

**REQUEST FOR PROPOSALS
FOR
INVESTMENT BANKING SERVICES:
SENIOR MANAGER, CO-SENIOR MANAGER, AND CO-MANAGER**

Appointment to the New Jersey Economic Development Authority's

New Jersey Transit Corporation/Gateway Program
Portal North Bridge Project
New Money Financing

**Issued by the
State of New Jersey
Treasurer's Office**

Date Issued: June 1, 2018

**Responses due by 3:00 PM NJ Time on
June 15, 2018**

Elizabeth Maher Muoio
State Treasurer
State of New Jersey
Department of the Treasury

REQUEST FOR PROPOSALS FOR INVESTMENT BANKING SERVICES SENIOR MANAGER, CO-SENIOR MANAGER, AND CO-MANAGER

1. PURPOSE AND INTENT

The Treasurer of the State of New Jersey (the “State” or the “State Treasurer”) is soliciting proposals on behalf of the New Jersey Economic Development Authority (the “Authority”) from qualified firms interested in performing investment banking services in connection with the new money financing of the Portal North Bridge Project (as described below) anticipated for the fall of 2018/winter of 2019 (the “Proposed Transaction”). The Proposed Transaction is expected to be structured as lease/sublease financing between the Authority and the New Jersey Transit Corporation (“NJ TRANSIT”). Based on a review of the responses to this Request for Proposals (“RFP”), the State Treasurer and the Authority intend to select a Senior Manager. Firms that apply for Senior Manager, Co-Senior Manager, and Co-Manager will be considered for participation in the syndicate group when the syndicate (if any) is formed. Firms which apply for Senior Manager, but are not selected, will be considered for Co-Senior Manager or Co-Manager. All remaining firms, including those who have applied only for Co-Manager, will then be considered for the syndicate. Please note that the Proposed Transaction contemplated by this RFP includes only the Portal North Bridge Project and not any other aspects of The Gateway Program.

2. BACKGROUND

2.1. The Gateway Program

The Gateway Program, one of the most urgent infrastructure programs in the United States, is a comprehensive rail investment program that would improve current services, add resiliency and create new capacity for a critical section of the Northeast Corridor (“NEC”) – the most heavily used passenger rail line in the country, with more than 2,000 trains per day carrying approximately 800,000 daily riders across eight states and Washington D.C. It serves a region that is home to 17 percent of the U.S. population and 97 Fortune 500 company headquarters, and an area that contributes 20 percent of the national GDP. The NEC is a vital artery in the region and a critical element of the national transportation network, linking millions of people to jobs and connecting the region with the rest of the country.

The Gateway Program would maintain resiliency and increase capacity along a 10-mile stretch of the NEC between Newark, New Jersey and Pennsylvania Station in New York City (“PSNY”), a section of the NEC that handles approximately 450 trains per day and over 200,000 daily National Railroad Passenger Corporation (“Amtrak”) and New Jersey Transit Corporation (“NJ TRANSIT”) passengers, and directly serves PSNY – the busiest rail station in America. This segment of the NEC includes the North River Tunnel under the Hudson River, which has deteriorated due to age, intensive use, and damage sustained from saltwater exposure during Superstorm Sandy in 2012.

The Gateway Program’s Phase 1 is currently underway, and includes two projects: the Portal North Bridge Project and the Hudson Tunnel Project. Each project is vital to the functioning of the NEC, and addresses single points of failure that can have catastrophic impacts to the region’s economy and environment. The Portal North Bridge Project is the sole subject of this RFP.

2.2. The Portal North Bridge Project

The Portal North Bridge Project is part 1A of the Gateway Program and will replace the current, functionally obsolete Portal Bridge – a 107-year-old two-track, railroad swing span bridge spanning the Hackensack River in Hudson County, New Jersey between Secaucus, N.J. and Kearny, N.J.– with a new two track fixed high-level span. The existing moveable swing span bridge has only 23 feet of vertical clearance above the mean high water level and must pivot open to allow maritime traffic to pass through, closing the bridge to rail traffic and interrupting operations on the NEC for both Amtrak and NJ TRANSIT. Additionally, the “miter rails,” which allow the rails to disengage and the bridge to open and close, permanently restrict speeds on the bridge to 60 miles per hour, while trains can operate at 90 miles per hours on adjacent portions of the NEC. The Portal Bridge is also prone to mechanical failures when it opens and closes. These conditions create bottlenecks along the NEC, especially during

peak commuting hours. The new Portal North Bridge is planned to provide enough vertical clearance to accommodate current and future forecasted maritime traffic and allow trains to operate at higher speeds.

The new Portal North Bridge is a vital element of the NEC and will increase rail transit capacity by an estimated 10%. The Portal North Bridge Project is fully designed and permitted. Early construction work activities including site access, pier road construction and utility relocation began in Fall 2017. The total cost of the Portal North Bridge Project is approximately \$1.7 billion and it is currently anticipated that the project will be completed in 2024. See the next page for a visual depiction of the location of the Portal North Bridge Project.

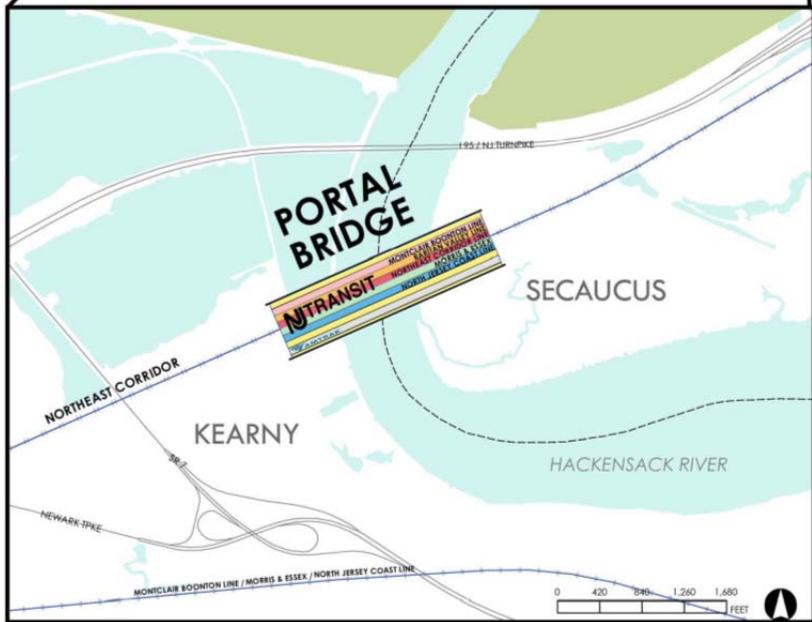
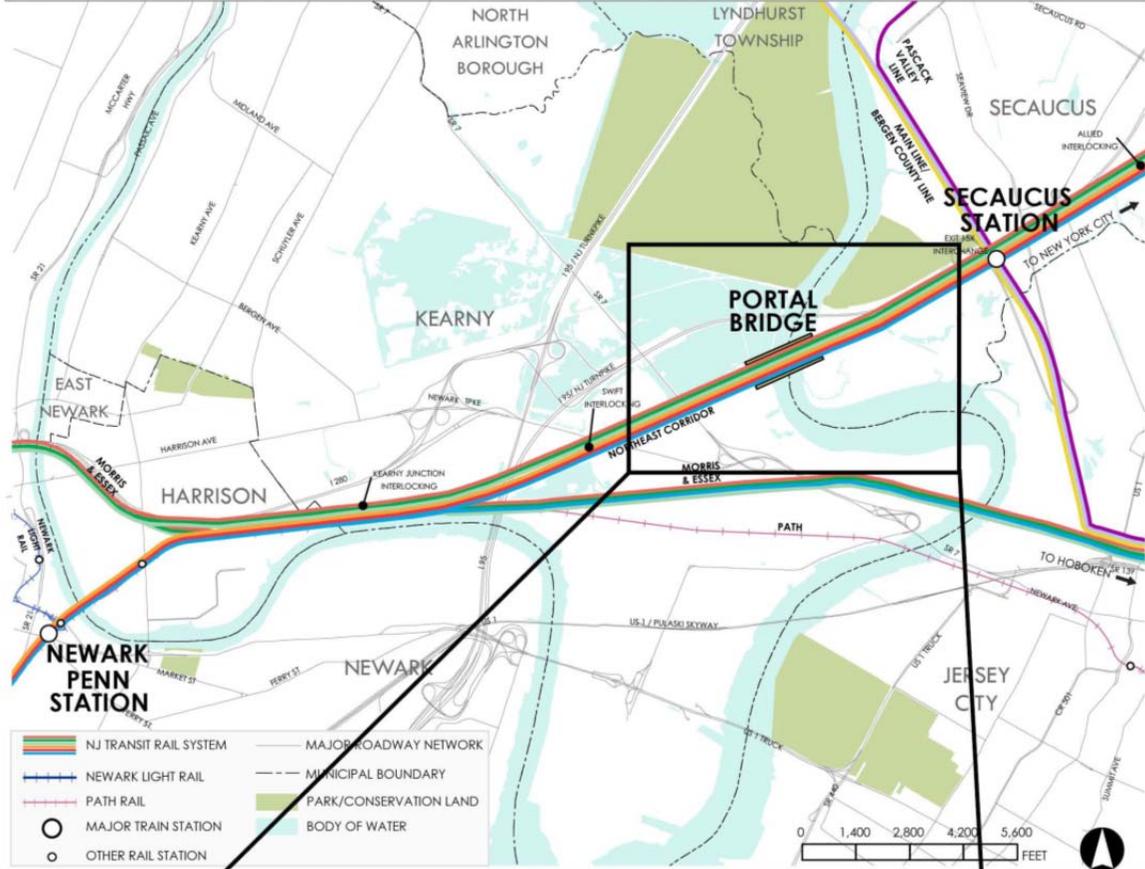
2.3. The Proposed Transaction

The goal of the Proposed Transaction is to provide approximately \$600 million in bond financing for NJ TRANSIT's share of the total cost of the Portal North Bridge Project.

It is expected that NJ TRANSIT will enter into a lease for the project with the Authority as lessee, and the Authority will in turn sublease the project back to NJ TRANSIT, as sublessee, to enable the Authority to issue the proposed bonds. Pursuant to the sublease, NJ TRANSIT will agree to make sublease payments of rent to the Authority in the amounts sufficient to pay debt service on the bonds. Each sublease will be secured by a funding agreement authorized under the New Jersey Transportation Trust Fund Authority ("TTFA") Act (N.J.S.A. 27:1B-21.6) and entered into by NJ TRANSIT (with the consent of the Commissioner of the New Jersey Department of Transportation) for the benefit of the Authority pursuant to which NJ TRANSIT will pledge a portion of NJ TRANSIT'S annual capital program appropriation funds from the TTFA, subject to annual appropriation by the State Legislature.

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PORTAL NORTH BRIDGE PROJECT - KEARNY AND SECAUCUS, NJ



3. SCOPE OF SERVICES

The selected underwriter will work with the Department of the Treasury, the Authority, NJ TRANSIT, the Office of the Attorney General and other professionals selected by the State and the Authority in connection with the Proposed Transaction. The Senior Manager selected will be required to provide some or all of the services identified below, at the request of the State and the Authority. Co-Senior Managers and Co-Managers shall provide information and assistance upon request and shall act as members of the underwriting syndicate.

- 3.1. Recommend structures for each specific series being issued in order to minimize overall debt service costs.
- 3.2. Assist in drafting and reviewing relevant documents, including, but not limited to, official statements, purchase agreements, resolutions and indentures, contracts, and other agreements.
- 3.3. Assist in the preparation of materials or presentations, discussions and meetings or other communications with rating agencies, insurers, credit enhancers and investors.
- 3.4. Obtain bids for credit enhancement and recommend efficient utilization of available credit enhancement, including but not limited to bank facilities and bond insurance. Obtain bids for verification agent services as applicable.
- 3.5. Identify financing opportunities available to the State on behalf of the Authority.
- 3.6. Manage the underwriting process.
- 3.7. Commit capital to underwrite the bonds or notes being issued.
- 3.8. Provide post-closing analysis of the debt issuance, including but not limited to pricing, orders, allotments and all information required by Executive Order No. 26 (Whitman 1994).
- 3.9. Identify investment opportunities that provide savings and improve the efficiency or execution of a transaction.
- 3.10. Provide underwriting, investment banking and other services as requested by the State on behalf of the Authority.

Note: Documentation

All documents and contractual arrangements will be governed by New Jersey Law and the form and substance of any agreement must be satisfactory to both Bond Counsel and the Office of the Attorney General.

4. REQUIRED COMPONENTS OF THE PROPOSAL

Each firm submitting a proposal must follow the instructions contained in this RFP in preparing and submitting its proposal. The proposing firm is advised to thoroughly read and follow all instructions. A proposal must contain all of the information in the order and format indicated below. All terms and conditions set forth in this RFP will be deemed to be incorporated by reference in their entirety into any response submitted by your firm. All proposals received, and any information contained therein, are subject to disclosure in accordance with the New Jersey Open Public Records Act. Firms interested in being selected for the Senior Manager or Co-Senior position (if any) must respond to all questions provided below. Firms interested in being selected only as Co-Managers must respond to questions 4.1 through and including 4.3.

In your proposal please respond to each question by repeating the question at the top of the section and referring to the question by the numbers used in this RFP.

- 4.1. In lieu of a cover letter, provide a one-page Executive Summary identifying and substantiating the basis of your contention that you are the best qualified firm to provide the requested underwriting services to the State and the Authority. Clearly state the position (i.e., Senior Manager, Co-Senior Manager, or Co-Manager) for which you are applying. Also provide the name, title, business address, e-mail address, telephone number and fax number of the individual the State should contact regarding your proposal.

- 4.2. Provide a brief description of your firm, its ownership structure and its state/country of incorporation or formation. **Describe your firm's physical presence in the State of New Jersey**, including the number of offices, the number of employees and the type of business activity conducted in the State. Also, please describe the participation of women and minorities in your firm. Please indicate the percentage of your firm that is owned by women and minorities.
- 4.3. Describe your firm's bond sales and distribution capabilities, including both retail and institutional sales. Please specify how these capabilities have been utilized in the past for the benefit of the State and its authorities.
- 4.4. List all ideas that your firm has presented in writing to the Office of Public Finance or the Office of the State Treasurer **that have been implemented** (please include the implementation date) by the State for the period beginning May 1, 2013 through the date of this RFP.
- 4.5. Please describe your firm's ability to manage complex transportation financings. Provide two (2) examples of your firm's proven ability to manage a program similar to the Proposed Transaction or a transportation project lease revenue/certificates of participation program. Please describe the challenges facing the client/program as well as how your firm provided both short-term and long-term solutions. Please provide appropriate references.
- 4.6. Provide your ideas for a transaction that will accomplish the funding goals set out in Section 2.3. Please address the various benefits and risks inherent in any proposed transaction(s) and any key dates or market timelines that may affect the ability to execute a transaction(s) in that regard. Provide, as an appendix, all appropriate documents and schedules that support your proposed Plan of Finance.
- 4.7. List your proposed fees and expenses for this transaction, excluding fees and expenses of underwriter's counsel. Your fee must not be contingent on any specified syndicate policy. **Please note that the State and the Authority reserve the right to negotiate fees with responding firms as deemed in the best interests of the State and the Authority.**
- 4.8. List and describe the primary personnel that will be assigned to provide underwriting, investment banking and other services to the State and the Authority. Please discuss in-depth all relevant experience they have with both the State and the Authority.
- 4.9. In an appendix, identify any existing or potential conflict of interest, or any relationships that might be considered a conflict of interest, that may affect or involve transactions for the State or the Authority, including but not limited to conflicts with financial advisors, law firms providing services to the State or the Authority and State employees or Authority employees.
- 4.10. In an appendix, describe any pending, concluded or threatened litigation, administrative proceedings or federal or state investigations or audits, subpoenas or other information requests of or involving your firm or the owners, principals or employees. Describe the nature and status of the matter and the resolution, if any.
- 4.11. In an appendix, list any sanctions or penalties brought against your firm or any of its personnel (including suspension or disbarment) by any regulatory or licensing agencies. Include a description of the reasons for the sanction or penalties and whether such sanctions or penalties are subject to appeal.
- 4.12. In an appendix, provide the last two G-37 reports your firm has filed and, if applicable, form G-38t.

4. SUBMISSION OF THE PROPOSAL

All respondents are required to limit their proposals to fifteen (15) pages or less (exclusive of appendices) at no smaller than 12 point type. Excess pages and extraneous materials or appendices will detract from the overall quality of the response. JOINT PROPOSALS WILL NOT BE PERMITTED. All documents and information submitted in response to this RFP shall be available to the general public as required by Executive Order No. 26 and applicable law.

Communications with representatives of the State, the Authority, and NJ TRANSIT concerning this request, by you or on your behalf, are NOT permitted during the submission process (except as specified below). No telephone inquiries will be accepted. If you have questions or require clarification on any aspect of this RFP, please forward the request via email to: uwrfq.Responses@treas.nj.gov. Questions must be submitted by June 6, 2018. The State will post answers on the Office of Public Finance website at: http://www.state.nj.us/treasury/public_finance/ on or about June 8, 2018.

The State, the Authority and NJ TRANSIT will not be responsible for any expenses in the preparation and/or presentation of the proposals and oral interviews, if any, or for the disclosure of any information or material received in connection with the solicitation, whether by negligence or otherwise.

The State and the Authority reserve the right to request additional information or clarification, if necessary, or to request an interview with firm(s), or to reject any and all proposals with or without cause, and waive any irregularities or informalities in the proposals submitted. The State and the Authority further reserve the right to make such investigations as deemed necessary as to the qualifications of any and all firms submitting proposals. The State and the Authority reserve the right to negotiate fees with responding firms as deemed in the best interests of the State and the Authority. Responding firms may withdraw their proposal at any time prior to the filing date and time by written notification signed by an authorized agent of the firm. The proposal may thereafter be resubmitted, but only up to the final filing date and time.

The responding firm assumes sole responsibility for the complete effort required in this RFP. No special consideration shall be given after proposals are opened because of a firm's failure to be knowledgeable about all the requirements of this RFP. By submitting a proposal in response to this RFP, the firm represents that it has satisfied itself, from its own investigation, of all the requirements of this RFP.

Five copies of your proposal (1 signed original and 4 copies) plus a CD copy (with all appendices) must be delivered by courier or overnight express mail, no later than 3 PM on Friday, June 15, 2018 to: David K. Moore, Deputy Director, Office of Public Finance, State of New Jersey, 50 West State Street, 5th floor (hand delivery) P.O. Box 005, Trenton, NJ 08625. No fax or email proposals will be accepted. Proposals received after the time and date listed above will not be considered.

5. SELECTION PROCESS

All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. Responsive proposals will be reviewed and scored by an evaluation committee pursuant to the grading scale it creates. The State reserves the right to request clarifying information subsequent to submission of the proposal if necessary. The criteria used to evaluate responsive proposals shall include, but not be limited to, ideas, expertise, capacity, experience and personnel in accordance with Executive Order No. 26.

Interviews may be conducted, at the option of the evaluation committee, with any or all of the firms submitting a proposal. If interviews are to be held you will be notified approximately one week in advance.

6. STATUTORY REQUIREMENTS

6.1 Chapter 51 and Executive Order No. 117 (Corzine 2008). In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature enacted L. 2005, c. 51 (codified at N.J.S.A. 19:44A-20.13-25) ("Chapter 51"), on March 22, 2005, effective retroactive to October 15, 2004, superseding the terms of Executive Order No. 134 (McGreevey 2004). In addition, on September 24, 2008, Governor Corzine issued Executive Order No. 117, effective on November 15, 2008 ("EO 117") setting forth additional limitations on the ability of executive branch departments, agencies, authorities or independent State authorities to contract with a business entity which has made or solicited certain contributions.

Prospective bidders are advised that at the time of execution of the bond purchase agreement between the Authority and the winning bidder (the “Bond Purchase Agreement”), the winning bidder must be in compliance with Chapter 51 and EO 117. Pursuant to the requirements of Chapter 51 and EO 117, the terms and conditions set forth in Attachment I will be material terms of the Bond Purchase Agreement.

To obtain the necessary forms and information on how to comply with Chapter 51 and EO 117, prospective bidders should access:

<http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf>

Under Chapter 51 and EO 117, the Authority is not permitted, and will not enter into a Bond Purchase Agreement with a firm that is not in compliance with Chapter 51 and EO 117. The Authority will verify with the Division of Purchase and Property of the New Jersey Department of the Treasury as to whether the prospective bidders are compliant with Chapter 51 and EO 117. By submission of a bid, the winning bidder shall be deemed to have agreed to maintain its compliance with Chapter 51 and EO 117 during the term of the engagement. Failure to do so would constitute a default by the winning bidder.

6.2 Chapter 271. Pursuant to L. 2005, c. 271 (“Chapter 271”), your firm is required to disclose its (and its principals’) political contributions within the immediately preceding twelve (12) month period prior to entering into a contract. No prospective firm will be precluded from entering a contract with the Authority by virtue of the information provided in the Chapter 271 disclosure provided the form is fully and accurately completed. Prior to award of this engagement, the firm(s) selected pursuant to this RFP shall be required to submit Chapter 271 disclosures. Please refer to <http://www.nj.gov/treasury/purchase/forms/CertandDisc2706.pdf> for a copy of the Chapter 271 disclosure form. It is not required to be completed in connection with the submission of your proposal.

If selected pursuant to this RFP, please also be advised of your firm’s responsibility to file an annual disclosure statement on political contributions with the NJ Election Law Enforcement Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if your firm receives contracts in excess of \$50,000 from a public entity during a calendar year. It is your firm’s responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at (888)313-3532 or www.elec.state.nj.us.

6.3. Executive Order No. 9. Pursuant to Executive Order No. 9 (Codey 2004), dated and effective as of December 6, 2004, it is the policy of the State that in all cases where bond underwriting services are or may be required by the State or any of its departments, agencies or independent authorities, such department, agency or independent authority shall deal directly with the principals of the underwriting firms or their registered lobbyists. The department, agency, or independent authority shall not discuss, negotiate or otherwise interact with any third-party consultant, other than principals of underwriting firms and their registered lobbyists, with respect to the possible engagement of the firm to provide bond underwriting services. Compliance with Executive Order No. 9 shall be a material term and condition of any bond purchase contract entered into by underwriters selected for this assignment.

6.4. Chapter 92. In accordance with L. 2005, c. 92 (codified at N.J.S.A. 52:34-13.2), all services performed pursuant to this contract shall be performed within the United States.

6.5. Certification of Non-Involvement in Prohibited Activities in Iran. Pursuant to N.J.S.A 52:32-58, the bidder must certify that neither the bidder, nor any of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32 – 56(e) (3)), is listed on the Department of the Treasury’s List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in N.J.S.A. 52:32 – 56(f). If the bidder is unable to so certify, the bidder shall provide a detailed and precise description of such activities. Please refer to:

<http://www.nj.gov/treasury/purchase/forms/DisclosureofInvestmentActivitiesinIran.pdf> for a copy of the Chapter 25 form.