

**REQUEST FOR PROPOSALS
INDEPENDENT REGISTERED MUNICIPAL ADVISORS
August 5, 2019
City of Chicago
and
Sales Tax Securitization Corporation**

The City of Chicago (the City) Office of the Chief Financial Officer is seeking responses to this request for proposals (RFP) in order to engage the services of one or more Financial Advisors to serve as an “Independent Registered Municipal Advisor” (“IRMA”) pursuant to the “IRMA” exemption provided by Rule 15Ba1-1 (the “Rule”) adopted by the U.S. Securities and Exchange Commission (the “SEC”). The Financial Advisors selected will serve solely as an IRMA on a non-transactional basis, as set forth under Scope of Services below. Pursuant to the Services Agreement between the City and Sales Tax Securitization Corporation (the Corporation), the City is also seeking responses on behalf of the Corporation.

Respondents to this RFP should already serve in the City’s pool of financial advisors established by the City’s financial advisor RFQs issued on June 10, 2016. Firms selected as IRMAs will be required to maintain their qualifications in the pool. Any such determination will be made by the City on a case by case basis and may be based on a perceived or actual conflict of interest or other determination(s) deemed by the City in its best interests.

Firms currently engaged in municipal advisory activities as defined by the Municipal Securities Rulemaking City (MSRB) and SEC must be registered both with the MSRB and SEC and in full compliance with any requirements associated with such registrations. Municipal advisory firms providing municipal advisory service may be in violation of federal securities laws and MSRB rules if they are unregistered or noncompliant municipal advisors with both regulatory organizations.

This RFP applies, but is not limited, to the Corporation’s Sales Tax Revenue Bonds and the following City credits:

- General Obligation
- Motor Fuel Tax
- Sales Tax (residual revenue)
- Chicago O’Hare International Airport (O’Hare)
- Chicago Midway International Airport (Midway)
- Water
- Wastewater
- Single Family Housing
- Multi-family Housing
- Tax Increment Financing (TIF) Bonds, Industrial Development Bonds (IDB), Special Service Area Bonds (SSA) and/or Special Assessment Bonds (SA)
- Social impact bonds or other forms of pay-for-success financing
- Any new revenue bond credits considered by the City

The City and the Corporation each reserve the right to modify or terminate this RFP at any stage if the City or the Corporation determines such action to be in its best interest, respectively. The

receipt of responses or other documents at any stage of this RFP will in no way obligate the City or the Corporation to enter into any contract of any kind with any party. The City and the Corporation each reserve the right to reject any and all responses, to waive any irregularities in any response and to request clarification or additional information from any institution.

If selected, your firm will be expected to complete an Economic Disclosure Statement and Affidavit (EDS) alongside the execution of the contract contained in **Attachment B**. A copy of the EDS can be found on the Procurement Services website at: https://www.chicago.gov/city/en/depts/dps/provdrs/comp/svcs/economic_disclosurestatementseds.html

Please ensure that your firm is comfortable completing the EDS prior to submitting a response to this RFQ.

For additional information concerning certain City financial reports and information please go to: www.cityofchicago.org/finance and <http://www.emma.msrb.org/>

For additional information concerning certain Corporation financial reports and information please go to: www.salestaxsecuritizationcorporation.com and <http://www.emma.msrb.org/>

SCOPE OF SERVICE

The firm selected for this engagement shall provide some or all of the services identified in Exhibit 1 of **Attachment B**.

RESPONSE REQUIREMENTS

1. Please discuss your firm's willingness to serve as an Independent Registered Municipal Advisor, as defined in the SEC Municipal Advisor Rule, and the structure of such an engagement. A sample contract of the kind preferred by the City/Corporation is included as **Attachment B**. As indicated in item 4 of the sample contract, the City/Corporation intends to provide compensation for the selected firm(s) only in connection to each issuance of municipal securities or municipal products for which the selected firm(s) provides advice to the City/Corporation.
2. Does your firm have an equal employment opportunity policy? If so, will your firm provide information to the City regarding its EEO policy upon request? Please complete the Equal Employment Opportunity Commission tables in **Attachment A** at the end of this RFQ and include as an Appendix to your response.

Responses should be no longer than three (3) pages long and be presented on 8 ½ x 11 inch paper with a font size no smaller than 10. If necessary, a redline mark-up of the sample contract may also be provided as an Appendix. Appendices will not count against the page limit.

The City/Corporation will not be liable for any costs incurred by any respondent in connection with preparing a response to this RFP.

The City/Corporation anticipates the following schedule for review of the responses. At the discretion of the City/Corporation, late and/or incomplete responses will not be accepted.

Opportunity Posted	August 5, 2019
Deadline for questions	August 9, 2019 5:00 p.m. (CDT)
Response to questions	August 14, 2019
RFP response to submission deadline	August 23, 2019, 5:00 p.m. (CDT)
Estimated Selection	Week of August 26th

One (1) PDF copy of the response must be delivered via email to Jack Brofman, Deputy Comptroller, at jack.brofman@cityofchicago.org and Brendan White, Senior Fiscal Policy Analyst, at brendan.white@cityofchicago.org no later than 5:00 PM (CDT) on Friday, August 23, 2019. Faxes will not be accepted.

Questions Regarding this RFP

Questions regarding this RFP are to be submitted by email to the attention of Jack Brofman (jack.brofman@cityofchicago.org) and Brendan White (brendan.white@cityofchicago.org) no later than **5:00 PM local time on Friday, August 9, 2019**. All questions received by this date and time will be answered appropriately. **The subject of such emails should read, “RFP – IRMA – [insert firm name].”** Questions emailed by respondents and any additional information the City provides in response to such questions will be distributed to all respondents, but the identity of the question provider will not be released.

No questions are to be directed to the Mayor’s Office or any other City office.

SELECTION CRITERIA AND PROCESS

The City/Corporation intends to review RFP responses and qualifications and will select financing participants based on compliance with all regulatory criteria, demonstrated service to the City/Corporation, analysis and ideas provided, and status as women, minority or disabled veteran owned and managed enterprise.

Attachment A

Job Categories

Officials and Managers
 Professionals
 Technicians
 Sales Workers
 Office and Clerical
 Craft Workers (Skilled)
 Operatives (Semi-Skilled)
 Laborers
 Service Workers
 Total

Male						Female				
Overall Totals	White (Not Hispanic)	Black (Not Hispanic)	Hispanic	Asian	Native American	White (Not Hispanic)	Black (Not Hispanic)	Hispanic	Asian	Native American

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 Laborers
 Service Workers
 Total

Overall Totals	White (Not Hispanic)	Black (Not Hispanic)	Hispanic	Asian	Native American
%	%	%	%	%	%
%	%	%	%	%	%
%	%	%	%	%	%
%	%	%	%	%	%
%	%	%	%	%	%
%	%	%	%	%	%
%	%	%	%	%	%
%	%	%	%	%	%
%	%	%	%	%	%
100%	%	%	%	%	%

Male	Female	Total
%	%	100%

Attachment B

_____, 2019

Jennie Huang Bennet
Chief Financial Officer
City of Chicago
Department of Finance
121 North LaSalle Street, 7th Floor
Chicago, Illinois 60602

Dear Ms. Huang Bennet,

This confirms the engagement of _____ (“Consultant”) by the City of Chicago, a municipal corporation and home rule unit of local government existing under the Constitution of the State of Illinois, acting through its Department of Finance (the “City”) to provide certain financial advisory services under the terms and conditions of this Agreement (the “Agreement”).

WHEREAS, the City appoints Consultant as its municipal advisor with respect to the revision of the City’s overall financing activities as well as its adherence to its debt and swap policies that are utilized to provide guidelines for the financings of the City (the “Project”).

1. Definitions. The following words and phrases have the following meanings for purposes of this Agreement:

"Additional Services" means those services which are within the general scope of Services of this Agreement, but beyond the description of services required under Exhibit 1, and all services reasonably necessary to complete the Additional Services to the standards of performance required by this Agreement.

"Agreement" means this Agreement, including all exhibits attached to it and incorporated in it by reference, and all amendments, modifications or revisions made in accordance with its terms.

"Department" means the City Department of Finance.

"Services" means, collectively, the services, duties and responsibilities described in Section 2 and Exhibit 1 of this Agreement and any and all work necessary to complete them or carry them out fully and to the standard of performance required in this Agreement.

2. Duties and Responsibilities of Consultant

(a) Scope of Services – This description of Services is intended to be general in nature and is neither a complete description of Consultant's Services nor a limitation on the Services that Consultant is to provide under this Agreement. The Services that Consultant must provide are described in Exhibit 1, Scope of Services and Time Limits for Performance and any Additional Services in connection therewith.

(b) Deliverables - In carrying out its Services, Consultant must prepare or provide to the City various Deliverables. "Deliverables" include work product, such as written reviews, recommendations, reports and analyses, produced by Consultant for the City, as identified in Section 2(a) herein.

(c) Insurance. Consultant must provide and maintain at Consultant's own expense, during the term of this Agreement and any time period following expiration if Consultant is required to return and perform any of the Services or Additional Services under this Agreement,

the insurance coverages and requirements specified in Exhibit 2 of this Agreement, insuring all operations related to this Agreement. Notwithstanding the foregoing, Consultant shall provide proof of insurance detailed in Exhibit 2 no later than _____, 2019 and if Consultant has not provided such proof of insurance by that date, the City may terminate this Agreement pursuant to Section 7.

3. Duration of Agreement. This Agreement takes effect as of the date hereof and continues, except as provided under Section 7, until _____, 20____, unless extended by mutual agreement in writing by the City and Consultant.

4. Compensation. For the Services set forth in Exhibit 1 and any Additional Services related to a specific transaction, the City and Consultant shall negotiate compensation for the Consultant relating to each issuance of municipal securities or municipal products for which the Consultant provides advice to the City.

5. Representation, Warranties and Covenants of the Consultant.

a. Consultant represents, warrants and covenants to the City that it

- i. has sufficient professional knowledge and experience to assist in the development of, implementation of, and adherence to debt and swap policies, and policies in connection with long-term concessions involving City assets, the selection of assets in connection with municipal marketing activities as described in Section 2-32-055 of the Municipal Code of the City (the “Municipal Code”) and development of a municipal marketing plan, and leveraged leaseback transaction policies consistent with the financing goals of the City; and
- ii. is subject to and will observe all applicable federal, state, county and municipal laws, statutes, ordinances and executive orders, in effect now or later and whether or not they appear in this Agreement.
- iii. will act in the best interests of the City;
- iv. will make appropriate and timely disclosures to the City of, as well as manage and mitigate, all material conflicts of interest that could reasonably affect the judgment or decision-making of the Consultant with respect to its obligations to the City;
- v. does not have any conflicts of interest or legal or disciplinary events described in MSRB Rule G-42 except as indicated on Exhibit 3 hereto;
- vi. will have and comply with policies and procedures reasonably designed to ensure that it satisfies all the requirements necessary to be a municipal advisor under the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. Law No. 111-203, 124 Stat. 1376, (the “Dodd-Frank Act”) and all regulations and rules promulgated in connection with the Dodd-Frank Act;

- vii. will notify the City of any investigations by any local, state or federal regulatory body in connection with its business conduct or practices;
- viii. will not have any discussions with the media regarding the City or its bond and swap portfolio without the prior consent of the City;
- ix. shall not disclose any information, communications, or materials including but not limited to proposals, financial product or structuring information or other information received from the City, individuals, or firms and shall hold in strict confidence any such information received, using such information only for the purpose of discharging its duties to the City under this Agreement, and shall not disclose such information to any other person other than the City;
- x. has registered as a municipal advisor pursuant to SEC Rule 15Ba1-2; and
- xi. has not been associated with an investment banking firm within the two years prior to the date of this Agreement.

6. Non-Liability of Public Officials. Consultant and any assignee or subcontractor of Consultant must not charge any official, employee or agent of the City personally with any liability or expenses of defense or hold any official, employee or agent of the City personally liable to them under any term or provision of this Agreement or because of the City's execution, attempted execution or any breach of this Agreement.

7. Termination and Assignment.

(a) This Agreement may be terminated by the City at any time upon 7 days' prior notice to Consultant and by Consultant upon 60 days' prior notice to the City. Additionally, the City may terminate this Agreement upon the written notice to the Consultant upon the happening of any representation, warranty or covenant breach. Such termination shall be without the payment of any penalty and without liability of either party to the other, except that Section 6 shall survive any such termination.

(b) No assignment of this Agreement by Consultant shall be effective without the written consent of the City.

8. Notices. Any notice or other communication provided for herein may be mailed to Consultant at its address set forth above or to the City at its address above, unless either party notifies the other in writing of a different address, or may also be sent by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram, facsimile (fax), e-mail; (c) overnight courier or (d) registered or certified first class mail, return receipt requested.

9. Authority. Each of the parties to this Agreement represents that it has duly authorized the execution, delivery and performance of this Agreement and that neither such execution and delivery nor the performance of its obligations hereunder conflict with or violate any provision of law, rule or regulation, or any instrument to which it is a party or to which any of its property is subject and that this Agreement is a valid and binding obligation of such party.

10. General. The validity and interpretation of this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois applicable to Agreements made and to be fully performed therein. This Agreement may not be modified or amended except in writing executed by the parties hereto. This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

11. Inspector General. It is the duty of any bidder, proposer or Consultant, all subcontractors, every applicant for certification of eligibility for a City contract or program, and all officers, directors, agents, partners and employees of any bidder, proposer, Consultant, subcontractor or such applicant to cooperate with the Inspector General in any investigation or hearing undertaken pursuant to Chapter 2-56 of the Municipal Code. Consultant understands and will abide by all provisions of Chapter 2-56 of the Municipal Code. All subcontracts must inform subcontractors of the provision and require understanding and compliance with it.

[Signature Pages, Exhibits and Schedules follow.]

Consultant _____ Agreement
SIGNATURE PAGE(S)
SIGNED at Chicago, Illinois:

CITY OF CHICAGO

By: _____
Jennie Huang Bennett
Chief Financial Officer

CONSULTANT

By: _____
Name: _____
Title: _____

EXHIBIT 1

SCOPE OF SERVICES AND TIME LIMITS FOR PERFORMANCE

Consultant will be expected to provide comprehensive advisory services, including but not limited to, the following:

- (1) Review financing proposals by underwriters and municipal advisors providing recommendations for action;
- (2) On an as-needed basis, perform long-range financial planning related to the City's general obligation debt;
- (3) On an as needed basis, review and update the City's debt and swap policies;
- (4) On an as needed basis, oversee and review calculation of the annual property tax levy used to pay general obligation bond debt service;

- (5) Manage the request for proposal process for all bond financing vendors, and review and catalogue all such proposals;

- (6) Oversee and manage the City's arbitrage rebate compliance efforts with federal government; and

- (7) Manage the City's request for federal direct subsidies related to the City's outstanding direct federal subsidy bonds.

It is also understood that Consultant will not advise on the investment of City funds held by the Office of the City Treasurer or any other matter under the purview of the City Treasurer.

EXHIBIT 2
INSURANCE REQUIREMENTS

See Attached.

[Consultant shall provide its general liability certificate with the City added as an additional insured and its professional liability certificate.]

EXHIBIT 3
CONFLICTS OF INTERESTS AND LEGAL OR DISCIPLINARY EVENTS

- (1) Conflicts of interest: [Consultant shall provide description or state “None” if not applicable.]
- (2) Legal or disciplinary events: [Consultant shall provide description or state “None” if not applicable.]