

**REQUEST FOR PROPOSALS FROM
TRUSTEES
FOR
Arkansas Department of Environmental Quality Building
Financing
+/- \$17,500,000**

SPECIAL NOTE: YOUR IMMEDIATE ATTENTION IS CALLED TO SECTION I.C. YOU NEED TO SEND TO US AN E-MAIL ADDRESS FOR TRANSMISSION OF NOTICES OF INQUIRIES.

October 12, 2004



**Arkansas Development Finance Authority
423 Main Street, Suite 500
Little Rock, AR 72201
(501) 682-5900**

SECTION I: INSTRUCTIONS TO PROPOSER/ GENERAL INFORMATION

A. PURPOSE.

The Arkansas Development Finance Authority (ADFA) and the Arkansas Department of Environmental Quality (ADEQ) are requesting proposals from trustees to serve as trustee for the issuance of state agency revenue bonds to provide financing for the construction and acquisition of a new office (90,000 sq. ft.), a new lab (10,000 sq. ft.), and a technical shop with boats and storage. The project will allow ADEQ to move from outdated facilities that are currently being leased. The projected capital costs for the project are expected to be approximately \$17,500,000. The facilities will be located in North little Rock, Arkansas.

The Department of Environmental Quality (ADEQ) strives to protect and enhance the state's environment through regulatory programs, proactive programs and educational activities. The ADEQ is organized into six regulatory divisions and one section that focus on the protection of specific elements of the environment. ADEQ strives to protect Arkansas' priceless natural resources - its air, water and land - from the threat of pollution.

The repayment on the bonds is expected to come from several sources. ADEQ has funds derived from fees charged to the private sector for permits and services. Another major source of revenue is derived from the ADEQ's reimbursement of their indirect costs associated with grants received from the federal government agencies, primarily the Environmental Protection Agency (EPA). Specific attention should be paid to the ADEQ's ability to pledge the revenues derived by the agency.

The Arkansas Building Authority (ABA) will be performing site, land purchase and construction reviews for this project. Bond Counsel will advise ADFA and ADEQ if ABA will be needed as a sub lessee in a lease arrangement.

B. SUBMISSION OF PROPOSALS. Written proposals responding to the questions and requests for information in the manner specified in this Request For Proposal ("RFP") should be submitted to the following:

ppatton@adfa.state.ar.us

To be considered, one (1) copy of the proposal should be delivered to ADFA not later than November 2, 2004, 12:00 p.m., via email. All proposals shall be time and date stamped upon receipt. Late proposals will not be accepted. ADFA reserves the right to reject any or all proposals.

C. ADDITIONAL INFORMATION. It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP. Questions should be directed to Gene Eagle (geagle@adfa.state.ar.us), Vice President for Development Finance at 501-682-5905, or Mary Leath (leath@adeq.state.ar.us), Chief Deputy Director of ADEQ at 501-682-0959, or Tom Geis (tgeis@adfa.state.ar.us), Governmental Finance Specialist at 501-682-5907 or Patrick Patton (ppatton@adfa.state.ar.us), Vice President for Internal Audit at 501-682-5902. Substantive questions and answers will be documented in letterform and will be sent by electronic mail to all the proposers who provide us with an e-mail address. **IN ORDER TO BE ON THE DISTRIBUTION LIST FOR INTERNET TRANSMISSION OF ALL RESPONSES TO INQUIRIES, YOU MUST IMMEDIATELY ADVISE PATRICK PATTON OF ADFA, THE INTERNET E-MAIL ADDRESS TO WHICH YOU WANT ALL SUCH TRANSMISSIONS SENT.**

D. PROPERTY OF ADFA. Any information or materials submitted as a response to this RFP shall become the property of ADFA and will not be returned. All submitted materials will be available for public review.

E. RESPONSE TO REQUEST FOR PROPOSAL. Firms wishing to respond to this RFP may contact any of the ADFA staff persons identified herein. **NO CONTACT WITH ADFA BOARD MEMBERS IS ALLOWED AND ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF A FIRM'S PROPOSAL.**

F. SELECTION TIMETABLE.

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|-------------------|--|
| October 12, 2004 | Request for Proposal Issued |
| November 2, 2004 | Proposals due by 12:00 p.m. |
| November 18, 2004 | Board Action (Appoint/ratify appointment of Trustee, authorizes the President of ADFA to negotiate fees) |
| TBD | Submission to Legislative Committee for contract review (if required) |

G. SELECTION PROCESS. The ADFA Staff Professional Selection Committee, working with representatives from its project partners, the Arkansas Department of Environmental Quality (collectively, the "Review Committee"), will review the submitted proposals. Proposals will be evaluated based on (1) responses to specifics outlined in the Proposal Format section of this RFP and (2) the selection criteria. Proposals that omit any of these items may be rejected as non-responsive. From this review, a select group of firms may be chosen for oral presentations. All proposing firms will be advised of the firms selected for oral interviews. After conducting oral interviews, if necessary, the Board Professional Selection Committee, in consultation with the Review Committee, will make its decision on a recommendation for selection which will be reported to the Board of Directors of the Authority at its November 18, 2004, regular meeting. The final selection will be made by a vote of Board members.

ADFA may at any time prior to the selection of a firm reject any and all proposals and cancel this RFP, without liability therefore, upon finding that there is good cause for rejecting all proposals and that it would be in its interest to cancel the solicitation. Further, regardless of the number and quality of proposals submitted, ADFA shall under no circumstances be responsible for any proposer costs and expenses incurred in submitting a response to this RFP. Each proposer who submits a response does so solely at the proposer's cost, risk and expenses. ADFA accepts no responsibility for the return of successful or unsuccessful proposals. This RFP in no way obligates ADFA to select a firm.

H. SELECTION CRITERIA. The proposals will be reviewed by the Review Committee. The committee may use the following criteria to rank all acceptable proposals and to develop recommendations to be presented to ADFA Board Professional Selection Committee, although ADFA and the Review Committee reserve the right to consider factors beyond those mentioned below and to follow a process of selection that involves means other than ranking based on such scores.

| <i>FACTOR</i> | |
|----------------------|--|
|----------------------|--|

1. Firm's prior experience as trustee for:
 - a. ADFA bond issues.
 - b. Other revenue bond issues.
2. Ability to handle daily receipts and payments.
3. Timeliness and clarity of transaction reporting.
4. Qualifications of staff to be assigned. (Position in firm and years and type of experience will be considered.)
5. Responsiveness of written proposals to the purpose and scope of services.
6. Reasonableness of proposed fee.

SECTION II: SCOPE OF SERVICES AND REQUIREMENTS

The trust indenture for this series of bonds, when adopted by the ADFA Board of Directors and accepted by the trustee, shall be deemed to be and shall constitute a contract between ADFA and the trustee. The indentures will require the trustee to perform services normally associated with being trustee for a revenue bond program, including, but not limited to:

1. Authenticate and deliver the Bonds authorized by the trust indenture.
2. Maintain registry books of ADFA showing the person in whose name the Bonds are registered, if applicable.

3. Hold and maintain trust funds established pursuant to the trust indentures.
4. Apply or deposit all Bond proceeds, pledged funds and pledged revenues pursuant to the trust indentures.
5. Invest or reinvest moneys held in accounts pursuant to the trust indentures or as directed by an authorized officer of ADFA.
6. Maintain accurate records of all trust fund transactions.
7. Advise ADFA in writing, on or before the 5th business day of each calendar month, of the details of all investments held for the credit of each fund and account in its custody under the provisions of the trust indentures as of the end of the preceding month.
8. Select bonds to be redeemed in such manner as prescribed in the trust indenture.
9. Give notice, in the name of ADFA, of redemption of Bonds at the time and in the manner required by the trust indentures.
10. Send copy of all Bond Redemptions occurring prior to maturity to the ADFA Financial Manager.
11. Serve as Disclosure Dissemination Agent for ADFA - report all annual financial disclosure and material events to the National Repositories on behalf of ADFA. ADFA should be notified and copied on all correspondence relating to disclosure to the NRMSIRS on ADFA bond issues.
12. Bill and collect the ADFA annual servicing fee.

SECTION III: STATEMENT OF QUALIFICATIONS

An updated statement of qualifications should be maintained on file at ADFA for all firms submitting proposals as trustee. If a firm for which ADFA does not have a statement of qualifications on file is proposed, ADFA will advise the proposing party. Ultimately, it is the responsibility of each firm to submit their own statement of qualifications to ADFA in order to be eligible to participate in bond issues as trustee.

SECTION IV: PROPOSAL FORMAT

A. TRANSMITTAL LETTER. A one-page transmittal letter prepared on the proposer's business stationery should accompany the proposal.

B. PROPOSAL. The proposal should be labeled "Proposal to serve as Trustee for the Arkansas Department of Environmental Quality Building Financing." The submission must contain sufficient information to enable the Review Committee to evaluate the proposal. It should be prepared in a clear and concise manner and should address each of the following subsections:

1. **Experience.** Give a brief summary (not to exceed 3 years) of your firm's prior experience as trustee for:
 - a) ADFA Bond issues.
 - b) Other revenue bond issues.

2. **Staffing and Qualifications.** Give a brief summary of the qualifications and experience of the trust officer and staff who will be assigned to this account.
3. **Daily Processing and Reporting.** Please give a brief description of your computer systems and programs utilized in the Trust Division and their capabilities. Comment on your ability to handle daily receipts, daily payments and the timeliness and clarity of transaction reporting.
4. **Scope of Services.** Elaborate on the services you propose to perform as trustee for the proposed financing. In what way do you expect the scope of services to differ from those listed in Section II?
5. **Financial Strength.** Please comment on your company's financial condition and any issues that might impact your ability to carry out this assignment.
6. **Trustee Fee & Reimbursable Expenses.** Complete the attached Proposed Trustee Fee Schedule, and, if necessary, use a narrative description to present the basic assumptions on which your firm's fee proposal is predicated and any factors that would change the proposed fee. List all anticipated expenses to be incurred by your firm for which you expect reimbursement. For each expense item, give an estimated per unit cost and a total cost for the item.
7. **Acceptance.** Submission of proposals, in response to this Request for Proposal, constitutes acceptance of all conditions, requirements and limitations described in this document.

ARKANSAS DEVELOPMENT FINANCE AUTHORITY
Mt. Magazine Lodge and Cabin Complex Financing

Proposed Trustee Fee Schedule

Acceptance Fee and Registration Fee. \$ _____

Annual Administration Fee:
() Fixed annual fee \$ _____

() Other basis (Explain) _____

Fee payable on first anniversary debt service payment date:

Additional Fees or Charges (Brief description and estimated \$ amount):

| | |
|-------|----------|
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |
| _____ | \$ _____ |

Presented on behalf of: _____

By: _____

Title: _____

Phone: _____

**TRUSTEES
TO RECEIVE RFP'S**

| Contact/Firm | Email Address |
|--|--|
| Ms. Rita R. Gronwald, Corporate Trust Officer Simmons First Trust Company | rita.gronwald@simmonsfirst.com glenda.dean@simmonsfirst.com |
| Ms. Debi DeHan Mr. Bill Barber Regions Bank, Trust Division | ddehan@regionsbank.com bill.barber@regionsbank.com |
| Ms. Dyan Kirkpatrick, VP Corporate Trust Manager Bank of the Ozarks, Inc. | dyankirk@bankozarks.com |
| Ms. Pam Colbert, CTFA BancorpSouth Bank | Pam.Colbert@bxs.com Marilyn.Roberts@bxs.com |
| Ms. Belinda Brown, Vice President BNY Trust Company of Missouri | bbrown@bankofny.com jaschroeder@bankofny.com kimwilson@bankofny.com |
| Ms. Sherri Owen Vice President Wells Fargo | Sherri.l.owen@wellsfargo.com Greg.hasty@wellsfargo.com |
| Mr. Ty Carlos Bank One Trust Company, N.A. | Ty_e_carlos@bankone.com Terri_b_franklin@bankone.com |
| Ms. Anne Hendrickson Metropolitan National Bank | mbtrust@metbank.com ahendrickson@metbank.com |
| Ms. Carliss Knesel Hancock Bank Corporate Trust | carliss_knesel@hancockbank.com colin_hedlund@hancockbank.com |
| Mr. Richard Hann, Vice President Deutsche Bank National Trust Company | Richard.hann@db.com |
| Mr. Tim Hammond US Bank Trust | Tim.Hammond@usbank.com |