

**Buncombe County, North Carolina**

Request for Qualifications for Underwriting Services

November 13, 2023

This Request for Qualifications (“RFQ”) is an open solicitation for investment banking firms to serve as an Underwriter for Buncombe County, North Carolina (the “County”) Limited Obligation Bonds financings. Over the next five years, the County anticipates financing needs of \$400-\$450 million, including a proposed issuance of Limited Obligation Bonds, Series 2024A (the “2024A LOBs”) to finance various County and School related projects totaling approximately \$70- \$80 million.

The intended purpose of this RFQ is to select a group of qualified firms to provide underwriting services to the County over the next 5 years and select the Senior Managing Underwriter and Co-Managing Underwriter(s) for the 2024A LOBs.

Davenport & Company LLC (“Davenport”), as Financial Advisor to the County, is distributing this Request for Qualifications (“RFQ”) to interested Investment Banking Firms. We request that you submit your response to this RFQ by **5:00 p.m. North Carolina Time on December 15, 2023.** Please provide an electronic copy of your response only (no hard copies) to the following individuals:

Ms. Melissa Moore	Mr. Ron Venturella	Mr. Mitch Brigulio	Mr. Ty Wellford	Mr. Clay Richards
Finance Director	Procurement Manager	Senior Vice President	Senior Vice President	Analyst
Buncombe County, NC	Buncombe County, NC	Davenport & Company LLC	Davenport & Company LLC	Davenport & Company LLC
Email	Email	Email	Email	Email

Please note that the County shall not be liable for any expense incurred in the preparation and presentation of any response to this RFQ. For additional information regarding this RFQ, please contact Mitch Brigulio or Ty Wellford.

**Role of the Underwriter**

The Underwriter’s role will be to work with the County, its Financial Advisor, and Bond Counsel to market the Limited Obligation Bonds through a public offering. It is the County’s expectation that the firm selected will:

- Work with the County, its Financial Advisor and Bond Counsel to provide general bond market insight and to assist with any tasks related to the planning for and marketing of the Limited Obligation Bonds;
- Conduct and execute the sale of the securities and provide an underwriting of the securities; and
- Other duties as specifically requested by the County, its Financial Advisor and Bond Counsel.

**Response Requirements**

To the extent possible, please provide responses to the questions in this section of the RFQ in the order that they are presented. In formulating your responses, please be as concise as possible. Responses should be limited to ten (10) pages (excluding cover page, requested appendix, requested excel spreadsheet and regulatory disclosure statements).

1. Please state the name of the proposing firm. Please provide an overview of your firm including the makeup of the sales and trading department as well as your firm’s financial condition. Indicate the number and location of North Carolina sales offices and the size of each office. In an appendix, please include information regarding any disciplinary actions taken by the SEC, MSRB, or any other federal or state regulatory agency over the last ten years involving your firm or any principals assigned to this engagement.
2. Discuss your firm’s experience in serving as senior manager on negotiated tax-exempt Limited Obligation Bond transactions, including a summary of all transactions completed since January 1, 2021 in (1) North Carolina and (2) other markets your firm serves. Please include details concerning average takedowns, expenses (excluding Underwriter’s Counsel) and management fees for the three (3) most recent senior managed, negotiated tax-exempt Limited Obligation Bonds completed.
3. Please complete the following table related to Local Government Underwriting Experience (see excel file included with RFQ distribution).

<b>NEGOTIATED UNDERWRITING TRANSACTION SUMMARY</b>					
<b>NATIONAL LOCAL GOVERNMENT NEGOTIATED TRANSACTIONS</b>					
		<b>2021</b>	<b>2022</b>	<b>2023 YTD</b>	<b>TOTAL</b>
Senior Manager	Number:				
	Volume:				
Co-Senior/Co-Manager	Number:				
	Volume:				
<b>NATIONAL LOCAL GOVERNMENT APPROPRIATION CREDIT NEGOTIATED TRANSACTIONS</b>					
		<b>2021</b>	<b>2022</b>	<b>2023 YTD</b>	<b>TOTAL</b>
Senior Manager	Number:				
	Volume:				
Co-Senior/Co-Manager	Number:				
	Volume:				
<b>NORTH CAROLINA LOCAL GOVERNMENT NEGOTIATED TRANSACTIONS</b>					
		<b>2021</b>	<b>2022</b>	<b>2023 YTD</b>	<b>TOTAL</b>
Senior Manager	Number:				
	Volume:				
Co-Senior/Co-Manager	Number:				
	Volume:				
<b>NORTH CAROLINA LIMITED OBLIGATION BOND NEGOTIATED TRANSACTIONS</b>					
		<b>2021</b>	<b>2022</b>	<b>2023 YTD</b>	<b>TOTAL</b>
Senior Manager	Number:				
	Volume:				
Co-Senior/Co-Manager	Number:				
	Volume:				

4. Please identify the personnel in your firm who would be assigned to the proposed transaction and provide resumes for each person. Identify the individual who will serve as senior day-to-day banker, technical banker and sales/trading coordinator. Please provide the current work location for each of the professionals listed.

5. Using the excel file included with the RFQ distribution, please provide an indicative maturity-by-maturity pricing summary for the 2024A LOBs based on the market as of close of business on December 8, 2023. Please include coupons, reoffering yields, yields to maturity and spread to the corresponding MMD based on the following assumptions and principal amortization schedule:

- Closing Date: April 18, 2024
- Call Structure: 10-Year Par Call
- Credit Ratings: Aa1 / AA+
- Amortization Structure:

<u>Date</u>	<u>Principal</u>	<u>Date</u>	<u>Principal</u>	<u>Date</u>	<u>Principal</u>
6/1/2025	3,750,000	6/1/2032	3,750,000	6/1/2039	3,750,000
6/1/2026	3,750,000	6/1/2033	3,750,000	6/1/2040	3,750,000
6/1/2027	3,750,000	6/1/2034	3,750,000	6/1/2041	3,750,000
6/1/2028	3,750,000	6/1/2035	3,750,000	6/1/2042	3,750,000
6/1/2029	3,750,000	6/1/2036	3,750,000	6/1/2043	3,750,000
6/1/2030	3,750,000	6/1/2037	3,750,000	6/1/2044	3,750,000
6/1/2031	3,750,000	6/1/2038	3,750,000		

6. Assuming a transaction size of \$75 million, please describe your firm’s desired syndicate composition in terms of number of underwriting firms and proposed liability splits. Please also describe proposed priority of orders and syndicate rules.

7. Please provide a brief overview of your firm’s marketing plans for the 2024A LOBs. Include an overview of your firm’s sales/trading resources and who your firm believes will be the targeted investors for the bonds.

8. Using the excel file included with the RFQ distribution, please provide a not-to-exceed estimate of your proposed underwriter’s discount for this transaction assuming a \$75 million par amount. Detail each component of your total spread proposal including management fee, average takedown and expenses on a per bond and on a total dollar basis. Please identify all components of your expenses, but do not include a fee for Underwriter’s Counsel as part of this estimate. Please indicate any fees or expenses your firm will charge if the County determines, at any time, that moving forward with the financing is not in the County’s best interest.

9. Please provide two firms that you would suggest as Underwriter’s Counsel. Note that Underwriter’s Counsel will be drafting the Preliminary Official Statement. Please also provide a not-to-exceed fee estimate for Underwriter’s Counsel.

10. Describe your firm's policies and capacity regarding committing capital to underwrite projects, specifically addressing any limitations on such commitment. Please discuss your firm's willingness to commit to underwrite unsold bond balances for the County's proposed Limited Obligation Bonds and provide examples of previous commitments your firm has made to underwrite unsold bond balances.
11. Please provide the names and contact information for at least three (3) client references for which your firm has served in a senior manager underwriting capacity.

### **Buncombe County General Terms and Conditions**

1. READ, REVIEW AND COMPLY: It shall be the Vendor's responsibility to read this entire document, review all enclosures and attachments, and any addenda thereto, and comply with all requirements specified herein, regardless of whether appearing in these Instructions to Vendors or elsewhere in this RFQ document.
2. LATE PROPOSALS: Late proposals, regardless of cause, will not be considered, and will automatically be disqualified from further consideration. It shall be the Vendor's sole responsibility to ensure the timely submission of proposals.
3. ACCEPTANCE AND REJECTION: Buncombe County reserves the right to reject any and all proposals, to waive any informality in proposals and, unless otherwise specified by the Vendor, to accept any item in the proposal.
4. INFORMATION AND DESCRIPTIVE LITERATURE: If required elsewhere in this proposal, each Vendor shall submit with its proposal any sketches, descriptive literature and/or complete specifications covering the products and Services offered. Reference to literature submitted with a previous proposal or available elsewhere will not satisfy this provision. Failure to comply with these requirements shall constitute sufficient cause to reject a proposal without further consideration.
5. HISTORICALLY UNDERUTILIZED BUSINESSES: Buncombe County is committed to retaining Vendors from diverse backgrounds, and it invites and encourages participation in the procurement process by businesses owned by minorities, women, disabled, disabled business enterprises and non-profit work centers for the blind and severely disabled. In particular, the County encourages participation by Vendors certified by the State Office of Historically Underutilized Businesses, as well as the use of HUB-certified vendors as subcontractors on County contracts.
6. INELIGIBLE VENDORS: As provided in G.S. 147-86.59 and G.S. 147-86.82, the following companies are ineligible to contract with the State of North Carolina or any political subdivision of the State: a) any company identified as engaging in investment activities in Iran, as determined by appearing on the Final Divestment List created by the State Treasurer pursuant to G.S. 147-86.58, and b) any company identified as engaged in a boycott of Israel as determined by appearing on the List of restricted companies created by the State Treasurer pursuant to G.S. 147-86.81. A contract with the Buncombe County by any company identified in a) or b) above shall be void *ab initio*.

7. CONFIDENTIAL INFORMATION: To the extent permitted by applicable statutes and rules, the County will maintain as confidential trade secrets in its proposal that the Vendor does not wish disclosed. As a condition to confidential treatment, each page containing trade secret information shall be identified in boldface at the top and bottom as “CONFIDENTIAL” by the Vendor, with specific trade secret information enclosed in boxes, marked in a distinctive color or by similar indication. Cost information shall not be deemed confidential under any circumstances. Regardless of what a Vendor may label as a trade secret, the determination whether it is or is not entitled to protection will be determined in accordance with G.S. 132-1.2. Any material labeled as confidential constitutes a representation by the Vendor that it has made a reasonable effort in good faith to determine that such material is, in fact, a trade secret under G.S. 132-1.2. Vendors are urged and cautioned to limit the marking of information as a trade secret or as confidential so far as is possible. If a legal action is brought to require the disclosure of any material so marked as confidential, the County will notify Vendor of such action and allow Vendor to defend the confidential status of its information.
8. MISCELLANEOUS: Any gender-specific pronouns used herein, whether masculine or feminine, shall be read and construed as gender neutral, and the singular of any word or phrase shall be read to include the plural and vice versa.
9. INFORMAL COMMENTS: Buncombe County shall not be bound by informal explanations, instructions or information given at any time by anyone on behalf of the County during the competitive process or after award. The County is bound only by information provided in writing in this RF and in formal Addenda issued through IPS.
10. COST FOR PROPOSAL PREPARATION: Any costs incurred by Vendor in preparing or submitting offers are the Vendor’s sole responsibility; Buncombe County will not reimburse any Vendor for any costs incurred or associated with the preparation of proposals.
11. AVAILABILITY OF FUNDS: Any and all payments to the Vendor shall be dependent upon and subject to the availability of funds to the agency for the purpose set forth in The Contract.
12. SITUS AND GOVERNING LAWS: This Contract is made under and shall be governed and construed in accordance with the laws of the State of North Carolina, without regard to its conflict of laws rules, and within which State all matters, whether sounding in Contract or tort or otherwise, relating to its validity, construction, interpretation and enforcement shall be determined.
13. PAYMENT TERMS: If a payment schedule is not part of The Contract then payment terms will be Net 30 days after receipt of a correct invoice or acceptance of goods, whichever is later.
14. NON-DISCRIMINATION: The Vendor will take necessary action to comply with all Federal and State requirements concerning fair employment and employment of people with disabilities, and concerning the treatment of all employees without regard to discrimination on the basis of any prohibited grounds as defined by Federal and State law.

**15. ADVERTISING:** Vendor agrees not to use the existence of The Contract or the name of Buncombe County as part of any commercial advertising or marketing of products or Services. A Vendor may inquire whether the County is willing to act as a reference by providing factual information directly to other prospective customers.

**16. INSURANCE:**

**COVERAGE** - During the term of the Contract, the Vendor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the Contract. As a minimum, the Vendor shall provide and maintain the following coverage and limits:

- Commercial General Liability insurance in an amount not less than \$1,000,000 each occurrence/\$2,000,000 annual aggregate. Coverage shall not contain any endorsement(s) excluding nor limiting Product/Completed Operations or Contractual Liability.
- Business Automobile Liability insurance covering all owned, non-owned, and hired vehicles with a minimum combined single limit of \$1,000,000 each occurrence and shall include uninsured/underinsured motorist coverage per NC General Statute 20-279-21.
- Workers Compensation coverage at the statutory limits in compliance with applicable State and Federal laws. Supplier shall ensure that any subcontractors also have workers compensation coverage at the statutory limits.
- Employer's Liability coverage with minimum limits of \$500,000 each accident and \$500,000 each employee disease.

Vendor shall agree these General Conditions constitute an insured contract and shall name Buncombe County as an additional insured under the Commercial General Liability policy. Before commencing work and for any subsequent renewals, Vendor shall furnish the County with certificates of insurance evidencing the above coverages and amounts on an approved form. Vendor hereby grants the County a waiver of any right of subrogation which any insurer of said Vendor may acquire against the County by virtue of payment of any loss under such insurance. Vendor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. Each insurance policy required above shall state that coverage shall not be canceled, except with written notice to the County and delivered in accordance with the policy provisions. All insurance shall be procured from reputable insurers authorized and qualified to do business in North Carolina and in a form acceptable to the County. The limits of coverage under each insurance policy maintained by the Vendor shall not be interpreted as limiting the Supplier's liability and obligations. Nothing in this section is intended to affect or abrogate Buncombe County's governmental immunity.

**17. GENERAL INDEMNITY:** The Vendor shall hold and save Buncombe County, its officers, agents, and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, Services, materials, or supplies in connection with the performance of The Contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Vendor in the performance of The Contract and that are attributable to the negligence or intentionally tortious acts of the Vendor provided that the Vendor is notified in writing within 30 days from the date that the County has knowledge of such claims. The Vendor represents and warrants that it shall make no claim of any kind or nature against the County's agents who are involved in the delivery or processing of Vendor deliverables or Services to the County. The representation and warranty in the preceding sentence shall survive the termination or expiration of The Contract.

**18. CONFLICT OF INTEREST:** Per N.C. General Statute 14-234, no public officer or employee who is involved in making or administering a contract on behalf of a public agency may derive a direct benefit from the contract. The statute defines "public officer" as an individual who is elected or appointed to serve or represent a public agency, other than an employee or independent contractor of a public agency.

A public officer or employee is involved in administering a contract if he or she oversees the performance of the contract or has authority to make decisions regarding the contract or to interpret the contract; or if he or she participates in the development of specifications or terms or in the preparation or award of the contract. A public officer is also involved in making a contract if the board, commission, or other body of which he or she is a member takes action on the contract, whether or not the public officer actually participates in that action, unless the contract is approved under an exception to this section under which the public officer is allowed to benefit and is prohibited from voting.

There is a conflict of interest when a public officer or employee derives a direct benefit from a contract if the person or his or her spouse: (i) has more than a ten percent (10%) ownership or other interest in an entity that is a party to the contract; (ii) derives any income or commission directly from the contract; or (iii) acquires property under the contract.

**19. CONFIDENTIALITY:** Any County information, data, instruments, documents, studies or reports given to or prepared or assembled by or provided to the Vendor under The Contract shall be kept as confidential, used only for the purpose(s) required to perform The Contract and not divulged or made available to any individual or organization without the prior written approval by Buncombe County.

**20. COMPLIANCE WITH LAWS:** Vendor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business and its performance in accordance with The Contract, including those of federal, state, and local agencies having jurisdiction and/or authority.

**21. ENTIRE AGREEMENT:** This RFQ and any documents incorporated specifically by reference represent the entire agreement between the parties and supersede all prior oral or written statements or agreements. This RFQ, any addenda hereto, and the Vendor's proposal are incorporated herein by reference as though set forth verbatim.

All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

**22. AMENDMENTS:** This Contract may be amended only by a written amendment duly executed by the County and the Vendor.

**23. NO WAIVER:** Notwithstanding any other language or provision in The Contract, nothing herein is intended nor shall be interpreted as a waiver of any right or remedy otherwise available to the County under applicable law. The waiver by the County of any right or remedy on any one occasion or instance shall not constitute or be interpreted as a waiver of that or any other right or remedy on any other occasion or instance.



24. FORCE MAJEURE: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations as a result of events beyond its reasonable control, including without limitation, fire, power failures, any act of war, hostile foreign action, nuclear explosion, riot, strikes or failures or refusals to perform under subcontracts, civil insurrection, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.
25. SOVEREIGN IMMUNITY: Notwithstanding any other term or provision in The Contract, nothing herein is intended nor shall be interpreted as waiving any claim or defense based on the principle of sovereign immunity or state or federal constitutional provision or principle that otherwise would be available to the County under applicable law.



## Municipal Advisor Disclosure

The U.S. Securities and Exchange Commission (the “SEC”) has clarified that a broker, dealer or municipal securities dealer engaging in municipal advisory activities outside the scope of underwriting a particular issuance of municipal securities should be subject to municipal advisor registration. Davenport & Company LLC (“Davenport”) has registered as a municipal advisor with the SEC. As a registered municipal advisor Davenport may provide advice to a municipal entity or obligated person. An obligated person is an entity other than a municipal entity, such as a not for profit corporation, that has commenced an application or negotiation with an entity to issue municipal securities on its behalf and for which it will provide support. If and when an issuer engages Davenport to provide financial advisory or consultant services with respect to the issuance of municipal securities, Davenport is obligated to evidence such a financial advisory relationship with a written agreement.

When acting as a registered municipal advisor Davenport is a fiduciary required by federal law to act in the best interest of a municipal entity without regard to its own financial or other interests. Davenport is not a fiduciary when it acts as a registered investment advisor, when advising an obligated person, or when acting as an underwriter, though it is required to deal fairly with such persons.

This material was prepared by public finance, or other non-research personnel of Davenport. This material was not produced by a research analyst, although it may refer to a Davenport research analyst or research report. Unless otherwise indicated, these views (if any) are the author’s and may differ from those of the Davenport fixed income or research department or others in the firm. Davenport may perform or seek to perform financial advisory services for the issuers of the securities and instruments mentioned herein.

This material has been prepared for information purposes only and is not a solicitation of any offer to buy or sell any security/instrument or to participate in any trading strategy. Any such offer would be made only after a prospective participant had completed its own independent investigation of the securities, instruments or transactions and received all information it required to make its own investment decision, including, where applicable, a review of any offering circular or memorandum describing such security or instrument. That information would contain material information not contained herein and to which prospective participants are referred. This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We make no representation or warranty with respect to the completeness of this material. Davenport has no obligation to continue to publish information on the securities/instruments mentioned herein. Recipients are required to comply with any legal or contractual restrictions on their purchase, holding, sale, exercise of rights or performance of obligations under any securities/instruments transaction.

The securities/instruments discussed in this material may not be suitable for all investors or issuers. Recipients should seek independent financial advice prior to making any investment decision based on this material. This material does not provide individually tailored investment advice or offer tax, regulatory, accounting or legal advice. Prior to entering into any proposed transaction, recipients should determine, in consultation with their own investment, legal, tax, regulatory and accounting advisors, the economic risks and merits, as well as the legal, tax, regulatory and accounting characteristics and consequences, of the transaction. You should consider this material as only a single factor in making an investment decision.

The value of and income from investments and the cost of borrowing may vary because of changes in interest rates, foreign exchange rates, default rates, prepayment rates, securities/instruments prices, market indexes, operational or financial conditions or companies or other factors. There may be time limitations on the exercise of options or other rights in securities/instruments transactions. Past performance is not necessarily a guide to future performance and estimates of future performance are based on assumptions that may not be realized. Actual events may differ from those assumed and changes to any assumptions may have a material impact on any projections or estimates. Other events not taken into account may occur and may significantly affect the projections or estimates. Certain assumptions may have been made for modeling purposes or to simplify the presentation and/or calculation of any projections or estimates, and Davenport does not represent that any such assumptions will reflect actual future events. Accordingly, there can be no assurance that estimated returns or projections will be realized or that actual returns or performance results will not materially differ from those estimated herein. This material may not be sold or redistributed without the prior written consent of Davenport.

Version 1.13.23 CR | ZL | TW | MB | TC