



Homes and Community Renewal

Andrew M. Cuomo, Governor James S. Rubin, Commissioner/CEO

Request for Proposals for Senior and Co-Managing Underwriters Services

Issuance Date:

February 19, 2016

Submission Deadline:

March 17, 2016, 3PM EDT

**NEW YORK STATE HOUSING FINANCE AGENCY
STATE OF NEW YORK MORTGAGE AGENCY
STATE OF NEW YORK MUNICIPAL BOND BANK AGENCY
TOBACCO SETTLEMENT FINANCING CORPORATION
641 LEXINGTON AVENUE • NEW YORK, NEW YORK 10022
www.nyshcr.org**

Proposal Checklist

CHECKLIST FOR VARIOUS REQUIRED FORM RELATED ITEMS TO BE COMPLETED AND RETURNED:

- Tab I - Application Coversheet
- Tab I - Cover Letter

- Tab 2 – Technical Proposal

Tab 3:

- [Lobbying Reform Law Form 1](#)
- [Lobbying Reform Law Form 2](#)
- [Non-Collusive Bidding Certification Form](#)
- [Contractor and/or Vendor Information Form](#)
- [Vendor Responsibility Questionnaire – For Profit Business Entity OR Non-Profit Entity;](#)
- [EEO Staffing Plan, PROC-1](#)
- [MWBE & EEO Policy Statement, PROC-4](#)
- [Company Demographic Profile, PROC-7](#)
- [EEOC Statement, PROC-8](#)
- [Diversity Practices Questionnaire, PROC-9](#)
- Evidence of Insurance

Application Coversheet

Attach this form to the top of your proposal.

APPLYING FOR (Check all that may apply):

- Senior Managing Underwriter
- Co-Managing Underwriter

DATE OF APPLICATION: _____

GENERAL INFORMATION ON FIRM:

Legal Name of Firm:

Firm's Mailing Address:

Firm's Website:

Firm's Main Telephone Number (including area code):

Federal Tax ID Number:

FINRA and/or SEC Registration Number (if applicable):

MWBE Registration Number (if applicable):

Service-Disabled Veteran-Owned Business Registration Number (if applicable):

MAIN CONTACT INFORMATION FOR THIS PROPOSAL:

Please list the individual that will be the main contact *regarding this proposal*:

Contact Name:

Contact Telephone Number (including area code):

Contact E-mail Address:

Contact Facsimile Number (including area code):

PRINCIPAL IN CHARGE:

Please list the primary staff person(s) who will provide services to the Agencies. Attach additional sheets if necessary.

Contact Name:

Contact Telephone Number (including area code):

Contact E-mail Address:

Contact Facsimile Number (including area code):

ADDITIONAL CONTACTS (if applicable):

Contact Name:

Contact Telephone Number (including area code):

Contact E-mail Address:

Contact Facsimile Number (including area code):

Contact Name:

Contact Telephone Number (including area code):

Contact E-mail Address:

Contact Facsimile Number (including area code):

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**New York State Housing Finance Agency
State of New York Mortgage Agency
State of New York Municipal Bond Bank Agency
Tobacco Settlement Financing Corporation**

REQUEST FOR PROPOSALS

FOR

SENIOR AND CO-MANAGING UNDERWRITER SERVICES

The Lobbying Law designated Contact Officer for this solicitation is:

Alejandro J. Valella, Vice President and Deputy Counsel
New York State Homes & Community Renewal
HFA. SONYMA. MBBA. TSFC
641 Lexington Avenue, 4th Floor
New York, New York 10022
Alex.Valella@nyshcr.org

1. Introduction

[New York State Homes and Community Renewal](#) (“**HCR**”) consists of all the major housing and community renewal agencies of the State of New York (“**State**”) including the New York State Housing Finance Agency (“**HFA**”), State of New York Mortgage Agency (“**SONYMA**”), State of New York Municipal Bond Bank Agency (“**MBBA**”) and Tobacco Settlement Financing Corporation (“**TSFC**”) (individually, “**Agency**” and collectively, “**Agencies**” and individually or collectively, “**Agency(ies)**”). HCR includes other agencies not involved in this request for proposal (“**RFP**”) process.

2. Purpose

The Agencies seek proposals from qualified firms, registered with SEC and FINRA and/or the MSRB, to serve as Senior Managing Underwriters and Co-Managing Underwriters (“**Underwriters**”) in connection with the sale and issuance of the Agencies’ bonds. Firms who wish to serve as Selling Group Members must be registered with SEC and FINRA and/or the MSRB and must provide registration numbers, but are not required to provide proposals in

response to the questions posed in this RFP. The Agencies may add additional qualified firms as Selling Group Members to their list of Underwriters at any time.

This solicitation seeks to replace, not supplement, the Agencies' prequalified lists for senior manager and co-manager. Accordingly, firms on any existing senior manager or co-manager list must, if they wish to continue to be prequalified, respond to this RFP. Proposals may be submitted separately for HFA, SONYMA, MBBA or TSFC or may be submitted for all the Agencies collectively.

It is intended that through this RFP process, several qualified firms will be selected for inclusion on the Agencies' Prequalified Panel of Underwriters ("**Panel**"). The Agencies expect to sell numerous bond issues to fund HFA's stand-alone multifamily housing finance and Affordable Housing Revenue Bond programs and SONYMA's Single Family program. Additional bond issues may be sold from time to time by the MBBA and the TSFC. Issuance of this RFP will not affect any existing engagements already entered into by the Agencies and any firm on the Agencies' current Panel of Underwriters in relation to one or more of the Agencies' initiatives.

3. Overview of the Agencies

The Agencies are public benefit corporations of the State of New York, co-located and co-administered from their New York City ("**NYC**") office.

The Agencies actively participate in the issuance of their respective bonds and the Agency staff supervises each step of the financing process.

More detailed information relating to the Agencies and their respective programs may be found at the Agencies' website www.nyshcr.org.

3.1 New York State Housing Finance Agency

The [New York State Housing Finance Agency](#) was created in 1960 to promote the production and preservation of affordable rental housing opportunities for low- to moderate- income citizens of the State. Today, HFA is one of the nation's most prolific issuers of multifamily housing bonds. In furtherance of its mission, HFA is committed to preserving existing affordable rental housing while continuing to be a strong presence in the financing of new affordable housing throughout the State. In 2015, as one of the primary issuers of municipal bonds for housing in the nation, HFA issued approximately \$2.1 billion in bonds to finance nearly 7,300 units.

3.2 State of New York Mortgage Agency

The [State of New York Mortgage Agency](#) was created in 1970 to provide single-family homeownership opportunities for low- to moderate-income New Yorkers. The Agency funds its mortgage lending activities through the issuance of tax-exempt and taxable bonds. The Agency is the only State issuer of single family housing bonds and one of the nation's largest issuers of single family housing bonds. SONYMA has approximately \$2.592 billion of bonds outstanding under its Homeowner Mortgage Revenue Bond ("**HMRB**") and Mortgage Revenue Bond ("**MRB**")

Resolutions. The majority of the Agency's recent bond transactions have been issued under its HMRB Resolution. In 2015, SONYMA issued approximately \$420 million in bonds and funded over 1,417 mortgages.

Together with HFA, the two agencies combined to be the largest housing issuer in the nation last year.

3.3 State of New York Municipal Bond Bank Agency

The [State of New York Municipal Bond Bank Agency](#) was created in 1972 as a public benefit corporation to help municipalities gain access to the capital markets. MBBA's mission is to facilitate access to the capital markets for municipalities across the State. To accomplish this mission, MBBA issues bonds on an "an-needed basis" for purposes specified under its statute and uses the proceeds to purchase bonds and notes issued by local governments to finance public improvements. In its 44 year history, MBBA has issued bonds for various projects and purposes consistent with its mission including Build America Bonds and bonds on behalf of the City of New York and the City of Buffalo.

3.4 Tobacco Settlement Financing Corporation

The [Tobacco Settlement Financing Corporation](#) was created in 2003 as a subsidiary of MBBA, and monetizes the State's Tobacco Settlement Revenues. Pursuant to the Tobacco Settlement Financing Corporation Act, TSFC was authorized to issue bonds in an aggregate principal amount not to exceed \$4,200,000,000 (excluding costs of issuance and refunding bonds). TSFC's authority to issue bonds, other than refunding bonds, expired on June 30, 2004. TSFC used its total new money bond authority through bond issuances in 2003. Since then, it has issued refunding bonds in 2008, 2011 and 2013. As of October 31, 2015, TSFC has approximately \$1.378 billion of bonds outstanding.

4. Assessment of Diversity Practices

The Agencies have determined, pursuant to New York State Executive Law Article 15-a ("**Article 15-a**"), that the assessment of the diversity practices of Respondents to this RFP is practical, feasible, and appropriate.

4.1 Minority and/or Women Owned Business Enterprise Participation

The Agencies are committed to awarding contracts to firms that are dedicated to diversity and provide high-quality services. The Agencies strongly encourage firms that are certified by the State as minority-and/or women-owned business enterprises ("**MWBES**"), as well as firms that are not yet certified, but have applied for certification, to submit responses to this RFP. All MWBE firms submitting proposals to this RFP should be registered as such with the State's Department of Economic Development. For MWBE firms that are not certified but have applied for certification, please provide evidence of filing, including the filing date.

For purposes of this solicitation, the Agencies hereby establish an overall goal of 30% for MWBE participation, 15% for minority-owned business enterprises (“**MBEs**”) and 15% for women-owned business enterprises (“**WBEs**”).

4.2 Service-Disabled Veteran-Owned Business Enterprise Participation

The Agencies are committed to awarding contracts to service-disabled veteran-owned business enterprises (“**SDVOBs**”) to provide high-quality services. The Agencies strongly encourage firms that are certified as SDVOBs, as well as firms that are not yet certified, but have applied for certification, to submit responses to this RFP. All SDVOB firms submitting proposals to this RFP should be registered as such with the State’s Office of General Services. For SDVOBs that are not certified but have applied for certification, please provide evidence of filing, including the filing date.

5. Calendar of Events and Milestones

It is anticipated that a prequalified panel of firms will be established, eligible for engagements, in response to this RFP based on the following schedule:

Event	Date
Issuance of RFP	February 19, 2016
Deadline for RFP Questions	March 7, 2016, 12PM EST
Deadline for Responses to RFP Questions	March 11, 2016
Deadline for Submission of Proposals	March 17, 2016 3PM EDT
Interview Notification (if needed)	Week of April 4, 2016
Interview for Selected Respondents (if needed)	Weeks of April 11 and 18, 2016
Anticipated Selection Date*	June 9, 2016

*Subject to the approval of the Agencies’ Board Members and Directors (“**Boards**”).

The Agencies reserve the right to modify this schedule at their discretion. Notification of changes in connection with this RFP will be made available to all interested parties via the Agencies’ web page at: <http://www.nyshcr.org/AboutUs/Procurement/HCR-Procurement.htm> .

6. Scope of Services (“Scope of Work”)

6.1 General Scope of Services (Scope of Work) for Senior Managing Underwriter(s)

The overall responsibilities of the Agencies’ Senior Managing Underwriter(s) will include:

1. providing the most cost effective pricing and marketing of the Agencies’ bonds at the lowest interest rates possible;
2. identifying new strategies and initiatives as well as ideas which could be utilized by the Agencies to enhance the Agencies’ operations and the performance of the Agencies’ programs;
3. identifying refunding opportunities for the Agencies to reduce interest costs on their respective portfolios; and
4. providing such other related services as requested by the Agencies from time to time.

The successful Senior Underwriter(s) will (unless otherwise provided):

- a) structure and size bond issues (except in the case of SONYMA);
- b) prepare programmatic cash flows and individual transaction cash flows for the Agencies’ programs (except in the case of SONYMA);
- c) prepare financing schedules and calendars of events;
- d) be prepared to discuss marketing conditions (including comparables) and preliminary pricing scales, syndicate rules, syndicate price views and marketing compensation prior to pricing;
- e) Manage the underwriting process and provide advice on market timing and investor demand;
- f) Conduct bond sale conference calls and coordinate information with the syndicate group;
- g) Market and distribute bonds;
- h) Commit capital as required in underwriting the Agencies’ bonds;
- i) Provide post-closing analysis of debt issuances including pricing, orders, allotments, designations;

- j) Provide support for the Agencies' bonds in the secondary market;
- k) As remarketing agent, provide weekly/daily reset rates;
- l) Undertake certain market-related analysis of various financial products, as may be requested by the Agencies;
- m) Coordinate information meetings with institutional investors, credit analysts, financial advisors and other public presentations, as may be requested by the Agencies;
- n) Participate in discussions with the Agencies upon the occurrence of unexpected events, such as the dislocation or disruption in the credit markets generally or in particular sectors of any market that may adversely affect the Agencies' bonds, and assist the Agencies in developing strategic and tactical responses; and
- o) Perform other services as requested by the Agencies from time to time.

6.2 General Scope of Services (Scope of Work) for Co-Managing Underwriter(s)

The successful Co-Managing Underwriter(s) will (unless otherwise provided):

1. Assist in marketing and distribution of bonds;
2. Commit capital as required in underwriting the Agencies' bonds;
3. Provide support for the bonds in the secondary market; and
4. Perform other services as requested by the Agencies from time to time.

7. Administrative Information

7.1 Questions and Answers

Any questions or requests for clarification regarding the RFP must be submitted via email to Lisa.Pagnozzi@nyshcr.org, citing the RFP page and section, no later than the date identified in the "*Calendar of Events and Milestones*" section of this RFP. The "Subject" line of the email should indicate "2016 Underwriter RFP Questions."

Questions will not be accepted orally and any question received after the deadline may not be answered. The list of questions/requests for clarifications and the official Agency responses will be posted in a timely manner on [HCR's "Procurement Opportunities" webpage](#).

Respondents should note that all clarifications and exceptions are to be resolved prior to submission of the proposal.

An electronic version of this RFP will be posted on [HCR's website](#) in addition to any subsequent changes, additions or deletions to the RFP, including the timelines and target dates. **Respondents are encouraged to check [HCR's website](#) frequently for notices of any clarifications, changes, additions, or deletions to the RFP.**

7.2 Amendments and Addenda

The Agencies reserve the right to modify any part of this RFP including, but not limited to, the date and time by which proposals must be submitted and received by the Agencies, at any time prior to the Deadline for Submission of Proposals listed in the “*Calendar of Events and Milestones*” section of this RFP. Modifications to this RFP will be made by issuance of amendments and/or addenda. Any amendment or addendum to this RFP will become part of this RFP.

Prior to the Deadline for Submission of Proposals date, any such clarifications or modifications as deemed necessary will be posted to [HCR's website](#).

If the Respondent discovers any ambiguity, conflict, discrepancy, omission, or other error in this RFP, the Respondent will immediately notify the Agencies of such error in writing and request clarification or modification of the document.

There are no designated dates for release of addenda. Therefore, interested Respondents should check the Agencies' website frequently through the Deadline for Submission of Proposals. It is the sole responsibility of the Respondent to be knowledgeable of all addenda related to this RFP process.

7.3 Restriction of Communication

Pursuant to State Finance Law (“SFL”) §§139-j and 139-k, this RFP imposes certain restrictions on communications between the Agencies and their Affiliates (including the New York State Affordable Housing Corporation, Housing Trust Fund Corporation and the State's Division of Housing and Community Renewal, other agencies constituting HCR), and a potential Respondent during the RFP process. A Respondent is restricted from making contacts that a reasonable person may infer were intended to influence the selection of a firm or company to perform (or provide) the proposed professional services (or goods) in this RFP, from the date of publication of this RFP until the awarding of a contract(s) by the Agencies (the “**Restricted Period**”) with any person other than the designated staff member named below, unless it is a contact that is included among certain statutory exceptions set forth in SFL §139-j(3)(a). Employees of the Agencies, including any employees of the agencies that constitute HCR, are required to obtain certain information when contacted during the Restricted Period and make a determination of responsibility of the Respondent under the SFL. Findings of non-responsibility can result in rejection for contract award and in the event of two (2) findings within a four (4) year period, the Respondent will be debarred from obtaining governmental contracts.

For further information, please refer to the following website: <http://www.ogs.ny.gov/aboutogs/regulations/advisoryCouncil/Faq.htm>.

For all Lobbying Law Contacts, please contact:

Alejandro J. Valella, Vice President and Deputy Counsel
New York State Homes & Community Renewal
HFA. SONYMA. MBBA. TSFC
641 Lexington Avenue, 4th Floor
New York, New York 10022
Alex.Valella@nyshcr.org

If you have inquiries regarding this RFP or would like to contact the Agencies regarding issues not relating to Lobbying Law Contacts, please contact:

Lisa G. Pagnozzi, Vice President, Contracts and Administration
New York State Homes & Community Renewal
HFA. SONYMA. MBBA. TSFC
641 Lexington Avenue, 4th Floor
New York, New York 10022
Lisa.Pagnozzi@nyshcr.org

Other than the two contact persons identified above, prospective Respondents shall not approach Agency employees, or any employees of the agencies that constitute HCR, during the Restricted Period about any matters related to the RFP or any proposal(s) submitted pursuant thereto.

7.4 Term of Engagement

The engagement term will run for an initial two year period; however, the Agencies may exercise their option to extend the engagement period for up to six months, subject to approval by the Agencies' Members/Directors and at management's discretion. Subject to the consent of the Agencies' President and Chief Executive Officer and the Members/Directors, an additional six months extension may also be exercised, if necessary. Inclusion on the Panel does not guarantee participation in a minimum number of transactions or any transaction with the Agencies.

7.4.1 Engagement requirements

7.4.1.1 Underwriting Partnerships

At the direction of the Agencies, the firm must be willing to partner with other firms, including MWBE and SDVOB firms.

7.4.1.2 Financial Information

As a condition of this engagement, each firm may be required to update financial information prior to each appointment to senior manage or co-senior manage any transaction. Firms will also be required to notify the Agencies when a significant change or impairment of financial position has occurred.

7.4.1.3 Syndicate Structures

The Agencies reserve the right to review performance and reassign Underwriters on the list to new roles at any time during the engagement. The Agencies may also fill management team vacancies from firms on the list.

7.4.1.4 Reports to the Agencies

Firms will be required to provide pricing information to the Agencies for each transaction for which they serve as Senior Manager.

8. Proposal Requirements

A complete proposal for this RFP is comprised of three (3) separate tabs: (i) Tab One: Application Cover Sheet and Cover Letter; (ii) Tab Two: Technical Proposal; and (iii) Tab Three: Administrative Proposal.

Respondents should indicate if they wish to be considered for senior underwriter, co-managing underwriter or both. Firms that wish to apply for a senior underwriter position should also respond to the additional questions listed in *Attachment 1*.

Proposals must be complete and prepared in a format consistent with the instructions provided in this RFP. In all instances, the Agencies' determination regarding a proposal will be final. Proposals not organized in the manner prescribed in this RFP may be considered non-responsive at the Agencies' sole discretion. Respondents should not refer to other parts of the proposal, to information that may be publicly available elsewhere, or to the Respondent's or other websites in lieu of answering a specific question.

8.1 Proposal Submission Requirements

Proposals must be delivered by email no later than the proposal due date and time indicated in the "*Calendar of Events and Milestones*" section of this RFP.

Proposals must be submitted by email to Nyhomes.proposal@nyshcr.org in searchable portable document format ("PDF") compatible with Adobe Reader XI. The Agencies will not accept discs, flash drives, or FTP file references that require the Agencies to download information from the Respondent's or a third party's site. If the file is large, it may be submitted in multiple email attachments, with the proper Part One or Part Two label (if applicable) and "1 of X", "2 of X", etc., and the last email as "X of X – Final" for each additional email.

The proposal must be bookmarked and divided into three parts: (i) Tab One: Application Cover Sheet and Cover Letter; (ii) Tab Two: Technical Proposal; and (iii) Tab Three: Administrative Proposal. Proposals must be sent in two emails and labeled as follows: (a) one email to include Tabs One and Two and the subject line of the email must be labeled: "2016 Underwriter Services: Tabs 1 and 2"; and (b) the other email must include Tab Three and the subject line of the email must be labeled "2016 Underwriter Services: Tabs 3".

Any proposal delivered after the date and time designated as the proposal submission deadline listed in the “*Calendar of Events and Milestones*” section of this RFP may be deemed ineligible. It is the Respondent’s sole responsibility to ensure that all emails and attachments are delivered on time in a legible format. Respondents assume all risk for proposal delivery.

A proposal may be deemed to be non-responsive because it is materially incomplete. The Agencies reserve the right to seek clarification or request additional information.

The determination of whether any proposal is complete or was received on time is at the sole discretion of the Agencies.

All submitted proposals shall become the property of the Agencies.

9. Contents of Proposals

The Respondent must submit a proposal that clearly provides all of the information required in this RFP. Emphasis should be made on conformance to the RFP instructions, responsiveness to the RFP requirements, and clarity of content. The Respondent is advised to thoroughly read and follow all instructions contained in this RFP. Proposals that do not comply with these instructions, or do not meet the full intent of all the requirements of this RFP may be subject to scoring reductions during the evaluation process or may be deemed non-responsive.

The Agencies do not require, nor desire, any promotional material that does not specifically address the response requirements of this RFP.

Proposals should demonstrate that the Respondent is qualified to perform the Scope of Work based upon prior relevant professional experience. An Agency review committee will conduct a comprehensive review of each proposal.

Each Respondent is required to submit the information and documentation listed below in the order in which it is requested. A proposal that does not include all required information and completed forms may be subject to rejection.

The completed proposal will include Tabs One through Three, as described in the Proposal Submission Requirements section of this RFP. Each Tab must be electronically bookmarked as “Tab 1,” “Tab 2,” and “Tab 3” and must be presented in the exact order requested in this RFP. The content in Tab 2 must be within the page limits indicated in *Attachment 1*, on letter-size pages (single spaced, minimum 12 point font, and at least one inch margins). The page limits do not include resumes, references, organizational chart, etc.

The Respondent's proposal should contain the following:

9.1 TAB 1: Cover Letter

The Respondent's cover letter must not exceed three (3) pages and should include:

1. The Respondent's name, address, telephone number, fax number, email address and web site address, if applicable;
2. The name, title, telephone number, fax number and email address of the individual within the Respondent's organization who will be the Agencies' primary contact concerning the proposal;
3. A summary of the Respondent's organizational history and legal structure (e.g. individual practitioner, partnership, LLC, corporation, non-profit organization, evidence of MWBE and/or SDVOB certification status, etc.);
4. A statement indicating the Agency(ies) for which the proposal is being submitted and in what capacities: (i) Senior Managing Underwriter; or (ii) Co-Managing Underwriter. Firms qualified as Senior Managing Underwriter will also be eligible to serve as Co-Managing Underwriter.
5. A statement affirming the number of years that the firm or its principals have provided underwriting services;
6. The name(s) of the primary staff who will provide services to the Agencies;
7. A statement that the Respondent's work for the Agencies will not create any conflict of interest. If your firm believes that a conflict of interest may arise, the nature of the conflict should be described; and
8. A written certification confirming that the information contained in the proposal is true and accurate and that the person signing the cover letter is authorized to submit the proposal on behalf of the Respondent.

9.2 TAB 2: Technical Proposal

This section of the RFP provides instructions to Respondents regarding information that is to be included in the Technical Proposal. Proposals must be complete, factual and as detailed as necessary to allow the Agencies to adequately evaluate capabilities and experience.

The purpose of the Technical Proposal is to provide the Respondent an opportunity to demonstrate its qualifications, competence and capacity to undertake the Scope of Work described herein, in a manner which complies with the requirements of this RFP. Proposals should specifically detail a Respondent's qualifications and experience in providing services sought by the Agency. Respondents who are interested in Senior Underwriter services must also answer additional questions attached to this RFP as *Attachment 1*.

The following items represent instructions for responding to the content to be included in Tab 2:

1. All firms must respond to TAB 2- A, Attachment 1;
2. Firms seeking Senior Manager positions for housing transactions must respond to TAB 2- B, Attachment 1; and
3. Firms seeking Senior Manager positions for non-housing transactions (MBBA and TSFC) must respond to TAB 2-C, Attachment 1.

9.3 TAB 3: Administrative Proposal

Respondents are subject to the requirements described in the [Agencies' Standard Clauses and Requirements for Solicitations](#), hyperlinked herein as Exhibit A. Such requirements include, but are not limited to, submission of the following information and forms of the Agencies: (a) [Lobbying Procurement Law FORM 1](#) and [Lobbying Procurement Law FORM 2](#); (b) [Non-Collusive Bidding Certification FORM](#); (c) [Contractor and Vendor Information FORM](#); and (d) [Vendor Responsibility Questionnaire for For-Profit Business Entity](#); (e) [EEO Staffing Plan, PROC-1](#); (f) [MWBE & EEO Policy Statement, PROC-4](#); (g) [Company Demographic Profile PROC-7](#); (h) [EEOC Statement, PROC-8](#), applicable to Respondents with 15 or more employees; and (i) [Diversity Practices Questionnaire, PROC-9](#).

In addition to completion of the forms hyperlinked in the paragraph above, Respondents must provide the following information:

9.3.1 Insurance

Potential awardees shall carry errors and omissions coverage with a minimum limit of liability of \$1,000,000 per occurrence.

9.3.2 Conflict of Interest

Disclose any existing or contemplated relationship with any other person or entity, including relationships with any parent, subsidiary or affiliated firm, which would constitute an actual or potential conflict of interest or appearance of impropriety, relating to other clients/customers of the Respondent or former officers and employees of the Agencies and their Affiliates, in connection with your rendering services enumerated in this RFP. If a conflict does or might exist, please describe how your firm would eliminate or prevent it. Indicate what procedures will be followed to detect, notify the Agencies of, and resolve any such conflicts.

9.3.3 Disclosure of Commission Findings

The Respondent must disclose whether its entity, or any of its members discussed in the above paragraph, has been the subject of any investigation or disciplinary action by the New York State Commission on Public Integrity or its predecessor State entities (collectively, “**Commission**”), and if so, a brief description must be included indicating how any matter before the Commission was resolved or whether it remains unresolved.

9.3.4 Diversity Practices that include MWBEs and SDVOBs

Respondents must provide the following information:

- (i) If the Respondent is a State-certified MWBE firm, provide documentation evidencing registration. For MWBE firms that are not certified but have applied for certification, provide documentation evidencing the application with the Empire State Development Corporation, including the filing date; and
- (ii) If the Respondent is a State-certified SVDOB firm, provide documentation evidencing registration. For SVDOB firms that are not certified but have applied for certification, provide documentation evidencing the application with the State's Office of General Services, including the filing date.

10. Evaluation of Proposals

10.1 The Selection Process

The selection process will begin with the review and evaluation of each of the written proposals. The purpose of the evaluation is two-fold: (1) to examine the responses for compliance with the requirements of this RFP; and (2) to identify the complying firm(s) that have the highest probability of satisfactorily performing the Scope of Work, described herein. The evaluation will be conducted in a comprehensive and impartial manner as set forth herein.

10.2 Preliminary Review

The Agencies reserve the right to reject all proposals received after the RFP due date and time. All proposals will be reviewed to determine if they contain all required submittals specified in this RFP. Incomplete proposals may be rejected.

10.3 Evaluation and Criteria for Selection

Proposals will undergo an evaluation process conducted by a committee of the Agencies ("**Committee**"). Given ongoing changes in firms active in the municipal sector, the Agencies will evaluate proposals based on the qualifications of both the firm and its current personnel, which will include an individual's experience at other firms during the relevant time period. The Committee will evaluate the proposals based upon the following criteria:

- the information submitted in response to this RFP, including:
 - relevant experience in housing transactions and tobacco securitizations;
 - ability to structure and sell the Agencies' bond issues;
 - demonstrated knowledge and technical expertise;
 - capitalization;

- presence of an office in the State;
- diversity and commitment to equal opportunity programs and firm's status as a MWBE;
- avoidance of any potential conflict of interest or appearance of impropriety and policies designed to ensure the avoidance of such conflicts in the future;
- financial soundness of the firm;
- review of the firm's insurance information; and
- review of the information provided together with the required forms in TAB 3 of the proposal;
- interviews to clarify or expand on the RFP response (to be conducted at the discretion of the Agencies); and
- significant innovative proposals in response to TABS 2-B and 2-C for Senior Managing Underwriters.

10.4 Interviews

The Agencies reserve the right to determine whether interviews will be necessary and the number of firms to be interviewed. If the Agencies deem interviews necessary, interviews are anticipated to be held during the dates specified in the “*Calendar of Events and Milestones*” section of this RFP. The primary relationship manager who would be responsible for the Agencies' relationship with the Respondent, as well as other key personnel proposed to provide services must be present and participate in the interview. The purpose of the interview is to further document the Respondent's ability to provide the required services, and to impart to the Agencies' Committee an understanding of how specific services will be furnished. The interview will be evaluated on the basis of whether it substantiates the characteristics and attributes claimed by the Respondent in its written response to this RFP and any other information requested by the Committee prior to the interview.

The Agencies reserve the right to negotiate or hold discussions with any Respondent.

10.5 Selection and Notification Process

The selected Respondents will be notified via U.S. mail or email. Respondents who are not selected will be notified of the Agencies' determination via U.S. mail or email.

11. Important Information Affecting Proposers

11.1 Proposal Requirements

1. A Respondent may withdraw a proposal any time prior to the final due date and time by written notification, signed by an authorized agent, to the contact person identified in Section 7.3 above. The proposal may thereafter be resubmitted, but not after the final due date and time. Modifications offered in any other manner, oral or written, will not be considered.

2. By responding to this RFP, the Respondent indicates its acceptance of the provisions and conditions enumerated in this RFP. The Respondent warrants and affirms that the terms of this RFP, and any resultant agreement, do not violate any contracts or agreements to which it is a party, and that its other contractual obligations will not adversely influence its capabilities to perform under the contract.

11.2 Agency Requirements

1. By submitting a proposal, the Respondent covenants that it will not make any claims or have any right to damages because of any misinterpretation or misunderstanding of the specifications or because of lack of information.
2. The Agencies shall not be obligated for any cost incurred by the Respondent in proposal preparation or in activities related to the review of this RFP or any interview costs.

12. Information relating to MWBEs, EEO and use of State Businesses

12.1 Contractor Requirements and Procedures for Business Participation Opportunities for New York State Certified Minority-and Women-Owned Business Enterprises, Equal Employment Opportunities (“EEO”) for Minority Group Members and Women and use of State Businesses

12.1.1 New York State Law

Pursuant to New York State Executive Law Article 15-A and 5 NYCRR 140-145, the Agencies recognize their obligation under the law to promote opportunities for maximum feasible participation of certified minority-and women-owned business enterprises and the employment of minority group members and women in the performance of Agency contracts.

In 2006, the State of New York commissioned a disparity study to evaluate whether MWBEs had a full and fair opportunity to participate in State contracting. The findings of the study were published on April 29, 2010, under the title "The State of Minority and Women-Owned Business Enterprises: Evidence from New York" (“**Disparity Study**”). The report found evidence of statistically significant disparities between the level of participation of MWBEs in State procurement contracting versus the number of MWBEs that were ready, willing and able to participate in State procurements. As a result of these findings, the Disparity Study made recommendations concerning the implementation and operation of the State-wide certified minority- and women-owned business enterprises program. The recommendations from the Disparity Study culminated in the enactment and the implementation of New York State Executive Law Article 15-A, which requires, among other things, that the Agencies establish goals for maximum feasible participation of New York State certified MWBEs and the employment of minority groups members and women in the performance of New York State contracts.

12.1.2 Business Participation Opportunities for MWBEs

For purposes of this solicitation, the Agencies hereby establish an overall goal of 30% for MWBE participation, 15% for New York State certified minority-owned business enterprise (“**MBE**”) participation and 15% for New York State certified women-owned business enterprise (“**WBE**”) participation (based on the current availability of qualified MBEs and WBEs).

12.1.3 Equal Employment Opportunity Requirements

By submission of a bid or proposal in response to this solicitation, the Bidder/Contractor agrees with all of the terms and conditions of [Appendix I – Standard Clauses for All New York State Contracts including Clause 7 - Equal Employment Opportunities for Minorities and Women.](#)

The Bidder will be required to submit a [Minority and Women-Owned Business Enterprises and Equal Employment Opportunity Policy Statement, PROC-4 Form](#) to the Agencies with their bid or proposal.

To ensure compliance with this Section, the Bidder will be required to submit with the bid or proposal an [Equal Employment Opportunity Staffing Plan PROC-1 Form](#), identifying the anticipated work force to be utilized on the Contract and if awarded a Contract, will, upon request, submit an [Equal Employment Opportunity Workforce Employment Utilization Compliance Report](#) identifying the workforce actually utilized on the Contract, if known, through the New York State Contract System; provided, however, that a Bidder may arrange to provide such report via a non-electronic method by contacting Ms. Lisa G. Pagnozzi at Lisa.Pagnozzi@nyshcr.org and Nyhomes.Proposal@nyshcr.org.

Further, pursuant to Article 15 of the Executive Law (the “**Human Rights Law**”), all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor and sub-contractors will not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

Please Note: Failure to comply with the foregoing requirements may result in a finding of non-responsiveness, non-responsibility and/or a breach of the Contract, leading to the withholding of funds, suspension or termination of the Contract or such other actions or enforcement proceedings as allowed by the Contract.

12.1.4 The Use of New York State Businesses in Contract Performance

The Agencies are committed to awarding a contract to a firm that will provide high-quality services at a reasonable and competitive cost and will substantially perform the Scope of Work, as described in this RFP, from an office(s) or location(s) within New York State.

New York State businesses have a substantial presence in State contracts and strongly contribute to the economics of the State and the nation. In recognition of their economic activity and leadership in doing business in New York State, Respondents for this Agency procurement are strongly encouraged and expected to consider New York State businesses in the fulfillment of the requirements of the Agency awarded contract. Such partnering may be as subcontractors, suppliers, protégés, providers of office and work space, and/or other supporting roles.

Respondents need to be aware that all authorized users of the awarded contract will be strongly encouraged, to the maximum extent practical and consistent with legal requirements, to use responsive New York State businesses in purchasing commodities that are of equal quality and functionality and in utilizing services and technology. Furthermore, Respondents are reminded that they must continue to utilize small, minority and women-owned businesses, consistent with current State law.

Utilizing New York State businesses in Agency contracts will help create more private sector jobs, rebuild New York's infrastructure, and maximize economic activity to the mutual benefit of the contractor and its New York State business partners. New York State businesses will promote the contractor's optimal performance under the contract award, thereby benefiting the public sector programs that are supported by associated procurements.

Public procurements can drive and improve the State's economic engine through promotion of the use of New York businesses by its contractors. The Agencies therefore expect the successful Respondent to provide maximum assistance to New York businesses in its use of the awarded contract. The potential participation of all kinds of New York businesses will deliver great value to the State and its taxpayers.

ATTACHMENT 1
(Attachment 1 to follow this page)

ATTACHMENT 1

TAB 2-A. - General Qualifications

Proposers responding only to TAB 2-A must limit their responses to 5 pages. Proposers responding to TAB 2-A and TAB 2-B but not responding to TAB 2-C are not required to adhere to the page limits set forth in each individual section, but must limit their combined response to 12 pages. Proposers responding to TABS 2-A, 2-B and 2-C are not required to adhere to the page limits set forth in each individual section but must limit their combined response to 15 pages.

1. Briefly describe your firm's qualifications to serve as either a senior manager or co-manager for the Agencies' bond issues. Your response should include:
 - a. A brief description of your firm and its organizational structure including a list of business lines in which your firm engages in addition to public finance;
 - b. The ownership structure of the firm and, if applicable, your firm's long term ratings for each of the last two years and a description of any events that may have caused any of the rating agencies to change their rating or outlook;
 - c. The firm's capital structure and leveraging practices, including total capital, equity capital, average excess net capital for the last three months of calendar 2015, capital to support public finance activity, underwriting capacity and your firm's most recent audited financial statements; and
 - d. An explanation of any short term financing currently used, including credit lines, to support underwritings.
2. Identify the principals and the key personnel who would be primarily responsible for the Agencies' housing banking and general underwriting relationship. Please include resumes of such staff and describe how you would utilize your firm's capital and human resources to best serve the Agencies.
3. List your firm's or principal's combined experience as senior manager or co-manager in the last two years for (i) state HFA single-family bond issues, (ii) state HFA multifamily housing bond issues¹, (iii) tobacco related financings, and (iv) any other pooled financing programs. Provide the following information, where applicable, for each financing (information should be provided in tabular form in an appendix which will not be counted as part of the 5 page limit):
 - a. Name of Issuer;
 - b. Size and Title of Issue;

¹ Please highlight bond issues which finance programs similar to HFA's Affordable Housing Revenue Bond Resolution.

- c. Date of Issue;
- d. Rating;
- e. Role of Firm (senior manager, co-manager);
- f. Total Bonds Sold specifying the amount of bonds sold to (i) retail and (ii) institutional investors compared to orders placed (member orders should not be included);
- g. Total Liability
- h. Investment Banker and/Underwriter Responsible at your firm;
- i. Financial Advisor to Issuer, if applicable;
- j. Method and type of Sale (negotiated or competitive, variable or fixed, new money or refunding); and
- j. Issuer Reference (name of individual, telephone number and email address).

For three of the financings, describe any unique contribution your firm or principals made to the transaction and how the issuer benefited. Elaborate on any innovations developed by your firm or its principals or any special marketing efforts undertaken by the firm for such financings.

4. Please describe your firm's recent support of the Agencies' bond issues in the secondary market. Provide specific examples if available.
5. Retail investor participation continues to play a significant role in the Agencies' bond sales. What specific steps, if any, should HFA and SONYMA take to expand their retail marketing efforts? Additionally, what strategies would your firm employ to expand institutional distribution of HFA and SONYMA bonds?
6. Currently the Agencies retail order period policies provide for a maximum order size of \$500,000, we are increasingly seeing orders in excess of that amount. Should the Agencies consider increasing their maximum?
7. How much time should the Agency allow for retail investors to place their final orders when there is a planned acceleration of the institutional order period?
8. Discuss your firm's presence in New York State including any offices maintained in the State, the number of staff employed in the State and the number of staff covering the Agencies who are employed in the State. Include in your discussion how your firm's current New York State footprint has changed in the last two years. Please provide examples of your firm's experience with New York issuers other than the Agencies.

9. Describe the firm's corporate citizenship and commitment to New York State, including local procurement of goods and services, development or participation in internship programs or scholarships and corporate philanthropy.

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TAB 2-B. - Senior Manager Questions

Proposers responding to TAB 2-A and TAB 2-B but not responding to TAB 2-C are not required to adhere to the page limits set forth in each individual section, but must limit their combined response to 12 pages. Proposers responding to TAB 2-A, TAB 2-B and TAB 2-C are not required to adhere to the page limits set forth in each individual section but must limit their combined response to 15 pages.

1. Discuss your firm's commitment to state housing finance agencies. Have there been any changes in the firm's housing department staffing since January 2015? Include the number of staff specifically dedicated to the state housing finance agency sector.
2. Over the past five years, SONYMA has continued to mine its portfolio for refunding opportunities to create debt service savings to subsidize the Agency's lending activities. With the number of refunding candidates dwindling, what other strategies should the Agency employ to continue to fund its single family lending programs in a cost effective manner?
3. As part of SONYMA's Asset and Liability policy, the Agency seeks to limit its variable rate debt to approximately 25% of its bonds outstanding. It is also the Agency's policy that the amount of unhedged variable rate debt not exceed 10% of the total bonds outstanding. The Agency currently has \$452 million of variable rate bonds outstanding under the Homeowner Mortgage Revenue Bond Resolution, representing approximately 24% of the bonds outstanding under the Resolution. Approximately 92% of the Agency's variable rate debt is currently subject to interest rate swaps entered into in connection with the original issuance of its variable rate bonds. Please provide up to three strategies SONYMA should consider to manage its variable rate exposure in the near future.
4. SONYMA has experienced exponential growth in its single family lending activity over the last calendar year. In 2015, the Agency's single family lending activity increased by 250% from the previous year and was above the Agency's ten year average annual purchases. The Agency is exploring how to gauge the effectiveness of the Agency's marketing strategies in garnering a greater percentage of the broader single family housing market. Please comment on the broader single family housing market in New York State and how the Agency can continue to increase its market share within its target market (first-time homebuyers).
5. Launched in 2007, the Agency's Affordable Housing Revenue Bond Resolution ("AHRB") has become the Agency's primary vehicle for financing affordable housing across the State. Currently, there is over \$1.84 billion in bonds outstanding under the Resolution, \$1.82 billion in mortgages outstanding. The SONYMA Mortgage Insurance Fund provides mortgage insurance for over 80% of the loans outstanding. While the Agency continues to expect the Mortgage Insurance Fund will play a significant role in this indenture, we are exploring ways to diversify the AHRB's credit exposure. Please provide any comments, suggestions and/or considerations that might be helpful in this diversification process.

6. Please provide up to three specific suggestions on how HFA can improve on the structuring, marketing and delivery of AHRB bond issues to increase efficiencies and produce the lowest cost of funds.
7. If you served as a managing underwriter for HFA and/or SONYMA during the past two years, please provide up to three proposals or marketing contributions (including specific secondary market transactions) you have made to the Agencies. Please provide a brief summary of each listed proposal or market contribution.
8. What are the major economic, regulatory and policy trends that will affect the Agencies' operations in the next two years? What steps, if any, can the Agencies take to limit any negative impact?
9. The Agencies seek to continuously improve the programs and services they provide. Please provide any ideas or suggestions the Agencies should consider not addressed in other responses.

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TAB 2-C. - Senior Manager-Additional Questions

Proposers responding to TAB 2-A and TAB 2-C but not responding to TAB 2-B are not required to adhere to the page limits set forth in each individual section, but must limit their combined response to 8 pages. Proposers responding to TABS 2-A, 2-B and 2-C are not required to adhere to the page limits set forth in each individual section but must limit their combined response to 15 pages.

1. MBBA has issued bonds for a number of purposes in its 40 year history but has never had programs broad enough in scope and sufficient resources to warrant consistent activity. Suggest ways in which the MBBA might be more effective and consistent in achieving its mission of providing better execution and lower cost of funds to local governments in the State.

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