

I. Overview

The Commonwealth Financing Authority (CFA) requests statements of qualifications (SOQ) from law firms interested in providing bond counsel and related legal services to the CFA. Selected firms will be placed on the CFA's Qualified Bond Counsel List (the "List") and may be selected to serve as bond counsel or disclosure counsel for bonds, notes and other debt obligations issued by the CFA. Selections may be made directly from the List, or upon submissions of responses to a supplemental request for qualifications.

The CFA was established in April of 2004 with the enactment of 64 Pa. C.S. §1501 et seq. (the "Act") as an independent authority and instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") whose purpose is to promote the health, safety, employment, business opportunities, economic activity and general welfare of the Commonwealth and its citizens through loans, grants, guarantees, leases, lines and letters of credit and other financing arrangements which benefit both for-profit and non-profit entities. The CFA is authorized to issue its limited obligation revenue bonds and other types of limited obligation revenue financing to provide funding for certain activities of the Commonwealth's economic stimulus program and as otherwise authorized, including by the Alternative Energy Investment Act, 73 P.S. §1649.101 et seq. (the "Alternative Energy Act"), the H2O PA Act, 32 P.S. §649.101 et seq. (the "H2O PA Act") and Act 25 of 2016. The Authority's bonds and financings are to be secured by revenues and accounts of the CFA, including funds appropriated to the CFA from general revenues of the Commonwealth for repayment of CFA obligations. The CFA has no power to pledge the credit or taxing power of the Commonwealth or any political subdivision thereof. No obligations of the CFA shall be deemed to be obligations of the Commonwealth or any political subdivision thereof. The CFA has no taxing power.

The CFA Board consists of seven members, the Secretary of Community and Economic Development or a designee, the Secretary of Budget or a designee, the Secretary of Banking and Securities or a designee, and four legislative appointees, one of who shall be appointed by each of the President Pro Tempore of the Senate, the Minority Leader of the Senate, the Speaker of the House of Representatives and the Minority Leader of the House of Representatives.

II. Scope of Services

A. BOND COUNSEL

The scope of services for bond counsel may include, but not be limited to, the following:

1. Rendering a bond counsel opinion regarding the validity and binding effect of the bonds, the source of payment and security for the bonds, and the excludability of interest on the bonds from the gross income for federal income tax purposes and/or Commonwealth income tax purposes;

2. Examining applicable laws, preparing authorizing documents, consulting with parties to the transaction, reviewing proceedings, and performing additional duties as necessary to render opinion(s);
3. Providing continuing advice regarding any actions necessary to ensure that interest on tax-exempt bonds will continue to remain tax-exempt;
4. Preparing and reviewing documents necessary or appropriate to the authorization, issuance, sale and delivery of bonds;
5. Assisting the CFA in seeking from other governmental authorities any approvals, permissions and exemptions necessary or appropriate in connection with the authorization, issuance, sale and delivery of bonds;
6. Preparing any Internal Revenue Service filings required by federal tax law.
7. Reviewing legal issues related to the structure of a bond issue;
8. Reviewing and preparing those sections of an offering document to be disseminated in connection with the sale of bonds which relates to the bonds, financing documents, bond counsel opinion, and tax exemption;
9. Participating, when requested, in activities associated with presenting information to rating agencies and/or credit enhancement providers relating to the legal issues affecting the issuance of bonds;
10. If separate disclosure counsel is not retained for an issuance, performing the duties described under Disclosure Counsel;
11. Providing other legal opinions as required;
12. Participating in meetings, as requested, relating to the issuance of bonds;
13. Preparing the official transcript for the bond issue.

B. DISCLOSURE COUNSEL

The scope of duties may include, but is not limited to, the following:

1. Assisting in the preparation of the preliminary and final official statements;
2. Assisting in preparation of disclosure of the Commonwealth's Appendix A to the preliminary and final official statements for use in offering documents for bond issuances supported by appropriations from the General Fund.
3. Providing a "10b-5" negative assurance opinion with respect to the official statement;
4. Reviewing or preparing the continuing disclosure undertaking of the CFA;
5. Reviewing, as necessary, applicable laws and pertinent documents;
6. Participating, as requested, in informational meetings and discussions with various parties, including investors.

III. Minimum Qualifications

- A. PUBLIC FINANCE EXPERIENCE** – The firm or its attorneys designated to work on CFA issuances must have a minimum of three years of experience serving as bond counsel and disclosure counsel on publicly offered tax-exempt transactions.

- B. LICENSED IN THE COMMONWEALTH OF PENNSYLVANIA** - The firm must at have attorneys admitted to practice law before the Supreme Court of Pennsylvania and be in good standing who will be primarily responsible for providing or supervising the services to be rendered.
- C. LEGAL DISCLOSURE** – The firm has not disclosed any matters in Section IV. E. 3. Legal Disclosure that would preclude placement on the List as determined by the CFA.
- D. MALPRACTICE INSURANCE** – The firm must maintain adequate malpractice insurance coverage with either a securities transaction rider or coverage without exclusion for securities transactions.

IV. Content of Statement of Qualifications

Responses should be limited to 15 pages (excluding attachments and appendices) using a typeface font of 12 pitch. Failure to provide all requested information or deviation from the required format may result in disqualification. Address the following items in responding to this RFQ:

- A. COVER LETTER** - Provide a cover letter on the firm’s letterhead, signed by an authorized representative, highlighting the key points of the firm’s statement of qualifications. The cover letter should include the name, title, address, telephone number, and email address of the contact person for the SOQ.
- B. FIRM ATTRIBUTES** - Provide a brief history, description, and ownership structure of the firm. Briefly describe all practices areas besides public finance in which the firm is active.
- C. PUBLIC FINANCE EXPERIENCE AND CAPABILITIES**
1. Briefly describe the firm’s practice in public finance and its importance to the firm. Please confirm that the firm is listed in the “Municipal Bond Attorneys” section of the most recent edition of *The Bond Buyers Municipal Marketplace*.
 2. Describe the firm’s experience serving as counsel for taxable and tax-exempt obligations issued by the Commonwealth, Commonwealth agencies, conduit financing authorities, and local issuers in the last five years. List as Attachment A the name of the issuer, name of the issue, the sale date, the size of the issue, type of issue, method of sale, and the firm’s role in the transaction (e.g., lead bond counsel, co-bond counsel, disclosure counsel, co-disclosure counsel, special counsel, or underwriter’s counsel).
 3. Describe the firm’s experience serving as counsel for taxable and tax-exempt obligations issued by issuers outside the Commonwealth in the past five years. List as Attachment A the name of the issuer, name of the issue, the sale date, the size of the issue, type of issue, method of sale, and the firm’s role in the transaction (e.g., lead bond counsel, co-bond counsel, disclosure counsel, co-disclosure counsel, special counsel, or underwriter’s counsel).

4. Identify the public finance practice areas in which the firm has particular expertise and the number of attorneys practicing in those areas.
5. Describe the firm's expertise with federal tax laws and regulations relating to tax-exempt financing generally. Provide the number of attorneys that are experts in Internal Revenue Code Section 103 matters.
6. Describe the experience of the firm in obtaining rulings from the Internal Revenue Service.
7. Describe the firm's experience with rating agencies and knowledge of rating criteria used by major credit rating agencies.
8. Describe the firm's knowledge and expertise related to the Commonwealth securities statutes and regulations and tax statutes and regulations affecting debt financings as well as Commonwealth law generally.
9. Describe the firm's procedures for keeping abreast of changes in federal and Commonwealth tax, securities, and municipal bond issues, including statutory and regulatory changes and judicial or administrative actions.
10. Has the firm's public finance practice group experienced any significant staffing changes over the past five years? If so, briefly describe.

D. PERSONNEL

Please attach as Attachment C the resumes of the personnel available to work on financings for the CFA. The CFA reserves the right to approve or disapprove any assignment or substitution of personnel on any transaction.

E. COMPLIANCE WITH MINIMUM QUALIFICATIONS

1. Public Finance Experience – Describe how the firm meets the requirement described in Section IV. C. PUBLIC FINANCE EXPERINCE.
2. Licensed in the Commonwealth of Pennsylvania – Describe how the firm meets the requirements contained in section III B. Licensure information should be included in Attachment C.
3. Legal Disclosure – Please provide detailed descriptions of (a) and litigation or administrative proceedings in which the firm was a party in any matter related to the professional activities of the firm during the past five years; (b) any pending litigation, investigation, or proceeding in which a court or administrative agency is addressing any question related to the professional activities of the firm; (c) any notice of official action, administrative inquiries, or formal Securities and Exchange Commission, Municipal Securities Rulemaking Board , or Internal Revenue Service challenges pertaining to any public finance transition, or relating to any public finance matter in which the firm served as bond counsel, underwriter's counsel, or other form of special counsel; and (d) any litigation or threatened litigation in connection with services rendered by the firm as bond counsel and/or as special counsel or in connection with any opinion rendered by the firm in a bond transaction within the last five years. (This information may be submitted under a confidential label).

4. Malpractice Insurance – Please provide, as Attachment D, evidence of malpractice insurance coverage for the firm and its attorneys including coverage amounts. The evidence of coverage should indicate whether securities transactions are covered.

F. REFERENCES - Please provide a list of three (3) municipal clients to include contact name and phone which the firm and attorneys assigned have served as bond counsel during the past five years.

G. CONFLICT OF INTEREST – Please describe any existing or potential conflict of interest arising from the firm’s relationship with or representation of other parties. A conflict would include, without being limited to, the representation of any party in a matter adverse to the CFA to which a waiver has not been previously granted by the CFA. Provide sufficient facts, legal implications, and possible effects so that the CFA may evaluate for a potential conflict. A firm selected for inclusion on the List must represent and warrant that it has no conflicting representation that has not been fully disclosed to an waived by the CFA and shall not undertake any representation that conflicts with the performance of services or obligations unless such conflicting representation has been fully disclosed to and waived by the CFA.

V. Submission of Responses

Submission of responses to this Request for Qualifications is due on June 1, 2016.

The CFA will accept SOQs by mail only. Please submit the SOQ to:

Laurie Henry
Commonwealth Financing Authority
c/o The Department of Community and Economic Development
Commonwealth Keystone Building
400 North Street, 4th Floor
Harrisburg, PA 17120

If you have any questions, please provide in writing to Scott Dunkelberger at scdunkelbe@pa.gov.

The CFA is not responsible for any expenses that firms may incur in preparing and submitting responses to this RFQ.

VI. Evaluation Criteria

Statement of Qualifications responses will be evaluated on the following criteria (not listed in order of importance):

- A.** Qualifications and experience of firm and attorneys named in the response;

- B. Capability to provide required services; and
- C. Past experience on CFA, Commonwealth, Commonwealth authorities, Commonwealth conduit authority financings, local issuer financings, and other public debt financings.

The CFA reserves the right to:

- A. Request additional information from any firm prior to its selection for inclusion on the List;
- B. Select firms that will best meet the needs of the CFA;
- C. Consider information about any firm from other sources in addition to the information submitted by the firm.

VII. Disclosure

Information provided in response to the Request for Qualifications may be subject to disclosure under Pennsylvania law.

VIII. Fee

Fees will be established on a transaction-by-transaction basis or a fixed fee schedule.

IX. Removal from List

Any firm may be removed from the List for reasons that include, but are not limited to, the following:

- A. Disqualification because of legal proceedings;
- B. Unacceptable performance in any bond transaction as determined by an evaluation completed by the CFA;
- C. Being the subject of disciplinary action by Commonwealth or federal regulatory agencies;
- D. Filing for protection under federal or state bankruptcy laws;
- E. Failure to continue to meet Minimum Qualifications listed under Section III.
- F. Undisclosed conflict of interest.

X. Ongoing Compliance

To remain on the List, a firm must meet Section III at all times. Firms are responsible for notifying the CFA in writing if they no longer meet the minimum qualifications. The CFA reserves the right to reconfirm Minimum Qualifications from time to time.

XI. Legal Services Contract

If a firm is selected from the List to provide Bond Counsel services to the CFA, a contract will be entered into between the firm and the CFA.

XII. Limitations

Placement of a firm on the List does not provide any assurance that the firm will be selected to provide bond counsel services to the CFA.