1. SCOPE: This solicitation is Request for Proposal (RFP) to provide financial advisory services for the following:

NOTE: Respondents may submit proposals for either financial advisory services for debt programs, or for non-traditional transportation project delivery services, or both.

1.1. Various aspects of TxDOT’s Debt Programs including but limited to:

1.1.1. Issuance and payment of long and short term bonds, both tax-exempt and taxable, and other public securities, such as notes.

1.1.2. Debt portfolio management, particularly in regard to structuring new bond issuance and refunding to meet program objectives and achieve efficient cost of funding.

1.1.3. Continuing financial review and analysis of tax-exempt bond financing and refinancing.

1.1.4. Operations, leveraging, debt and loan portfolio monitoring and administration, and asset management for the State Infrastructure Bank.

1.1.5. Investment bidding and advice on investment of available assets in legally permissible interest yielding accounts, securities, and investment agreements.

1.1.6. Derivative management advisory services including interest rate swaps.

1.1.7. Other debt financing program responsibilities as determined necessary by TxDOT.

1.2. Assistance in the development and financial analysis of methods for Non-Traditional Transportation Project Delivery including the development, and negotiation of commercial terms for agreements using such methods, and implementation and ongoing administration of non-traditional transportation project delivery; including but not limited to:

1.2.1. Carrying out complex negotiations with public and private entities on the commercial terms of agreements.

1.2.2. Assisting with drafting agreements.

1.2.3. Assisting with drafting and reviewing legislation and administrative rules.

1.2.4. Assisting with monitoring compliance with agreements and implementation of processes to fulfill obligations.

1.2.5. Assisting TxDOT with providing assistance to other entities such as regional mobility authorities and regional toll authorities relating to non-traditional transportation project delivery.

1.2.6. Assisting with optimizing the use of non-traditional transportation project delivery methods available to TxDOT.

2. DEFINITIONS OF TERMS AND ACRONYMS

2.1. Commission – Texas Transportation Commission

2.2. Comprehensive Development Agreements (CDAs) – Large complex agreements for design and construction work and may include operations, maintenance and financing responsibilities as well.

2.3. Department – Texas Department of Transportation.

2.4. FHWA – Federal Highway Administration.

2.5. Non-traditional Transportation Project Delivery – Delivery methods for transportation infrastructure or transportation related infrastructure projects other than the design, bid, build delivery method and include, but are not limited to:

2.5.1. Pass-through Toll Agreements.

2.5.2. Comprehensive Development Agreements.

2.5.3. Financial Assistance Agreements for projects financed with toll equity grants and loans.

2.5.4. Project Development Agreements financed with toll equity grants and loans.

2.5.5. Any other non-traditional legally permissible delivery method.

2.6. PAB – Private Activity Bond.

2.7. RFP – Request for Proposal.

2.8. RFQ – Request for Qualifications.
2.9. SIB – State Infrastructure Bank.

2.10. TIFIA – Transportation Infrastructure Finance and Innovation Act.

2.11. USDOT – United States Department of Transportation.

3. APPLICABLE LAWS AND STANDARDS: The vendor shall provide the specified service requirement in accordance with all applicable federal, state, and local applicable laws, standards, and regulations necessary to perform the services, including, but not limited to:


3.2. Attachment B – Conflict of Interest Rules.

3.3. Texas Administrative Code, Title 43, Chapter 5.

3.4. Texas Administrative Code, Title 43, Chapter 6.

3.5. Texas Administrative Code, Title 43, Chapter 27.

3.6. Transportation Code, Chapter 91, Rail Facilities.

3.7. Transportation Code, Section 201.115, Borrowing Money.

3.8. Transportation Code, Chapter 201, Subchapter M, Obligations for Certain Highway and Mobility Projects.

3.9. Transportation Code, Section 222.003, Issuance of Bonds Secured by the State Highway Fund.


3.15. Transportation Code Chapter 228 State Highway Toll Projects.


3.17. Transportation Code, Section 371.051, Section 371.052 (b) and (c) relating to Notifications/Review of CDAs by Attorney General, LBB and State Auditor prior to execution.

3.18. Federal Aid Programs: In addition to the state statutes, TxDOT is seeking financial advisory services with respect to optimizing the use of provisions under the following federal programs:
3.18.2. Title 49, USC – Federal aid for public transportation.
3.18.3. Transportation Infrastructure Finance and Innovation Act (TIFIA).

4. BACKGROUND: See Attached document.

5. CURRENT ENVIRONMENT: In the current biennium (2010-2011), the Department expects to issue approximately $4.9 billion in municipal debt from the State Highway Fund and State General Obligation Bond programs in the amounts of $2.9 billion and $2 billion, respectively. The Department will also administer its existing debt programs, including analyzing any potential refunding opportunities, derivative positions and proposals, and general stewardship of the various portfolios, including seeking innovative methods to prudently reduce the cost of borrowing. Additionally, the Department anticipates proceeding with developing, managing and implementing a strategy for the use of a loan program within the State Infrastructure Bank to facilitate the development of highway improvement projects. The Department anticipates negotiating and entering into pass-through toll agreements, financial assistance and project development agreements for projects financed with toll equity grants and loans. The Department will provide other assistance to local toll project entities, to deliver transportation projects through non-traditional methods such as CDAs. The Department anticipates to continue evaluating proposed changes to state and federal law and monitoring compliance with executed agreements for the delivery of transportation infrastructure through non-traditional delivery methods.

6. RESPONDENT QUALIFICATIONS: The respondent shall be qualified under 6.1 or 6.2 or both:

6.1. Be a company whose partners and or principals are engaged in the business of providing financial advisory services in financial debt programs in the municipal bond industry for a minimum of seven years within the last ten years. Start-up businesses do not meet the requirements of this solicitation. A start-up business is defined as a new company with less than 12 months of previous operational history or expertise in the relevant business and is not affiliated with a company that has the history or expertise.

or

6.2. Be a company whose partners and or principals are engaged in the business of providing financial advisory services for non-traditional project delivery as specified in Para. 11. for a minimum of seven years within the last ten years. Start-up businesses do not meet the requirements of this solicitation. A start-up business is defined as a new company with less than 12 months of previous operational history or expertise in the relevant business and is not affiliated with a company that has the history or expertise.

6.3. Be in good financial standing, current in payment of all taxes and fees such as state franchise fees. TxDOT reserves the right to request a copy of the respondent’s audited or un-audited financial statement.

When financial statements are requested, TxDOT will review the respondent's audited or un-audited financial statement to this solicitation in accordance with Texas Government Code, Title 10, Subtitle D, Section 2156.007 to evaluate the sufficiency of the respondent's financial resources and ability to perform the contract or provide the service required in the solicitation. TxDOT will be the sole judge in determining the sufficiency of the respondent's financial resources and ability to perform the contract or provide the service. Factors to be reviewed include:

6.3.1. Balance sheets.
6.3.2. Net working capital.
6.3.3. Current asset ratio.
6.3.4. Liquidity ratio.
6.3.5. Auditor(s) notes.
6.3.6. Any notes to the financial statements.

7. KEY PERSONNEL QUALIFICATIONS: The respondent shall provide the following key personnel:

NOTE: Respondent may revise positions, titles and descriptions as needed (Ref. Schedule 1 – Pricing).

7.1. MANAGING DIRECTOR: The respondent shall designate a Managing Director with a minimum of five years experience within the last ten years in providing financial advisory services in one or both of the following:

7.1.1. Various aspects of debt programs as described in Para. 1.1.
7.1.2. Non-traditional delivery methods for the delivery of transportation infrastructure or transportation related infrastructure as described in Para. 1.2.

7.2. DIRECTOR: The respondent shall designate a Director with a minimum of three years experience within the last five years in providing financial advisory services in one or both of the following:

7.2.1. Various aspects of debt programs as described in Para. 1.1.
7.2.2. Non-traditional delivery methods for the delivery of transportation infrastructure or transportation related infrastructure as described in Para. 1.2.

7.3. ASSOCIATE DIRECTOR: The respondent shall designate an Associate Director with a minimum of two years experience within the last five years in financial advisory services in one or both of the following:

7.3.1. Various aspects of debt programs as described in Para. 1.1.
7.3.2. Non-traditional delivery methods for the delivery of transportation infrastructure or transportation related infrastructure as described in Para. 1.2.

7.4. ANALYST(S): The respondent shall designate analyst(s) with a minimum of two years experience within the last five years in providing financial advisory services in one or both of the following:

7.4.1. Various aspects of debt programs as described in Para. 1.1.
7.4.2. Non-traditional delivery methods for the delivery of transportation infrastructure or transportation related infrastructure as described in Para. 1.2.

8. VENDOR REQUIREMENTS: The vendor shall:

8.1. Provide a Managing Director who will serve as a point of contact for TxDOT.
8.2. Provide all personnel and equipment necessary to meet requirements of the specified services throughout the term of the purchase order.

8.3. Adhere to the TxDOT Terms and Conditions identified on the solicitation.

8.4. Provide a detailed work plan including milestones and deliverables for each specific project prior to authorization to the start of a project. Any changes to the work plan will be reviewed and pre-approved by TxDOT.

9. KEY PERSONNEL REQUIREMENTS

9.1. The Managing Director’s primary responsibility shall be the day-to-day operation of the service in accordance with the requirements of the purchase order.

9.2. The Managing Director’s shall be a permanent staff employee and shall serve as a constant primary point of contact for TxDOT.

10. SERVICE REQUIREMENTS FOR DEBT PROGRAMS

10.1. NEW BOND ISSUANCE FOR DEBT PROGRAMS: The vendor shall advise and recommend to TxDOT a plan of financing for bonds to be issued. Plan shall include a debt service schedule, structure, and other terms and conditions, consistent with achieving a minimum effective interest rate and resulting in the most advantageous terms for TxDOT. The vendor shall perform the following activities at a minimum to develop and implement the financing plan:

10.1.1. Assist in preparing all orders, agreements, and other instruments pursuant to which bonds will be authorized, secured, sold and delivered in consultation with the Commission and TxDOT, bond counsel, underwriters and their counsel, and other consultants of the Commission and TxDOT.

10.1.2. Provide recommendations on the marketing of bonds, including by negotiated sale or sale by competitive bids, methods for enhancing the rating, advice on bond covenants, pledge of revenues, flow of funds, legal coverage requirements, the timing of the issue, and evaluating bids submitted for the purchase of bonds.

10.1.3. Provide advice and assistance on the requirements of various financing structures (alternatives), the principal amount of bonds to be sold, maturity schedules, basis of awarding bids, and types of sales.

10.1.4. Advise TxDOT on current market conditions, comparable bond sales and structures, market entry strategies, and indicative pricing levels for bonds considering prevailing market rates and investor demands, including pricing scales for each contemplated transaction.

10.1.5. Assist the Commission and TxDOT in the preparation of any contract that provides for the sale of bonds, ensuring that all participants, including underwriters and investment banking firm(s) retained by, or contracting with, the Commission and TxDOT disclose all conflicts of interest to and with the Commission and TxDOT and any parties involved in the bonds.
10.1.6. Assist in making presentations and required submissions, responding to inquiries of, and obtaining approval of the Bond Review Board, the Legislative Budget Board, the Legislature and any other State entity with supervisory powers over the issuance of bonds by the Commission.

10.1.7. Attend meetings of the Commission, Bond Review Board, legislative committees or other meetings to the extent as requested by TxDOT.

10.1.8. Attend all bond document sessions as requested by TxDOT.

10.1.9. Assist the Commission and TxDOT in presentations to the major rating agencies, Texas Legislature, US Congress, credit enhancers, or prospective bond purchasers as requested by TxDOT.

10.1.10. Advise TxDOT with respect to the investment of bond proceeds and the accounting of arbitrage earnings.

10.1.11. Participate in Preliminary Official Statement (POS) and Official Statement (OS) preparation and delivery of a “camera-ready” copy to the printer.

10.1.12. Review such other documents as are customary and necessary in order to structure and issue bonds.

10.1.13. Provide advice on ongoing developments in the bond industry as developments affect TxDOT.

10.1.14. If requested, solicit bids on behalf of TxDOT for the printing of bond offering documents, ratings, trustee and paying agent fees and related services, contract with the responsible parties, and pay for those services on behalf of TxDOT.

10.1.15. Provide financial advisory support for all other matters necessary or incidental to the issuance of the bonds.

10.1.16. Provide a written, post-transaction assessment of any and all financing(s) undertaken, including the development of closing memorandum and assistance with the final report to the Bond Review Board to include a verification of all costs of issuance. The Financial Advisor is permitted to provide the closing memorandum in conjunction with the selected underwriters.

10.2. ON-GOING SUPPORT FOR DEBT PROGRAMS: The vendor shall issue and administer on-going debt obligations including but not limited to:

10.2.1. Advise the Commission and TxDOT on the feasibility of proposed debt restructuring techniques and monitor and advise TxDOT on refunding opportunities and other financial products that would assist TxDOT lower its cost of borrowing.

10.2.2. Assist in the evaluation of unsolicited proposals from underwriters in regard to structuring of debt, use of financial products, refunding opportunities and related topics.

10.2.3. Evaluate and advise TxDOT on derivative transaction proposals, negotiations with counterparties, and participate in the development of associated documentation.
10.2.4. Advise the Commission and TxDOT on possible ramifications and constraints of proposed investment transactions and supervise the bidding of investments, when requested.

10.2.5. Advise and provide assistance on responding to actual or anticipated changes in state and federal law, regulation or public policy, including advice on the impact on the development of legislation and administrative rules when requested by TxDOT, recommendations on legislative action where appropriate, and assistance with the drafting of legislation and administrative rules at both the federal and state level.

10.2.6. Advise and provide assistance to facilitate TxDOT’s ability to access and effectively utilize various federal programs and legislative initiatives.

10.2.7. Assist in writing, issuing, soliciting, and evaluating RFP’s for underwriting services, and prepare recommendations on retention of underwriters and underwriting teams for the Commission and TxDOT.

10.2.8. Provide information on questions and issues posed by, or presented to, the Commission and TxDOT on an ad hoc basis.

10.2.9. Assist with the annual and periodic review of the Commission’s investment, debt, and derivative management policies.

10.2.10. Perform any other tasks as directed by the Commission and TxDOT associated with the issuance and management of debt and the investment of bond proceeds.

11. **SERVICE REQUIREMENTS FOR NON-TRADITIONAL TRANSPORTATION PROJECT DELIVERY:**

   The vendor shall:

11.1. Advise and assist in drafting, procuring, and administering agreements for transportation projects using non-traditional delivery methods, and providing other support relating to the procurement of and other arrangements for the planning, development, and financing of non-traditional transportation project delivery, including financial transactions relating to such projects.

11.2. Advise and assist in responding to actual or anticipated changes in state and federal law, regulation or public policy, including advice on the impact on the development of transportation projects and financing options. This assistance may include the review of legislation and administrative rules recommendations on legislative action where appropriate, and assistance with the drafting of legislation and administrative rules at both the federal and state level as requested by TxDOT.

11.3. Advise and assist TxDOT in accessing and effectively utilizing various federal programs and legislative initiatives.

11.4. Advise and assist TxDOT on transportation projects that may be developed by local toll project entities to enable TxDOT to provide for or assist the local toll project entity in the procurement, construction, operation, or maintenance of projects delivered through non-traditional transportation project delivery. This includes assistance relating to the development of project agreements, procurements, market valuation approaches and implementation, tolling services agreements, and other agreements associated with the development of transportation projects.
11.5. Advise and assist in developing, implementing, and managing a program for the use by TxDOT of funds available to TxDOT for the delivery of transportation projects, or for the distribution of such funds to third parties through grants or loans, including proceeds from general obligation bonds. The assistance includes, but is not limited to:

11.5.1. Assisting in the creation of administrative rules, application criteria, the application process, and evaluation criteria for candidate projects.

11.5.2. Assessing initial and future capitalization alternatives.

11.5.3. Assessing and analyzing the feasibility and credit worthiness of various projects for this program.

11.5.4. Negotiation and evaluation of agreements.

11.5.5. Determining the implications of individual project agreements on the program as a whole (i.e., assessing the portfolio implications of various projects).

11.5.6. Performing other related compliance, administration, and monitoring activities associated with the program.

11.6. Advise and assist in ensuring that all contracting parties fulfill their obligations under executed agreements. Examples of this assistance include:

11.6.1. Analysis of the costs to collect tolls, as well as assistance with TxDOT efforts to efficiently structure and procure services for toll collection.

11.6.2. Evaluating and negotiating plans that a developer of a toll project may use to assess tolls.

11.6.3. Determining the impact (financial, commercial, or otherwise) of potential future change orders.

11.6.4. Assessing the implications of potential future project refinancing or regearing.

11.6.5. Updating the financial model as required when the agreement is amended.

11.6.6. Confirming the validity of future draws on public funds.

11.6.7. Confirming revenue share payment amounts.

11.6.8. Assessing capacity triggers in the agreement.

11.6.9. Assisting with ongoing activities related to TxDOT’s Pre-Development Agreements.

11.6.10. Other related contract compliance, administration and monitoring activities.

11.7. Advise and assist in the financial analysis of options for providing facilities for TxDOT employees and other state agencies.

11.8. Strategic advisory services for optimizing the use of the various debt and other TxDOT programs used for the delivery of transportation infrastructure or transportation related infrastructure projects.
12. **DELIVERABLES:** The deliverables listed below shall be in a format agreed upon by TxDOT and the vendor including but not limited to:

12.1. Financial analysis and financial plans specific to the service requirements and scope of work as requested by TxDOT.

12.2. Presentations outlining the results of requested analysis and supporting information including reports supporting the vendor’s conclusions.

12.3. Documented comments and drafted language or both, resulting from the vendor’s review of documents submitted to the vendor by TxDOT.

12.4. Reports including comments on state and federal legislation as requested by TxDOT.

12.5. Project schedules reviewed and approved by TxDOT, as required for specific work assignments.

13. **PERSONNEL CONTINUITY AND REPLACEMENT**

13.1. TxDOT recognizes that events beyond the control of the vendor such as the death, physical or mental incapacity, long-term illness, or the voluntary termination of employment of the Managing Director will require the vendor propose a replacement. In the event such a replacement is necessary, vendor agrees that personnel shall not begin work on the project without prior written approval from TxDOT.

13.2. The vendor agrees that the Managing Director assigned to the project shall remain available for the entirety of the project throughout the term of the purchase order as long as that individual is employed by the vendor.

13.3. If TxDOT determines the Managing Director is unable to perform in accordance with the service requirements or to communicate effectively, the vendor shall immediately remove that person.

13.4. Proposed replacement personnel shall meet minimum qualifications and have experience comparable to the person(s) being replaced. Replacement personnel shall be provided at no additional cost to TxDOT. Resume(s) and reference(s) may be requested for the proposed replacement(s). TxDOT may reject any replacement if references or past working performance is questionable or unfavorable. TxDOT will be the sole judge of the qualifications of the proposed replacement personnel.

14. **QUALITY ASSURANCE PLAN:** The vendor shall provide a comprehensive, continuous, and measurable quality assurance plan. The plan shall include:


14.2. Controls to be used within the project to assure quality and consistency throughout the life of the project.

15. **SUBCONTRACTING**

15.1. Subcontractors providing service under the purchase order shall meet the same service requirements and provide the same quality of service required of the vendor.

15.2. No subcontract under the purchase order shall relieve the primary vendor of responsibility for the services.
15.3. The vendor shall be the primary contact for TxDOT and subcontractor(s).

15.4. The vendor shall manage all quality and performance, project management, and schedules for subcontractors. The vendor shall be held solely responsible and accountable for the completion of all work for which the vendor has subcontracted.

15.5. TxDOT retains the right to check subcontractor's background and make a determination to approve or reject the use of submitted subcontractor(s). Any negative responses may result in disqualification of the subcontractor.

15.6. TxDOT reserves the right to request the removal of vendor’s subcontractor staff deemed unsatisfactory by TxDOT.

15.7. Subcontracting shall be at the vendor's expense.

15.8. During the term of the purchase order, if the vendor determines a need for a subcontractor change, TxDOT shall be notified in writing by the vendor within five days of any proposed change. The vendor shall be required to provide references and work history for any proposed subcontractor to TxDOT. No change will be allowed without written authorization by TxDOT.

15.9. SOLICITATIONS OVER $100,000: TxDOT will make an initial determination of whether subcontracting is probable. It is the respondent's determination if they choose to subcontract any of the work under this purchase order with a Texas Certified Historically Underutilized Business (HUB) or other businesses.

15.9.1. If TxDOT has determined that subcontracting opportunities are probable, the class and items in which HUBs may be registered will be noted in the solicitation.

15.9.2. The respondent shall identify all proposed HUB and other subcontractors at the time of response submittal. The required forms with video instructions can be found at the following website:

http://www.window.state.tx.us/procurement/prog/hub/hub-subcontracting-plan/

15.10. HUB SUBCONTRACTING PLAN (HSP) PRIME CONTRACTOR PROGRESS ASSESSMENT REPORT: After award of the purchase order, the vendor shall report all HUB and non-HUB subcontractor information using the HSP Prime Contractor Progress Assessment Report form. The report shall be submitted to the TxDOT contract manager monthly. The report shall be submitted monthly even during the months the vendor is not invoicing TxDOT. All payments made to subcontractors shall be reported. TxDOT may verify the amounts being reported as paid by requesting copies of cancelled checks paid to subcontractors.

16. TRAVEL: If TxDOT requires the vendor to travel during the performance of this purchase order, TxDOT will reimburse the vendor for actual travel expenses incurred not to exceed the maximum allowances provided for state of Texas employees. Travel expenses must be clearly detailed on the invoice, and:

16.1. Receipts must be attached to the invoice for all expenses except mileage, which shall be clearly described. Reimbursable travel expenses may not exceed the following:

16.1.1. Airfare by commercial air at the economy or coach rate.
16.1.2. Auto rental not to exceed the full-size rate.

16.1.3. Mileage, meals, and lodging at the rate provided for Texas state employees.

16.2. Reimbursement will be at current legislated rates and comply with the current Texas Mileage Guide. The guide is located through the Window on State Government located at: www.window.state.tx.us/comptrol/txastra.html.

16.3. Any questions regarding reimbursement rates or what is reimbursable should be resolved prior to incurring any expense.

17. CONFLICT OF INTEREST

17.1. The vendor, vendor's personnel, and vendor's subcontractor(s) shall affirm not to have, nor acquire any interest during the term of the purchase order that would conflict in any manner with the performance of the vendor's obligations in regards to services authorized.

17.2. The respondent shall disclose any potential conflicts of interest. This disclosure shall include all contractual or informal business arrangements or agreements, including fee arrangements and consulting agreements, between the respondent and TxDOT staff, members of the Commission, any entity that provides services to TxDOT, any entity seeking to provide services to TxDOT, and any entity seeking financial assistance from TxDOT.

NOTE: The selected vendor is prohibited from participating, either directly or indirectly, as an advisor to any other entity seeking to enter into an agreement for non-traditional transportation project delivery with TxDOT or another entity, subject to the attached rules (Attachment B – Conflict of Interest Rules and Exhibit C – Additional Terms for TxDOT Financial Advisory Services for Non-Traditional Transportation Project Delivery). The prohibition does not apply to the services described in Para. 11.4.

18. FEDERAL FUNDING: The purchase order will be supported in part with federal funds, therefore, the following federal laws and standards apply, including the following:


18.2. Title 49 CFR Subtitle A – Office of the Secretary of Transportation.

18.3. OMB Circular A-87 – Office of Management and Budget Circular relating to Cost Principles for State, Local and Indian Tribal governments.

18.4. OMB Circular A-102 – Office of Management and Budget Circular relating to Grants and Cooperative Agreements with State and Local Governments.

18.5. OMB Circular A-133 – Office of Management and Budget Circular relating to Audits of States, Local Governments and Non-Profit Organizations.

19. AMENDMENTS: TxDOT and the vendor reserve the right to amend the purchase order by mutual written agreement at any time during the term of service, as may be necessary to achieve the highest quality of production by the most efficient and cost-effective means or to include a different element or special feature that was not contemplated or fully developed at the time of solicitation. The amendment process will be accomplished through a Purchase Order Change Notice (POCN).
20. **INVOICING INSTRUCTIONS:** The vendor shall provide a comprehensive and detailed invoice with reference to the basis for each item charged. The exact format and content requirements of invoices will be mutually agreed between TxDOT and the vendor. Original documentation that validates the charges shall be attached. The original invoice shall be sent to the address shown on the purchase order or emailed to FIN_Invoices@dot.state.tx.us to ensure timely payment and shall include the following:

20.1. Complete 16-digit purchase order number.

20.2. Vendor Employer Identification Number (EIN).

20.3. Identification of projects, services, expenses, etc., rates and amounts invoiced for services and expenses shall be consistent with the terms of the purchase order.

20.4. Receipts and other supporting documents will be required for all expense items except mileage.

20.5. An invoice requiring correction shall be re-submitted with a new invoice date.

21. **TxDOT RESPONSIBILITIES:** TxDOT will:

21.1. Provide a contract manager.

21.2. Provide a point of contact.

21.3. Provide access to appropriate data systems and information.

21.4. Issue work assignments.

21.5. Provide annual reviews of vendor performance.

21.6. Schedule meetings in coordination with the vendor.

22. **RESPONSE SUBMISSION:** Failure by the respondent to submit the documentation listed below will disqualify the respondent from further consideration. The response submission shall be submitted in the following format:

**NOTE:** Respondents may submit proposals for either financial advisory services for debt programs, or for non-traditional transportation project delivery services or both.

22.1. **GENERAL FORMAT:** The respondent shall submit one signed and dated original (marked Original) and four copies (marked Copy) for each proposal. The submission shall be in separate loose leaf binders on one sided 8-1/2 x 11 inch paper and shall be tab-indexed corresponding to the sections listed below. Plastic spine-bound or wire bound submittals are highly discouraged. Finished submittals shall be limited to a maximum of 40 pages excluding TxDOT Schedules and respondent’s financial statements.

22.2. **ORIGINAL RESPONSE:** Each proposal shall be clearly labeled as Services for Debt Programs and Services for Non-Traditional Project Delivery Services. If respondent is proposing both services, respondent shall ensure separate proposals are submitted. The separate proposals shall include all of the required information as outlined below. The original response shall include the following:
22.2.1. **Section 1 – Schedule 1-Pricing for Debt Programs or Schedule 2 – Pricing for Non-Traditional Transportation Delivery Projects or both**

**NOTE TO RESPONDENT:** If addendums are generated as part of this solicitation, include the original signed and dated addendum(s) in Section 1.

**NOTE:** Include four copies of the Schedule 1 or Schedule 2 – Pricing or both in a sealed separate envelope with the original submittal.

22.2.2. **Section 2 – Schedule 3 – Execution of Proposal Offer**

22.2.3. **Section 3 – Financial Standing (one copy only):** Submit the most recent two years audited financial statements, or if audited financial statements are unavailable, un-audited financial statements shall be submitted and certified as true, correct and accurate by the chief financial officer or treasurer of the respondent’s company.

22.2.4. **Section 4 – Demonstration of Capability for Debt Program Services**

22.2.4.1. The respondent’s approach and ability to meet the service requirements as specified in the solicitation shall be demonstrated. The response should be specific and address all requirements described in the solicitation in the order presented in Para. 10.

22.2.4.2. Work Plan – Submit a proposed work plan to demonstrate the comprehensive approach including analytical strategies to deliver the required services. This plan should describe the number of staff proposed for this project including subcontractors, the functions they will perform, and the percentage of time they will be assigned to this project during the purchase order term.

22.2.5. **Section 5 – Demonstration of Capability for Non-Traditional Transportation Project Delivery**

22.2.5.1. The respondent’s approach and ability to meet the service requirements as specified in the solicitation shall be demonstrated. The response should be specific and address all requirements described in the solicitation in the order presented in Para. 11.

22.2.5.2. Work Plan – Submit a proposed work plan to demonstrate the comprehensive approach including analytical strategies to deliver the required services. This plan should describe the number of staff proposed for this project including subcontractors, the functions they will perform, and the percentage of time they will be assigned to this project during the purchase order term.

22.2.6. **Section 6 – Quality Assurance Plan:** Respondent shall submit a Quality Assurance Plan as described in Para. 14.

22.2.7. **Section 7 – HUB Subcontracting Plan**

22.3. The following **should** be submitted with each response. Failure by the respondent to submit the documentation listed below **may** disqualify the respondent from further consideration.
22.3.1. **Section 8 – Schedule 4 – Company Qualifications and Experience**

22.3.1.1. The respondent shall demonstrate successful past performance through submission of documentation of relevant qualifications and experience for the proposed services.

22.3.1.2. Specify experience in Debt Program Services or Non-Traditional Project Transportation Delivery Services or both.

22.3.2. **Section 9 – Schedule 5 – Key Personnel Qualifications and References**

22.3.2.1. Respondent shall designate up to two individuals for each key respondent personnel position (Ref. Para. 7). Complete and return Schedule 5 for each proposed key personnel position for services proposed.

22.3.2.2. Specify experience in Debt Program Services or Non-Traditional Project Delivery Services or both.

22.3.3. **Section 10 – Schedule 6 – References**: Respondent shall submit a minimum of three references to substantiate the qualifications and experience requirements for services completed within the past five years). References shall illustrate respondent’s ability to provide the services outlined in the specification. References shall include name, point of contact, telephone number, and dates services were performed. The response may be disqualified if TxDOT is unable to verify qualification and experience requirements from the respondent’s references. The response may be disqualified if TxDOT receives negative responses. TxDOT will be the sole judge of references (Ref. Schedule 3 - Respondent References).

22.4. **COPIES**: The four reproduced copies (marked Copy) shall include only the following tab-indexed sections:

22.4.1. Section 4 – Demonstration of Capability for Debt Program Services

22.4.2. Section 5 – Demonstration of Capability for Non-Traditional Project Delivery

22.4.3. Section 6 – Quality Assurance Plan

22.4.4. Section 8 – Schedule 4 - Company Qualifications and Experience.

22.4.5. Section 9 – Schedule 5 - Key Personnel Qualifications and Experience.

22.4.6. Section 10 – Schedule 6 - Respondent References.

**NOTE**: Per Para. 22.3.3, only one copy of Financials is required.

22.5. **RESPONSE EVALUATION**: Only a complete response with the listed required submittal documents meeting minimum qualifications will be considered. Failure to meet the minimum qualifications and submit the required documents may result in a response being declared non-responsive.
22.6. **STEP 1 – INITIAL EVALUATION:** A TxDOT evaluation committee will evaluate and score each response based on established criteria. Respondents shall not contact members of the evaluation team. Responses will be evaluated according to the respondent’s ability to best satisfy TxDOT requirements.

22.6.1. Respondent qualifications and response submission information will comprise 80 percent of the evaluation total.

22.6.2. Pricing submitted for the solicitation requirements will be 20 percent of the evaluation total.

22.6.3. **Oral Presentation:** TxDOT may request that the respondent give an oral presentation to TxDOT. The TxDOT evaluation committee will evaluate and score each oral presentation. All responses will be evaluated according to the respondent’s ability to best satisfy TxDOT requirements.

22.6.3.1. The initial selection of respondents qualifying to proceed to this step will maintain the pricing weight at 20%. The initial evaluation score of the qualifications and submission information will be replaced with the oral presentation score at 80%.

22.6.3.2. TxDOT will advise each respondent in writing of the location, date and time of the scheduled oral presentation. A minimum of one week notice will be given to the respondent(s) selected for the oral presentation phase.

22.6.3.3. TxDOT may provide the respondent with a list of proposed key personnel required to attend and participate in the meeting.

22.6.3.4. Respondent and key personnel should be prepared to address any questions that may be asked by TxDOT evaluators.

22.6.4. TxDOT reserves the right to continue discussions or negotiations with selected respondent(s).

22.7. **STEP 3 – BEST AND FINAL OFFER (BAFO):** TxDOT reserves the right to request a BAFO from selected respondent(s).

22.7.1. The respondent(s) shall submit a final price and any added value. If more than one respondent reaches this level, the negotiated terms, references, BAFO and added values will be considered in the award. TxDOT will make the final determination on the best value.

22.7.2. TxDOT may award the purchase order for the service without requesting a BAFO.

23. **AWARD:** TxDOT reserves the right to award a purchase order(s) to the company that provides the best value to TxDOT in performance of this service. TxDOT may award to a single vendor, multiple vendors, or use any combination that best serves the interest of TxDOT.

23.1. **BEST VALUE:** TxDOT will be the sole judge of best value. Best value criteria may include, but is not limited to:
23.1.1. Best meets the goals and objectives of the solicitation as stated in the Service Requirements for the proposed pricing.

23.1.2. Provides the most customer focused solution that will best meet the needs of the traveling public.

23.1.3. Experience in successfully providing services in the solicitation.

23.2. TYPES OF AWARD

23.2.1. **Single Award**: One purchase order awarded to a single vendor. **Multiple Award**: A multiple award is the award of multiple purchase orders for the same line item(s) from a single solicitation to two or more vendors to provide the same or similar goods or services.

23.2.2. **Multiple Award**: A multiple award is the award of multiple purchase orders for the same line item(s) from a single solicitation to two or more vendors to provide the same or similar goods or services.

24. **POST AWARD MEETING**: Vendor(s) will be required to attend a post award meeting in the city identified on the solicitation with the TxDOT division or district responsible for the solicitation within 30 calendar days after the award of the purchase order. The purpose of the meeting is to discuss the terms and conditions of the purchase order and to provide additional information regarding the purchase order. Vendor(s) and TxDOT shall identify specific goals, strategies and activities planned for meeting particular program area objectives.

25. **TRANSITION OF TXDOT PROPERTY**: TxDOT will provide assistance as needed for the efficient and smooth transfer of all TxDOT property, including but not limited to: Publications, documents, property, equipment, and other material which TxDOT retains ownership rights related to work provided under a previous or current purchase order.

25.1. **BEGINNING PHASE**: The vendor awarded a purchase order as a result of this solicitation, shall, at the request of TxDOT, be responsible for contacting the previous vendor to request the transfer of all TxDOT property. The transition of TxDOT's property shall occur within an agreed upon time frame to assure the new vendor can begin providing services as required by TxDOT.

25.2. **CANCELLATION OR TERMINATION OF THE PURCHASE ORDER**: At the end of the contract term or if the purchase order is cancelled by either party, the vendor(s) shall return all TxDOT property to TxDOT or transfer all TxDOT property to the TxDOT designated vendor(s) immediately upon TxDOT's request.

26. **CONTRACT ADMINISTRATION**: Administration of the purchase order is a joint responsibility of the TxDOT Contract Administrator and TxDOT Purchasing. TxDOT Purchasing staff will be responsible for administering the contractual business relationship with the vendor.

26.1. Any proposed changes to work to be performed, whether initiated by TxDOT or the vendor, must receive final written approval in the form of a Purchase Order Change Notice signed by the authorized TxDOT purchasing agent.
26.2. Upon issuance of purchase order, TxDOT will designate an individual who will serve as the Contract Manager and point of contact between the agency and the vendor. The Contract Manager does not have any express or implied authority to vary the terms of the purchase order, amend the purchase order in any way or waive strict performance of the terms or conditions of the purchase order. This individual’s contract management and contract administration responsibilities include, but are not limited to:

26.2.1. Monitoring the vendor’s progress and performance and ensuring services conform to established specification requirements.

26.2.2. Managing the financial aspects of the contract including approval of payments.

26.2.3. Meeting with the vendor as needed to review progress, discuss problems, and consider necessary action.

26.2.4. Identifying a breach of contract by assessing the difference between contract performance and non-performance.

Prior to 2002, the Department had not been a participant in the municipal debt market. The first debt issued in the municipal market occurred with the financing of the Central Texas Turnpike System in 2002. Subsequent to that financing, the Department was granted the authority to establish several debt financing programs and currently has approximately $11.7 billion in debt outstanding. Currently there is some $8.1 billion in authorized but unissued debt. Below are brief descriptions of the Department’s active debt programs. Additionally, Appendix A (attached) provides a recent status report on those programs, including planned issuances. Appendix B provides the latest investment, debt and derivative management policies. Appendix B is located at http://www.dot.state.tx.us/about_us/commission/2009_meetings/documents/minute_orders/aug27/10c.pdf.

Texas Mobility Fund Bonds: Following the 2001 Texas Legislative Session, the Texas Constitution was amended by the adoption of Article III, Section 49-k to create the Texas Mobility Fund. The Texas Transportation Code was amended in 2001 to implement such constitutional provision, and in 2003, 2005 and 2007 the Legislature dedicated various State revenues to the Texas Mobility Fund. The Texas Mobility Fund bonds are authorized by Transportation Code Chapter 201, Subchapter M, are secured by money deposited in the Mobility Fund, and the proceeds of which are used to provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways, publicly owned toll roads and other public transportation projects. As of August 31, 2009, there were $6.1 billion in Mobility Fund bonds outstanding.

State Highway Fund Bonds: The Texas Constitution (Article III, Section 49-n) and the Texas Transportation Code (Section 222.003) were amended in 2003 to authorize the Commission to issue bonds secured by a pledge of and payable from revenue deposited to the credit of the State Highway Fund to fund improvements to the State Highway System. The maximum aggregate principal amount of State Highway Fund Revenue Obligations authorized to be issued was increased from $3 billion to $6 billion by an amendment to Transportation Code Section 222.003 enacted by the State Legislature in 2007. At the end of fiscal year 2009 on August 31, there were $2.8 billion of first tier State Highway Fund revenue bonds outstanding and $2.9 billion in authorized but unissued debt.

Turnpike Revenue Bonds: The Texas Turnpike Authority (TTA) Division is a division of the Department and is controlled and governed by the Commission. As originally created in 1997, TTA had a separate board of directors, but this board was abolished by the Legislature in 2001, and all duties of the board were given to the Commission. Pursuant to Transportation Code Chapter 228, Subchapter C, the Commission has the authority to issue turnpike revenue bonds, secured by project revenues, to pay all or a part of the costs of a turnpike project. As of August 31, 2009, there was approximately $2.5 billion in Central Texas Turnpike System debt outstanding, consisting of both first tier revenue debt as well as a TIFIA loan.

State Infrastructure Bank: The Department has created a State Infrastructure Bank (SIB) to be funded by federal funds, state matching funds and the proceeds of revenue bonds. The SIB is to be used to fund transportation infrastructure development projects such as interchanges, off-system bridges, collector roads, toll roads, utility adjustments, right-of-way acquisitions and other eligible projects. The authority for the SIB is Transportation Code Chapter 222, Subchapter D. The Department is authorized to issue revenue bonds payable from the income and receipts of the SIB including principal and interest on obligations acquired and held by the SIB. The First Called Session of the 81st Texas Legislature authorized the use of $1 billion of general revenue bonds to capitalize the SIB for the purpose of making loans to public entities. Use of this new authorization will require an extensively modified SIB program.
State General Obligation Bonds: On November 6, 2007, voters in the State approved Article III, Section 49-p as an amendment to the State constitution that authorizes the legislature to enact legislation to authorize the Commission to issue State general obligation bonds in an amount not to exceed $5 billion to provide funding for highway improvement projects. Transportation Code Section 222.004 enacted by the First Called Session of the 81st Texas Legislature authorizes the Commission to issue such general obligation bonds in an amount not to exceed the $5 billion authorized by Section 49-p, though for the 2010-2011 biennium, the amount of such bonds is limited to $2 billion, including the $1 billion required to be used to capitalize the SIB. The general obligation bonds may be issued to pay all or part of the costs of highway improvement projects.

State Highway Fund Commercial Paper Notes: The Texas Constitution (Article III, Section 49-m) and the Texas Transportation Code (Section 201.115) were amended in 2003 to provide that the Commission may borrow money from any source to carry out the functions of the Department. A loan incurred pursuant to Section 201.115 may be in the form of an agreement, a note, a contract, or another form, as determined by the Commission. The term of a loan may not exceed two years, and the amount of a loan, combined with any other loans issued and outstanding pursuant to Section 201.115, may not exceed an amount that is two times the average monthly revenue deposited to the State Highway Fund for the 12 months preceding the month in which the loan is made. A loan incurred pursuant to Section 201.115 is payable from legislative appropriation of amounts on deposit in the State Highway Fund for that purpose. The Commission established a commercial paper program pursuant to Section 201.115 in 2005 in the maximum authorized amount of $500 million. The Department utilizes the commercial paper program to facilitate efficient cash management operations in the State Highway Fund in response to fluctuations in the cash balance of the State Highway Fund as a result of the cyclical nature and uncertain timing of deposits into and payments out of the State Highway Fund. As of August 31, 2009, $300,000,000 of commercial paper notes were outstanding.

Until the 2009 Legislative Session, TxDOT’s primary approach for non-traditional transportation project delivery was Comprehensive Development Agreements (CDAs). Because TxDOT’s legislative authority to enter into CDAs will expire on August 31, 2011, the current legislative authority is for a very limited number of projects, and CDA procurements typically take 18 to 24 months to complete, TxDOT needs to change direction and focus on other legally authorized, but still non-traditional, delivery methods for future projects. These non-traditional transportation project delivery methods include pass-through toll agreements, financial assistance and project development agreements for projects financed with toll equity grants and loans, and providing assistance to local toll project entities to deliver transportation projects through non-traditional methods such as CDAs. While pass-through toll agreements and agreements for projects using toll equity grants and loans have been available for several years, TxDOT has not used these tools as an element for the delivery of large transportation projects with complex approaches to delivery. In this context, TxDOT needs financial advisory services in order to carry out these complex negotiations on the commercial terms of related agreements and to analyze the financial and other benefits of these alternative methods. TxDOT will need financial advisory services for CDAs as well, particularly if the law changes to permit TxDOT to enter into CDAs for additional projects.
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<thead>
<tr>
<th>TITLE 43</th>
<th>TRANSPORTATION</th>
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<tr>
<td>PART 1</td>
<td>TXDOT</td>
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<tr>
<td>CHAPTER 5</td>
<td>FINANCE</td>
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<tr>
<td>SUBCHAPTER A</td>
<td>ETHICS REQUIREMENTS FOR FINANCIAL ADVISORS AND SERVICE PROVIDERS</td>
</tr>
<tr>
<td>RULE §5.3</td>
<td>GENERAL ETHICAL STANDARDS</td>
</tr>
</tbody>
</table>

(a) Financial advisors and service providers must comply with the standards of conduct and conflict of interest provisions of Government Code, Chapter 572 and the provisions of Penal Code, Chapters 36 and 39 that are applicable to a state officer or employee.

(b) Financial advisors and service providers who are members of professional organizations that have promulgated standards of conduct must comply with those standards, and with other applicable ethics codes and standards of conduct. Financial advisors and service providers must also comply with the Code of Ethics and Standards of Professional Conduct of the Association for Investment Management and Research.

(c) Financial advisors and service providers must be honest in providing services and advice to the commission and the department, and loyal to the interests of the commission and the department to the extent that conflicting duties do not legally have priority. Financial advisors and service providers shall avoid personal, employment, or business relationships that create conflicts of interest, and shall disclose any conflicts of interest in the manner prescribed in §5.4 of this subchapter.

(d) Financial advisors and service providers shall not use nonpublic information gained through a relationship with the commission or the department to seek or obtain personal gain beyond agreed compensation and any authorized expense reimbursement.

(e) Financial advisors and service providers shall disclose in writing to the executive director any business or financial transaction greater than $50 in value with a member of the commission or a department employee within 10 days of the transaction. This obligation does not apply to a financial account that is provided to a member of the commission or a department employee under the same terms and conditions as are provided to members of the general public.

Source Note: The provisions of this §5.3 adopted to be effective January 8, 2004, 29 TexReg 227
## ATTACHMENT B
CONFLICT OF INTEREST RULES
(Provided for information only)

<table>
<thead>
<tr>
<th>TEXAS ADMINISTRATIVE CODE</th>
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<tr>
<td>TITLE 43</td>
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<tr>
<td>PART 1</td>
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<tr>
<td>CHAPTER 5</td>
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<tr>
<td>SUBCHAPTER A</td>
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<td>RULE §5.4</td>
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(a) A conflict of interest exists whenever financial advisors and service providers have a personal, private, commercial, or business relationship that could reasonably be expected to diminish their independence of judgment in the performance of their responsibilities for the commission or the department, including where an action taken by the financial advisor or service provider reasonably appears to be influenced by considerations of personal gain or benefit rather than motivated by the interests of the commission and the department.

(b) Financial advisors and service providers shall promptly disclose in writing to the executive director any relationship the financial advisor or service provider has with any party to a transaction with the commission or the department, other than a relationship necessary to the investment or funds management services performed for the commission or the department, when a reasonable person would consider a conflict of interest to exist because of that relationship.

(c) Financial advisors and service providers shall promptly disclose in writing to the executive director all direct or indirect pecuniary interests the financial advisor or service provider has in any party to a transaction with the commission or the department, if the transaction is connected with any services and advice provided to the commission and the department.

(d) Financial advisors and service providers shall annually file with the executive director and the state auditor a statement disclosing each relationship and pecuniary interest described by subsections (b) and (c) of this section, or a statement that no such relationships or pecuniary interests existed during the disclosure period. The statement shall be in the form prescribed by the department or the state auditor. A revised statement shall be promptly filed whenever a new relationship subject to subsection (b) of this section is entered into or a new pecuniary interest subject to subsection (c) of this section is created.

(e) Financial advisors and service providers shall promptly disclose in writing to the executive director any other possible conflicts of interest. Written disclosures sent to the executive director under this subsection or under subsection (b) of this section shall contain actions proposed by the financial advisor or service provider to avoid conflicts of interest. Financial advisors and service providers may not give advice or provide services relating to a matter affected by the possible conflict of interest unless the executive director or designee waives this prohibition in writing.

Source Note: The provisions of this §5.4 adopted to be effective January 8, 2004, 29 TexReg 227
Conflict of Interest and Confidentiality Standards (the “Standards”)

The following general standards set forth TxDOT's position in the context of its engagement of financial consultants ("vendor(s)") and subconsultants engaged by the vendors ("Subconsultants") to provide services to TxDOT as set forth in the Scope and Service Requirements for non-traditional transportation project delivery (“Non-Traditionally Delivered Projects”). Unless otherwise stated, the standards set forth herein for vendors apply to both vendors and Subconsultants. In addition, all individual professional members or employees of vendors and Subconsultants who are directly involved in providing services to TxDOT for Non-Traditionally Delivered Projects (“Project Team Members”) will be bound by the conflict of interest and confidentiality standards contained herein. These standards are intended to supplement existing requirements contained in Title 43, Texas Administrative Code, Sections 5.1-5.6, which are applicable to financial advisors providing services in connection with the management or investment of state funds (the "Code"). TxDOT reserves the right to modify these standards as appropriate to reflect changed conditions or specific situations, if agreed upon in writing by TxDOT and the vendor.

CONFLICT OF INTEREST STANDARDS

1. Disclosure Obligations

(a) Prior to engagement, vendor must provide TxDOT with written disclosure, subject to subparagraph (d), below, describing any relationship the vendor is aware of, after reasonable due diligence, between its Corporate Finance or Public-Private Partnership related practices, or any individual Project Team Members, and (i) any governmental entity in Texas that has the right to assess tolls or enter into CDA’s or other agreements for the delivery of Non-Traditionally Delivered Projects (“Conflicting Texas Agency”); and (ii) any governmental entity in Texas that has the right to assess tolls or enter into CDA’s or other agreements for the delivery of Non-Traditionally Delivered Projects (“Conflicting Texas Agency”); and (ii) any member of or consultant or subconsultant to a proposer or developer team, as identified by TxDOT, (collectively, a “Proposer”) for any of the following eleven Non-Traditionally Delivered Projects: (A) SH 161; (B) Dallas Ft Worth Connector; (C) North Tarrant Express; (D) TTC-35, including Loop 9; (E) TTC-69, including SH 77; or (F) IH-635 (G) Chisolm Trail (H) Southwest Parkway (I) I-30 (J) I-35 (K) SH 183 (the “Existing Non-Traditionally Delivered Projects”). “Reasonable due diligence” as used in this Paragraph 1 shall mean using the vendor’s standard procedures to perform a conflicts search on those entities identified by TxDOT or by vendor based on information reasonably available to it or of which it becomes aware.

(b) Subject to subparagraph (d) below, during the term of the vendor’s services to TxDOT, the vendor will, on a quarterly basis, inform TxDOT of any new or prospective engagement of which it becomes aware, through reasonable due diligence, if the engagement includes provision of services by a Project Team Member or by the division(s) identified in paragraph 1(a) above to any of the parties described above in paragraph 1(a), or to any Proposer on TxDOT Non-Traditionally Delivered Projects arising during the term of vendor’s services to TxDOT, as identified by TxDOT or by the vendor based on information reasonably available to it or of which it becomes aware. If a Project Team Member becomes aware of information required to be disclosed under this subparagraph (b), the Project Team Member will promptly disclose such information in writing to the TxDOT Finance Director.

(c) If TxDOT determines that any relationship disclosed by the vendor creates a conflict of interest or the appearance of a conflict of interest, TxDOT may, in its discretion, limit, reduce or terminate the vendor’s or a Project Team Member’s role or participation in the TxDOT Non-Traditionally Delivered Projects, in order to protect the integrity, security and confidentiality of the project.
(d) Nothing in the foregoing provisions shall require disclosure by the vendor of any relationship or information that it has contractually agreed will be kept confidential or is otherwise required by applicable law or regulation to be kept confidential. With respect to any such confidential relationships in existence as of the date of this engagement involving the division(s) identified in paragraph 1(a) above or any Project Team Member, the vendor, by its acceptance of the engagement represents that no such existing relationship, in its reasonable professional judgment, constitutes a conflict of interest. With respect to any such confidential relationships that may exist or arise in the future, to the extent that TxDOT learns of any such relationship and determines that such relationship creates a conflict of interest, TxDOT may limit, reduce or terminate the vendor’s or the Project Team Member’s role or participation in the TxDOT Non-Traditionally Delivered Projects.

2. Restrictions/Prohibitions

(a) During the term of vendor’s engagement with TxDOT, vendor will not provide underwriting services or consulting services of the nature described in the Scope or Service Requirements, to a Proposer for any of the Existing Non-Traditionally Delivered Projects or any TxDOT Non-Traditionally Delivered Projects that arise during the term of the vendor’s engagement with TxDOT. This prohibition is applicable to vendor firms as well as individual Project Team Members.

(b) The foregoing restrictions shall not prohibit a vendor firm from providing audit, tax or other services not restricted under subparagraph 2(a), above, to a Proposer for a TxDOT Non-Traditionally Delivered Projects; provided, however, that individual Project Team Members shall not be permitted to provide such services to a Proposer for a TxDOT Non-Traditionally Delivered Projects. In addition, a vendor firm may provide underwriting or consulting services for pass-through toll agreements and loans provided under the State Infrastructure Bank, including the loan program initially funded through the general obligation bond issuance authorized by voters in November 2007, unless, TxDOT, in its sole discretion, determines that a conflict exists, in which case TxDOT may limit, reduce or terminate the vendor's or Project Team Member's role or participation in TxDOT Non-Traditionally Delivered Projects.

(c) Subject to the foregoing restrictions, all provisions of Title 43, Texas Administrative Code, Subchapter A relating to conflicts of interest in TxDOT's Non-Traditionally Delivered Projects apply to vendor's purchase order issued for this service.

3. Potential Conflict with Local or Regional Agencies

(a) During the term of vendor’s purchase order with TxDOT, vendor will provide written notification to the TxDOT Finance Director if vendor’s division(s) identified in paragraph 1(a) above or any Project Team Member has been engaged to provide services to any Conflicting Texas Agency.

(b) In the event that TxDOT determines that any such disclosed relationship with a Conflicting Texas Agency creates a conflict of interest, including its involvement in pass-through toll agreements and loans under the State Infrastructure Bank, TxDOT may, in its sole discretion, limit, reduce or terminate the vendor's or Project Team Member's role or participation in the TxDOT Non-Traditionally Delivered Projects.

CONFIDENTIALITY / NONDISCLOSURE STANDARDS

1. (a) The vendor has a continuing obligation to maintain the confidentiality of all non-public, confidential or proprietary information relating to TxDOT’s Existing Non-Traditionally Delivered Projects or other TxDOT Non-Traditionally Delivered Projects that the vendor gains access to through its performance of services to TxDOT. This includes proprietary information; information designated confidential by TxDOT or by teams submitting competing proposals and qualifications and/or detailed proposals for individual TxDOT Non-Traditionally Delivered Projects; information regarding project cost estimates, proposal prices, alternative technical or financial concepts, project development or financing plans, proposer qualifications, or any other information that the vendor has gained access to in
connection with its performance of services to TxDOT ("Confidential Information"). Confidential Information does not include information that (i) is or becomes available to the public other than as a result of a disclosure by the vendor or any of its representatives in breach of its nondisclosure obligations hereunder; or (ii) becomes available to vendor from a third party that is unrelated to the TxDOT Non-Traditionally Delivered Projects and is not known by the vendor to be bound by a confidentiality obligation directly or indirectly to TxDOT or to be otherwise in breach of any legal or contractual obligation not to disclose such information. Nothing contained herein shall preclude the vendor from producing Confidential Information under compulsion of court order or subpoena, as required in connection with a judicial, administrative or regulatory proceeding in which it or a partner, officer, director, employee or affiliate is involved, as required pursuant to inquiry or demand by a regulatory authority having jurisdiction over it or its affiliates or as otherwise required by law.

(b) The vendor will not, without TxDOT’s prior written consent, disclose any Confidential Information to any third party or use any Confidential Information for any purpose except for its performance of services to TxDOT or any other work authorized by TxDOT with respect to TxDOT’s Non-Traditionally Delivered Projects. The Confidential Information may be disclosed to (i) a vendor’s representatives (including the Project Team Members) for purposes of providing services to TxDOT, provided that the vendor (1) does not disclose the information to a Project Team Member whose role or participation in TxDOT’s Non-Traditionally Delivered Projects has been terminated under the Conflict of Interest Standards above, or whose role or participation has been limited or reduced under those standards such that the Project Team Member is no longer authorized access to Confidential Information, (2) informs all of its representatives to whom such disclosure is made of the confidential nature of such information and (3) requires its representatives to maintain the confidentiality of the Confidential Information and (ii) to other parties advising TxDOT in connection with the TxDOT’s Non-Traditionally Delivered Projects, including without limitation, the financial advisor, and their respective counsel and agents (collectively, “Project Parties”). The term “representatives” refers to vendor’s employees, officers, directors, counsel, consultants, Sub consultants, agents and other authorized representatives, including Project Team Members. Vendor’s “representatives” shall only include parties engaged directly by vendor and shall not include any of the Project Parties. Upon request, each vendor will provide TxDOT with a complete list of its Project Team Members and other representatives involved in the performance of the services –and update the list as necessary to reflect any additional representatives.

(c) Other than communication to its representatives or to other Project Parties as necessary for services within the Scope and Service Requirements - vendors will only communicate the Confidential Information to authorized TxDOT representatives, which will be designated by TxDOT. If contacted by any member of the public, the media, or any member of any proposer team with a request for Confidential Information, a vendor will promptly forward such requests to TxDOT’s Finance Director. Vendor will also maintain security and control over all documents containing such Confidential Information in its custody.

2. In the event of a breach of these confidentiality standards by the vendor, TxDOT will be entitled to (i) immediately terminate its agreement with the vendor; or (ii) obtain specific performance, including without limitation, injunctive relief without posting a bond, for any breach or threatened breach of these confidentiality standards, in addition to any other remedies it may have at law or in equity (including the right to bring a claim for damages hereunder). Vendor will be responsible for any and all losses, liabilities, damages, claims, demands, costs, expenses (including attorneys fees), or other liabilities arising out of or connected with that vendor’s, or any of its representative’s, improper or illegal use or release of the Confidential Information.
Hourly rate for financial advisory services for debt programs shall be for a 12 month period of the purchase order.

**INSTRUCTIONS:** Respondent may revise titles or descriptions to better fit staffing requirements; however, respondents shall not omit titles or descriptions of personnel performing work under this purchase order and correlate those titles to the titles on this price schedule. For each staff position listed under a service, respondent shall provide an hourly rate. Respondents may add positions on a separate sheet that were not in the initial RFP to best support the service requirements.

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<thead>
<tr>
<th>TITLE</th>
<th>DESCRIPTION</th>
<th>Respondent's Equivalent Title</th>
<th>HOURLY RATE</th>
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</thead>
<tbody>
<tr>
<td>Managing Director</td>
<td>Responsible for overall guidance; management of financial advisory methodology is used to meet the specification requirements. Oversees the Director.</td>
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<tr>
<td>Director</td>
<td>Responsible for leading the project team. Ensures financial advisory methodology is properly followed. Ensures deadlines are met and work product meets requirements.</td>
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<tr>
<td>Associate Director</td>
<td>Responsible for specific financial advisory tasks and deadlines. Responsible for completion of the work in accordance with financial services methodology and work product requirements.</td>
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</tr>
<tr>
<td>Associate</td>
<td>Responsible for financial advisory tasks and deadlines. Responsible for completion of the work in accordance with financial advisory methodology and work product requirements.</td>
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<tr>
<td>Support</td>
<td>Administrative support.</td>
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<td><strong>Total</strong></td>
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ALTERNATIVE FEES FOR NON-TRADITIONAL TRANSPORTATION DELIVERY PROJECTS

Instructions to Respondents: Respondents may provide alternate fees based on a success fee based of successful completion of a non-traditional transportation project or a periodic fixed fee or a combination of the two.

Respondents will have an opportunity to discuss their alternative fee proposal. Alternative fee proposals will be compared to an estimated cost of successfully completing a non-traditional transportation project using an hourly rate fee structure.

This estimated cost of successfully completing a non-traditional transportation project using an hourly rate fee structure will be developed through mutual agreement of the evaluation team prior to reviewing the proposals and will be compared to the alternative fee proposal for evaluation purposes.

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<thead>
<tr>
<th>Alternative Fee Methods</th>
<th>Calculation Methodology</th>
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EXECUTION OF PROPOSAL RFP NO. B442010015180000

By signature hereon, Respondent certifies that: All statements and information prepared and submitted in the response to this RFP are current, complete, and accurate.

Respondent has not given, offered to give, nor intends to give at anytime hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted response.

Neither Respondent nor the firm, corporation, partnership, or institution represented by Respondent or anyone acting for such firm, corporation, or institution has (1) violated the anti-trust laws of the state of Texas under Texas Business and Commerce Code, Chapter 15, or the federal anti-trust laws; or (2) communicated the contents of this Proposal either directly or indirectly to any competitor or any other person engaged in the same line of business during the procurement process for this RFP.

When a Texas business address shown hereon that address is, in fact, the legal business address of Respondent and Respondent qualifies as a Texas Resident Bidder under 1 TAC §111.2.

Under Government Code §2155.004, no person who prepared the specifications or this RFP has any financial interest in Respondent’s proposal. If Respondent is not eligible, then any contract resulting from this RFP shall be immediately terminated. Furthermore, “under Section §2155.004, Government Code, the vendor (Respondent) certifies that the individual or business entity named in this bid or contract is not ineligible to receive the specified contract and acknowledges that this contract may be terminated and payment withheld if this certification is inaccurate.”

Under Family Code §231.006, relating to child support obligations, Respondent and any other individual or business entity named in this solicitation are eligible to receive the specified payment and acknowledge that this contract may be terminated and payment withheld if this certification is inaccurate.

Any Proposal submitted under this RFP shall contain the names and social security numbers of person or entity holding at least a twenty-five percent ownership interest in the business entity submitting the Proposal.

Under Government Code §669.003, relating to contracting with an executive of a state agency, Respondent represents that no person who, in the past four years, served as an executive of the Texas Department of Transportation (TxDOT) or any other state agency, was involved with or has any interest in this Proposal or any contract resulting from this RFP. If Respondent employs or has used the services of a former executive head of TxDOT or other state agency, then Respondent shall provide the following information: Name of former executive, name of state agency, date of separation from state agency, position with Respondent, and date of employment with Respondent.
Respondent agrees that any payments due under this contract will be applied towards any debt, including but not limited to delinquent taxes and child support that is owed to the state of Texas.

Respondent represents and warrants that the individual signing this Execution of Proposals is authorized to sign this document on behalf of Respondent and to bind Respondent under any contract resulting from this offer.

RESPONDENT (COMPANY): ________________________________________________________________

SIGNATURE (INK): _____________________________________________________________________

NAME (TYPED/PRINTED): ___________________________________________________________________

TITLE: ___________________________ DATE: ___________________________

STREET: ___________________________

CITY/STATE/ZIP: ___________________________

TELEPHONE: ___________________________

FACSIMILE NUMBERS: ___________________________

EMPLOYER’S IDENTIFICATION NUMBER (EIN): _____________________________________________

PREPREFERENCES: Reference Part 2, Para. 2.08 of the TxDOT Terms and Conditions, dated September 2009.

In the case of a tie between two or more respondents, the award will be made in accordance with preferences as outlined in Rule 34 TAC §20.38. If a tie still exists after review of preferences claimed by respondents, TxDOT will draw lots to break the tie.

Check below if preference claimed under Rule 34 TAC §20.38.

**Tie – Bid Preferences**

- [ ] 1. Supplies, materials, equipment, or services produced in Texas or offered by Texas bidders.
- [ ] 2. Agricultural products produced or grown in Texas.
- [ ] 3. Agricultural products and services offered by Texas bidder.
- [ ] 4. USA produced supplies, materials or equipment.
- [ ] 5. Products produced at facilities located on formerly contaminated property.
- [ ] 6. Products and services from economically depressed or blighted areas.
- [ ] 7. Goods produced or offered by a Texas bidder that is owned by a service-disabled veteran who is a Texas resident.
SCHEDULE 3 (cont.)
EXECUTION OF PROPOSAL
RFP NO. B442010015180000

Source Preferences
____  1. Products of persons with mental or physical disabilities.
____  2. Vendors that meet or exceed air quality standards. For contracts to be performed in whole or
      in part, in a designated non-attainment area or an affected county, as those terms are
      defined by Health and Safety Code §386.001, Texas Emissions Reduction Plan.
____  3. Manufacturer that has a recycle program for computer equipment.
____  4. Contractor providing foods of higher nutritional value.

Specification Preferences
____  1. Products made of recycled materials, remanufactured, or environmentally sensitive materials
      including recycled steel.
____  2. Energy efficient products.
____  3. Rubberized asphalt paving material.
____  4. Recycled motor oil and lubricants.

THE EXECUTION OF PROPOSAL SHALL BE RETURNED WITH THE RESPONSE. FAILURE TO
RETURN THE EXECUTION OF PROPOSAL WILL RESULT IN THE RESPONSE BEING
CONSIDERED NON-RESPONSIVE.
Respondent shall use this schedule to clearly show how they meet the requirements set forth in the response submission (Ref. Para. 6.1 or 6.2 or both).

<table>
<thead>
<tr>
<th>Respondent Name:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Addresses:</td>
<td></td>
</tr>
<tr>
<td>Physical:</td>
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<tr>
<td>Mailing:</td>
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<tr>
<td>Phone Number:</td>
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<tr>
<td>Fax Number:</td>
<td></td>
</tr>
<tr>
<td>Name:</td>
<td></td>
</tr>
<tr>
<td>Phone Number:</td>
<td></td>
</tr>
<tr>
<td>Email address:</td>
<td></td>
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<tr>
<td>of person to contact with questions regarding the solicitation.</td>
<td></td>
</tr>
<tr>
<td>Number of years in business</td>
<td></td>
</tr>
<tr>
<td>Name and title of person signing the response:</td>
<td></td>
</tr>
</tbody>
</table>

**DOCUMENTATION OF COMPANY QUALIFICATIONS AND EXPERIENCE:**

Qualifications and experience in the areas of services to be provided. Respondent should address the following:

(repeat requirements in Specification e.g. experience working with state government, experience in the transportation industry, etc.)
Respondent Name: ____________________________________________

The respondent shall complete one profile not to exceed two pages for each individual to be assigned to this purchase order. TxDOT reserves the right to reject the proposed Key Personnel if references or past working performance are questionable or unfavorable.

<table>
<thead>
<tr>
<th>FULL NAME:</th>
<th>NUMBER OF YEARS EMPLOYED BY RESPONDENT:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>KEY PERSONNEL QUALIFICATIONS</th>
<th># YRS EXP.</th>
<th>FROM</th>
<th>TO</th>
<th>HOW/WHERE OBTAINED</th>
</tr>
</thead>
<tbody>
<tr>
<td>NUMBER OF YEARS EXPERIENCE IN DEBT PROGRAM SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NUMBER OF YEARS EXPERIENCE IN NON-TRADITIONAL PROJECT DELIVERY SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SPECIFIC EDUCATION, QUALIFICATIONS, TRAINING, CERTIFICATIONS:</td>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Reference: #___</th>
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<tbody>
<tr>
<td>Name of Organization:</td>
</tr>
<tr>
<td>BUSINESS ADDRESS:</td>
</tr>
<tr>
<td>BUSINESS CITY:</td>
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<tr>
<td>BUSINESS STATE:</td>
</tr>
<tr>
<td>CONTACT PERSON NAME:</td>
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<tr>
<td>CONTACT PERSON TITLE:</td>
</tr>
<tr>
<td>PHONE NUMBER:</td>
</tr>
<tr>
<td>E-MAIL ADDRESS:</td>
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<tr>
<th>Project Title:</th>
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</thead>
<tbody>
<tr>
<td>PROJECT DESCRIPTION AND DOLLAR AMOUNT:</td>
</tr>
<tr>
<td>ROLES AND RESPONSIBILITIES OF THE PROPOSED STAFF DURING THIS PROJECT</td>
</tr>
<tr>
<td>PROJECT START DATE:</td>
</tr>
</tbody>
</table>

This page may be reproduced as needed to document each reference.

THIS PAGE OR A REASONABLE FACSIMILE SHOULD BE RETURNED WITH THE RESPONSE. FAILURE TO RETURN THIS PAGE OR A REASONABLE FACSIMILE MAY RESULT IN THE RESPONSE BEING CONSIDERED NON-RESPONSIVE. ANY NEGATIVE RESPONSE(S) MAY RESULT IN DISQUALIFICATION OF THE RESPONSE.
INCLUDE ONLY REFERENCES FOR WHICH PROJECTS WERE COMPLETED WITHIN THE LAST SEVEN YEARS.

Respondent Name: ____________________________________________________________

Reference # ____

<table>
<thead>
<tr>
<th>Name of Client Organization:</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUSINESS ADDRESS:</td>
</tr>
<tr>
<td>BUSINESS CITY:</td>
</tr>
<tr>
<td>BUSINESS STATE: ZIP</td>
</tr>
<tr>
<td>CONTACT PERSON NAME:</td>
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<tr>
<td>CONTACT PERSON TITLE:</td>
</tr>
<tr>
<td>PHONE NUMBER: FAX</td>
</tr>
<tr>
<td>E-MAIL ADDRESS:</td>
</tr>
</tbody>
</table>

| Project Title: PROJECT DESCRIPTION:               |
| PROJECT START DATE: PROJECT END DATE:            |

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