

**COUNTY OF ERIE
OFFICE OF COMPTROLLER
RFP # 08091VF**

**95 FRANKLIN STREET
BUFFALO, NY 14202**

**County of Erie, New York
2008 Revenue Anticipation Note**

The Erie County Comptroller is seeking proposals from one or more financial institutions to serve as purchaser, placement agent and/or underwriter for the County's 2008 revenue anticipation notes. The RFP (#08091VF) can be found at: <http://www.erie.gov/comptroller/rfp.asp> or a complete copy of the package can be obtained by e-mailing Timothy Callan at Timothy.Callan@erie.gov.

All correspondence, communications and/or contact with the County in regard to any aspect of this proposal shall be in writing via electronic mail with Timothy Callan. Prospective proponents, or their representatives, shall not make contact with or communicate with any representatives of the County, including employees and consultants, other than the designated persons in regard to any aspect of this proposal.

Final sealed proposals are due to the Erie County Comptroller at the same address by 3:00 pm (EDT) on Monday, August 25, 2008.

Erie County reserves the right to reject any and all proposals and waive any informality.

Mark C. Poloncarz
Erie County Comptroller



COUNTY OF ERIE, NEW YORK

**OFFICE OF COMPTROLLER
MARK C. POLONCARZ**

**REQUEST FOR PROPOSALS
RFP #08091VF**

2008 REVENUE ANTICIPATION NOTE

August 11, 2008

**REQUEST FOR PROPOSALS – 2008 REVENUE ANTICIPATION NOTE
COUNTY OF ERIE, NEW YORK**

Erie County, New York (the “County”) is seeking one or more financial institutions to serve as purchaser, placement agent and/or underwriter for an amount not to exceed \$75,000,000 of the County’s 2008 revenue anticipation notes (the “2008 Notes”).

The 2008 Notes will be general obligations of the County, secured by its faith and credit. The payment of principal and interest on the 2008 Notes shall be supported by, but not limited to, the County’s power and statutory authority to levy ad valorem taxes on all taxable property in the County, without limitation as to rate or amount.

The County is looking for proposals from institutions willing to either (1) purchase the entire note issue or (2) underwrite or privately place the notes. Please clearly indicate which role(s) your firm would like to perform.

INSTRUCTIONS

- A. Five (5) copies of your proposal should be submitted to:

Honorable Mark C. Poloncarz
Erie County Comptroller
95 Franklin Street, Room 1100
Buffalo, New York 14202-3972

Packages Must Be Clearly Marked: Request for Proposal – 2008 Revenue Anticipation Note

Proposals must be delivered to the above address and received no later than Monday, August 25, 2008, at 3:00 p.m. Eastern Daylight Savings Time. Proposals delivered prior to the deadline will be secured unopened so long as the package is properly marked as set forth above. Late proposals will not be accepted and will be marked "TOO LATE" and returned unopened.

- B. All corrections made by the proposer prior to the opening must be initialed and dated by the proposer. No changes or corrections will be allowed after proposals are opened.
- C. Each proposer should carefully examine this RFP and shall contact the County Comptroller via electronic mail for interpretations or corrections of any ambiguity, inconsistency or error.
- D. Joint responses will not be accepted.
- E. Responses must contain a manual signature of an authorized representative of the responding firm on a letter of transmittal.

ADDITIONAL INFORMATION

It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP that is not understood. Questions and requests for clarification should be directed by electronic mail to Timothy Callan at callant@erie.gov.

TIMETABLE

The County expects to select the successful respondent(s) approximately one week following the close of the RFP. The 2008 Notes are expected to be issued in September 2008 with a settlement date no later than September 30, 2008. No in-person interviews are expected to be conducted, but the County

Comptroller reserves the right to conduct telephone or other interviews and to make such inquiries as the County Comptroller determines to be appropriate.

GENERAL TERMS AND CONDITIONS

Responses should be prepared simply and economically, and should provide straightforward and concise answers. Emphasis should be placed on the completeness and clarity of the content. The County shall not be liable for any expenses incurred in the preparation or presentation of the responses.

LEGAL REQUIREMENTS

Proposers must be in full compliance with Federal, State, County and local laws, ordinances, rules and regulations that in any manner affect the items covered herein. Lack of knowledge by the proposers shall in no way be cause for relief from responsibility.

PUBLIC RECORDS

Responses will be public records, subject to the New York State Freedom of Information Law.

EVALUATION PROCESS

The proposals will be reviewed by the Erie County Comptroller and members of the County's financing team.

The selection of a financial institution will be based on an assessment of the specific terms offered by each proposer. The County reserves the right, however, to reject any and all responses received, and also to waive any irregularity or informality if deemed to be in the best interest of the County.

Responses must be limited to five (5) pages.

ACCEPTANCE/REJECTION

The County reserves the right to accept or to reject any or all Proposal(s) and to select the Proposal(s) which, in the opinion of the County, will be in its best interest. The County specifically may choose an institution to directly purchase and hold the notes or to represent it as a placement agent other than the one which offered the lowest interest rate if, in its sole judgment, other terms and conditions are deemed to be in the best interest of the County.

THE ISSUANCE OF THIS RFP CONSTITUTES ONLY AN INVITATION TO PRESENT PROPOSALS. THE COUNTY RESERVES THE RIGHT TO DETERMINE, IN ITS SOLE DISCRETION, WHETHER ANY ASPECT OF THE PROPOSALS SATISFACTORILY MEETS THE CRITERIA ESTABLISHED IN THE RFP, THE RIGHT TO SEEK ADDITIONAL INFORMATION AND/OR CLARIFICATION FROM ANY PROPOSER(S), THE RIGHT TO NEGOTIATE WITH ANY PROPOSER(S) SUBMITTING A RESPONSE, AND THE RIGHT TO REJECT ANY OR ALL RESPONSES WITH OR WITHOUT CAUSE. IN THE EVENT THAT THE RFP IS WITHDRAWN BY THE COUNTY FOR ANY REASON, INCLUDING, BUT NOT LIMITED TO, THE FAILURE OF ANY OF THOSE THINGS OR EVENTS SET FORTH HEREIN TO OCCUR, THE COUNTY SHALL HAVE NO LIABILITY TO ANY PROPOSER FOR ANY COSTS OR EXPENSES INCURRED IN CONNECTION WITH THIS RFP OR OTHERWISE

PLEASE NOTE: ERIE COUNTY IS OPERATING UNDER THE FINANCIAL OVERSIGHT OF A STATE AUTHORITY, THE ERIE COUNTY FISCAL STABILITY AUTHORITY ("ECFSA"). UNDER ITS STATUTORY AUTHORITY, IN NOVEMBER 2007 AND 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 FOR ALL CONTRACTS VALUED AT MORE THAN \$50,000.00 (FIFTY THOUSAND DOLLARS) AND ALL SHORT AND LONG-TERM COUNTY BORROWING IS SUBJECT TO ECFSA REVIEW AND APPROVAL, INCLUDING THE PROPOSED 2008 REVENUE ANTICIPATION NOTE. THE COUNTY MAY ALSO REQUEST THAT ECFSA BORROW ON THE COUNTY'S BEHALF, ALTHOUGH THE COUNTY HAS NOT DONE SO AT THIS TIME. POTENTIAL RESPONDENTS TO THIS RFP ARE ADVISED THAT THE COUNTY'S ACCEPTANCE OF ANY RESPONSE(S) AND AWARD OF A CONTRACT FOR THIS BORROWING IS SUBJECT TO ECFSA APPROVAL.

TRANSACTION PARTICULARS

1. The par amount of the 2008 Notes will not exceed \$75,000,000.
2. The County expects to price the 2008 Notes in September 2008 and close the transaction no later than September 30, 2008.
3. The 2008 Notes shall be issued in anticipation of the collection or receipt of revenues due to the County in its 2008 fiscal year from one or more of the following sources: (i) State Social Services aid; (ii) Federal Social Services aid; and (iii) Sales Tax.
4. The County anticipates issuing the 2008 Notes in a single transaction but retains the right to, and may utilize the option of multiple draws. Please prepare any response accordingly.
5. The 2008 Notes will be due one year from settlement.
6. The 2008 Notes should have a fixed interest rate, and no interest will be payable until maturity.
7. The County expects that interest on the 2008 Notes will be tax-exempt.

INFORMATION REQUIRED FOR YOUR RESPONSE

1. The capacity in which you will act (i.e., either as a purchaser, an underwriter or a placement agent).
2. The County general obligations are currently rated Baa2 (stable outlook) from Moody's, BBB+ (stable outlook) from Standard and Poor's, and BBB- (positive outlook) from Fitch. Please answer the following questions: (1) Should the County pursue ratings for this transaction? If so, from which agencies? (2) Is your firm willing to perform your role as described in your response to question one (1) without (a) additional credit enhancement or (b) a rating from at least one of the rating agencies?

PLEASE NOTE: IN JULY 2008, THE COUNTY RECEIVED RATING UPGRADES FROM MOODY'S AND STANDARD & POOR'S.

3. The County is considering several alternatives to market the 2008 Notes. Please provide indicative interest rates on the following marketing options as of the close of business on Friday, August 22, 2008. Please also indicate which option you recommend the County should choose.

Marketing Options	Proposed Interest Rate
Public Sale with Credit Enhancement to Achieve Highest Level Ratings	
Public Sale with no Credit Enhancement	
Private Placement with Credit Enhancement and no	

Ratings	
Private Placement with no Credit Enhancement	
Direct Purchase	

4. An enumeration of any and all fees and expenses that the County would be required to pay to your firm in conjunction with the role described in your response to question one (1) including any variations in such fees resulting from using alternative marketing options described in question (3).
5. A list of similar one year note transactions in New York State since January 2003 that your firm has acted in the role described in your response to question one (1). Please provide a listing by issuer, par, maturity date, interest rate and rating.
6. Identify the senior banker, quantitative specialist, and underwriter you propose for this transaction and indicate each of their experiences in these types of financings.
7. Any other information that you believe may be significant relative to the County's decision-making process.
8. Discuss any significant disclosure concerns which may have to be addressed and the proposed due diligence process you would conduct for each alternative described in question (3).
9. Please provide a statement disclosing and describing any auction rate securities litigation, settlements or related matters to which your firm is or may be involved.