

**North Carolina Department of State Treasurer  
Request for Qualifications For  
Underwriting Services For GARVEES**

**I. Purpose and Requirements**

The purpose of this Request for Qualifications (“RFQ”) is to solicit proposals to establish a pool of firms to serve as qualified senior managing underwriters and/or co-managing underwriters in connection with the issuance of Grant Anticipation Revenue Vehicle Bonds (“GARVEEs”), as authorized by NCGS Chapter 136-18(12b) for the State of North Carolina (“the State”) by the North Carolina Department of State Treasurer (“State Treasurer”). RFQs are being solicited now to allow the State to sell GARVEE issues through negotiation. Firms selected as a result of this RFQ will be qualified to serve as underwriter for one or more new issues of GARVEEs through March 31, 2011. Following the selection of underwriters, the State reserves the right to sell its GARVEE issues through a negotiated sale, a competitive sale or through a combined competitive and negotiated sale.

The expenses of preparing and submitting the proposal will be the responsibility of the responder.

**II. Timetable:**

Issuance of RFQ	Monday, March 9, 2009
Deadline for Submission of Qualifications	Wednesday, March 18, 2009 Noon EDT
Anticipated Notification of Successful Firm(s)	Monday, March 23, 2009

**III. Qualification Requirements and Criteria**

Qualifications should provide information requested in the following selection criteria areas. Responses shall be limited to a maximum of **12 pages in a 12-point font**, not including your firm’s cover letter and any Appendices provided in response to questions B. 1, 2, 3, 4 and 7. The State Treasurer reserves the right to disqualify any proposal violating the 12 page limit. Efforts should be made to provide concise and brief responses.

A cover letter shall be limited to 1 page and should accompany your proposal, specifying the position or positions requested by your firm, i.e. senior managing underwriter and/or co-managing underwriter. **Your firm will not be considered for any position for which it does not specifically request.**

**Firms requesting to be considered for the Senior Manager Underwriting Positions:** Please respond to all questions.

**Firms requesting to be considered for only Co-Manager Underwriting Positions:** Please respond to questions: A. 1, 2, B. 2, 3, 4, 5, 6, 7 and D. 1.

In order to be qualified for a Senior Manager Underwriter Position, a respondent must obtain a rating of 80 points. In order to qualify for a Co-Manager Position, a respondent must obtain a rating of 80% of all points assigned to applicable questions. Points will be assigned upon on the basis of the following evaluation factors and questions:

A. Plan of Finance/Marketing Plan (40%)

1. Discuss the current market situation for GARVEEs. In particular, address the following issues: status of Federal-Aid Highway Program, current access to the market for the State, role of bond insurance, and demand for unenhanced GARVEE indebtedness.
2. Describe your firm's marketing plan for the State's GARVEEs. Include any recent changes to your regular marketing plan due to the current market situation. Describe your firm's retail and institutional marketing network for municipal bonds, with emphasis on your ability to market the state's GARVEE debt and your firm's distribution capabilities within North Carolina. Include number of offices and employees in the North Carolina, if any. Describe the likely distribution for State's GARVEE debt: retail, institutional, member.
3. Provide a discussion of the proposed structure of the syndicate, including a brief discussion of the use and number of co-managers and/or selling group members, North Carolina firms and Small, Women-Owned and Minority-Owned firms. Provide recommended priority and designation rules.

B. General Qualifications and Experience (35%)

1. Describe briefly your firm's experience as a senior book running manager for GARVEEs since January 1, 2007. Please provide a list including (a) name of issuer, (b) description of issue, (c) date of sale, (d) par amount, (e) type of sale (competitive or negotiated), (f) credit rating and (g) name of contact for issuer with telephone number and email.
2. Indicate your firm's participation in the State's competitive sales of general obligation bonds and appropriation-supported debt since January 1, 2007.
3. Indicate your firm's participation in competitive sales, negotiated sales and private placements of debt by local governments in North Carolina since January 1, 2007.
4. Provide brief biographies of the public finance personnel specifically dedicated to the State's GARVEE issues and those who will be responsible for the marketing of the debt. Be specific regarding the person or persons who would have day-to-day responsibility for the State's GARVEE programs. Please provide the telephone number and e-mail address of the primary contact.
5. Provide your capital position as of the date of your most recently published statement of financial position (include information on your total capital, equity capital, excess net capital and daily average uncommitted capital). Discuss your firm's ability to underwrite bonds given the current market situation. If your firm has merged or undergone other business change, please provide information on the surviving entity that would underwrite the GARVEEs.

6. Provide references for fixed rate GARVEE programs your firm has senior managed include the telephone numbers and e-mail addresses.
  7. Please disclose any conflicts of interest or potential conflicts of interest that may arise as a result of your being hired for this engagement. Identify fully the extent to which your firm or individual partners or employees are the subject of any ongoing securities investigation, are a party to any securities litigation or arbitration, or are the subject of a subpoena in connection with a municipal securities investigation, including any investigations involving derivatives and auction rate securities. Include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last three years. In addition, describe the current status and timing of any planned mergers with or acquisitions of any other firm that could impact your engagement with the State.
- C. Pricing (20%)
1. Provide the estimated fees and expenses for a GARVEE issues. If fees are different for each issue please specify and include the following for each: (a) takedown (takedowns by maturity and average takedown); (b) management fee; (c) expenses (itemized, including underwriter's counsel fee); and (d) any other fees.
  2. Provide pricing scales (coupons and yields) for a sale GARVEE of \$200 million as of 1:00 p.m., E.D.T., Monday, March 9, 2009, assuming a 10 year par call. In developing this section of your proposal, assume the GARVEEs are rated Aa3/AA-/AA- by Moody's, Standard & Poor's and Fitch, respectively. Your takedowns and interest rate scales should reflect levels at which your firm would, if necessary, be prepared to price and underwrite the bonds as of the above date.
  3. Please identify one or more firms with name of designated individual and contact information to serve as underwriters' counsel and their estimated cost.
- D. Participation of Small, Women-Owned and Minority-Owned ("SWAM") Businesses (5%)
- Provide your firm's SWAM status and describe any current and planned utilization of businesses in the three classes identified.

#### IV. Delivery of Information

In order to be considered for qualification, a complete response to this RFQ must be submitted. **Please submit your electronic proposal OR 3 copies of your proposal no later than 12:00 Noon EDT on Wednesday, March 18, 2009. A cover letter should be submitted with your proposal stating that your firm agrees to serve as Underwriter to the State in accordance with the attached proposal for the purposes outlined in the RFQ.** The State reserves the right to waive any irregularity in any proposal and to reject any or all proposals and to select an underwriting team based solely on the proposals submitted. No joint proposals will be accepted. Proposals must be delivered or mailed or preferably e-mailed as follows:

**Mailing Address:**

T. Vance Holloman  
Deputy Treasurer  
North Carolina Department of State Treasurer  
325 North Salisbury Street  
Raleigh, NC 27603-1385  
[Vance.holloman@nctreasurer.com](mailto:Vance.holloman@nctreasurer.com)

**Overnight Address:**

4505 Fair Meadow Lane  
Blue Ridge Plaza, Suite 102  
Raleigh, NC 27607-6449

**Questions and Information Requests:**

If you have any questions, please provide them in writing to Dora Fazzini at [dora.fazzini@nctreasurer.com](mailto:dora.fazzini@nctreasurer.com) or Vance Holloman at [vance.holloman@nctreasurer.com](mailto:vance.holloman@nctreasurer.com) by noon EDT on Friday March 13, 2009. If deemed of general interest, the questions and responses will be posted on the Treasurer's website at [www.nctreasurer.com](http://www.nctreasurer.com)