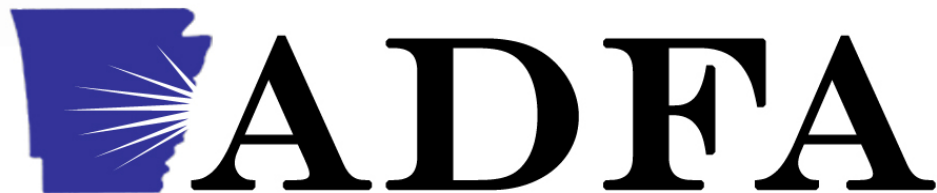


**ARKANSAS DEVELOPMENT FINANCE AUTHORITY
REQUEST FOR PROPOSALS FROM
BOND COUNSEL
FOR
ARKANSAS STATE AGENCY ENERGY
CONSERVATION BOND SERIES
(Department of Correction Project)**

**SPECIAL NOTE: YOUR IMMEDIATE ATTENTION IS CALLED TO SECTION I.C. YOU
NEED TO SEND TO US AN E-MAIL ADDRESS FOR TRANSMISSION
OF NOTICES OF INQUIRIES.**



July 31, 2020

**Arkansas Development Finance Authority
#1 Commerce Way, Suite 602
Little Rock, AR 72202
(501) 682-5900**

SECTION I: INSTRUCTIONS TO PROPOSERS/ GENERAL INFORMATION

A. PURPOSE. The Arkansas Development Finance Authority (ADFA) is seeking to engage a bond counsel for a period of two (2) years (term can be extended for additional one (1) year terms, with a maximum of 5 extensions, at the discretion of the ADFA Board), subject to successful fee negotiations. The Bond Counsel will assist with the Energy Savings Bonds (the "Bonds") for the Arkansas Energy Performance Contracting Program (the "Program") specifically related to Department of Correction ("DOC") projects. The Program was created in cooperation with the Arkansas Energy Office ("AEO") to, among other things, assist State Agencies with the identification and financing of energy efficiency and renewable facility upgrades in the areas of lighting, HVAC, building controls, water and sewer and photovoltaic arrays. The Bonds will be payable from appropriations and other available sources, and the DOC will seek to engage in Energy Savings Contracts with pre-qualified providers. The DOC will rely, in part, on Act 554 of 2013, which allows State Agencies to use maintenance and operations appropriations for debt service on a guaranteed energy saving cost contract, as well as Act 1252 of 2013 which allows for ADFA to issue the debt.

Brief Discussion of Initial Financing Plan/Needs:

The Bond proceeds will be used to finance improvements and replace systems in the areas of water, sewer, lighting and HVAC for the Arkansas Department of Correction. The improvements proposed are at the Tucker Unit. The initial bond issue should not exceed \$19,000,000. The planned structure of the financing is a not to exceed 25 year bond issue proposal? that will be backed by the appropriation to the Arkansas Department of Correction this is different than the DOC?, and other available revenues. An audit performed by Entegriety Energy Partners, LLC has shown savings on energy and water costs exceeding the cost of financing for the proposed energy conservation measures. Based on this audit, Entegriety will enter into a guaranteed energy savings contract with the ADC, as promulgated by AEO per Act 554, which requires Entegriety to? reimburse the agency for any savings not realized on an annual basis.

B. SUBMISSION OF PROPOSALS. Written proposals responding to the questions and requests for information in the manner specified in this Request for Proposal ("RFP") should be submitted to the following:

rfp@arkansas.gov

To be considered, one (1) copy of the proposal should be delivered to ADFA not later than August 14, 2020, by 4:00 p.m, via email. Late proposals will not be accepted. ADFA reserves the right to reject any or all proposals.

C. ADDITIONAL INFORMATION. It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP. Questions should be directed to Ro Arrington (robert.arrington@arkansas.gov), Public Finance Officer at 501-682-5910. Substantive questions and answers will be documented in letter form and will be sent by electronic mail to all the proposers who provide us with an e-mail address. **IN ORDER TO BE ON THE DISTRIBUTION LIST FOR INTERNET TRANSMISSION OF ALL RESPONSES TO INQUIRIES, YOU MUST IMMEDIATELY ADVISE RO ARRINGTON OF ADFA, THE INTERNET E-MAIL ADDRESS TO WHICH YOU WANT ALL SUCH TRANSMISSIONS SENT.**

D. PROPERTY OF ADFA. Any information or materials submitted as a response to this RFP shall become the property of ADFA and will not be returned. All submitted materials will be available for public review.

E. RESPONSE TO REQUEST FOR PROPOSAL. Law firms wishing to respond to this RFP can interact and contact Ro Arrington, Chair of the Staff Professional Selection Committee. **NO CONTACT WITH ADFA BOARD MEMBERS IS ALLOWED AND ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF A FIRM'S PROPOSAL.**

F. PROPOSAL TIMETABLE.

July 31, 2020

Request for Proposal Issued

August 14, 2020	Proposals Due @ 4:00 p.m. prevailing local time
TBA	Oral Presentations (if necessary)
August 20, 2020	Board Action (Appoint/ratify Bond Counsel)
TBD	Submission to Legislative Committee for contract review (if required)

G. SELECTION PROCESS. The ADFA Staff Professional Selection Committee (the “Staff PSC”) will review the submitted proposals. Proposals will be evaluated based on (1) responses to specifics outlined in Section IV, Proposal Format of this RFP and (2) the selection criteria. Proposals which omit any of these items may be rejected as non-responsive. From this review, a select group of firms may be chosen for oral presentations. All proposing firms will be advised of the firms selected for oral interviews. After conducting oral interviews, if necessary, the Board Professional Selection Committee (the “Board PSC”), in consultation with the Staff PSC, will make its decision on a recommendation for selection which will be reported to the Board of Directors of the Authority (the “Board”) at its regular meeting. The final selection will be made by a vote of Board members.

ADFA may, at any time prior to the selection of a firm or firms, reject all proposals and cancel this RFP, without liability therefore, upon finding that it would be in ADFA’s interest to cancel the solicitation. Further, regardless of the number and quality of proposals submitted, ADFA shall under no circumstances be responsible for any proposer costs and expenses incurred in submitting a response to this RFP. Each proposer who submits a response does so solely at the proposer’s cost, risk and expense. ADFA accepts no responsibility for the return of successful or unsuccessful proposals. This RFP in no way obligates ADFA to select a firm(s).

Any firm selected will be required to complete a disclosure form in compliance with Governor’s Executive Order 98-04.

H. SELECTION CRITERIA. The Staff PSC, composed of selected employees of ADFA, will review the proposals. The Staff PSC generally will use the following criteria to rank all acceptable proposals and to develop recommendations to be presented to the Board PSC; however, the Staff PSC and the Board PSC reserve the right to evaluate proposals based upon factors beyond the listed criteria.

Criteria

1. Firm’s recent experience as bond counsel:
 - a. Prior experience with municipal bond issues
 - b. Prior experience with bond guaranty programs
 - c. Size and number of prior bond issues and experience in complex bond financings similar to or related to this proposed financing
2. Organization, size and structure of firm:
 - a. Number of employees currently engaged in municipal bond transactions
 - b. Response to Arkansas presence issue including relevance of presence to this transaction
3. Qualifications of staff to be assigned; including the team members demonstrated ability, years and type of experience
4. Responsiveness of written proposals to the purpose and scope of services
5. Pricing proposal

SECTION II: SCOPE OF SERVICES AND REQUIREMENTS

The bond counsel will be expected to perform all the normal duties associated with being bond counsel for the issuer of municipal bonds, including but not limited to:

- A. Attend all ADFA subcommittees or staff meetings when such meetings include matters directly or indirectly related to the proposed bond issue.

- B. Provide advice and assistance in structuring the financing and in planning for the sale of the debt obligations, including consultation with the underwriters and their counsel. Underwriter's counsel will be primarily responsible for preparation of the preliminary official statement, official statement, bond purchase agreement, blue-sky memorandum and legal investment memoranda, but the bond counsel shall be available for consultation in the preparation of these documents if necessary.
- C. Prepare the borrowing resolutions and documentation, program administration agreement, bond resolutions, trust indenture, real estate and security documents, closing documents and certificates, including arbitrage certificate and tax regulatory agreement, to the extent such documents are required to acquire and construct the projects and to issue the bonds. Borrowing documentation may include interim loan documents and/or bond anticipation notes.
- D. Consult with ADFA and prepare any new legislation or amendments to existing legislation relating to the issuance of any debt obligations and the revenues pledged to those obligations.
- E. Provide assistance in selecting a registrar, trustee and paying agent and preparation of any related communication required by the registrar, trustee and paying agent, as needed.
- F. Supervise and contract for the printing and delivery of bonds, if required.
- G. Issue approving opinions for borrowings, and issue final approving opinions with respect to any debt obligations, as required, concerning matters of legality and tax exemption, and any supplemental opinion requested as to the bonds under federal and state tax laws.
- H. Assist ADFA as needed to advertise and conduct a public hearing for each bond issue, prepare minutes of the Public Hearing, deliver the minutes to the Office of the Governor and obtain the Governor's Proclamation for the issuance of the bonds.
- I. Provide assistance and preparation for rating agency hearings, if desired, including attendance at meetings and follow-up on any detailed information requested.
- J. Provide any required legal research, correspondence, and preparation of memoranda or other documents related to the issuance of any debt obligations, as required.
- K. Consult with the provider of any credit enhancement and its counsel concerning any such credit enhancement and documentation.
- L. Any additional legal services necessary to issue any debt obligations.
- M. Prepare an engagement letter for ADFA President's approval before performing any compensable work relating to the proposed engagement.
- N. Create standardized documents for this program, which will reflect aspects particular to certain types of financings under the program.

SECTION III: STATEMENT OF QUALIFICATIONS

An updated statement of qualifications should be maintained on file at ADFA for all firms submitting proposals as bond counsel.

SECTION IV: PROPOSAL FORMAT

A. TRANSMITTAL LETTER. A brief transmittal letter prepared on the proposer's business stationery should accompany the submitted proposal.

B. PROPOSAL. The proposal should be labeled "Proposal to serve as Bond Counsel for the Arkansas State Agency Energy Conservation Bond Program". The proposal must contain sufficient information to enable the ADFA Staff PSC to evaluate the proposal. It should be prepared in a clear and precise manner and should address all appropriate subsections.

1. **Bond Counsel Team and Personnel.** Describe how you would organize your firm's resources to serve as bond counsel for the proposed financing. In doing so, please address the following questions or issues:
 1. Identify the individual who will manage this financing on a day-to-day basis. Define this individual's position within the firm and indicate the degree to which he or she will be able to commit the firm's resources to ADFA. What is this person's availability for this financing and what other commitments does he or she have?
 2. Identify other professionals from your firm who will be assigned to work on this project, their roles and responsibilities and relevant aspects of their background. How will these individuals work with the other members of the financing team?
2. **Bond Counsel Opinion.** Confirm whether your firm can issue opinions necessary for the issuance of debt instruments under existing law. Describe any other legal issues which must be resolved before the financing program can be completed.
3. **Comments on Scope of Services.** Elaborate on the services you propose to perform as bond counsel for the proposed financing. In what way do you expect the scope of services to differ from those listed in Section II?
4. **Arkansas Presence.** Please explain your firm's presence within Arkansas and describe how that presence is relevant to the proposed transaction.
5. **Potential Conflicts.** List any relationship which might lead to a potential conflict in performing any services for ADFA. Please list specifically any conflicts resulting from material adverse matters, as distinguished from the conduct of business as usual. Indicate what steps would be taken to eliminate any such conflict.
6. **Rationale for Appointment and Proposal Summary.** This section of the proposal should be used by each proposer to present the case for its appointment to the position sought. It is not necessary for you to recite comprehensively your firm's qualifications and experience, which should be on file with ADFA in your current Statement of Qualifications, but it would be useful for you to describe how your qualifications and experience are relevant to the proposed transaction. In particular, you may want to select three (3) past deals as bond counsel (indicating the date of issue, issuer, credit description, size and method of sale) and summarize their similarity to this program and their successfulness.
7. **Malpractice Insurance.** Acknowledge that if selected as bond counsel, your firm will provide to ADFA proof of malpractice insurance covering, among other things, securities-related claims. Please list any pending claims or disputes relating to prior opinions as bond counsel.
8. **Bond Counsel Fee Determination.** Please provide in your fee proposal the basic fee structure for Bond Counsel Services (break out any categories you feel need to be segregated), stating assumptions on which your firm's fee would be predicated, and any factors or contingencies that would change the actual fee in your fee proposal. State what you consider to be the most appropriate method for determining a reasonable attorney fee for this representation and state your rationale.

9. **Equal Opportunity Statement.** Please submit your Equal Opportunity Policy to ADFA in accordance with Arkansas Act 2157 of 2005. This act requires any firm wishing to respond to an RFP or submit a proposal or statement of qualifications to provide ADFA with your Equal Opportunity Policy.
10. **Acceptance.** Submission of proposals, in response to this Request for Proposal, constitutes acceptance of all conditions, requirements and limitations described in this document.