



County of El Paso Purchasing Department
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ADDENDUM 1

To: All Interested Proposers
From: Blanca Carbajal, Procurement Data Analyst
Date: October 18, 2017
Subject: RFP #18-001 Bond Underwriter Services for the County of El Paso

- ❖ Opening date has been extended to **Thursday, November 9, 2017 at 2:00 p.m.**
 - ❖ Deadline for questions has not been extended.
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The following questions were sent to the Purchasing Department:

1. Are firms required to be a member of FINRA in order to respond to this RFP? Wells Fargo responded to the County's RFP last year as a municipal securities dealer, which is not a member of FINRA, but is instead registered with the Securities Exchange Commission (SEC) and the Municipal Securities Rulemaking Board (MSRB).

RESPONSE: Yes. All submitting firms must be registered as a broker/dealer and be registered with FINRA.

2. On section 3.d., with regard to the "transactions the firm has underwritten in the past year with unsold balances", does this just apply to senior managed transactions in Texas only or nationally?

RESPONSE: Nationally.

3. Do vendors need to include co-managed transactions?

RESPONSE: No.

4. On section 6.c., for the last three (3) transactions, can they be negotiated or competitive transactions, or is the County interested in negotiated only?

RESPONSE: Negotiated only.

5. On Section 9, does the County want to see pricing thoughts (such as coupons, yields and spreads to MMD) as well as estimated underwriting fees following the criteria listed?

RESPONSE: Yes.

6. Can vendors provide the response to this question using their own format and following all of the specified criteria or just use the "Price Sheet" on page 15? The "Price Sheet" does not allow question 9 to be answered as it does not correlate to question 9 completely (i.e. takedowns per maturity, etc.). Many of the boxes in the table are not applicable to the related information requested in question 9 in the "Price Sheet" format provided on page 15. Please clarify.

RESPONSE: Proposers should provide price thoughts based on the bond structure that may include serial maturities, or term maturities or both. The information identified on page 15 should be included. Proposers may use the format best suited to efficiently presenting the information requested.

7. Section 6.c on page 12: are the last 3 transactions for which the Lead Underwriter acted in a senior-managed transaction over a certain period and if so, is it as of a certain sale or closing date?

RESPONSE: Provide the last three transactions based on the PRICING date.

8. On page 26 under Mandatory Disclosures states that the Disclosure of Interested Parties form is only required of vendors who are awarded the Bid/RFP/RFQ but the checklist on page 39 states otherwise. Is this form required with the RFP submission? If so, please provide a contract identification number and description.

RESPONSE: Only the awarded vendor is required to fill out the 1295 form.

9. On section 4f: Should the table include negotiated and competitive transactions?

RESPONSE: Negotiated only.

10. On section 4h: Should the table include negotiated and competitive transactions?

RESPONSE: Negotiated only.

11. On section 8a: Can the County provide clarity on how the introduction of financing ideas should differ from ideas proposed in question 3a?

RESPONSE: Question 3a is a broad question to discern an underwriter's knowledge of revenues available to Texas counties debt, which may include discussions of bond structuring ideas.

Question 8a is a specific question about financing ideas suitable to Texas Counties and an opportunity for proposers to demonstrate insight to financing Texas Counties capital needs

12. On section 9a: Would the County consider a more recent MMD date to reflect current market conditions?

RESPONSE: No. Please use MMD as of the date defined in the RFP. Using MMD for a different date would be non-responsive.

13. On the Price Sheet: Could the County please elaborate on the Cost percentages and how they should be computed:

- a. Should the respondent show two (2) different true interests costs for AA CO Transaction and A Revenue Bond?

RESPONSE: Proposers should use market insight to appropriately price AA Certificate of Obligation transaction and a A revenue bond transaction. Provide assumptions for the calculations used.

- b. Should the cost of underwriter's counsel be a percentage of par?

RESPONSE: The underwriter's counsel fee should be shown as a dollar per bond cost, based on the par for the transaction. To prevent any miscommunication, provide assumptions for calculations.