

State of Connecticut – Office of the Treasurer
2020 Underwriting and Investment Banking RFP
Questions and from Firms and Treasury Responses: April 8, 2020

In accordance with the provisions of the Request for Proposals for Underwriting and Investment Banking Services dated March 16, 2020, questions and information requests that were submitted by April 1, 2020 have been addressed below.

Response to questions regarding electronic and hardcopy submissions, original signatures and notarizations:

In recognition of the challenges posed by broad work from home directives due to the coronavirus, the Office of the Treasurer will extend the deadline for delivery of electronic RFP responses and non-notarized Legal and Policy compliance documents to May 7, 2020. The deadline for hard copy responses of the May 7, 2020 electronic submission and full completion of Legal and Policy compliance documents is extended to May 21, 2020.

In addition, with regard to notarizations of compliance documents, the Treasurer's General Counsel has determined that as long as the notarization abides by the State law where the person is signing, then the process is acceptable to the Office of the Treasurer. For example, New York appears to have issued an Executive Order similar to Connecticut allowing for remote notarizations. Hence, the Office of the Treasurer would accept the signature even if New York's procedures were not identical to those in Connecticut. In those situations where the notary was not present at the signing, please provide a simple declaration that the notarization was taken consistent with current law in your State.

Additional Questions Received:

1. Is there a date the State would like us to assume for interest rates for analyses related to the RFP?

To allow responses to the RFP to progress on each firm's individual timeframe, it is not necessary to pick one date. More importantly, for the date of the analysis, please provide market levels (use MMD or Treasury curve as the proxy), credit spreads, coupons and yields to the extent this discussion is relevant to the advantage of the structure.

2. Can the State provide detailed information on its interest rate swap agreements and confirm that it has a swap advisor on which it will rely for advice related to swaps?

The last GO swap will mature on June 1, 2020. There is no current swap advisor.

3. With regard to Question 6 Part C "Senior Manager Information", is the State seeking a response reflective of current market conditions, which are rapidly evolving given COVID-19, or a response that reflects a more normalized, stable, and functioning market?

The State is primarily interested in information / data on the historically most active Institutional Investors for all the various State bond programs. Having said that it would be relevant to also discuss which investors have played an important role in the short-term given the market uncertainty associated with COVID-19.

- 4. In Part A, Questions 5 and 6, can you confirm that you would like us to include only tax-exempt transactions?**

Please include only tax-exempt transactions in your reply.

- 5. In Part E, Question 3, would the State like us to prioritize analyzing the Governor's most recently debated tolling proposals in our assumptions?**

The State is interested in learning about the use of tolling for bond programs that are not solely direct issued toll road bonds. A discussion on any such programs nationwide might include how the Governor's tolling proposals (whether for all vehicular traffic or truck-only) might be incorporated as part of the STO bond program.

- 6. Part A: Required Information, Question 1 asks senior manager respondents to 'state the program for which your firm is best qualified'. Is it the Treasurer's Office intent to assign firms to a single issuing credit or will firms be assigned to multiple issuing credits as is the case with the current underwriting pool?**

We will take your priority into consideration when we make program assignments. Firms may be assigned to multiple programs as we so determine.

- 7. Does the State have more recent projections for traffic and revenue associated with truck-only tolling beyond the estimates provided in CDM Smith's 2018 Traffic and Revenue Study?**

At this time, no additional information is available.