



THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
 SCHOOL BOARD ADMINISTRATION BUILDING
 Procurement Management Services
 1450 N.E. 2nd Avenue, Room 650
 Miami, FL 33132

Direct All Inquiries To Procurement Management Services Buyer's Name: _____ PHONE: (305) 995-_____ Email: _____ TDD PHONE: (305) 995-2400
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BID/RFP ADDENDUM

Date: _____

Addendum No. _____

BID/RFP No. _____ BID/RFP TITLE: _____

This addendum modifies the conditions of the above-referenced BID/RFP as follows:

All information, specifications terms, and conditions for the above-referenced BID/RFP, are included on the document posted on the Procurement Management website at <http://procurement.dadeschools.net>

The attached pages containing clarifications, additional information and requirements constitute an integral part of the referenced bid.

1. If your bid/proposal has not been submitted, substitute the pages marked REVISED and mail your entire bid/proposal package. **REMEMBER TO SIGN THE BIDDER QUALIFICATION FORM.**

OR

2. If your bid/proposal has been submitted, sign and return this addendum form with the revised pages by the time and date indicated on the Bidder Qualification Form. BY SIGNING THIS ADDENDUM, THE VENDOR AGREES TO THE TERMS AND CONDITIONS CONTAINED IN THE BIDDER QUALIFICATION FORM AND ALL RELATED BID DOCUMENTS.

I acknowledge receipt of Addendum Number _____

PLEASE NOTE: If your firm has forwarded a copy of this bid/proposal to another vendor, it is your responsibility to forward him/her a copy of this addendum.

(PLEASE TYPE OR PRINT BELOW)

LEGAL NAME OF BIDDER: _____

MAILING ADDRESS: _____

CITY, STATE ZIP CODE: _____

TELEPHONE NUMBER: _____ E-MAIL I.D. _____ FAX # _____

BY: SIGNATURE (Manual): _____
 OF AUTHORIZED REPRESENTATIVE

NAME (Typed): _____ TITLE: _____
 OF AUTHORIZED REPRESENTATIVE

MODIFIED CONDITIONS OF THE SOLICITATION

1. Page 17, Section 1.39, ITB Indemnification, has been stricken.
2. Page 17, Section 1.40, Duty to Defend, has been stricken.
3. Page 18, Section 1.41 Insurance Requirements (If applicable), has been stricken.
4. Pages 34-41, Section 6.0 Sample Agreement has been stricken.
5. Page 2, Table of Contents, Section 6.0, Sample Agreement has been stricken.
6. Pages 26-27, Section 3.0, Price Proposal and Section 3.1 Proposal list have been replaced with a revised Proposal List.

The remainder of this page was left intentionally blank.

SECTION 3.0 - PROPOSAL LIST

[Signature is required at the end of this Section 3.0]

BIDDERS MUST READ THIS SECTION IN ITS ENTIRETY AND ACKNOWLEDGE RECEIPT OF THIS SECTION BY SIGNATURE ON FOLLOWING PAGE

As stated in Section 2.0 Scope of Work of this ITB:

- Awarded Bidders shall receive a Request for Qualifications (RFQ) for future underwriting opportunities.
- The Bidders shall offer all of the elements of this ITB and meet all service requirements and specifications listed within **Section 2.0 - Scope of Services**.
- The information in this ITB is to be utilized solely for preparing the proposal response to this ITB and does not constitute a commitment by the District to procure any services.
- Please note that prices quoted may not include sales tax, as The School Board of Miami Dade County, Florida, is a non-profit organization and as such does not pay sales tax on any services.

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For this Section 3.1 - Proposal List:

Signature of Bidder's Authorized Representative

Title

Printed Name:

Date:

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RBC Capital Markets
 Riverbank House
 2 Swan Lane
 London
 EC4R 3BF
www.rbccm.com

RBC Contact Details

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Client Name: MONTHLY-SBMIAMIDMIA_Tor_IRS

Valuation Date: Nov 30, 2015

Product: Interest Rate Swaps TO

Trade ID	Trade Date	Effective Date	Maturity Date	Sub Product	Short Name	Buy/Sell	Strike	Pay	Notional	Pay Index	Pay Rate	Pay Frequency	Pay CCY	Receive	Notional 2	Receive Index	Receive Rate	Receive Frequency	Receive CCY	Accrued Interest	MTM USD
2129747/2245282	08/03/2012	08/03/2012	15/07/2027	SWAP	SBMIAMI2012			Fixed	53,035,000		0.03909	SMAL	USD	Float	53,035,000	30D USD LIBOR	0.001379	MNTY	USD		(11,765,559)
1389596/1419008	03/04/2006	01/04/2007	01/08/2027	SWAP	SBMIAMIDMIA			Fixed	48,715,000		0.03821	35	USD	Float	48,715,000	30D USD LIBOR	0.001362	35	USD	(99,726)	(8,133,286)
1389597/1419009	03/04/2006	01/04/2007	01/08/2027	SWAP	SBMIAMIDMIA			Fixed	48,955,000		0.03821	35	USD	Float	48,955,000	30D USD LIBOR	0.001621	35	USD	(14,927)	(8,079,608)
Total																					(27,978,453)

Positive values represent amounts in your favour and negative values represents amounts in RBC's favour. The Valuations above are inclusive of interest accruals.

The indicative price is not an offer to purchase or sell any instrument or enter into, transfer and assign, or terminate any transaction, or a commitment by RBC to make such an offer, or an indication of RBC's willingness to make such an offer at any time. As a general matter, and particularly in times of distressed markets or limited liquidity, an indicative price of an instrument or transaction, such as the instrument or transaction for which an indicative price is being provided to you, may differ substantially from a firm price for the same instrument or transaction. The indicative price may also vary significantly from prices or valuation estimates available from other sources. In the event that RBC decides (in its absolute discretion) to quote a firm price for any instrument or transaction, any such firm price may differ from prior prices or valuations for the same instrument or transaction and may be less favourable to you. The indicative price does not account for certain factors, including selling commissions, which may increase or decrease the price.

The indicative price does not necessarily reflect the price or valuation used by RBC for different purposes, such as accounting, internal reporting or capital adequacy purposes. The difference between the indicative price and the price or valuation used for RBC's internal purposes may be substantial and not immaterial. The provision of the indicative price to you by RBC does not bind or obligate RBC to continue to provide prices to you in regard to this product or transaction or to provide prices to you in regard to any other existing or future transactions between you and RBC. The indicative price does not in any way amend, modify, alter or restate the terms and conditions to which any existing instruments or transactions are subject. This indicative price does not commit RBC to execute any transaction with any counterparty at this price or any other price.

The indicative price is provided by way of example only, and is not intended to replace or supplant the advice of your auditors, lawyers and other advisors, and does not create any relationship between RBC and you. RBC specifically disclaims the creation of any partnership, joint venture, fiduciary, agency or non-contractual relationship between, or the imposition of any partnership, joint venture, fiduciary, agency or non-contractual duties on, either party. The indicative price is provided without any warranty, express or implied, as to its legal effect or completeness. You should discuss with your auditors, lawyers and other advisors whether the indicative price is adequate or appropriate for your purposes.

The information provided herein (the "Information") (i) is intended for your information only and is not to be provided to, or used by, any other person or party, (ii) is supplied in good faith, and (iii) is based on information which we believe, but do not guarantee, to be accurate or complete. RBC makes no representation or warranty, express or implied, with respect to the Information and, to the fullest extent permissible by law, shall have no liability whatsoever to you or any other person or party for any loss or damage, direct or indirect, arising from any use of the Information.

Sincerely,
 Royal Bank of Canada

EXHIBIT B

THE SCHOOL DISTRICT OF MIAMI-DADE COUNTY, FLORIDA
 CAPITAL OPTIONAL MILLAGE LEVY COVERAGE
 LAST TEN YEARS (IN THOUSANDS)*

<u>Fiscal Year</u>	<u>Revenue</u>	<u>Debt Service</u>			<u>Coverage Ratio</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2015	\$345,774	\$98,183	\$118,908	\$217,091	1.59
2014	313,877	90,073	122,695	212,768	1.48
2013	291,812	83,292	89,640	172,932	1.69
2012	301,450	88,908	92,310	181,218	1.66
2011	289,618	90,463	119,636	210,009	1.38
2010	368,334	85,724	132,260	217,984	1.69
2009	419,758	73,078	116,174	189,252	2.22
2008	461,813	58,895	97,929	156,824	2.94
2007	402,181	50,563	73,869	124,432	3.23
2006	333,576	38,895	48,435	87,330	3.82

Coverage Ratio: Revenue divided by Debt Service Total (Principal and Interest).

*Unaudited.

SOURCE: The School Board of Miami-Dade County - Office of the Controller.

ITB-15-031-YWP UNDERWRITING SERVICES

Questions and Answers

1. Stifel, Nicolaus & Company, Incorporated

- With regards to the Indemnification language provided in Section 1.39 of the ITB and in the Sample Agreement in Section 6.0, our firm would prefer this language to be removed entirely. If it cannot be removed, would the District approve removing the words "...arising out of, resulting from or incidental to Bidder's performance under this Contract or..." from the first sentence?

Answer: Section 1.39, Indemnification has been stricken.

2. Natalie Sidor & Betsy Hedden-Shafer

- Section 2.3, Paragraph 1 - Does the 20 page limit only apply to responses to the requested information in Section 2.3 and thus, exclude the cover letter, table of contents, executive summary, appendices, exhibits and attachments?

Answer: The 20 pages limit is for all the items requested in Section 2.3, including related exhibits and attachments. The cover letter, executive summary, appendices, and District required Exhibits are not included in the 20 pages count limit.

- Section 2.3, Experience of the Firm, #4B – Should our experience include only negotiated lease financings or all lease financings (negotiated, competitive and private placements)?

Answer: Firms can include all lease financing experience, with an emphasis on negotiated lease financing with other large school districts or large local governments.

3. Bank of America Merrill Lynch - Merrill Lynch, Pierce, Fenner & Smith Incorporated

- In Section 2.3 under Question 1 states that \$200 million of General Obligation Bonds may be issued in 2016 "depending on future construction schedule". Can you elaborate on the current construction schedule, providing possible future construction draws? Can you elaborate on what factors may speed up or slow down the future construction schedule, and thus, the issuance of the remaining \$500 million under the authorization?

Answer: As of today the District has issued approximately \$500 million in bonds since 2013. The next \$200 million issuance estimate is based on the current construction schedule. Future issuances and timing will depend on projects cash flow needs, with the expectation to issue bonds on an annual basis for the approximate amounts of \$200 MM in calendar year 2016, \$200 MM in 2017, \$200 MM in 2018 and \$100 million in 2019.

- In Section 2.3 under Question 4 Part B, the section heading and the pertinent detailed question appear they may be contradictory. Accordingly, can you please clarify the following:
 - Should we include both “other large school district financing or large local government lease financing Experience” – or should we limit our response to only experience with “lease financings for other government issuers”?
 - Also, should we include only “negotiated lease financings” experience, or all experience (negotiated, competitive and privately placed transactions)?

Answer: In item number 4, asking for the Experience of the Firm, Part B is mainly requesting negotiated lease financing experience with other large school districts or large local governments. Because of the way the requirement was written, please also include any competitive or private placement lease financing over \$50 million.

- In Section 4.0, the some of the items requested under tab 5 seem duplicative of Section 2.3 Question 4 Part A and Section 2.3 Question 5. In effort to keep our response as concise as possible, should we provide this information in both tabs/responses, or can we provide it under tab 5, and refer back to such tab in our response?

Answer: Please provide the qualification information under Section 2.3, requirements 4 and 5, and refer back to such items in the response under Section 4, item 5; making sure to include in the response to Section 2.3 all the specific information requested in Section 4, item 5.

- As discussed in the pre-proposal conference this morning, a consensus of the potential proposers voiced concerns regarding Section 1.39 and 1.40, requesting these being stricken from this ITB and the contract, and/or have these items subject to and superseded by the terms and conditions of a bond purchase agreement (which are customary in our business, and such agreement the District is familiar with).

Answer: Section 1.39, Indemnification and Section 1.40 Duty to Defend have been stricken.

4. Wells Fargo Securities

- **Section 1.39 – Indemnification.**

Wells Fargo Bank NA Municipal Products Group does not agree to the provisions set forth in 1.39 of the RFP. If selected, Wells Fargo is willing to discuss indemnification and allocation of responsibility between the parties. Generally, Wells Fargo is open to discussing its responsibility for claims or expenses arising directly from the grossly negligent acts or willful misconduct of Wells Fargo or its principals, employees or agents (as determined in a final judgment by a competent court of law) related to the underwriting or services provided pursuant to a request for proposal executed with the School Board. Any such allocation of responsibility, mutually agreed upon by the parties, shall be as set forth in the final agreement governing the services to be provided pursuant to such Request for Proposal.

Ideally we would recommend Section 1.39 be removed from the proposal. Terms and conditions for underwriting services are governed in the Bond Purchase Agreement, which has been an acceptable past practice to the District.

This will also apply to Item 9, Indemnification, included in Section 6.0.

Answer: Section 1.39, Indemnification has been stricken.

- **Section 1.40 – Duty to Defend.**

Wells Fargo Bank NA Municipal Products Group does not agree to the provisions set forth in 1.40 of the RFP. Indemnification and related duties to defend will be provided as described in the response to 1.39.

Ideally we would recommend Section 1.40 be removed from the proposal. Terms and conditions for underwriting services are governed in the Bond Purchase Agreement, which has been an acceptable past practice to the District.

This will also apply to Item 10, Duty to Defend, included in Section 6.0.

Answer: Section 1.39, Indemnification and 1.40 Duty to Defend have been stricken.

- **Section 1.41 – Insurance Requirements.**

Our company is a large international company and negotiates insurance contracts for the entire firm. We can comply with the spirit of the District's requirements, however we may need to request certain revisions to the specific insurance requirements. We will include suggested revisions in our response to the RFP.

Answer: Section 1.41, Insurance Requirement has been stricken.

Section 2.3, Question 1.

Question 1 suggests that one \$200 million General Obligation bond issue will be issued in 2016.

Could you please provide anticipated estimated cash flows and construction draws for this issue, as well as any other future GO financing plans (if available) including estimated cash flows and construction draws (if known) at this time.

Answer: As of today the District has issued approximately \$500 million in bonds since 2013. The next \$200 million issuance estimate is based on the current construction schedule. Future issuances and timing will depend on projects cash flow needs, with the expectation to issue bonds on an annual basis for the approximate amounts of \$200 MM in calendar year 2016, \$200 MM in 2017, \$200 MM in 2018 and \$100 million in 2019.

- **Section 2.3, Question 6.**

We are responding as a "municipal securities dealer," and not a "broker-dealer." As a municipal securities dealer, we are subject to capital regulations prescribed by the Office of the Comptroller of the Currency ("OCC"). Our capital position is reported using Total Capital, Total Risk-based Capital, and Tier One Capital. This approach was accepted by the District in 2012. Please confirm it will be acceptable in 2015.

Answer: This additional information is acceptable, but note that the required data requested in Section 2.3, item 6 has to also be provided.

- **Section 4.1 (2)**

Section 4.1(2) requires that spine title covers be included to identify the proposal. Is it required that the bound copies be bound using 3-ring binders?

Answer: There is no requirement to submit using a 3 ring binder.

5. PNC Capital Markets LLC

- Could you please provide confirmation or documentation that at least three firms have received this ITB?

Answer: We can confirm that more than three firms have received this ITB.

- The below questions are in reference to the ITB's Scope of Services Section 2.0, questions 1-3.

1. Will all GO Bonds be done on a competitive basis?

Answer: Most likely all GO Bonds will be done on a competitive basis.

2. Is there a minimum amount of time required for MDCPS to be able to go to market?

Answer: As of now there is no requirement for minimum amount of time to go market.

3. Does PFM also serve as the swap advisor?

Answer: Yes.

4. Do put bonds of any tenor count against variable rate exposure?

Answer: Typically not, but put bonds impact our credit rating.

- 5. Could you please provide swap confirms for the outstanding swap portfolio?

Answer: Please see attached SWAP confirmations from RBC

6. J.P. Morgan

- Can the District consider removing section 1.39 (Indemnification)? Underwriting engagements are typically governed by a Bond Purchase Agreement (see attached for a recent one that the District executed with J.P. Morgan) and the

indemnification currently contained in section 1.39 (as well as in #9 of Section 6.0 - Sample Agreement that was attached to the RFP) is very broad in nature and not something we are typically asked to provide in the normal course of business we engage in.

Answer: Section 1.39, Indemnification has been stricken.

- Related to Question 1 above, will the District consider removing section 1.40 (Duty to Defend)? This is highly correlated to the Indemnification section and also very broad and open-ended, which is not typical in an underwriting engagement that is limited in scope, by definition. Similar to above, there is a corresponding section (#10) in the Sample Agreement that we would ask the District's consideration for removal.

Answer: Section 1.40 Duty to Defend has been stricken.

- Section 1.41 (Insurance Requirements) and the corresponding Sample Agreement section (#28) lay out the District's expectations on insurance coverages to be maintained by us. Given the size and scope of our firm, our policies are very broad and negotiated on behalf of many lines of business we conduct. These do not necessarily directly correlate to the exact language and/or requirements as set forth in the RFP. We would propose sending a marked version of your RFP language indicating where we differ, and can discuss further at the District's convenience. Is this approach acceptable, or would the District prefer another alternative?

Answer: Section 1.40, Insurance Requirements (If applicable) has been stricken.

- On Exhibit 2, we are asked to list all possible attendees to any oral interviews the District may conduct in association with this ITB process. Please confirm that this list should be comprehensive, and that it does not necessarily need to correspond with the individuals (and their resumes) identified as part of our firm's core coverage of the District in our response to Question 5 of Section 2.3 (Required Information to be Submitted by the Bidder).

Answer: The list of all possible attendees to oral interviews should be comprehensive, and does not need to correlate exactly to the individuals identified as part of the core coverage for the District.

- #8 of Section 4.0 (Proposal Submission and Format) requires us to execute and be bound by a Sample Contract (found in Section 6.0). When would this contract be executed?

Answer: This sample contract is not applicable for purposes of this ITB and can be disregarded.

- Exhibit 6 (Bidder Experience) should be completed by us, and not the client references, correct?

Answer: Yes, but we may request at a later time for the District to contact and verify these references directly.

- Question 2 of Section 2.3 references an Appendix B related to Capital Optional Millage Levy Debt Service Coverage. This appendix was not included anywhere in the ITB document. Can you please provide this appendix?

Answer: Please see attached Appendix B, which is also included as part of the Official Statements issued by the District.

7. Fidelity Capital Markets

- Miami-Dade County Public Schools may rely on their senior management team and advisors for bond structuring advice. Are firms seeking to serve Miami-Dade County Public Schools as a co-manager required to respond to questions 1-3 under Section 2.3?

Answer: Yes, firms responding as co-manager should provide answers to questions 1-3 from the perspective of a co-manager and state so in the proposal.

- Is Section 3.0 – Price Proposal List a required submission? If required, is a pricing format applicable to bond underwriters available?

Answer: Price Proposal List has been replaced with a revised form.

This section is not applicable for this ITB and can be disregarded.

- I've attached suggested revisions to Section 6.0 – Sample Agreement. The revisions pertain to Indemnification and Duty to Defend.

Answer: Sample Agreement has been stricken.

- Section 4.0 – Proposal Submission and Format requests certain Contents of Proposal. Is the Technical Qualifications content assumed to be responses to Section 2.3? Can responders refer to responses to questions in Section 2.3 to respond to Qualifications of the Bidder including Corporate Past Performance & Key Personnel for required contents of proposal under Section 4.0?

Answer: Please provide the qualification information under Section 2.3, requirements 4 and 5, and refer back to such items in the response under Section 4, item 5; making sure to include in the response to Section 2.3 all the specific information requested in Section 4, item 5.