

**REQUEST FOR PROPOSALS  
FOR  
FINANCIAL ADVISORY SERVICES**

Appointment to the New Jersey Transportation Trust Fund Authority  
Forecasting Advisory and Cash Flow Modeling Services:

- (i) New Jersey Transportation Trust Fund Authority – Capital Program Project Screening and Construction Model; and (ii) Other Transportation-Related Special Projects

**Issued by the  
State of New Jersey  
Office of Public Finance**

Date Issued: Monday, August 17, 2015

**Responses due by 3:00 PM New Jersey Time on  
Wednesday, September 9, 2015**

Robert A. Romano  
Acting State Treasurer  
State of New Jersey  
Department of the Treasury

# **REQUEST FOR PROPOSALS: FINANCIAL ADVISORY SERVICES**

## **1. PURPOSE AND INTENT**

The Treasurer of the State of New Jersey (the “State”) is soliciting proposals on behalf of the New Jersey Transportation Trust Fund Authority (the “Authority”), the New Jersey Department of Transportation (the “DOT”), and the New Jersey Transit Corporation (the “Corporation”) from qualified firms interested in serving in the role of Financial Advisor to provide advice and assistance to the Authority, the DOT, and the Corporation in connection with the Authority’s Capital Program Project Screening and Construction Model.

- **Capital Program Project Screening and Construction Model/Authority Cash Flow Model**

The Authority’s Capital Program Project Screening and Construction Model is to be primarily used by the DOT and the Corporation in the tracking of prior, current and future authorized capital projects to determine current project expenditures and to forecast future project expenditures for both Authority and Federal funding sources. The Capital Program Project Screening and Construction Model is to be used in conjunction with the Authority’s Forecasting Advisory and Cash Flow Model for the issuance of the Authority’s Annual Financial Plan and the proper sizing and timing of the Authority’s annual financing(s).

Your firm is invited to submit a proposal.

The Authority intends to select one (1) Financial Advisor (the “Advisor”). The Advisor is expected to have a thorough understanding of the Authority’s rules and regulations as well as those of the DOT and the Corporation. The selected firm is also expected to review, analyze and recommend appropriate strategies that best or most effectively and efficiently meet the Authority’s financial goals, budgetary objectives and debt management standards, all as further described in Section 3.0 – SCOPE OF SERVICES below.

- During the term of this engagement, your firm will not act in the traditional role of financial advisor for the sale of Authority or Corporation bonds or notes, unless your firm is selected through another, independent competitive RFP process established by the Office of Public Finance under Executive Order No. 26 (Whitman 1994).

The contract’s term will begin upon the award of the contract and is for a term of three (3) years. The contract will allow for the Authority, in its discretion to renew the contract for two (2) optional terms of one (1) year each. The Authority reserves the right to terminate the engagement at its convenience and without cause at any time.

### **Background:**

The Authority presently has no systematic way to forecast its cash needs to pay expenses related to the highway and mass transit projects funded in the State’s Transportation Capital Plan. Heretofore, such analysis has largely been predicated on historical information, with little or no projection capability. The establishment of a cash flow forecasting system would improve the timing of the Authority bond issuances, provide key information for the financial models that drive the periodic reauthorization of the Authority’s program, and enhance ongoing analysis of Authority operations.

Primarily, the proposed system would compare the Authority’s known and expected resources (e.g., bond proceeds, interest earnings) to current and projected expenses associated with authorized capital projects from prior, current, and future fiscal years. In spending plan fashion, it should track these factors in a “plan, actual, variance” format, taking into account the best known information (e.g., engineer’s cost estimates, bid results, change orders, cost underruns) and highlighting areas of potential concern.

More specifically, the system will need to track cash flows for different types of road and mass transit projects, create standard cash flow templates based on historical spending within respective project categories, and accommodate projections for unique projects based on schedules provided by the DOT or the Corporation. From a monitoring standpoint, the system will draw cost and project scheduling information from the existing financial and engineering support systems.

Though the Authority is the primary focus of this system, it should be designed to also accommodate similar cash flow forecasting for federal funds provided by the Federal Highway Administration, which comprise a large percentage of the State's Transportation Capital Plan, as well as cost sharing agreements with third parties such as the New Jersey Turnpike Authority.

### **Current Situation**

The Authority, the DOT, and the Corporation are currently exploring their options as it relates to the Capital Program Project Screening and Construction Model. Such options include, but are not limited to, the following:

- A complete review and analysis of existing practices;
- A complete review and analysis of alternative solutions. Any proposed Capital Program Project Screening and Construction Model must be able to interact with both the DOT and the Corporation's existing systems (This includes DOT's FMIS Accounting System, Project Reporting, and SAGE (Local Aid Grants) as well as any new information systems currently being implemented);
- The implementation of all approved recommendations;
- The construction of a new or modified, interactive Capital Program Project Screening and Construction Model;
- Written set of policy/procedures relating to the new Capital Program Project Screening and Construction Model with adequate training for end users (as determined by both the DOT and the Corporation);
- Special projects involved/related to the Authority, the DOT, and the Corporation operations and cash flows for both the Authority and Federal funding sources; and
- Other transportation-related special projects.

### **Other**

The scope of this proposed engagement is not limited to those of just the Authority, the DOT and the Corporation. This engagement may also consider the capital construction model and capital projects of all New Jersey transportation-related authorities, agencies and corporation as described in the Capital Program Project Screening and Construction Model processes. For any engagement outside of the Authority, the DOT, and the Corporation, funding will be provided by that specific New Jersey transportation-related authority, agency or corporation.

The Corporation's Capital Program is dependent on the use of federal grant funds. The federal authorization, award and obligation timeline of these funds does not have the rigor of the State process. The forecasted and actual timing of fund availability will impact Authority cash flow forecasts and cash management. The uncertainty surrounding the timing of the receipt of federal funds must be accounted for in the development of the Capital Program Project Screening and Construction Model.

## **2. MINIMUM REQUIREMENTS**

All firms must meet the minimum requirement specified below. Failure of a firm to meet all of the minimum requirements will result in the proposal's immediate rejection.

The firm, since January 1, 2010, must have served in the role of financial advisor on a minimum of two (2) of the following:

- The development and successful implementation by any major city or any state-level authority or agency of a detailed model that tracked, projected and forecasted the cash flow receipts and disbursements annually of at least \$10.0 billion in order to provide effective assistance in working capital financing or budget analysis; or
- The development and successful implementation by any major city or any state-level authority or agency of a detailed model that tracked, projected and forecasted the capital expenditures of a capital program that amounted to at least \$1.0 billion in order to improve the effectiveness and efficiency of forecasting a capital project financing.

### **3. SCOPE OF SERVICES**

The selected Advisor will work on a scheduled basis with the Authority, the DOT, and the Corporation to create the Capital Program Project Screening and Construction Model and is based on the Authority's Fiscal Year 2016 Financial Plan as well as other information contained in existing Authority, DOT and Corporation information technology systems. The Advisor selected will be required to provide all of the services identified below, at the request of the State, the Authority, the DOT, or the Corporation.

#### **Provide Project Management and Frequent Updates During Life of a Project:**

- 3.01. Develop a Project Plan and Work Breakdown Schedule for the initiative.
- 3.02. Provide Bi-Weekly Progress report as a deliverable.
- 3.03. The work may be performed at the following location: NJDOT Main Headquarters, 1035 Parkway Avenue, Trenton, New Jersey 08625 and New Jersey Transit Corporation Offices, One Penn Plaza East, Newark, New Jersey 07105.
- 3.04. Recommend a specific course of action as to how to proceed.
- 3.05. Provide written procedures as to how to use the Capital Program Project Screening and Construction Model, and how to implement new forecasting periods (Governor's Budget Message, Appropriations Act, and Legislative Reauthorization), etc.
- 3.06. Provide written procedures as deliverables for the successful execution of the Capital Program Project Screening and Construction Model, and how to implement new forecasting period (Governor's Budget Message, Appropriations Act, and Legislative Reauthorization); etc.
- 3.07. Provide a Responsibility, Accountable, Consulted & Informed Model (RACI Model) as a deliverable with roles, responsibilities and resources defined for the successful execution of the model's procedures and ongoing technical support and maintenance.
- 3.08. Assist the Authority, the DOT, and the Corporation in training resources on the new operating procedures.
- 3.09. Provide a written plan for ongoing technical support of the model as a deliverable.
- 3.10. Provide additional consulting services, forecasting advisory services, and cash flow modeling services to the Authority, the DOT and the Corporation on an as-needed basis throughout the term of the contract.

#### **Develop a Complete Business Requirement Specification for Capital Program Project Screening and Construction Model:**

- 3.11. For the Authority, develop a Business Requirements Specifications ("BRS") as a guideline for documenting and designing the model.
- 3.12. For the Corporation, develop a BRS that meets the needs of the Corporation and is compatible with the Capital Program Project Screening and Construction Model as referenced in 3.06.
- 3.13. Provide, as a minimum, an Assistant Project Manager for the project which will work directly with the Authority and the Corporation on the initiative.
- 3.14. Develop month-by-month variance reports for internal analysis.
- 3.15. Gain a working understanding of the Authority's, the DOT's and the Corporation's information systems.
- 3.16. In the BRS, provide a written analysis of the Authority's, the DOT's, and the Corporation's required capital project screening and reporting systems.
- 3.17. Outline all potential system improvements. Also identify techniques to improve cash flow (as it relates to capital expenditures) and program management and identify best practices for consideration.
- 3.18. Implement all approved recommendations for the State, the Authority and the Corporation.
- 3.19. Provide the Authority, the DOT and the Corporation with an alternative Capital Program Project Screening and Construction Model based on cash flow projections.

#### **Develop Design Specification Document from the business Requirements Specification for the State, the Authority and the Corporation:**

- 3.20. Define the Process Model as a deliverable.
- 3.21. Define Logical Data Model as a deliverable.
- 3.22. Produce the Design Specification Requirements as a deliverable.

**Build Application based on Approved Design Specification Document for the State, the Authority and the Corporation:**

- 3.23. Build the Capital Program Project Screening Application as a deliverable.
- 3.24. Produce the Statewide Transportation Improvement Program and provide regular TTFA Cash Flow Model Reporting as a deliverable.
- 3.25. Make appropriate modifications to the build to provide a long-term maintainable process.

**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. 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 a one-page Executive Summary identifying and substantiating the basis of your contention that you are the best qualified firm to provide the requested financial advisory services to the Authority, the DOT and the Corporation. In your one-page Executive Summary, please 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 Provide a staffing plan listing those persons who will be assigned to the project. Identify the person who would have the primary responsibility for the engagement, as well as the person assigned to the project that has education or experience with governmental accounting standards. 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 assignment described in Section 3.0 – SCOPE OF SERVICES, above.
- 4.4 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 assignment.
- 4.5 Please list the completed assignments that show that your firm has satisfied Section 2.0 – MINIMUM REQUIREMENTS stated above. Please provide references for each engagement.
- 4.6 Provide two (2) specific examples of successful capital project screening and cash flow modeling or budget analysis your firm has provided for governmental entities in need of borrowing either capital or working capital. Provide a description of the problems the governmental entities faced, total revenue and disbursements projected, and the size of the project or funding gap. Please provide references for each example if they are different than those engagements described in Section 4.5. Also, please explain how these examples best illustrate your firm's ability to achieve the proposed goals of the Authority under this RFP.
- 4.7 Please provide any additional information you consider relevant to the selection process, such as prior advisory experience with the issuer or the State; other recent transaction of this nature; or anticipated extraordinary expenses.
- 4.8 Provide as an appendix, all appropriate financial models, schedules or projections that supports Section 4.6.

- 4.9 Provide as an appendix, identify any existing or potential conflicts of interest, or any relationships that might be considered a conflict of interest, that may affect or involve transactions of the State.
- 4.10 Provide 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.
- 4.11 Provide 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.
- 4.12 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 twelve (12) 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 applicable law.

Communications with representatives of the State, the Authority, the DOT or the Corporation 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](mailto:uwrfq.Responses@treas.nj.gov). Questions must be submitted by Monday, August 31, 2015. The State will post answers on the Office of Public Finance website at: [http://www.state.nj.us/treasury/public\\_finance/](http://www.state.nj.us/treasury/public_finance/) on or about Wednesday, September 2, 2015.

The State, the Authority and the Corporation 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, the Authority and the Corporation 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, the Authority and the Corporation further reserve the right to make such investigations as deemed necessary as to the qualifications of any and all firms submitting proposals. The State, the Authority and the Corporation reserve the right to negotiate lower prices with responding firms as deemed in the best interests of the State, the Authority and the Corporation. 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 (5) copies of your proposal (one (1) signed original and four (4) copies) plus a compact disk with all appendices must be delivered by courier or overnight express mail, no later than 3:00 PM on Wednesday, September 9, 2015 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, the Authority and the Corporation reserve 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.

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**

**A.** 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;
- New Jersey Business Registration;
- Ownership Disclosure;
- Disclosure of Investigations and actions Involving Bidder;
- MacBride Principles;
- Affirmative Action Employee Information Report;
- Notice of Set Off for State Tax;
- Source Disclosure Certification Form;
- Disclosure of Investment Activities in Iran;
- Contractor Certification and Disclosure of Political Contributions (N.J.S.A. 19:44A-20.13 et seq.) and
- Vendor Certification (P.L. 2005, c.271).

**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.html>.

### **B. Specific Statutory Requirements**

1. Chapter 51 and Executive Order No. 117. Pursuant to P.L. 2005, c. 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/revenue/index.html>

Instructions: [http://www.state.nj.us/treasury/purchase/forms/eo134/c51\\_eo117\\_cd\\_instr%2002\\_2009.pdf](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 P.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 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](http://www.elec.state.nj.us).

3. Chapter 92. In accordance with P.L 2005, c. 92 (Codified at N.J.S.A. 52:34-13.2), 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 involve in any of the investment activities set forth in N.J.S.A.52:32-56(F). If the bidder is unable to certify, the bidder shall provide a detailed and precise description of such activities.