

COMMISSION MEETING DATE: September 22, 2020

Vendor Name (& Location):	
Multiple Banks	
Description:	
Investment Banking Services Co-Manager Pool	
PROCUREMENT TYPE:	
<input checked="" type="checkbox"/>	Competitive
<input type="checkbox"/>	Non-Competitive
SOLICITATION TYPE:	
<input type="checkbox"/>	Bid
<input checked="" type="checkbox"/>	RFQ
<input type="checkbox"/>	State Contract
<input type="checkbox"/>	Sole Source
<input type="checkbox"/>	Other

Number: RM-153600	
Total Amount: \$ N/A (To be paid by Senior Managers)	
Budget Code:	
Various	
Contract Term (Including Options, if any):	
Two-Year Contracts with the option to extend for one additional one-year term at the discretion of the Authority.	
Funding Source: <input checked="" type="checkbox"/> Operating <input type="checkbox"/> Capital	
FS	Funding subject to authorization through WRAF approval process.
<input type="checkbox"/>	<input type="checkbox"/>
F	Funds are available in the appropriate operating/capital budgets for the referenced procurements.
<input type="checkbox"/>	<input type="checkbox"/>
FF	Future Funded
<input type="checkbox"/>	<input checked="" type="checkbox"/>
FP	Subject to funding availability at the time of ordering.
<input type="checkbox"/>	<input type="checkbox"/>
Requesting Department:	
Finance	
Director/Manager:	
Donna Manuelli, CFO	
Publicly advertised in the Asbury Park Press, Star Ledger and posted on the Authority's websites on July 15, 2020.	

In July 2020, the New Jersey Turnpike Authority ("Authority") solicited proposals from firms to provide Investment Banking Services. Specifically, the Authority, by way of a Request for Qualifications ("RFQ"), sought to establish two (2) pools, Senior Manager and Co-Manager, of qualified firms who will be available to serve as part of an underwriting syndicate as needed for any new money or refunding transactions that occur during the two-year term of the pool, or its optional one-year extension. At its August 25, 2020 meeting, the Authority's Board of Commissioners approved awarding contracts for twelve firms to serve in the Senior Manager pool (Agenda Item No. 277-08-2020).

The RFQ specified that any firm which submitted a proposal to be in the Co-Manager pool and scored 70 points or above out of a possible 100 points, based on the applicable evaluation criteria, will be recommended for inclusion in the Co-Manager pool. The Co-Manager pool will remain in effect for two (2) years from the date of the expiration of the Governor's 10-day veto period, with the option to extend for (1) additional year.

The RFQ also specified that the Authority anticipated that a minimum of two (2) firms from the Co-Manager pool would be included in each of the 2 new-money syndicates, and any additional syndicate(s) that may occur during the pool's 2-year period. Qualifying firms will be ranked from highest score to lowest score. When the first transaction occurs, the two (2) highest ranked firms, at a minimum, will be selected to be Co-Managers from the approved pool. When the second transaction occurs, the third and fourth ranked firms, if not already used in the first syndicate, will be selected to be Co-Managers for that transaction. This selection process will continue down the rankings as transactions occur within the 2-year period. If all of the firms are used in the pool, then the selection process will return to the highest ranked firm and the selection process will begin anew. The Authority reserves the right not to use Co-Managers on any transaction.

The RFQ was advertised in the Asbury Park Press and Star Ledger, posted on the website of the Authority, and distributed to forty-five (45) firms. On August 5, 2020, the Authority received proposals from twenty-five (25) firms

interested in serving as part of a Co-Manager Pool. The Executive Director had approved the Evaluation Committee ("Committee") consisting of three (3) voting Members: Cash Management Supervisor, Junior Accounting Analyst and an Audit Manager. In addition, the Chief Financial Officer, and one (1) representative from First Southwest Company, the Authority's Financial Advisor, served as a non-voting member of the Committee.

The Committee reviewed and scored the proposals. The firms were evaluated on several criteria as specified in the RFQ, including the firm's experience as co-manager for transactions in excess of \$100 million, transportation industry experience, institutional investor and retail sales capabilities, retail distribution agreements, capital strength, underwriting capacity and the ability to commit capital to a bond sale if needed. Finally, the firms were scored based upon their New Jersey presence, as well as their support of the municipal bonds issued by the State of New Jersey, its independent authorities and municipalities in both the primary and secondary markets.

The Committee then prepared an Evaluation Report, detailing the procurement process and submitted the report to the Executive Director which recommends the following thirteen (13) firms, which scored at least 70 points or above out of a possible 100 points, to be included in the Co-Manager Pool:

Recommended Co-Manager Pool
(In rank order)

Rank	Firm	Address	Score
1	Raymond James & Associates, Inc.	New York, NY	89.17
2	Stifel, Nicolaus & Company, Inc.	New York, NY	85.00
3	PNC Capital Markets, LLC	Philadelphia, PA	80.00
4	Janney Montgomery Scott, LLC	Bedminster, NJ	76.67
5	Robert W. Baird & Co. Inc.	Red Bank, NJ	75.83
6	TD Securities (USA) LLC	New York, NY	74.17
6	Oppenheimer & Co., LLC	New York, NY	74.17
8	Siebert Williams Shank & Co., LLC	New York, NY	71.67
8	FHN Financial Capital Markets	New York, NY	71.67
10	US Bancorp	Charlotte, NC	70.83
10	BNY Mellon Capital Markets, LLC	New York, NY	70.83
11	Blaylock Van LLC	New York, NY	70.00
11	Rice Financial Products Company	New York, NY	70.00

Of the thirteen firms listed above, three (3) firms (Blaylock Van LLC, Rice Financial Products Company and Siebert Williams Shank & Co.) are certified Minority Owned Business Enterprises (MBE's) and one firm, Siebert Williams Shank & Co., is a New Jersey certified Minority/Women Owned Business Enterprise (MWBE).

All firms that scored over 70 points and are recommended for the Co-Manager Pool had extensive experience in the last two years as Co-Manager on bond issues over \$100 million. Each firm was Co-Manager on over \$25 billion of bond deals in the past two years, with several of the firms having experience as Co-Manager in over \$75 billion of bond deals. The firms all have broad institutional and retail investor coverage and are willing to commit capital to support a bond issue if needed. Finally, all the firms selected have supported the state, its independent authorities and municipalities in both the primary and secondary markets. Seven of the thirteen recommended firms have at least one office in New Jersey. Three of the six firms which do not have offices in New Jersey are the MBE/WBE firms, which each received five extra points for their MBE/WBE status as specified in the RFQ.

This professional services procurement was conducted in accordance with *N.J.S.A. 27:23-6.1*, *N.J.A.C. 19:19-9-2.1(b)*, Executive Order 37 (Corzine 2006), and Executive Order No. 26 (Whitman 1994). These awards are contingent upon the Treasurer of the State of New Jersey completing the review of all documents submitted by the selected awardees pursuant to Public Law 2005, Chapter 51 and Executive Order No. 117 (Corzine 2008), and having no objection to same.

Accordingly, authorization is requested to establish the above pool of qualified Co-Managers in ranked order to participate in any underwriting syndicate the Authority establishes over the next two (2) years. Furthermore, it is recommended that the Commissioners authorize the Executive Director to execute any documents and take any such actions as are deemed necessary to effectuate the intent of this authorization. No funds will be awarded under this Agenda Item because the members of the Co-Manager pool that participate in a syndicate will be paid by the Senior Manager of that syndicate at the fee awarded to the Senior Manager.