



**E.H. Mellon Administrative Center  
Chief Financial and Legal Officer**

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September 12, 2017

**RE: Request for Proposals for Underwriting Services for Champaign Community Unit School District No. 4, General Obligation School Building Bonds, Series 2017 and Series 2020**

With the successful approval of the November 2016 bond referendum, voters in Champaign Community Unit School District No. 4 have authorized the sale of \$183.4 million in bonds to finance a series of facility projects within the School District.

The attached Request for Proposals for underwriting services has been prepared for your consideration. Upon review, if you are interested in responding, follow the instructions included in the Request for Proposals for submitting your response to the District's Co-Municipal Advisors, Ehlers & Associates and Comer Capital Group.

The District invites all interested and qualified firms to submit a proposal to provide underwriting services to the District in response to this Request for Proposals. The District's Board of Education has adopted goals and strategic initiatives, one of which is to increase opportunities for minority and women-owned firms to provide services to the District. In keeping with that goal, the District welcomes proposals from such firms. Joint submissions are permitted.

The District has retained Ehlers & Associates and Comer Capital Group as its Co-Municipal Advisors to advise the District on the structure, timing, and terms of this Request for Proposals as well as the responses received. If you have questions regarding this Request for Proposals, please contact them directly via the contact information included in the Request for Proposals. The District's Co-Municipal Advisors will not provide advice to you. If you require independent representation for this transaction, you should seek your own advisor or counsel.

Thank you for considering this Request for Proposals.

A handwritten signature in black ink, appearing to read 'JLCS'.

Thomas Lockman  
Chief Financial and Legal Officer  
Champaign Community Unit School District No. 4

**Request for Proposals for Underwriting Services**  
**Issuer: Champaign Community Unit School District No. 4**

**1) Opening Statement**

The Champaign Community Unit School District No. 4 (the District) plans to issue approximately \$183.4 million in General Obligation School Building Bonds, over the next two years. The District is therefore soliciting proposals from qualified firms to serve as underwriter for the bonds. Bond proceeds will be used to complete the following facility projects within the District:

- A. Renovations and additions to Central High School
- B. Renovations and additions to Centennial High School
- C. Renovations and an addition to Edison Middle School
- D. Demolition and reconstruction of Dr. Howard Elementary School
- E. Renovations and an addition to South Side Elementary School
- F. Renovations and additions to International Prep Academy
- G. Renovation of facilities at McKinley Field
- H. Renovation of facilities at Franklin Middle School and Spalding Park

Underwriters selected to serve the District pursuant to this Request for Proposals (“RFP”) will serve as members of a pool of three underwriters until the \$183.4 million bond authorization has been utilized. The District reserves the right to cancel or amend this RFP at any time if it is determined to be in the best interest of the District.

**2) Requirements**

This RFP details the information the District needs to fully evaluate the abilities of your firm. Please limit your responses to not more than 15 pages and respond directly to the questions and request for information and material.

Questions concerning this RFP must be directed via email to Adrienne Booker at [abooker@ehlers-inc.com](mailto:abooker@ehlers-inc.com). Any questions concerning this RFP may be submitted at any time before September 18, 2017 at 5:00PM CST. All responses to submitted questions will be released on the District’s website (<http://www.champaignschools.org/pages/finance/BidsRFPs>) on September 20, 2017. **The deadline for submitting a response to this RFP is September 26, 2017 at 5:00PM CST.**

Responses to the RFP must be emailed to the District’s Co-Municipal Advisor, Ehlers & Associates, to the attention of Adrienne Booker, at [abooker@ehlers-inc.com](mailto:abooker@ehlers-inc.com) by September 26, 2017 at 5:00PM CST. Please use the title: “Response to RFP for Underwriting Services” in the email responses and subject line.

### 3) Selection

The District's staff, assisted by its co-municipal advisors, will review each response received and will evaluate firms based on the information submitted in the response.

Based upon responses to the RFP, the District may approve a firm and add it to the underwriting pool. Responses to the RFP will be evaluated on the firm's capabilities (relevant experience, marketing/distribution and underwriting capabilities), fee structure, and demonstrated commitment to and understanding of the District. The criteria to be used in the selection include:

- A. Organizational Qualifications. The financial stability, strength, and overall experience of the responding firm (the Proposer); and particularly, the experience of the underwriter-dealer-investment banking team and sales-trading team.
- B. Fee Proposal. Proposer's underwriting Discount showing Takedown, Management Fee and Expenses, including underwriter's counsel.
- C. MBE/WBE Participation. The District is committed to providing equal opportunities for business growth and development to minority and women owned businesses.

### 4) Response Format and Content

All responses should follow the format specified below.

- A. Executive Summary. Each proposal shall have a one page executive summary with the key components of the proposal.
- B. Organizational Qualifications.
  - i. Provide a brief history and background of your firm.
  - ii. Proposer's current capital position (e.g., total capital, net capital, and excess net capital).
  - iii. Provide a description of the qualifications and relevant experience for each individual who will be providing underwriting services. Briefly outline the roles of each such individual providing the underwriting services.
  - iv. Identify a single contact person for all future communication between respondent and the District. Please provide the pertinent information for the contact person, including, name, title, organization, address, office telephone number, and email address.

- v. Provide three references (including name, title, address, telephone number, and email address) from the issuers that can attest to the relevant qualifications and capabilities of your organization.
- vi. Describe recent examples of municipal underwritings that demonstrate your organization's willingness to commit capital to underwrite unsold balances.
- vii. Please disclose any other lines of business conducted by your organization that might present an actual or apparent conflict of interest with providing underwriting services. Include a disclosure of any firm personnel who are related by blood or marriage to any key District employees or elected officials.
- viii. Please disclose and explain any allegations of securities law violations directed at your organization in the past five years, including any criminal charges, civil, or administrative actions related thereto.
- ix. Please list the issuer names, par amounts, and sale dates of your five most recent transactions for general obligation bonds sold (must be in the last three years) in which your organization served as senior manager and describe your organization's role in that transaction. Provide information on your organization's participation and sales results for each of the aforementioned issues, including, without limitation, liability, allotments, and designations.
- x. Please describe your retail and institutional distribution capabilities.

C. Plan of Finance. The District has developed a preliminary plan of finance with the assistance of its Co-Municipal Advisors. The plan calls for utilizing the \$183.4 million of voted bond authorization in two series of fixed-rate bonds, Series 2017 (\$110 million) and Series 2020 (\$73.4 million). It is the District's goal to annually apply approximately \$16.35 million to the repayment of aggregate debt service through final maturity.

Please provide indicative pricing for the preliminary structure of the Series 2017 bonds shown in the table below, assuming semi-annual interest paying bonds. Please show coupons and yields that you think are appropriate for the District if the bond sale had occurred on this date.

- i. Assume the MMD Scale as of September 15, 2017;
- ii. Assume a 10-year optional call provision;
- iii. For an estimate of the costs of bond counsel fees and expenses, municipal advisory service fees and expenses, the printing and distribution costs for the Preliminary Official Statement and the Final Official Statement, rating agency fees, please use \$2.2 million;

- iv. Please assume that the District maintains its ‘AA’ rating from Standard and Poor’s. Your indicative pricing should exclude bond insurance or other forms of credit enhancement;
- v. Please provide your thoughts on shortening the 10-year call provision and possible penalties;
- vi. Please provide your thoughts on the advantages, if any, of using bond insurance or other credit enhancement.

Date	Principal
1/1/2019	12,750,000
1/1/2020	13,315,000
1/1/2021	11,540,000
1/1/2022	6,290,000
1/1/2023	6,475,000
1/1/2024	6,670,000
1/1/2025	6,870,000
1/1/2026	7,075,000
1/1/2027	7,290,000
1/1/2028	7,510,000
1/1/2029	7,750,000
1/1/2030	8,010,000
1/1/2031	8,290,000

- D. Fee Proposal. Please indicate your organization’s Underwriting Discount, showing Takedown, Management Fee and Expenses (including underwriter’s counsel), assuming the principal amount of the Series 2017 bonds is \$110 million.
- E. MBE/WBE Participation. Outline the involvement of any minority or women-owned firms in any services or subcontracting rendered under the proposal.

F. Anticipated Schedule:

<b>Scheduled Item</b>	<b>Scheduled Date</b>
Distribution of Request for Proposals	September 12, 2017
Deadlines for requests for clarifications/questions	September 18
Answers to submitted questions and clarifications	September 20
<b>RFP Response Deadline</b>	September 26
Technical evaluation; identification of short list of firms based on terms of proposal	September 28
Shortlist interviews, if necessary	October 2
Board Approval of underwriting firms	October 9
Close Series 2017 bond transaction	December 2017

**Terms and Conditions**

No proposing firm representative or third-party solicitor shall contact the District's elected officials regarding this RFP while it remains open. Violation of this provision will be deemed grounds for immediate disqualification of a proposal and may be considered in future requests for proposal.

The District reserves the right to reject any and all proposals, and may waive any defect, irregularity, or informality contained in a proposal. The District reserves the right to select the proposal deemed most advantageous to the District, in its sole discretion, and to negotiate directly with any respondents.

The District reserves the right to request a telephone interview with and/or additional information from any firm prior to its selection.

This RFP does not require the District to award a contract to any candidate firm. At its discretion, the District may choose to revise the selection process and schedule, request further information from candidate firms, or withdraw this RFP in its entirety.

Preparation and submission of a response to this RFP is at the sole expense and risk of the responding firms, and it is understood by the selected firm that no fees or other compensation will be paid if the proposed financing is abandoned or does not close. If deadlines are modified or addenda to this RFP are prepared, all parties shall be notified contemporaneously.

All proposals and supplementary materials shall become the property of the District. To the extent permitted by law, proposals will be opened in a manner that avoids disclosure of their contents until after award of engagement. Any proprietary information contained in a proposal should be explicitly labeled as such. The District can make no assertion that such proprietary information shall remain confidential.