

## Request for Proposals

### Senior Managing Underwriter and/or Co-Managing Underwriter

**Proposals Due by 4:00pm on December 19, 2023**

Rhode Island Infrastructure Bank (the Bank) is soliciting proposals from qualified firms to serve as Senior Managing Underwriter or Co-managing Underwriter with respect to the sale of bonds and related services for the Bank. The selected firm(s) will serve in either capacity for up to two years with an option for one additional year.

Proposals must conform to the requirements of this Request for Proposal (RFP) and should not exceed 15 (fifteen) pages in length, including exhibits, except as noted. A concise executive summary and cover letter should accompany your proposal. The proposal must indicate whether your firm is proposing to be considered for Senior Managing Underwriter, Co-Managing Underwriter, or both.

**Proposal Submission:** Electronic submission is required. Proposals should be submitted in PDF format to:

Joanna L'Heureux  
Chief Financial Officer / Chief Operating Officer  
Rhode Island Infrastructure Bank [mailto: rfp@riib.org](mailto:rfp@riib.org)

Questions regarding this RFP should be emailed to Joanna L'Heureux, no later than 4:00 PM Eastern Time on December 8, 2023. All questions and answers will be aggregated and posted publicly on the "Requests for Proposals" landing page found under the "Doing Business with Us" dropdown menu at [www.riib.org](http://www.riib.org). The Bank will not answer questions verbally or individually during the RFP process.

#### I. **Introduction and Background**

The Bank was established in 1989 as a quasi-public state agency and is a component unit of the State of Rhode Island. Over its more than three decades of existence, the Bank's core mission has evolved and expanded. Consistent with the Bank's mission of serving as Rhode Island's central hub for financing infrastructure improvements for municipalities, businesses, and homeowners, the Board and management are focused on delivering innovative financing for an array of infrastructure-based projects.

For reference, the following firms presently comprise the Bank's financing team:

- CliftonLarsonAllen, LLP - independent auditor
- Bond Link - investor relations
- Harrington and Vitale, Ltd. - general counsel
- Hilltop Securities Inc. - municipal advisory services
- PFM Financial Advisors LLC – borrower credit reviews
- Hinckley Allen - bond counsel
- U.S. Bank National Association - trustee

The Bank's clean and drinking water issues are currently rated "AAA" while the Bank's Municipal Road and Bridge and Efficient Buildings Fund issues are each rated "AA".

Also, the Bank is a signatory to the Green Bond Pledge which reinforces its commitment toward financing projects that directly account for environmental impact and climate risk. Finally, furthering its commitment to increasing overall investment in clean energy, the Bank is a member of the Green Bank Network. The Network is a global group of financial institutions dedicated to mobilizing private investment in clean energy and climate resilient infrastructure.

Additional information regarding the Bank may be obtained from the Bank's most recent financial statements available at <https://www.riib.org/financial> and the Bank's investor relations site available at: <https://www.riibonds.com/infrastructure-bank-bonds/i1522>.

## **II. Bank Programs**

As shown in the table below, the Bank manages programs that finance a broad array infrastructure projects. The Bank actively supports and finances infrastructure investments through the origination of loans and mobilization of sources of public and private capital. Projects financed through the Bank serve to help build and maintain a strong system of infrastructure which boosts economic output in both the short- and long-term while enhancing the State's environment.

Below lists each of the programs currently in place:

- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
- Brownfields Revolving Loan Fund
- Property Assessed Clean Energy (PACE) programs
- Efficient Buildings Fund
- Municipal Infrastructure Grant Program
- Municipal Resiliency Program
- Municipal Road and Bridge Revolving Loan Fund
- Rhode Island Water Pollution Control Revolving Fund
- Water Quality Protection Charge Fund

- Stormwater Management
- Climate Resiliency

Since its inception, the Bank has issued revenue bonds to investors to finance infrastructure projects. The bonds are limited obligations of the Bank and repayment is made by a combination of revenue from the loans, debt service funds, and recycled capital. As of June 30, 2023, the Bank had \$615.9 million of bonds outstanding including:

Clean Water State Revolving Fund .....	\$388.1 million
Drinking Water State Revolving Fund.....	\$166.2 million
Municipal Road and Bridge Revolving Fund.....	\$35.2 million
Efficient Buildings Fund .....	\$26.4 million
Conduit debt .....	\$37.9 million

Given the size and scope of the Bank's Clean and Drinking Water programs, Efficient Buildings Fund and Municipal Road and Bridge Revolving Loan Fund (and where the Bank will be issuing most of its bonds), we offer the follow brief operational summary of each:

**Clean Water State Revolving Fund (CWSRF):** The CWSRF is a loan program for financing wastewater infrastructure projects. For a project to be eligible for funding, it must be on the Rhode Island's Department of Environmental Management's (DEM) Project Priority List (PPL) and receive a Certificate of Approval (CA) from DEM. Since the inception of the CWSRF, loans totaling more than \$1.76 billion have been made to municipalities, and other eligible borrowers including the Narragansett Bay Commission.

To provide funding for the CWSRF, the Bank borrows funds in the capital markets and combines these funds with government-sourced funds. The latter funding emanates from three main sources: (i) federal capitalization grants provided by the EPA; (ii) state match monies; and (iii) revolved capital.

**Drinking Water State Revolving Fund (DWSRF):** The DWSRF is a loan program for financing safe drinking water projects. Like the CWSRF, for a project to be eligible for funding it must be on the PPL (in this instance from the Rhode Island's Department of Health (DOH)) and receive a CA from DOH. Since the inception of the DWSRF, loans totaling more than \$673.3 million have been made to Rhode Island communities and water suppliers.

Also, like the CWSRF, to provide funding for the DWSRF, the Bank borrows funds in the capital markets and combines these funds with government-sourced funds. The latter funding emanates from three main sources: (i) federal capitalization grants provided by the EPA; (ii) State match monies; and (iii) revolved capital.

Since 2021, the Bank finances bonds for the CWSRF and DWSRF in the public market under a combined Master Trust Indenture (MTI). The MTI provides for full cross-collateralization of the SRF programs, though the programs continue to be tracked separately for reporting purposes. All CWSRF and DWSRF bonds financed prior to 2021 remain outstanding under their respective prior indentures until maturity or until refinanced under the MTI.

**Municipal Road and Bridge Revolving Fund (MRBRF):** The MRBRF was established to finance road and bridge-related projects. Again, for a project to be eligible for funding it must be on the PPL, in this instance from the Rhode Island Department of Transportation (DOT).

Program funding is provided from existing Bank capital and the premium received on state bond issuances that are allocated to the Bank for authorizations prior to the adoption of the 2023 state budget. To date, the Bank has originated \$126.5 million in such loans and has issued three series of bonds.

Efficient Buildings Fund (EBF): EBF was created to fill a funding gap in the State by providing financing for energy efficiency and renewable energy projects in buildings owned by municipalities or quasi-state agencies. Entities seeking to finance projects through the EBF must be on the Office of Energy Resources (OER) PPL. Funding for the program was seeded with a one-time allocation from the Regional Greenhouse Gas Initiative and annual System Benefit Charge allocations. To date, the Bank has originated \$75.4 million in such loans and has issued two series of bonds.

### **III. Engagement Scope**

The underwriter(s) selected to serve as book-running senior manager will be expected to work closely with representatives of the Bank as well as with members of the financing team (as noted above). The underwriting firm or firms selected will be expected to provide all the services typically provided by the book-running senior manager on the negotiated sale of bonds, including, but not limited to:

- Assisting in the preparation of documents related to the financings;
- Participating in meetings with rating agencies;
- Developing and implementing a marketing plan to encourage a strong investor response;
- Leading the bond sales, including ensuring compliance with all laws and regulations;
- Assisting in various matters related to the closing of the bond sales, and providing any certificates or other documents that may be required for the closing of the bond issues; and,
- Providing post-sale reports to the Bank.

In addition, and of significant importance to the Bank:

- Assist the Bank in analysis to support structural or other improvements of existing programs and/or financial structuring of new programs and strategies to enhance capital resources
- Completing all services to the satisfaction of the Bank, its staff, municipal advisor, and bond counsel.

Firms selected to serve as co-manager will be expected to assist the book-running senior manager with the marketing and sale of bonds.

### **IV. Items to Be Included with Your Proposal**

#### **General Information**

Provide a brief description of your firm, including but not limited to the following:

- Your public finance group and its ability to handle both leveraged and market-rate pool financing, utilizing taxable and tax-exempt bonds.
- Your firm's commitment to public finance and any changes to the size of the firm's public finance staffing levels and municipal sales and trading groups since January 2021

- Your experience with Environmental, Social, and Governance (ESG) bond issuers and with marketing such issues.
- Your institutional and retail sales capability.
- For senior managers - procedures which would ensure pricing efficiency and provide equity for bonds to all participants of the syndicate and selling group.
- For co-managers - procedures which the book-running manager should adopt to ensure equity to all participants of the syndicate and selling group.

### **Relevant Experience and Resources**

- List (i) all State Revolving Fund bond issues, (ii) all municipal loan pool bond issues, and (iii) all other leveraged pool bond issues for which your firm served as Senior Managing Underwriter or Co-Managing Underwriter since January 1, 2021. *This information may be presented as an exhibit to your proposal not subject to the 15-page limitation.*

For Senior Managed issues, please include information in the following format:

- |                                |                                 |
|--------------------------------|---------------------------------|
| 1. Name of issuer              | 8. Management Fee               |
| 2. Size of issue               | 9. Underwriting Fee             |
| 3. Date of issue               | 10. Expenses                    |
| 4. Taxable or tax-exempt issue | 11. Takedown                    |
| 5. Ratings                     | 12. Gross spread                |
| 6. Underwriting participation  | 13. TIC                         |
| 7. Amount taken down           | 14. Special structural features |

For Co-managed issues, please include the information in the following format:

1. Name of issuer
2. Size of issue
3. Date of issue
4. Taxable or tax-exempt issue
5. Underwriting participation
6. Orders submitted (separately list going away and stock orders)
7. Amount taken down

- Indicate which member(s) of your Municipal Finance Department would be involved with the Bank. Provide appropriate background information on such persons and identify what their responsibilities would be in serving the Bank.
- If your proposal relies on capabilities of your firm outside of your Municipal Finance Department, provide examples where professionals outside of your department have made

meaningful contributions to activities of your State Revolving Fund and other public finance clients.

- Describe your firm's technical capabilities including a description of your technical resources. Indicate whether you rely upon external sources for cash flow analyses of leveraged pool financings.
- Provide three references from among your public finance clients including names, addresses and phone numbers.
- Describe any recent innovative public finance techniques or structures which your firm has developed. Identify the transactions in which they were used.
- If chosen as a co-manager, what do you perceive your role to be? How would you serve the Bank?
- Describe any recent contributions that your firm provided to the Bank in last two years.
- Additional factors or experience that could help the Bank in carrying out its mission.

## V. Costs

Describe what your firm's underwriter's discount (management fee, takedowns, and expenses) would be for both a \$50 million leveraged revolving fund issue and a \$50 million pooled loan issue amortized for level debt service over 20 years. Please provide takedowns by maturity and an average takedown based on the structure provided.

## VI. Financing Recommendations

- List your firm's experience in structuring programs that would be attractive to borrowers.
- What recommendations would you give to the Bank to improve and/or change the structure of its bond-financed programs that would benefit borrowers?
- Please comment on current market conditions and recommend appropriate financing strategies to the Bank. Please include a discussion of couponing callable bonds including balancing investor preferences with the cost of financing to the Bank.
- Please discuss the current environment for federal SRF funding and any recent financing innovations observed or executed at other SRF issuers nationwide that may be of benefit to the Bank.
- Please describe the methodology your firm employs or would recommend to generate going-away retail orders for Rhode Island investors in connection with the negotiated sale of Bank bonds. Please further comment on the appropriate use of a separate retail order period preceding the institutional pricing of a Bank issue, its optimal length, the rules which should govern such a period, and the extent to which particular market conditions or other factors related to any specific issuance would change your recommendations.
- The successful lead underwriter may be required to host a Bank investors meeting. Please provide any additional investor outreach you would recommend or consider.  
Discuss any topics not covered in this RFP that you would like to bring to the Bank's attention.

## VII. Miscellaneous

Answers to this section are not included in the 15-page limit.

- Identify any material litigation, administrative proceedings or investigations in which your firm is currently involved, or which may be threatened against your firm or which have been settled during the past two years. State whether there is currently any litigation between your firm and the State of Rhode Island or related entities.
- Identify any material contracts, fee sharing agreements or other arrangements or dealings, direct or indirect, with the Bank or any of its consultants, employees, directors or the appointing authorities for any of its directors which may have a material effect on your selection or, if selected, on your performance, costs and profits.
- Describe the internal review, control or other process used by your firm to ensure that all such matters are identified and brought to the attention of the Bank.
- Identify whether there are any pending investigations or completed investigations within the past five years by the Securities and Exchange Commission or any other regulatory body regarding the conduct of your firm or the firm's management.
- The Bank encourages, to the fullest extent possible, participation of firms owned and controlled by minorities and women and similarly supports the fullest possible participation of small, disadvantaged businesses owned and controlled by persons with disabilities. Our stance on diversity, equity, and inclusion is intended to provide opportunities for these entities to do business with the Bank. To that end, describe your firm's affirmative action program and activities. Include the number and percentage of members of federally and State-protected classes who are either principals or senior managers in your firm, the number and percentage of members of federally and State-protected classes in your firm who will work on the Bank's engagement and, if applicable, a copy of your Minority- or Women-Owned Business Enterprise state certification.
- Discuss any topics not covered in this RFP that you would like to bring to the Bank's attention.
- The Bank insists upon full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors. This law requires State Vendors entering into contracts to provide services to an agency such as the Rhode Island Infrastructure Bank, for the aggregate sum of \$5000 or more, to file an affidavit with the State Board of Elections concerning reportable political contributions. The affidavit must state whether the State Vendor (and any related parties as defined in the law) has, within 24 months preceding the date of the contract, contributed an aggregate amount in excess of \$250 within a calendar year to any general officer, any candidate for general office, or any political party.
- Please complete the attached form labeled "Exhibit A – Certifications/Disclosures"
- Please include a letter from an authorized officer of your firm certifying that (i) no member of your firm has made inquiries or contacts with respect to this RFP other than in an email or written communication to Joanna L'Heureux from the date of this RFP through the date of your proposal, (ii) no member of your



firm will make any such inquiry or contact until after selection of a firm(s) is made by the Bank, (iii) all information in your proposal is true and correct to the best of her/his knowledge, (iv) no member of your firm gave anything of monetary value or promise of future employment to a Bank employee or Board Member, or a relative of the same, based on any understanding that such person's action or judgment will be influenced and (v) your firm is in full compliance with Chapter 27 of Title 17 of the Rhode Island General Laws, Reporting of Political Contributions by State Vendors.

**VIII. Schedule and Selection**

The Bank may request interviews with some, all or none of the proposing parties. The Bank may reject any proposal which does not comply with the requirements of this RFP, or it may waive noncompliance and consider any such proposal. The Bank may conduct negotiations with any proposing party concerning the cost and the substance of that party's proposal, before or after accepting or rejecting any proposal.

RFP Issued (on or about) .....	November 27, 2023
Deadline for questions .....	December 8, 2023
Response to questions .....	December 12, 2023
Responses due.....	December 19, 2023
Evaluations/interviews, if necessary .....	Week of January 8, 2024
Selection (anticipated).....	January 15, 2024

Selection will be made solely on the basis of the Bank's judgment as to the proposal or proposals which best meet its needs taking into account the experience and capability of the proposing parties as reflected in the proposals or otherwise determined, the critical understanding of the needs of the Bank and its programs as reflected in the proposals or otherwise, and the cost of services as stated in the proposals or otherwise negotiated with the Bank.

By this RFP, the Bank has not committed itself to undertake the work set forth. The Bank reserves the right to reject any and all proposals, to rebid the original or amended scope of services and to enter negotiations with one or more respondents. The Bank reserves the right to make those decisions after receipt of responses. The Bank's decision on these matters is final.

The Bank reserves the right, in its sole discretion, to reject all responses, to waive any minor irregularities or informalities in a response, and to enter into any agreement deemed by the Bank to be in its best interest. The Bank will not reimburse any costs associated with this proposal process.

Thank you for your interest in doing business with the Bank.



**Exhibit A - Certifications/Disclosures Rhode  
Island Infrastructure Bank**

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Please respond with a Yes ("Y") or No ("N") to each of the following. Please attach any additional information needed on an additional page.

\_\_\_\_1. The Respondent will immediately disclose, in writing, to the Bank any potential conflict of interest which may occur during the term of any contract awarded.

\_\_\_\_2. The Respondent possesses all applicable licenses and anyone who will perform any work will possess all licenses required by applicable federal, state, and local law necessary to perform the requirements of any contract awarded and will maintain all required licenses during its term. In the event that any required license shall lapse or be restricted or suspended, the Respondent shall immediately notify the Bank in writing.

\_\_\_\_3. The Respondent will maintain all required insurance during the term of any contract pursuant to this solicitation. In the event that any required insurance shall lapse or be canceled, the Respondent will immediately notify the Bank in writing.

\_\_\_\_4. The Respondent understands that falsification of any information in its RFP response or failure to notify the Bank of any changes in any disclosures or certifications in this Certification may be grounds for suspension, debarment, and/or prosecution for fraud.

\_\_\_\_5. The Respondent has not paid and will not pay any bonus, commission, fee, gratuity, or other remuneration to any employee or official of the Bank or the State of Rhode Island or any subdivision of the State of Rhode Island or other governmental authority for the purpose of obtaining an award of a contract pursuant to this RFP. The Respondent further certifies that no bonus, commission, fee, gratuity, or other remuneration has been or will be received from any third party or paid to any third-party contingent on the award of a contract pursuant to this RFP.

\_\_\_\_6. The Respondent, including any of its owners, stockholders, members, partners, principals, directors, managers, officers, employees, or agents has not in any way colluded, conspired, or agreed, directly or indirectly, with any other Respondent or person to submit a collusive response to the solicitation or to refrain from submitting response to the solicitation, or has in any manner, directly or indirectly, sought by agreement or collusion or other communication with any other Respondent or person to fix the price or prices in the response or the response of any other Respondent, or to fix any overhead, profit, or cost component of the price in the response or the response of any other Respondent, or to secure through any collusion, conspiracy, or unlawful agreement any advantage against the Bank or the State of Rhode Island or any person with an interest in the contract awarded pursuant to this solicitation.

\_\_\_\_7. The Respondent: (i) is not identified on the General Treasurer's list created pursuant to R.I. Gen. Laws § 37-2.5-3 as a person or entity engaging in investment activities in Iran described in § 37-2.5-2(b); and (ii) is not engaging in any such investment activities in Iran.

\_\_\_\_8. State whether the Respondent, or any officer, director, manager, stockholder, member, partner, or other owner or principal of the Respondent or any parent, subsidiary, or affiliate has

had any contracts with a federal, state, or municipal governmental authority terminated for any reason within the previous 5 years.

\_\_\_\_9. State whether any officer, director, manager, stockholder, member, partner, or other owner or principal of the Respondent is serving or has served within the past two calendar years as either an appointed or elected official of any state governmental authority or quasi-public corporation, including without limitation, any entity created as a legislative body or public or state agency by the general assembly or constitution of this state.

\_\_\_\_10. Does any Rhode Island "Major State Decision-Maker," as defined below, or the spouse or dependent child of such person, hold (i) a ten percent or greater equity interest, or (ii) a Five Thousand Dollar or greater cash interest in the Vendor/Contractor's business?

For purposes of this question, "Major State Decision-maker" means:

- a. All general officers; and all executive or administrative head or heads of any state executive agency enumerated in § 42-6-1 as well as the executive or administrative head or heads of state quasi-public corporations, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff;
- b. All members of the general assembly and the executive or administrative head or heads of a state legislative agency, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel or chief of staff;
- c. All members of the state judiciary and all state magistrates and the executive or administrative head or heads of a state judicial agency, whether appointed or serving as an employee. The phrase "executive or administrative head or heads" shall include anyone serving in the positions of director, executive director, deputy director, assistant director, executive counsel, chief of staff or state court administrator.

If your answer is "Yes," please identify the Major State Decision-maker, specify the nature of their ownership interest to the Bank, and provide a copy of the annual financial disclosure required to be filed with the Rhode Island Ethics Commission pursuant to R.I.G.L. §36-14-16, 17 and 18.

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Name of Corporate Respondent

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/s/

Name:

Title:

Date: