

ARKANSAS STATE HIGHWAY AND TRANSPORTATION DEPARTMENT
REQUEST FOR PROPOSAL (FINANCIAL ADVISORS)

Notice is hereby given that the Arkansas State Highway and Transportation Department (Department) is seeking proposals from persons desiring to be considered as financial advisors to advise the Department on matters concerning the possible issuance and sale of State of Arkansas General Obligation Four-Lane Highway Construction and Improvement Bonds as provided in a constitutional amendment to levy a temporary sales and use tax of one-half percent (0.5%) for state highways and bridges, to secure State of Arkansas General Obligation Four-Lane Highway Construction and Improvement Bonds the total amount not to exceed \$1,300,000,000. Interested persons are invited to submit proposals expressing their interest in providing such services to the Department in accordance with the terms and conditions as outlined in this Request for Proposal.

SCOPE OF SERVICES

The following is a general list of services to be provided by the selected financial advisor. It is not intended to be all inclusive.

1. The Financial Advisor shall assist the Arkansas Highway Commission (Commission), the Department Staff and Bond Counsel in developing a Financial Plan that may be used to comply with constitutional amendment approved by the voters in the November 6, 2012 election. This Financial Plan shall establish a strategy for the issuance of the Bonds and the investment of financial resources available to the Department.
2. The Department may request the Financial Advisor to appear and/or assist the Department in appearing before or responding to any oversight body, financial rating agency, or other interested body. The Financial Advisor may be requested to explain the Financial Plan and any other work products and the assumptions and projections used in their development. The Financial Advisor shall document the development of the work products so that an objective third party can verify that appropriate care was exercised in their development.
3. At the direction of the Department, the Financial Advisor will assist and participate in the preparation of all documents and may serve as a clearinghouse for bond documentation. The extent of involvement in document preparation will be dependent on the nature and form of the bond sales.
4. The bonds approved by the voters and the Department elects to issue the Bonds by sealed bid, the Financial Advisor will assist the Department in the actual structuring of the issue and other tasks necessary to issue the Bonds.
5. The bonds approved by the voters and the Department elects to issue the Bonds by negotiated sale, the Financial Advisor will advise the Department with respect to the terms proposed for the offering. The Financial Advisor may also be requested to review the work of the underwriter selected by the Department and to advise the Department as necessary or as requested.
6. The Financial Advisor may be requested to coordinate all closing events, including signature details, pre-closing and closing formalities, the wire transfer of proceeds, necessary communication with State officials, and the review of closing documents if the bonds are approved by the voters.

The Financial Advisor shall not participate or be affiliated with any underwriter for the Bonds or any purchaser of the Bonds by competitive bid.

QUALIFICATIONS

Respondents to this request will provide the following information concerning their qualifications.

1. Respondents shall acknowledge an understanding of the content of the required work and illustrate why the firm or talent should be enlisted for the Bond Program.
2. Has your firm experienced any significant financial or other problems that could negatively affect its ability to carry out its duties and responsibilities to the Department? Please specifically identify the problem(s) and discuss why such problem(s) should not affect your selection.
3. Are there pending charges, investigations or litigation by or involving the United States Securities and Exchange Department or any other regulatory body or court (local, state or federal) regarding the conduct of your firm or its management?
4. Qualifications of anticipated staffing will be a significant consideration in the selection process. Provide the names of the principals of the firm including partners, junior partners, president, vice presidents, and other significant personnel along with a detailed statement of the qualifications of the firm and of each individual who will be assigned to carry out the charges of the resulting contract. In the event staff members are unable to fulfill the term of the contract, substitutions of equal skill levels will be entertained subject to the approval of the Department.
5. Describe how the firm is organized, within and outside Arkansas. Provide the scope of services the firm offers in the municipal bonding field and the years of continuous performance in each category of service. Provide sufficient description of experience to indicate the firm's qualifications in a given category. List any prior experience or capabilities that distinguish the firm from competitors.
6. Provide a representative list of clients served by you in the municipal bond market for a period not to exceed the last five (5) years and indicate those that are currently under contract. Indicate if the issues were sealed bid, negotiated or a combination thereof. Include the names and telephone numbers of appropriate individuals in the client firms so that the Department may contact them as references, if necessary. Specify for each client listed: (1) underwriter used; (2) bond counsel used; and (3) the role of your firm, i.e., financial advisor only or financial advisor and underwriter.
7. Provide the number of issues and amounts of any transportation bond issues or state general obligation financing programs handled as a financial advisor.
8. Provide a copy of no more than two recent Official Statements in which the firm served as financial advisor and which are closely related to the Department's proposed financings.
9. Does your firm have a policy of prohibiting discrimination against individuals or entities based on race, color, national origin, religion, gender, age, or disability?

SELECTION

The Department may retain a single individual or firm as financial advisor who will be responsible for delivering the above services, whether performed by that individual or firm or by others working in the employ of that firm. It is anticipated that the Department's decision will be made on or before the end of 2012. The Department reserves the right to utilize the selected financial advisor for not only those services outlined above but for any and all other finance projects, and bond issuances related thereto.

A proposal, together with information on the firm and a resume of key personnel to be assigned to the project should be addressed to:

Scott Bennett, Director, Arkansas State Highway and Transportation Department, Post Office Box 2261, Little Rock, Arkansas 72203

Questions concerning submission of a proposal in response to this RFP should be addressed to:

Larry Dickerson, Chief Fiscal Officer
Arkansas State Highway & Transportation Department
P. O. Box 2261
Little Rock, AR 72203
PH: 501-569-2411
Fax: 501-569-2551

Responses must be received no later than 4:30 p.m. on November 28, 2012. Any responses received after this deadline will not be considered.

ANTIDISCRIMINATION POLICY

The Arkansas State Highway and Transportation Department is an Equal Opportunity Employer. It is the policy of this Department that there be no discrimination against any person or entity on the basis of race, color, national origin, religion, gender, age, or disability.