

# City of Conroe, Texas



## Request for Qualifications Bond Underwriting Services RFQ# 1030-18

**Due: 2:00 PM CST on  
Thursday, November 16, 2017**



## CITY OF CONROE, TEXAS REQUEST FOR QUALIFICATIONS FOR BOND UNDERWRITING SERVICES RFQ # 1030-18

### SOLICITATION NOTICE

Notice is hereby given that the City of Conroe, Texas ("City") is soliciting statements of qualifications from qualified firms ("Vendor", "Proposer", or "Contractor") to provide **Bond Underwriting Services** to be provided in accordance with the terms, conditions, and specifications established herein.

Vendor responses ("Proposals" or "Offers") shall be submitted to the City's address listed below. Any additions, deletions, modifications, or changes made to this Solicitation shall be processed through an Addendum, which will be posted and distributed to all participating Proposers through the City's consultant, BOK Financial Securities, Inc. It shall be the sole responsibility of each Proposer to ensure review of all Addenda issued in connection to this Solicitation prior to submitting a proposal.

### I. Overview

The City of Conroe (the "City") is requesting information from qualified firms to provide bond underwriting services for its proposed 5-Year Capital Improvement Plan (the "5-Year CIP") and any other negotiated bond underwritings deemed necessary by the City during the next 5 years ending December 31, 2022.

The City intends to form a pool of underwriters to market the City's future negotiated bond sales. The pool will be formed by the City, in consultation with other applicable parties it deems appropriate. The City anticipates its underwriting pool will consist of 4 to 6 firms. The City will have the sole authority to appoint the members of the underwriting pool it deems in the best interest of the City. While not all-inclusive, the City will consider the following when formulating its underwriting pool:

- City financing experience, with an emphasis on cities similar to the City;
- Underwriting performance on City's prior bond sales;
- Distribution capabilities for the City's debt obligations;
- Previous financing ideas presented to the City;
- City financing experience of banking/underwriting professionals assigned to the City;
- Firm's demonstrated commitment to Texas cities;
- Capital commitment to City's bond sales;
- Financial position of firm;
- Importance of City's bond sales;
- Local presence; and
- Potential conflicts of interest.



Should your firm be selected for the underwriting pool, the City does not guarantee your firm will be included within any negotiated bond sale of the City. The City reserves the right to remove or add firms to it.

**II. Timeline**

- A.** Release RFQ: Monday, October 30, 2017
- B.** Deadline for Questions: Friday, November 10, 2017
- C.** Deadline for Submittal of Qualifications: Thursday, November 16, 2017 by 2:00 pm
- D.** Vendor Interviews (If necessary): Week of November 27, 2017 (TBD)
- E.** Council Approval Meeting: Thursday, December 14, 2017
- F.** Award Notice: Friday, December 15, 2017

**III. Selection**

The City reserves the right to reject any and all proposals, to waive any irregularities in any proposal (except time of filing), to request clarifications or additional information from any firm. The City reserves the right to select the Underwriters deemed in its best interests and the right to negotiate the terms of a bond underwriting, including the provisions of the Bond Purchase Agreement.

The City reserves the right to revise any and all elements which comprise the response of an Underwriter to ensure that the best possible consideration be afforded and to amend the requirements herein as it deems appropriate.

The City reserves the right to select an Underwriter(s) for a specific purpose or for any combination of specific purposes and to defer the selection of any Underwriter to a time of the City’s choosing.

**IV. Delivery Instructions**

**(A). Submission**

Please submit your firm’s response as follows:

**Two (2) Bound Hard Copies  
 Delivered to:**

City of Conroe  
 Attn: City Secretary’s Office  
 300 W. Davis  
 3<sup>rd</sup> Floor  
 Conroe, Texas 77301

**An Electronic PDF Copy  
 Emailed to:**

[Swilliams@cityofconroe.org](mailto:Swilliams@cityofconroe.org)  
 Steve Williams  
 Assistant City Administrator  
 and Chief Financial Officer  
 City of Conroe

**An Electronic PDF Copy  
 Emailed to:**

[jrobuck@bokf.com](mailto:jrobuck@bokf.com)  
 John Robuck  
 Managing Director  
 BOK Financial Securities, Inc.



**In addition, all responses must be clearly marked “Request for Qualifications# 1030-18 - Bond Underwriting Services” and delivered physically and electronically no later than 2:00 pm CST, on Thursday, November 16, 2017.**



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## (B) Guidelines

- ✓ The City desires to minimize the submission of unnecessary material. Interested firms are limited to 25 pages (not including the transmittal letter, executive summary or requested appendix).
- ✓ All costs directly or indirectly related to preparation of a response to this solicitation shall be the sole responsibility of and shall be borne by the responding firm.
- ✓ **Any attempt by a respondent to contact City Council or City staff regarding this solicitation may result in rejection of said response.**
- ✓ Responses must be submitted individually. Joint responses will not be considered.
- ✓ Questions and comments regarding this solicitation are to be directed in writing only to the City's consultant listed below no later than **Friday, November 10, 2017**. Answers to each question submitted will be made available to each interested proposing firm.

Mr. John Robuck  
BOK Financial Securities, Inc.  
1401 McKinney Street, Suite 1000  
Houston, Texas 77010  
[jrobuck@bokf.com](mailto:jrobuck@bokf.com)

## V. Questions

Your firm's response should reply to the following questions. Failure to specifically address the question posed will be considered non-responsive and potentially negatively impact the evaluation of your response. Preceding the response to each question, please restate the wording of the question.

### General

- (1) Please provide the name of the firm, name, title, address, telephone number, fax number and e-mail address of lead professional assigned to the City to whom questions or requests for additional information should be directed.
- (2) State which of the following best describes your firm: (national, regional, minority, etc. and public, private, limited partnership, etc.)
- (3) Please list any locations your firm has within the boundaries of the City.
- (4) Provide proof that your firm currently has in force insurance policy(s) for the following coverage and coverage amounts:
  - (a) Errors and Omissions Liability, and
  - (b) Comprehensive General Liability



**City Finance Capabilities**

- (5.) Provide a brief resume of the professionals assigned to the City’s underwriting engagement. Please focus on the city financing experience of both the lead professional assigned to the City and the bond underwriting professional assigned to the engagement. Please include their office locations and reference the location of the underwriting desk that will be responsible for the City’s bond sales. Do not include the firm’s city experience within your response to this question.
- (6.) Provide a brief history of the firm and its municipal platform for Texas city bond underwritings. Please include the location of your firm’s public finance headquarters and its public finance offices.
- (7.) Discuss your firm’s Texas negotiated underwriting experience. Within an appendix (which will not count against the 25 page response limitation), please summarize the Texas negotiated debt underwritings your firm has completed from January 1, 2016 – September 30, 2017 – Separated by Senior Manager and Co-Manager (Sale Date, Issuer, Issue Description and Dollar Amount). Please also include a summary table of the number and dollar amount completed for each role (in the format shown below).

<b>Texas Underwriting Experience – Negotiated Sales</b>		
<b>January 1, 2016 Through September 30, 2017</b>		
	Number of Transactions	Par Amount of Transactions
Senior Manager		
Co-Manager		
Total		

- (8.) Discuss your firm’s Texas competitive underwriting experience. Within an appendix (which will not count against the 25 page response limitation), please summarize the Texas competitive underwritings your firm has completed as an underwriter from January 1, 2016 – September 30, 2017 – Separated by Senior Manager and Co-Manager (Sale Date, Issuer, Issue Description, Dollar Amount and Percentage Liability). Please also include a summary table of the number and dollar amount completed for each role (in the format shown below) in your response to this question.

<b>Texas Underwriting Experience – Competitive Sales</b>		
<b>January 1, 2016 Through September 30, 2017</b>		
	Number of Bids Won	Par Amount of Bids Won
Senior Manager		
Co-Manager		
Total		

- (9.) For a city bond underwriting in an amount in excess of \$20 million your firm has participated within the last two (2) years, please provide one (1) example of your firm’s underwriting performance (i.e. orders submitted, allotments received, etc.) as the Senior Managing



Underwriter and one (1) example of your firm's underwriting performance as a Co-Managing Underwriter. Please include the designation policy for each example provided.

- (10.) Please list the financing ideas or other correspondence, including the date provided to the City over the last 2-years. The City reserves the right to request copies of such material, if listed.
- (11.) Please provide a statement of the actions your firm would take to ensure the City's bond sales are completed in a transparent manner and your firm remains accountable for its performance as a bond underwriter.
- (12.) Please provide references (name, address, phone number and email address) for eight (8) Texas cities your firm has served in the last two (2) years as a bond underwriter. Please indicate the public finance and underwriting professional assigned by your firm for each reference and your firm's role in such financing (i.e. Senior Manager, Co-Manager, etc).

### **Financial**

- (13.) Please provide your firm's current total and net capital for the most recent period available. Please also provide a statement of how much of the firm's capital is typically utilized to support municipal sales, trading and underwriting engagements.
- (14.) Please describe any ownership changes within your firm (mergers, reorganizations, major ownership changes, etc.) or any agreements entered into during the last two (2)-years.
- (15.) Based upon an assumed \$20 million negotiated bond sale of the City, please indicate the capital your firm is directly willing to commit to purchase any unsold balances at the end of an underwriting period. Please provide such commitment on the assumption of your firm being Senior Manager with a 60% underwriting liability and as a Co-Manager with a 40% underwriting liability. Simply stating your firm's total capital position and ability to underwrite the City's bonds will be considered non-responsive. Please note, the response to this question will be considered should your firm be selected to serve as an underwriter for the City's 5-Year CIP.

### **Marketing and Underwriting**

- (16.) Describe your firm's municipal sales, trading, and underwriting capabilities for Texas city debt offerings. Please include the number of both institutional and retail sales representatives available to distribute the City's bonds and the locations thereof. Please highlight the institutional sales representatives located within Texas
- (17.) Since January 1, 2016, provide examples of city bond underwritings in which your firm underwrote balances at the end of an underwriting period. Please only include the balances your firm underwrote and not the entire syndicate.

### **Other Considerations**

- (18.) Describe any conflicts of interest or potential conflicts of interest that you believe potentially exist should your firm and its representatives be selected as a bond underwriter.



- (19.) Please disclose any disciplinary actions (fines, sanctions, etc.) imposed by federal or state regulatory authorities, including but not limited to the Municipal Securities Rulemaking Board (MSRB), Financial Industry Regulatory Authority (FINRA) Securities and Exchange Commission (SEC) relating to your firm's municipal activities during the last five (5) years. Please also describe if your firm has been named in any lawsuit with a municipal issuer during this time. A general response will be deemed non-responsive.

## **VI. Closing**

We appreciate your firm's interest in serving as a bond underwriter to the City and look forward to receiving your proposal.