

November 14, 2016

**Albany County Airport Authority
Request for Proposal
For Underwriting Services
Airport Revenue Refunding and New Money Bonds Series 2017
Contract Number 918-US**

Introduction

The Albany County Airport Authority (the “Authority”) seeks to retain a qualified senior managing underwriter and other members of the syndicate in connection with its contemplated issuance of airport revenue refunding bonds (the “Series 2017 Refunding Bonds”) to current refund the Authority’s Series 2003A Bonds, Series 2006A Bonds, Series 2006B Bonds (AMT) and Series 2006C Bonds (AMT), outstanding in the amount of \$16.49 million. Alternative financing mechanisms will also be considered. Additionally, \$12.5 million of new money bonds will be issued: \$8.5 million as non-AMT and \$4.0 million as AMT (the “Series 2017 New Money Bonds” and together with the Series 2017 Refunding Bonds, the “Series 2017 Bonds”).

The Authority’s underlying credit ratings are currently A- (Stable Outlook) by Fitch Ratings, A3 (Stable Outlook) by Moody’s Investors Service and BBB+ (Positive Outlook) by Standard & Poor’s. Additional information about the Authority can be found on the Authority’s website: www.albanyairport.com.

Submitting Proposals

Please submit your proposal marked “Proposal for Underwriting Services – Albany County Airport Authority - Airport Revenue Series 2017 Bonds – Contract Number 918-US” by Wednesday, November 30, 2016, 4:00PM New York time via e-mail to:

William J. O’Reilly
Chief Financial Officer, ACAA
boreilly@albanyairport.com

Monika Conley
Public Resources Advisory Group
mconley@pragadvisors.com

Communications with representatives of the Authority concerning this request by you, or on your behalf, are not appropriate and will not be permitted during the submission and selection process. All questions and communications should be directed in writing to Monika Conley at Public Resources Advisory Group, 212-566-7800, mconley@pragadvisors.com. Questions must be received by Friday, November 18, 2016, 4:00PM New York time. Answers to questions will be e-mailed to all proposers by Tuesday, November 22, 2016.

The Authority will not be responsible for any expenses incurred in the preparation of the proposal or for the disclosure of any information or material received in connection with this solicitation, whether by negligence or otherwise.

Selection Process and Criteria

The Authority reserves the right to reject any and all proposals, with or without cause, and waive any irregularities or informalities in the proposal. The Authority further reserves the right to make such investigations it deems necessary as to the qualifications of any and all proposers, including scheduling oral interviews with selected respondents to the RFP. A tentative timetable for the selection of the underwriters is as follows:

November 14, 2016	Release of RFP
November 18, 2016	Questions Due
November 22, 2016	Responses to Questions Due
November 30, 2016	Receipt of Proposal
Week of December 5	Interviews (if any)
December 12, 2016	Expected Underwriter Selection

The Authority also reserves the right not to issue the Series 2017 Refunding Bonds and/or the Series 2017 New Money Bonds following the selection of the underwriters for any reason. **The underwriter will be selected based on, but not limited to, the following criteria:**

- (i) the total anticipated cost of the proposed transaction to the Authority (refunding bonds or alternative financing mechanism and new money bonds);
- (ii) the experience and capability of the proposer to market and sell the Series 2017 Bonds;
- (iii) the capability and willingness of the proposer to underwrite the Series 2017 Bonds;
- (iv) the experience and ability of the individuals whom the proposer plans to involve directly in the refunding and new money transaction;
- (v) the soundness of the proposer's overall financing and marketing plans;
- (vi) the proposer's expertise and experience with selling securities similar to the Authority's Series 2017 Bonds and bonds issued by the issuers in the State of New York;
- (vii) the prior experience of the Authority with the proposer, if any;
- (viii) the experience and ability of proposer to work with minority and women-owned business enterprises so as to promote and assist participation by such enterprises; and
- (ix) the plan of proposer for participation of qualified minority and women-owned business enterprise firms in such sale of the Series 2017 Bonds.

Proposal Requirement

The proposer is bound by the Disadvantaged Business Enterprise Statement set forth in Appendix "A". The proposer must read "Summary Permissible Contracts Policy", complete Affirmation of Understanding and Compliance and complete Offeror Disclosure, all set forth in Appendix "B". Appendix "C", Authority Rights and Prerogatives, is attached and made a part of the RFP.

Letter of Transmittal (not to exceed 3 pages) with affirmation that your firm and all individuals assigned to this transaction (and listed by name) are free from all obligations and interests which may conflict with the interest of the Authority. Please identify in the Letter all pending litigation or regulatory action, either state or federal, if any, related to public finance in which your firm, any predecessor firm or employee is involved. Identify any other existing or potential conflict of interest, as well as your representation of parties or other relationships that might be considered a conflict of interest, that may affect or involve this transaction or the Albany County Airport Authority. Please include a statement regarding your capability and willingness to underwrite the Authority's Series 2017 Bonds.

Answers to Specific Questions (not to exceed 15 pages plus Appendices)

1. Describe briefly your firm's experience as an underwriter for airport revenue bonds since January 2014. Please provide a list including each issuer's name, date, amount, ratings and contact information and indicate your role (senior book-running underwriter, senior underwriter, co-manager).
2. Describe briefly your firm's experience as an underwriter for bonds issued in the State of New York over \$10 million since January 2014. Please provide a list including each issuer's name, date, amount, ratings and contact information and indicate your role (senior book-running underwriter, senior underwriter, or co-manager).
3. Please provide two short case studies of bond issues similar to the transactions contemplated by the Authority, focusing on challenges associated with marketing bonds with credit ratings in the single-A and lower category.
4. Identify personnel that will be assigned to the transaction and provide short resumes as to experience with airport issues and with bond issues in New York State. Please provide a phone number and an e-mail address of the primary contact.
5. Please provide underwriting spreads and pricing scales for the proposed Series 2017 Bonds (the "Base Case"), both AMT and non-AMT, based on market conditions as of 1:00PM, New York time, November 21, 2016. In developing this section of your proposal, assume the Series 2017 Bonds are rated A- by Fitch, A3 by Moody's, and BBB+ by Standard & Poor's, the dated/delivery date is March 28, 2017, the principal payment date is December 15 and Series 2017 Refunding Bonds provide level savings. The Series 2017 New Money Bonds should amortize over 18 years (through 2035) with level debt service; AMT Bonds should amortize first. Amortization should include 12 months of capitalized interest. Your takedowns and interest rate scales should reflect levels at which your firm would, if necessary, be prepared to price and underwrite the Series 2017 Bonds as of the above date. Your firm's response must include the following items:
 - a. A sources and uses of funds summary (include estimates of all costs to the Authority),
 - b. Takedowns for each maturity,
 - c. Coupons and reoffering yields for each maturity, and
 - d. True Interest Cost percentage.

In addition, firms should submit a spread proposal expressed in dollars per thousand for the proposed Series 2017 Bonds and disaggregated as to management fee (if any), takedown and expenses, including a not-to-exceed fee for underwriters' counsel services and your firm's recommendations as to underwriters' counsel.

Please attach number runs for the Base Case as an Appendix.

6. Please discuss alternative financing mechanisms for the refunding, if any. If appropriate, please attach number runs for the proposed alternative transactions (the "Alternative Cases") as an Appendix.

7. Discuss the Authority's credit ratings and your proposed approach to rating agencies in conjunction with this planned financing. Discuss the likelihood for a credit rating change.
8. Describe your approach to analyzing the use of bond insurance as part of this transaction. Describe under what conditions bond insurance would be appropriate for inclusion in the Authority's financing plans.
9. Attached you will find a copy of the draft schedule for this proposed financing. Please provide comments on this draft schedule. Do you believe the schedule could be accelerated? If yes, please provide a proposed schedule, assuming that the Authority's Board would hold any special meeting as necessary.
10. Describe your proposed marketing plan for the Series 2017 Bonds.
11. Describe firm's knowledge of local political, economic, legal or other issues that may affect the proposed financing.
12. Provide a discussion of the proposed structure of the syndicate, including a brief discussion of the use and number of co-managers and indicate your proposed role (for example, senior book-running underwriter, senior underwriter, or co-manager). Discuss the experience and ability to work with minority and women-owned business enterprises so as to promote and assist participation by such enterprises. Include a plan for participation of qualified minority and women-owned business enterprise firms in the sale of the Series 2017 Bonds.
13. Please explain why your firm should be selected as an underwriter for the Series 2017 Bonds.

Preliminary Financing Schedule

November 2016							December 2016						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5					1	2	3
6	7	8	9	10	11	12	4	5	6	7	8	9	10
13	14	15	16	17	18	19	11	12	13	14	15	16	17
20	21	22	23	24	25	26	18	19	20	21	22	23	24
27	28	29	30				25	26	27	28	29	30	31

January 2017							February 2017							March 2017						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25
29	30	31					26	27	28					26	27	28	29	30	31	

Date	Action Required	Responsible Party
Monday, Nov. 14	Issue RFP for Underwriter	Authority, PRAG
Friday, Nov. 18	Questions Due	Proposers
Tuesday, Nov. 22	Responses to Questions from Underwriters Due	Authority, PRAG
Wednesday, Nov. 30	Responses to RFP Due Disclosure Material Sent to Bond Counsel	Authority Authority
Week of December 5	Interviews (if any)	Authority/PRAG
Monday, Dec. 12	Expected Underwriter Selection	Board
Thursday, Dec. 15	“Kick-Off” Call	All
Monday, Jan. 23	First Draft of Preliminary Official Statement (“POS”) Distributed First Draft of Bond Resolution Distributed First Draft of Consultant Report Select Verification Agent (if Needed)	Bond Counsel Bond Counsel Consultant Authority/PRAG
Monday, Jan. 30	Comments Due on First Draft of Documents	All
Monday, Feb. 6	Second Draft of Bond Documents Distributed	Bond Counsel, Consultant
Monday, Feb. 13	Comments Due on Second Draft of Documents	All
Wednesday, Feb. 15	First Draft of BPA	Underwriter’s Counsel
Tuesday, Feb. 21	Draft of Bond Documents Distributed to Rating Agencies and Bond Insurers if Needed	Authority, Underwriter, PRAG

Preliminary Financing Schedule

November 2016							December 2016						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5					1	2	3
6	7	8	9	10	11	12	4	5	6	7	8	9	10
13	14	15	16	17	18	19	11	12	13	14	15	16	17
20	21	22	23	24	25	26	18	19	20	21	22	23	24
27	28	29	30				25	26	27	28	29	30	31

January 2017							February 2017							March 2017						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7				1	2	3	4				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25	19	20	21	22	23	24	25
29	30	31					26	27	28					26	27	28	29	30	31	

Date	Action Required	Responsible Party
Week of Feb. 26	Meetings/Calls with Rating Agencies	Authority, PRAG
Tuesday, March 7	Ratings and Bond Insurance Bids Received	Authority
Monday, March 13	Due Diligence Conference Call Finalize and Post POS Electronically	All Bond Counsel
Monday, March 20	Obtain approval for negotiated issuance from County Comptroller and State Comptroller	Authority, Underwriter, PRAG
Wednesday, March 22	Pricing	Authority, Underwriter, PRAG
Thursday, March 23	Sign Bond Purchase Agreement Draft of Final OS Distributed	Authority, Underwriter, Underwriter's Counsel Bond Counsel
Monday, March 26	Mail Final OS	Bond Counsel
Tuesday, March 27	Pre-Closing	All
Wednesday, March 28	Closing	All

APPENDIX “A”

Disadvantaged Business Enterprise Policy Statement

In accordance with Title VI of the Civil Rights Act of 1964 and 49 CFR Part 23, entitled “Participation by Minority Business Enterprise in Department of Transportation Programs” the Albany County Airport Authority is committed to the development and implementation of an effective Disadvantaged Business Enterprise (DBE) Program.

A DBE Officer under the direction of the Airport CEO has the responsibility and is accountable for the implementation of the DBE Program.

This DBE Program is designed to ensure that DBEs shall have the maximum opportunity to participate in Authority business activities including investment underwriting contracts.

The Authority require all senior managers and co-managers to comply with the appropriate federal and state laws, rules and regulations pertaining to the Authority and its subsidiaries shall be responsible for progressive leadership and imaginative action in implementing this program.

APPENDIX “B”

Summary of Permissible Contacts Policy

Pursuant to State Finance Law §§139-j and 139-k, this solicitation includes and imposes certain restrictions on communications between the (“Authority”) and an Offerer/bidder during the procurement process. An Offerer/bidder is restricted from making contacts during the Restrictive Period that are reasonably interpreted as an attempt to influence the procurement to any person at the Authority or another Governmental Entity other than the Designated Contact Person of the Authority, unless it is a contact that is included among certain statutory exceptions set forth in State Finance Law §139-j(3)(a). The Restrictive Period commences with the earliest written notice of an intent to solicit offers, such as this “Request for Proposal”, and terminates with the final award and approval of the procurement contract by the Authority. The Designated Staff Person of the Authority, as of the date hereof, has been identified in this solicitation. In addition, Authority employees are required to obtain certain information when contacted during the Restricted Period where such contact is reasonably interpreted as an attempt to influence the procurement. Such information will be made part of the procurement record and used to make a determination of the responsibility of the Offerer/bidder. If the Authority determines that the offerer knowingly and willfully made a contact during the Restrictive Period to any person other than the Designated Staff Person of the Authority and such contact was reasonably interpreted as an attempt to influence the procurement, the Authority is required to make a finding of non-responsibility. In addition, the failure to timely disclose accurate or complete information or otherwise cooperate with the Authority shall be considered in the determination of responsibility of the offerer. A finding of non-responsibility may result in rejection for contract award and in the event of two findings within a 4 year period, the Offerer/bidder may be rendered ineligible to submit a proposal on or be awarded any procurement contract by a Governmental Entity for a 4 year period from the date of the second final determination. Further information about these requirements can be found in Sections 139-j and 139-k of the State Finance Law. **It is the offerer’s responsibility to adhere to the provisions therein.**

Affirmation of understanding and compliance with the Authority’s permissible contacts provisions:

ALBANY COUNTY AIRPORT AUTHORITY

Offerer affirms that it understands and agrees to comply with the procedures of the Authority relative to permissible Contacts as required by State Finance Law §139-j (3) and §139-j (6) (b).

By: _____ Date: _____

Name: _____

Title: _____

Contractor Name: _____

Contractor Address: _____

Offerer Disclosure:

ALBANY COUNTY AIRPORT AUTHORITY

Offerer Disclosure of Prior Non-Responsibility Determinations

Name of Individual or Entity Seeking to Enter into the Procurement Contract:

Address: _____

Name and Title of Person Submitting this Form: _____

Name of Procurement: _____

Date: _____

1. Has any Governmental Entity made a finding of non-responsibility regarding the individual or entity seeking to enter into the Procurement Contract in the previous four years? (Please circle):

No

Yes

If yes, please answer the next questions:

2. Was the basis for the finding of non-responsibility due to a violation of State Finance Law §139-j (Please circle):

No

Yes

3. Was the basis for the finding of non-responsibility due to the intentional provision of false or incomplete information to a Governmental Entity? (Please circle):

No

Yes

4. If you answered yes to any of the above questions, please provide details regarding the finding of non-responsibility below.

Governmental Entity: _____

Date of Finding of Non-responsibility: _____

Basis of Finding of Non-Responsibility: _____

(Add additional pages as necessary)

5. Has any Governmental Entity or other governmental agency terminated or withheld a Procurement Contract with the above-named individual or entity due to the intentional provision of false or incomplete information? (Please circle):

No

Yes

6. If yes, please provide details below.

Governmental Entity: _____

Date of Termination or Withholding of Contract: _____

Basis of Termination or Withholding: _____

(Add additional pages as necessary)

Offerer certifies that all information provided to the Authority is complete, true and accurate.

By: _____ Date: _____

Signature

Name: _____

Title: _____

APPENDIX “C”

Authority Rights and Prerogatives

The Authority reserves the right to exercise the following prerogatives:

1. To accept or reject any or all proposals and amend, modify or withdraw this RFP.
2. To correct any arithmetic errors in the proposals.
3. To change the final due date and time for proposals.
4. To accept or reject any of the firm’s employees assigned to provide services on this project and to require their replacement at any time.
5. To waive or modify any irregularities in proposals received after prior notification to the proposer. This will in no way modify the RFP documents or excuse the proposer from full compliance with its requirements.
6. To consider and negotiate modifications to proposals at any time before the award is made, if such action is in the best interest of the Authority.
7. To interview proposers prior to selection.
8. To reject any proposal containing false or misleading statements, or that provides references that do not support an attribute or condition claimed by the proposer.
9. To accept a proposal for the engagement other than the lowest fee proposal.
10. To negotiate an acceptable fee structure with any responsive proposer.

We are looking forward to receiving your proposals.