



**ERIE COUNTY
REQUEST FOR PROPOSAL (RFP)
FOR UNDERWRITING SERVICES**

BOND ANTICIPATION NOTE

RFP # 08090VF

August 4, 2008

**MARK C. POLONCARZ, ESQ.
ERIE COUNTY COMPTROLLER
EDWARD A. RATH COUNTY OFFICE BUILDING
95 FRANKLIN STREET
BUFFALO, NEW YORK 14202**

**COUNTY OF ERIE, NEW YORK
REQUEST FOR PROPOSALS (“RFP”)
TO SERVE AS UNDERWRITER
BOND ANTICIPATION NOTE**

I. INTRODUCTION

The County of Erie, New York (the “County”) is currently seeking proposals from qualified financial institutions (commercial banks, investment banks, trust companies, national banking associations, etc. authorized to do business in the State of New York) interested in serving as underwriter for a one-year \$63.105 million Bond Anticipation Note issue.

Firms interested in serving as Managing Underwriter are invited to respond to the Request. The County will only contract with respondents that do not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation or citizenship status.

II. PROPOSAL PROCEDURES

A. ANTICIPATED SCHEDULE OF PROPOSAL

Issue RFP: August 4, 2008

Proposals Due: August 18, 2008 3:00 p.m. (EDT)

Selection Made: No later than 7 calendar days after Response Due Date

B. PREPARATION OF PROPOSAL

Each proposal shall be prepared simply and economically avoiding the use of elaborate promotional materials beyond what is sufficient to provide a complete, accurate, and reliable presentation. Proposals should be limited to 10 pages.

C. NUMBER OF PROPOSAL COPIES

One (1) original and three (3) copies of the proposal should be submitted.

D. INQUIRIES AND SUBMISSION OF PROPOSALS

Submission of 1 original and 3 copies of proposals shall be directed to:

Mark C. Poloncarz, Esq., Comptroller
Office of the Erie County Comptroller
95 Franklin Street, 11th floor
Buffalo, New York 14202
Phone: 716-858-8404
Fax: 716-858-7404

All proposals must be delivered to the above office on or before August 18, 2008 at 3:00 p.m. (EDT). Proposals received after the above date and time will not be considered. The County is under no obligation to return proposals.

Please also electronically send a copy of your proposal to Steven Kantor, financial advisor to the County, at skantor@firstsw.com and Todd Miles, bond counsel to the County at tmiles@hawkins.com.

Questions concerning this RFP must be directed in writing to Mr. Kantor by electronic mail at skantor@firstsw.com.

E. TIME AND LOCATION OF RESPONDENT'S PRESENTATION

Selected respondents may be requested to provide oral presentations. The County is under no obligation to hold such presentations. If the County shall request an oral presentation, selected respondents will be notified to arrange specific times.

F. RIGHT OF REJECTION BY THE COUNTY

Notwithstanding any other provisions of this RFP, the County reserves the right to award this contract to the respondent(s) that best meet the requirements of the RFP and not necessarily, to the lowest bidder. Further, the County reserves the right to reject any or all proposals for any or no reason and without penalty to the County.

G. AWARD OF CONTRACT

The County shall select a firm by means of a Notice of Award issued by the RFP evaluation committee. Neither the selection of a respondent(s) nor the issuance of a Notice of Award shall constitute the County's acceptance of the proposal or a binding commitment on behalf of the County to enter into a services contract with the firm, as any binding arrangement must be set forth in definitive documentation signed by both parties and subject to all requisite approvals.

H. ERIE COUNTY FISCAL STABILITY AUTHORITY APPROVAL

Erie County is operating under the financial oversight of a State authority, the Erie County Fiscal Stability Authority ("ECFSA"). Under its statutory authority, in January 2008, ECFSA declared a control period for the County's 2008 fiscal year. While in a control period, the County must request and receive ECFSA approval of all contracts valued at \$50,000 (fifty thousand dollars) or more, and all County borrowings (long and short-term) are subject to ECFSA review and approval, including this Bond Anticipation Note. The County may also request that ECFSA borrow on the County's behalf. As of the date of this request for proposals, the County has not requested ECFSA borrow on its behalf. Potential respondents to this request for proposals are advised that the County's acceptance of response(s) and award of a contract for this borrowing is subject to ECFSA approval.

III. SCOPE OF SERVICES

The County is currently seeking proposals from qualified financial institutions (commercial banks, investment banks, trust companies, national banking associations, etc. authorized to do business in the State of New York) to serve as underwriter for an \$63.105 million Bond Anticipation Note issue. This is a one year note.

IV. INFORMATION REQUESTED

A. QUALIFICATIONS, PERSONNEL AND EXPERIENCE - All respondents must provide the following information:

1. Provide the Name, Title, Address, Telephone Number, Fax Number and E-Mail Address of the primary contact person for your proposal.
2. Summarize your firm's qualifications to serve as Underwriter to the County. Please include your firm's experience with other County issues and other issuers of general obligation bonds and/or notes in New York State and with issuers having BBB level ratings.
3. Provide a brief description of the firm, including ownership structure, affiliate and subsidiary corporations, and municipal and public finance departments. Please discuss any staffing changes in the municipal or public finance departments within the past two years. Please indicate whether you have an office located in Erie County and what services are provided by that office.
4. Provide summary resumes of the financing team, including senior banker, senior quantitative person and underwriter. Indicate each person's tenure with your firm.
5. Provide three client references.

6. Please discuss the New York market and the impact of retail investors on the proposed sale.
7. Disclose any material agreements, relationships, retainers or other employment that your firm or any of its employees has with any financial advisory firm, investment banking firm, law firm, or other person or entity that conducts business in the municipal securities industry.
8. Summarize your underwriting experience in New York since January 2004, and your prior experience with Erie County, New York since 2000, if any.
9. Propose the fees to be charged by your firm assuming a one year note maturing September 1, 2009 with a par amount of \$63.105 million. Please include:
 - Management Fee (if any)
 - Takedown
 - Expenses (excluding Underwriter's Counsel)
10. Propose the interest rate or range of rates, based on current conditions at the time of your response that the County could incur for this one year note.
11. The County is currently rated Baa2 (stable outlook) from Moody's, BBB+ from Standard & Poor's (stable outlook) and BBB- (positive outlook) from Fitch Ratings. Discuss your marketing plan assuming the County's ratings do not change. How will your marketing plan change if the County's ratings are upgraded?

PLEASE NOTE: SINCE THE ISSUANCE OF THE ORIGINAL RFP FOR THIS BOND ANTICIPATION NOTE IN JUNE 2008, THE COUNTY HAS RECEIVED UPGRADES FROM MOODY'S AND STANDARD & POOR'S

12. Please include a letter from the officer responsible for your public finance operations that (i) no member of your firm made inquiries to any County official with respect to this Request for Proposals from the date of this RFP through the date of your submission and (ii) that all information in your submission is true and correct to the best of her/his knowledge.

B. LOCAL LAWS

By submitting a proposal, the firm represents and warrants that it is familiar with the local laws and ordinances, and will conform to all local, state and federal laws, including but not limited to workers' compensation and all anti-discrimination laws.

V. EVALUATION AND AWARD PROCESS

A. EVALUATION AND AWARD CRITERIA

During the evaluation process, the County reserves the right, where it may serve the County's best interest, to request additional information or clarifications from respondents, or to allow for the corrections of errors or omissions. At the discretion of the Evaluation Committee, firms submitting proposals may be requested to make oral presentations as part of the evaluation process.

Selection will be made from a short list of respondents deemed to be fully qualified and best suited among those submitting proposals. Evaluation of proposals will be based on the following criteria, listed not necessarily in order of importance:

1. Capability to provide required services on a timely basis;
2. Commitment to public finance;
3. Fees (although fees and compensation will be an important factor in the evaluation of proposals, the County is not required to choose the lowest bidder);
4. Experience and background of the firm and personnel named in the Statement; and
5. References.

The County reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance by the respondent of the conditions contained in this request for proposals, unless clearly and specifically noted in the proposal submitted and confirmed in a subsequent agreement between the County and the respondent selected.

B. RIGHT TO RETAIN ALL PROPOSALS; PUBLIC INSPECTION

All materials submitted in response to this solicitation become the property of the County of Erie, New York and will not be returned. Please be advised that all proposals will be subject to public inspection.