

**ASSIGNMENT AGREEMENT**

FOR VALUE RECEIVED, the undersigned Assignor hereby assigns, transfers, and sets over to Assignee all rights, title and interest held by the Assignor in and to the following described contract:

**CONTRACT 4400014819**

**PURCHASE ORDERS AND STATEMENT OF WORKS ASSOCIATED WITH THIS CONTRACT ARE ATTACHED.**

Assignor: Public Financial Management  
Address 1735 Market Street, 43rd Floor  
Philadelphia, PA 19103

Assignee: PFM Financial Advisors LLC  
Address 1735 Market Street, 43rd Floor  
Philadelphia, PA 19103

EIN # [REDACTED]

EIN # [REDACTED]

Vendor # 122209

Vendor # 528247

The Assignor warrants and represents that said contract is in full force and effect and fully assignable.

The Assignee hereby assumes and agrees to perform all remaining and executory obligations of Assignor under the contract and agrees to indemnify and hold the Assignor harmless from any claim or demand resulting from non-performance by the Assignee.

The Assignee additionally hereby assumes and agrees to perform all remaining and executory obligations of Assignor under any outstanding purchase orders issued under the contract and hold the Assignor harmless from any claim or demand resulting from non-performance by the Assignee.

The Assignee shall be entitled to all monies remaining to be paid under the contract, which rights are also assigned hereunder.

The Assignor warrants that the contract is without modification, and remains on the terms contained.

The Assignor further warrants that it has full right and authority to transfer said contract and that the contract rights herein transferred are free of lien, encumbrance or adverse claim.

This assignment shall be binding upon and inure to the benefit of the parties, their successors and assigns.

Signed this 29 day of January, 2018.

Glen Williard Glen Williard, Assignor  
Name

Managing Director January 29, 2018  
Title Date Signed

Glen Williard Glen Williard, Assignee  
Name

Managing Director January 29, 2018  
Title Date Signed

<b>Statement of Work No.</b>	<b>Work Order Name</b>	<b>PO Number</b>	<b>Expires</b>
<b>1</b>	Investment Advisory for Pennsylvania Economic Development Financing Authority and Pennsylvania Department of Labor and Industry (L&I)	Bond Proceeds	6/30/2018
<b>2</b>	Calculation Agency for Pennsylvania Economic Development Financing Authority (L&I)	Bond Proceeds	6/30/2018
<b>7</b>	SEC's Rule 15Ba1-1 (OB)	4300466737	6/30/2018
<b>18</b>	Recovery School Districts Support, 2017-18 (PDE)	4300546866	6/30/2018
<b>19</b>	FY 2017-18 Cyber Charter School Financial Reviews and Support (PDE)	4300550328	6/30/2018
<b>22</b>	Expert Testimony and Research for Interest Arbitration, 2017-18 (OA)	4300546667	6/30/2018
<b>22 Amendment 1</b>	Expert Testimony and Research for Interest Arbitration, 2017-18 (OA)	4300546667	6/30/2018
<b>23</b>	Federal Title IV-E Claims (DHS)	4300554747	6/30/2018
<b>26</b>	PlanCon Financing Program (CFA)	Bond Proceeds	6/30/2018
<b>27</b>	Financial Advisory Services for Tobacco Master Settlement Payment Revenue Bond (CFA)	Bond Proceeds	6/30/2018
<b>28</b>	Financial Advisory Services for Tobacco Master Settlement Agreement Sale of Annual Payments (CFA)	Bond Proceeds	6/30/2018
<b>Funds Commitment 4000021516</b>	Settlement Agreement - Office of Administration		



**FULLY EXECUTED**  
**Contract Number: 4400014819**  
Contract Effective Date: 06/29/2015  
Valid From: 07/01/2015 To: 06/30/2018

All using Agencies of the Commonwealth, Participating Political  
Subdivision, Authorities, Private Colleges and Universities

**Purchasing Agent**  
**Name: Weges Mike**  
**Phone: 717-346-8112**  
**Fax: 717-346-3820**

Your SAP Vendor Number with us: 122209

**Supplier Name/Address:**  
PUBLIC FINANCIAL MANAGEMENT INC  
PUBLIC FINANCIAL MANAGEMENT INC  
2 LOGAN SQ STE 1600  
PHILADELPHIA PA 19103-2770 US

**Please Deliver To:**

To be determined at  
the time of the Purchase Order  
unless specified below.

**Supplier Phone Number:** 999999999

**Contract Name:**  
Financial Advisory Services

**Payment Terms**  
NET 45 DAYS

Solicitation No.: \_\_\_\_\_ Issuance Date: \_\_\_\_\_  
Supplier Bid or Proposal No. (if applicable): \_\_\_\_\_ Solicitation Submission Date: \_\_\_\_\_

This contract is comprised of: The above referenced Solicitation, the Supplier's Bid or Proposal, and any documents attached to this Contract or incorporated by reference.

Item	Material/Service Desc	Qty	UOM	Price	Per Unit	Total
1	Managing Director	0.000	Hour	290.00	1	0.00
2	Director	0.000	Hour	265.00	1	0.00
3	Senior Managing Consultant	0.000	Hour	240.00	1	0.00
4	Consultant/Analyst	0.000	Hour	220.00	1	0.00
5	Associate	0.000	Hour	125.00	1	0.00

**General Requirements for all Items:**

No further information for this Contract

**Information:**

Supplier's Signature \_\_\_\_\_  
Printed Name \_\_\_\_\_

Title \_\_\_\_\_  
Date \_\_\_\_\_

**REQUEST FOR PROPOSALS FOR**  
**Financial, Management, Policy and Debt Consulting and Advising**  
**Services**  
**Commonwealth of Pennsylvania, Office of the Budget**

**ISSUING OFFICE**



**COMMONWEALTH OF PENNSYLVANIA**  
**DEPARTMENT OF GENERAL SERVICES**  
**BUREAU OF PROCUREMENT**  
**555 Walnut Street**  
**Forum Place, 6<sup>th</sup> Floor**  
**Harrisburg, PA 17101**

**RFP NUMBER**

**6100033762**

**DATE OF ISSUANCE**

**April 24, 2015**



**REQUEST FOR PROPOSALS FOR**

**Financial, Management, Policy and Debt Consulting and Advising Services  
Commonwealth of Pennsylvania, Office of the Budget**

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**APPENDIX E, COST SUBMITTAL**

## CALENDAR OF EVENTS

The Commonwealth will make every effort to adhere to the following schedule:

Activity	Responsibility	Date
Deadline to submit Questions via email to Margaret Mary Juran at <a href="mailto:mjuran@pa.gov">mjuran@pa.gov</a> .	Potential Offerors	May 1, 2015 4:00 p.m.
Answers to Potential Offeror questions posted to the DGS website ( <a href="http://www.dgsweb.state.pa.us/RTA/Search.aspx">http://www.dgsweb.state.pa.us/RTA/Search.aspx</a> ) no later than this date.	Issuing Office	May 5, 2015 4:00 p.m.
Please monitor website for all communications regarding the RFP.	Potential Offerors	ONGOING
Sealed proposal must be received by the Issuing Office at Pa Department of General Services Bureau of Procurement Attn: Margaret Mary Juran/RFP 6100033762 555 Walnut Street Forum Place, 6 <sup>th</sup> Floor Harrisburg, PA 17101	Offerors	May 8, 2015 4:00 p.m.

## PART I

### GENERAL INFORMATION

**I-1. Purpose.** This request for proposals (RFP) provides to those interested in submitting proposals for the subject procurement (“Offerors”) sufficient information to enable them to prepare and submit proposals for the **Department of General Services’** consideration on behalf of the Commonwealth of Pennsylvania (“Commonwealth”) to satisfy a need for financial, management, policy and debt consulting and advising services for the Governor's Budget Office. (“Project”). These services shall support the Governor’s Budget Office in providing (1) general and debt management advisory services; (2) special research, analysis and consulting services; (3) services related to general obligation debt transactions and tax anticipation notes; and (4) structured products services.

This RFP is issued in accordance with Section 518 of the Commonwealth Procurement Code, 62 Pa.C.S. §518, and Part III Chapter 8 of the DGS Procurement Handbook.

**I-2. Issuing Office.** The Department of General Services (“Issuing Office”) has issued this RFP on behalf of the Commonwealth. The sole point of contact in the Commonwealth for this RFP shall be Margaret Mary Juran, the Issuing Officer for this procurement. Please refer all inquiries to the Issuing Officer.

**I-3. Scope.** This RFP contains instructions governing the requested proposals, including the requirements for the information and material to be included; a description of the service to be provided; requirements which Offerors must meet to be eligible for consideration; general evaluation criteria; and other requirements specific to this RFP.

**I-4. Problem Statement.** The Commonwealth is issuing this RFP to allow for open competition in the Secretary of the Budget’s selection of a financial advising and consulting firm to assist in providing (1) general and debt management advisory services; (2) special research, analysis and consulting services; (3) services related to general obligation debt transactions and tax anticipation notes; and (4) structures products services. The Commonwealth intends to enter into a financial advising and consulting agreement with the selected firm.

Additional detail is provided in **Part IV** of this RFP.

**I-5. Type of Contract.** It is proposed that if the Issuing Office enters into a contract as a result of this RFP, it will be a requirements contract with negotiated compensation containing the Contract Terms and Conditions as shown in **Part V** of the RFP.

**I-6. Rejection of Proposals.** The Issuing Office reserves the right, in its sole and complete discretion, to reject any proposal received as a result of this RFP.

**I-7. Incurring Costs.** The Issuing Office is not liable for any costs the Offeror incurs in preparation and submission of its proposal, in participating in the RFP process or in anticipation of award of the contract.

**I-8. Questions & Answers.** If an Offeror has any questions regarding this RFP, the Offeror must submit the questions by email (**with the subject line “RFP 6100033762 Question”**) to the Issuing Officer named in **Part I, Section I-2** of the RFP. If the Offeror has questions, they must be submitted via email **no later than** the date indicated on the Calendar of Events. The Offeror shall not attempt to contact the Issuing Officer by any other means. The Issuing Officer shall post the answers to the questions on the DGS website by the date stated on the Calendar of Events. An Offeror who submits a question *after* the deadline date for receipt of questions indicated on the Calendar of Events assumes the risk that its proposal will not be responsive or competitive because the Commonwealth is not able to respond before the proposal receipt date or in sufficient time for the Offeror to prepare a responsive or competitive proposal. When submitted after the deadline date for receipt of questions indicated on the Calendar of Events, the Issuing Officer *may* respond to questions of an administrative nature by directing the questioning Offeror to specific provisions in the RFP. To the extent that the Issuing Office decides to respond to a non-administrative question *after* the deadline date for receipt of questions indicated on the Calendar of Events, the answer must be provided to all Offerors through an addendum.

All questions and responses as posted on the DGS website are considered as an addendum to, and part of, this RFP in accordance with RFP **Part I, Section I-9**. Each Offeror shall be responsible to monitor the DGS website for new or revised RFP information. The Issuing Office shall not be bound by any verbal information nor shall it be bound by any written information that is not either contained within the RFP or formally issued as an addendum by the Issuing Office. The Issuing Office does not consider questions to be a protest of the specifications or of the solicitation. The required protest process for Commonwealth procurements is described on the DGS website.

**I-9. Addenda to the RFP.** If the Issuing Office deems it necessary to revise any part of this RFP before the proposal response date, the Issuing Office will post an addendum to the DGS website at <http://www.dgsweb.state.pa.us/RTA/Search.aspx>. It is the Offeror’s responsibility to periodically check the website for any new information or addenda to the RFP. Answers to the questions asked during the Questions & Answers period also will be posted to the website as an addendum to the RFP.

**I-10. Response Date.** To be considered for selection, hard copies of proposals must arrive at the Issuing Office on or before the time and date specified in the RFP Calendar of Events. The Issuing Office will **not** accept proposals via email or facsimile transmission. Offerors who send proposals by mail or other delivery service should allow sufficient delivery time to ensure timely receipt of their proposals. If, due to inclement weather, natural disaster, or any other cause, the Commonwealth office location to which proposals are to be returned is closed on the proposal response date, the deadline for submission will be automatically extended until the next Commonwealth business day on which the office is open, unless the Issuing Office otherwise notifies Offerors. The hour for submission of proposals shall remain the same. The Issuing Office will reject, unopened, any late proposals.

**I-11. Proposals.** To be considered, Offerors should submit a complete response to this RFP to the Issuing Office, using the format provided in **Part II**, providing **five (5) paper copies [one**

**marked “ORIGINAL”] of the Technical Submittal and one (1) paper copy of the Cost Submittal and two (2) paper copies of the Small Diverse Business (SDB) participation submittal.** In addition to the paper copies of the proposal, Offerors shall submit one **complete and exact** copy of the entire proposal (Technical, Cost and SDB submittals, along with all requested documents) on CD-ROM or Flash drive in Microsoft Office or Microsoft Office-compatible format. The electronic copy must be a mirror image of the paper copy and any spreadsheets must be in Microsoft Excel. The Offerors may not lock or protect any cells or tabs. Offerors should ensure that there is no costing information in the technical submittal. Offerors should not reiterate technical information in the cost submittal. The CD or Flash drive should clearly identify the Offeror and include the name and version number of the virus scanning software that was used to scan the CD or Flash drive before it was submitted. The Offeror shall make no other distribution of its proposal to any other Offeror or Commonwealth official or Commonwealth consultant. Each proposal page should be numbered for ease of reference. An official authorized to bind the Offeror to its provisions must sign the proposal. If the official signs the **Proposal Cover Sheet (Appendix A** to this RFP) and the Proposal Cover Sheet is attached to the Offeror’s proposal, the requirement will be met. For this RFP, the proposal must remain valid for **120** days or until a contract is fully executed. If the Issuing Office selects the Offeror’s proposal for award, the contents of the selected Offeror’s proposal will become, except to the extent the contents are changed through Best and Final Offers or negotiations, contractual obligations.

Each Offeror submitting a proposal specifically waives any right to withdraw or modify it, except that the Offeror may withdraw its proposal by written notice received at the Issuing Office’s address for proposal delivery prior to the exact hour and date specified for proposal receipt. An Offeror or its authorized representative may withdraw its proposal in person prior to the exact hour and date set for proposal receipt, provided the withdrawing person provides appropriate identification and signs a receipt for the proposal. An Offeror may modify its submitted proposal prior to the exact hour and date set for proposal receipt only by submitting a new sealed proposal or sealed modification which complies with the RFP requirements.

**I-12. Small Diverse Business Information.** The Issuing Office encourages participation by small diverse businesses as prime contractors, and encourages all prime contractors to make a significant commitment to use small diverse businesses as subcontractors and suppliers.

A Small Diverse Business is a DGS-verified minority-owned business, woman-owned business, veteran-owned business or service-disabled veteran-owned business.

A small business is a business in the United States which is independently owned, not dominant in its field of operation, employs no more than 100 full-time or full-time equivalent employees, and earns less than \$7 million in gross annual revenues for building design, \$20 million in gross annual revenues for sales and services and \$25 million in gross annual revenues for those businesses in the information technology sales or service business.

Questions regarding this Program can be directed to:

Department of General Services  
Bureau of Small Business Opportunities  
Room 611, North Office Building  
Harrisburg, PA 17125  
Phone: (717) 783-3119  
Fax: (717) 787-7052  
Email: [gs-bsbo@pa.gov](mailto:gs-bsbo@pa.gov)  
Website: [www.dgs.state.pa.us](http://www.dgs.state.pa.us)

The Department's directory of BSBO-verified minority, women, veteran and service disabled veteran-owned businesses can be accessed from: [Searching for Small Diverse Businesses](#).

**I-13. Economy of Preparation.** Offerors should prepare proposals simply and economically, providing a straightforward, concise description of the Offeror's ability to meet the requirements of the RFP.

**I-14. Alternate Proposals.** The Issuing Office has identified the basic approach to meeting its requirements, allowing Offerors to be creative and propose their best solution to meeting these requirements. The Issuing Office will not accept alternate proposals.

**I-15. Clarification.** Offerors may be required to make an oral or written clarification of their proposals to the Issuing Office to ensure thorough mutual understanding and Offeror responsiveness to the solicitation requirements. The Issuing Office will initiate requests for clarification. Clarifications may occur at any stage of the evaluation and selection process prior to contract execution.

**I-16. Prime Contractor Responsibilities.** The contract will require the selected Offeror to assume responsibility for all services offered in its proposal whether it produces them itself or by subcontract. The Issuing Office will consider the selected Offeror to be the sole point of contact with regard to contractual matters.

**I-17. Proposal Contents.**

- A. **Confidential Information.** The Commonwealth is not requesting, and does not require, confidential proprietary information or trade secrets to be included as part of Offerors' submissions in order to evaluate proposals submitted in response to this RFP. Accordingly, except as provided herein, Offerors should not label proposal submissions as confidential or proprietary or trade secret protected. Any Offeror who determines that it must divulge such information as part of its proposal must submit the signed written statement described in subsection C. below and must additionally provide a redacted version of its proposal, which removes only the confidential proprietary information and trade secrets, for required public disclosure purposes.

- B. Commonwealth Use. All material submitted with the proposal shall be considered the property of the Commonwealth of Pennsylvania and may be returned only at the Issuing Office's option. The Commonwealth has the right to use any or all ideas not protected by intellectual property rights that are presented in any proposal regardless of whether the proposal becomes part of a contract. Notwithstanding any Offeror copyright designations contained on proposals, the Commonwealth shall have the right to make copies and distribute proposals internally and to comply with public record or other disclosure requirements under the provisions of any Commonwealth or United States statute or regulation, or rule or order of any court of competent jurisdiction.
- C. Public Disclosure. After the award of a contract pursuant to this RFP, all proposal submissions are subject to disclosure in response to a request for public records made under the Pennsylvania Right-to-Know-Law, 65 P.S. § 67.101, et seq. If a proposal submission contains confidential proprietary information or trade secrets, a signed written statement to this effect must be provided with the submission in accordance with 65 P.S. § 67.707(b) for the information to be considered exempt under 65 P.S. § 67.708(b)(11) from public records requests. Refer to **Appendix B – Trade Secret/Confidential Proprietary Information Notice Form** of the RFP for a Trade Secret Confidential Proprietary Information Notice Form that may be utilized as the signed written statement, if applicable. If financial capability information is submitted in response to Part II of this RFP such financial capability information is exempt from public records disclosure under 65 P.S. § 67.708(b)(26).

**I-18. Discussions.** While not required, the Issuing Office reserves the right to conduct discussions with any responsible Offeror to determine the Offeror's qualifications for further consideration. Discussions shall not disclose any information derived from proposals submitted by other Offerors.

**I-19. News Releases.** Offerors shall not issue news releases, Internet postings, advertisements or any other public communications pertaining to this Project without prior written approval of the Issuing Office, and then only in coordination with the Issuing Office.

**I-20. Restriction of Contact.** From the issue date of this RFP until the Issuing Office selects a proposal for award, the Issuing Officer is the sole point of contact concerning this RFP. Any violation of this condition may be cause for the Issuing Office to reject the offending Offeror's proposal. If the Issuing Office later discovers that the Offeror has engaged in any violations of this condition, the Issuing Office may reject the offending Offeror's proposal or rescind its contract award. Offerors must agree not to distribute any part of their proposals beyond the Issuing Office. An Offeror who shares information contained in its proposal with other Commonwealth personnel and/or competing Offeror personnel may be disqualified.

**I-21. Issuing Office Participation.** Offerors shall provide all services, supplies, facilities, and other support necessary to complete the identified work, except as otherwise provided in this **Part I, Section I-21**. The Issuing Office will not provide office space or logistical support.

**I-22. Term of Contract.** The term of the contract will commence on July 1, 2015 and will end June 30, 2018. The Commonwealth has the option to renew the Contract for two (2) additional one (1) year terms, in single or multiple year increments. The Issuing Office will fix the Effective Date after the contract has been fully executed by the selected Offeror and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained. The selected Offeror shall not start the performance of any work prior to the Effective Date of the contract and the Commonwealth shall not be liable to pay the selected Offeror for any service or work performed or expenses incurred before the Effective Date of the contract.

**I-23. Offeror's Representations and Authorizations.** By submitting its proposal, each Offeror understands, represents, and acknowledges that:

- A. All of the Offeror's information and representations in the proposal are material and important, and the Issuing Office may rely upon the contents of the proposal in awarding the contract(s). The Commonwealth shall treat any misstatement, omission or misrepresentation as fraudulent concealment of the true facts relating to the Proposal submission, punishable pursuant to 18 Pa. C.S. § 4904.
- B. The Offeror has arrived at the price(s) and amounts in its proposal independently and without consultation, communication, or agreement with any other Offeror or potential offeror.
- C. The Offeror has not disclosed the price(s), the amount of the proposal, nor the approximate price(s) or amount(s) of its proposal to any other firm or person who is an Offeror or potential offeror for this RFP, and the Offeror shall not disclose any of these items on or before the proposal submission deadline specified in the Calendar of Events of this RFP.
- D. The Offeror has not attempted, nor will it attempt, to induce any firm or person to refrain from submitting a proposal on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- E. The Offeror makes its proposal in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- F. To the best knowledge of the person signing the proposal for the Offeror, the Offeror, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last **four** years been convicted or found liable for any act prohibited by State or Federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding or proposing on any public contract, except as the Offeror has disclosed in its proposal.
- G. To the best of the knowledge of the person signing the proposal for the Offeror and except as the Offeror has otherwise disclosed in its proposal, the Offeror has no



outstanding, delinquent obligations to the Commonwealth including, but not limited to, any state tax liability not being contested on appeal or other obligation of the Offeror that is owed to the Commonwealth.

- H. The Offeror is not currently under suspension or debarment by the Commonwealth, any other state or the federal government, and if the Offeror cannot so certify, then it shall submit along with its proposal a written explanation of why it cannot make such certification.
- I. The Offeror has not made, under separate contract with the Issuing Office, any recommendations to the Issuing Office concerning the need for the services described in its proposal or the specifications for the services described in the proposal.
- J. Each Offeror, by submitting its proposal, authorizes Commonwealth agencies to release to the Commonwealth information concerning the Offeror's Pennsylvania taxes, unemployment compensation and workers' compensation liabilities.
- K. Until the selected Offeror receives a fully executed and approved written contract from the Issuing Office, there is no legal and valid contract, in law or in equity, and the Offeror shall not begin to perform.

**I-24. Award.**

- A. Award will be made to the responsible Offeror(s) determined to be the best qualified based on the evaluation factors set forth in this RFP. Fair and reasonable compensation shall be determined through negotiation.
- B. If compensation cannot be agreed upon with the best qualified responsible Offeror, then negotiations will be formally terminated with the Offeror. If proposals were submitted by one or more other responsible Offerors, negotiations may be conducted with the other responsible Offeror or Offerors in the order of their respective qualification ranking. The Contract may be awarded to the responsible Offeror then ranked as best qualified if the amount of compensation is determined to be fair and reasonable.

**I-25. Use of Electronic Versions of this RFP.** This RFP is being made available by electronic means. If an Offeror electronically accepts the RFP, the Offeror acknowledges and accepts full responsibility to insure that no changes are made to the RFP. In the event of a conflict between a version of the RFP in the Offeror's possession and the Issuing Office's version of the RFP, the Issuing Office's version shall govern.

## PART II

### PROPOSAL REQUIREMENTS

Offerors must submit their proposals in the format, including heading descriptions, outlined below. To be considered, the proposal must respond to all requirements in this part of the RFP. Offerors should provide any other information thought to be relevant, but not applicable to the enumerated categories, as an appendix to the Proposal. All cost data relating to this proposal and all Small Diverse Business cost data should be kept separate from and not included in the Technical Submittal. Each Proposal shall consist of the following **three** separately sealed submittals:

- A. Technical Submittal, which shall be a response to RFP **Part II, Section II-1;**
- B. Small Diverse Business participation submittal, in response to RFP **Part II, Section II-3;**  
and
- C. Cost Submittal, in response to RFP **Part II, Section II-4.**

The Issuing Office reserves the right to request additional information which, in the Issuing Office's opinion, is necessary to assure that the Offeror's competence, number of qualified employees, business organization, and financial resources are adequate to perform according to the RFP.

The Issuing Office may make investigations as deemed necessary to determine the ability of the Offeror to perform the Project, and the Offeror shall furnish to the Issuing Office all requested information and data. The Issuing Office reserves the right to reject any proposal if the evidence submitted by, or investigation of, such Offeror fails to satisfy the Issuing Office that such Offeror is properly qualified to carry out the obligations of the RFP and to complete the Project as specified.

**II-1. Technical Submittal.** Complete and submit **Appendix C - Statement of Qualifications/Technical Questionnaire** as your Technical Submittal. Additional details are provided in Part IV. The Technical Submittal shall be placed in a separate sealed envelope within the sealed proposal, separated from the Cost and Small Diverse Business Submittals.

**II-2. Contract Terms and Conditions.**

Offeror must submit its proposal, including the cost proposal, on the basis of the terms and conditions set out in Part V of the RFP. The Issuing Office will reject any proposal that is conditioned on the negotiation of the terms and conditions set out in Part V of the RFP.

### II-3. Small Diverse Business Participation Submittal.

- A. To receive credit for being a Small Diverse Business or for subcontracting with a Small Diverse Business (including purchasing supplies and/or services through a purchase agreement), an Offeror must include proof of Small Diverse Business qualification in the Small Diverse Business participation submittal of the proposal, as indicated below:

A Small Diverse Business verified by BSBO as a Small Diverse Business must provide a photocopy of its DGS issued certificate entitled "Notice of Small Business Self-Certification and Small Diverse Business Verification" indicating its diverse status.

- B. In addition to the above certificate, the Offeror must include in the Small Diverse Business participation submittal of the proposal the following information:
1. *All* Offerors must include a numerical percentage which represents the total percentage of the work (as a percentage of the total cost in the Cost Submittal) to be performed by the Offeror and not by subcontractors and suppliers.
  2. *All* Offerors must include a numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Offeror commits to paying to Small Diverse Businesses (SDBs) as subcontractors. To support its total percentage SDB subcontractor commitment, Offeror must also include:
    - a) The percentage and dollar amount of each subcontract commitment to a Small Diverse Business;
    - b) The name of each Small Diverse Business. The Offeror will not receive credit for stating that after the contract is awarded it will find a Small Diverse Business.
    - c) The services or supplies each Small Diverse Business will provide, including the timeframe for providing the services or supplies.
    - d) The location where each Small Diverse Business will perform services.
    - e) The timeframe for each Small Diverse Business to provide or deliver the goods or services.
    - f) A subcontract or letter of intent signed by the Offeror and the Small Diverse Business (SDB) for each SDB identified in the SDB Submittal. The subcontract or letter of intent must identify the specific work, goods or services the SDB will perform, how the work, goods or services relates to the project, and the specific timeframe during the term of the contract and any option/renewal periods when the work, goods or services will be performed or provided. In addition, the subcontract or letter of intent must identify the fixed percentage commitment and associated estimated dollar value that each SDB will receive based on the total value of the initial term of the contract as provided in the Offeror's Cost Submittal. Attached is a letter of intent template (**Appendix D – Small Diverse Business Letter of Intent**) which may be used to satisfy these requirements.

- g) The name, address and telephone number of the primary contact person for each Small Diverse Business.
- 3. The total percentages and each SDB subcontractor commitment will become contractual obligations once the contract is fully executed.
- 4. The name and telephone number of the Offeror's project (contact) person for the Small Diverse Business information.
- C. The Offeror is required to submit **two** copies of its Small Diverse Business participation submittal. The submittal shall be clearly identified as Small Diverse Business information and sealed in its own envelope, separate from the remainder of the proposal.
- D. A Small Diverse Business can be included as a subcontractor with as many prime contractors as it chooses in separate proposals.
- E. An Offeror that qualifies as a Small Diverse Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.

**II-4. Cost Submittal.** The information requested in this **Part II, Section II-4** and **Appendix E – Cost Matrix** shall constitute the Cost Submittal. A completed Cost Matrix shall be placed in a separate sealed envelope within the sealed proposal, separated from the Technical and Small Diverse Business Submittals. The total proposed cost shall be broken down into rates for the following components:

- Managing Director Rate (per hour)
- Director Rate (per hour)
- Senior Managing Consultant Rate (per hour)
- Consultant Rate (per hour)
- Associate Rate (per hour)
- Rates for the following services also **shall be evaluated** as part of the cost proposal:
  - Rates for Services Related to General Obligation Transactions and Tax Anticipation Notes
  - Rates Related to Structured Products Fees

**Appendix E -- Cost Matrix** lists the maximum amount allowed for the Rates for Services Related to General Obligation Transactions and Tax Anticipation Notes, and the Rates Related to Structured Products Fees.

The Offeror may submit a rate proposal for either or both of the General Obligation/Tax Anticipation Note or Structured Products Fees services, which proposal may include (i) a flat fee or reduced General Obligation/Tax Anticipation Note formula components, or (ii) reduced rates for the Structured Products services.

Any proposal submitted by an Offeror shall be deemed **non-responsive** and shall **not be considered or scored** by the Evaluation Committee if the cost proposal does not contain one of the following:

- (i) an hourly rate cost proposal plus a clear statement that the Offeror accepts all of the General Obligation/Tax Anticipation Note and Structured Products Fees services rates as set out in this RFP;
- (ii) an hourly rate cost proposal plus a complete rate proposal which proposes reduced rates for all of the General Obligation/Tax Anticipation Note and Structured Products Fees services to be provided by the Offeror; or
- (iii) an hourly rate cost proposal plus a clear statement that the Offeror accepts certain of the General Obligation/Tax Anticipation Note or Structured Products Fees service rates as set out in this RFP and proposes lower rates for the remainder of the General Obligation/Tax Anticipation Note or Structured Products Fees services to be provided by the Offeror.

Expenses such as telephone, facsimile, Federal Express, meals, travel and lodging within Pennsylvania are not reimbursable. Certain expenses such as computer time sharing and travel outside of Pennsylvania which the Offeror expects to incur shall require the prior approval of the Commonwealth, which approval shall not be unreasonably withheld.

Offerors should **not** include any assumptions in their cost submittals. If the Offeror includes assumptions in its cost submittal, the Issuing Office may reject the proposal. Offerors should direct in writing to the Issuing Office pursuant to **Part I, Section I-8**, of this RFP any questions about whether a cost or other component is included or applies. All Offerors will then have the benefit of the Issuing Office's written answer so that all proposals are submitted on the same basis.

**The Issuing Office will reimburse the selected Offeror for work satisfactorily performed after execution of a written contract and the start of the contract term, in accordance with contract requirements, and only after the Issuing Office has issued a notice to proceed.**

## PART III

### CRITERIA FOR SELECTION

**III-1. Mandatory Responsiveness Requirements.** To be eligible for selection, a proposal must:

- A. Be timely received from an Offeror;
- B. Be properly signed by the Offeror; and
- C. Include a cost proposal that is submitted as specified in Part II, Section II-4.

**III-2. Technical Nonconforming Proposals.** The three (3) Mandatory Responsiveness Requirements set forth in **Section III-1** above (A-B) are the only RFP requirements that the Commonwealth will consider to be *non-waivable*. The Issuing Office reserves the right, in its sole discretion, to (1) waive any other technical or immaterial nonconformities in an Offeror's proposal, (2) allow the Offeror to cure the nonconformity, or (3) consider the nonconformity in the scoring of the Offeror's proposal.

**III-3. Evaluation.** The Issuing Office has selected a committee of qualified personnel to review and evaluate timely submitted proposals. Independent of the committee, BSBO will evaluate the Small Diverse Business participation submittal and provide the Issuing Office with a rating for this component of each proposal.

**III-4. Evaluation Criteria.** The following criteria will be used in evaluating each proposal:

- A. **Technical:** The Issuing Office has established the weight for the Technical criterion for this RFP as **60%** of the total points. Evaluation will be based upon the following in order of importance:
  - i. **Personnel Qualifications**
  - ii. **Offeror Qualifications**
  - iii. **Prior Experience**

The final Technical scores are determined by giving the maximum number of technical points available to the proposal with the highest raw technical score. The remaining proposals are rated by applying the Technical Scoring Formula set forth at the following webpage:

<http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

- B. **Cost:** The Issuing Office has established the weight for the Cost criterion for this RFP as **20%** of the total points. The cost criterion is rated by giving the proposal with the lowest total cost the maximum number of Cost points available. The remaining proposals are rated by applying the Cost Formula set forth at the following webpage:

<http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

**C. Small Diverse Business Participation:** BSBO has established the weight for the Small Diverse Business (SDB) participation criterion for this RFP as **20%** of the total points. Each SDB participation submittal will be rated for its approach to enhancing the utilization of SDBs in accordance with the below-listed priority ranking and subject to the following requirements:

1. A business submitting a proposal as a prime contractor must perform 60% of the total contract value to receive points for this criterion under any priority ranking.
2. To receive credit for an SDB subcontracting commitment, the SDB subcontractor must perform at least fifty percent (50%) of the work subcontracted to it.
3. A significant subcontracting commitment is a minimum of five percent (5%) of the total contract value.
4. A subcontracting commitment less than five percent (5%) of the total contract value is considered nominal and will receive reduced or no additional SDB points depending on the priority ranking.

**Priority Rank 1:** Proposals submitted by SDBs as prime offerors will receive 150 points. In addition, SDB prime offerors that have significant subcontracting commitments to additional SDBs may receive up to an additional 50 points (200 points total available).

Subcontracting commitments to additional SDBs are evaluated based on the proposal offering the highest total percentage SDB subcontracting commitment. All other Offerors will be scored in proportion to the highest total percentage SDB subcontracting commitment within this ranking. *See formula below.*

**Priority Rank 2:** Proposals submitted by SDBs as prime contractors, with no or nominal subcontracting commitments to additional SDBs, will receive 150 points.

**Priority Rank 3:** Proposals submitted by non-small diverse businesses as prime contractors, with significant subcontracting commitments to SDBs, will receive up to 100 points. Proposals submitted with nominal subcontracting commitments to SDBs will receive points equal to the percentage level of their total SDB subcontracting commitment.

SDB subcontracting commitments are evaluated based on the proposal offering the highest total percentage SDB subcontracting commitment. All other Offerors will be scored in proportion to the highest total percentage SDB subcontracting commitment within this ranking. *See formula below.*

**Priority Rank 4:** Proposals by non-small diverse businesses as prime contractors with no SDB subcontracting commitments shall receive no points under this criterion.

To the extent that there are multiple SDB Participation submittals in Priority Rank 1 and/or Priority Rank 3 that offer significant subcontracting commitments to SDBs, the proposal offering the highest total percentage SDB subcontracting commitment shall receive the highest score (or additional points) available in that Priority Rank category and the other proposal(s) in that category shall be scored in proportion to the highest total percentage SDB subcontracting commitment. Proportional scoring is determined by applying the following formula:

$$\frac{\text{SDB \% Being Scored}}{\text{Highest \% SDB Commitment}} \times \frac{\text{Points/Additional Points Available}^*}{\text{Awarded/Additional SDB Points}}$$

*Priority Rank 1 = 50 Additional Points Available*

*Priority Rank 3 = 100 Total Points Available*

Please refer to the following webpage for an illustrative chart which shows SDB scoring based on a hypothetical situation in which the Commonwealth receives proposals for each Priority Rank:

<http://www.dgs.pa.gov/Businesses/Materials%20and%20Services%20Procurement/Procurement-Resources/Pages/default.aspx>.

**III-5. Offeror Responsibility.** To be responsible, an Offeror must submit a responsive proposal and possess the capability to fully perform the contract requirements in all respects and the integrity and reliability to assure good faith performance of the contract.

- A. In order for an Offeror to be considered responsible for this RFP and therefore eligible for award, the total score for the technical submittal of the Offeror's proposal must be greater than or equal to **75%** of the **available technical points**.
- B. Further, the Issuing Office will award a contract only to an Offeror determined to be responsible in accordance with the most current version of Commonwealth Management Directive 215.9, Contractor Responsibility Program.

**III-6. Final Ranking and Award.**

- A. After any discussion conducted with responsible Offerors, the Issuing Office will combine the evaluation committee's final technical scores, BSBO's final small diverse business participation scores, and the final cost scores, in accordance with the relative weights assigned to these areas as set forth in this Part.
- B. The Issuing Office will rank responsible offerors according to the total overall score assigned to each, in descending order.



- C. Award will be made to the responsible Offeror determined to be the best qualified based on the evaluation factors set forth in this RFP. Fair and reasonable compensation shall be determined through negotiation.
- D. If compensation cannot be agreed upon with the best qualified responsible Offeror, then negotiations will be formally terminated with the Offeror. If proposals were submitted by one or more other responsible Offerors, negotiations may be conducted with the other responsible Offeror or Offerors in the order of their respective qualification ranking. A contract may be awarded to the responsible Offeror then ranked as best qualified if the amount of compensation is determined to be fair and reasonable.
- E. The Issuing Office has the discretion to reject all proposals or cancel the request for proposals, at any time prior to the time a contract is fully executed, when it is in the best interests of the Commonwealth. The reasons for the rejection or cancellation shall be made part of the contract file.

**PART IV**  
**WORK STATEMENT**

**IV-1. Objectives.**

The Commonwealth of Pennsylvania (Commonwealth) Seeks to procure the services of a qualified Offeror to support the Governor’s Budget Office in providing (1) general and debt management advisory services; (2) special research, analysis and consulting services; (3) services related to general obligation debt transactions and tax anticipation notes; and (4) structured products services.

**IV-2. Requirements.** Within the Technical Submittal (Appendix C), the Offeror shall confirm that each requirement of this RFP shall be met; include an explanation of how the Offeror intends to meet each requirement.

- A. **Qualifications.** The selected Offeror shall address each qualification requirement set forth in **Appendix C**, Statement of Qualifications/Technical Questionnaire.
- B. **Key Personnel.** Key project staffing changes must be approved by the Commonwealth. The Commonwealth reserves the right to request, at its sole discretion, that the selected Offeror remove and replace staff from the Project.
- C. **Ongoing Compliance With Qualifications; Removals.** The Commonwealth may remove or suspend the contractor for reasons that include, but are not limited to:
  - i) Unprofessional performance;
  - ii) Being the subject of disciplinary/licensing actions by the Federal Securities and Exchange Commission, the Commonwealth Department of Banking and Securities, and other law enforcement or administrative enforcement government agencies;
  - iii) Filing for protection under federal or state bankruptcy laws;
  - iv) Failure to continue to meet the requirements of this RFP;
  - v) Failure to pay federal, state and/or local taxes; or
  - vi) Undisclosed conflict of interest.

**IV-3. Tasks.**

**Financial Services.** The selected Offeror shall provide financial advising and consulting in the following four sections under the contract the: (1) general and debt management advisory services; (2) special research, analysis and consulting services; (3) services related to general obligation debt transactions and tax anticipation notes; and (4) structured products services. Each section is further divided into the following, including, but not limited to:

- A. **General and Debt Management Advisory Services**

The chosen firm shall make itself available to provide the following general and debt management advisory services, as may be requested from time to time by the Commonwealth.

1. Review current debt portfolio, identifying strengths and weaknesses so that future debt issues can be structured to maximize ability to finance future capital needs. This will include, but not limited to, review existing debt for the possibility of refunding that debt to provide the Commonwealth with savings;
2. Analyze future debt capacity to determine the Commonwealth's ability to raise future debt capital;
3. Develop, manage and maintain computer models for long-term debt planning which provide for inputs regarding levels of taxation, timing, magnitude and cost of debt issuance, long-term interest forecast, selected operating and debt ratios, and other financial performance measures as may be determined by the Commonwealth;
4. Assist and review with representatives of the Commonwealth new financial ideas that are presented from time to time by firms such as investment bankers and underwriters;
5. Assist the Commonwealth with the development of debt management policies regarding the size and characteristics of the Commonwealth's capital structure. Such policy issues may include the term for debt, amortization structures, and the possible incorporation of variable interest rate debt;
6. Provide quantitative training to Commonwealth staff members, including, but not limited to, general obligation new money optimization structuring techniques and general obligation funding analysis, by offering Commonwealth officials the option to participate in chosen firm's annual client training program and/or through development of a specialized on-site program;
7. Provide general advice related to maintenance and improvement of the Commonwealth's General Obligation credit rating and the rating on Tax and Revenue Anticipation obligations; and
8. Provide the services of special consultants that chosen firm may have retained from time to time, for general consultation to the Commonwealth.

**B. Special Research, Analysis, and Consulting Services**

The chosen firm shall provide, upon request of the Commonwealth made by the Secretary of the Budget, or his/or her designees, special research, analytical, and consulting services related to financial planning, policy, and management.

1. Provide general analytical support as needed for annual budgetary development, multi-year financial planning, and other various policy initiatives as requested by the Governor's Budget Office;
2. Provide quantitative and analytical support for the Commonwealth in

collective bargaining through such services as the development of costing models for compensation scenarios, development of workforce cost containment strategies, and delivery of expert testimony in employee interest arbitration proceedings;

3. Assist the Office of the Budget in evaluating the fiscal and policy impacts of revenue enhancement options such as tax policy reforms and non-tax revenue adjustments;
4. Assist the Office of the Budget in evaluating transportation, infrastructure, and general economic development financing options in support of the Commonwealth's goals;
5. Review cash flow projections produced by the Commonwealth, and, as necessary, suggest and support improvements to the Commonwealth's cash flow model; and
6. Deliver additional strategic management consulting services as may be requested by the Commonwealth in areas related to fiscal improvement, management/productivity reforms, and governmental performance. Such services may include, without limitation, assisting the Commonwealth with the development of analyses and narrative with regard to overall strategy and assumptions, revenue forecasts, and/or expenditure reduction initiatives. Such support may include quantitative analysis, identification of best practices, and/or technical review and quality assurance.

**C. Services Related to General Obligation Debt Transactions and Tax Anticipation Notes**

The chosen firm shall provide, upon request of the Commonwealth, the following specific debt transaction management services for general obligation transactions identified under Section A above. (Revenue bond issues would be negotiated under a separate contract.)

1. Assemble professional team(s), as requested, by writing Requests for Proposals, and assisting the Commonwealth in the evaluation of responses;
2. Develop specific plan of finance in consideration of the overall financial plan and Commonwealth debt policies;
3. Produce cash flow analyses as requested by the Commonwealth;
4. Assist in development of legal framework;
5. Assist in presenting plan of finance to oversight authorities (if appropriate) and in obtaining authorization(s);
6. Participate in the administrative aspects of transaction as directed by the Commonwealth;
7. Develop presentation materials and assist the Commonwealth by participating in credit rating review process as requested;

8. Develop strategy and solicit bids for credit enhancement (if appropriate);
9. Analyze municipal bond insurance on a maturity-by-maturity basis (to both maturity and to call);
10. Analyze other credit enhancement options (if appropriate);
11. Analyze alternative coupon structures and redemption provisions using Option-Adjusted Spread Analysis;
12. Develop and administer investor relations program, including conference call(s), electronic road show(s), and/or de facto road show(s) when appropriate and as requested by the Commonwealth;
13. Provide periodic written, and at the request of the Commonwealth, oral overviews of the economy, the credit markets in general, and the municipal credit market in particular;
14. Participate in the process for the sale of debt as requested by the Commonwealth, including:
  - a. *For Competitive Sales:* Soliciting underwriter interest, participating in the development of Notice of Sale and various bid constraints and requirements, assisting with the bidding process, verifying bids with the Commonwealth; and
  - b. *For Negotiated Sales:* Analyzing comparable transactions (e.g., other state issues, other similarly rated issues, insured issues, large issues), prior Commonwealth debt offerings (e.g., historical pricing levels, secondary market activity and pricing levels, and investor sentiment), and market spreads (relative to MMD), assisting in negotiating the terms and prices of all securities offered; and
15. Write summary memorandum.

**D. Structured Products Services**

1. Advice regarding advance refunding escrow accounts will be provided by chosen firm.
  - a. If requested by the Commonwealth, chosen firm will analyze and model alternative refunding escrow investment portfolios, taking into account the relative availability and price/yield of open market and State and Local Government Series (“SLGS”) U.S. Treasury securities. Chosen firm will monitor SLGS rates and open market rates related to already existing escrow accounts and advise the Commonwealth on strategies to maximize the yield of such escrows in a manner that is in compliance with bond covenants and relevant Federal tax requirements, including strategies to restructure such escrows on an intra-day basis.

- b. If open market Treasuries are to be purchased for any escrow account, chosen firm will develop written terms for a request for bids or offers of escrow securities offerings, receive competitive bids or offers for securities, prepare such cash flow and yield calculations, required record keeping package and bidding certifications as required by bond counsel, the verification agent and the escrow agent, and coordinate the settlement of the escrow securities.
  - c. To the extent required by the related bond or tax documentation, chosen firm will employ an independent verification agent to review and opine on cash flow sufficiency and yields as is usual and customary for refunding escrow account investment transactions.
2. Advice regarding guaranteed investment contracts will be provided by chosen firm. If requested by the Commonwealth, chosen firm will provide advice and transaction assistance on the procurement of investment agreements for the investment of bond proceeds and non-bond proceeds funds.

Services described in Sections A and B above, shall not be performed until a Statement of Work is prepared for such services, executed by the Governor’s Budget Office and other Commonwealth agency, if applicable, and the awarded firm. The Governor’s Budget Office or other Commonwealth agency may request the awarded firm to perform specific services within the scope of the type of services described in Section A and B above. Upon receipt of such request, the awarded firm shall, within a reasonable time period, notify the Governor’s Budget Office and the other Commonwealth agency, if applicable, as to whether the awarded firm is able to perform such services. If the awarded firm is able to perform such services, the awarded firm shall promptly provide the Governor’s Budget Office and the other Commonwealth agency, if applicable, with a proposal containing, at a minimum, (1) the time frame for delivery or performance of such services, (2) a description of the scope of such services, (3) the estimated total cost of the services, (4) the fees to be charged the Governor’s Budget Office or other Commonwealth agency for such services, (5) an estimate of the Governor’s Budget Office or other Commonwealth agency resources to be made available to the awarded firm that are necessary for the chosen firm to develop, implement and provide such services, and (6) a listing of the awarded firm’s Key Personnel to be used to perform such services. In the event the Governor’s Budget Office elects to have the awarded firm perform such services as contained in its proposal, the Governor’s Budget Office, the other Commonwealth agency, if applicable, and the awarded firm shall execute a Statement of Work including the necessary elements of the proposal for such services. The awarded firm shall not begin performing any such services until a Statement of Work has been executed by the Governor’s Budget Office and other Commonwealth agency, if applicable, and the awarded firm and a Purchase Order or Notice to Proceed has been issued for such work. A template of the Statement of Work shall be provided to the awarded firm.

**IV-4. Contract Requirements—Small Diverse Business Participation.** All contracts containing Small Diverse Business participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to Small Diverse Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BSBO. All contracts containing Small Diverse Business participation must

include a provision requiring Small Diverse Business subcontractors to perform at least **50%** of the subcontracted work.

The selected contractor's commitments to Small Diverse Businesses made at the time of proposal submittal or contract negotiation shall, to the extent so provided in the commitment, be maintained throughout the term of the contract and through any renewal or extension of the contract. Any proposed change must be submitted to BSBO, which will make a recommendation to the Contracting Officer regarding a course of action.

If a contract is assigned to another contractor, the new contractor must maintain the Small Diverse Business participation of the original contract.

The selected contractor shall complete the Prime Contractor's Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BSBO within **10** workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small Diverse Business subcontractors and suppliers. Also, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Small Diverse Business participation points. If there was no activity during the quarter then the form must be completed by stating "No activity in this quarter."

**NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF SMALL DIVERSE BUSINESS STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR SMALL DIVERSE BUSINESS UTILIZATION.**

## Part V

### Contract for Financial and Advisory Services

Document No. OB-\_\_\_\_\_

PO No. \_\_\_\_\_

## CONTRACT FOR ADVISORY SERVICES

This Contract for Advisory Services (hereinafter “Contract”) is entered into as of July 1<sup>st</sup>, 2015 or the Effective Date as defined below, whichever is later by and between **CHOSEN FIRM** (hereinafter “CONSULTANT”) and the Commonwealth of Pennsylvania, acting by and through the Office of the Budget (hereinafter “OB” or “Commonwealth”).

*WHEREAS*, OB has a need for professional and specialized services to assist OB in matters described in Appendix A; and

*WHEREAS*, OB issued a Request for Proposals, RFP No. 6100033762 (RFP), to seek financial, management, policy and debt consulting and advising services; and,

*WHEREAS*, CONSULTANT was one of the private consulting firms that submitted a proposal in response to the RFP; and,

*WHEREAS*, OB desires to contract with CONSULTANT to procure CONSULTANT’s knowledge and experience for financial, management, policy and debt consulting and advising services.

*NOW, THEREFORE*, OB and CONSULTANT, with the intention of being legally bound, hereby agree as follows:

- 1. Services and Statements of Work.** CONSULTANT shall generally make itself available to perform the type of services described in Appendix A of



this Agreement. No services shall be performed until a Statement of Work is prepared for such services, executed by OB and other Commonwealth agency, if applicable, and CONSULTANT, and attached to this Agreement. OB or other Commonwealth agency may request CONSULTANT to perform specific services within the scope of the type of services described in Appendix A. Upon receipt of such request, CONSULTANT shall, within a reasonable time period, notify OB and the other Commonwealth agency, if applicable, as to whether CONSULTANT is able to perform such services. If CONSULTANT is able to perform such services, CONSULTANT shall promptly provide OB and the other Commonwealth agency, if applicable, with a proposal containing, at a minimum, (1) the time frame for delivery or performance of such services, (2) a description of the scope of such services, (3) the estimated total cost of the services, (4) the fees to be charged OB or other Commonwealth agency for such services, as specified in Appendix B, (5) an estimate of OB or other Commonwealth agency resources to be made available to CONSULTANT that are necessary for CONSULTANT to develop, implement and provide such services, and (6) a listing of CONSULTANT's Key Personnel to be used to perform such services. In the event OB elects to have CONSULTANT perform such services as contained in its proposal, OB, the other Commonwealth agency, if applicable, and CONSULTANT shall execute a Statement of Work including the necessary elements of the proposal for such services. CONSULTANT shall not begin performing any such services until a Statement of Work has been executed by OB and other Commonwealth agency, if applicable, and CONSULTANT and a Purchase Order or Notice to Proceed has been issued for such work. A template of the Statement of Work shall be provided to the CONSULTANT.

2. No Statement of Work shall be effective until a Purchase Order or Notice to Proceed is issued in connection therewith by the Commonwealth. **No Purchase Order or Notice to Proceed shall be issued by the Commonwealth unless it is accompanied by a Statement of Work signed by OB.** Upon receipt of a signed Statement of Work, OB or the agency responsible for payment shall issue a Purchase Order or Notice to Proceed for the services described in the Statement of Work. The applicable Statement of Work and this Contract shall be attached to the Purchase Order or Notice to Proceed.
3. **Compensation.** CONSULTANT shall be compensated by OB or the Commonwealth agency requesting services for the services contracted for in

accordance with the provisions established in Appendix B of this Contract and, if applicable, as set forth on the particular Statement of Work.

4. **Term of Contract.** The term of this Contract shall commence on July 1<sup>st</sup>, 2015 or the Effective Date (as defined below), whichever is later and shall end on June 30, 2018, unless it is extended or terminated earlier pursuant to the terms of this Contract.
  - a. The term of this Contract may be extended by and at the sole option of OB for two (2) additional periods of one (1) year each, provided there has been no prior termination under the terms of this Contract. Notice of election by OB to exercise each extension hereunder shall be given to CONSULTANT in writing at least ninety (90) days prior to the expiration of the then current term, provided, however, that OB's right to exercise any such extension hereunder shall not expire unless and until CONSULTANT has given OB written notice of OB's failure to timely exercise its extension option and provided OB fifteen (15) days opportunity from OB's receipt of the notice to cure the failure. No further instrument shall be required to extend the term of this Contract. CONSULTANT agrees that the extension of this Contract shall be on the same terms and conditions as the original Contract except as otherwise agreed to in writing by the parties, provided, however that the notice of extension may add additional funds to the maximum amount of the contract without the need for further documentation.
  - b. The fully executed Contract and/or Purchase Order(s) may not contain "ink" signatures by the Commonwealth. The CONSULTANT understands and agrees that the receipt of an electronically-printed Contract or Purchase Order with the printed name of the Commonwealth purchasing agent constitutes a valid, binding contract with the Commonwealth. The printed name of the purchasing agent on the Contract or Purchase Order represents the signature of that individual who is authorized to bind the Commonwealth to the obligations contained in the Contract. The printed name also represents that all approvals required by Commonwealth contracting procedures have been obtained.
  - c. The CONSULTANT shall not start performance until all of the following have occurred: (i) the Effective Date has arrived; (ii) the

CONSULTANT has received a copy of the fully-executed Contract; and (iii) the Contractor has received a Purchase Order or Notice to Proceed. The Commonwealth shall not be liable to pay the CONSULTANT for any supply furnished or work performed or expenses incurred before the Effective Date or before the CONSULTANT receives a copy of the fully-executed Contract or before the CONSULTANT has received a Purchase Order or Notice to Proceed. Except as otherwise provided in this Paragraph 4, no Commonwealth employee has the authority to verbally direct the commencement of any work or delivery of any supply under this Contract prior to the Effective Date.

- d. The **Effective Date** shall be: a) the date the Contract has been fully executed by CONSULTANT and by the Commonwealth and all approvals required by Commonwealth contracting procedures have been obtained or b) the date referenced in the Contract, whichever is later. The Contract shall not be a legally binding contract until after the fully-executed Contract has been sent to CONSULTANT.

**5. Commonwealth not liable for expenses incurred before the Effective Date.** The Commonwealth of Pennsylvania, including OB, shall not be liable to pay CONSULTANT for any services or work performed or expenses incurred before the Effective Date of this Contract.

**6. Billing.** CONSULTANT shall submit monthly invoices to OB or other Commonwealth agency, if applicable for services performed in accordance with the terms and conditions of Appendix B and each particular Statement of Work.

- a. The amount shown on invoices for fees for services provided pursuant to a Statement of Work shall be in accordance with the rates established in the applicable Statement of Work. If compensation is based upon hourly rates, each invoice shall be itemized listing the services performed by staff classifications (in accordance with Appendix B), by date, by hours worked, and by rate.
- b. Each invoice shall include the Purchase Order number and shall be itemized listing the services performed by CONSULTANT by date and by hours worked on each date, which invoices shall conform to the format appearing in Appendix C of this Contract.

- d. OB or other Commonwealth agency, if applicable will pay CONSULTANT in the normal course of its business, and agrees to use its best effort to make payments to CONSULTANT within 45 days of receipt of invoices.
  - e. All such invoices shall contain a statement that reads substantially as follows:

“CONSULTANT hereby certifies that the services supplied and expenses incurred as stated in the attached invoice have met all of the required standards set forth in the Contract for Advisory Services.”
  - f. All such invoices or accompanying letters of transmittal shall be signed by CONSULTANT and shall set out CONSULTANT’s federal employer identification number.
7. **Consultation.** CONSULTANT shall consult with and keep OB fully informed as to the progress of all matters covered by this Contract. CONSULTANT shall consult and cooperate with, and shall be responsible directly to, the Secretary of the Budget and other administrative officials as designated by him. The duty of CONSULTANT shall be to advise, counsel, and recommend actions to OB through the Secretary and the other officials designated by him and to perform the services set forth in the applicable Statement of Work.
8. **Assignment, Subcontracting, and Delegation Prohibited.** CONSULTANT is specifically and expressly prohibited from (a) assigning any of its rights under this Contract, (b) subcontracting any of CONSULTANT’s obligations or responsibilities under the Contract, and (c) delegating any of its duties under this Contract, to any other person or entity without having first received prior written approval from OB for such assignment, subcontracting, or delegation before any such assignment, subcontracting, or delegation occurs.

If CONSULTANT attempts to assign any of its rights, subcontract any of its obligations or responsibilities, or delegate any of its duties under this Contract without having first received OB’S prior written approval, this Contract and all of its terms and conditions shall be fully, completely, and

irrevocably terminated and extinguished as of the moment that CONSULTANT makes any attempt to assign any of its rights, subcontract any of its obligations or responsibilities, or delegate any of its duties without having first received such written approval from OB.

In the event that OB approves an assignment, subcontracting, or delegation by CONSULTANT, CONSULTANT shall inform its assignee, subConsultant, or delegee of the existence of this Contract and shall bind such assignee, subconsultant, or delegee in writing to comply with all of the terms and conditions of this Contract and any extensions or amendments of this Contract.

Notwithstanding any other provision in this Contract, nothing in this Contract shall prohibit, restrict, or otherwise hinder or impede in any way the right and ability of the Commonwealth, or OB, or both, to assign any of their rights, to subcontract any of their obligations or responsibilities, or to delegate any of their duties under this Contract.

**9. Ownership Rights.** The Commonwealth shall have unrestricted authority to reproduce, distribute, and use any submitted report, data, or material, and any software or modifications and any associated documentation that is designed or developed and delivered to the Commonwealth as part of the performance of the Contract.

**10. Changes.**

a. The Commonwealth reserves the right to make changes at any time during the term of the Contract or any renewals or extensions thereof: 1) to increase or decrease the quantities resulting from variations between any estimated quantities in the Contract and actual quantities; 2) to make changes to the services within the scope of the Contract; 3) to notify the CONSULTANT that the Commonwealth is exercising any Contract renewal or extension options; 4) to modify the time of performance that does not alter the scope of the Contract to extend the completion date beyond the Expiration Date of the Contract or any renewals or extensions thereof. Any such change shall be made by OB by notifying the CONSULTANT in writing. The change shall be effective as of the date of the change, unless the notification of change specifies a later effective date. Such increases, decreases, changes, or modifications will not invalidate the Contracts, nor, if performance

security is being furnished in conjunction with the Contract, release the security obligation. The CONSULTANT agrees to provide the service in accordance with the change order. Any dispute by the CONSULTANT in regard to the performance required by any notification of change shall be handled through Paragraph 25, "Contracts Controversies."

- b. Any modification or change to this Contract (other than those which may be made under Section 10.a of this Contract) shall be incorporated in a written amendment to this Contract, signed by both parties and executed in the same manner as this original Contract and in accordance with applicable law. Any modification or change to a Purchase Order or Notice to Proceed issued under this Contract (other than those which may be made under Section 10.a of this Contract) shall be incorporated in a written amendment to the Statement of Work for that Purchase Order, signed by both parties and executed in the same manner as the original Statement of Work with either a new or an amended Purchase Order or Notice to Proceed issued by OB or other Commonwealth agency, if applicable. The effective date of any modification or change under this subsection of this Contract shall be effective either on the date that the last required signatory has affixed his or her signature to the writing (if a specific effective date is not specified in the writing), or on the effective date specified in the writing.
- 11. Conflict of Interest.** CONSULTANT, by signing this Contract, covenants that it has no undisclosed public or private interest, direct or indirect, and shall not acquire directly or indirectly any such interest which does or may conflict in any manner with the performance of the services or the obligations under this Contract. Any such conflicts shall be promptly disclosed to OB and OB shall determine whether such conflict is cause for termination of this Contract.
- 12. Independent Consultant.** In performing its obligations under the Contract, CONSULTANT will act as an independent consultant and not as an employee or agent of the Commonwealth. The CONSULTANT will be responsible for all services in this Contract whether or not the CONSULTANT provides them directly. Further, the CONSULTANT is the sole point of contact with regard to all contractual matters, including payment of any and all charges resulting from the Contract.

### **13. Default.**

- a. The Commonwealth may, subject to the Force Majeure provisions of this Contract, and in addition to its other rights under the Contract, declare CONSULTANT in default by written notice thereof to the CONSULTANT, and terminate (as provided in the Termination Provisions of this Contract) the whole or any part of this Contract or any Purchase Order for any of the following reasons:
- 1) Failure to begin work within the time specified in the Contract or Purchase Order or Notice to Proceed or as otherwise specified;
  - 2) Failure to perform the work with sufficient labor, equipment, or material to insure the completion of the specified work in accordance with the Contract or Purchase Order terms;
  - 3) Unsatisfactory performance of the work;
  - 4) Failure to deliver the awarded item(s) within the time specified in the Contract or Purchase Order or as otherwise specified;
  - 5) Improper delivery;
  - 6) Failure to provide an item(s) which is in conformance with the specifications referenced in the Contract or Purchase Order;
  - 7) Delivery of a defective item;
  - 8) Failure or refusal to remove material, or remove and replace any work rejected as defective or unsatisfactory;
  - 9) Discontinuance of work without approval;
  - 10) Failure to resume work, which has been discontinued, within a reasonable time after notice to do so;
  - 11) Insolvency or bankruptcy;

- 12) Assignment made for the benefit of creditors;
  - 13) Failure or refusal within 10 days after written notice by OB, to make payment or show cause why payment should not be made, or any amounts due for material furnished, labor supplied or performed, for equipment rentals, or for utility services rendered;
  - 14) Failure to protect, to repair, or to make good any damage or injury to property;
  - 15) Breach of any provision of the Contract;
  - 16) Failure to comply with representations made in the Contractor's bid/proposal; or
  - 17) Failure to comply with applicable industry standards, customs, and practice.
- b. In the event that the Commonwealth terminates this Contract or any Purchase Order or Notice to Proceed in whole or in part as provided in Subparagraph a. above, the Commonwealth may procure, upon such terms and in such manner as it determines, items similar or identical to those so terminated, and CONSULTANT shall be liable to the Commonwealth for any reasonable excess costs for such similar or identical items included within the terminated part of the Contract or Purchase Order or Notice to Proceed.
- c. If the Contract or a Purchase Order or Notice to Proceed is terminated as provided in Subparagraph a. above, the Commonwealth, in addition to any other rights provided in this paragraph, may require CONSULTANT to transfer title and deliver immediately to the Commonwealth in the manner and to the extent directed by the Secretary of the Budget or his designee, such partially completed work, including, where applicable, reports, working papers and other documentation, as CONSULTANT has specifically produced or specifically acquired for the performance of such part of the Contract or Purchase Order as has been terminated. Except as provided below, payment for completed work accepted by the Commonwealth shall be at the Contract price. Except as provided below, payment for partially



completed work including, where applicable, reports and working papers, delivered to and accepted by the Commonwealth shall be in an amount agreed upon by CONSULTANT and OB. The Commonwealth may withhold from amounts otherwise due CONSULTANT for such completed or partially completed works, such sum as OB determines to be necessary to protect the Commonwealth against loss.

- d. The rights and remedies of the Commonwealth provided in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.
- e. The Commonwealth's failure to exercise any rights or remedies provided in this paragraph shall not be construed to be a waiver by the Commonwealth of its rights and remedies in regard to the event of default or any succeeding event of default.
- f. Following exhaustion of the Consultant's administrative remedies as set forth in the Contract Controversies Provision of the Contract, the Consultant's exclusive remedy shall be to seek damages in the Board of Claims.

- 14. Force Majeure.** Neither party to this Contract will incur any liability to the other if its performance of any obligation under this Contract is prevented or delayed by causes beyond its control and without the fault or negligence of either party. Causes beyond a party's control may include, but are not limited to, acts of God or war, changes in controlling law, regulations, orders or the requirements of any governmental entity, severe weather conditions, civil disorders, natural disasters, fire, epidemics and quarantines, general strikes throughout the trade, and freight embargoes.

CONSULTANT shall notify OB orally within five (5) days and in writing within ten (10) days of the date on which CONSULTANT becomes aware, or should have reasonably become aware, that such cause would prevent or delay CONSULTANT's performance. Such notification shall (i) describe fully such cause(s) and CONSULTANT's effect on performance, (ii) state whether performance under the contract is prevented or delayed, and (iii) if performance is delayed, state a reasonable estimate of the duration of the delay. CONSULTANT shall have the burden of proving that such cause(s) delayed or prevented its performance despite his diligent efforts to perform

and shall produce such supporting documentation as OB may reasonably request. After receipt of such notification, OB may elect to cancel the Contract, cancel the Purchase Order or Notice to Proceed, or to extend the time for performance as reasonably necessary to compensate for CONSULTANT's delay.

In the event of a declared emergency by competent governmental authorities, OB by notice to CONSULTANT, may suspend all or a portion of the Contract or Purchase Order or Notice to Proceed.

**15. Termination Provisions.** The Commonwealth has the right to terminate this Contract or any Purchase Order or Notice to Proceed for any of the following reasons. Termination shall be effective upon written notice to CONSULTANT.

- a. Termination for Convenience. The Commonwealth shall have the right to terminate the Contract or a Purchase Order or Notice to Proceed for its convenience if the Commonwealth determines termination to be in its best interest. CONSULTANT shall be paid for work satisfactorily completed prior to the effective date of the termination, but in no event shall CONSULTANT be entitled to recover loss of profits.
- b. Non-appropriation. The Commonwealth's obligation to make payments during any Commonwealth fiscal year succeeding the current fiscal year shall be subject to availability and appropriation of funds. When funds (state and/or federal) are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal year period, the Commonwealth shall have the right to terminate the Contract or a Purchase Order or a Notice to Proceed. CONSULTANT shall be reimbursed for the reasonable value of any nonrecurring costs incurred but not amortized in the price of the supplies or services delivered under the Contract. Such reimbursement shall not include loss of profit, loss of use of money, or administrative or overhead costs. The reimbursement amount may be paid from any appropriations available for that purpose.

- c. Termination for Cause. The Commonwealth shall have the right to terminate the Contract or a Purchase Order or a Notice to Proceed for CONSULTANT default under Default Clause upon written notice to CONSULTANT. The Commonwealth shall also have the right, upon written notice to CONSULTANT, to terminate the Contract or Purchase Order or Notice to Proceed for other cause as specified in the Contract or by law. If it is later determined that the Commonwealth erred in terminating the Contract or Purchase Order or Notice to Proceed for cause, then, at the Commonwealth's discretion, the Contract or Purchase Order or Notice to Proceed shall be deemed to have been terminated for convenience under the Subparagraph a.

- 16. **Integration Clause.** This Contract, including all appendices and referenced documents, and any Purchase Order or Notice to Proceed, constitutes the entire agreement between the parties. No agent, representative, employee, or officer of the Commonwealth, or of OB, or of CONSULTANT has authority to make, or has made, any statement, agreement, or representation, oral or written, in connection with the Contract, which in any way can be deemed to modify, add to, or detract from, or otherwise change or alter its terms and conditions. No negotiations between the parties, nor any custom or usage, shall be permitted to modify or contradict any of the terms and conditions of the Contract. No modifications, alterations, changes, or waiver to the Contract or any of its terms shall be valid or binding unless accomplished by a written amendment executed by the parties pursuant to paragraph 10 (Changes) of this Contract.
- 17. **Nondiscrimination/Sexual Harassment.** CONSULTANT shall comply with all applicable provisions of state and federal constitutions, laws, regulations, and judicial orders pertaining to nondiscrimination, sexual harassment, and equal employment opportunity, including the provisions of the Nondiscrimination/Sexual Harassment Clause, which is attached hereto as Appendix D and incorporated by reference.
- 18. **Integrity Provisions.** CONSULTANT agrees to comply with the Integrity Provisions, which are attached hereto as Appendix E and incorporated by reference.

19. **Responsibility Provisions.** CONSULTANT agrees to comply with the Responsibility Provisions, which are attached hereto as Appendix F and incorporated by reference.
20. **The Americans With Disabilities Act.** CONSULTANT agrees to comply with The Americans With Disabilities Act provisions, which are attached hereto as Appendix G and incorporated by reference.
21. **Audit Provisions.** The Commonwealth shall have the right, at reasonable times and at a site designated by the Commonwealth, to audit the books, documents and records of CONSULTANT to the extent that the books, documents and records relate to costs or pricing data for the Contract. CONSULTANT agrees to maintain records which will support the prices charged and costs incurred for the Contract. CONSULTANT shall preserve books, documents, and records that relate to costs or pricing data for the Contract for a period of three (3) years from date of final payment. CONSULTANT shall give full and free access to all records to the Commonwealth and/or their authorized representatives.
22. **Offset Provision.** CONSULTANT agrees that the Commonwealth may set off the amount of any state tax liability or other obligation that CONSULTANT owes to the Commonwealth against any payments due CONSULTANT under any contract with the Commonwealth.
23. **Hold Harmless Provision.**
  - a. The CONSULTANT shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all third party claims, demands and actions based upon or arising out of any activities performed by the CONSULTANT and its employees and agents under this Contract, provided the Commonwealth gives CONSULTANT prompt notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act (71 P.S. Section 732-101, et seq.), the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under such terms as it deems appropriate, delegate its right of defense. If OAG delegates the defense to the CONSULTANT, the Commonwealth will cooperate with all reasonable requests of CONSULTANT made in the defense of such suits.

- b. Notwithstanding the above, neither party shall enter into any settlement without the other party's written consent, which shall not be unreasonably withheld. The Commonwealth may, in its sole discretion, allow the CONSULTANT to control the defense and any related settlement negotiations.

**24. Notice.** Any written notice to any party under this Contract shall be deemed sufficient if delivered personally, or by facsimile, telecopy, electronic or digital transmission (provided such delivery is confirmed), or by a recognized overnight courier service (e.g., DHL, Federal Express, etc.) with confirmed receipt, or by certified or registered United States mail, postage prepaid, return receipt requested, and sent to following:

- a. If to the Commonwealth:

**[COMMONWEALTH INFORMATION TO BE PROVIDED]**

*with a copy to:*

Chief Counsel  
Office of the Budget Legal Office  
333 Market Street  
18<sup>th</sup> Floor  
Harrisburg, PA 17101-2210

- b. If to CONSULTANT:

**[CONSULTANT INFORMATION TO BE PROVIDED]**

**25. Contract Controversies.**

- a. In the event of a controversy or claim arising from the Contract, the CONSULTANT must, within six months after the cause of action accrues, file a written claim with the contracting officer for a determination. The claim shall state all grounds upon which the CONSULTANT asserts a controversy exists. If the CONSULTANT fails to file a claim or files an untimely claim, the CONSULTANT is deemed to have waived its right to assert a claim in any forum. At the

time the claim is filed, or within sixty (60) days thereafter, either party may request mediation through the Commonwealth Office of General Counsel Dispute Resolution Program.

- b. If the CONSULTANT or the contracting officer requests mediation and the other party agrees, the contracting officer shall promptly make arrangements for mediation. Mediation shall be scheduled so as to not delay the issuance of the final determination beyond the required 120 days after receipt of the claim if mediation is unsuccessful. If mediation is not agreed to or if resolution is not reached through mediation, the contracting officer shall review timely-filed claims and issue a final determination, in writing, regarding the claim. The final determination shall be issued within 120 days of the receipt of the claim, unless extended by consent of the contracting officer and the CONSULTANT. The contracting officer shall send his/her written determination to the CONSULTANT. If the contracting officer fails to issue a final determination within the 120 days (unless extended by consent of the parties), the claim shall be deemed denied. The contracting officer's determination shall be the final order of the purchasing agency.
- c. Within fifteen (15) days of the mailing date of the determination denying a claim or within 135 days of filing a claim if, no extension is agreed to by the parties, whichever occurs first, the CONSULTANT may file a statement of claim with the Commonwealth Board of Claims. Pending a final judicial resolution of a controversy or claim, the CONSULTANT shall proceed diligently with the performance of the Contract in a manner consistent with the determination of the contracting officer and the Commonwealth shall compensate the CONSULTANT pursuant to the terms of the Contract.

**26. Applicable Law.** This Contract shall be governed by and interpreted and enforced in accordance with the laws of the Commonwealth of Pennsylvania (without regard to any conflict of laws provisions) and the decisions of the Pennsylvania courts. CONSULTANT consents to the jurisdiction of any court of the Commonwealth of Pennsylvania and any federal court in Pennsylvania, waiving any claim or defense that such forum is not convenient or proper. CONSULTANT agrees that any such court shall have in personam jurisdiction over it, and consents to service of process in any manner authorized by Pennsylvania or federal law.

- 27. Compliance with Law.** CONSULTANT shall comply with all applicable federal and state laws and regulations and local ordinances in the performance of this Contract.
- 28. Key Personnel.** Key personnel shall include those persons described in each Statement of Work. Such key personnel shall be assigned to the services to be provided hereunder as described in the Statement of Work in the absence of death, retirement, resignation or termination from CONSULTANT or other unavoidable circumstance. CONSULTANT agrees that key personnel, once designated as assigned to the services covered by this Contract, must perform as designated in the absence of termination from the firm or other unavoidable circumstance. Replacement personnel must have comparable levels of responsibility and substantially equivalent experience and skills. All replacements and additions made by CONSULTANT of key personnel assigned to the project shall be subject to the prior written approval of OB, which approval will not be unreasonably withheld. In the event designated and approved key personnel are not available to perform the services hereunder, the Commonwealth shall have the right to terminate this Contract or a particular Statement of Work pursuant to the provisions of Paragraph 15(a) hereof.
- 29. Communications with the Media.** CONSULTANT shall have no communication with any form of public media – newspaper, television, radio, or other form – concerning this Contract or its performance hereunder without the prior written consent of OB
- 30. Contract Provisions - Right to Know Law**
- a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, (“RTKL”) applies to this Contract. For the purpose of these provisions, the term “the Commonwealth” shall refer to the contracting Commonwealth agency.
  - b. If the Commonwealth needs CONSULTANT’s assistance in any matter arising out of the RTKL related to this Contract, it shall notify CONSULTANT using the legal contact information provided in this Contract. CONSULTANT, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.

- c. Upon written notification from the Commonwealth that it requires CONSULTANT's assistance in responding to a request under the RTKL for information related to this Contract that may be in CONSULTANT's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), CONSULTANT shall:
  - 1. Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in CONSULTANT's possession arising out of this Contract that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
  - 2. Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Contract.
- d. If CONSULTANT considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that CONSULTANT considers exempt from production under the RTKL, CONSULTANT must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of CONSULTANT explaining why the requested material is exempt from public disclosure under the RTKL.
- e. The Commonwealth will rely upon the written statement from CONSULTANT in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, CONSULTANT shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth's determination.
- f. If CONSULTANT fails to provide the Requested Information within the time period required by these provisions, CONSULTANT shall



indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of CONSULTANT's failure, including any statutory damages assessed against the Commonwealth.

- g. The Commonwealth will reimburse CONSULTANT for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.
- h. CONSULTANT may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the Pennsylvania Courts, however, CONSULTANT shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of CONSULTANT's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, CONSULTANT agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.
- i. CONSULTANT's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as CONSULTANT has Requested Information in its possession.

**31. Order of Precedence.** In the event there is a conflict among the documents comprising this Contract, the Commonwealth and the Contractor agree on the following order of precedence: the Contract; the solicitation; and the CONSULTANT's response to the solicitation.

**32. Controlling Terms and Conditions.** The terms and conditions of this Contract shall be the exclusive terms of agreement between the CONSULTANT and the Commonwealth. All quotations requested and received from the CONSULTANT are for obtaining firm pricing only. Other terms and conditions or additional terms and conditions included or

referenced in the CONSULTANT's quotations, invoices, business forms, or other documentation shall not become part of the parties' agreement and shall be disregarded by the parties, unenforceable by the CONSULTANT and not binding on the Commonwealth.

- 33. Headings.** The headings preceding the paragraphs of this Contract have been inserted only for convenience and shall not modify, restrict, or be used to interpret, and shall not have any effect on the understanding, interpretation, or application of, any provision in this Contract.



## **FISCAL APPROVAL BY COMPTROLLER OPERATIONS**

This document is approved for fiscal responsibility and budgetary appropriateness, subject to the issuance of Purchase Orders or notices to proceed and the availability of funds.

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Comptroller Operations                      Date

## **APPENDIX A DESCRIPTION OF SERVICES**

In return for the compensation to be paid in accordance with this Contract, CONSULTANT shall perform or provide the following services or things to OB:

### **A. General and Debt Management Advisory Services**

CONSULTANT shall make itself available to provide the following general and debt management advisory services, as may be requested from time to time by the Commonwealth.

1. Review current debt portfolio, identifying strengths and weaknesses so that future debt issues can be structured to maximize ability to finance future capital needs. This will include, but not be limited to, reviewing existing debt for the possibility of refunding that debt to provide the Commonwealth with savings;
2. Analyze future debt capacity to determine the Commonwealth's ability to raise future debt capital;
3. Develop, manage and maintain computer models for long-term debt planning which provide for inputs regarding levels of taxation, timing, magnitude and cost of debt issuance, long term interest forecast, selected operating and debt ratios, and other financial performance measures as may be determined by the Commonwealth;
4. Assist and review with representatives of the Commonwealth new financial ideas that are presented from time to time by firms such as investment bankers and underwriters;
5. Assist the Commonwealth with the development of debt management policies regarding the size and characteristics of the Commonwealth's capital structure. Such policy issues may include the term for debt, amortization structures, and the possible incorporation of variable interest rate debt;
6. Provide quantitative training to Commonwealth staff members, including, but not limited to, general obligation new money optimization structuring techniques and general obligation funding

analysis, by offering Commonwealth officials the option to participate in CONSULTANT's annual client training program and/or through development of a specialized on-site program;

7. Provide general advice related to maintenance and improvement of the Commonwealth's General Obligation credit rating and the ratings on Tax and Revenue Anticipation obligations; and
8. Provide the services of special consultants that CONSULTANT may have retained from time to time, for general consultation to the Commonwealth. If the special consultant's work on a particular topic becomes ongoing, a Statement of Work in accordance with Section B of Appendix A shall be submitted to the Commonwealth for approval.

**B. Special Research, Analysis, and Consulting Services**

CONSULTANT shall provide, upon request of the Commonwealth made by the Secretary of the Budget or the Chief of Staff of the Governor, or their designees, special research, analytical, and consulting services related to financial planning, policy, and management.

1. Provide general analytical support as needed for annual budgetary development, multi-year financial planning, and other various policy initiatives as requested by the Governor's Budget Office;
2. Provide quantitative and analytical support for the Commonwealth in collective bargaining through such services as the development of costing models for compensation scenarios, development of workforce cost containment strategies, and delivery of expert testimony in employee interest arbitration proceedings;
3. Assist the Office of the Budget in evaluating the fiscal and policy impacts of revenue enhancement options such as tax policy reforms and non-tax revenue adjustments;
4. Assist the Office of the Budget in evaluating transportation, infrastructure, and general economic development financing options in support of the Commonwealth's goals;

5. Review cash flow projections produced by the Commonwealth, and, as necessary, suggest and support improvements to the Commonwealth's cash flow model; and
6. Deliver additional strategic management consulting services as may be requested by the Commonwealth in areas related to fiscal improvement, management/productivity reforms, and governmental performance. Such services may include, without limitation, assisting the Commonwealth with the development of analyses and narrative with regard to overall strategy and assumptions, revenue forecasts, and/or expenditure reduction initiatives. Such support may include quantitative analysis, identification of best practices, and/or technical review and quality assurance.

**C. Services Related to General Obligation Debt Transactions and Tax Anticipation Notes**

CONSULTANT shall provide, upon request of the Commonwealth, the following specific debt transaction management services for general obligation transactions and tax anticipation notes identified under Section A above. (Revenue bond issues would be negotiated under a separate contract.)

1. Assemble professional team(s), as requested, by writing Requests for Proposals, and assisting the Commonwealth in the evaluation of responses;
2. Develop specific plan of finance in consideration of the overall financial plan and Commonwealth debt policies;
3. Produce cash flow analyses as requested by the Commonwealth;
4. Assist in development of legal framework;
5. Assist in presenting plan of finance to oversight authorities (if appropriate) and in obtaining authorization(s);
6. Participate in the administrative aspects of transaction as directed by the Commonwealth;

7. Develop presentation materials and assist the Commonwealth by participating in credit rating review process as requested;
8. Develop strategy and solicit bids for credit enhancement (if appropriate);
9. Analyze municipal bond insurance on a maturity-by-maturity basis (to both maturity and to call);
10. Analyze other credit enhancement options (if appropriate);
11. Analyze alternative coupon structures and redemption provisions using Option-Adjusted Spread Analysis;
12. Develop and administer investor relations program, including conference call(s), electronic road show(s), and/or de facto road show(s) when appropriate and as requested by the Commonwealth;
13. Provide periodic written, and at the request of the Commonwealth, oral overviews of the economy, the credit markets in general, and the municipal credit market in particular;
14. Participate in the process for the sale of debt as requested by the Commonwealth, including:
  - a. *For Competitive Sales:* Soliciting underwriter interest, participating in the development of Notice of Sale and various bid constraints and requirements, assisting with the bidding process, verifying bids with the Commonwealth; and
  - b. *For Negotiated Sales:* Analyzing comparable transactions (e.g., other state issues, other similarly rated issues, insured issues, large issues), prior Commonwealth debt offerings (e.g., historical pricing levels, secondary market activity and pricing levels, and investor sentiment), and market spreads (relative to MMD), assisting in negotiating the terms and prices of all securities offered; and
15. Write summary memorandum.



## **D. Structured Products Services**

1. Advice regarding advance refunding escrow accounts will be provided by CONSULTANT.
  - a. If requested by the Commonwealth, CONSULTANT will analyze and model alternative refunding escrow investment portfolios, taking into account the relative availability and price/yield of open market and State and Local Government Series (“SLGS”) U.S. Treasury securities. CONSULTANT will monitor SLGS rates and open market rates related to already existing escrow accounts and advise the Commonwealth on strategies to maximize the yield of such escrows in a manner that is in compliance with bond covenants and relevant Federal tax requirements, including strategies to restructure such escrows on an intra-day basis.
  - b. If open market Treasuries are to be purchased for any escrow account, CONSULTANT will develop written terms for a request for bids or offers of escrow securities offerings, receive competitive bids or offers for securities, prepare such cash flow and yield calculations, required record keeping package and bidding certifications as required by bond counsel, the verification agent and the escrow agent, and coordinate the settlement of the escrow securities.
  - c. To the extent required by the related bond or tax documentation, CONSULTANT will employ an independent verification agent to review and opine on cash flow sufficiency and yields as is usual and customary for refunding escrow account investment transactions.
2. Advice regarding guaranteed investment contracts will be provided by CONSULTANT. If requested by the Commonwealth, CONSULTANT will provide advice and transaction assistance on the procurement of investment agreements for the investment of bond proceeds and non-bond proceeds funds.

## **INFORMATION TO BE FURNISHED TO, FROM, AND BY CONSULTANT**

Information, data, reports, and records in the possession of the Commonwealth necessary for carrying out the work to be performed under this Agreement will be furnished, at the discretion of the Commonwealth, to CONSULTANT without charge by the Commonwealth. Both the Commonwealth and CONSULTANT shall endeavor to cooperate regarding the availability and exchange of financial information in every way practical. CONSULTANT agrees that all information which the Commonwealth gives to CONSULTANT or CONSULTANT acquires in connection with the performance of services hereunder shall be confidential, shall be held by CONSULTANT in strictest confidence and not disclosed to third parties absent legal compulsion, and shall only be used by CONSULTANT for the purpose of performing services hereunder.

CONSULTANT agrees that any information, documents, data and/or records produced by CONSULTANT during the process of carrying out the obligations and services as described in Appendix A, without limitation and whether preliminary or final, are and shall become and remain the property of the Commonwealth. The Commonwealth reserves the right to inspect and review all work and other documentation prepared by CONSULTANT for the Commonwealth. Any information, documents, data and/or records produced by CONSULTANT regarding services rendered in Appendix A shall be supplied in both hard copy and electronic format as may be requested by the Commonwealth.

**APPENDIX B  
BILLING RATE INFORMATION**

In return for the services provided by CONSULTANT pursuant to this Contract, OB shall compensate CONSULTANT as follows:

**FEE RATE INFORMATION**

**A. General and Debt Management Advisory Services.**

Compensation for all services agreed to in a Statement of Work to be provided pursuant to hourly rates shall be provided by CONSULTANT based on the following hourly fee schedule:

Title	Hourly Rate
Managing Director	
Director	
Senior Managing Consultant	
Consultant	
Associate	

**B. Special Research, Analysis and Consulting Services** shall be provided by CONSULTANT at the Commonwealth's request based on the hourly CONSULTANT fee schedule in Section A above.

**C. Services Related to General Obligation Transactions and Tax Anticipation Notes** shall be provided by CONSULTANT and be compensated solely on a contingent basis from the proceeds of bonds or notes with a flat fee per bond issue or transaction, whether competitive or negotiated. The Commonwealth shall compensate CONSULTANT for General Obligation Debt Transaction Services and Tax Anticipation Notes at the **negotiated rate** which has a maximum fee computed as the total sum of:

- \_\_\_ cents per \$\_\_\_\_\_ of par for 1<sup>st</sup> \$25 million of par; plus
- \_\_\_ cents per \$\_\_\_\_\_ of par for 2<sup>nd</sup> \$25 million of par; plus,
- \_\_\_ cents per \$\_\_\_\_\_ of par for any amount over \$50 million of

par,  
and a minimum fee of \$50,000.

**D. Structured Products Fees:** The Commonwealth agrees to compensate CONSULTANT upon the successful conclusion of each engagement described in Section D of Appendix A as follows:

1. Escrow Services Fee

- a. Fee for structuring, initial and final subscription of SLGS = \$\_\_\_\_\_
- b. Fee for structuring and bidding each open market Treasury escrow = 0.\_\_\_\_% of the cost of each escrow with a minimum \$5,000 and maximum to be negotiated.
- c. Fee for structuring and bidding each open market escrow in Federal Agency or non-government securities = 0.\_\_\_\_% of the cost of each escrow with a minimum \$10,000 and a maximum to be negotiated.
- d. Fee for structuring and bidding each escrow float contract = \$\_\_\_\_\_
- e. Fee for structuring and bidding each intra-day escrow restructuring transaction = \$\_\_\_\_\_
- f. Fee for engaging and compensating verification agent = invoiced cost with Commonwealth's pre-approval.

2. Investment Agreement Fee

Fees for structuring and bidding investment agreement will be 0.\_\_\_\_% of the total deposit under such agreement with a cap of \$40,000 per agreement bid.

**F. Expenses.**

Expenses such as telephone, facsimile, Federal Express, meals, travel and lodging within Pennsylvania are not reimbursable. Certain expenses such as computer time sharing and travel outside of Pennsylvania which CONSULTANT expects to incur shall require the prior approval of the Commonwealth, which approval shall not be unreasonably withheld.

**APPENDIX C  
INVOICE FORMAT  
(SUMMARY)**

Address:

Phone:

---

COMMONWEALTH OF PENNSYLVANIA

ATTN:       X  
          Office of the Budget  
          333 Market Street  
          18<sup>th</sup> Floor  
          Harrisburg, PA 17101-2210

REGARDING:       (MATTER)

PO NUMBER:

TOTAL FEES FOR PROFESSIONAL SERVICES RENDERED FROM  
(DATE) THROUGH (DATE)  
          \$(TOTAL FEES)

TOTAL EXPENSE ADVANCES MADE TO YOUR ACCOUNT FROM  
(DATE) THROUGH (DATE)  
          \$(TOTAL EXPENSE ADVANCES)

BALANCE DUE:     \$(GRAND TOTAL)

FEDERAL EMPLOYER I.D. NO. (FEDERAL I.D. NUMBER)

I hereby certify that the services supplied and expenses incurred as stated in the attached invoice have met all of the required standards set forth in the Contract for Consulting Services.

---

Date

**APPENDIX C  
INVOICE FORMAT  
(TIME DETAIL)**

Address:

Phone:

---

COMMONWEALTH OF PENNSYLVANIA

ATTN:       X  
              Office of the Budget  
              333 Market Street  
              18th Floor  
              Harrisburg, PA 17101-2210

REGARDING:       (MATTER)

PO NUMBER:

TOTAL FEES FOR PROFESSIONAL SERVICES RENDERED FROM (DATE) THROUGH (DATE)

DATE	HOURS	DESCRIPTION OF SERVICES RENDERED

**APPENDIX C  
INVOICE FORMAT  
(COSTS)**

Address:

Phone:

---

COMMONWEALTH OF PENNSYLVANIA

ATTN:       X  
              Office of the Budget  
              333 Market Street  
              18th Floor  
              Harrisburg, PA 17101-2210

REGARDING:       (MATTER)

PO NUMBER:

TOTAL FEES FOR PROFESSIONAL SERVICES RENDERED FROM (DATE) THROUGH (DATE)

DATE	DESCRIPTION OF COSTS	AMOUNT
	<b>TOTAL:</b>	

**APPENDIX D**  
**NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE**

The Consultant agrees:

1. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the CONSULTANT, each subcontractor, or any person acting on behalf of the CONSULTANT or subcontractor shall not discriminate in violation of the Pennsylvania Human Relations Act (PHRA) and applicable federal laws against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
2. Neither the CONSULTANT nor any subcontractor nor any person on their behalf shall in any manner discriminate in violation of the PHRA and applicable federal laws against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract.
3. The CONSULTANT and each subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
4. The CONSULTANT and each subcontractor shall not discriminate in violation of PHRA and applicable federal laws against any subcontractor or supplier who is qualified to perform the work to which the contract relates.
5. The CONSULTANT and each subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws and regulations relating to nondiscrimination and sexual harassment. The CONSULTANT and each subcontractor further represents that it has filed a Standard Form 100 Employer Information Report (“EEO-1”) with the U.S. Equal Employment Opportunity Commission (“EEOC”) and shall file an annual EEO-1 report with the EEOC as required for employers subject to Title VII of the Civil Rights Act of 1964, as amended,



that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The CONSULTANT and each subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the contracting agency and the Bureau of Small Business Opportunities (BSBO), for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.

6. The CONSULTANT shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
7. The CONSULTANT's and each subcontractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the CONSULTANT and each subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the contract, it becomes aware of any actions or occurrences that would result in violation of these provisions.
8. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the CONSULTANT in the Contractor Responsibility File.

## APPENDIX E INTEGRITY PROVISIONS

It is essential that those who seek to contract with the Commonwealth of Pennsylvania (“Commonwealth”) observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

1. **Definitions.** For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:
  - a. **“Affiliate”** means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.
  - b. **“Consent”** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.
  - c. **“Contractor”** means the individual or entity that has entered into this contract with the Commonwealth.
  - d. **“Contractor Related Parties”** means any affiliates of the Contractor and the Contractor’s executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.
  - e. **“Financial Interest”** means either:
    - (1) Ownership of more than a five percent interest in any business; or
    - (2) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.
  - f. **“Gratuity”** means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions,

advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor's Code of Conduct, Executive Order 1980-18*, the *4 Pa. Code §7.153(b)*, shall apply.

- g.** “**Non-bid Basis**” means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

**2.** In furtherance of this policy, Contractor agrees to the following:

- a.** Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.
- b.** Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
- c.** Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.
- d.** Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to

Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.

- e. Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:
- (1) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
  - (2) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;
  - (3) had any business license or professional license suspended or revoked;
  - (4) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and
  - (5) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual

circumstances or were false or should have been known to be false when entering into the contract.

- f.** Contractor shall comply with the requirements of the *Lobbying Disclosure Act (65 Pa.C.S. §13A01 et seq.)* regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code (25 P.S. §3260a)*.
- g.** When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.
- h.** Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions for occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- i.** Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees available for

interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.

- j.** For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

## **APPENDIX F RESPONSIBILITY PROVISIONS**

For the purpose of these provisions, the term consultant is defined as any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth of Pennsylvania (Commonwealth). The term consultant includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

1. The CONSULTANT certifies, in writing, for itself and its subconsultants required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the CONSULTANT, nor any such subconsultants, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the CONSULTANT cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
2. The CONSULTANT also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.
3. The CONSULTANT 's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the CONSULTANT shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if it or, to the best knowledge of the CONSULTANT, any of its subconsultants are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.
4. The failure of the CONSULTANT to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the

federal government shall constitute an event of default of the Contract with the Commonwealth.

5. The CONSULTANT agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the CONSULTANT's compliance with the terms of this or any other agreement between the CONSULTANT and the Commonwealth that results in the suspension or debarment of the CONSULTANT. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The CONSULTANT shall not be responsible for investigative costs for investigations that do not result in the CONSULTANT 's suspension or debarment.
6. The CONSULTANT may obtain a current list of suspended and debarred Commonwealth consultants by either searching the Internet at <http://www.dgs.state.pa.us/> or contacting the:

Department of General Services  
Office of Chief Counsel  
603 North Office Building  
Harrisburg, PA 17125  
Telephone No: (717) 783-6472  
FAX No: (717) 787-9138



**APPENDIX G**  
***THE AMERICANS WITH DISABILITIES ACT PROVISIONS***

For the purpose of these provisions, the term CONSULTANT is defined as any person, including, but not limited to, a bidder, offeror, supplier, or grantee, who will furnish or perform or seeks to furnish or perform, goods, supplies, services, construction or other activity, under a purchase order, contract, or grant with the Commonwealth of Pennsylvania (Commonwealth).

During the term of this agreement, the CONSULTANT agrees as follows:

1. Pursuant to federal regulations promulgated under the authority of the *Americans with Disabilities Act, 28 C. F. R. § 35.101 et seq.*, the CONSULTANT understands and agrees that no individual with a disability shall, on the basis of the disability, be excluded from participation in this agreement or from activities provided for under this agreement. As a condition of accepting and executing this agreement, the contractor agrees to comply with the "*General Prohibitions Against Discrimination*," 28 C. F. R. § 35.130, and all other regulations promulgated under *Title II* of the *Americans with Disabilities Act* which are applicable to the benefits, services, programs, and activities provided by the Commonwealth through contracts with outside contractors.
  
2. The CONSULTANT shall be responsible for and agrees to indemnify and hold harmless the Commonwealth from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth as a result of the contractor's failure to comply with the provisions of paragraph 1.

**APPENDIX A - PROPOSAL COVER SHEET  
COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF GENERAL SERVICES  
RFP# 6100033762**

**Enclosed in three separately sealed submittals is the proposal of the Offeror identified below for the above-referenced RFP:**

<b>Offeror Information:</b>	
Offeror Name	
Offeror Mailing Address	
Offeror Website	
Offeror Contact Person	
Contact Person's Phone Number	
Contact Person's Facsimile Number	
Contact Person's E-Mail Address	
Offeror Federal ID Number	
Offeror SAP/SRM Vendor Number	

<b>Submittals Enclosed and Separately Sealed:</b>	
<input type="checkbox"/>	Technical Submittal
<input type="checkbox"/>	Small Diverse Business Participation Submittal
<input type="checkbox"/>	Cost Submittal

<i>Signature</i>	
Signature of an official authorized to bind the Offeror to the provisions contained in the Offeror's proposal:	
Printed Name	
Title	

**FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE OFFEROR'S PROPOSAL MAY RESULT IN THE REJECTION OF THE OFFEROR'S PROPOSAL**

**APPENDIX D**

**SMALL DIVERSE BUSINESS  
LETTER OF INTENT**

[DATE]

[SDB Contact Name

Title

SDB Company Name

Address

City, State, Zip]

Dear [SDB Contact Name]:

This letter serves as confirmation of the intent of [Offeror] to utilize [Small Diverse Business (SDB)] on RFP [RFP number and Title] issued by the [Commonwealth agency name].

If [Offeror] is the successful vendor, [SDB] shall provide [identify the specific work, goods or services the SDB will perform, and the specific timeframe during the term of the contract and any option/renewal periods when the work, goods or services will be performed or provided].

These services represent [identify fixed numerical percentage commitment] of the total cost in the [Offeror's] cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that [SDB] will receive an estimated [identify associated estimated dollar value that the fixed percentage commitment represents] during the initial contract term.

[SDB] represents that it meets the small diverse business requirements set forth in the RFP and all required documentation has been provided to [Offeror] for its SDB submission.

We look forward to the opportunity to serve the [Commonwealth agency name] on this project. If you have any questions concerning our small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

Acknowledged,

Offeror Name

Title

Company

Phone number

SDB Name

Title

Company

Phone number

**APPENDIX A - PROPOSAL COVER SHEET  
COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF GENERAL SERVICES  
RFP# 6100033762**

Enclosed in **THREE (3)** separately sealed submittals is the proposal of the Offeror identified below for the above-referenced RFP:

<b>Offeror Information:</b>	
Offeror Name	
Offeror Mailing Address	
Offeror Website	
Offeror Contact Person	
Contact Person's Phone Number	
Contact Person's Facsimile Number	
Contact Person's E-Mail Address	
Offeror Federal ID Number	
Offeror SAP/SRM Vendor Number	

<b>Submittals Enclosed and Separately Sealed:</b>	
<input type="checkbox"/>	Technical Submittal
<input type="checkbox"/>	Small Diverse Business Participation Submittal
<input type="checkbox"/>	Cost Submittal

<i>Signature</i>	
Signature of an official authorized to bind the Offeror to the provisions contained in the Offeror's proposal:	
Printed Name	
Title	

**FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE OFFEROR'S PROPOSAL MAY RESULT IN THE REJECTION OF THE OFFEROR'S PROPOSAL**

## APPENDIX B

### **Trade Secret/Confidential Proprietary Information Notice**

Instructions:

The Commonwealth may not assert on behalf of a third party an exception to the public release of materials that contain trade secrets or confidential proprietary information unless the materials are accompanied, at the time they are submitted, by this form or a document containing similar information.

It is the responsibility of the party submitting this form to ensure that all statements and assertions made below are legally defensible and accurate. The Commonwealth will not provide a submitting party any advice with regard to trade secret law.

**Name of submitting party:**

**Contact information for submitting party:**

**Please provide a brief overview of the materials that you are submitting (e.g. bid proposal, grant application, technical schematics):**

**Please provide a brief explanation of why the materials are being submitted to the Commonwealth (e.g. response to bid #12345, application for grant XYZ being offered by the Department of Health, documents required to be submitted under law ABC)**

**Please provide a list detailing which portions of the material being submitted you believe constitute a trade secret or confidential proprietary information, and please provide an explanation of why you think those materials constitute a trade secret or confidential proprietary information. Also, please mark the submitted material in such a way to allow a reviewer to easily distinguish between the parts referenced below. (You may attach additional pages if needed)**

**Note:** The following information will not be considered a trade secret or confidential proprietary information:

- Any information submitted as part of a vendor's cost proposal
- Information submitted as part of a vendor's technical response that does not pertain to specific business practices or product specification
- Information submitted as part of a vendor's technical or small diverse business response that is otherwise publicly available or otherwise easily obtained
- Information detailing the name, quantity, and price paid for any product or service being purchased by the Commonwealth

<u>Page Number</u>	<u>Description</u>	<u>Explanation</u>
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## **Acknowledgment**

The undersigned party hereby agrees that it has read and completed this form, and has marked the material being submitted in accordance with the instructions above. The undersigned party acknowledges that the Commonwealth is not liable for the use or disclosure of trade secret data or confidential proprietary information that has not been clearly marked as such, and which was not accompanied by a specific explanation included with this form.

The undersigned agrees to defend any action seeking release of the materials it believes to be trade secret or confidential, and indemnify and hold harmless the Commonwealth, its agents and employees, from any judgments awarded against the Commonwealth in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives so long as the Commonwealth has possession of the submitted material, and will apply to all costs unless and until the undersigned provides a written statement or similar notice to the Commonwealth stating that it no longer wishes to exempt the submitted material from public disclosure.

The undersigned acknowledges that the Commonwealth is required to keep all records for at least as long as specified in its published records retention schedule.

The undersigned acknowledges that the Commonwealth reserves the right to reject the undersigned's claim of trade secret/confidential proprietary information if the Commonwealth determines that the undersigned has not met the burden of establishing that the information constitutes a trade secret or is confidential. The undersigned also acknowledges that if only a certain part of the submitted material is found to constitute a trade secret or is confidential, the remainder of the submitted material will become public; only the protected information will be removed and remain nonpublic.

If being submitted electronically, the undersigned agrees that the mark below is a valid electronic signature.

Signature

Title

Date

## APPENDIX C

### STATEMENT OF QUALIFICATIONS/TECHNICAL QUESTIONNAIRE

Name of Firm (i.e. the Offeror):

Address of Firm:

Telephone Number of Firm:

Name of Individual Completing this Form:

Telephone Number of Individual Completing this Form:

The Commonwealth is requesting that experienced firms that have an interest in working on this project send the information set out below. Responses should be as succinct as possible, not more than 10 pages, but must include all the information requested:

1. Describe and provide a current resume of the qualifications and experience of the firm and personnel, including prior relevant experience in:
  - a. General and Debt Management Services
  - b. Special Research, Analysis and Consulting Services
  - c. Services related to General Obligation Debt Transactions and Tax Anticipation Notes
  - d. Structures Products Services

List the individual team leader who managed each project.

2. Submit a list of at least three references including the project description, government organization, individual's name, title, and contact information for three contacts the Commonwealth may use as references for which the bidder has performed similar services to those being sought by the Commonwealth.
3. Describe and provide supporting documentation of the firm's financial stability and economic capability to perform the contract requirements.
4. Submit a statement certifying that no principal of the firm or any proposed subcontractor is or has been suspended or debarred from contracting with the Commonwealth of Pennsylvania, the United State Government or any other state government.
5. Provide representation that at the time of this RFP and any subsequent contract, the proposing firm has and will have no interest, direct or indirect, that would conflict in any manner or with the performance of the required services. Please identify any client relationships currently in process or closed within the last three years for which your firm is serving in an advisory capacity to any government seller or buyer. Please address your firm's process to ensure that this is not a conflict.



6. Confirm that the Firm will perform financial services in accordance with the terms and conditions of the *Contract for Financial and Advisory Services*, a copy of which is attached to the RFP as Part V.

**SMALL DIVERSE BUSINESS  
LETTER OF INTENT**

[DATE]

[SDB Contact Name]  
Title  
SDB Company Name  
Address  
City, State, Zip]

Dear [SDB Contact Name]:

This letter serves as confirmation of the intent of [Offeror] to utilize [Small Diverse Business (SDB)] on RFP [RFP number and Title] issued by the [Commonwealth agency name].

If [Offeror] is the successful vendor, [SDB] shall provide [identify the specific work, goods or services the SDB will perform, and the specific timeframe during the term of the contract and any option/renewal periods when the work, goods or services will be performed or provided].

These services represent [identify fixed numerical percentage commitment] of the total cost in the [Offeror's] cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that [SDB] will receive an estimated [identify associated estimated dollar value that the fixed percentage commitment represents] during the initial contract term.

[SDB] represents that it meets the small diverse business requirements set forth in the RFP and all required documentation has been provided to [Offeror] for its SDB submission.

We look forward to the opportunity to serve the [Commonwealth agency name] on this project. If you have any questions concerning our small diverse business commitment, please feel free to contact me at the number below.

Sincerely,

Acknowledged,

Offeror Name  
Title  
Company  
Phone number

SDB Name  
Title  
Company  
Phone number

## INSTRUCTIONS

### GENERAL INSTRUCTIONS FOR COMPLETING THIS WORKBOOK

The Cost Submittal Worksheets contained in this workbook shall constitute the Cost Submittal. This portion of the proposal must be bound and sealed separately from the remainder of the proposal and clearly labeled "Cost Submittal." All costs submitted must be inclusive of any overhead, travel, subsistence, supplies and other expenses not otherwise listed in the Cost Submittal.

**Offerors must verify that all calculations, subtotal costs and grand total costs are accurate.**

Any question regarding the RFP shall be submitted to the Issuing Officer, Margaret Mary Juran at [mjuran@pa.gov](mailto:mjuran@pa.gov)

### COST OVERVIEW (Tab 1 of this workbook)

1. Select the *Cost Overview Tab* (Tab 1) at the bottom of this page.
2. Complete the top portion of the form to include all contact information.

**NOTE:** The information you supply here must match the information you provided to Vendor Registration.

3. This tab requires no entry of cost data.
4. The Cost Submittal will be evaluated on the Hourly Rate.

### COST

#### Cost Matrix - For Evaluation Purposes.

1. Select the *Cost Matrix Worksheet* (Tab 2)
2. For each of the Positions listed, enter a Position Rate into the highlighted fields. The Cost Matrix must be completed exactly as provided. **Note: It is mandatory that a Position Rate be provided for each of the positions listed or the proposal may be rejected.**

***Payment for services under this contract will be based on the labor hours provided at each specified fixed hourly rate. The actual number of hours required during the term of the contract will vary.***

### OTHER SERVICES (Tab 3 and Tab 4 of this workbook)

The cost included in the *General Obligations Transactions Tab* and *Structured Products Fee Tab* in this workbook shall be scored as part of the cost evaluation for this RFP. The costs may serve as a basis for negotiations during contract negotiations with the Selected Offeror.

**APPENDIX E -  
COST OVERVIEW  
RFP 6100033762**

OFFEROR NAME	CONTACT PERSON	
OFFEROR ADDRESS	EMAIL ADDRESS	
	PHONE NUMBER	FAX NUMBER
	VENDOR NUMBER	FEDERAL ID OR SSN

The Hourly Rate is being provided for evaluation purposes only and does not constitute guaranteed work to be performed or guaranteed payment. The actual number of hours required during the term of the contract will vary.

APPENDIX E -  
RFP 610033762

Offeror Name:

0

Position	Hourly Rate
Managing Director	\$ -
Director	\$ -
Senior Managing Consultant	\$ -
Consultant	\$ -
Associate	\$ -

\*\* All services agreed to in a Statement of Work are to be provided pursuant to hourly rates provided by the chosen firm. Above is an example of an hourly fee schedule needed for the Contract:

## Services Related to General Obligation Transactions and Tax Anticipation Notes

This cost shall be included as part of the cost evaluation for this RFP.

Services Related to General Obligation Transactions and Tax Anticipation Notes shall be provided by CONSULTANT and be compensated solely on a contingent basis from the proceeds of bonds or notes with a flat fee per bond issue or transaction, whether competitive or negotiated. The Commonwealth shall compensate CONSULTANT for General Obligation Debt Transaction Services and Tax Anticipation Notes at the negotiated rate which has a maximum fee computed as the total sum of:

- 50 cents per \$1,000.00 of par for 1st \$25 million of par; plus
- 35 cents per \$1,000.00 of par for 2nd \$25 million of par; plus,
- 10 cents per \$ 1,000.00 of par for any amount over \$50 million of par, and a minimum fee of \$50,000.

Appendix E -- The Cost Matrix lists the maximum amount allowed for the Rates for Services Related to General Obligation Transactions and Tax Anticipation Notes, and the Rates Related to Structured Products Fees.

The Offeror may submit a rate cost proposal for either or both of the General Obligation/Tax Anticipation Note or Structured Products Fees services, which proposal may include (i) a flat fee or reduced General Obligation/Tax Anticipation Note formula components, or (ii) reduced rates for the Structured Products services.

Any proposal submitted by an Offeror shall be deemed non-responsive and shall not be considered or scored by the Evaluation Committee if the cost proposal does not contain one of the following:

- (i) an hourly rate cost proposal plus a clear statement that the Offeror accepts all of the General Obligation/Tax Anticipation Note and Structured Products Fees services rates as set out in this RFP;
- (ii) an hourly rate cost proposal plus a complete rate proposal which proposes reduced rates for all of the General Obligation/Tax Anticipation Note and Structured Products Fees services to be provided by the Offeror; or
- (iii) an hourly rate cost proposal plus a clear statement that the Offeror accepts certain of the General Obligation/Tax Anticipation Note or Structured Products Fees service rates as set out in this RFP and proposes lower rates for the remainder of the General Obligation/Tax Anticipation Note or Structured Products Fees services to be provided by the Offeror.

## Structures Products Fee

These costs may included as part of the cost evaluation for this RFP.

The Commonwealth agrees to compensate chosen firm upon the successful conclusion of each engagement described in Section D at a maximum rate as follows:

1. Escrow Services Fees

- a. Fee for structuring, initial and final subscription of SLGS = \$1,500
- b. Fee for structuring and bidding each open market Treasury escrow = 0.10% of the cost of each escrow with a minimum \$5,000 and maximum to be negotiated.
- c. Fee for structuring and bidding each open market escrow in Federal Agency or non-government securities = 0.15% of the cost of each escrow with a minimum \$10,000 and a maximum to be negotiated.
- d. Fee for structuring and bidding each escrow float contract = \$10,000
- e. Fee for structuring and bidding each intra-day escrow restructuring transaction = \$25,000
- f. Fee for engaging and compensating verification agent = invoiced cost with Commonwealth's pre-approval.

2. Investment Agreement Fees

Fees for structuring and bidding investment agreement will be 0.20% of the total deposit under such agreement with a cap of \$40,000 per agreement bid.

Appendix E -- The Cost Matrix lists the maximum amount allowed for the Rates for Services Related to General Obligation Transactions and Tax Anticipation Notes, and the Rates Related to Structured Products Fees.

The Offeror may submit a rate cost proposal for either or both of the General Obligation/Tax Anticipation Note or Structured Products Fees services, which proposal may include (i) a flat fee or reduced General Obligation/Tax Anticipation Note formula components, or (ii) reduced rates for the Structured Products services.

Any proposal submitted by an Offeror shall be deemed non-responsive and shall not be considered or scored by the Evaluation Committee if the cost proposal does not contain one of the following:

(i) an hourly rate cost proposal plus a clear statement that the Offeror accepts all of the General Obligation/Tax Anticipation Note and Structured Products Fees services rates as set out in this RFP;

(ii) an hourly rate cost proposal plus a complete rate proposal which proposes reduced rates for all of the General Obligation/Tax Anticipation Note and Structured Products Fees services to be provided by the Offeror; or

(iii) an hourly rate cost proposal plus a clear statement that the Offeror accepts certain of the General Obligation/Tax Anticipation Note or Structured Products Fees service rates as set out in this RFP and proposes lower rates for the remainder of the General Obligation/Tax Anticipation Note or Structured Products Fees services to be provided by the Offeror.

**APPENDIX E -**  
**RFP 610033762**





## SOLICITATION ADDENDUM

Date: **May 8, 2015**  
Subject: **Financial, Management, Policy and Debt Consulting and Advisory Services  
Commonwealth of Pennsylvania, Office of the Budget**  
Solicitation Number: **6100033762**  
Due Date/Time: **May 15, 2015 @ 4:00PM EST**  
Addendum Number: **1**

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To All Suppliers:

The Commonwealth of Pennsylvania defines a solicitation “Addendum” as an addition to or amendment of the original terms, conditions, specifications, or instructions of a procurement solicitation (e.g., Invitation for Bids or Request for Proposals).

*List any and all changes:*

### **EXTENSION**

- This solicitation has been extended for seven (7) days. The deadline for submission is changed to May 15, 2015.

### **QUESTIONS AND ANSWERS**

- The following documents are attached to this Addendum #1 are made part of the RFP
  - Official Questions and Answers

Type of Solicitation: RFP - Hard Copy (Paper) Proposal Submittal – If you have already submitted a response to the original solicitation, you may submit a new response with statement that the new proposal replaces the original proposal by the due date to the following address:

PA Department of General Services  
Bureau of Procurement  
Attn: Margaret Mary Juran/RFP 6100033762  
555 Walnut Street, Forum Place 6<sup>th</sup> Floor  
Harrisburg, PE 17101

Except as clarified and amended by this Addendum, the terms, conditions, specifications, and instructions of the solicitation and any previous solicitation addenda, remain as originally written.

Respectfully,

Name: Margaret Mary Juran  
Title: Issuing Officer



**pennsylvania**

DEPARTMENT OF GENERAL SERVICES  
BUREAU OF PROCUREMENT

Phone: 717-703-2940  
Email: [mjuran@pa.gov](mailto:mjuran@pa.gov)

Question #	RFP Page #	RFP Section Reference	Question	Answer
	(If Known)	(If Known)	(Required)	(Required)
1			<p>For the Small Diverse Business (SDB) submission, is it acceptable to include as a subcontractor a business that is in the process of applying to DGS for Small Diverse Business certification/verification?</p> <p>a. If this circumstance is acceptable, is provision of the proof of application sufficient for proof of SDB qualification (and if not, what documentation must be provided)?</p> <p>b. Would an SDB that receives final certification from DGS by the time that the contract is awarded be accepted for receipt of proposal scoring credit for an Offeror that lists this SDB as a subcontractor?</p>	<p>In order for prime offerors to receive credit for SDB subcontracting commitments, the SDB must be self-certified as a small business and verified by DGS as third-party certified as a minority/women/veteran-owned business by the RFP proposal due date.</p>
2			<p>Questions 2(c) and 2(e) of the SDB component both ask for a timeline for SDB services. Do you require the same response to each? If not, please clarify as to whether different timeline information is required for each question.</p>	<p>The same information is being requested.</p>
3			<p>The Commonwealth has allowed only two weeks to respond to this very significant RFP made even more difficult by the need to submit responses in writing. This extremely fast turnaround also makes it difficult for firms to find qualified DBEs. Would the Commonwealth be willing to extend the deadline to respond by 7 to 10 days?</p>	<p>Please refer to this Addendum #1 citing the extension.</p>

## SOLICITATION ADDENDUM

Date: **May 12, 2015**  
Subject: **Financial, Management, Policy and Debt Consulting and Advisory Services  
Commonwealth of Pennsylvania, Office of the Budget**  
Solicitation Number: **6100033762**  
Due Date/Time: **May 15, 2015 @ 4:00PM EST**  
Addendum Number: **2**

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To All Suppliers:

The Commonwealth of Pennsylvania defines a solicitation “Addendum” as an addition to or amendment of the original terms, conditions, specifications, or instructions of a procurement solicitation (e.g., Invitation for Bids or Request for Proposals).

*List any and all changes:*

### QUESTIONS AND ANSWER

Addendum #2 is now made part of the RFP

- Official Question and Answer is stated below:

#### Question:

In our search for a SDB to work with, we have been unable to find a firm that is also an SEC registered Municipal Advisory firm. In order to provide advice to the Commonwealth and act as a financial advisor, a firm has to be registered as a Municipal Advisor with the SEC and MSRB.

<http://www.sec.gov/rules/final/2013/34-70462.pdf>

Here is an excerpt from the rule:

*Section 975 of the Dodd-Frank Act creates a new class of regulated persons, “municipal advisors,” and requires these advisors to register with the Commission. This new registration requirement, which became effective on October 1, 2010, makes it unlawful for any municipal advisor to provide certain advice to or on behalf of, or to solicit, municipal entities or certain other 6 persons without registering with the Commission.<sup>1</sup> A person is deemed under the Exchange Act to have a statutory fiduciary duty to any municipal entity for whom such person acts as a municipal advisor.*

*The Exchange Act defines the term “municipal advisor” to mean a person (who is not a municipal entity or an employee of a municipal entity) that: (1) provides advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues; or (2) undertakes a solicitation of a municipal entity.<sup>9</sup> The definition of municipal advisor includes financial advisors, guaranteed investment contract brokers, third-party marketers, placement agents,*



# pennsylvania

DEPARTMENT OF GENERAL SERVICES  
BUREAU OF PROCUREMENT

*solicitors, finders, and swap advisors that provide municipal advisory services, unless they are statutorily excluded. 10 The statutory definition of "municipal advisor" explicitly excludes: (1) a broker, dealer, or municipal securities dealer serving as an underwriter (as defined in Section 2(a)(11) of the Securities Act of 1933); (2) any investment adviser registered under the Investment Advisers Act of 1940, or persons associated with such investment advisers who are providing investment advice; (3) any commodity trading advisor registered under the Commodity Exchange Act or persons associated with a commodity trading advisor who are providing advice related to swaps; (4) attorneys offering legal advice or providing services of a traditional legal nature; and (5) engineers providing engineering advice.11*

It seemed to us that all the services that are requested in the RFP would require providing advice to the Commonwealth. We want to know if we were incorrect in assuming that some of services do not constitute advice. Could you please clarify if some of the services do not constitute advice.

**Answer:** The Commonwealth, Office of the Budget, expects that the selected Offeror will provide the services set out in the RFP to the Office of the Budget (and potentially to other Commonwealth agencies as well) in accordance with all applicable federal and state laws and regulations, including the SECs' municipal advisor rule. Each Offeror must determine how it would organize the work so that the Offeror can provide the services set out in the RFP in accordance with all applicable federal and state laws and regulations, and the Office of the Budget will consider each such proposal as offered.

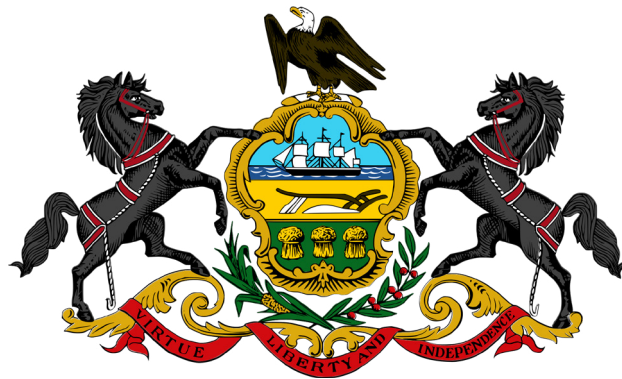
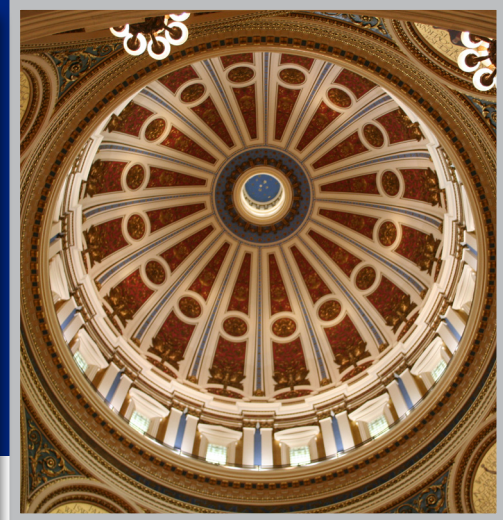
Type of Solicitation: RFP - Hard Copy (Paper) Proposal Submittal – If you have already submitted a response to the original solicitation, you may submit a new response with statement that the new proposal replaces the original proposal by the due date to the following address:

PA Department of General Services  
Bureau of Procurement  
Attn: Margaret Mary Juran/RFP 6100033762  
555 Walnut Street, Forum Place 6<sup>th</sup> Floor  
Harrisburg, PE 17101

Except as clarified and amended by this Addendum, the terms, conditions, specifications, and instructions of the solicitation and any previous solicitation addenda, remain as originally written.

Respectfully,

Name: Margaret Mary Juran  
Title: Issuing Officer  
Phone: 717-703-2940  
Email: mjuran@pa.gov



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*Commonwealth of Pennsylvania*

*Request For Proposals (“RFP”) #6100033762*

*Proposal for Financial, Management, Policy and  
Debt Consulting and Advising Services*

**TECHNICAL SUBMITTAL  
IN RESPONSE TO RFP PART II, SECTION II-1**

*May 15, 2015*

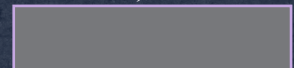
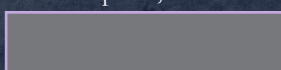
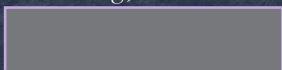


**Public Financial Management, Inc.**

One Keystone Plaza • Suite 300  
N. Front & Market Streets  
Harrisburg, PA 17101

Two Logan Square • Suite 1600  
18th & Arch Streets  
Philadelphia, PA 19103

2533 Yellow Springs Road  
Malvern, PA 19355


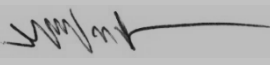


**APPENDIX A - PROPOSAL COVER SHEET  
COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF GENERAL SERVICES  
RFP# 6100033762**

Enclosed in **THREE (3)** separately sealed submittals is the proposal of the Offeror identified below for the above-referenced RFP:

<b>Offeror Information:</b>	
Offeror Name	Public Financial Management, Inc. ("PFM") PFM Asset Management, LLC ("PFMAM")
Offeror Mailing Address	One Keystone Plaza, Suite 300 N. Front & Market Streets Harrisburg, PA 17101
Offeror Website	www.pfm.com
Offeror Contact Person	Glen Williard (PFM); Michael Harris (PFMAM)
Contact Person's Phone Number	[REDACTED]
Contact Person's Facsimile Number	[REDACTED]
Contact Person's E-Mail Address	[REDACTED]
Offeror Federal ID Number	[REDACTED]
Offeror SAP/SRM Vendor Number	[REDACTED]

<b>Submittals Enclosed and Separately Sealed:</b>	
<input checked="" type="checkbox"/>	Technical Submittal
<input checked="" type="checkbox"/>	Small Diverse Business Participation Submittal
<input checked="" type="checkbox"/>	Cost Submittal

<i>Signature</i>		
Signature of an official authorized to bind the Offeror to the provisions contained in the Offeror's proposal:		
		
Printed Name	Glen Williard	Michael Harris
Title	Managing Director (PFM)	Managing Director (PFMAM)

**FAILURE TO COMPLETE, SIGN AND RETURN THIS FORM WITH THE OFFEROR'S PROPOSAL MAY RESULT IN THE REJECTION OF THE OFFEROR'S PROPOSAL**

# Table of Contents

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Proposal Cover Sheet

Acknowledgement of Addendum

Cover Letter

**I. Technical Submittal in Response to RFP Part II, Section II-1.....1**

**II. Appendices**

A. Resumes of Key Professionals

B. Trade Secret/Confidential Proprietary Information Notice Form





# Acknowledgement of Addendum

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**Type of Solicitation: RFP - Hard Copy (Paper) Proposal Submittal – If you have already submitted a response to the original solicitation, you may submit a new response with statement that the new proposal replaces the original proposal by the due date to the following address:**

**PA Department of General Services  
Bureau of Procurement  
Attn: Margaret Mary Juran/RFP 6100033762  
555 Walnut Street, Forum Place 6<sup>th</sup> Floor  
Harrisburg, PA 17101**

The PFM Group of companies, which includes Public Financial Management, Inc. (“PFM”) and PFM Asset Management LLC (“PFMAM”), acknowledges receipt of this addendum, and requests that the proposal herein replaces, in whole, our original submission dated May 8, 2015.





May 15, 2015

Pennsylvania Department of General Services  
Bureau of Procurement  
Attn: Margaret Mary Juran  
555 Walnut Street  
Forum Place, 6<sup>th</sup> Floor  
Harrisburg, PA 17101

RE: Request for Proposal (“RFP”) #6100033762 for Financial, Management, Policy and Debt Consulting and Advising Services

Dear Ms. Juran:

The PFM Group of companies, which includes Public Financial Management, Inc. (“PFM”) and PFM Asset Management LLC (“PFMAM”), is pleased to submit our proposal to continue supporting the Commonwealth of Pennsylvania (the “Commonwealth”) with financial advisory services, specifically covering General and Debt Management Services, Special Research, Analysis, and Consulting Services, Services Related to General Obligation Debt Transactions and Tax Anticipation Notes (“TANs”), and Structured Products Services.

The following are among the resources and qualifications we propose to bring to bear for the Commonwealth’s continued success:

- **Record of Results.** We appreciate the opportunity to have served the Commonwealth for more than 12 years, and we are proud to have supported it in its achievement of strong results. In our financial advisory work for the Commonwealth, PFM has helped to achieve more than \$334 million in debt service savings through refundings along with PFMAM services providing approximately \$4.3 million of benefit from the structuring and competitive procurement of open-market escrow portfolios. In our consulting assignments, we have contributed to high-priority initiatives ranging from expert testimony for State Police and Corrections arbitration to improved fiscal administration for county-level child welfare programs that has drawn down more than \$130 million in new Title IV-E funding, and helped to successfully address a federal audit failure that had led to the deferment of more than \$100 million in federal funding to the Commonwealth.
- **Pennsylvania Focus.** PFM was founded in the Commonwealth, remains headquartered here, and continues to be the number-one ranked financial advisor in Pennsylvania at both the state and local levels (source: Thomson Reuters). This Pennsylvania focus provides us unique insights into a broad range of issues that can impact the Commonwealth. For example, PFM’s understanding of the “intercept rating” for local school districts has been a beneficial resource for the Commonwealth in addressing past rating agency questions and concerns. Across our Pennsylvania offices, the PFM Group employs more than 250 professionals. The PFM Group’s Harrisburg office serves as national headquarters for the investment management operations of PFMAM. As of March 31, 2015, PFMAM managed \$56.2 billion for public-sector, non-profit, and other institutional funds, including a Pennsylvania local government investment pool. The PFM Group of companies is rooted in Pennsylvania, our firm and many of our employees pay our taxes here, and we have a deep understanding of and commitment to the Commonwealth.
- **Small Diverse Business (“SDB”) Participation: 15%.** PFM is proud to include 15% participation of the total contract to its SDB partners, including MFR Consultants, Inc., The Kapoor Company, and Sustainable Capital Advisors. MFR Consultants, Inc., a Philadelphia-based and Commonwealth-verified SDB with which PFM has teamed successfully on behalf of multiple other clients, will participate for a minimum of 5% of the overall scope of services, assuming assignments under this proposed contract are consistent with PFM’s previous assignments with the Commonwealth. The Kapoor Company, a Commonwealth-verified SDB —headed by Vijay Kapoor, the former Executive Director of the Commonwealth’s Office of Management and Productivity—will provide a minimum of 5% of the overall scope of services. Both MFR Consultants, Inc. and The Kapoor Company will deliver Special Research, Analysis, and Consulting Services. Finally, PFM will partner with Trenton Allen, Managing Director and Chief Executive Officer of Sustainable Capital Advisors (“SCA”), for 5% of the overall scope of services, including those related to General and Debt Management Services, General Obligation Debt Transactions and TANs, and Structured Products Services. SCA, like PFM, is a registered Municipal Advisor with the Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). Mr. Allen, who has served in the SDB role for similar entities such as the U.S. Virgin Islands Water and Power Authority, has completed self-registration with the Commonwealth and has requested expedited verification in anticipation of this assignment.



- National Leadership.** While we were founded and remain headquartered in Pennsylvania, we have grown to become the largest independent financial advisory firm in the nation.<sup>1</sup> Since 1998, PFM has served as financial advisor on 13,648 long-term municipal new issues, totaling a par amount of more than \$693 billion nationwide (as of December 31, 2014). We have dedicated Pricing, Quantitative Strategies, and Public-Private Partnership (“P3”) Groups, as well as a team of experts across all major industry sectors. Recent clients include more than 30 state governments and agencies, with assignments ranging from service delivery analysis for Ohio and Virginia, to transaction support for Massachusetts and the State of Washington, to education facilities investment for Florida and California, to infrastructure financing for Michigan and New Jersey. Our size and market presence gives PFM the resources equivalent to a major investment bank combined with the independence of a financial advisor. Additionally, PFM offers our clients access to our market-leading Fundamentals in Public Finance training seminars, which are held three times per year and have trained hundreds of public officials, including senior Commonwealth staff.
- Specialized Expertise.** Given our national and regional platforms, we are able to offer large, complex, and sophisticated clients such as the Commonwealth the latest information and expert insights across a broad range of financial challenges—including innovative financing techniques, emerging P3 opportunities in transportation, retiree benefit reforms, and student-based approaches to education funding, among many others. For example, to deliver the Special Research, Analysis, and Consulting Services within the scope of this engagement, PFM is the only financial advisory firm to maintain a dedicated consulting team of more than 25 professionals—including two former State Budget Directors—focused full-time on improving governmental management and budget performance.
- New Ideas.** While we are proud of our past work for the Commonwealth, PFM believes that what matters most going forward is our next round of performance and emerging ideas—which we believe will help to advance the Administration’s goals. As the Commonwealth moves ahead, we look forward to bringing new ideas to the table: from weighted-student funding models for reforming education finance, to addressing potential Governmental Accounting Standards Board (“GASB”) changes, to enhancing investor relations. At PFM, we believe that working with the public sector is of critical importance, and we truly appreciate the opportunity to work for clients such as the Commonwealth who are committed to fiscal responsibility and stewardship.
- Senior-Level Commitment.** PFM remains committed to providing the Commonwealth with hands-on service from partner-level professionals recognized as leaders in their fields. As has been the case throughout our engagement, PFM’s teams will include active involvement from our strongest experts: practice leaders for our East region (**Glen Williard, PFM**), Quantitative Strategies Group (**Daniel Kozloff, PFM**), state budget consulting (**John Cape, Randall Bauer, Dean Kaplan, PFM**), workforce analytics (**Michael Nadol, PFM**), bond pricing (**Todd Fraizer, CFA, PFM**), structured products (**Michael Harris, Matthew Eisel, CFA, PFMAM**) and many others across our specialized areas of service. The Commonwealth is the premier client in our home state, and will continue to consistently receive PFM’s best resources and full dedication.

If you have questions or would like any further information, please feel free to contact Glen Williard by phone at [REDACTED] or by email at [REDACTED]. Again, we sincerely appreciate this opportunity to propose our services.

Sincerely,

**The PFM Group of Companies**


**Glen Williard**  
 Managing Director  
 Public Financial Management, Inc.

**Daniel Kozloff**  
 Managing Director  
 Public Financial Management, Inc.

**John Cape**  
 Managing Director  
 Public Financial Management, Inc.

**Michael Harris**  
 Managing Director  
 PFM Asset Management LLC

<sup>1</sup> Based on overall transactions and par amount. Source: Thomson Reuters.



# **I. Technical Submittal in Response to RFP Part II, Section II-1**



# I. Technical Submittal in Response to RFP Part II, Section II-1

Name, address, telephone number of Firm (i.e. the Offeror); Name and Telephone Number of Individual Completing this Form:

The PFM Group:

- Public Financial Management, Inc. (“PFM”)
- PFM Asset Management LLC (“PFMAM”)

One Keystone Plaza, Suite 300  
 North Front & Market Streets  
 Harrisburg, PA 17101

Glen Williard, Managing Director, PFM

Michael Harris, Managing Director, PFMAM

1. Describe and provide a current resume of the qualifications and experience of the firm and personnel, including prior relevant experience in:

a. General and Debt Management Services

The PFM Group of companies—which includes PFM and PFMAM—was founded in Pennsylvania in 1975 with a staff of five. Today, the PFM Group—headquartered in Pennsylvania—is one of the nation’s leading providers of independent financial and investment advisory services with offices throughout the United States. PFM has been the nation’s number-one ranked financial advisor for 17 consecutive years and Pennsylvania’s number-one ranked financial advisor for 15 years, as shown in the chart to the right. With more than 500 employees in 39 professional locations across the country—including more than 250 employees in three offices across Pennsylvania—we offer an extraordinary breadth of resources and experience. Having advised on 783 tax-exempt transactions totaling more than \$48.5 billion in par issued nationwide in 2014 alone, PFM combines the market knowledge of a major investment bank with the independence of a financial advisor.

PFM is proud to have supported the Commonwealth of Pennsylvania (the “Commonwealth”) for more than 12 years in the management of its General Obligation debt portfolio and in providing general financial advisory services.

	Par.Amount (millions)	# of Transactions
2014	4,299.6	171
2013	4,508.5	50
2012	7,671.3	65
2011	4,478.0	66
2010	6,520.4	74
2009	5,762.3	58
2008	3,093.2	75
2007	3,749.2	73
2006	4,461.3	56
2005	3,811.5	53
2004	4,961.8	59
2003	3,320.2	52
2002	2,244.7	42
2001	2,533.2	20
2000	567.2	24

Source: Thomson Reuters.

Throughout this partnership, PFM has assisted the Commonwealth in capturing market-related opportunities to achieve significant cost savings across 26 General Obligation bond and note issuances totaling more than \$18 billion. These issues have included numerous types of financings, such as tax-exempt, taxable Build America Bonds (“BABs”), long- and short-term, and new money and refundings.

PFM’s strong understanding of the Commonwealth’s policies, goals, budgetary objectives, procedures, and legal requirements—coupled with industry-leading expertise in the municipal capital markets—uniquely positions our team to advise the Commonwealth as it continues to navigate the financial markets. With the recent actions taken by the rating agencies on the Commonwealth’s credit and the potential market implications of those actions, the independent and expert advice that the Commonwealth receives from PFM is more important than ever.



# I. Technical Submittal in Response to RFP Part II, Section II-1

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Given the Commonwealth's size and stature, investment banks regularly market and propose innovative structures and ideas for consideration by the Commonwealth's staff. In this context, PFM's market leadership allows us to review, analyze, and evaluate these proposals on an independent basis, and thus provide advice that can be considered and relied upon to be accurate, trustworthy, and in the best interest of the Commonwealth. In addition to the role that PFM can fill in the review and evaluation of these proposals, PFM's engagement as an Independent Registered Municipal Advisor ("IRMA") will allow the Office of the Budget to maintain continued access to investment bank and underwriter coverage and proposals in the new era of municipal advisory regulation. Our wide range of expertise across numerous public-finance specialty areas—from transportation to education, pensions to public-private partnerships ("P3s")—positions PFM to provide broad, sound advice to our clients across the full spectrum of governmental functions acting as an IRMA to assist with the consideration of ideas and proposals presented.

The potential adjustment of debt structures and types involves individual policy decisions that must fit into broader debt management policy goals, remaining sensitive to the Commonwealth's historically conservative approach and the Capital Facilities Debt Enabling Act. PFM's past work and market presence has prepared us to continue to work with Commonwealth leaders and staff to analyze and develop the financial and ratings impacts of any future, broad-reaching policy decisions, changes, and objectives.

With the heightened market focus on ratings levels, and the recent ratings actions taken on the credit of the Commonwealth (and other states throughout the U.S.), it is more important than ever to communicate a clear and consistent message to the rating agencies. PFM stands ready to continue to assist the Commonwealth in its proactive stance with the rating agencies, and will continue to add value to our relationship through market insight and familiarity with state-level rating criteria and processes.

Further, PFM's financial advisory relationships with other large states can be used to supplement our ongoing relationship with the Commonwealth and its position in the debt markets, as PFM has extensive exposure to the challenges and strategies of state-level governments nationwide. Recent PFM financial advisory and/or consulting clients include the States of Alaska, Delaware, Georgia, Hawaii, Iowa, Maine, Maryland, Minnesota, Nebraska, New Jersey, New York, Ohio, Tennessee, Wisconsin, Utah, and Virginia, as well as state-level agencies in California, Connecticut, Florida, Illinois, Kansas, Louisiana, Massachusetts, Missouri, Michigan, New Mexico, North Carolina, North Dakota, Rhode Island, South Carolina, South Dakota, Texas, and Washington State.

As an additional and valuable service, PFM offers clients access to our nationally recognized training seminar. Held three times a year, this client training program has been ongoing for more than 18 years, and has trained hundreds of governmental financial professionals nationwide—including senior members of the Commonwealth's staff.

## *PFM Team Leaders*

**Glen Williard, Managing Director**, is based in Harrisburg and will serve as overall engagement manager for the Commonwealth, with a focus on debt management services. Mr. Williard joined PFM in 1981 and has served as financial advisor to the Office of the Budget of the Commonwealth since 2003. Mr. Williard is the East regional leader for PFM's financial advisory services, and his career includes 34 years of specializing in Pennsylvania local government finance.

**Daniel Kozloff, Managing Director**, will provide day-to-day transaction and debt management services for the Commonwealth, and also will direct specialized quantitative analysis and training assignments. Mr. Kozloff leads PFM's Quantitative Strategies Group ("QSG")—which provides primary technical, new product, transactional, research, and modeling expertise for PFM's clients, plus oversees and delivers PFM's training programs. Since joining PFM in 1999, Mr. Kozloff has provided primary support on a wide variety of bond issues for the Commonwealth, including approximately \$18 billion of General Obligation debt issuance.



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Mr. Kozloff has also worked with the Commonwealth on a variety of non-debt engagements, including education-funding reform, and he leads PFM’s Tobacco Securitization Group, PFM’s State-level Unemployment Compensation solutions, and is a co-leader of PFM’s Center for Retirement Finance. In addition to his work with state-level issuers, Mr. Kozloff serves as financial advisor to numerous Pennsylvania-area governments, authorities, and institutions, including Montgomery County, Lower Merion Township, Radnor Township, Girard Estate and College, York County Solid Waste Authority, and the Pennsylvania State University. He has a Bachelor of Arts degree from the University of Pennsylvania.

## b. Special Research, Analysis and Consulting Services

Unique among financial advisors, PFM maintains a dedicated group of more than 25 professionals in our Management and Budget Consulting team—distinct from and complementary to our debt management team—who deliver specialized research, analytical, and consulting services. For nearly 25 years, this team has worked with public-sector clients such as major cities, counties, school districts, and federal agencies to improve governmental management and budget performance. At the state level, PFM’s Management and Budget Consulting team has engaged in scores of projects nationwide that have encompassed all key areas of the scope of services outlined by the Commonwealth, including:

State/Commonwealth	PFM-Provided Services
<b>Delaware</b>	State Medicaid program review, collective bargaining support and interest arbitration expert testimony, and revenue analysis and recommendations for improving fiscal sustainability at the municipal level.
<b>Georgia</b>	Database development to track and analyze state and local federal funding, including categorical and discretionary grants.
<b>Hawaii</b>	Study of state tax and revenue structure to better align with the 21st century economy.
<b>Illinois</b>	Staffing and benchmarking analysis for the Departments of Human Services, Health and Family Services, and Natural Resources, plus a Management Audit of the Illinois Tollway Authority.
<b>Minnesota</b>	Development of a federal reporting framework, and department readiness assessment and assistance—identified by the Legislative Auditor as a best practice.
<b>Nebraska</b>	Organizational assessment, strategic planning, development of policies and procedures, and identification of key performance indicators.
<b>New Jersey</b>	Prescription drug cost recovery, state-funded multi-year financial planning, and interest arbitration expert testimony for a distressed municipality under state oversight.
<b>New York</b>	Evaluation of economic development program, assistance with quantifying dollar amount of damage for federal reimbursement from Superstorm Sandy, evaluation of revenue potential from proposed gaming facilities, analysis of executive compensation, and interest arbitration expert testimony for the Metropolitan Transportation Authority.
<b>Oregon</b>	Facilitation of a redesign of the state’s workforce investment system to integrate programs, and focus on improving job skills and worker readiness.





# I. Technical Submittal in Response to RFP Part II, Section II-1

State/Commonwealth	PFM-Provided Services
Tennessee	Organizational evaluation, development of a Request for Proposal (“RFP”) and evaluation of responses for an information technology debt-management system, analysis of retiree benefits, and new plan design and implementation support.
Virginia	Development of a multi-year financial planning model to assist with its transition from institutionalized to local provision of services for individuals with developmental disabilities.

In addition to the specific project experience highlighted above, the PFM Management and Budget Consulting team is currently pre-qualified under master contracts with the States of New Jersey, New York, Oregon, Utah, and Washington.

Along with this national experience, we are particularly proud of the research, analytical, and consulting services we have delivered to the Commonwealth—and the results to which our work has contributed, including:

- **Assistance with county-level financial administration reforms for the Department of Human Services Office of Children, Youth, and Families**, drawing down more than \$130 million in new Title IV-E federal funding since FY2008-09 to effectively reduce State Act 148 expenditures, and helping to successfully resolve a Title IV-E federal audit failure that had led to the deferment of more than \$100 million in funding to the Commonwealth.
- **Expert testimony on fiscal constraints and comparative compensation in interest arbitration** involving the State Police, Corrections Officers, Park Police, Capital Police, and Game Conservation Officers spanning four rounds of collective bargaining. To address the impact of two recessions during this period, the Commonwealth established and expanded healthcare premium cost-sharing, and negotiated moderated wage growth.
- **Support to the Pennsylvania Department of Education (“PDE”) in establishing the initial financial workout plans for all four recovery school districts**, including developing multi-year budgets; drafting narrative descriptions of academic and support system reforms; staffing state-appointed chief recovery officers in each district; providing PDE with ongoing budget analysis, forecasting, and reporting; and offering a separate engagement to analyze financial aspects of cyber charter school operator applications and renewal.
- **Evaluation of options for the Pennsylvania Liquor Control Board (“PLCB”)**, including the development of detailed fiscal and programmatic impact assessments.
- **Organizational assessment of the Pennsylvania Public Utilities Commission (“PUC”)**, conducted via a separate engagement, which has contributed to outcomes such as the dramatic reductions in the backlog of complaints in the PUC Bureau of Consumer Services.

In addition to the specific examples listed above, PFM’s Management and Budget Consulting team has completed a range of other assignments, including development of a sophisticated model for evaluating student-centered approaches for education funding, financial analysis of cyber charter schools, financing analyses for transportation and economic development initiatives, and an ongoing assessment of opportunities to improve revenue-estimation practices.





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## *PFM Team Leaders*

**John Cape, Managing Director**, will direct budget-related research, as well as analytical and consulting services for the Commonwealth. Mr. Cape is a national expert on state budgets and public policy, with nearly 40 years of experience. Since joining PFM in 2007, he has co-led PFM's state consulting practice, headed the group specializing in human services consulting, and directed Management and Budget Consulting projects for state and local governments nationwide. During this time, he has participated in dozens of projects in more than 15 states. Prior to joining PFM, Mr. Cape served as the Director of the Budget for New York State, Chief Financial Officer and the principal fiscal advisor to the Governor, and head of the Division of the Budget, whose 350 staff members oversaw a \$113 billion operating budget and \$50 billion debt portfolio. Mr. Cape began his state career in 1973 and has had the opportunity to oversee funding for virtually every state program area. He also serves as a Senior Fellow of the Rockefeller Institute of Government.

**Michael Nadol, Managing Director**, will lead workforce and interest arbitration services for the Commonwealth. Since joining PFM in 2000, Mr. Nadol has provided support for human resources reforms and collective bargaining on behalf of clients, including New York City, the City of Philadelphia, and the States of New York, Tennessee, and Delaware. He has testified as an expert witness on municipal finance and/or compensation issues in U.S. District Court, before a Presidential Emergency Board appointed under the Railway Labor Act, and in binding interest arbitration in nine states. On behalf of the Commonwealth, he has testified in Act 111/195 interest arbitration in more than a dozen proceedings to date across the last four rounds of bargaining. Prior to joining PFM, Mr. Nadol served the City of Philadelphia in various positions, including Deputy Mayor, Director of Labor Negotiations, and Director of Finance. Mr. Nadol earned a Master in Governmental Administration degree from the University of Pennsylvania, and a Bachelor of Arts degree from Yale University.

Other representative senior professionals available to the Commonwealth for specialized research, analytical, and consulting services include:

- **Randall Bauer, Director**, is a budget and performance expert who has advised on behalf of 14 states, including the Commonwealth. Recently, Mr. Bauer has managed two studies of service delivery alternatives for the Commonwealth, led a multi-firm team administering a federally funded \$300 million disaster relief grant program for the State of New Jersey, and has facilitated a working group developing a transformation plan for the State of Oregon's workforce investment system. He is also acting as a subject matter expert for the Vermont State Auditor's Office in its performance audit of the Vermont Department of Liquor Control. Prior to joining PFM, Mr. Bauer was Budget Director for the State of Iowa.
- **Dean Kaplan, Managing Director**, will support education, environment, and local government services for the Commonwealth. He works nationally as an expert on environmental infrastructure and distressed governments; he also is currently the Act 47 recovery coordinator for Pittsburgh, Reading, and New Castle, and an advisor to the Pennsylvania Department of Education on Act 141 recovery school districts. Mr. Kaplan served on a Commonwealth panel to update Act 47 and on the Pennsylvania Department of Environmental Protection's Sustainable Water Infrastructure Task Force. He is a former Budget Director for the City of Philadelphia.

### c. Services related to General Obligation Debt Transactions and Tax Anticipation Notes ("TANs")

PFM fully understands Pennsylvania's debt policies, Capital Facilities Debt Enabling Act, and how debt issuance and structuring decisions interact with Commonwealth cash flow needs and projections. PFM also closely tracks the Commonwealth's rating agency relationships and credit position, and has the entire debt portfolio of the Commonwealth on our proprietary system for continual monitoring of remaining outstanding bonds for refunding opportunities.



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The market relationships we maintain and the familiarity we have with the Commonwealth allow PFM to continuously advocate on its behalf, which provides direct benefit toward the pursuit of its objectives. Just last week, PFM negotiated with a service provider on behalf of the Commonwealth in order to save \$70,000 in transaction-related fees.

As the leading financial advisory firm in Pennsylvania—active in the tax-exempt market with a Pennsylvania issuer several times a week on average—we will consistently bring our prior experience for almost any financing team selected. Further, with access to our affiliate, PFMAM, which has a Portfolio Strategies Group managed and staffed from our Harrisburg office, the Commonwealth can quickly receive advice on the current state of the market and economy. As a result of the summary we prepare at the conclusion of each Commonwealth bond sale, there is a track record of how each bond issue has priced relative to the AAA Municipal Market Data (“MMD”) yield curve—the high-grade index used for municipal bonds—which provides valuable information in preparing for future transactions.

PFM is also the only independent advisory firm with a fully staffed Pricing Group to assist in all of our pricings of municipal bonds. As a result, our relationships with the underwriting desks on Wall Street will continue to be valuable points of reference in providing input for various new ideas and questions that come up in the process of bringing the Commonwealth’s bonds to market for competitive sales. Even though there is not a pricing negotiation necessitated in a competitive transaction, the Pricing Group adds significant value to PFM’s clients who sell bonds competitively. Through providing independent input and guidance on market capacity, structure, expected pricing levels, communication with potential bidders, and general market knowledge ascertained by pricing up to 10 transactions per week, our Pricing Group positions clients such as the Commonwealth seeks the lowest-possible cost of financing. In addition to having open and ongoing lines of communication with underwriting desks, PFM also actively monitors the banks in relation to their provisions of credit enhancement by using proprietary models to keep abreast of bank ratings, credit enhancement fees and provisions, as well as the credit default swap pricing of these institutions. While the municipal bond insurance landscape has changed drastically since the financial crisis, with fewer issuers like the Commonwealth utilizing this enhancement, PFM stands ready to assist the Commonwealth in the evaluation of enhancement options should the opportunity arise.

Traditionally, we have assembled the necessary internal team to identify and modify the bond structure with the winning bidder in accordance with the Notice of Sale (“NOS”) requirements. PFM’s work with the Commonwealth in the weeks and days leading up to a competitive sale has not only yielded excellent results with regard to the transactions directly, but also has resulted in advantageous competition among bidding underwriters, as the Commonwealth has typically received an average of four to five aggressive bids for any one competitive sale, dependent on size and market environment. Nationally, PFM supports more negotiated sales than competitive—thus, we can assist the Commonwealth with all steps necessary for a transaction of this nature, including a thorough understanding of the secondary market trading activity. As illustrated in the following case study, there are many examples of unique bond structures and features where PFM has partnered with the Commonwealth to achieve tremendously successful transactions and sizeable cost savings.

## CASE STUDY

**The Commonwealth’s 2012 Unemployment Compensation (“UC”) Bonds** serves as an excellent example of the value that PFM is able to add as a partner and financial advisor to the Commonwealth.

PFM partnered with the Office of the Budget on all aspects of the 2012 UC Bond financing. These responsibilities included drafting authorizing legislation, which strengthened the UC program and provided a vehicle for strong ratings and robust investor interest; working with the Commonwealth in the selection, management, and organization of the UC financing team; execution of interim financing to repay a federal advance; and sizing, structuring, pricing, and execution of \$2.8 billion in long-term bond issuance to repay the interim financing.



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All of these roles and actions—necessary to complete this transaction—were accomplished on an accelerated timeline, as we moved from initial adoption of the legislation to closing on the long-term bonds in a period of four months.

The interim financing loan was used to repay the outstanding \$3.2 billion federal advance prior to the issuance of the long-term bonds, which generated significant interest cost savings. Through the leadership of PFM and the UC team, the loan took 12 days to structure and close. The Commonwealth's UC Revenue Bonds, sized at \$2.8 billion, repaid the interim loan and were issued through the Pennsylvania Economic Development Financing Authority.

The bonds were issued as fixed-rate callable and non-callable series, as well as variable-rate series, and utilized a reserve fund and a \$35 million per year “holdback”—the investment of which is managed by PFM's affiliate, PFMAM.

Overall, this transaction was a tremendous success for the Commonwealth, saving it and its employers and employees significant amounts of money over the next several years. As the independent financial advisor, PFM played a pivotal role in all aspects of the transaction—partnering with Commonwealth leadership and staff to develop, manage, and execute the transaction.

## *PFM Team Leaders*

Primary team leaders for Commonwealth General Obligation debt transactions and TANs will be **Glen Williard** and **Daniel Kozloff**, whose experience and qualifications were summarized previously.

**Todd Fraizer, CFA, Managing Director**, will actively support such transactions in his role as leader of PFM's Pricing Group—continually enhancing, expanding, and centralizing the firm's bond pricing expertise. Since 2006, Mr. Fraizer has assisted in pricing more than 1,000 transactions totaling in excess of \$150 billion of municipal bonds for PFM issuer clients. Prior to joining PFM, Mr. Fraizer was the Vice President of Finance for the Kansas Development Finance Authority. Prior to that, Mr. Fraizer gained futures and options trading experience while at the Kansas City Board of Trade. Mr. Fraizer holds a Bachelor of Arts degree from the University of Kansas and a Masters of Business Administration degree in Finance from the University of Missouri – Kansas City. He is a Chartered Financial Analyst (“CFA”) charterholder, as well as a member of the CFA Institute.

## **d. Structured Products Services**

Since 2005, the Structured Products Group (“SPG”) of PFM's asset management affiliate, PFMAM, has structured more than 1,290 defeasance escrows for more than \$94 billion of assets, and competitively bid 288 investment agreements for \$41 billion of related assets. These included structuring and competitively procuring four open-market escrow portfolios for the Commonwealth that have generated in excess of \$4.3 million of benefit versus portfolios structured exclusively with United States Treasury Securities, State and Local Government Series (“SLGS”). SPG also completed three escrow restructurings that generated approximately \$3 million of additional savings. We are confident that our technical capabilities and experience will continue to provide the most beneficial and cost-effective solutions for the Commonwealth.

Our structuring of advance refunding escrow portfolios begins with extensive secondary market supply and pricing research through PFMAM's trading desk in Harrisburg, using live pricing feeds from various sources, including Bloomberg, TradeWeb, and MarketAxess to determine the availability of permitted open-market securities and their potential benefit over SLGS. On the day of pricing, we design the optimal available escrow structure using sophisticated portfolio optimization software. Our unique, security-by-security optimization and procurement process enables us to structure portfolios comprised of both SLGS and open-market securities to monitor that:



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1) the Commonwealth receives the best-available price on each security, and 2) only securities that produce a benefit relative to comparable SLGS are purchased.

When compared to an all-or-none approach, this process has added more than \$610,000 of savings benefit into escrows that we have structured for the Commonwealth. Throughout the structuring and procurement process, we ensure strict compliance with bond documents and relevant federal tax requirements by working closely with the financing team. Under the SLGS regulations established on August 15, 2005, most strategies designed to restructure escrows on an intra-day basis are no longer permitted.

Our procurement process is governed by an exhaustive term sheet, which is reviewed and approved by bond counsel and includes both legal and business provisions designed to protect the Commonwealth. Our competitive bidding process is always conducted through Bloomberg, such that all transmissions are electronic and time-stamped. Full documentation is included as part of our bidding agent certificate, and in the final report furnished after the escrow has been funded. On the settlement date, we ensure that no operational details are overlooked. Our portfolio managers and professionals coordinate with the Pennsylvania Treasury Department throughout the process to ensure that all parties have the information they need to facilitate a timely settlement of the securities. As a large fixed-income asset manager, our professional relationships with the broker/dealers provide us the leverage necessary to ensure that any operational problems arising on or before the settlement date are quickly resolved.

In addition to the competitive procurement of escrow securities at the time of a refunding sale, the SPG has assisted the Commonwealth with the ongoing purchase of 0% SLGS securities to ensure yield compliance and avoid arbitrage problems. PFMAM's familiarity with Commonwealth staff and procedures has allowed for a seamless process in executing these transactions.

## *PFMAM Team Leaders*

**Michael Harris** and **Matthew Eisel, CFA**, have led PFMAM's structured products services project teams for the Commonwealth over the past 12 years, and continue to be the SPG's project managers today.

**Michael Harris, Managing Director**, joined the PFM Group in 1989 and founded the SPG, which he has managed since its inception, and has led the development and implementation of innovative investment and asset/liability management strategies. He is a nationally recognized expert in the structuring and procurement of financial products on both sides of municipal balance sheets, and has advised a number of governmental and not-for-profit entities on the development of investment management strategies for grant funds, tax-exempt bond proceeds, and other operational and reserve funds. Mr. Harris is a graduate of the University of Pennsylvania with a dual degree in Economics and Political Science.

**Matthew Eisel, CFA, Managing Director**, joined the SPG in 2004 and now leads the group. Mr. Eisel advises clients on the structuring, optimization, and procurement of bond proceeds investments, including portfolios of fixed-income securities and structured investments. He also specializes in the structuring and procurement of refunding and cash defeasance escrow investments. Since joining the PFM Group, Mr. Eisel has managed approximately 800 escrow transactions involving more than \$70.2 billion of assets. Mr. Eisel graduated magna cum laude from the Honors College at the University of South Carolina with a Bachelor of Science degree in Entrepreneurial Management, Finance, and Risk Management & Insurance.

## List the individual team leader who managed each project.

Please see the previous entry for PFM's team leaders.



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- Submit a list of at least three references including the project description, government organization, individual's name, title, and contact information for three contacts the Commonwealth may use as references for which the bidder has performed similar services to those being sought by the Commonwealth.

Name	Government/ Title	Address/Contact Information	Project Description
<b>Ric Brown</b>	Commonwealth of Virginia <i>Secretary of Finance</i>	Patrick Henry Building 1111 E. Broad Street Richmond, VA 23219 [REDACTED]	<ul style="list-style-type: none"> <li>Research, Analysis, and Consulting (Service Delivery Analysis)</li> </ul>
<b>Uri Z. Monson</b>	Montgomery County, Pennsylvania <i>Chief Financial Officer</i>	One Montgomery Plaza, Suite 800 P.O. Box 311 Norristown, PA 19404-0311 [REDACTED]	<ul style="list-style-type: none"> <li>Financial Advisory Services</li> <li>Escrow Structuring</li> <li>Policy Development, Consulting (Department of Human Services/ Operation and Fiscal Review of Courts and District Attorney)</li> </ul>
<b>Kurt Kauffman</b>	State of Ohio Office of Budget and Management <i>Debt Manager</i>	30 E. Broad Street, 34 <sup>th</sup> Floor Columbus, OH 43215-3461 [REDACTED]	<ul style="list-style-type: none"> <li>Financial Advisory Services</li> <li>Escrow Structuring</li> <li>Policy Development</li> <li>Consulting (P3 Advisory/ Analysis/Negotiation)</li> </ul>
<b>Ann Visalli</b>	State of Delaware <i>Budget Director</i>	540 S. DuPont Highway, Suite 4 Dover, DE 19901 [REDACTED]	<ul style="list-style-type: none"> <li>Financial Advisory Services;</li> <li>Research, Analysis, and Consulting (Interest Arbitration Expert Testimony, Medicaid Analysis)</li> </ul>

- Describe and provide supporting documentation of the firm's financial stability and economic capability to perform the contract requirements.

As an ongoing, successful enterprise since 1975, the PFM Group has the financial stability and economic capacity to perform the contract requirements sought by the Commonwealth.

The financial condition of the PFM Group continues to be strong; as a profitable firm with access to capital, there is no impediment to our continued financial stability. Further, due to the variety of our clients and depth of our expertise, the PFM Group has a strong client base to ensure continued business success. According to our latest audited financial statement, in 2014 the PFM Group's net income totaled \$6.55 million, based on revenues of \$131.5 million, expenses of \$118.9 million, and taxes of \$6 million. A copy of our most recently audited financial statement is available upon request.

- Submit a statement certifying that no principal of the firm or any proposed subcontractor is or has been suspended or debarred from contracting with the Commonwealth of Pennsylvania, the United States Government or any other state government.

No principal of PFM is or has been suspended or debarred from contracting with the Commonwealth, the United States Government, or any other state government. PFM knows of no such suspension or debarment of any subcontractor who may be used in this engagement, and we will assure the Commonwealth of those facts at the time we request the Commonwealth's consent to engage any subcontractor.





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5. Provide representation that at the time of this RFP and any subsequent contract, the proposing firm has and will have no interest, direct or indirect, that would conflict in any manner or with the performance of the required services. Please identify any client relationships currently in process or closed within the last three years for which your firm is serving in an advisory capacity to any government seller or buyer. Please address your firm's process to ensure that this is not a conflict.

At the time of this proposal response and any subsequent contract, PFM has and will have no interest, direct or indirect, that would conflict in any manner or with the performance of the required services. The PFM Group is not aware of any advisory relationships that may create a conflict of interest. The number of professionals assigned to the Commonwealth engagement is carefully selected, and each professional will monitor any potential conflict of interest closely. PFM has no interest in any broker/dealer that underwrites or trades in securities issued for the benefit of the Commonwealth, or issued by any governmental issuer. PFM receives no payment from any broker/dealer, insurer, law firm, or other participant in the securities underwriting process; therefore, we perceive no conflict of interest. A client-relationship list is available upon request.

6. Confirm that the Firm will perform financial services in accordance with the terms and conditions of the Contract for Financial and Advisory Services, a copy of which is attached to the RFP as Part V.

PFM respectfully requests the opportunity to negotiate the following indemnification language so that PFM's obligation to indemnify is limited to circumstances in which its performance has been wrongful, which would include negligent or intentionally wrongful acts. We propose the following modifications (in red):

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## **23. Hold Harmless Provision.**

a. The CONSULTANT shall hold the Commonwealth harmless from and indemnify the Commonwealth against any and all third party claims, demands and actions based upon or arising out of any **NEGLIGENT OR INTENTIONALLY WRONGFUL** activities performed by the CONSULTANT and its employees and agents under this Contract, provided the Commonwealth gives CONSULTANT prompt notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act (71 P.S. Section 732- 101, et seq.), the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth in actions brought against the Commonwealth. The OAG may, however, in its sole discretion and under such terms as it deems appropriate, delegate its right of defense. If OAG delegates the defense to the CONSULTANT, the Commonwealth will cooperate with all reasonable requests of CONSULTANT made in the defense of such suits.





# II. Appendices





## **A. Resumes of Key Professionals**





### **Glen Williard, Managing Director Public Financial Management, Inc.**

Glen Williard joined Public Financial Management, Inc., in 1981. He is a Managing Director in the Harrisburg Office and the Eastern Regional leader for the financial advisory practice. He has had a wide variety of experience with local governments, including the successful financing of thousands of school district projects, as well as municipal utilities and authorities, boroughs, counties and townships, airports, and stadiums.

Since 2003, he has served as financial advisor for debt financings to the Office of the Budget for the Commonwealth of Pennsylvania. The Commonwealth annually does some of the largest competitive sales in the country. He also served as the financial advisor for the PA Economic Development Finance Authority \$2.8 billion unemployment bond issue in 2013.

Since 2000, Mr. Williard has served as financial advisor for the Pennsylvania Higher Education Assistance Agency (PHEAA) on more than \$25 billion of Student Loan Revenue Bonds, including transactions involving variable-rate demand bonds, LIBOR floating rate notes, interest rate swaps, and both taxable and tax-exempt auction rate financings.

Mr. Williard also assisted in the creation of the Pennsylvania Infrastructure Investment Authority (Pennvest), revolving loan program. He serves as the program administrator for the Emmaus General Authority's /PLGIT Bond Pool Programs. Mr. Williard has worked with both competitive and negotiated bond issues, restructurings, and defeasance escrows, presentations at credit rating agencies, and municipal bond insurance companies.

Prior to working at PFM, Mr. Williard worked as a retail broker at Merrill Lynch. He has a Bachelor's degree in Business Finance from the University of Nevada at Las Vegas.

#### **Office Location:**

One Keystone Plaza, Suite 300  
N. Front & Market Streets  
Harrisburg, PA 17101

#### **Education:**

Bachelor in Business Finance  
University of Nevada at Las Vegas

#### **Years with PFM:**

34 Years

#### **Years of Experience:**

36 Years



### **Daniel Kozloff, Managing Director Public Financial Management, Inc.**

Daniel Kozloff is a Managing Director in PFM's Philadelphia office and Manager of the Quantitative Strategies Group (QSG), which comprises a dedicated group of professionals who provide primary technical, new product, transactional, and modeling expertise for PFM's clients. The QSG is also responsible for the development of the proprietary analytical tools used throughout PFM's various business practices. As Manager of the QSG, Mr. Kozloff oversees PFM's firm-wide training program, including comprehensive sessions for new hires, current employees, lateral hires, and clients. He also leads and manages PFM's Research Group: a centralized source of data and research for PFM's national financial advisory practice.

Mr. Kozloff has worked in multiple areas of public finance, including transactional support, technical and quantitative analysis, and strategic consulting. He has provided primary transactional support on a wide variety of complex refunding and new money issues for such clients as the Commonwealth of Pennsylvania (the Commonwealth); the States of Michigan, Ohio, New York, and Nevada; and New York City. He has also been involved in the comprehensive restructuring of the Commonwealth's Public Education Funding System, and state-wide tax reform to supplement the Commonwealth's Education Funding. As day-to-day project manager of the Commonwealth's General Obligation financial advisory practice, Mr. Kozloff has advised the Commonwealth on approximately \$18 billion of debt issuance. He leads PFM's Tobacco Securitization Group, PFM's efforts in State-level Unemployment Compensation solutions, and is a co-leader of PFM's Center for Retirement Finance. Mr. Kozloff also serves as financial advisor to numerous Philadelphia-area governments, authorities, and institutions, including Montgomery County, Lower Merion Township, Radnor Township, Montgomery County, Girard Estate and College, York County Solid Waste Authority, and Pennsylvania State University.

Mr. Kozloff has a Bachelor of Arts degree in Political Science from the University of Pennsylvania.

#### **Office Location:**

Two Logan Square, Suite 1600  
18th & Arch Streets  
Philadelphia, PA 19103-2770

#### **Education:**

Bachelor of Arts in Political Science  
University of Pennsylvania

#### **Years with PFM:**

16 Years

#### **Years of Experience:**

16 Years



## Michael Nadol, Managing Director Public Financial Management, Inc.

Michael Nadol is a Managing Director with PFM, leading the firm's Management and Budget Consulting practice nationwide. Mr. Nadol focuses on public-sector financial sustainability, with specialized experience in government workforce strategies. Prior to joining PFM, Mr. Nadol served the City of Philadelphia in positions including Deputy Mayor, Director of Labor Negotiations, and Director of Finance. In addition, he served as Deputy Commissioner for the Philadelphia Water Department, overseeing both finance and human resources for one of the nation's largest environmental utilities.

At PFM, Mr. Nadol has provided strategic and quantitative support for human resources reforms and collective bargaining on behalf of clients including the Commonwealth of Pennsylvania; the Cities of New York, Boston, Austin, and Vallejo, California; New York Metropolitan Transportation Authority, and Montgomery County, Maryland. He has testified as an expert witness on municipal finance and/or compensation issues in U.S. District Court, before a Presidential Emergency Board appointed under the Railway Labor Act, and in binding interest arbitration in California, Delaware, Maine, Maryland, Massachusetts, New Jersey, New York, Pennsylvania, and Oregon.

In addition to workforce services, Mr. Nadol has played a lead role in turnaround consulting and long-range financial plans. He is a senior member of the recovery team for the City of Pittsburgh, appointed by the Commonwealth, and has worked on multi-year financial plans for governments including the Cities of Baltimore and Wilmington, Delaware. In addition, PFM's Strategic Consulting practice advises financially strong governments on strategies for improved performance, and Mr. Nadol has worked with clients from the U.S. General Services Administration to Washington, D.C. to streamline work processes and service delivery.

Prior to joining PFM, as Philadelphia's Director of Finance and in previous positions within the City's Office of the Mayor, Mr. Nadol worked on management and budget initiatives key to the City's turnaround from the brink of bankruptcy in 1992 to its then-record \$206 million surplus in 1999. As Finance Director, Mr. Nadol was chief financial officer for a multibillion dollar city-county government. While in the Office of the Mayor, Mr. Nadol served as Director of Labor Negotiations for 1996 collective bargaining covering over 22,000 municipal employees. In addition, he was active on the city's 1992 labor negotiating team, with the restructuring of employee safety and risk management programs, and in the development of joint labor-management productivity initiatives. As Deputy Water Commissioner, Mr. Nadol served as chief financial and administrative officer for a \$400 million water, wastewater, and storm water utility with over 2,200 employees.

Mr. Nadol earned a Masters degree in Governmental Administration from the University of Pennsylvania, and a Bachelor of Arts degree, Summa Cum Laude, from Yale University. Mr. Nadol also teaches on the adjunct faculty of the University of Pennsylvania, Fels Institute of Government. In addition, he is a member and past Treasurer of the Committee of 70, Greater Philadelphia's leading, nonprofit, civic watchdog organization, and served as the Governor's appointee and Chair of the Commonwealth of Pennsylvania Task Force on School Cost Reduction. He also currently serves as an appointed adviser to the Government Finance Officers Association (GFOA) Committee on Governmental Budgeting and Fiscal Policy.

### Office Location:

Two Logan Square, Suite 1600  
18th & Arch Streets  
Philadelphia, PA 19103-2770

### Education:

Master in Governmental Administration  
University of Pennsylvania

Bachelor of Arts Degree  
Yale University

### Years with PFM:

15 Years

### Years of Experience:

27 Years



### **John F. Cape, Managing Director Public Financial Management, Inc.**

John F. Cape, Managing Director, will direct budget-related research, and analytical and consulting services for the Commonwealth of Pennsylvania. Mr. Cape is a national expert on state budgets and public policy, with nearly 40 years of experience. Since joining PFM in 2007, he has co-lead PFM's state consulting practice, headed the group specializing in human services consulting, and directed Management and Budget Consulting projects for state and local governments nationwide. During this time, he has participated in dozens of projects in more than 15 states. Prior to joining PFM, Mr. Cape served as the Director of the Budget for New York State – chief financial officer and the principal fiscal advisor to the Governor, heading the Division of the Budget, whose 350 staff members oversaw a \$113 billion operating budget and \$50 billion debt portfolio.

Mr. Cape began his state career in 1973 and has had the opportunity to oversee funding for virtually every state program area. Mr. Cape serves as a Senior Fellow of the Rockefeller Institute of Government, is a former Fellow of the State Academy of Public Administrators, and has served on the Executive Board of the National Association of State Budget Officers. He is the 2006 recipient of the Center for Technology in Government's Rudolph W. Giuliani Leadership Award, and recipient of the American Society for Public Administration's Charles Evans Hughes Award.

#### **Office Location:**

Two Logan Square, Suite 1600  
18th & Arch Streets  
Philadelphia, PA 19103-2770

#### **Education:**

Graduate Study  
Rockefeller College of Public Affairs

Bachelor of Arts degree  
State University of New York, Empire State  
College

#### **Years with PFM:**

8 Years

#### **Years of Experience:**

42 Years

## Dean Kaplan, Managing Director Public Financial Management, Inc.

Dean Kaplan is a Managing Director with PFM, and a leader of the firm's in PFM's Management and Budget Consulting practice. At PFM, he has worked on multi-year planning, budgeting and budget oversight, and operations improvement efforts for cities and counties around the United States. His clients at PFM have included Austin, Texas; the Broward County (Florida) School District; Cuyahoga County, Ohio; and the Commonwealth of Pennsylvania's Department of Education and Department of Community & Economic Development. The Commonwealth has appointed Mr. Kaplan as recovery plan coordinator for the cities of Pittsburgh, Reading, and New Castle, which are in Pennsylvania's distressed municipalities program.

Mr. Kaplan joined PFM after a year in the United Kingdom with the Atlantic Fellowships in Public Policy. As an Atlantic Fellow, Mr. Kaplan was selected by the British Government to undertake research on key aspects of local government service efforts, including performance measurement and citizen and stakeholder consultation. He also served on a peer review team for Lancaster City in northwest England, joining British local government officials to examine Lancaster's performance. Based at the Institute of Local Government Studies at the University of Birmingham, Mr. Kaplan lectured regularly on local government performance management.

Prior to his fellowship, Mr. Kaplan was Budget Director for the City of Philadelphia. In this capacity Mr. Kaplan led the development and implementation of a \$4.5 billion annual all-funds budget for the nation's fifth-largest city, resulting in record levels of fund balance. As Budget Director, he supervised the preparation and publication of an annual Five Year Plan and quarterly managers' reports, and established and monitored service-level goals and performance measures for all City departments. Under his leadership, the Mayor's Report on City Services was published for the first time.

Before becoming Budget Director, Mr. Kaplan was Deputy Commissioner for the Philadelphia Water Department, serving as chief financial officer and head of policy planning for one of the nation's largest publicly owned water/wastewater/stormwater utilities. Appointed following a period of financial turmoil, he headed efforts to restore the agency's financial stability and creditworthiness, culminating in a \$1.1 billion new money and refunding issue and the Department's first borrowing from the state's environmental infrastructure revolving fund. He also directed a successful application for a rate increase and supervised the resulting management review of the Water Department. Mr. Kaplan convened a citizen panel to help reallocate stormwater costs, and sponsored a case study for one of the water industry's first-ever process benchmarking projects.

Earlier in his municipal career, Mr. Kaplan analyzed and evaluated alternatives for new solid waste disposal contracts at Philadelphia's Streets Department. In the mid-1980s, Mr. Kaplan was Legislative Director for a U.S. Representative, supervising the Congressman's legislative staff and operations, and helping to organize successful House floor amendments to Superfund hazardous site cleanup legislation and appropriations bills.

Mr. Kaplan holds a Master in Public Administration degree from the John F. Kennedy School of Government at Harvard University and a Bachelor of Arts degree from Haverford College. He has also attended the London School of Economics & Political Science and has taught at the Fels Center of Government at the University of Pennsylvania. Mr. Kaplan has served as an evaluator for the Ford Foundation's Innovations in American Government Awards.

### Office Location:

Two Logan Square, Suite 1600  
18th & Arch Streets  
Philadelphia, PA 19103-2770

### Education:

Studied at London School of Economics &  
Political Science

Master in Public Administration  
Harvard University, John F. Kennedy School  
of Government

Bachelor of Arts Degree (cum laude)  
Haverford College

### Years with PFM:

14 Years

### Years of Experience:

32 Years



## **Todd Fraizer, CFA Managing Director Public Financial Management, Inc.**

Todd Fraizer is a Managing Director in the firm's Charlotte, North Carolina office. Mr. Fraizer leads Public Financial Management's (PFM's) Pricing Group, which provides pricing resources and negotiation support for PFM's clients nationwide. The Pricing Group is continually enhancing, expanding, and centralizing the firm's bond pricing expertise.

Mr. Fraizer has assisted in pricing more than 1,000 transactions totaling in excess of \$250 billion of municipal bonds for PFM issuer clients. In addition, Mr. Fraizer has priced more than \$20 billion in the past five years for Pennsylvania issuers.

Prior to joining PFM, Mr. Fraizer was the Vice President of Finance for the Kansas Development Finance Authority. In this role, he served as the primary project manager for more than \$2 billion of general purpose, higher education, pension obligation, transportation, and state revolving fund transactions. Before that, he gained futures and options trading experience while at the Kansas City Board of Trade.

Mr. Fraizer has a Bachelor of Arts degree in English Literature from the University of Kansas and a Masters of Business Administration and Finance degree from the University of Missouri-Kansas City. He is a Chartered Financial Analyst (CFA) charter holder, as well as a member of the CFA Institute and the Charlotte Society of Financial Analysts.

### **Office Location:**

11325 N. Community House Road, Suite 275  
Charlotte, NC 28277

### **Education:**

Master of Business  
Administration and Finance Degree  
University of Missouri-Kansas City

Bachelor of Arts Degree in English  
Literature  
University of Kansas

### **Professional Designations or Licenses:**

Chartered Financial Analyst (CFA)

### **Years with PFM:**

9 Years

### **Years of Experience:**

16 Years





## Randall Bauer, Director Public Financial Management, Inc.

Randall Bauer joined PFM's Management and Budget Consulting practice in 2005, where he is co-leader of its state government practice. His clients have included 14 states and commonwealths, including Delaware, Illinois, Minnesota, Nebraska, New York, Oregon, Pennsylvania and Virginia, as well as major local governments from Baltimore to Colorado Springs.

Mr. Bauer specializes in financial and strategic planning, organizational assessment and structuring, operations and business process improvement, and revenue maximization. As examples, he has led staffing, operations improvement and restructuring projects for state/commonwealth departments in Illinois, Minnesota, Nebraska, and Pennsylvania; developed multi-year financial plans for Kansas City, Missouri and St. Louis Public Schools; created a strategic plan for technology improvements for the City of Baltimore's Finance Department; and identified revenue options and opportunities for the State of Hawaii; the Commonwealth of Pennsylvania (the Commonwealth); Aurora and Colorado Springs, Colorado; St. Louis, Missouri; and Pittsburgh, Pennsylvania.

Recently, Mr. Bauer has managed two studies of privatization alternatives for the Commonwealth, facilitated a working group developing a transformation plan for the State of Oregon's workforce investment system, and is leading a multi-firm team administering a federally funded \$300 million disaster-relief grant program for the State of New Jersey. He is also acting as a subject matter expert for the Vermont State Auditor's Office in its performance audit of the Vermont Department of Liquor Control.

Prior to joining PFM, Mr. Bauer served for nearly seven years as Budget Director for the State of Iowa (the State). In that capacity, he was Governor Thomas Vilsack's chief advisor for the State's \$12 billion budget, as well as a senior advisor on tax and public finance issues. During Mr. Bauer's tenure, the State created a results-focused budget process, implemented a performance-reporting system, and developed a web-based budget system. Prior to his work as State Budget Director, Mr. Bauer served for more than 10 years as a senior analyst for the Iowa Senate with primary responsibilities on budget, tax, infrastructure and economic development issues.

Mr. Bauer has a Bachelor of Arts degree from Coe College, the Certified Public Manager designation from Drake University, and was a Fannie Mae Foundation Fellow at Harvard University's program for senior executives in state and local government. He has served as Vice President for Finance and on the Executive Board of the United States Chess Federation, as President of the Iowa Society of Certified Public Managers, and is a life member of the National Association of State Budget Officers, where he served on its Executive Committee.

### Office Location:

801 Grand Avenue  
Suite 3300  
Des Moines, IA 50309

### Education:

Fannie Mae Foundation Fellow  
Harvard University

Bachelor of Arts Degree  
Coe College

### Professional Designations or Licenses:

Certified Public Manager  
Drake University

### Years with PFM:

10 Years

### Years of Experience

28 Years



### **Michael W. Harris, Managing Director PFM Asset Management LLC**

Michael Harris joined the PFM Group in 1989. He currently oversees the firm's strategic market development efforts. His specific responsibilities include covering key prospects, establishing and centralizing prospect outreach across the country, and identifying non-transactional and opportunistic engagements for clients and prospects.

Prior to his current role, Mr. Harris founded PFMAM's Structured Products Group, where he led the development and implementation of innovative investment and asset/liability management strategies. He has many years of experience in the structuring and procurement of financial products on both sides of municipal balance sheets, and has advised a number of governmental and not-for-profit entities on the development of investment management strategies for grant funds, tax-exempt bond proceeds, and other operational and reserve funds.

Currently, Mr. Harris serves on the National Association of Securities Professionals' Institute Program Committee, which partners with the Chartered Financial Analyst (CFA) Institute to provide an endowment and pension trustee education curriculum that qualifies for Continuing Professional Education (CPE) credits. Mr. Harris also serves as a Career Coach for the National Urban Fellows Leadership Conference. He has guest-lectured at events for the School of Public Affairs, Baruch College, City University of New York, and Spelman College.

Before joining PFM, Mr. Harris worked in the Banking and Financial Services Unit of the Strategic Management Group, Inc., where his research focused on risk management and portfolio management strategies for money center banks. Additionally, Mr. Harris was a Market Analyst for Pansophic Systems, Inc. prior to their acquisition by Computer Associates, Inc.

In the community, Mr. Harris is Chairman of the Board of Directors for Hamilton Health Center and serves on the Board of Trustees for The Hill School in Pottstown, Pennsylvania. Mr. Harris is a graduate of the University of Pennsylvania with a dual degree in Economics and Political Science. He is a General Securities Registered Representative holding Financial Industry Regulatory Authority (FINRA) Series 6 and 63 registrations.

#### **Office Location:**

One Keystone Plaza, Suite 300  
N. Front & Market Streets  
Harrisburg, PA 17101

#### **Education:**

Bachelor of Arts in Economics and  
Political Science  
University of Pennsylvania

#### **Professional Designations or Licenses:**

FINRA Series 6 and 63 Licenses

#### **Years with PFM:**

26 Years

#### **Years of Experience**

27 Years





## **Matthew Eisel, CFA Managing Director PFM Asset Management LLC**

Matthew Eisel joined PFMAM's Structured Products Group in 2004 and now leads the group. Mr. Eisel advises clients on the structuring, optimization, and procurement of bond proceeds investments, including portfolios of fixed-income securities and structured investments. He also specializes in the structuring and procurement of refunding and cash defeasance escrow investments. Since joining PFMAM, Mr. Eisel has managed approximately 800 escrow transactions involving more than \$70.2 billion in assets.

In addition to his work on bond proceeds and escrow engagements, Mr. Eisel conducts training sessions for clients and newly hired analysts, serves as a technical resource to colleagues throughout the firm, and leads the analysis associated with tax controversy engagements on which PFMAM advises.

Mr. Eisel graduated magna cum laude from the Honors College at the University of South Carolina with a Bachelor of Science degree in Business Administration. His majors were Entrepreneurial Management, Finance, and Risk Management & Insurance. His volunteer work includes providing strategic and financial advice related to the construction and budget of a local health center that serves low-income individuals and families.

Mr. Eisel holds the Chartered Financial Analyst (CFA) designation, is a member of the CFA Institute, and is a General Securities Registered Representative holding FINRA Series 6 and 63 registrations.

### **Office Location:**

One Keystone Plaza, Suite 300  
N. Front & Market Streets  
Harrisburg, PA 17101

### **Education:**

Bachelor of Science Degree in  
Entrepreneurial Management, Finance, and  
Risk Management & Insurance  
University of South Carolina

### **Professional Designations or Licenses:**

Chartered Financial Analyst (CFA)

FINRA Series 6 and 63 Licenses

### **Years with PFM:**

10 Years

### **Years of Experience**

10 Years



### **Maria Frizelle Roberts, President and Chief Executive Officer MFR Consultants, Inc.**

Maria Frizelle Roberts, BSRN, MPH, is a creative, enthusiastic, and accomplished Executive and Strategist. She is the President and Chief Executive Officer (CEO) of MFR Consultants, Inc. (MFR). As President and CEO, Maria oversees day-to-day operations and strategic initiatives for the firm. The firm was created in 1989 and has grown over the past 25 years from a single-proprietorship to a national corporation with a staff of more than 50 full-time professional consultants. It is currently a dynamic consulting firm specializing in Business Consulting and Information Technology services.

Ms. Roberts is an expert in strategic planning and management consulting, with a specific focus on feasibility and needs-assessment studies, business strategy and execution, profit improvement, organizational analysis (managerial, cost, staffing, and productivity), and project/contract compliance. Ms. Roberts is reputed throughout the corporate and business community for her professionalism and quality of services. She presently manages an interdisciplinary team of highly educated and experienced professionals, the strength and versatility of which enables the firm to cater to a diverse client base. Throughout her professional 30-year involvement in the management-consulting industry, Ms. Roberts has worked with many corporations and governmental agencies. As a result of her efforts, numerous corporations have undertaken expansion, experienced greater efficiency, implemented new programs, introduced new services, and increased their bottom lines.

Ms. Roberts graduated from Philadelphia General Hospital and is a board-certified licensed Registered Nurse. She went on to attend the University of Pennsylvania, and received a Bachelor of Science degree from St. Joseph University with a concentration in Sociology; she also is a member of the Alpha Kappa Delta International Sociology Honor Society. Ms. Roberts received her Master's Degree from the University of California, Berkeley with concentrations in Public Health Administration & Economics. In 2006, she attended Dartmouth University, Tuck School and received a certificate in Supply Chain Management. In 2009, she earned a certificate in Project Management from Temple University; in 2011 she earned a Certified Scrum Master Certification from the Scrum Alliance.

#### **Office Location:**

Atrium at Olde City Building  
128 Chestnut Street, Terrace Level  
Philadelphia, PA 19106

#### **Education:**

Master of Science in Public Health  
Administration & Economics  
University of California, Berkeley

Bachelor of Science in Sociology  
St. Joseph University

#### **Professional Certifications:**

Certified Scrum Master Certification  
Scrum Alliance

Certificate in Supply Chain Management  
Dartmouth University

Certificate in Project Management  
Temple University

Registered Nurse (RN)  
Philadelphia General Hospital

#### **Years of Experience:**

30+ Years



## Vijay Kapoor, President The Kapoor Company

Vijay Kapoor founded The Kapoor Company in 2008. He has spent his entire professional career working on governmental and public-sector workforce issues. Prior to rejoining The Kapoor Company, he served as the Director of Workforce Consulting at Public Financial Management, Inc. Mr. Kapoor has also served in state government as Executive Director of the Commonwealth of Pennsylvania's Office of Management and Productivity, where he led enterprise-wide and agency-specific cost savings projects toward the goal of reaching \$1.5 billion in annual savings. Mr. Kapoor also previously practiced as a labor and employment attorney, where he specialized in public-sector labor-relations matters.

In 2013, Mr. Kapoor mediated a comprehensive consensus agreement among the City of Lexington, Kentucky, and its police and fire unions to address an underfunded pension fund. He and his team worked with the parties to define the scope of the problem, benchmarked the current benefit levels, and identified possible paths to sustainability. The final agreement included changing the pension cost of living adjustments, maintaining a defined benefit pension plan for existing employees and new hires, and increasing financial contributions by the City. The agreement was featured in Bond Buyer ("A New Path to Reform of Pensions." Bond Buyer. January 31, 2013) and Governing Magazine ("Pension Reform Success Stories." Governing Magazine. April 1, 2013). In 2014, he also successfully mediated a consensus agreement among the City of Chattanooga, Tennessee, and its fire and police employees and retirees.

Mr. Kapoor is a frequent speaker on pension and retiree benefit issues, and has published articles on public-sector collective bargaining.

Mr. Kapoor earned Bachelor of Arts degrees in Economics and Public Policy (with honors) from the University of Chicago, and his Juris Doctorate from the University of Pennsylvania School of Law, where he received the Labor Law Prize. He also earned a certificate in Business and Public Policy from the Wharton School of Business at the University of Pennsylvania. He has been certified as a Senior Professional in Human Resources (SPHR) since 2008.

### Office Location:

22 S. Pack Square, #502  
Asheville, NC 28801

### Education:

Juris Doctorate  
University of Pennsylvania School of Law  
  
Bachelor of Arts in Economics and Public  
Policy (with honors)  
University of Chicago

### Professional Certifications:

Certificate in Business and Public Policy  
University of Pennsylvania, Wharton School  
of Business  
  
Senior Professional in Human Resources  
(SPHR)

### Years of Experience:

13 Years



### Trenton Allen, President Sustainable Capital Advisors

Trenton Allen is President of Sustainable Capital Advisors (SCA). Mr. Allen founded SCA in 2012, following his successful 15-year career in the financial services industry as an investment banker and financial advisor.

Throughout his career, Mr. Allen has participated in more than \$17 billion of financings, including public debt offerings and private placements (debt and equity). Prior to SCA, Mr. Allen was a Director at Citi where he led efforts to finance large infrastructure projects, including water, wastewater, conventional and renewable energy sources, and energy efficiency for utility, business, and governmental clients. In 2011, Mr. Allen led the groundbreaking \$67 million Energy Efficiency Revenue Bond financing for the Delaware Sustainable Energy Utility (SEU), which provided a scaled capital markets solution for financing energy efficiency. Prior to Citi, Mr. Allen served as the Head of the Quantitative Strategies Group for Public Financial Management, the nation's leading municipal financial advisory firm.

Mr. Allen serves as an Adjunct Instructor for the Center for Energy and Environmental Policy at the University of Delaware, where he teaches a graduate-level course titled "Sustainable Energy Finance." Mr. Allen is a frequent speaker at major energy conferences and is widely regarded as a thought leader in the financing of clean-energy projects. Mr. Allen has served on numerous advisory boards, including an appointment to the Green Jobs/Green NY Advisory Board and the Finance Solution Working Group for the U.S. Department of Energy's State and Local Energy Efficiency Action Network.

Mr. Allen earned a Bachelor of Arts degree in Chemistry from Harvard University.

#### Office Location:

419 7th Street NW, Suite 300  
Washington, DC 20004

#### Education:

Bachelor of Arts in Chemistry  
Harvard University

#### Years of Experience:

17 Years



## **B. Trade Secret/Confidential Proprietary Information Notice Form**



APPENDIX B

**Trade Secret/Confidential Proprietary Information Notice**


Instructions:

The Commonwealth may not assert on behalf of a third party an exception to the public release of materials that contain trade secrets or confidential proprietary information unless the materials are accompanied, at the time they are submitted, by this form or a document containing similar information.

It is the responsibility of the party submitting this form to ensure that all statements and assertions made below are legally defensible and accurate. The Commonwealth will not provide a submitting party any advice with regard to trade secret law.

**Name of submitting party:** Public Financial Management, Inc. (“PFM”); PFM Asset Management LLC (“PFMAM”)

**Contact information for submitting party:**

Glen Williard, Managing Director (PFM); Michael Harris, Managing Director (PFMAM)  
One Keystone Plaza, Suite 300, N. Front & Market Streets, Harrisburg, PA 17101  


**Please provide a brief overview of the materials that you are submitting (e.g. bid proposal, grant application, technical schematics):**

PFM and PFMAM respectfully submit the following documents:

- Technical Submittal Bid Proposal
- Cost Submittal Bid Proposal
- Small Diverse Business Participation Submittal Bid Proposal

**Please provide a brief explanation of why the materials are being submitted to the Commonwealth (e.g. response to bid #12345, application for grant XYZ being offered by the Department of Health, documents required to be submitted under law ABC)**

PFM and PFMAM are submitting these materials in response to Request for Proposals (“RFP”) #6100033762 for Financial, Management, Policy and Debt Consulting and Advising Services, Commonwealth of Pennsylvania, Office of the Budget.



**Acknowledgment**



The undersigned party hereby agrees that it has read and completed this form, and has marked the material being submitted in accordance with the instructions above. The undersigned party acknowledges that the Commonwealth is not liable for the use or disclosure of trade secret data or confidential proprietary information that has not been clearly marked as such, and which was not accompanied by a specific explanation included with this form.

The undersigned agrees to defend any action seeking release of the materials it believes to be trade secret or confidential, and indemnify and hold harmless the Commonwealth, its agents and employees, from any judgments awarded against the Commonwealth in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives so long as the Commonwealth has possession of the submitted material, and will apply to all costs unless and until the undersigned provides a written statement or similar notice to the Commonwealth stating that it no longer wishes to exempt the submitted material from public disclosure.

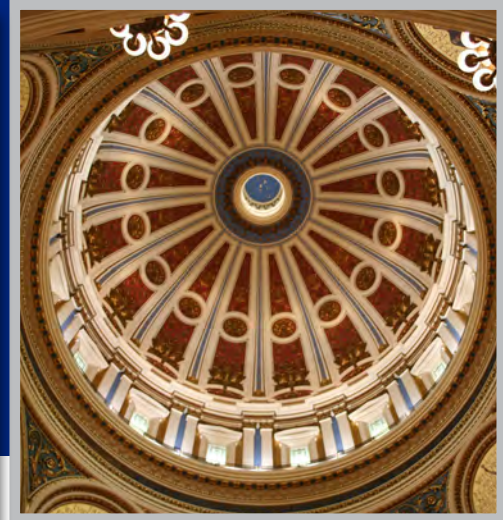
The undersigned acknowledges that the Commonwealth is required to keep all records for at least as long as specified in its published records retention schedule.

The undersigned acknowledges that the Commonwealth reserves the right to reject the undersigned's claim of trade secret/confidential proprietary information if the Commonwealth determines that the undersigned has not met the burden of establishing that the information constitutes a trade secret or is confidential. The undersigned also acknowledges that if only a certain part of the submitted material is found to constitute a trade secret or is confidential, the remainder of the submitted material will become public; only the protected information will be removed and remain nonpublic.

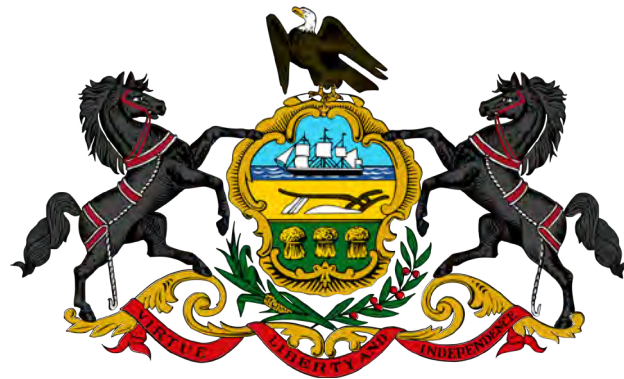
If being submitted electronically, the undersigned agrees that the mark below is a valid electronic signature.

	Managing Director, PFM	5/15/15
Signature	Title	Date
	Managing Director, PFMAM	5/15/15
Signature	Title	Date





**FINAL NEGOTIATED COST**



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## *Commonwealth of Pennsylvania*

*Request For Proposals ("RFP") #6100033762*

*Proposal for Financial, Management, Policy and  
Debt Consulting and Advising Services*

**COST SUBMITTAL  
IN RESPONSE TO RFP PART II, SECTION II-4**

*June 19, 2015*



**Public Financial Management, Inc.**

One Keystone Plaza • Suite 300  
N. Front & Market Streets  
Harrisburg, PA 17101  
P: (717) 232-2723  
F: (717) 233-6073

Two Logan Square • Suite 1600  
18th & Arch Streets  
Philadelphia, PA 19103  
P: (215) 567-6100  
F: (215) 567-4180

*www.pfm.com*

2533 Yellow Springs Road  
Malvern, PA 19355  
P: (610) 647-5487  
F: (610) 647-2467

# Table of Contents

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**I. Cost Submittal in Response to RFP Part II, Section II-4**

**II. Cost Matrix**





# **I. Cost Submittal in Response to RFP Part II, Section II-4**



# Cost Submittal in Response to RFP Part II, Section II-4

## Cost Matrix Services Performed by Public Financial Management, Inc. (“PFM”)

Position	Hourly Rate
Managing Director	\$290
Director	\$265
Senior Managing Consultant	\$240
Consultant/Analyst	\$220
Associate	\$125

PFM accepts all of the General Obligation/Tax Anticipation Note (“TAN”) services rates as set out in this Request for Proposal (“RFP”), and proposes lower rates for the provision of Structured Products Services as provided below:

### Services Related to General Obligation Transactions and TANs

50 cents per \$1,000 of par for first \$25 million of par; plus  
35 cents per \$1,000 of par for second \$25 million of par; plus  
10 cents per \$1,000 of par for any amount over \$50 million of par, and a minimum fee of \$50,000.

### Structured Products Services Performed by PFM Asset Management LLC (“PFMAM”)

1. Escrow Services Fees:

- a. Fee for structuring, initial and final subscription of State and Local Government Securities (“SLGS”) = \$1,500
- b. Fee for structuring and bidding each open-market Treasury escrow = 0.05% of the cost of each escrow with a minimum \$5,000 and maximum of \$50,000.
- c. Fee for engaging and compensating verification agent = invoiced cost with Commonwealth’s pre-approval.

2. Investment Agreement Fees:

Fees for structuring and bidding investment agreement will be 0.20% of the total deposit under such agreement with a cap of \$35,000 per agreement bid.

**FINAL NEGOTIATED COST**





## II. Cost Matrix



## INSTRUCTIONS

### GENERAL INSTRUCTIONS FOR COMPLETING THIS WORKBOOK

The Cost Submittal Worksheets contained in this workbook shall constitute the Cost Submittal. This portion of the proposal must be bound and sealed separately from the remainder of the proposal and clearly labeled "Cost Submittal." All costs submitted must be inclusive of any overhead, travel, subsistence, supplies and other expenses not otherwise listed in the Cost Submittal.

**Offerors must verify that all calculations, subtotal costs and grand total costs are accurate.**

Any question regarding the RFP shall be submitted to the Issuing Officer, Margaret Mary Juran at [mjuran@pa.gov](mailto:mjuran@pa.gov)

### COST OVERVIEW (Tab 1 of this workbook)

1. Select the *Cost Overview Tab* (Tab 1) at the bottom of this page.
2. Complete the top portion of the form to include all contact information.  
**NOTE:** The information you supply here must match the information you provided to Vendor Registration.
3. This tab requires no entry of cost data.
4. The Cost Submittal will be evaluated on the Hourly Rate.

### COST

#### Cost Matrix - For Evaluation Purposes.

1. Select the *Cost Matrix Worksheet* (Tab 2)
2. For each of the Positions listed, enter a Position Rate into the highlighted fields. The Cost Matrix must be completed exactly as provided. **Note: It is mandatory that a Position Rate be provided for each of the positions listed or the proposal may be rejected.**

***Payment for services under this contract will be based on the labor hours provided at each specified fixed hourly rate. The actual number of hours required during the term of the contract will vary.***

### OTHER SERVICES (Tab 3 and Tab 4 of this workbook)

The cost included in the *General Obligations Transactions Tab* and *Structured Products Fee Tab* in this workbook shall be scored as part of the cost evaluation for this RFP. The costs may serve as a basis for negotiations during contract negotiations with the Selected Offeror.

# FINAL NEGOTIATED COST

## APPENDIX E - COST OVERVIEW RFP 6100033762

OFFEROR NAME	CONTACT PERSON	
Public Financial Management, Inc.; PFM Asset Management LLC	Glen Williard, PFM; Michael Harris, PFMAM	
OFFEROR ADDRESS	EMAIL ADDRESS	
One Keystone Plaza, Suite 300	<a href="mailto:williardg@pfm.com">williardg@pfm.com</a> , <a href="mailto:harrism@pfm.com">harrism@pfm.com</a>	
N. Front & Market Streets	PHONE NUMBER	FAX NUMBER
Harrisburg, PA 17101	(717) 232-2723	(717) 233-6073
	VENDOR NUMBER	FEDERAL ID OR SSN
	SAP vendor #122209	23-1992164 (PFM);23-3087064 (PFMAM)

The Hourly Rate is being provided for evaluation purposes only and does not constitute guaranteed work to be performed or guaranteed payment. The actual number of hours required during the term of the contract will vary.

Public Financial Management, Inc. ("PFM") accepts all of the General Obligation/Tax Anticipation Note ("TAN") Services rates as set out in this Request for Proposal ("RFP"), and proposes lower rates for the provision of Structured Products Services as provided herein.

**FINAL NEGOTIATED COST**

**APPENDIX E -  
RFP 6100033762**

**Offeror Name:**

Public Financial Management, Inc.; PFM Asset Management LLC

<b>Position</b>	<b>Hourly Rate</b>
Managing Director	\$ 290.00
Director	\$ 265.00
Senior Managing Consultant	\$ 240.00
Consultant	\$ 220.00
Associate	\$ 125.00

\*\* All services agreed to in a Statement of Work are to be provided pursuant to hourly rates provided by the chosen firm. Above is an example of an hourly fee schedule needed for the Contract:



## **Services Related to General Obligation Transactions and Tax Anticipation Notes ("TANs") Performed by PFM**

This cost shall be included as part of the cost evaluation for this RFP.

Services Related to General Obligation Transactions and Tax Anticipation Notes shall be provided by CONSULTANT and be compensated solely on a contingent basis from the proceeds of bonds or notes with a flat fee per bond issue or transaction, whether competitive or negotiated. The Commonwealth shall compensate CONSULTANT for General Obligation Debt Transaction Services and Tax Anticipation Notes at the negotiated rate which has a maximum fee computed as the total sum of:

- 50 cents per \$1,000 of par for first \$25 million of par; plus
- 35 cents per \$1,000 of par for second \$25 million of par; plus,
- 10 cents per \$ 1,000 of par for any amount over \$50 million of par, and a minimum fee of \$50,000.

PFM accepts all of the General Obligation/Tax Anticipation Note ("TAN") Services rates as set out in this RFP, and proposes lower rates for the provision of Structured Products Services as provided herein.

## **Structured Products Fee Performed by PFMAM**

These costs may included as part of the cost evaluation for this RFP.

The Commonwealth agrees to compensate chosen Firm upon the successful conclusion of each engagement described in Section D at a maximum rate as follows:

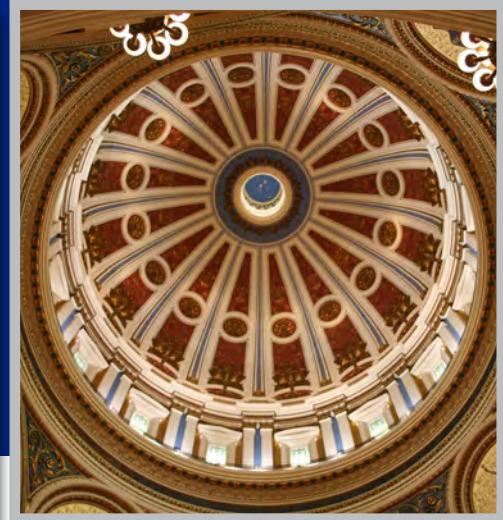
1. Escrow Services Fees:

- a. Fee for structuring, initial and final subscription of State and Local Government Securities ("SLGS") = \$1,500
- b. Fee for structuring and bidding each open market Treasury escrow = 0.05% of the cost of each escrow with a minimum \$5,000 and maximum of \$50,000.
- c. Fee for engaging and compensating verification agent = invoiced cost with Commonwealth's pre-approval.

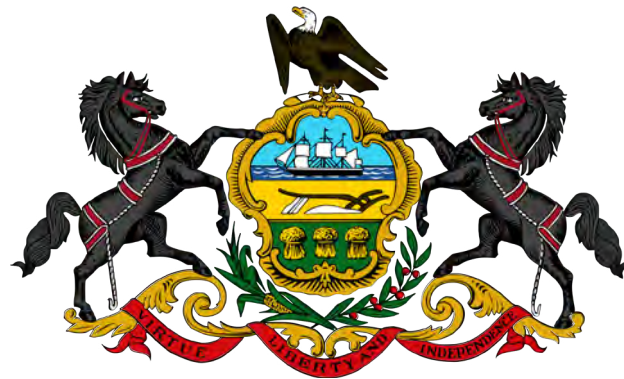
2. Investment Agreement Fees:

Fees for structuring and bidding investment agreement will be 0.20% of the total deposit under such agreement with a cap of \$35,000 per agreement bid.

PFM accepts all of the General Obligation/Tax Anticipation Note ("TAN") Services rates as set out in this Request for Proposal RFP, and proposes lower rates for the provision of Structured Products Services as provided herein.



**FINAL NEGOTIATED COST**



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## *Commonwealth of Pennsylvania*

*Request For Proposals ("RFP") #6100033762*

*Proposal for Financial, Management, Policy and  
Debt Consulting and Advising Services*

**SMALL DIVERSE BUSINESS PARTICIPATION SUBMITTAL  
IN RESPONSE TO RFP PART II, SECTION II-3**

*June 19, 2015*



**Public Financial Management, Inc.**

One Keystone Plaza • Suite 300  
N. Front & Market Streets  
Harrisburg, PA 17101  
P: (717) 232-2723  
F: (717) 233-6073

Two Logan Square • Suite 1600  
18th & Arch Streets  
Philadelphia, PA 19103  
P: (215) 567-6100  
F: (215) 567-4180

*www.pfm.com*

2533 Yellow Springs Road  
Malvern, PA 19355  
P: (610) 647-5487  
F: (610) 647-2467

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- B. The Kapoor Company
- C. Sustainable Capital Advisors





# **I. Small Diverse Business Participation Submittal in Response to RFP Part II, Section II-3**



# I. Small Diverse Business Participation Submittal in Response to RFP Part II, Section II-3

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A. To receive credit for being a Small Diverse Business or for subcontracting with a Small Diverse Business (including purchasing supplies and/or services through a purchase agreement), an Offeror must include proof of Small Diverse Business qualification in the Small Diverse Business participation submittal of the proposal, as indicated below:

A Small Diverse Business verified by BSBO as a Small Diverse Business must provide a photocopy of its DGS issued certificate entitled “Notice of Small Business Self-Certification and Small Diverse Business Verification” indicating its diverse status.

Please see the attached documents for DGS-issued certification.

B. In addition to the above certificate, the Offeror must include in the Small Diverse Business participation submittal of the proposal the following information:

1. All Offerors must include a numerical percentage which represents the total percentage of the work (as a percentage of the total cost in the Cost Submittal) to be performed by the Offeror and not by subcontractors and suppliers.

PFM proposes at least 80% of the work will be performed by PFM and not subcontractors.

2. Numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Offeror commits to paying to Small Diverse Businesses (SDBs) as subcontractors.

a) The percentage and dollar amount of each subcontract commitment to a Small Diverse Business;

Assuming annual revenue of \$750,000, of which \$500,000 is Special Research, Analysis, and Consulting Services, PFM offers the following percentages and dollar amounts for the participating SDBs:

- MFR Consultants, Inc.: 5% or \$37,500
- The Kapoor Company: 5% or \$37,500
- Sustainable Capital Advisors: 5% or \$37,500

**TOTAL % of Subcontract Commitments to SDB: 15%**

**TOTAL \$ Amount of Subcontract Commitments to SDB: \$112,500**

**FINAL NEGOTIATED COST**



# I. Small Diverse Business Participation Submittal in Response to RFP Part II, Section II-3

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b) **The name of each Small Diverse Business. The Offeror will not receive credit for stating that after the contract is awarded it will find a Small Diverse Business.**

- MFR Consultants, Inc.
- The Kapoor Company
- Sustainable Capital Advisors

c) **The services or supplies each Small Diverse Business will provide, including the timeframe for providing the services or supplies.**

- **MFR Consultants, Inc.:**
  - *Type of Services to be Provided:* Special Research, Analysis, and Consulting Services, consistent with the provisions set forth in Section IV-3, B of the Request for Proposal (“RFP”).
  - *Timeframe:* Starting on July 1, 2015 and ending June 30, 2018, per the Contract, with the Commonwealth’s option to renew the Contract for two (2) additional one (1) year terms, in single or multiple year increments.
- **The Kapoor Company:**
  - *Type of Services to be Provided:* Special Research, Analysis, and Consulting Services, consistent with the provisions set forth in Section IV-3, B of the RFP.
  - *Timeframe:* Starting on July 1, 2015 and ending June 30, 2018, per the Contract, with the Commonwealth’s option to renew the Contract for two (2) additional one (1) year terms, in single or multiple year increments.
- **Sustainable Capital Advisors:**
  - *Type of Services to be Provided:* General and Debt Management Services, Services Related to General Obligation Debt Transactions and TANs, and Structured Products Services, consistent with the provisions set forth in Section IV-3, A, C, and D of the RFP.
  - *Timeframe:* Starting on July 1, 2015 and ending June 30, 2018, per the Contract, with the Commonwealth’s option to renew the Contract for two (2) additional one (1) year terms, in single or multiple year increments.

d) **The location where each Small Diverse Business will perform services.**

- **MFR Consultants, Inc.:** Philadelphia, Pennsylvania.
- **The Kapoor Company:** Located in Asheville, North Carolina; will travel to PFM or client’s offices as needed.
- **Sustainable Capital Advisors:** Located in Washington, DC; will travel to PFM or client’s offices as needed.



## I. Small Diverse Business Participation Submittal in Response to RFP Part II, Section II-3

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e) The timeframe for each Small Diverse Business to provide or deliver the goods or services.

Starting on July 1, 2015 and ending June 30, 2018, per the Contract, with the Commonwealth's option to renew the Contract for two (2) additional one (1) year terms, in single or multiple year increments..







## **II. Small Diverse Business Letters of Intent and Documents**





## **A. MFR Consultants, Inc.**



**SMALL DIVERSE BUSINESS (“SDB”)  
LETTER OF INTENT**

May 27, 2015

Maria Frizelle Roberts  
President and CEO  
MFR Consultants, Inc.  
Atrium at Olde City Building  
128 Chestnut Street, Terrace Level  
Philadelphia, PA 19106

**FINAL NEGOTIATED COST**

Dear Ms. Roberts:

This letter serves as confirmation of the intent of Public Financial Management, Inc. (“PFM”) to utilize MFR Consultants, Inc. (“MFR”) on RFP #6100033762 for Financial, Management, Policy and Debt Consulting and Advising Services, issued by the Commonwealth of Pennsylvania (the “Commonwealth”), Office of the Budget.

If PFM is the successful vendor, MFR shall provide General and Debt Management Services, Special Research, Analysis, and Consulting Services, starting on July 1, 2015 and ending June 30, 2018, per the Contract, with the Commonwealth’s option to renew the Contract for two (2) additional one (1) year terms, in single or multiple year increments.

These services represent 5% of the total cost in PFM’s cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that MFR will receive an estimated dollar amount of \$37,500 assuming annual revenue of \$750,000.

MFR represents that it meets the small diverse business requirements set forth in the RFP and all required documentation has been provided to PFM for its SDB submission.

We look forward to the opportunity to serve the Office of the Budget on this project. If you have any questions concerning our small diverse business commitment, please feel free to contact us at the numbers below.

Sincerely,

Acknowledged,



Glen Williard  
Managing Director  
Public Financial Management, Inc.  
(717) 232-2723



Maria Frizelle Roberts  
President and CEO  
MFR Consultants, Inc.  
(215) 238-9270

**NOTICE OF SMALL BUSINESS SELF-CERTIFICATION  
AND SMALL DIVERSE BUSINESS VERIFICATION**



The Department is pleased to announce that

**MFR CONSULTANTS, INC.**

has successfully completed the Pennsylvania Department of General Services' process for self-certification as a small business under the Commonwealth's Small Business Procurement Initiative as established by Executive Order No. 2011-09, and is verified as a Small Diverse Business with the following designation(s):

**BUSINESS TYPE(s): Procurement Services, Information Technology**

**CERTIFICATION NUMBER: 307892-2012-10-SB-MWBE**

**ISSUE DATE: 10/01/2012**

**EXPIRATION DATE: 10/01/2015**

**RECERTIFIED DATE: 9/17/2014**

A handwritten signature in blue ink, appearing to read "Sheri Phillips".

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Sheri Phillips, Secretary  
Department of General Services  
Commonwealth of Pennsylvania



## **B. The Kapoor Company**



**SMALL DIVERSE BUSINESS (“SDB”)  
LETTER OF INTENT**

May 27, 2015

Vijay Kapoor  
President  
The Kapoor Company  
22 S. Pack Square, #502  
Asheville, NC 28801

**FINAL NEGOTIATED COST**

Dear Mr. Kapoor:

This letter serves as confirmation of the intent of Public Financial Management, Inc. (“PFM”) to utilize The Kapoor Company on RFP #6100033762 for Financial, Management, Policy and Debt Consulting and Advising Services, issued by the Commonwealth of Pennsylvania (the “Commonwealth”), Office of the Budget.

If PFM is the successful vendor, the Kapoor Company shall provide Special Research, Analysis and Consulting Services, starting on July 1, 2015 and ending June 30, 2018, per the Contract, with the Commonwealth’s option to renew the Contract for two (2) additional one (1) year terms, in single or multiple year increments.

These services represent 5% of the total cost in PFM’s cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that The Kapoor Company will receive an estimated dollar amount of \$37,500 assuming annual revenue of \$750,000.

The Kapoor Company represents that it meets the small diverse business requirements set forth in the RFP and all required documentation has been provided to PFM for its SDB submission.

We look forward to the opportunity to serve the Office of the Budget on this project. If you have any questions concerning our small diverse business commitment, please feel free to contact us at the numbers below.

Sincerely,

Acknowledged,



Glen Williard  
Managing Director  
Public Financial Management, Inc.  
(717) 232-2723



Vijay Kapoor  
President  
The Kapoor Company  
(215) 840-6552

**NOTICE OF SMALL BUSINESS SELF-CERTIFICATION  
AND SMALL DIVERSE BUSINESS VERIFICATION**



The Department is pleased to announce that

**THE KAPOOR COMPANY**

has successfully completed the Pennsylvania Department of General Services' process for self-certification as a small business under the Commonwealth's Small Business Procurement Initiative as established by Executive Order No. 2011-09, and is verified as a Small Diverse Business with the following designation(s):

**BUSINESS TYPE(s): Procurement Services**

**CERTIFICATION NUMBER: 318498-2012-11-SB-MBE**

**ISSUE DATE: 11/26/2012**

**EXPIRATION DATE: 05/16/2016**

**RECERTIFIED DATE: 4/30/2015**

A handwritten signature in black ink, appearing to be "C. Topper", written over a horizontal line.

Curtis M. Topper, Acting Secretary  
Department of General Services  
Commonwealth of Pennsylvania



## C. Sustainable Capital Advisors





**SMALL DIVERSE BUSINESS (“SDB”)  
LETTER OF INTENT**

May 27, 2015

Trenton Allen  
Managing Director and CEO  
Sustainable Capital Advisors  
419 7<sup>th</sup> Street NW, Suite 300  
Washington, DC 20004

**FINAL NEGOTIATED COST**

Dear Mr. Allen:

This letter serves as confirmation of the intent of Public Financial Management, Inc. (“PFM”) to utilize Sustainable Capital Advisors on RFP #6100033762 for Financial, Management, Policy and Debt Consulting and Advising Services, issued by the Commonwealth of Pennsylvania (the “Commonwealth”), Office of the Budget.

If PFM is the successful vendor, Sustainable Capital Advisors shall provide General and Debt Management Services, Services Related to General Obligation Debt Transactions and Tax Anticipation Notes, and Structured Products Services, starting on July 1, 2015 and ending June 30, 2018, per the Contract, with the Commonwealth’s option to renew the Contract for two (2) additional one (1) year terms, in single or multiple year increments.

These services represent 5% of the total cost in PFM’s cost submittal for the initial term of the contract. Dependent on final negotiated contract pricing and actual contract usage or volume, it is expected that Sustainable Capital Advisors will receive an estimated dollar amount of \$37,500 assuming annual revenue of \$750,000.

Sustainable Capital Advisors represents that it is expediting all required Department of General Services documents to meet the small diverse business requirements set forth in the RFP, and all documentation regarding Sustainable Capital Advisor’s efforts in doing so have been provided to PFM for its SDB submission.

We look forward to the opportunity to serve the Office of the Budget on this project. If you have any questions concerning our small diverse business commitment, please feel free to contact us at the numbers below.

Sincerely,

Acknowledged,



Glen Williard  
Managing Director  
Public Financial Management, Inc.  
(717) 232-2723

Trenton Allen  
Managing Director and CEO  
Sustainable Capital Advisors  
(202) 741-9391

## NOTICE OF SMALL BUSINESS SELF-CERTIFICATION



The Department is pleased to announce that

### **SUSTAINABLE CAPITAL ADVISORS, LLC**

has successfully completed the Pennsylvania Department of General Services' process for self-certification as a small business under the Commonwealth's Small Business Procurement Initiative as established by Executive Order No. 2011-09, with the following designation:

**BUSINESS TYPE(s): Procurement Services, Information Technology**

**CERTIFICATION NUMBER: 484507-2015-05-SB**

**ISSUE DATE:**

**05/06/2015**

**EXPIRATION DATE:**

**05/16/2016**

A handwritten signature in black ink, appearing to read "Curtis M. Topper". The signature is fluid and cursive, written over a horizontal line.

Curtis M. Topper, Acting Secretary  
Department of General Services  
Commonwealth of Pennsylvania