

REQUEST FOR PROPOSALS
FOR
FINANCIAL AND/OR
SWAP ADVISORY SERVICES

Long Island Power Authority
333 Earle Ovington Boulevard
Uniondale, New York 11553



November 27, 2018

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The Long Island Power Authority (the “Authority”) is soliciting proposals through this Request for Proposals (“RFP”) from experienced and qualified firms to act as (1) Financial Advisor; and/or (2) Swap Advisor. Proposers should be experienced in providing financial and/or swap advisory services to large and frequent issuers of municipal bonds. Firms applying for the role of Financial Advisor should also have significant experience advising large public power utilities and New York State debt issuers. Firms may submit proposals to provide services for one or both of the scopes of services defined in Section V of this RFP. The Authority will select one firm to provide each scope of service and the same firm may be selected for both scopes of services.

I. CALENDAR OF EVENTS

Issuance of RFP	November 27, 2018
Deadline for Questions	December 5, 2018, Noon
Answers posted – Website	December 10, 2018, Noon
Submit Notice of Intent	December 12, 2018 by 3:00pm
Proposal Due Date	December 21, 2018 by 3:00 p.m.

II. CONTACT INFORMATION

Pursuant to State Finance Law sections 139-j and 139-k, this RFP includes and imposes certain restrictions on communications between LIPA and Proposers during the procurement process. A proposer is restricted from making “Contacts” (i.e., any oral, written, or electronic communications which a reasonable person would infer as an attempt to influence the award, denial, or amendment of a contract) from issuance of the RFP through final award and approval of the resulting Procurement Contract by LIPA and the Office of the State Comptroller (“restricted period”) to any LIPA staff or Trustee (or consultants) other than as designated herein, unless it is a contact that is included among certain statutory exemptions as set forth in State Finance Law section 139-j(3) (a). LIPA’s designated contacts for this RFP, as of the date hereof, are Thomas Trans, Manager of Finance, (516) 719-9890 and Maria Gomes, Director of Procurement, (516) 719-9235. LIPA staff and Trustees (and consultants) are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the Proposer pursuant to statutory provisions. Certain findings of non-responsibility can result in rejection for contract award, and in the event of two findings within a

four (4) year period, the Proposer is debarred from obtaining governmental Procurement Contracts. Further information about these requirements can be found in the Authority's Lobbying Guidelines Regarding Procurements, Rules, Regulations or Ratemaking which is posted on the web site for this RFP.

Questions regarding this RFP should be sent to Procurement1@lipower.org, on or before December 5, 2018, noon time. Responses to any questions received will be posted on LIPA's web site at <https://www.lipower.org/about-us/proposalsbids/> by December 10, 2018, Noon time. No other communication of questions and answers will be made.

Each interested party should send a brief Notice of Intent by **December 12, 2018, 3PM via email to Procurement1@lipower.org**. Such notice should contain the Proposer's name, address, phone number, e-mail address and contact person. Submission of a Notice of Intent is strongly encouraged, although not a pre-requisite for submitting a proposal.

Other than as provided for in this RFP, any contact with LIPA Board members, staff or LIPA consultants during the pendency of this RFP may be grounds for disqualification from the RFP process.

Five (5) hard copies of your proposal and a flash drive (properly labeled) of your proposal in either Microsoft Word or PDF format are due no later than **3:00 p.m. on December 21, 2018**, in a sealed package or packages. All proposals should be delivered to:

Long Island Power Authority
333 Earle Ovington Boulevard, Suite 403
Uniondale, NY 11553
Attention: Maria Gomes

Proposals received after the Proposal Due Date will not be considered, nor will faxed or e-mailed proposals, whenever received. **Failure to submit a proposal on time will not be waived by LIPA under any circumstances (e.g., traffic conditions, mail or courier failure, etc.).**

LIPA will not provide reimbursement for any costs or expenses incurred in connection with this RFP, including the costs of preparing and submitting a response, providing any additional information or attending an interview. All material that is submitted in response to this RFP will become the sole property of LIPA. LIPA expressly reserves the right to utilize any and all ideas submitted in the proposals received unless covered by legal patent or proprietary rights which must be clearly noted in the proposal submitted in response to the RFP.

Interviews of the top-qualifying firms may be conducted at LIPA's discretion on a specific day or days to be disclosed later in the RFP process. All top-qualifying Proposers will be notified of the exact interview date(s) in advance.

III. CONTRACT PERIOD

The term of the contract(s) will be for a period of five (5) years from the award date. The Authority at any time, in its sole discretion, may terminate the contract, or postpone or delay all or any part of the contract upon written notice.

IV. BACKGROUND

The Authority, acting through its wholly-owned subsidiary LILCO d/b/a LIPA, provides electric service in its service area which includes two counties on Long Island — Suffolk County and Nassau County — and a portion of the Borough of Queens of The City of New York known as the Rockaways (“the Service Area”). The Authority is a corporate municipal instrumentality and a political subdivision of the State of New York (the “State”), exercising essential governmental and public powers. The Authority was created by the State Legislature under and pursuant to the Long Island Power Authority Act, being Title 1-A of Article 5 (§ 1020 et seq.) of the Public Authorities Law of the State of New York, as amended (the “Act”), including as amended by certain provisions of the LIPA Reform Act (defined below). The Authority is comprised of itself, LILCO d/b/a LIPA, (a wholly owned subsidiary of the Authority) and provides management support to the Utility Debt Securitization Authority (“UDSA”) (a special purpose corporate municipal instrumentality of the State that has a governing body separate from that of the Authority). LILCO d/b/a LIPA is a stock corporation formed and existing under the Business Corporation Law of the State of New York and pursuant to LILCO d/b/a LIPA's organizational documents, the Authority conducts and manages LILCO d/b/a LIPA's business and affairs. Accordingly, LILCO d/b/a LIPA is controlled by the Authority, which is governed by a Board of Trustees (the “Trustees”).

The Authority assumed responsibility as the retail supplier of electric service in the Service Area (with the exception of the villages of Freeport, Greenport and Rockville Centre, each of which has an individually owned municipal electric system) on May 28, 1998 by acquiring the Long Island Lighting Company (“LILCO”) through a merger (the “LIPA/LILCO Merger”). Through the LIPA/LILCO Merger, LILCO became a wholly-owned subsidiary of the Authority and it has thereafter done business under the name Long Island Lighting Company d/b/a LIPA.

To assist LIPA in providing electric service in the Service Area, the Authority and LILCO d/b/a LIPA have generally entered into operating agreements to provide LIPA with the operating personnel and a significant portion of the power supply resources necessary to continue to provide electric service in the Service Area. On January 1, 2014, the Authority transitioned to a new business model first adopted by the Board in late 2011 and more recently modified in response to the requirements of the LIPA Reform Act. The Authority's principal operating agreements now include:

T&D System management including, among other functions, the day-to-day operation and maintenance, customer service, billing and collection and meter reading:

As of January 1, 2014, a wholly-owned subsidiary of Public Service Enterprise Group Incorporated (“PSEG”) dedicated to LIPA’s operations (“PSEG LI”) is the service provider pursuant to a twelve-year Amended and Restated Operations Services Agreement (the “Amended OSA”).

Power Supply Management (including capacity and related energy) from the existing oil and gas-fired generating plants on Long Island owned by a subsidiary of National Grid plc (“GENCO”) that were formerly owned by LILCO (“GENCO Generating Facilities”):

Since the LIPA/LILCO Merger, GENCO has furnished electric capacity and energy from GENCO Generating Facilities to LIPA. The initial Power Supply Agreement (“PSA”) between LILCO d/b/a LIPA and GENCO expired on May 28, 2013. In 2012, LILCO d/b/a LIPA and GENCO entered into a new PSA that commenced in May 2013 for a term of 15 years, which provides for LIPA’s purchase of capacity and related energy from the GENCO facilities.

Energy and Fuel Management:

Pursuant to the Amended OSA and in furtherance of the objectives of the LIPA Reform Act, beginning on January 1, 2015, affiliates of PSEG, PSEG Services and PSEG Energy Resource & Trade (“PSEG ER&T”) have entered into agreements with LIPA to provide all energy and fuel management services.

The LIPA Reform Act

The LIPA Reform Act, enacted on July 29, 2013, brought greater accountability and transparency to the delivery of electricity in LIPA’s Service Area by: (i) authorizing the reformulation of the relationship between LIPA and PSEG LI such that PSEG LI assumes responsibility related to utility operations in the Service Area; (ii) creating a new Long Island-based office in the Department of Public Service (“DPS”), which is the staff arm of the New York Public Service Commission; and (iii) authorizing the retirement of a portion of the Authority’s outstanding debt from the proceeds of the UDSA’s Bonds at lower interest rates than existing indebtedness and capping or eliminating certain categories of payments in lieu of taxes (“PILOT”), with savings passed onto ratepayers.

Among other things, the LIPA Reform Act addressed a variety of matters relating to the restructuring of the LIPA. It established a new office within DPS to review and make recommendations to the Authority and/or PSEG LI related to core utility functions including capital expenditures, the methods employed by PSEG LI for safe and adequate service and the emergency response plans of PSEG LI. The LIPA Reform Act gave DPS the responsibility to investigate and mediate customer complaints. Upon notification to the Authority, DPS may undertake a comprehensive and regular management and operations audit.

V. SCOPE OF SERVICES

The Authority is seeking experienced and qualified Financial and/or Swap Advisor(s) to perform the following advisory services:

SCOPE 1. FINANCIAL ADVISOR

A. GENERAL

1. Act as the Authority's Municipal Advisor as defined by the U.S. Securities Exchange Commission in connection with all capital markets activity.
2. Analyze and evaluate proposals received from underwriters and make necessary recommendations.
3. Assist in the development and evaluation of requests for proposals for various services in connection with the issuance of debt, including participating on a non-voting basis in the evaluation of proposals.
4. Assist in developing new credit structures and innovative financing proposals.
5. Assist the Authority in preparing for public hearings and meetings with executive branch representatives, legislative representatives, the Department of Public Service, and others.
6. Assist in a smooth transition to another financial advisor at the end of this contract.
7. Assist the Authority in the development of its annual plan of finance to be presented to the Board of Trustees.
8. Assist Authority staff in the evaluation of financing initiatives and considerations for tax and finance related efforts of the Large Public Power Council.

B. TRANSACTIONAL

1. Provide recommendations for specific debt offerings, including, but not limited to, options regarding timing, amortization structure, and form (fixed or floating rate) based on consultant's cost /benefit analysis of different structuring and pricing options. This may include, but is not limited to, fixed rate versus variable rate bonds, insured versus uninsured bonds, callable versus non-callable bonds and par versus discounted or premium bonds.
2. Advise on all debt offerings, including proposed interest rates and yields, efficacy of credit enhancement, syndicate practices, pre-sale marketing, and negotiation of fees and expenses.
3. Provide data on market comparables and different indices that can be used in pricing discussions. Provide independent price guidance for each maturity across a range of couponing alternatives.

4. Identify new strategies and initiatives to enhance debt performance and lower cost, including new ideas and products in the marketplace, and report on strategies other issuers are using that may be relevant to the Authority.
5. Assist the Authority in developing a schedule for funding the debt financed portion of its capital program.
6. Assist in the preparation of official statements and other financing documents including various submissions required by New York State necessary for the issuance of debt. Conduct thorough reviews of the financial calculations relating to the sale of debt contained in the associated documents.
7. Assist in the solicitation, evaluation, and negotiation of letters of credit, bank facilities, and bond insurance proposals.
8. Manage escrow bidding and appropriately document the bidding process.
9. Accompany Authority staff and provide guidance and assistance in the pricing and closing of all transactions, including providing a detailed Pricing Report for each transaction.
10. Monitor and report to Authority on post-sale trading volume and spreads.
11. Assist in the remediation, tender, or defeasance of bonds, as necessary.
12. Provide the Authority with appropriate fair pricing certificates of the Financial Advisor at closing, as applicable.

C. FINANCIAL ANALYSIS AND MODELING

1. Assist in the development of Authority financial plans, including review of possible funding sources and the applicability and use of alternatives such as public-private partnerships.
2. Assist in the development, revision, and maintenance of the Authority's multi-year financial model and train Authority staff in the operating of the model, as requested.
3. Review and evaluate all relevant financial models and calculations prepared by underwriters or requested by tax counsel.

D. OTHER ADVISORY ACTIVITIES

1. Prepare and periodically update studies of the Authority's rate framework and financial metrics relative to other public power and investor-owned utilities and make recommendations.

2. Provide analysis of and testify as to the Authority's cost of funds, financial plans, and financial metrics to the Department of Public Service as part of rate cases.
3. Provide advisory services related to gas and electric prepayments.
4. Provide guidance on statutory and regulatory matters related to financing matters, such as changes proposed and/or implemented by Congress, the U.S. Treasury, the IRS, and other regulatory agencies. Provide guidance on post-issuance compliance.
5. Assist in the preparation of investor and rating agencies presentations, including road shows, and conference calls. Advise the Authority on the development and assist the implementation of its investor relations program.
6. Develop presentation materials, quantitative analyses, and schedules in preparation for rating agency and Board of Trustee meetings. Participate in briefings/meetings with the IRS, DPS, PACB, FERC, and other legislative and regulatory agencies.
7. Assist in the identification and strategic analysis of business opportunities for the Authority.
8. Provide such other financial advisor services as requested by the Authority.

SCOPE 2. SWAP ADVISOR

1. Act as a qualified independent representative ("QIR") meeting all requirements of Title 17 Chapter I of the Code of Federal Regulations Section 23.450 with respect to advising non-ERISA "Special Entities" as defined under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

2. Develop quantitative analysis, schedules and disclosures for swap reporting including disclosures in periodic financial statements in compliance with GASB reporting requirements. Provide monthly mark-to-market valuations of existing swaps.
3. Monitor and report on credit quality of counterparties to identify and mitigate risk to the Authority.
4. Provide the Authority with valuations of certain investments.
5. Advise and assist the Authority with managing its interest rate swap portfolio, including negotiation, bidding, or arranging terminations, novations, or procurement of new transactions.
6. Advise the Authority on the long-term implications of entering into or restructuring a particular swap, including the cost of borrowing, risk analysis, historical interest rate trends, variable rate exposure, alternative methods to achieve the desired result, and other similar considerations.
7. Identify new strategies and initiatives to enhance swap and related debt performance and lower cost. Identify new ideas and products in the marketplace and report on strategies of other issuers that may be relevant to the Authority.
8. Develop presentation materials, quantitative analysis, and schedules in preparation for rating agency and Board of Trustee meetings.
9. Assist the Authority in preparing staff for public hearings and meetings with executive branch representatives, legislative representatives, and other groups.
10. Provide guidance on statutory or regulatory matters related to derivatives, including changes proposed or implemented by Congress, the U.S. Treasury, the IRS, and other regulatory agencies. Provide guidance on ongoing compliance.
11. Assist in the smooth transition to another Swap Advisor at the conclusion of this contract, as requested.
12. Provide such other Swap Advisor services as requested by the Authority.

The firm(s) engaged as Financial Advisor and/or Swap Advisor will not be permitted to participate as underwriter, derivative product provider, or provider of escrow securities for the Authority for the term of the contract, even if the Financial Advisor and/or Swap Advisor resigns or is terminated during the term thereof. The person(s) or firm(s) engaged to provide these services may be required to execute a Confidentiality Agreement.

VI. THRESHOLD CRITERIA

Only Proposals submitted from Proposers who meet the following minimum threshold requirements will be considered by the Authority:

1. For Scopes 1 and 2: Proposers must have at least ten years' experience providing advisory or similar services to large and frequent issuers of municipal bonds; and;
2. For Scope 1 only: Proposers must have at least ten years' prior experience providing advisory or similar services to large and frequent issuers in the public power industry.

The above criteria must be met by either the firm or the lead advisor assigned to the Authority's account. The lead advisor must be an active participant in providing services to the Authority on an ongoing basis.

VII. PROPOSAL REQUIREMENTS

The following is a list of the information to be provided by the Proposer for the services sought. Failure to submit all of the information required will be a negative factor in evaluation of a proposal any may result in rejection of the proposal. Please provide the information in the same order using corresponding numbers as presented.

Proposers may submit proposals for both Financial and/or Swap Advisor. Those choosing to submit proposals for both positions must answer all questions. Those proposers choosing to be considered for either Financial Advisor or Swap Advisor should answer only those questions labeled "Financial Advisor" or "Swap Advisor" as appropriate.

In setting forth its qualifications, firm shall provide, in concise but adequate detail, the information sought below. Responses shall be prepared on 8 ½ x 11-inch paper using at least 12- point type with standard margins. **Page limits have been provided in the captions for each section of the Proposers proposal.**

Proposers shall indicate in their proposals what information, if any, is proprietary and confidential. Proposers are hereby advised that LIPA is subject to the New York State Freedom of Information Law ("FOIL"). Material marked "Confidential and Proprietary" will be treated as such to the extent consistent with the obligations under FOIL, other applicable law, regulation or legal process, and will not be disclosed by the LIPA except as necessary for the evaluation of proposals.

A. Cover Letter (2 pages) – Financial Advisor and Swap Advisor

A cover letter, which shall be considered an integral part of the proposal, shall be signed by the individual(s) authorized to bind the Proposer contractually. In signing the cover letter, the Proposer agrees to be bound by the terms of this RFP and its submission hereunder for 180 days from the stated proposal due date. The cover letter shall also

contain a statement that the Proposer's work for the Authority will not create any conflict of interest. If the Proposer believes that a conflict of interest may arise, the nature of the conflict should be described - see Section VII.B.9.

B. General Information (6 pages) – Financial Advisor and Swap Advisor

1. State whether your firm can provide all of the services in the Scope of Services. Provide information that demonstrates your firm or your lead advisor meet the Threshold Criteria outlined in Section VI.
2. Provide the name, title, address, telephone number, and e-mail address, of the individual(s) the Authority should contact with respect to your proposal. Make a statement regarding the availability of the primary contact(s) to the Authority for the term of the contract. Also provide the name, title, address and telephone number for a minimum of three references where your primary contact(s) have performed as sole or lead financial advisor. If possible, please include large and frequent public power issuers. Provide a brief description of the services provided by your firm for each reference.
3. Describe the team that will be assigned to provide services. Identify the individuals who will be involved and the primary role and responsibilities of each member. Provide brief resumes for these individuals as an appendix to the proposal that will not count against the proposal page limit. For firms applying to be Financial Advisor, include in the resumes the public power clients the individual has provided advisory or similar services to over the last ten years. Include any experience with municipal securitization debt and gas/electric prepayments.
4. Provide a brief description of your firms' and your proposed individual staff member's past experience with and knowledge of the Authority. Describe your knowledge of the Authority's bond resolutions, bond credits, debt portfolio, and interest rate derivatives. Discuss any learning curve that your firm or the proposed individuals will need in order to act as an advisor to the Authority.
5. Provide a summary of your firm's experience since 2014 in providing advisory services to (i) public power issuers, New York State issuers, and any public issuers with greater than \$5 billion in outstanding debt (if applying for Financial Advisor); or (ii) issuers with five or more swap counterparties (if applying for Swap Advisor). For Proposers applying to be Financial Advisor, (a) include your firm's financial advisory ranking by par amount in each of the last five years for public power issuers; (b) describe your firm's experience providing advisory services related to securitization debt similar to the Utility Debt Securitization Authority; (b) describe your firm's experience providing advisory services related to gas and electric prepayments; and (c) describe your firm's experience with electric utility rate cases or large public power issuer rate filing processes and providing testimony or advisory services in such cases related to financial matters.

6. From the experience summarized above, briefly discuss your engagements that are most relevant to the Authority and most similar to the RFP Scope of Services. Highlight the major contributions made by your firm and discuss the relevance of these contributions in light of the RFP Scope of Services and requirements of the Authority.
7. Please discuss any financial or joint marketing arrangements your firm has with any other firm involved in municipal finance. Also describe any direct or indirect consulting arrangements that your firm currently has, or previously had, that could pertain to the Authority.
8. Identify the nature of any potential conflict of interest your firm might have in providing services to LIPA:
 - (a) State whether your firm has ever represented or currently represents National Grid plc, Public Service Enterprise Group (PSEG), Lockheed Martin Corporation, or any of their affiliates or subsidiaries, specifically including PSEG Long Island, and if so, in what capacity. Additionally, state whether your firm represents any publicly-owned or investor-owned electric utility, independent power producer, natural gas supplier, or natural gas transmission company. If so, state the name of each such client and the nature of your representation.
 - (b) Discuss fully any conflicts of interest, actual or potential, which might arise in connection with your firm's involvement with LIPA. If your firm believes that a conflict of interest might arise, please describe how such conflict would be resolved.

any Each firm must certify in writing that its representation of LIPA will not create conflict of interest involving that firm

- (c) Identify any past, pending or threatened litigation or administrative or state ethics board or similar body proceedings to which you or any of your partners are a party and which would either materially impair your ability to perform the services enumerated herein, or, if decided in an adverse manner, materially adversely affect the financial condition of your firm. This information may be provided as an appendix to the proposal that will not count against the proposal page limit.

C. Technical Questions (10 Page Limit) – Financial Advisor

1. The U.S. Securities and Exchange Commission (“SEC”) Office of Municipal Securities has addressed, among other things, the definition of a Municipal Advisor, registration requirements for individuals or firms acting in the capacity of Municipal Advisor, and exempted activities and communications. Describe your firm’s current and prospective adherence to the Municipal Advisor Rule and any material changes your firm will be taking

to ensure compliance. Based on your firm's knowledge of the Authority and its debt issuance practices, describe what changes, if any, the Authority should anticipate in connection with capital markets activities and how it works with its underwriters and advisors.

2. Does your firm have a trading desk, reinvestment group, derivative group, and/or credit research group? If not, how does your firm propose to advise on market pricing issues, market access issues, investor feedback, credit issues, etc.? Where does your firm get its market information?
3. Provide your analysis and assessment of the Authority's debt portfolio, including overall debt structure, UDSA bonds, future debt service, variable-rate and/or short-term debt, and use of interest rate derivative products.
4. Provide a description of the current state of the municipal tax-exempt variable-rate market and discuss the various products within this market that could be beneficial to the Authority. Include in your response a recommended approach to the timing and structuring of the Authority's variable-rate debt and bank facility renewals.
5. Discuss your firm's strategy for improving the ratings of the Authority's debt. What ratings do you believe are achievable over the near and long term? Discuss the level of debt service and fixed-charge coverage, liquidity (days cash on hand), and any other key metrics appropriate to maintain or improve the Authority's ratings as well as the Authority's mix of internal vs. external liquidity. Discuss your view of how the UDSA debt fits within the Authority's ratings strategy. Discuss any changes you might recommend to the LIPA Board of Trustee's [Policy on Debt and Access to the Credit Markets](#) in light of the above and their implications for reducing electric rates for LIPA customers over the long-term.
6. Describe the current market for gas and electric prepayment transactions and any opportunities that may be available to the Authority. What are your recommendations for taking advantage of potential opportunities? What are the risks? And what challenges do you see to the Authority executing such a transaction?
7. Describe how the Authority should evaluate the effectiveness of its existing investor relations program. How frequently and in what manner should the Authority communicate with investors? Is there anything different or additional the Authority should be doing? How would your firm be involved as financial advisor?
8. Discuss how your firm would suggest evaluating senior and co-manager performance after a financing.
9. Provide a short narrative describing the firm's technical and analytical expertise

D. General Qualifications (6 Page Limit) – Swap Advisor

1. Make an affirmative statement if your firm is registered with the SEC and MSRB as a Municipal Advisor. Please provide a copy of your Qualified Independent Representative Policies and Procedures as an appendix.
2. Describe your knowledge of the Authority's interest rate swap portfolio. Describe the framework the Authority should use to evaluate the risks within its swap portfolio as well as the benefits and risks of any new swaps. What are the sensitivities of the Authority's current cash flow and mark-to-market value to movements in interest rates and changes in the ratio between SIFMA and LIBOR? What types of products might reduce the risks of the swap portfolio? Additionally, discuss how your proposed framework compares to how the rating agencies might view the Authority's portfolio and the benefits and risks of additional swaps. Finally, describe the key "lessons learned" regarding interest rate derivatives from the financial crisis.
3. Discuss the appropriateness of using synthetic floating rate or total return swaps and the benefits and risks as compared to other forms of variable-rate debt.
4. Will your firm provide a qualified hedge opinion? If so, provide a form of such opinion.
5. Discuss counterparty risk and provide recommendations for how the Authority can best mitigate this risk.
6. Discuss your ability to provide mark-to-market services as well as assistance with hedge accounting analysis for interest rate derivatives. Please describe your experience with GASB 53 filing requirements.

E. Other (No Page Limit) – Financial and Swap Advisor

1. Provide a copy of your firm's affirmative action policy and submit the information requested in the Diversity Questionnaire posted on the RFP web site. These may be provided in an appendix.
2. Proposals must clearly indicate acceptance of the standard contract form or set forth all proposed revisions to the standard contract form, with an accompanying statement indicating why each revision is necessary and why compliance with the standard contract terms could not be reflected within the fee structure of the Cost Proposal. Proposed revisions to the standard contract form will be considered by the Selection Committee in determining the relative ability of the proposing firm to render the requested services and may result in a finding that a proposal is non-responsive. No revisions to the standard contract form shall be accepted unless set forth in a proposal. Proposals will be deemed non-responsive if they fail to adhere to these requirements.

F. Fees (1 Page) – Financial and Swap Advisor (To Be Included in Your Response as a Separate Item in a Sealed Envelope)

1. With respect to Financial Advisory services, submit an annual fee proposal that would cover all of the services listed in Scope 1 of Section V. Assume the Authority will issue approximately \$300 - \$500 million of new money debt per year in addition to refundings based on market conditions. Please submit your annual fee proposal in the form of a fixed monthly retainer for its advisory services, with no additional transactional related fees.
2. With respect to Swap Advisory services, submit an annual fee proposal that would cover all of the services listed in Scope 2 of Section V. Please submit your annual fee proposal in the form of a fixed monthly retainer for its advisory services, with no additional transactional related fees.

The Authority expects that any reimbursed expenses would be charged at the firm’s actual out-of-pocket cost, without mark-up, in accordance with Authority policy.

Please provide separate pricing for Scope 1 and Scope 2 even if your firm is proposing for both scopes in the table below:

Scope	Price- year 1 and 2	Year 3	Year 4	Year 5

Failure to provide your cost proposal as requested above may be grounds for determining a proposal to be non-responsive. Please remember to provide two copies of the Cost Proposal in a separate sealed envelope from the Technical Proposal. It may be delivered in the same shipping package.

Any contract(s) awarded pursuant to this RFP may have a Not-to-Exceed dollar cap as determined by LIPA, which may not be exceeded without LIPA’s prior written authorization.

In addition, firms will be required to track their spending and provide LIPA with written notice when they have incurred fees and expenses totaling 75% of any Not-to-exceed dollar cap.

NOTE: The Authority reserves the right to negotiate the structure and amount of compensation; however, all proposers must submit a proposal in the fixed monthly retainer format required above.

VIII. EVALUATION AND SELECTION

A. Evaluation Criteria

A Selection Committee consisting of LIPA staff will evaluate the proposals. This Selection Committee will make its recommendations to the LIPA Board of Trustees for final approval. The Selection Committee will consider the following factors, not necessarily listed in the order of importance:

1. The firm's demonstrated record of experience as a financial and/or swap advisor to large issuers of municipal bonds. For Scope 1, the firm's demonstrated record of experience as a financial and/or swap advisor to similar large public power utilities, ability to provide rate case testimony in Authority rate filings, and ability to provide advisory services related to municipal securitization debt and gas/electric prepayments.
2. The depth of services proposed to the Authority.
3. The firm's demonstrated understanding of the Authority, its debt, swaps, operations, opportunities, and challenges.
4. The qualifications, experience and availability of the lead advisor(s) and the other individuals to be assigned to the Authority's work.
5. Overall organization, completeness, and quality of proposal, including cohesiveness, conciseness, and clarity of response.
6. The firm's overall diversity and commitment to equal opportunity programs,
7. The fee schedule and total cost of services to the Authority. (Although the proposed cost will be considered in the selection process, the Authority's priority is to obtain high quality services from experienced firms and individuals and reserves the right to negotiate fees with any firm selected to provide service).
8. Interviews, if conducted.

The non-cost criteria listed above will be given more consideration than the cost criteria in LIPA's evaluation of proposals.

B. Selection Process

The Selection Committee will initially review all proposals to determine responsiveness. Any proposal that does not address all requested requirements or is incomplete will be rejected.

The Selection Committee will evaluate all responsive and responsible proposals based on the criteria enumerated in Section VIII (A). The Selection Committee may afford firms the opportunity to clarify proposals for the purpose of assuring a full understanding of their responsiveness to the RFP.

The Selection Committee may also conduct interviews of Proposers found to be most qualified to perform the services required, based upon the criteria listed in this RFP. If so, Proposers will be notified in advance of the exact interview date.

Prior to award of any contracts(s), the Selection Committee will conduct a vendor responsibility determination and may require eligible Proposers to answer questions and provide additional information to supplement the information provided in the Vendor Responsibility Questionnaire to assist the Selection Committee in making such a determination.

All Proposers will be notified in writing once one or more firms have been selected.

IX. PROPOSAL INSTRUCTIONS AND CONDITIONS

A. Limitations

1. This RFP does not commit LIPA to award a contract, pay any costs incurred in the preparation of a response, or procure or contract for services of any kind whatsoever. LIPA reserves the right, in its sole discretion, to accept or reject any or all responses as a result of the RFP, to negotiate with any or all firms considered, or to cancel this RFP in whole or in part. LIPA reserves the right to request additional information from all Proposers.
2. Proposers may be requested to clarify the contents of their proposal. Other than to provide such information as may be required by LIPA, no Proposer will be allowed to alter its proposal or to add new information after the RFP due date.
3. Proposers may be required to participate in negotiations and to submit any price, technical or other revisions to its proposal which may result from such negotiations.
4. Proposers must fully execute the following forms (posted on the RFP web site) and submit with its proposal: 1). MacBride Fair Employment Principles; 2). Non-Collusive Bidding Certification; 3). Contingent Fee Certification; 4). NYS Vendor Responsibility Questionnaire (please find form at <http://www.osc.state.ny.us/vendrep/> and include with your firm's proposal; and 6). Diversity Practices Questionnaire.

5. All material submitted in response to this RFP will become the sole property of LIPA, except as noted in Section II above.

B. Proposal Submission

1. Responses shall be limited to ten (10) single-sided pages (not including the table of contents, resumes or the cost portion of the proposal which may be included in the same shipping package as the technical proposal but should be in a separate envelope.
2. Proposals must include a cover letter indicating the mailing address of the office from which the proposal is submitted, the name and email address of the individual who will represent the firm as the primary contact person for the proposal, and the telephone numbers of the primary contact person(s).
3. Non-responsive proposals include, but are not limited to, those that:
 - (a) are not in conformance with RFP requirements and instructions;
 - (b) are conditional; or;
 - (c) contain a material omission(s).
4. Joint proposals will not be accepted.

LIPA may waive minor informalities or irregularities in a proposal that are merely a matter of form and not substance and the correction of which would not be prejudicial to other proposals.

C. Participation of Minority and Women-Owned Business Enterprises (MWBE)

The Authority is committed to diversity and equal employment opportunities among its contractors. The Authority encourages all firms, including firms that are MWBE certified, to submit proposals in response to this RFP.

Please note that all certified MWBE firms submitting proposals to this RFP, should be registered as such with the New York State Department of Economic Development. For firms that are not certified but have applied for certification, please provide evidence of filing, including filing date.

For purposes of this solicitation, LIPA hereby establishes an overall subcontracting goal of 30%; 15% for Minority-Owned Business Enterprises (“MBE”) participation and 15% for Women-Owned Business Enterprises (“WBE”) participation.

For additional information regarding the instructions for the MWBE forms, requirements and procedures please see Standard Contract Clauses for LIPA's Contracts, Attachment B PARTICIPATION BY MINORITY GROUP MEMBERS AND WOMEN WITH RESPECT TO STATE CONTRACTS: REQUIREMENTS AND PROCEDURES.

D. Participation of Service Disabled Veteran Owned Businesses (SDVOB)

New York State has established a state-wide goal of 6% New York State Service-Disabled Veteran-Owned Business goal. Proposers should identify ways that they might be able to assist the Authority by subcontracting or other means to help achieve the New York State Service-Disabled Veteran-Owned Business goal of 6%. In addition, proposers who are certified as a New York State Service-Disabled Veteran-Owned Business should include this information in their proposal. For more information regarding New York State Service-Disabled Veteran-Owned Businesses, please visit the New York State Office of General Services webpage <http://www.ogs.ny.gov/Core/SDVOBA.asp>.

For purposes of this solicitation, LIPA hereby establishes an overall subcontracting goal of ~~0%~~ 6%. ~~While there are no Service Disabled Veteran-Owned (SDVOB) Business participation goals in this RFP, Respondents are encouraged to use SDVOBs in connection with their proposed project.~~

E. Administrative Specifications

1. All proposals must be irrevocable for 180 days and signed by an authorized officer of the firm.
2. The successful Proposer(s) must agree to provide LIPA with audit access on request during the term of the contract and for 7 years thereafter.
3. LIPA at any time, in its sole discretion, may terminate its contract with the successful Proposer(s), or postpone or delay all or any part of the contract, upon written notice.
4. All Proposers are obligated to update any changes in their proposal prior to the proposal due date.

F. Addenda: Errors and Omissions

1. If a Proposer discovers any ambiguity, conflict, discrepancy, omission or other error in this RFP, immediately notify Lynda Nicolino, in writing, of such error and request clarification or modification to the document.

2. Should LIPA find it necessary, modification to the RFP will be made by addenda. Such modifications will be posted on the RFP web site.
3. If a Proposer fails to notify LIPA of a known error or an error that reasonably should have been known prior to the final filing date for submission, the Proposer shall assume the risk. If awarded the contract, the Proposer(s) shall not be entitled to additional compensation or time by reason of the error or its late correction.

G. Debriefing of Unsuccessful Proposers

Upon written request a debriefing will be scheduled with an unsuccessful Proposer after LIPA has provided notice of its selection of one or more successful Proposer(s). Discussion will be limited to a critique of the proposal submitted by the Proposer requesting the debriefing. Comparisons between proposals or evaluations of the other proposals will not be discussed. Debriefings may be conducted in person or by telephone, at LIPA's discretion.

X. CONTRACT APPROVAL

LIPA's selection of one or more successful Proposer shall not be binding until it has been approved by LIPA's Board of Trustees. In addition, any contracts issued pursuant to this RFP shall not be valid, effective or binding until approved by the New York Office of State Comptroller and filed in his office, in accordance with Section 112 of the New York State Finance Law.