



New Jersey Turnpike Authority

1 TURNPIKE PLAZA - P.O. BOX 5042 - WOODBRIDGE, NEW JERSEY 07095
TELEPHONE (732) 750-5300

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November 9, 2021

TO ALL PROPOSERS:

RE: Request for Proposals
Direct Purchase Forward Delivery Refunding Tax Exempt Turnpike Revenue Bonds
RM-167528

Responses to Inquiries

Dear Sir/Madam:

Below are the New Jersey Turnpike Authority's ("Authority") responses to inquiries received with respect to the above-referenced Request for Proposals ("RFP").

Responses to Inquiries:

1. Given the remote work situation, is it possible to waive the requirement to deliver hard copies of the proposal by November 15? Alternately, can the deadline to deliver hard copies be extended by a few days while retaining the email the deadline of November 15.

ANSWER: The Authority will not waive the requirement to deliver hard copies by 4:00 PM on November 15, 2021.

2. The Authority intends to refund Series 2013A Bonds maturing in 2039-2043. Will the Authority consider a refunding of Series 2013A Bonds that mature in the 2024-2027 timeframe?

ANSWER: Yes, if in the Authority's opinion it makes economic sense to do so.

3. Based on the RFP language below –

P.4, Section I, Paragraph 1

Enclosed herewith is a Request for Proposal (“RFP”) by the New Jersey Turnpike Authority (“Authority”) for qualified purchasers interested in purchasing on a forward delivery basis all or a portion of the Authority’s Series 2013A and 2014A Turnpike Revenue Bonds (with the present value savings provided to the Authority on a cash basis in 2021) (as further described in Section III, the “Services”).

P. 14, Section IV, C3.

3. Provide your firm’s recommendation for the Forward Refunding bond debt structure including the amount of projected upfront payment based on market conditions two (2) business days before the proposal due date, and any call features.

- a. Please clarify or expand upon the requirement to pay NJ Turnpike Authority the present value savings in 2021, well in advance of the forward purchase date, i.e. 7/1/2024 Callable Date-Series 2014A?

ANSWER: The successful proposer will offer to pay an amount reflecting the value of the projected present value savings of the forward refunding at an initial closing expected in 2021. At the time of forward refunding the Authority will deliver the bonds to the purchaser with the same coupons as currently exist on the bonds.

- b. If the Authority seeks an upfront payment, would the Authority entertain a structure in which the upfront payment is funded through a term loan that is a companion to the refunding direct purchase bond (i.e. Upfront Payment Loan with near term delivery date; and refunding Direct Purchase Bond with future delivery date connected to the call date of the refunded bond series)?

ANSWER: The Authority strongly prefers an upfront payment in exchange for the obligation to delivery the bonds in the future but is pleased to consider any creative options that provide a similar benefit. However, if a loan structure is proposed the repayment of the loan would be done by the delivery of the bonds not by any cash payment.

- c. In that case, is it preferred that amortization for the repayment of the upfront payment term loan should mirror the amortization of the outstanding bonds in the series?

ANSWER: See answer 3b above.

- d. Is the NJ Turnpike Authority willing to entertain a proposal without this option?

ANSWER: The Authority will entertain alternate proposals that meet the same objectives of the structure described in the RFP.

4. Will NJ Turnpike entertain a proposal on a portion of the \$889MM Series 2014A Bonds?

ANSWER: Yes.

5. Page 21 Checklist and Exhibits. Is it permissible to submit the Exhibits/Documents upon award instead of with the RFP response?

ANSWER: All exhibits must be submitted with the RFP response, as noted on the checklist. Please note that electronically signed forms are acceptable. As a precaution against the spread of COVID-19: in lieu of a notary public, the Authority will accept the following statement above the signature line: "I certify, under penalty of perjury under the laws of the State of New Jersey, that the foregoing is true and correct".

6. What type of upfront payment is the Authority envisioning as mentioned in Section IV, Part C, Question 3? An upfront savings payment made to the Authority prior to December 31, 2021, or a fee paid to the purchaser of the bonds made prior to December 31, 2021?

ANSWER: An upfront payment made to the Authority prior to December 31, 2021.

7. While the RFP invites direct purchase proposals and seeks structures that provide an upfront payment, Question 3 in Section C includes an invitation for "any suggestions for additional refundings may also be included". Given this language, would the Authority consider refunding suggestions that are executed in the capital markets and may not provide for an upfront payment?

ANSWER: No, not for this RFP.

8. Would the Authority consider a forward refunding proposal for a portion of the intended refunding of the \$989 million of Series 2013A and 2014A bonds (e.g. separate proposals for each refunded series, a capped par amount for either refunding, etc.)? It was unclear if such a proposal would be considered based on language in the RFP:

- a. RFP Section III.D ("The Purchaser(s) selected will be required to contract to forward purchase **all** of the selected bonds.")

versus

- b. RFP Section I ("...purchasing on a forward delivery basis **all or a portion** of the Authority's Series 2013A and 2014A Turnpike Revenue Bonds...").

ANSWER: Yes, the Authority would consider a proposal for a portion of the refunding.

9. Is the Authority seeking to select only one purchaser as alluded to in RFP Section IV.B ("The Authority intends to contract with **a Purchaser** for the Bonds before January 1, 2022. The highest ranked Proposer will be selected as **the Purchaser**.") or may it choose more than one purchaser as alluded to in RFP Section III.D ("The **Purchaser(s)** selected will be required to contract to forward purchase all of the selected bonds.")

ANSWER: The Authority prefers one purchaser but will consider more than one if advantageous to the Authority.

10. For the purposes of our internal credit review, how does the Authority intend to use the refunding savings/cash payment provided by the Purchaser(s) by 2021 year-end?

ANSWER: The Authority intends to use the refunding savings/cash payment provided as a general fund deposit.

Proposals are due on Monday, November 15, 2021 at 4:00 PM EST.

Very truly yours,

A handwritten signature in black ink, appearing to read "Dale T. Barnfield", with a stylized flourish at the end.

Dale Barnfield, Director
Procurement and Materials Management

DB/am