

Request for Proposals (RFP) for Underwriting Services

CITY OF FORT WORTH, TEXAS

The City of Fort Worth, Texas (the “City”) is seeking responses to this Request for Proposals for Underwriting Services in connection with its upcoming bond offerings as described below:

Description of Bond Issues

The City intends to issue **\$221,155,000* General Purpose Refunding and Improvement Bonds, Series 2022** for street and mobility infrastructure, parks, recreation and community centers, library, and fire improvement projects and to current refund certain of its outstanding bonds for debt service savings. The bonds proposed to be refunded are currently rated “Aa3” by Moody’s Investor Service and “AA” by S&P Global Ratings and are secured by ad valorem property taxes.

The City intends to issue **\$38,175,000* General Purpose Refunding Bonds, Taxable Series 2022** to advance refund certain of its outstanding bonds for debt service savings. The bonds proposed to be refunded are currently rated “Aa3” by Moody’s Investor Service and “AA” by S&P Global Ratings and are secured by ad valorem property taxes.

The City intends to issue **\$125,410,000* Water and Sewer System Revenue Bonds, Series 2022** to fund improvements and extensions to the System.

The City intends to issue **\$87,970,000* Water and Sewer System Revenue Refunding Bonds, Taxable Series 2022** to advance refund certain of its outstanding bonds for debt service savings. The bonds proposed to be refunded are currently rated “Aa1” by Moody’s Investor Service and “AA+” by S&P Global Ratings and are secured by revenues of the System.

Instructions to Proposers

Proposers shall submit electronic copies of their response, in PDF/Excel format as specified herein, via email attachment to john.samford@fortworthtexas.gov and Alex.Laufer@fortworthtexas.gov and copy arndtj@pfm.com and eyoung@tglfc.com.

Responses must be received by 4:00 PM central time on Monday, April 4, 2022 to be considered. Proposals shall be limited to three (3) pages or less, exclusive of Exhibit A, and typewritten in a font no smaller than 11 point. The proposal shall contain, at a minimum, responses to the items listed under the sections entitled “Proposal Requirements” and “Required Disclosures.” In addition, any firm seeking to be considered as book-running senior manager must also include a completed “Exhibit A”. Proposers may include any other information desired but should not exceed the three-page limit.

The City reserves the right to waive formalities, irregularities, and defects in any or all proposals, except as otherwise required by law. The City reserves the right to: reject any or all proposals; to reject a portion of any or all proposals; to negotiate and execute or to not negotiate and execute a Pricing Agreement/Contract with any proposer; to solicit new or different proposals; and to alternatively issue the transactions described herein via competitive sale. The City reserves the right to negotiate and/or contract with one or more proposers for all or a portion of any proposal or proposed services.

Proposers may email questions directly related to this RFP to the contacts listed on the following page but shall not otherwise contact any City of Fort Worth staff or elected officials during the RFP process. City of Fort Worth may disqualify any vendor who makes site visits or contacts any staff or elected officials of the City in violation of this policy.

*Preliminary, subject to change.

PROPOSAL CONTACTS. Please direct all questions regarding this RFP to:

Alex Laufer, Debt Manager
City of Fort Worth
200 Texas Street
Fort Worth, TX 76102
817-392-2268

Alex.Laufer@fortworthtexas.gov

Jennifer Arndt
PFM Financial Advisors LLC
750 N. St. Paul St., Suite 540
Dallas, TX 75201
214-247-7076

arndtj@pfm.com

Esther Young
TGL Financial Consulting
101 Summit Ave., Suite 406
Fort Worth, TX 76102
214-974-8949

eyoung@tglfc.com

PROPOSAL REQUIREMENTS.

1. State whether your firm desires to be considered as book-running senior manager or co-managing underwriter. If your firm is not selected as book-running senior manager, state if you are willing to serve as a co-manager. Only submit "Exhibit A" as requested below if your firm wishes to be considered as a senior manager.
2. Describe your experience with the type of bond issues that are being offered.
3. Describe your firm's classification as national/Wall Street, regional, or MWBE. If your firm is certified as an MWBE, please attach current certifications to your submission (these will not count against the three-page limit) and/or provide a breakdown of your firm's ownership by percentage.

In accordance with the City's Business Equity [Ordinance No. 25165-10-2021](#), as amended, the purpose of this Article is to remedy past underutilization and provide a fair and level playing field for Business Equity Firms and to encourage the participation of Business Equity Firms to contract with the City. The City has goals for the participation of Business Equity Firms (certified minority-owned business enterprises and/or women-owned business enterprises) in City contracts over \$100,000.

4. Describe your marketing and pricing strategy for the bonds. Include a discussion of the type of investors you will target for this bond sale.
5. Describe the amount of uncommitted capital available and the ability and willingness of the firm to purchase an entire offering of the City, if necessary, in the case of a firm underwriting.
6. Describe your participation in the last five (5) years in the City's competitive bond sales.
7. Describe any investments your firm has made in the City and list offices or personnel located within the City.
8. Complete "Exhibit A" with proposed takedowns and indicative yields for each proposed transaction as of market close March 31, 2022. Assume each potential transaction has a 9-year par call in 2031. Only complete "Exhibit A" if your firm wishes to be considered as a senior manager. "Exhibit A" must be returned as a separate Excel file attachment in the format provided.

REQUIRED DISCLOSURES.

9. Disclose any pending or completed investigations within the past five (5) years by the NASD, SEC, MSRB, or any other regulatory body regarding the conduct of your firm, employees, or the firm's management.
10. Disclose any conflicts of interest, as stated in MSRB Rule G-17, including finder's fees, fee splitting, or other contractual arrangements of the firm that could present a real or perceived conflict of interest. Disclose any relationship, contractual or otherwise, that your firm has with any individual, organization, or firm that may be a party to the City.

11. Discuss any changes within the past three (3) years or proposed changes in the management or ownership of your firm.
12. Confirm that your firm has filed a standing letter with the Texas Attorney General evidencing that it is compliant with Texas SB 13 and SB 19, each enacted into law in 2021, that the standing letter reflects the current compliance of the firm with SB 13 and SB 19, and that the firm is not aware of any circumstances which would cause the City not to be able to rely upon the representations made by the firm in its standing letter currently on file with the Texas Attorney General.

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CITY OF FORT WORTH, TEXAS**EXHIBIT A: PRELIMINARY PRICING STRUCTURE****General Purpose Refunding and Improvement Bonds, Series 2022**

<u>Maturity</u>	<u>Estimated Maturity Size ⁽¹⁾</u>	<u>Indicative Interest Rate ⁽²⁾</u>	<u>Indicative Yield ⁽³⁾</u>	<u>Proposed Takedown</u>
3/1/2023	18,440,000	4.000%		
3/1/2024	19,255,000	4.000%		
3/1/2025	19,210,000	4.000%		
3/1/2026	19,195,000	4.000%		
3/1/2027	19,190,000	4.000%		
3/1/2028	16,020,000	4.000%		
3/1/2029	10,705,000	4.000%		
3/1/2030	10,765,000	4.000%		
3/1/2031	10,825,000	4.000%		
3/1/2032	10,870,000	4.000%		
3/1/2033	7,020,000	4.000%		
3/1/2034	7,020,000	4.000%		
3/1/2035	7,020,000	4.000%		
3/1/2036	7,020,000	4.000%		
3/1/2037	7,020,000	4.000%		
3/1/2038	6,330,000	4.000%		
3/1/2039	6,330,000	4.000%		
3/1/2040	6,330,000	4.000%		
3/1/2041	6,295,000	4.000%		
3/1/2042	6,295,000	4.000%		
	<u>221,155,000</u>			

⁽¹⁾ Preliminary, subject to change.

⁽²⁾ Preliminary, subject to change. Do not adjust rates.

⁽³⁾ **Please provide indicative rates and yields as of market close March 31, 2022.** These will be used for illustrative purposes only and will not represent a commitment to these rates and yields. **Assume a par call on 3/1/2031.**

CITY OF FORT WORTH, TEXAS**EXHIBIT A: PRELIMINARY PRICING STRUCTURE****General Purpose Refunding Bonds, Taxable Series 2022**

<u>Maturity</u>	<u>Estimated Maturity Size ⁽¹⁾</u>	<u>Indicative Interest Rate ⁽²⁾</u>	<u>Indicative Yield ⁽³⁾</u>	<u>Proposed Takedown</u>
3/1/2023	505,000	4.000%		
3/1/2024	4,050,000	4.000%		
3/1/2025	3,960,000	4.000%		
3/1/2026	3,870,000	4.000%		
3/1/2027	3,800,000	4.000%		
3/1/2028	3,715,000	4.000%		
3/1/2029	3,635,000	4.000%		
3/1/2030	3,555,000	4.000%		
3/1/2031	3,480,000	4.000%		
3/1/2032	3,405,000	par		
3/1/2033	3,335,000	par		
3/1/2034	865,000	par		
	<u>38,175,000</u>			

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⁽²⁾ Preliminary, subject to change. Do not adjust rates.

⁽³⁾ **Please provide indicative rates and yields as of market close March 31, 2022.** These will be used for illustrative purposes only and will not represent a commitment to these rates and yields. **Assume a par call on 3/1/2031.**

CITY OF FORT WORTH, TEXAS**EXHIBIT A: PRELIMINARY PRICING STRUCTURE****Water and Sewer System Revenue Bonds, Series 2022**

<u>Maturity</u>	<u>Estimated Maturity Size ⁽¹⁾</u>	<u>Indicative Interest Rate ⁽²⁾</u>	<u>Indicative Yield ⁽³⁾</u>	<u>Proposed Takedown</u>
2/15/2023	945,000	4.000%		
2/15/2024	1,955,000	4.000%		
2/15/2025	2,055,000	4.000%		
2/15/2026	2,160,000	4.000%		
2/15/2027	2,270,000	4.000%		
2/15/2028	2,390,000	4.000%		
2/15/2029	2,510,000	4.000%		
2/15/2030	2,640,000	4.000%		
2/15/2031	2,775,000	4.000%		
2/15/2032	2,920,000	4.000%		
2/15/2033	3,065,000	4.000%		
2/15/2034	3,225,000	4.000%		
2/15/2035	3,390,000	4.000%		
2/15/2036	3,565,000	4.000%		
2/15/2037	3,745,000	4.000%		
2/15/2038	3,940,000	4.000%		
2/15/2039	4,140,000	4.000%		
2/15/2040	4,355,000	4.000%		
2/15/2041	4,575,000	4.000%		
2/15/2042	4,810,000	4.000%		
2/15/2043	5,055,000	4.000%		
2/15/2044	5,315,000	4.000%		
2/15/2045	5,590,000	4.000%		
2/15/2046	5,875,000	4.000%		
2/15/2047	6,175,000	4.000%		
2/15/2048	6,495,000	4.000%		
2/15/2049	6,825,000	4.000%		
2/15/2050	7,175,000	4.000%		
2/15/2051	7,545,000	4.000%		
2/15/2052	7,930,000	4.000%		
	<u>125,410,000</u>			

⁽¹⁾ Preliminary, subject to change.

⁽²⁾ Preliminary, subject to change. Do not adjust rates.

⁽³⁾ **Please provide indicative rates and yields as of market close March 31, 2022.** These will be used for illustrative purposes only and will not represent a commitment to these rates and yields. **Assume a par call on 2/15/2031.**

CITY OF FORT WORTH, TEXAS**EXHIBIT A: PRELIMINARY PRICING STRUCTURE****Water and Sewer System Revenue Refunding Bonds, Taxable Series 2022**

<u>Maturity ⁽¹⁾</u>	<u>Estimated Maturity Size ⁽²⁾</u>	<u>Indicative Interest Rate ⁽³⁾</u>	<u>Indicative Yield ⁽⁴⁾</u>	<u>Proposed Takedown</u>
8/15/2022	270,000	4.000%		
2/15/2023	1,135,000	4.000%		
2/15/2024	1,155,000	4.000%		
2/15/2025	7,655,000	4.000%		
2/15/2026	7,825,000	4.000%		
2/15/2027	7,995,000	4.000%		
2/15/2028	8,180,000	4.000%		
2/15/2029	8,380,000	4.000%		
2/15/2030	8,595,000	4.000%		
2/15/2031	8,815,000	4.000%		
2/15/2032	9,050,000	par		
2/15/2033	9,315,000	par		
2/15/2034	9,600,000	par		
	<u>87,970,000</u>			

⁽¹⁾ Matures August 15, 2022 and on February 15 thereafter.

⁽²⁾ Preliminary, subject to change.

⁽³⁾ Preliminary, subject to change. Do not adjust rates.

⁽⁴⁾ **Please provide indicative rates and yields as of market close March 31, 2022.** These will be used for illustrative purposes only and will not represent a commitment to these rates and yields. **Assume a par call on 2/15/2031.**