

**COUNTY OF ERIE
OFFICE OF COMPTROLLER
RFP #07068VF**

**95 FRANKLIN STREET
BUFFALO, NY 14202**

**Erie County, New York
Underwriting Services**

The Erie County Comptroller is seeking proposals from qualified financial institutions (commercial banks, investment banks, trust companies or national banking associations) authorized to do business in the State of New York that are interested in serving as underwriter for an \$50.935 million general obligation bond issue. Firms interested in serving as Senior or Co-Managing Underwriter are invited to respond to the Request. The RFP (#07068VF) can be found at <http://www.erie.gov/comptroller/rfp.asp>.

All correspondence, communications and/or contact with the County in regard to any aspect of this proposal shall be in writing with Steven Kantor, the County's financial advisor at skantor@firstsw.com. Prospective respondents or their representatives shall not make contact with or communicate with any representatives of the County, including employees and consultants, other than through Mr. Kantor, in regard to any aspect of this proposal. Final sealed proposals are due to the Erie County Comptroller at 95 Franklin Street, 11th Floor, Buffalo, NY 14202 by 3:00 pm (EDT) on Thursday, August 2, 2007. Erie County reserves the right to reject any and all proposals and waive any informality.

Mark C. Poloncarz
Erie County Comptroller



ERIE COUNTY REQUEST FOR PROPOSAL FOR UNDERWRITING SERVICES

RFP #07068VF

July 19, 2007

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

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

I. INTRODUCTION

The County of Erie, New York (the “County”) is currently seeking proposals from qualified financial institutions (commercial banks, investment banks, trust companies, national banking associations, etc. authorized to do business in the State of New York) interested in serving as underwriters for an \$50,935,000 general obligation bond issue. The issue will be comprised of three (3) series. Series A will be for \$32.685 million and will be tax exempt. Series B (sewer bonds) will be for \$3.25 million and will be tax exempt. We are requesting that respondents provide a response for Series C (Erie County Medical Center Corporation) for \$15 million that includes (1) a tax-exempt option and (2) a taxable option. All Series will be issued as fixed rate bonds.

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

II. PROPOSAL PROCEDURES

A. ANTICIPATED SCHEDULE OF PROPOSAL

Issue RFP: Thursday, July 19, 2007

Proposals Due: Thursday, August 2, 2007, 3:00 p.m. (EDT)

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

B. PREPARATION OF PROPOSAL

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

C. NUMBER OF PROPOSAL COPIES

Eight (8) copies of the proposal should be submitted.

D. INQUIRIES AND SUBMISSION OF PROPOSALS

Submission of 1 original and 7 copies of proposals shall be directed to:

Mark C, Poloncarz, Esq., Comptroller
Office of the Erie County Comptroller
95 Franklin Street, 11th floor

Buffalo, New York 14202
Phone: 716-858-8404
Fax: 716-858-7404

All proposals must be delivered to the above office on or before Thursday, August 2, 2007 at 3:00 p.m. (EDT). Proposals received after the above date and time will not be considered. The County is under no obligation to return proposals.

Please also send a copy of your proposal to Steven Kantor, financial advisor to the County, at skantor@firstsw.com.

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

E. TIME AND LOCATION OF RESPONDENT'S PRESENTATION

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

F. RIGHT OF REJECTION BY THE COUNTY

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

G. AWARD OF CONTRACT

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

H. ERIE COUNTY FISCAL STABILITY AUTHORITY APPROVAL

Erie County is operating under the financial oversight of a State authority, the Erie County Fiscal Stability Authority ("ECFSA"). Under its statutory authority, in January 2007, ECFSA declared a control period for the County's 2007 fiscal year. While in a control period, the County must request and receive ECFSA approval of all contracts valued at \$50,000 (fifty thousand dollars) or more, and all County borrowings (long and short-term) are subject to ECFSA review and approval, including this general obligation borrowing. The County may also request that ECFSA borrow on the County's behalf. As of the date of this request for proposals, the County has not requested ECFSA borrow on its behalf. Potential respondents to this request for proposals are advised that the County's sale of bonds is subject to ECFSA's approval.

III. SCOPE OF SERVICES

The County is currently seeking proposals from qualified financial institutions (commercial banks, investment banks, trust companies, national banking associations, etc. authorized to do business in the State of New York) to serve as underwriters (either as senior underwriter or co-manager) for an \$50,935,000 general obligation bond issue. The issue will be comprised of three (3) series. Series A will be for \$32.685 million and will be tax exempt. Series B (sewer bonds) will be for \$3.25 million and will be tax exempt. We are requesting that respondents provide a response for Series C (Erie County Medical Center Corporation) for \$15 million that includes (1) a tax-exempt option and (2) a taxable option. All Series will be issued as fixed rate bonds.

IV. INFORMATION REQUESTED

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

1. Provide the Name, Title, Address, Telephone Number and Fax Number of the primary contact person for your proposal.
2. Summarize your firm's qualifications to serve as Underwriter to the County. Please include your firm's experience with other County issues and other issuers of general obligation bonds in New York State and with issuers having BBB level ratings.
3. Provide a brief description of the firm, including ownership structure, affiliate and subsidiary corporations, and municipal and public finance departments. Please discuss any staffing changes in the municipal or public finance departments within the past two years. Please indicate whether you have an office located in Erie County and what services are provided by that office.
4. Provide summary resumes of the financing team, including senior banker, senior quantitative person and underwriter. Indicate each person's tenure with your firm.
5. Provide three client references.
6. Please discuss the New York market and the impact of retail investors on the proposed sale.
7. Provide your experience in taxable bonds. How will your proposed marketing plan for taxable bonds differ from your proposed marketing plan for non-taxable bonds?
8. Disclose any material agreements, relationships, retainers or other employment that your firm or any of its employees has with any financial

advisory firm, investment banking firm, law firm, or other person or entity that conducts business in the municipal securities industry.

9. Summarize your underwriting experience in New York since January 2004, and your prior experience with Erie County, New York since 2000, if any.
10. Propose the fees to be charged by your firm by Series as described in the Appendix. Please include:
 - Management Fee (if any)
 - Takedown by maturity
 - Expenses (excluding Underwriter's Counsel)
11. Please include a letter from the officer responsible for your public finance operations that (i) no member of your firm made inquiries to any County official with respect to this Request for Proposals from the date of this RFP through the date of your submission and (ii) that all information in your submission is true and correct to the best of her/his knowledge.

B. LOCAL LAWS

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

V. EVALUATION AND AWARD PROCESS

A. EVALUATION AND AWARD CRITERIA

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

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

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

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

B. RIGHT TO RETAIN ALL PROPOSALS; PUBLIC INSPECTION

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

APPENDIX

Proposed Debt Structure

Series A

Par: \$32,685,000

Tax-exempt

Maturities- 2009-2027

Equal annual debt service

Series B

Par: \$3,250,000

Tax-exempt

Maturities 2009-2027

Equal annual debt service

(please provide a taxable and a non-taxable offer for Series C)

Series C

Par: \$15,000,000

Tax-exempt

Maturities 2009-2012

Equal annual debt service

Series C

Par: \$15,000,000

Federally Taxable

Maturities 2009-2012

Equal annual debt service