REQUEST FOR PROPOSALS (RFP)
FOR
FINANCIAL ADVISORY SERVICES

Appointment to the NJ Health Care Facilities Financing Authority’s
University Hospital’s Refunding Bond Sale – Spring/Summer 2013

Issued by the
State of New Jersey
Treasurer’s Office

Date Issued: Monday, March 4, 2013

Responses due by 3:00 PM NJ Time on
Wednesday, March 13, 2013

Andrew Sidamon-Eristoff
State Treasurer
State of New Jersey
Department of the Treasury
REQUEST FOR PROPOSALS (RFP): FINANCIAL ADVISORY SERVICES

1. PURPOSE AND INTENT
The Treasurer of the State of New Jersey (the “State”) is soliciting proposals on behalf of the State Treasurer (“Treasurer”), University Hospital, and the NJ Health Care Facilities Financing Authority (“NJHCFFA”) from qualified firms interested in serving in the role of Financial Advisor to provide advice and assistance for a transaction(s) that will close by June 30, 2013 in accordance with the New Jersey Medical and Health Sciences Education Restructuring Act, L. 2012, c. 45 (“Restructuring Act”). Your firm is invited to submit a proposal.

University Hospital, the State Treasurer and the NJHCFFA intend to select one (1) Financial Advisor (“Advisor”). The Advisor is expected to have a thorough understanding of the NJHCFFA’s statute, rules and regulations, covenants and contracts. The selected firm is expected to review, analyze and recommend appropriate strategies that meet University Hospital’s, the State’s and the NJHCFFA’s financial goals, budgetary objectives and debt management standards, all as further described in the “Scope of Services” below.

The contract’s term begins at the award of the contract and ends with the successful closing of the related bond sale(s). Payment of your fee is contingent on the closing of the bond sale. University Hospital, the State and the NJHCFFA reserve the right to terminate the engagement at their convenience and without cause.

Current Situation:
On August 22, 2012 Governor Christie signed into law the Restructuring Act. The Restructuring Act provides that University Hospital shall be the principal teaching hospital of the New Jersey Medical School and New Jersey Dental School, and any other Newark-based medical education program. University Hospital, under the Restructuring Act, is to be established as a body corporate and politic and shall be treated and accounted for as a separate non-profit legal entity from Rutgers, The State University, and its assets, liabilities, and funds shall not be consolidated or commingled with those of Rutgers, The State University. The exercise by University Hospital of the powers conferred by the Restructuring Act are deemed to be public and essential government functions necessary for the welfare and health of the State and the people of New Jersey. University Hospital shall be an instrumentality of the State.

To the maximum extent possible, consistent with applicable law, the State shall assist University Hospital in the refinancing of that portion of the debt of the University of Medicine and Dentistry of New Jersey attributable to University Hospital.

2. MINIMUM REQUIREMENTS
All firms must meet the minimum requirements specified below. Failure of a firm to meet all of the minimum requirements will result in the proposal’s immediate rejection.

- The firm must have served in the role of financial advisor to a new credit issuer.

- The firm must have served in the role of financial advisor from January 1, 2010 to present on at least three (3) negotiated refunding transactions each with a par amount in excess of $50 million.

3. SCOPE OF SERVICES
The selected Advisor will work with University Hospital, the State Treasurer and the NJHCFFA and other professionals selected by University Hospital, the State Treasurer and the NJHCFFA on the University Hospital Finance Plan anticipated for Spring/Summer 2013. The bond sale contemplated will be priced on a negotiated basis. The Advisor selected will be required to provide all of the services identified below, at the request of University Hospital, the State Treasurer and the NJHCFFA.

3.1. Gain a working understanding of University Hospital’s financial situation.

3.2. Attend all document and working group meetings.
3.3. Work with the underwriter to help recommend structures for each specific bond series being issued to minimize overall debt service costs.

3.4. Work with the underwriter and bond counsel to assist in drafting and reviewing relevant bond documents, including, but not limited to, a preliminary official statement, a final official statement, a bond resolution and trust indenture, as applicable.

3.5. Work with the underwriter to assist in the preparation of materials or presentations, discussions and meetings or other communications with rating agencies, insurers, credit enhancers and investors.

3.6. 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 and Bidding Agent services as applicable. This service shall include, without limitation, preparing term sheet(s) for escrow bids and requests for proposals; assisting in the evaluation of responses; confirming all bids and identifying the lowest bidder; coordinating the acceptance of bids; and making the award to the winning bidder.

3.7. Coordinate printing and posting of preliminary and final official statements.

3.8. Advise on the timing of the sale and issuance of the obligation.

3.9. Identify investment opportunities that provide savings and improve the efficiency or execution of a transaction.

3.10. Coordinate with the Bidding Agent and Verification Agent.

3.11. Collect and maintain costs-of-issuance information.

3.12. Coordinate the distribution and execution of the various documents and legal opinions regarding the investments and related agreements.

3.13. Provide general assistance as necessary with the investment of proceeds as requested by the State, University Hospital and the NJHCFFA.

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 NJ Open Public Records Act. Interested firms must respond to all of the questions listed below:

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 Provide an executive summary of not more than one page indentifying and substantiating the basis of your contention that you are the best qualified firm to provide the requested financial advisory services to University Hospital, the State and the NJHCFFA. As part of the one page Executive Summary, 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 Demonstrate specifically how your firm meets the minimum requirements set forth in Section 2.0 – MINIMUM REQUIREMENTS. Include the names, size, transaction/assignment dates, and any other relevant information.

4.4 Provide a staffing plan listing those persons who will be assigned to the transaction, including the designation of the person who would have the primary responsibility for the engagement. Include for each person the relevant resume information including, at a minimum, a description of the person’s relevant professional experience, and type of experience and number of years with the firm. Also, for each individual, identify what role, if any, the individual will perform in connection with the transaction described in Section 3.0, above.

4.5 List the blended hourly rate which you would expect to charge for any individual who would be responsible for providing assistance. Also, please provide your fee cap for successfully completing this transaction.

4.6 Provide your ideas for a rating agency presentation that will enable University Hospital, the State and the NJHCFFA to successfully introduce University Hospital as a new credit to the market. Please address the various risks inherent in the proposed structure(s) and any key dates or market timelines that may affect the ability to execute a competitive transaction in that regard (Limit 2 pages).

4.7 Given an assumed rating of Ba1, BB+, provide your thoughts as to where NJHCFFA University Hospital Obligations should be priced, and also provide a marketing strategy that will ensure those levels are reached.

4.8 As 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 of University Hospital, the State or the NJHCFFA.

4.9 As 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 thereof during the period beginning January 1, 2010 to the present. Describe the nature and status of the matter and the resolution, if any.

4.10 As 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.

4.11 Provide as an appendix, the last two G37 reports your firm has filed and if applicable, form G38t.

5. SUBMISSION OF THE PROPOSAL

All respondents are required to limit their proposals to ten (10) pages or less (exclusive of appendices) at no smaller than twelve (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 generally shall be available to the general public as required by Executive Order No. 26 and applicable law.

Communications with representatives of University Hospital, the State or the NJHCFFA 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: RFQresponses@treas.state.nj.us. Questions must be submitted by 3:00 p.m. Wednesday, March 6, 2013. The State will post answers on the Office of Public Finance website at: http://www.state.nj.us/treasury/public_finance/ on or about Friday, March 8, 2013.

University Hospital, the State and the NJHCFFA 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.

University Hospital, the State and the NJHCFFA 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. University Hospital, the State and the NJHCFFA
further reserve the right to make such investigations as deemed necessary as to the qualifications of any and all firms submitting proposals. University Hospital, the State and the NJHCFFA reserve the right to negotiate lower prices with responding firms as deemed in the best interests of University Hospital, the State and the NJHCFFA. 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 of 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 (5) copies of your proposal (one signed original and four copies) plus a CD with all appendices must be delivered by courier or overnight express mail, no later than 3:00 PM on Wednesday, March 13, 2013 to: James Petrino, 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.

6. 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.

7. STATUTORY REQUIREMENTS
7.1. The following documents must be completed, included and submitted with the bid proposal. All forms listed below can be downloaded from the Department of the Treasury website at: http://www.state.nj.us/treasury/purchase/forms.shtml.

- Standard Terms and Conditions;
- Ownership Disclosure;
- Disclosure of Investigations and actions Involving Bidder;
- MacBride Principles;
- Affirmative Action Employee Information Report;
- Set Off for State Tax;
- Source Disclosure Certification Form; and
- New Jersey Business Registration.

NOTE: A copy of a valid New Jersey business registration must be submitted. If not already registered with the New Jersey Division of Revenue, registration can be complete on-line at the Division of Revenue website: http://www.state.nj.us/treasury/revenue/index.shtml.

7.2. Specific Statutory Requirements
1. Chapter 51 and Executive Order No. 117. Pursuant to Public Law 2005, Chapter 51 (“Chapter 51”) and Executive Order No. 117 (Corzine 2008) (“Executive Order 117”), State departments, agencies and authorities are precluded from awarding contracts exceeding $17,500 to vendors who make certain political contributions on and after October 15, 2004, to avoid any appearance that the selection of contracts is based on the contractors’ political contributions. Chapter 51 also requires the disclosure of all contributions to any political organization organized under 26 U.S.C. 527 that also meets the definition of a “Continuing political committee” within the meaning of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. Failure to submit the certification and disclosure form(s) shall be
cause for rejection of your firm’s proposal. Please consult the websites listed below for information and forms relating to Chapter 51 and Executive Order 117.

Website:  http://www.state.nj.us/treasury/purchase/forms/eo134/c51_eo117_cd_02_10_09.pdf
Instructions:  http://www.state.nj.us/treasury/purchase/forms/eo134/c51_eo117_cd_instr%2002_2009.pdf

The firm or firms selected pursuant to this RFP shall be required to maintain compliance with Chapter 51 and Executive Order 117 during the term of its or their engagement.

2. Chapter 271. Pursuant to Public Law 2005, Chapter 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 State 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 selected pursuant to this RFP shall be required to submit Chapter 271 disclosures. Please refer to http://www.state.nj.us/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.

3. Chapter 92. In accordance with Public Law 2005, Chapter 92, all services performed pursuant to this engagement shall be performed within the United States of America.

4. 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.