

LEE COUNTY, FLORIDA

REQUEST FOR PROPOSALS:

- 1) \$11,300,000* Bank Loan**
- 2) Bond Underwriting Services**

WATER AND SEWER REFUNDING REVENUE BONDS, SERIES 2024



ISSUING DATE: 2-28-24

RESPONSES DUE: 4-1-24

AT 2:00 P.M.

Anticipated Closing Date:

Bank Loan: 5-22-24.

Bond Issue: 8-29-24

* Estimated Maximum

NOTICE TO PROPOSERS

Notice is hereby given that the Lee County, Florida (the “County”) is seeking proposals for:

Water and Sewer Refunding Revenue Bonds, Series 2024

Proposals will be accepted until 2:00 P.M. April 1, 2024. **One (1) electronic copy** shall be sent via email to the County’s Financial Advisor at:

J. Craig Dunlap and Sylvia Dunlap
Dunlap & Associates, Inc.
Craig@dunlapandassociates.com
Sylvia@dunlapandassociates.com

For additional information, please contact J. Craig Dunlap or Sylvia Dunlap, Financial Advisor to the County at (407) 493-9390 or (407) 493-9392 and by email: Craig@dunlapandassociates.com or Sylvia@dunlapandassociates.com

The County reserves the right to reject any and all proposals; to waive any and all informalities or irregularities and to reject all or any part of any proposal as it may deem to be in the best interest of the County.

Selection: The recommendation for award will be based on the following factors:

- a. Approved rate of interest/ formula used to determine interest rate. Any fees, if applicable.
- b. Terms, Conditions, and Covenants contained in the offer.
- c. Experience
- d. Financial institution’s credit ratings and financial stability
- e. Litigation and Regulatory Issues

“Cone of Silence” as used herein, means a prohibition on any communication regarding a particular Request for Proposal (“RFP”).

During the Cone of Silence, which begins February 20, 2024, and ends the date of Bank selection, the following is prohibited: Any communication regarding this proposal between a potential vendor, service provider, proposer, lobbyist, or consultant and the County professional staff, and the County Commission members. All communication regarding this proposal should be sent in writing to only the Financial Advisor, J. Craig Dunlap, Craig@dunlapandassociates.com, and/or Sylvia Dunlap, Sylvia@dunlapandassociates.com.

I. INTRODUCTION

Background: The County is requesting proposals to refund a portion of its outstanding Water and Sewer Refunding Bonds, Series 2013B to achieve combined level savings. Typically, the County allows the refunding of an issue if the refunding issue achieves a net present value savings (NPV) of refunded bonds of 3% or greater.

A. Purpose

The County will receive proposals for the purpose of selecting a firm to provide a bank loan and/or underwriting services for the Bond issue, to refund a portion of the outstanding Water and Sewer Revenue Bonds, Series 2013B. The Water and Sewer Refunding Bonds, Series 2024 (the Bonds) will be on parity with the outstanding bonds of the County detailed on page 5. The proceeds of the Bonds will be used to refund the 2025 through 2027 principal maturities in the amount of \$10,925,000 and to pay the cost of issuance.

Please refer to the attached Official statement for a full description of the Outstanding Bonds.

Statement of Credit Worthiness

The County’s audited financial statements for the fiscal year ended September 30, 2022, can be found at:

<https://www.leeclerk.org/departments/finance/financial-reports/comprehensive-annual-financial-reports-cafr>

BANK QUESTIONS

B. Information

- a) Banks responding is requested to confirm if it agrees to the following covenants:
 - a. **No-Acceleration Provisions**
 - b. **Adjustment on interest rate based on a determination on taxability may only be based on action or non-action of County and cannot be due to any change in tax law.**
 - c. **Future Interest Rate Adjustments will not be accepted due to the Bank’s capital requirements, changes in the maximum corporate tax rate or other banking regulation affecting the business of the bank.**

- b) The County reserves the right to accept or reject any or all proposals submitted and to waive informalities and minor irregularities in any proposal reviewed and to request resubmission. There is no obligation on the County’s part to award the contract to the lowest Proposer and the County reserves the right to award the bank loan to the responsible and responsive Proposer with a resulting negotiated agreement which is most advantageous to and in the County’s best interest. The County shall be the sole judge of the proposal and the resulting negotiated agreement that is in its best interest and its decision will be final.

- c) It is expected that the bidder will accept the terms, conditions and covenants contained in the Second Amended and Restated Water and Sewer Revenue Bond Resolution (the “Authorizing Resolution”) which is included as an attachment to this RFP. Please acknowledge your Bank’s consent to accept the terms, conditions, and covenants in the attached Second Amended and Restated Water and Sewer Revenue Bond Resolution. Additional terms and conditions included with the RFP response may be evaluated or

considered. If submitted either purposely through intent or design or inadvertently appearing separately in transmittal letters, specifications, literature, price lists or warranties, it is understood and agreed that the general and special conditions in this proposal solicitation are the primary conditions applicable to this RFP. All such additional terms and conditions will have secondary force and effect. The Proposer's authorized signature affixed to the Proposer Acknowledgment Form attests to this.

Request for Proposal Parameters (Please submit executed Appendix I Form of this RFP, as part of your response).

Fixed Rate Bank Loan

The County is seeking proposals from Banks that can provide the following: a fixed rate of interest to be held until the estimated closing date of May 22, 2024. Indicate if the rates are fixed to closing, or state the formula used to set the rate prior to closing. The Bond will have a final maturity of October 1, 2027, with an estimated average life of 2.4 yrs. The new issue will currently refund the outstanding principal maturing in 2025, 2026 and 2027, and will be structured to provide approximately level savings. The refunding issue will not have a debt service reserve.

Terms and Condition of Financing:

1. **Amount:** Not-to-Exceed \$11,300,000
2. **Structure:** The interest rate should be fixed until the final maturity of the Bond on October 1, 2027, with an estimated average life of 2.4 yrs.
3. The Bank Loan will not be rated, and no offering document will be prepared.
4. **Principal and Interest:** Principal shall be payable annually, commencing on October 1, 2025, and interest shall be payable semi-annually, on each April 1 and October 1, commencing on October 1, 2024, on a 30/360-day count basis, with a final maturity of October 1, 2027, with an estimated average life of 2.4 yrs.
5. **The following call option is applicable:** Non-Callable
6. Assume the Escrow will be gross funded with SLGS Securities as of 3-21-24. Assume the bank loan closed by 5-22-24.

Please refer to Appendix I for estimated annual principal repayment found on page 9 of this RFP.

7. The Bond will be evidenced by a single denomination equal to the principal amount.
8. The Bond will be payable solely from and secured by a lien upon and pledge of the Pledged Funds derived from or related to the operations of the County's Water Utility System and Wastewater Utility System on a parity basis with the Outstanding Parity Bonds listed below, as of September 30, 2023, as follows:

Bonds/Loans (Unaudited)	Outstanding Parity Debt 12-31-23
Water and Sewer Bonds, Series 2013A	1,360,000
Water and Sewer Revenue Bonds, Series 2013B	14,225,000
Water and Sewer Refunding Bonds, Series 2019	92,795,000
Water and Sewer Series 2021A and B: (Bank Loans)	18,387,000
Water and Sewer Loan Series 2023	45,000,000
Total	\$171,767,000

Source: Lee County Clerk of Courts Finance Department. (Unaudited)

9. Provide any additional fees, including a not-to-exceed cost for bank legal counsel fees. Please provide the contact information of the Bank’s legal counsel.

10. Additional Information to Be Submitted in Proposal (Limit 2 pages)
 - a. Provide any additional information you feel will be helpful to the County in evaluating your qualifications to serve as a lender for the County’s financing.
 - b. Provide a statement of assurance that your Firm is not presently in violation of any statutes or regulatory rules that might impact your Firm’s operations or ability to do business with the County.
 - c. Provide information on the nature and magnitude of any litigation in which your Firm has been a party during the past two (2) years. Additionally, include information on any pending litigation.
 - d. Provide a full set of debt retirement schedules.

Refer to the next pages for Appendix I Form to be submitted as part of your response.

Attachments:

Official Statement Series 2013A and 2013B
 Second Amended and Restated Water and Sewer Revenue Bond Resolution
 Revenue Sufficiency Study 2023 (Subsequent Event: The rate increase selected was 8% annually for 5 years, 7/1/23 – 7/1/27)

C. BOND UNDEWRITING QUESTIONS

i. Firm's Introduction: (Limit 2 pages)

- a) Provide a brief overview of the Firm including ownership, size, capital position as of the most recent fiscal year. Include the location of the office responsible for providing the underwriting services and the public finance professionals' offices.
- b) Identify the primary individual(s) that will provide underwriting and investment banking services to the County. Include individuals who will serve as the senior syndicate underwriter. Include a resume for each individual and the location of these professionals.

ii. Experience: (Limit to 3 pages).

Provide a listing of the senior managed Water and Sewer Refunding Revenue Bonds since January 1, 2021, and identify the role of each individual responsible for the transaction while employed at the Firm submitting the proposal. The listing should include: Issuer, Date of issue, Par amount, All-in-TIC, Underlying ratings, and underwriter's gross spread.

The selection of underwriter's counsel shall be at the discretion of the senior managing underwriter. The County requests that each candidate for senior managing underwriter identify Firm(s) which it would consider for this role. The County expects the Firms considered to be listed in the Bond Buyer's Municipal Marketplace Directory (the "Red Book") and the current National Association of Bond Lawyers directory. It is assumed that the Firms being considered will accept the compensation level specified in the expense portion of your Firm's fixed price spread proposal.

iii. Underwriting Capabilities: (Limit 3 pages)

Describe your Firm's distribution capabilities. Specify your National and Florida Rankings and distribution capabilities including sales professionals, location and number of offices and financial consultants who will market the bonds.

Identify likely purchasers of the bonds and the general percentage or breakdown by group (e.g., retail, institutional).

Please provide details of your Firm's total capital and maximum underwriting capability as of your Firm's latest fiscal year end or latest information on the latest quarterly filing with the Securities Exchange Commission.

iv. Plan of Finance – Bond Issue Scenario

Water and Sewer Refunding Revenue Bonds, Series 2024

- i. Provide a breakdown of the gross spread proposed, including management fee, average takedown, and expenses. Please specify in the dollar amount, the costs you expect to incur for underwriters' counsel fees and provide a budget for all other elements of underwriting expenses. Assume that the proposed bonds will be fixed rate obligations and issued in book-entry form and to provide level savings.

- ii. Provide the All-in-TIC. Interest rate scales should be written based on a current market as of March 21, 2024. Assume that the County's cost of issuance (bond counsel, disclosure counsel financial advisor, printing, rating agency fee, etc.) of \$200,000. Your "fees," along with yields in the competitive market, will be used to establish a pricing index that will be important to the County in considering scales proposed at the actual time of sale.
- iii. Include an Interest Rate Scale with spreads to MMD as of March 21, 2024. Principal shall be payable annually, commencing on October 1, 2025, and interest shall be payable semi-annually, on each April 1 and October 1, commencing on April 1, 2025, on a 30/360-day count basis, with a final maturity of October 1, 2027. The structure is assumed not to extend the maturities of refunded bonds. Assume the Escrow will be gross funded with SLGS Securities as of 3-21-24. Assume the bonds are closed by August 29, 2024.
- iv. Provide a full set of refunding numbers including the Net Present Value of Savings in percentage and dollars.
- v. Provide the fixed price spread proposal expressed in dollars per thousand.
- vi. Provide your recommendation to use SLGS or Open Market Securities to fund the escrow.

Additional Information (Limit 2 pages)

Provide any additional information you feel will be helpful to the County in evaluating your qualifications to serve as underwriter on the County's financing.

Provide a statement of assurance that your Firm is not presently in violation of any statutes or regulatory rules that might impact your Firm's operations.

Provide information on the nature and magnitude of any litigation in which your Firm has been a party during the past three (3) years. Also, include information on any pending litigation as well.

**Bank Response Attachment
APPENDIX I.
REQUEST FOR PROPOSAL
\$11,300,000*
LEE COUNTY, FLORIDA
Water and Sewer Refunding Revenue Bank Loan, Series 2024
final maturity October 1, 2027
Estimated Average Life: 2.4 yrs.**

1. Name & Address of Proposer: _____

2. Contact Person of Proposer: _____
Title: _____
Phone #: _____
Fax #: _____

5. Provide the name of the Bank's legal Counsel and their Fees and Expenses, and the Party responsible for payment.

4. Interest Rate Options: 1. _____

Formula: 1. _____

5. Interest Rate Held Until: 5-22-24? _____

Signature of Proposer _____

Date _____

*Estimated Maximum

Appendix I.
Estimated Principal Amortization Schedule for Bank Loan
Estimated Average Life: 2.4 yrs.

<i>Period Ending</i>	<i>Principal</i>
10/1/2024	
4/1/2025	
10/1/2025	3,650,000
4/1/2026	
10/1/2026	3,740,000
4/1/2027	
10/1/2027	3,830,000
	11,220,000

**SWORN STATEMENT UNDER SECTION 287.133 (3) (A)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES**

This form must be signed in the presence of a Notary Public or other Officer authorized to administer oaths.

1. This sworn statement is submitted to:

(Print name of the Public Entity.)

by:

(Print individual's name and title.)

for:

(Print name of Entity submitting sworn statement.)

whose business address is:

and, if applicable, its Federal Employer Identification Number (FEIN) is

(If the Entity has no FEIN, please include the Social Security Number of the individual signing this sworn statement):

2. I understand that a "public entity crime" as defined in Section 287.133 (1) (g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "convicted" or "conviction" as defined in Section 287.133 (1) (b), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment or information after July 1, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Section 287.133 (1) (a), Florida Statutes, means:
 - a) A predecessor or successor of a person convicted of a public entity crime; or,
 - b) An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. The term "affiliate" includes those officers, directors,

executives, partners, shareholders, employees, members, and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment or income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Section 287.133 (1) (e), Florida Statutes, means any natural person or entity organized under the laws of any state or of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement. *(Please indicate which statement applies.)*

_____ Neither the entity submitting this sworn statement, nor any officers, directors, executives, partners, shareholders, employees, members, or agents who are active in management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989.

_____ The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 1, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings, and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. *(Please attach a copy of the final order.)*

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH ONE (1) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

Signature

Date _____

STATE OF _____

COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned authority, _____ who, after first being sworn by me, affixed his/her signature in *(Name of individual signing.)*

the space provided above on this _____ day of _____, 20__

NOTARY PUBLIC

My commission expires: