



Ohio Public Facilities Commission

Mike DeWine, Chairman
Governor
Keith Faber,
Auditor of State

Kimberly Murnieks, Secretary
Director of Budget and Management
Frank LaRose,
Secretary of State

Robert Sprague, Treasurer
Treasurer of State
Dave Yost,
Attorney General

Minutes of April 25, 2019 Meeting

The Ohio Public Facilities Commission held a meeting commencing at 3:00 p.m. on Thursday, April 25, 2019, in the 35th Floor Conference Room, Office of Budget and Management (OBM), James A. Rhodes State Office Tower, 30 East Broad Street, Columbus, Ohio, pursuant to notice of meeting given by the Secretary pursuant to Ohio Administrative Code 151-1-01 and the Commission Bylaws.

[Copies of the items marked * are attached hereto and made a part of these minutes.]

Pursuant to Section 151.02 of the Ohio Revised Code (O.R.C.) and Section 3.2 of the Bylaws, Mr. Donahue, as Governor DeWine's designee presided as Chair of the meeting and called the meeting to order.

Mr. Larry Scurlock, OBM Assistant Debt Manager and Assistant Secretary of the Commission, reported that, pursuant to O.R.C. § 151.02 and Section 2.1 of the Bylaws, the following new written designation was filed with the Secretary since the last meeting: Shawn Busken, Brenda Rinehart and Benjamin Marrison for the Attorney General.

Upon roll call, the Chair declared a quorum to be present. The following designees of the members of the Commission, eligible to vote at the meeting, were present during the meeting:

Matthew Donahue, Office of the Governor
Jonathan Azoff, Office of Treasurer of State
Tim Keen, Auditor of State
Katherine Nickey, Office of Secretary of State
Shawn Busken, Office of the Attorney General
Kimberly Murnieks, Office of Budget and Management

Mr. Scurlock filed the certificate of compliance* with the Commission's rule for notification of meetings to the public and news media.

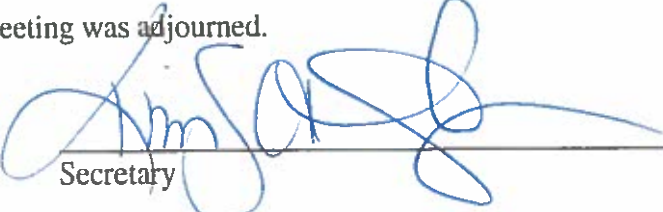
Mr. Donahue then requested the minutes of the Commission's February 12, 2019 meeting be submitted for approval. Mr. Keen then moved, seconded by Ms. Murnieks, to approve those minutes. There being no discussion, upon roll call, the motion was approved as follows: Ayes – Donahue, Azoff, Keen, Nickey, Busken and Murnieks; Nays – None. The Chair declared the motion passed and the minutes approved.

After a brief explanation provided by Mr. Scurlock, Ms. Murnieks moved to approve, seconded by Mr. Azoff, a motion authorizing the Director of OBM, as Secretary of the Commission and as that Director, to make or cause to be made, with the assistance of her staff and advisers or others, all necessary and appropriate arrangements for the competitive sale and issuance by the Commission of \$300,000,000 Higher Education General Obligation Bonds, Series 2019A, with Frost Brown Todd LLC serving as bond counsel and Acacia Financial Group, Inc. serving as financial adviser, with formal authorization and award being subject to the Commission's adoption of the Series Resolution providing for the issuance, sale and award of those Bonds. Upon roll call, the motion was approved as follows: Ayes – Donahue, Azoff, Keen, Nickey, Busken and Murnieks; Nays – None. The Chair declared the motion passed.

At the request of the Chair, Ms. Amber Teitt, OBM Debt Management Analyst presented the Staff Report and Recommendation* regarding the proposals received in response to the Commission's request for qualifications for legal services. Ms. Teitt explained the staff recommendation to establish a pool of ten qualified firms to serve as bond counsel on upcoming Commission bond issuances. Ms. Teitt also explained, with respect to issuer and disclosure counsel, that staff believed it was necessary to conduct interviews with a few of the responding firms to better inform staff's evaluation and recommendation that would be presented at the Commission's next meeting. In response to a question from Mr. Azoff regarding the firm that was found not to meet the established minimum qualifications, Ms. Teitt explained that upon meeting the minimum qualifications the firm would be able to update and resubmit its qualifications to the Commission. Ms. Murnieks then made the motion to designate ten law firms qualified through the request for qualifications process to serve as bond counsel on Commission bond sales and interest rate exchange agreements for the period July 1, 2019 through June 30, 2023, and to authorize the Secretary to (i) enter into agreements reflecting the terms of the RFQ, and (ii) with the assistance of her staff, conduct interviews or solicit additional information from certain responding law firms to inform the evaluation process in advance of making a recommendation with respect to issuer and disclosure counsel at the Commission's next meeting. The motion was seconded by Mr. Keen and upon roll call was approved as follows: Ayes – Donahue, Azoff, Keen, Nickey, Busken and Murnieks; Nays – None. The Chair declared the motion passed.

After a brief presentation by Mr. Kurt Kauffman, OBM Capital Finance Director, regarding the draft RFQ* previously distributed to the members and designees for review and comment, Mr. Azoff moved, seconded by Ms. Nickey, to approve the release of the Request for Qualifications for Underwriting and Investment Banking Services on Commission Bond Sales for the period from July 1, 2019 to June 30, 2023, in substantially the form on file with the Commission with notification to Commission members of any revisions to such form. Upon roll call, the motion was approved as follows: Ayes – Donahue, Azoff, Keen, Nickey, Busken and Murnieks; Nays – None. The Chair declared the motion passed.

There being no further business, the meeting was adjourned.


Secretary



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Ohio Public Facilities Commission
Issuer & Disclosure Counsel and Bond Counsel RFQ
STAFF REPORT AND RECOMMENDATION

I. Process Review

- The Commission authorized the release of a Request for Qualifications (RFQ) for issuer and disclosure counsel services and bond counsel services at its meeting on February 12, 2019.
- The RFQ was released on February 21. An advertisement was placed in both the print and online edition of The Bond Buyer, a nationally recognized municipal finance publication. Additionally, the RFQ was advertised and available on the OBM website.
- Twelve proposals were received by the April 3 submission deadline.
- Questions regarding the RFQ were to be submitted via e-mail and were to be responded to by posting a publicly-available response on the OPFC website. No questions were submitted.

II. Overview of Scope of Services

Issuer & Disclosure Counsel

- Serve as counsel to the Commission, including preparation of resolutions and all meeting items.
- Prepare or review and assist in the preparation and execution of all transaction related documents including an objective legal opinion.
- Assist in the preparation, review, and update of State financial information (Appendix A).
- Assist in the preparation and submission of the State's continuing disclosures.
- Draft and review constitutional amendments and legislation for bond-funded programs.
- Assist in the preparation of bond statutory language for inclusion in operating and capital bills.
- Analyze and provide guidance with respect to proper actions and associated documentation to maintain the exclusion of interest from gross income or other tax status for federal income tax purposes.
- Advise and assist in the preparation of any response to standard IRS inquiries.
- Assist the Commission in the preparation and implementation of policies and training materials related to post-issuance compliance with state law and federal tax and securities laws.
- Analyze and advise on legal issues arising from federal and state legislation as well as actions by federal and state regulatory agencies which impact the Commission's financings.

Bond Counsel

- Advise the State in structuring general obligation fixed and variable rate issuances, credit-enhanced financings, and financings that incorporate derivative structures.
- Render an objective legal opinion.
- Assist in the preparation and review of the preliminary and final official statements.



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Ohio Public Facilities Commission
Issuer & Disclosure Counsel and Bond Counsel RFQ
STAFF REPORT AND RECOMMENDATION

- Prepare and assist in the preparation and execution of documents necessary or appropriate to the authorization, issuance, and delivery of the bonds.
- Provide expert legal advice on federal tax matters.
- Analyze and advise on legal issues arising from federal and state legislation, regulations and rules, and Commission policy that may impact the Commission's financings.
- Participate in meetings with rating agencies, credit enhancement providers, investors, underwriters, financial advisors and other parties as deemed necessary by the Commission.
- Assist with the preparation of schedules for the issuance of bonds and assignment of responsibilities of involved parties.
- Prepare closing documents and compile transcripts.

III. Proposals Received

- Twelve proposals were received. Eleven firms submitted for both Issuer & Disclosure Counsel and Bond Counsel. One firm submitted solely for Bond Counsel.
- Bond Counsel and Issuer & Disclosure Counsel Respondents:
 - Barnes & Thornburg
 - Bricker & Eckler LLP
 - Calfee, Halter & Griswold LLP
 - Dinsmore & Shohl LLP
 - Frost Brown Todd LLC
 - Ice Miller LLP
 - Locke Lord
 - Squire Patton Boggs LLP
 - Taft
 - Thompson Hine
 - Tucker Ellis LLP
- Bond Counsel Respondent:
 - Roetzel & Andress
- Each proposal was checked to confirm that it met the submission requirements set forth in Section IV., the minimum requirements as set forth in section III., and that the requested information and certifications were completed. One firm, Barnes & Thornburg, did not meet the minimum requirement to have served as lead bond counsel, issuer's counsel or underwriter's counsel on a minimum of four transactions of \$50 million or more since January 1, 2016 (see Exhibit A).
- The proposals were distributed to each Commission member on April 5, 2019.

IV. Evaluation Process and Criteria

- OBM and Governor's Office staff evaluated each of the proposals based on the evaluation criteria set forth in Section VI. of the RFQ and listed below.



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Ohio Public Facilities Commission
Issuer & Disclosure Counsel and Bond Counsel RFQ
STAFF REPORT AND RECOMMENDATION

Evaluation Criteria

- Capability of the firm to perform the required scope of services, including:
 - Experience with the Commission or comparable state-level issuer financings of similar size, credit, and structures;
 - Knowledge of options and processes for ensuring compliance with federal tax and securities laws; and
 - Adequacy of process and procedures for identifying, maintaining and/or resolving conflicts of interest and potential conflicts of interest.
 - For issuer and disclosure counsel: i) knowledge of the State's constitutional and statutory provisions relating to the authorization, issuance, and management of the Commission's bonds and swaps/derivatives; and ii) experience serving as issuers counsel and/or disclosure counsel for entities similar to the Commission.
- Knowledge, education and relevant experience of the personnel that would be assigned, particularly the lead attorney(s) with day-to-day responsibility for the Commission.
- Commitment to Ohio:
 - Experience with Ohio issuers and physical presence within the State.

V. Bond Counsel Evaluation Results and Recommendation

- The Commission was fortunate to receive responses from multiple qualified firms including several firms that possess broad experience in all facets of public finance law.
- Staff's evaluation with respect to bond counsel services examined the firm's overall experience and qualifications, the experience and knowledge of the individuals to be assigned, and the quality of the ideas and information provided.
- A summary of each firm's national experience for state-level bond issuers and State of Ohio specific municipal bond experience is presented in Exhibit B.
- As contemplated in the RFQ, staff recommends establishing a pool of qualified bond counsel firms with selections made on a deal-by-deal basis, at the discretion of the Commission, based on the complexities of each transaction and the particular strengths of each firm



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Ohio Public Facilities Commission
Issuer & Disclosure Counsel and Bond Counsel RFQ
STAFF REPORT AND RECOMMENDATION

Bond Counsel Recommendation

- Staff recommends qualifying ten firms to serve as bond counsel. The firm ultimately chosen as Issuer and Disclosure will not serve as bond counsel.
 - Bricker & Eckler LLP
 - Calfee, Halter & Griswold LLP
 - Dinsmore & Shohl LLP
 - Frost Brown Todd LLC
 - Ice Miller LLP
 - Roetzel & Andress LPA
 - Squire Patton Boggs LLP
 - Taft, Stettinius & Hollister LLP
 - Thompson Hine LLP
 - Tucker Ellis LLP
- Each firm possesses, to a significant degree, the necessary experience with State of Ohio bonds and the Ohio bond market, knowledge of constitutional and statutory bond authorizations and bond related provisions, tax law, and derivative structures.
- While the remaining firm Locke Lord is capable and met the minimum qualifications, their proposal did not reflect the level of experience in and knowledge of the Ohio bond market and the underlying bond authorizations and bond-related provisions.

VI. Issuer and Disclosure Counsel Process

- The Commission was fortunate to receive responses from several firms with strong experience and knowledge of the services required to successfully perform as the Commission's Issuer and Disclosure Counsel.
- To further examine those qualifications, staff believes it is productive to conduct interviews with a few of the Issuer and Disclosure counsel firms prior to finalizing its evaluation and recommendation. To that end, staff plans to provide its evaluation results and recommendation for Issuer and Disclosure counsel at the Commission's next meeting on June 11, 2019.

OPFC - Issuer's & Disclosure Counsel and Bond Counsel RFO
STAFF REPORT AND RECOMMENDATION
Exhibit A

	Barnes & Thornburg	Bricker & Eckler	Calfec	Dinsmore	Frost Brown Todd	Ice Miller	Locke Lord	Roetzel & Andress	Squire Patton Boggs	Taft	Thompson Hine	Tucker Ellis
Applied For:	Issuer & Disclosure Counsel Bond Counsel	X X	X X	X X	X X	X X	X X	- X	X X	X X	X X	X X
Submission of Proposal	Turned in by 1:00 PM	X	X	X	X	X	X	X	X	X	X	X
	12 pages	X	X	X	X	X	X	X	X	X	X	X
	10 Hard Copies and PDF Copy	X	X	X	X	X	X	X	X	X	X	X
Certification & Info Sheet	Completed Certifications	X	X	X	X	X	X	X	X	X	X	X
	Completed Info Sheet	X	X	X	X	X	X	X	X	X	X	X
Minimum Qualifications	Ohio Office	X	X	X	X	X	X	X	X	X	X	X
	Four (4) transactions of \$50M for Ohio issuer since Jan. 2016	-	X	X	X	X	X	X	X	X	X	X
	Listed in Fall 2018 Bond Buyer "Red Book" or online version	X	X	X	X	X	X	X	X	X	X	X

OPFC - Issuer's & Disclosure Counsel and Bond Counsel RFQ
STAFF REPORT AND RECOMMENDATION
Exhibit B: Evaluation Matrix

Evaluation Criteria	Bricker & Eckler	Calfee, Halter & Griswold	Dinsmore	Frost Brown Todd
Firm Overview, Structure, Experience and Commitment to Public Finance (PF) and Footprint (Q:1,2)	290 total employees; 147 Attorneys (21 dedicated PF); all 6 offices in Ohio; Full-service, clients including govt. agencies, health care, financial services and insurers.	289 total employees; 154 attorneys (8 PF); 4 offices, Main practice areas public/commercial finance, govt. relations, corporate & capital markets, IP, litigation.	1,270 total emp; 650+ attorneys (40 in PF) 24 offices in 10 states and D.C.; Full-service corporate and govt; Sophisticated federal tax practice and attorneys regularly communicate with IRS and Treasury.	979 total employees and 529 attorneys (10 primarily PF); 12 offices in 8 states. Broad practice areas.
Firm PF experience, tax, securities and experience as bond counsel or issuer's counsel. (Q:4,5)	Lots experience as bond, issuer, disclosure, underwriters counsel for municipalities, HE, and K-12 school districts.	Lots of Ohio experience across a range of issuers. BC on 1 st GARVEE, 1 st BAB	Among top 25 national and #2 OH BC firm Lots experience as bond, issuer, disclosure, UW, tax counsel. Complete spectrum of Govt bonds – locals, HE, K-12, PAB Hosp, housing, etc. TOS IC since 2007.	Public Finance Group served as counsel for all levels of govt. Issuers across 19 states and especially in OH, KY, and IN.
Knowledge, education, experience of assigned personnel (Q:3)	Lead Bond/Tax/Debt: William Conard First Asst: Robert McCarthy	Lead: Blake C. Beachler Tax: Michael Gall	Lead: Marc Kamer Tax: Lona Valentine, Stephen Sparks Derivative: L. Todd Gibson	Lead: Emmett Kelly Tax: David Rogers, Patrick Woodside
Ohio presence (Q:2)	6 Ohio offices (Cbus HQ) 147 Ohio attorneys 290 Ohio employees	3 Ohio offices (Cleveland HQ) 154 Ohio attorneys 288 Ohio employees	4 Ohio offices (Cincy HQ) 343 Ohio attorneys 709 Ohio employees	3 Ohio offices 210 Ohio attorneys 390 Ohio employees
Variable Rate and Derivative Experience (Q:7)	Participated in billions worth of variable rate transactions. Dayton City Schools, City of Columbus, OSU. BC for TOS Var Rate DRC bonds (Oct 2016). IR hedges & ISDAs	Counsel to OBA for State's first VR in 1987 and first TOS VR in 2001. Experience with weekly/daily rate structures, auction rate structures, CP, LIBOR floaters.	Experienced in assisting clients in VR authorization and transaction. Issuer counsel for TOS DRC VR Bonds; Lots of Derivative Experience, including OPFC, OWDA, OHFA, AMP-Ohio, and other states.	Experience with VRD, "qualified tender bonds" and swaptions.
Experience drafting legal provisions for bond programs; Issuer Counsel for similar boards/authorities. (Q:15,16)	Drafted revisions to Ch. 166 with DOD economic development loan program. Assisted in legislation creating DOT State Infrastructure Bank. OBM COPs authorizations. IC: School Boards, Toledo Port Authority	Drafted and reviewed numerous changes to ORC 152 for OBA. Experience with litigation related to State debt. DOT counsel for Portsmouth Bypass. IC to OAQDA now, prior IC Cincy PA	Drafted ORC 154 section for DOT lease-rental. Drafted Section 2j (Vietnam Bonus). Involved in rewrite of Uniform Public Securities Act (Ch 133). IC for TOS L-R, Portsmouth Bypass, OTIC, and OBM COPs.	Drafted legislation to create the State Infrastructure Bank and acted as bond counsel for the first two issuances. Serves as issuer's counsel and general counsel to OAQDA.
Tax Guidance, Post-Issuance Compliance, and disclosure (Q: 17,18)	Thorough due diligence inquiry for tax compliance cert, plus change of use expertise. Draft/assist in post-issuance compliance for numerous issuers, including disclosure policy and practice.	Prepared disclosures policies (Cuyahoga County), advised clients on and prepared checklists for post-issuance compliance.	Assisted TOS in successfully responding to 5 IRS audits. Review of DNR lodge agreements. Presenter in post-issuance compliance program for State. Dedicated tax specialists for PF. Drafted multiple disclosure policies for clients.	Counsel clients, prepare policies and provide training. Monthly internal meeting facilitates discussion and analysis of relevant topics.
References (Q:8)	Provided	Provided	Provided	Provided
Conflicts of interest (Q:10)	None/Adequate	Adequate	Adequate, IC to TOS?	Adequate
Other (Q:14)	Collaborative approach; Committed to provide the very finest quality of work.	Experienced firm; Participated in innovative OH financings.	Goal to provide extraordinary public finance counsel.	Public sector experience of attorneys is valuable.

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OPFC - Issuer's & Disclosure Counsel and Bond Counsel RFQ
STAFF REPORT AND RECOMMENDATION
Exhibit B: Evaluation Matrix

Evaluation Criteria	Ice Miller	Locke Lord	Roetzel & Andress	Squire Patton Boggs
Firm Overview, Structure, Experience and Commitment to Public Finance (PF) and Footprint (Q:1,2)	610 total employees; 332 Attorneys (32 dedicated PF); 7 offices in 5 states and D.C.; Broad practice areas.	1,205 total employees; 671 attorneys (34 dedicated PF); 18 offices in 12 states and D.C. plus 2 Int'l offices; Diverse practice areas with established public finance practice.	309 total employees; 161 attorneys, 9 offices in 3 states and D.C.; Full service, OH-based firm with 38 practice areas including public finance.	2,903 total employees, 1,550 attorneys (50+ PF); 18 offices in 10 states and D.C., 28 Int'l offices. Broad areas of practice including public finance.
Firm PF experience, tax, securities and experience as bond counsel or issuer's counsel. (Q:4,5)	Extensive experience as bond, issuer, disclosure, underwriters counsel. Have attorneys entirely dedicated to public finance tax services.	National client base including states of MA, VT and MN.	Full-service bond counsel firm with diverse client base including locals, K-12, HE, etc.	Among top 10 national and #1 OH BC firm with extensive OPFC knowledge and experience. Broad BC experience with varied clients including: OH universities; states of FL and CT GOs; D.C.; OTIC, JobsOhio, BTSFA
Knowledge, education, experience of assigned personnel (Q:3)	Lead: Kip Wahlers Tax: Susan Price	Lead Bond/Tax: Todd Cooper	Lead: George Sarkis Team is familiar with all aspects of federal tax law.	Lead: Allison Binkley Tax: Robert Ekdner, Michael Cullers Derivative: Wade Estey
Ohio Presence (Q:2)	1 Ohio office 70 Ohio attorneys 118 Ohio employees	1 Ohio office (opened in 2016) 2 Ohio attorneys 3 Ohio employees	5 Ohio Offices 108 Ohio attorneys 221 Ohio employees	3 Ohio offices 196 attorneys (24 PF) 460 Ohio employees. Founded in CLE
Variable Rate and Derivative Experience (Q:7)	Experience from initial execution to unwinding, amending or novating. Advised clients novating \$1.5B in swaps, forward interest rate swaps, Constant Maturity Swaps, etc.	Counsel to OH's first VR in 1983 for Montgomery County. Advised on \$2B notional of swaps. Worked with TN Treasury to develop regulations for gov't's for swaps and other derivatives.	Counsel to Akron and Cleveland VR issuances and swap transactions for OPFC, local govts, and University of Akron.	Served as counsel for multiple states and local govt. OH experience includes OWDA, OPFC, Cleveland and Cuyahoga County. Legal counsel for OPFC swaps and swap novation.
Experience drafting legal provisions for bond programs; Issuer Counsel. (Q:15,16)	Drafted sections of Ch 166 relating to the Innovation and the Research and Development loan programs. Experienced Issuer's counsel including for the IN Finance Authority.	Drafted legislation for City of Boston special obligation bonds, Commonwealth of MA GARVEE bonds, and RI's first CP and VR programs. IC to North Texas Tollway Authority	n.a.	Extensive experience drafting and/or reviewing multiple State debt provisions including many sections of Constitution, Article VIII and ORC Chapters 151 and 154. Authorizing language for BABS, Buckeye Tobacco, and JobsOhio, among others. IC: OPFC since 2007, CA, NYC, DC, FL Higher Educ Facilities Authority
Tax Guidance, Post-Issuance Compliance, and disclosure (Q:17,18)	Emphasize written procedures and using experience to inform those procedures. Cite work for multiple clients including: quarterly training, annual review of mgmt. contracts.	Assisted clients in responding to 13 IRS audits, all = 'no change'. Detailed approach to disclosure including monitoring of website and CAFR for disclosure purposes.	n.a.	Assisted in drafting of OPFC PIC procedures and training. Senior-level 'Disclosure Group' provides firm-wide education/training firm-wide. DC for state-level Issuers in NY, DC, and FL.
References (Q:8)	Provided	Provided	Provided	Provided
Conflicts of interest (Q:10)	Adequate	Adequate	Adequate	Adequate
Other (Q:14)	Experienced Midwest firm. Comprehensive public finance practice.	Diversity and inclusion are integral parts of strategic plan.	Ohio-based law firm committed to public finance.	BC for OTIC, JobsOhio, BTSFA

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OPFC - Issuer's & Disclosure Counsel and Bond Counsel RFQ
STAFF REPORT AND RECOMMENDATION
Exhibit B: Evaluation Matrix

Evaluation Criteria	Taft	Thompson Hine	Tucker Ellis
Firm Overview, Structure, Experience and Commitment to Public Finance (PF) and Footprint (Q:1,2)	796 total employees; 447 attorneys (19 PF); 9 offices in 5 states;	719 total employees; 377 attorneys (7 PF); 8 offices in 4 states and D.C.; committed to innovation 37 practice groups including public finance.	408 total employees; 216 attorneys; (6 dedicated PF in Cleveland); 7 offices in 5 states; 46 practice areas including public and structured finance.
Firm PF experience, tax, securities and experience as bond counsel or issuer's counsel. (Q:4,5)	Served as counsel to govt. issuers at all levels including experience with federal tax/securities laws.	Broad OH client base including TOS, OPFC and local govts.	Lots of OH experience across a range of issuers. Committed to internal training
Knowledge, education, experience of assigned personnel (Q:3)	Lead: Chris L. Connelly Tax: Sonya Jindal Tork	Lead: Bob Selak Tax: Kent Mann	Lead: Gene Killteen Tax: Peter Igel
Ohio Presence (Q:2)	5 Ohio offices 226 Ohio attorneys 408 Ohio employees	4 Ohio offices 263 Ohio attorneys 544 Ohio employees	2 Ohio offices 139 Ohio attorneys 270 Ohio employees
Variable Rate and Derivative Experience (Q:7)	Experience with numerous VR issuances for local govt. and OHFA. Assists in negotiating ISDA agreements related to interest rate swaps and other derivatives.	Frequently advise clients on VR debt, derivatives. Served as Issuer's Counsel for Univ. of Cincy swaps and OHFA swaps since 2004.	Examples of swaps and other hedging transactions include: rate lock; total return swap; forward swap; and FRN with floating-to-fixed swap. Advised on 'Active Debt Mgmt Program'.
Experience drafting legal provisions for bond programs; Issuer Counsel. (Q:15,16)	Assisted in drafting ORC chapter related to issuing bonds for remediation purposes. Drafted statutory language for other purposes for OH, IN, and IL clients. General and bond counsel to Delaware Cnty. Finance Authority.	Exp. in the review and evaluation of constitutional and statutory provisions relating to the issuance of debt. Served as bond counsel for 1 st PAB for ODOT P3 project. IC: OHFA, Univ. of Cincy	Assisted in structuring the OH Energy Gateway Program within statutory and constitutional requirements. Assisted OSU in a statutory and constitutional review. IC: OSU, The MetroHealth System
Tax Guidance, Post-Issuance Compliance, and disclosure (Q:17,18)	Work various govt. clients and developed a 'best-practices-post-issuance-compliance procedures. Assisted clients with MCDC related disclosures and ongoing continuing disclosure advice.	Worked on wide variety of financings with private-use issues and advised clients accordingly. Regularly advise clients on disclosure matters and adequacy of compliance procedures.	Developed post-issuance compliance policies and procedures for OSU and The MetroHealth System. Developed comprehensive disclosure policies for OSU and provide annual training.
References (Q:8)	Provided	Provided	Provided
Conflicts of interest (Q:10)	Adequate	Adequate	Adequate
Other (Q:14)	Strong OH and Midwest presence.	Extensive OH experience.	Meets all qualifications

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OPFC - Bond Counsel and Issuer & Disclosure Counsel Proposals
STAFF REPORT AND RECOMMENDATION
Exhibit B: Evaluation Matrix

Summary of National and Ohio Experience and Ohio Presence

Firm	Bond Counsel and Issuer & Disclosure Counsel Experience Since January 1, 2016 (# of series/par amount > \$50M)					Ohio Presence		
	State-Level G.O. (incl. Ohio)	Major Issuers: State-Level G.O. (incl. Ohio)	Ohio Other State-Level	Ohio Regional or Local Gov't	Major Ohio Issuers: Other State-Level & Regional/Local Gov't	# of Offices	# of Employees	# of Attorneys
Bricker & Eckler	5 / \$1.1B	OPFC, TOS	7 / \$1.1B	16 / \$2.5B	TOS, OWDA, OBM COPS, Cleveland-Cuyahoga Cnty Port Auth., City of Col., Higher Ed: OSU, BGU, Kenyon, Schools: Dublin, Worthington, Greene, Big Walnut, UA, Clark/Shawnee, Licking Heights, Fremont, Olentangy	6	290	147
Calfee Halter	5 / \$991M	OPFC, TOS	3 / \$375M	6 / \$1.8B	OAQDA, Hamilton County, Cuyahoga County, Cleveland-Cuyahoga Cnty Port Auth., Port of Greater Cincinnati Dev. Auth.	3	288	154
Dinsmore & Shohl	4 / \$385M	OPFC	22 / \$2.3B	15 / \$1.3B	TOS, OHFA, Ohio COPS, Turnpike, City of Cincinnati, American Municipal Power, Hamilton County, Colleges: UC, OSU, Miami, Schools: Northeastern, Southwest, Cincinnati, Miami Valley Career Center, Winton Woods, Columbus, Huber Heights	4	709	343
Frost Brown Todd	-	-	2 / \$162M	4 / \$579M	TOS, OWDA, Franklin County, City of Cincinnati, City of Marysville, Port of Greater Cincinnati Dev. Auth.	3	390	210
Ice Miller	2 / \$405M	OPFC	3 / \$384M	2 / \$126M	TOS, Franklin County	1	118	70
Locke Lord	15 / \$2.4B	MA, ME, NH, VT, RI	-	-	-	1	3	2
Roetzel	2 / \$460M	OPFC	-	-	-	5	221	108
Squire Patton Boggs	14 / \$2.2B	OPFC, CT	32 / \$6.0B	28 / \$2.3B	TOS, OHFEC, OWDA, Turnpike, Lake County, City of Cleveland, Cleveland-Cuyahoga Cnty Port Auth., Port of Greater Cincinnati Dev. Auth., Akron Bath and Copley Joint Township, City of Centerville, City of Toledo, Univ. of Toledo, Kent State, Schools: Highland, Hudson, Revere, Cleveland Heights, North Royalton, Elyria, Euclid, Berea, Willoughby-Eastlake	3	460	196
Taft Stettinius & Hollister	-	-	-	-	-	5	408	226
Thompson Hine	1 / \$265M	OPFC	8 / \$1.1B	5 / \$513M	OHFA, Univ. of Cincinnati, Butler County	4	544	263
Tucker Ellis	2 / \$200M	OPFC	3 / \$737M	5 / \$1.5B	TOS, Ohio State Univ., Cleveland-Cuyahoga Cnty Port Auth.	2	270	139

REQUEST FOR QUALIFICATIONS

UNDERWRITING and INVESTMENT BANKING SERVICES

Relating to:

**General Obligation Bond Issuance and Management
Ohio Public Facilities Commission**

STATE OF OHIO



April 26, 2019

Issued by:

**Ohio Office of Budget and Management
Rhodes State Office Tower
30 East Broad Street, 34th Floor
Columbus, Ohio 43215**

On Behalf of:

The Ohio Public Facilities Commission

**OHIO PUBLIC FACILITIES COMMISSION
REQUEST FOR QUALIFICATIONS (RFQ)
FOR UNDERWRITING AND INVESTMENT BANKING SERVICES
STATE OF OHIO GENERAL OBLIGATION BONDS**

I. Introduction

The Ohio Public Facilities Commission (“the Commission”) is soliciting statements of qualifications for underwriting and investment banking services for the period beginning July 1, 2019 and continuing through June 30, 2023 in connection with the issuance and management of certain State of Ohio (the “State”) general obligation bonds authorized under Chapter 151 of the Ohio Revised Code (“ORC”) and related laws. The Commission is a body politic and corporate, constituting an agency and instrumentality of the State. It is comprised of six members, being the incumbents in the elective offices of Governor, Attorney General, Auditor of State, Secretary of State, and Treasurer of State, and the appointed Director of the Office of Budget and Management (OBM).

For the four-year service period covered by this request for qualifications (RFQ), the Commission anticipates issuing 20-25 series of new money bonds aggregating approximately \$3.0 to \$3.5 billion in par amount and expected to be sold utilizing both competitive and negotiated methods of sale. Refunding obligations may also be issued if determined to be economically advantageous to the State and consistent with criteria set forth in the State’s Debt and Interest Rate Risk Management policy.

The Commission will evaluate responses to this RFQ based on the criteria set forth in Section IV and intends to develop and maintain the following with respect to its negotiated financings: (i) a pool of firms qualified to provide senior manager underwriting services; and (ii) a pool of firms qualified to serve as co-managing underwriters. All firms proposing to serve as a senior manager will automatically be considered for a co-manager position. Joint proposals will not be accepted. The Commission reserves the right to utilize any of the qualified firms in the capacity of co-senior manager on an issue-by-issue basis.

To be considered for inclusion in the qualified pool of senior manager underwriters, interested firms must submit responses to all questions set forth in Section VI of this RFQ. To be considered for inclusion in the qualified pool of co-manager underwriters, interested firms must respond to questions 1-6 and 13-16 of Section VI. All firms submitting qualifications also must complete the Certifications in Section VII.

Qualified firms will be responsible for notifying the Commission in writing within 30 days of the occurrence of any: (i) material change in ownership or ownership structure, organization, personnel, litigation or conflicts, regulatory investigations or enforcement actions, or (ii) changes related to the Certifications in Section VII. Once the initial qualified list has been established, firms may respond or update their response to this RFQ at any time. The Commission may, at its sole discretion and at any time, add or remove firms from the qualified pools based on changes submitted or other material information that becomes known.

Responses to this RFQ are the property of the State and will be “public records”. Responses that are labeled “confidential”, or that contain information identified as “confidential”, will not be considered by the Commission.

Questions regarding this RFQ must be submitted by e-mail to OBM.DebtMgmt@obm.ohio.gov. All questions and responses will be posted to the web at

www.obm.ohio.gov under the OPFC section of OBM's "Bonds and Investors" web portal. Prior to the response submission due date in Section III and with the sole exception of questions submitted per the above protocol, respondents or their representatives may not communicate about this RFQ with OBM or any Commission members or designees. Any such communication will disqualify the respondent's proposal from consideration.

This RFQ is not and shall not be construed as an offer of a contract by the Commission, and selection for qualification purposes will not be a commitment by the Commission to enter into a contract. Any contractual arrangement for underwriting services will be evidenced solely by a separate bond purchase agreement authorized and executed by the Commission in connection with a particular transaction.

II. Minimum Qualifications

Underwriting and investment banking firms responding to this RFQ must be listed in the most recent or current on-line edition of The Bond Buyers Municipal Marketplace Directory (the "Red Book"). Firms applying for the senior manager underwriter pool also must meet one of the following minimum qualifications:

- Served as the senior managing underwriter on a minimum of three (3) negotiated municipal bond transactions with a par amount of \$25 million or greater (include the par amount of all series sold concurrently as a single transaction) for an Ohio governmental municipal bond issuer (including state-level, higher education, school district, regional, or local public bodies) since July 1, 2015; **or**
- Submitted the winning bid on or served as the senior manager on any Commission or Ohio Treasurer of State general obligation bond issuances since July 1, 2015.

III. Submission of Responses

Interested firms must respond to this RFQ in all applicable respects. Responses are limited to no more than 12 pages for firms wishing to be included in the pool of qualified senior manager underwriters and no more than 8 pages for firms wishing to be in the pool of qualified co-manager underwriters (note: font must be no smaller than 12-point and page limits do not include requested attachments which consist of the Table of Transactions, the Information Sheet and the Certifications). Please restate each question and sub-question in your response (restated questions may be in smaller than 12-point font).

The response must include the enclosed Information Sheet identifying the primary contact person, the position for which the firm is applying, and an executed Certifications page. A single page cover letter may be submitted with the proposal at the option of the responding firm and will not count toward the page limit. Information contained in the cover letter will not be used to evaluate the response. Ten copies of your response are to be delivered to:

Larry Scurlock
Debt Management, Ohio Office of Budget and Management
30 East Broad Street, 34th Floor
Columbus, Ohio, 43215

Responses must be received no later than 2:00 p.m. EST, on Tuesday, May 14, 2019. A responding firm bears full responsibility for the timely delivery of its response. Responses received after the time and date listed above will not be considered for this initial selection and

qualification process. A complete copy of the response in PDF format must also be separately emailed to OBM.DebtMgmt@obm.ohio.gov. A responding firm bears full responsibility for the timely delivery of its response at the prescribed location.

IV. Scope of Services

Underwriters responding to this RFQ may be asked to provide or assist in the provision of the following services:

- Manage or participate in an underwriting syndicate selected by the Commission to market, underwrite, and distribute bonds to investors.
- Make recommendations on all aspects of the plan of finance, including the structure, maturity schedule, call features and other terms and conditions of the proposed obligations to facilitate achievement of the Commission's objectives.
- Assist in the preparation of the preliminary and final official statements and all other documents related to the marketing and issuance of the proposed obligations.
- Assist with the preparation for, and participate in, meetings and conference calls with state agency representatives, rating agencies, credit enhancement providers, and investors.
- Develop and execute a comprehensive marketing plan addressing both retail and institutional investor bases in both the tax-exempt/taxable, fixed/variable rate markets (as applicable), a detailed pricing schedule, and timely reports on the status of the municipal bond market including any economic reports or other news that may impact the market.
- Provide timely analyses of potential refunding opportunities.
- Provide and discuss with the Commission and its financial advisor preliminary price views and market updates on a regular basis in the days leading up to pricing.
- Provide, in advance of the pricing, a recommended pre-pricing scale and rationale underlying that recommended scale, and analyses of comparable transactions that have recently priced or that will price contemporaneously with the Commission's obligations.
- During the pricing of the obligations, provide the Commission or its representatives: (i) the ability to remotely monitor the placement, type and status of orders on a real-time basis, (ii) on-site facilities for the Commission to effectively monitor and oversee the pricing process, and (iii) frequent status reports summarizing order flow, maturity-by-maturity subscription, and intra-day market movements;
- Purchase/participate in the purchase of the obligations, including utilizing the firm's capital to underwrite unsold balances, upon terms and conditions mutually acceptable to the Commission and the underwriters as set forth in a bond purchase agreement.
- Review with the Commission and its financial adviser, all information necessary to determine appropriate orders and allocations/allotments of the bonds.
- Within three (3) business days of the closing, provide a closing book/report that summarizes pricing performance relative to comparables and market indices, investor participation, orders and allocations, official pricing wires, market dynamics, media coverage, and other relevant information.
- Other related services as requested by the Commission.

V. Evaluation Criteria - Underwriting

The responses received will be evaluated based upon factors, including but not limited to:

- A. Firm qualifications, experience, and commitment with respect to public finance and the municipal bond market.
- B. Qualifications, education, and experience of the individuals to be assigned.
- C. Experience and ability to market and distribute municipal obligations similar in structure and credit to the Commission's obligations, including:
 - i. Prior experience with Commission financings
 - ii. Prior experience in the Ohio municipal bond market; and
 - iii. Proposed marketing and distribution plan for the Commission's financings.
- D. Financial capacity and demonstrated willingness to underwrite at appropriately aggressive levels.
- E. Quality and applicability of the ideas and options proposed with respect to increasing the State's variable rate exposure and with respect to structures to achieve the lowest cost of borrowing over the ultimate life of long-term bonds.
- F. State of Ohio commitment and experience, including:
 - i. Experience with Ohio issuers and the Ohio municipal bond market; and
 - ii. Physical presence within the State of Ohio.

The Commission or its staff may, at its discretion, conduct interviews with one or more responding firms. The Commission reserves the right to reject any or all responses and to solicit clarifying or additional information regarding a firm's response to this RFQ. The Commission may take into consideration any other information, including information not requested in this RFQ nor included in the responses received.

VI. Information to be Provided by Responding Firms

Firm Overview, Experience, Resources, and Personnel

1. Overview and Organizational Structure:
 - a) Provide a brief overview of your firm and its areas of business. Identify ownership and legal organization (e.g., corporation, partnership);
 - b) Describe your firm's commitment to public finance; and
 - c) Indicate if your firm is a minority business enterprise, woman-owned business enterprise, disadvantaged business enterprise, or veteran business enterprise, and describe how you qualify for that status.
2. Footprint:
 - a) Provide the total number and location of your firm's offices and identify the principal location of your public finance division;
 - b) Provide the total number of employees and total number of public finance professionals;
 - c) State the location of offices in the State of Ohio and the number and type of employees at each office location; and
 - d) Discuss significant changes in staffing levels and number of offices since July 2015.
3. Staffing Plan:
 - a) Identify the individuals from your firm who would be primarily and directly assigned to the Commission (including, but not limited to, the lead banker(s), lead underwriter, and quantitative analyst).
 - b) Provide information relative to the qualifications, education, experience and training of the listed individuals.
4. Describe:
 - a) The factors that you believe qualify your firm to serve as a senior managing or co-managing underwriter for the Commission.
 - b) If applying as a senior manager, discuss your firm's experience and ability to analyze the bond market and make recommendations on all aspects of the plan of finance to facilitate the Commission's primary objective of achieving the lowest cost of borrowing.
5. Describe your firm's capability to distribute municipal obligations similar to the Commission's obligations (both tax-exempt and taxable, fixed and variable) to retail and institutional investors both nationally and in Ohio. Include a proposed marketing and distribution plan for the Commission's bonds (assume \$100 million par amount and a 20-year final maturity).
6. Categorize as primarily institutional, primarily retail, or institutional and retail -- your firm's distribution capability. Also provide the following information:
 - a) The number of institutional salespeople dedicated to municipal bonds.
 - b) The number and type of institutional accounts covered by your municipal sales force.
 - c) The number of retail salespeople dedicated to municipal bonds.
 - d) The number of Ohio retail accounts held by your firm.

7. Describe up to four (4) negotiated municipal bond underwritings since July 2015 that demonstrate your firm's commitment of capital to underwrite sizable balances in support of a municipal bond offering. Include references and contact information for each of the issuers.
8. Provide the following financial and municipal inventory information:
 - (a) Total excess net capital position (as of the date of the most recent regulatory filing).
 - (b) The maximum amount of capital your public finance team can commit to underwriting in a municipal bond financing (without an exceptional internal approval process).
 - (c) Describe your firm's secondary market holdings, including your average daily inventory of: (i) municipal fixed-income securities, (ii) Ohio-issuer municipal fixed-income securities; and (iii) variable rate municipal securities.
9. Provide recommendations on the most cost-effective method of introducing more variable rate debt into the State's debt portfolio, including the possibility of synthetic variable rate. Include a discussion of the market factors influencing when and for what maturities to issue variable rate debt and identify the risk factors associated with your recommendation.
10. Given recent tax law changes, what recommendations would you propose to the Commission with respect to optional redemption provisions, couponing, and other terms or structures of its bond offerings to achieve the lowest cost of funds over the life of the bonds (assume the bonds would ultimately be amortized over a 20-year term).
11. Describe your firm's participation in the Commission's competitive sales since July 2015, including identifying transactions in which your firm submitted the winning bid.
12. Table of Transactions: as an attachment, provide a tabular list of the following types of fixed or variable rate municipal bond financings for which your firm was the winning bidder or served as the sole or senior managing underwriter since July 1, 2015 (see below template, please include subtotals for each category type):
 - (a) Issuances of \$50 million or more for state-level issuers nationally (excluding Ohio);
 - (b) Issuances of \$50 million or more for state-level issuers in the State of Ohio; and
 - (c) Issuances of \$25 million or more for non-state-level issuers in Ohio (e.g., local/regional governments, higher education institutions, and school districts).

Table of Transactions Template

Dated Date	Issuer Name	Series Name and Designation	Method Of Sale	Security / Pledge	Fixed or Variable

Regulatory

13. With respect to the State of Ohio, describe your firm's compliance with MSRB rule G-37.
14. Describe any investigation, review or litigation regarding a violation or alleged violation by your firm of any state or federal securities or tax law or regulation relating to municipal financings that is currently pending or concluded within the last five years.
15. Describe any investigation, review or litigation regarding a violation or alleged violation by your firm of any State of Ohio ethics (Chapter 102 and Sections 2921.42 and 2921.43 of the Ohio Revised Code), campaign financing (Chapter 3517 of the Ohio Revised Code), and lobbying (Sections 101.70 et seq. and Sections 121.60 et seq. of the Ohio Revised Code) laws or rules that is currently pending or concluded within the last five years.

Attachment

16. Provide one copy of your firm's most recent annual report, including the audited financial statements (please submit only one copy total).

VII. Certifications - this section must be completed by all firms

CERTIFICATIONS

In addition to responding to the foregoing items, this firm certifies that:

1. The firm's position as underwriter to the Commission will not create any conflict of interest for the firm or any of its assigned personnel and it will promptly disclose to the OBM any such conflict of interest if, as and when it arises and is known to the firm.
2. All of the assigned personnel of the firm who are not United States citizens will have executed a valid I-9 form and have valid employment authorization documents.
3. The firm is an independent contractor and it and its personnel shall not at any time, or for any purpose as a result of the transactions be considered as agents, servants, or employees of OBM or the State of Ohio, or as public employees for the purpose of Ohio Public Employees Retirement Systems benefits.
4. The firm is not currently in violation of or under any investigation or review for a violation of any state or federal law or regulation that might have a material adverse impact on the firm's ability to serve.
5. The firm is and will, during the period from July 1, 2019 through June 30, 2023, remain in compliance with all applicable federal, state and local laws, including but not limited to the applicable provisions of the following for which it also makes the following related certifications:
 - a) Non-discrimination of employment (Section 125.111 of the Ohio Revised Code). The firm is an equal opportunity employer that does not and will not discriminate against applicants or employees on the basis of race, color, religion, sex, age, disability, military status, national origin, or ancestry. In addition, in compliance with such provisions, the firm has a written affirmative action program for the employment and effective utilization of economically disadvantaged persons and will annually report such progress.
 - b) Drug Free Workplace. The firm will comply with all applicable federal, state, and local laws regarding smoke-free and drug-free work places and will make good faith efforts to ensure that all of its employees will not be engaged in the purchase, transfer, use, or possession of illegal drugs, influence of alcohol, or abuse prescription drugs in any way while providing to the State of Ohio.
 - c) Ethics, Campaign Financing, and Lobbying (Chapter 102 and Sections 2921.42 and 2921.43, Chapter 3517, and Sections 101.70 and 121.60 et seq. of the Ohio Revised Code). The firm affirms compliance with these provisions of law and will notify OBM of any applicable noncompliance.
 - d) Findings for Recovery (Section 9.24 of the Ohio Revised Code). The firm is not subject to an "unresolved" finding for recovery under that section.
 - e) Debarment (Sections 153.02 and 125.25 of the Ohio Revised Code). The firm is not debarred from consideration for contract awards by the Director of the Department of Administrative Services.

- f) Qualifications to Do Business. The firm certifies that it has all of the approvals, licenses, or other qualifications needed to conduct business in Ohio and that all are current and if selected, will immediately notify OBM of any applicable noncompliance.
 - g) Boycotting (Section 9.76 of the Ohio Revised Code). The firm is not boycotting any jurisdiction with whom the State of Ohio can enjoy open trade, including Israel, and if selected, will not do so during the term any resulting agreement.
 - h) Offshore Services Prohibition. Pursuant to Executive Order 2019-12D, the firm affirms to have read and understands Executive Order 2019-12D and shall abide by its requirements and will not provide any services (including data storage) in connection with its work for the Commission from outside of the United States.
6. The firm agrees that, if selected to serve as underwriter to the Commission, during the four-year serve period under this RFQ (through June 30, 2023), the firm and its affiliates: i) will not be eligible to provide financial advisory services to the Commission; and (ii) do not currently and will not have an ownership or similar direct financial interest in any firm designated to provide financial advisory services to the Commission during that period, nor may any such firm have an ownership or similar direct financial interest in it.

Firm: _____

By: _____

Name: _____

Title: _____

Date: _____, 2019

INFORMATION SHEET

**Ohio Public Facilities Commission
Statement of Qualifications
for Underwriting and Investment Banking Services
State of Ohio General Obligation Bonds**

Name of Firm: _____

Contact Person: _____

Telephone Number: _____

Facsimile Number: _____

E-Mail Address: _____

Mailing Address: _____

Qualification Categories: _____ Senior Manager _____ Co-Manager

Note: All firms proposing to serve as senior manager will automatically be considered for a co-manager position.

Date: _____, 2019