Pennsylvania and for other state governments and state level issuers, if any;
2. Include your firm's experience in handling taxable and non-taxable issues;
3. Provide the number of attorneys that are experts in Internal Revenue Code Section 103 matters and if those attorneys are based in Pennsylvania;
4. Provide your firm's knowledge and understanding of the Commonwealth of Pennsylvania's Act 44 of 2007 and Act 89 of 2013 as they relate to the Commission;
5. Provide your firm's experience with debt and/or escrow restructuring;
6. Provide your firm's experience as counsel for other toll road and toll bridge financings;
7. Provide your firm's experience with Continuing Disclosure issues;
8. Provide your firm's experience with interest rate management agreements and other forms of derivatives;
9. Provide your firm's experience with assisting municipal issuers with compliance to various Dodd-Frank Provisions;
10. Provide your firm's experience with traditional and alternative short term financing instruments;
11. Identify the dates of the transaction, type of transactions, name of issuers, par amount of borrowings, description of the projects, the firm's role in the transactions, and whether the transactions were taxable or tax-exempt;
12. Please describe your firm's experience with and its approach to applicable federal securities laws and regulations;
13. Please describe your firm's experience in tax matters and the provision of specialized tax advice beyond normal bond counsel services, if any. Identify those attorneys that practice full time in the area of public finance tax law;
14. Please identify the public finance practice areas in which your firm has particular expertise or specialization.

Provide a discussion of your firm's knowledge and understanding of PA Act 44 of 2007 and Act 89 of 2013 as they relate to Commission bond transactions.

H. Disciplinary Action

Provide a detailed description of a) any litigation or administrative proceeding in which the firm was a party in any matter related to the professional activities of the firm during the five years prior to the date of this RFQ; b) litigation, investigation, or proceeding in which a court or administrative agency is addressing any question relating to the professional activities of the firm or its members; and c) any notice of official action, administrative inquiries or formal SEC,

MSRB or IRS challenges pertaining to any public finance transaction, or relating to any public finance matter in which the firm served as bond counsel, underwriters counsel, or other form of special counsel in a municipal financing transaction.

I. Potential Conflict of Interest

Identify any relationships or activities that might present a conflict of interest if your firm is selected as Counsel for Commission public finance transactions.

Provide a detailed description of your firm's existing system for identifying conflicts of interest. A conflict would include, without being limited to, the representation of any party in a matter adverse to the Commission to which a waiver had not been previously granted by the Commission. Provide sufficient facts, legal implications, and possible effects so that the Commission may evaluate the significance of each potential conflict. Describe how the firm proposes to resolve the conflicts.

J. Malpractice Insurance

Describe the level of malpractice insurance carried, including the deductible amount, to cover errors and omissions and negligence. Please note that Section I-18 of this RFQ requires a minimum of \$10 million in professional liability/malpractice insurance. Professional liability insurance/malpractice insurance must be through an AA Best-Rated insurance carrier and must include coverage for practice in the area of federal and state securities and tax law.

II-2. Commitment to Diversity.

It is a goal of the Commission to utilize qualified firms that have a demonstrated history of hiring, training, developing, promoting and retaining minorities and women and to encourage participation by qualified certified minority and woman-owned (MBE/WBE) firms, if available. The Commission recognizes the following minority and woman-owned business certifications for this RFQ. The Commission reserves the right to amend this list and maintains sole decision-making authority on the acceptance of certifying agencies and designations.

PA Unified Certification Program - www.paucp.com

PA Department of General Services - www.dgs.state.pa.us

National Minority Supplier Development Council - www.nmsdcus.org

Women Business Enterprise National Council - www.wbenc.org

U.S. Small Business Administration small disadvantaged businesses or 8(a) small disadvantaged business concerns

A. Diversity Questionnaire. A diversity questionnaire is required to be completed by the Respondent to ensure a commitment to equal opportunity and affirmative action (**see Appendix A.**).

B. Purpose of Diversity Questionnaire. The information requested in the Diversity Questionnaire is designed to elicit appropriate information about the Respondent in order to verify that its work environment demonstrates a strong commitment to diversity.

- C. Types of Information Requested.** The required information includes information on the demographics of the Respondent's upper level management and corporate commitment to diversity and equal opportunity initiatives.
- D. Certification Requirement.** A person authorized to bind the Respondent contractually must submit with the firm's statement of qualifications a certification outlining the Respondent's continued commitment to its diversity initiatives.

PART III

CRITERIA FOR SELECTION

III-1. Mandatory Responsiveness Requirements. To be eligible for selection, the Statement of Qualifications should be (a) timely received from a Respondent; and (b) properly signed by the Respondent.

III-2. Statements of Qualification will be reviewed and evaluated by a Technical Evaluation Team (TET) of qualified personnel selected by the Commission. The TET will recommend for selection those firms that most closely meet the requirements of the RFQ and satisfy Commission needs. Consideration for inclusion in the pool(s) will only be made to Respondents determined to be responsive and responsible in accordance with Commonwealth of Management Directive 215.9, Contractor Responsibility Program.

III-3. The following criteria will be used, in evaluating each proposal.

1. Overall
 - a. Responsiveness, organization, and clarity of Statement of Qualifications.
 - b. Knowledge and experience in municipal securities and tax law.
 - c. Adequate resources dedicated to tax securities and municipal bond transactions.
 - d. Organization, size and structure of firm.
 - e. Presence in and commitment to the Commonwealth of Pennsylvania.
 - f. Ability to perform tasks in an efficient, timely and, at times, expeditious manner.
2. Assigned Personnel
 - a. Qualifications and experience as Counsel for tax-exempt and taxable bond and note financings including demonstrated ability, tenure with firm, length of time in the industry and type of experience in municipal financings.
 - b. Responses of references.
 - c. Location and availability to Commission staff.
3. Firm Experience
 - a. Public finance practice/capabilities.
 - b. Relevant experience in complex public-finance transactions.
 - c. Size and number of prior bond issues.
 - d. Responses of references.
4. Commitment to Diversity. The Respondent's demonstrated diversity and equal employment record, including: (i) recognition of the Respondent's equal employment opportunity and diversity policies, programs and initiatives; (ii) the diversity of the staff that will be substantially involved in work performed for the Commission and the firm's plan for utilizing minority and women staff in such work; (iii) the Respondent's status as a certified MBE/WBE; and (iv) the Respondent's plan for utilizing minority and women staff in partnering or joint venture arrangements proposed by the firm, if applicable.