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 Marin County and Cities

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 Association of Bay Area Governments

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 Executive Director

ANDREW B. FRIEMER  
 Deputy Executive Director

January 10, 2014

**Addendum No. 1**  
**to**  
**REQUEST FOR QUALIFICATIONS**  
**for**  
**UNDERWRITING SERVICES**  
 Dated January 3, 2014

Dear Underwriter:

This letter is Addendum No. 1 to the Request for Qualifications for Underwriting Services dated January 3, 2014. Where text is revised, deleted text is shown in strike-through format; added text is *italicized*. The RFQ is revised as follows:

Addendum Item	Reference	Change(s)
1.	RFQ, I. <u>Background &amp; Description Of Work</u> , B. <u>Description of Project</u> , page 2, last paragraph	<b><i>Standalone SOQs and/or Joint SOQs from a team of bankers are acceptable. The lead banker on the team will be responsible for the costs incurred by co-members of the team. The lead banker will also decide how the fee will be divided. Joint submissions do not guarantee that all team members of the team will be selected.</i></b>
2.	RFQ, II. <u>Minimum Qualifications</u> , Item b, page 3	b) Senior or co-managing underwriting on at least five (5) <del>\$500</del> \$300 million financings over the last five (5) years; one of which must be in transportation financing and one of which must be toll related.
3.	RFQ, VI. <u>Form of SOQ</u> , G. <u>Experience and Qualifications</u> , Item b, page 5	b. Summarize the firm's experience <i>in financings of \$300 million or more</i> over the past ten (10) years as senior managing or co-senior managing underwriter; emphasize recent transportation and toll revenue financing experience. Please state the names, dollar size, and role in each transaction. Provide an additional list summarizing the same information for all California clients.
4.	RFQ, VI. <u>Form of SOQ</u> , J. <u>References</u> , page 6	a) Provide <del>references from five (5) different clients-</del> <i>professional references unrelated to BATA, one from a financial advisor, one from a bond counsel and three (3) from clients.</i> Include the names, email, and telephone number for a contact person from each reference. b) <del>Provide three (3) professional client references, one of which is a financial advisor and one of which is bond</del>

		<del>eounsel.</del>
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The remaining provisions of the RFQ, dated January 3, 2014 remain unchanged. In the event of a conflict between this addendum and the previous version(s), this addendum shall take precedence.

Questions and Answers regarding this RFQ are enclosed with this Addendum.

Any questions concerning this addendum to the RFQ should be directed to Susan Woo, Project Manager at (510) 817-5729 or swoo@mtc.ca.gov.

Sincerely,



Ann Flemer,  
Deputy Executive Director, Policy

AF:sw

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**January 10, 2014**

**Request for Qualification (RFQ) for  
Underwriting Services  
Dated January 3, 2014**

**Questions & Answers From Proposers' Conference on January 8, 2014  
and Submitted by January 10, 2014**

- Q1 We would like to submit an SOQ to do work on swap portfolios. Given the Dodd-Frank Act, how do we address this?  
A1 Proposers should submit a Safe Harbor letter for BATA's consideration.
- Q2 In regards to the RFQ, Section VI.G.B, please clarify if BATA requires proposers to provide a complete list of its clients for senior or co-senior managing underwriter services within the last ten years?  
A2 See Addendum #1.
- Q3 Can proposer submit both a joint submission and stand-alone submission?  
A3 Yes. See Addendum #1.
- Q4 The requirements in the RFQ, Section II. 1 (b) and Section VII. C, first bullet are different. Does BATA require senior and co-managing underwriters to have at least \$300 million or \$500 million financings?  
A4 See Addendum # 1.
- Q5 In regards to the RFQ, Section VI. J, what kind of references does BATA require (issuers, lawyers, etc.)?  
A5 See Addendum #1. BATA requires a total of 5 references unrelated to BATA, one from a financial advisor, one from a bond counsel and three (3) from clients.
- Q6 Would you please provide the current PFM Swap Viewer report for all of your existing derivatives?  
A6 Please see the attached PFM Swap Viewer report.
- Q7 Does BATA still require a minimum of Aa3/AA- or higher rated swap counterparties ISDA documents with one way CSA against the bank and with asymmetric Additional Termination Events (in favor of BATA)?  
A7 Please refer to BATA Resolution 51, BATA Debt Policy:  
[http://apps.mtc.ca.gov/meeting\\_packet\\_documents/agenda\\_2066/5\\_Resolution\\_No\\_51\\_Revised\\_BMayhew.pdf](http://apps.mtc.ca.gov/meeting_packet_documents/agenda_2066/5_Resolution_No_51_Revised_BMayhew.pdf)
- Q8 Please clarify how many copies of the Financials requested in Section IV, Form of SOQ, item 5, BATA would like to receive.  
A8 Proposers are required to submit one copy of their Financials as per Section VI, Form of SOQ, item 5 which reads "IN A SEPARATE SEALED ENVELOPE, each team member of the joint team must provide the most currently published and prior two years financial statements. The most current must be dated no later than December 2012.

Financial statements will be reviewed to determine financial responsibility only. Based on the financial statements, BATA may find the firm non-responsible, BATA reserves the right to request additional information, if necessary to determine financial responsibility. Each firm's financial statements will be returned prior to selection.”

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**The PFM Group**  
 Public Financial Management, Inc.  
 PFM Asset Management LLC  
 PFM Advisors

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 18th & Arch Streets  
 Philadelphia, PA 19103

**Bay Area Toll Authority (BATA)**  
 MTM Valuation Report as of 12/31/2013

Transaction Type	Name	Associated Bonds	Client Pays	Client Receives	Trade Date	Effective Date	Maturity Date	Initial Notional	Bank Counterparty	Moody's	S&P	Fitch	Accrued Interest	MTM Value
Swap	BATA200201100002	2001 VRDB's Series A	4.0900%	ABR/65% of USD-LIBOR	1/10/2002	1/14/2002	4/1/2036	\$75,000,000.00	Morgan Stanley Capital Services Inc.	Baa2	A-	A	(\$240,477.07)	(\$18,386,874.06)
Swap	BATA200511150002	Series 2006	3.6330%	68% of USD-LIBOR	11/15/2005	2/8/2006	4/1/2045	\$30,000,000.00	Bank of America, N.A.	A2	A	A	(\$87,956.25)	(\$5,318,438.98)
Swap	BATA200511300002	Series 2007	3.6255%	68% of USD-LIBOR	11/30/2005	11/1/2007	4/1/2047	\$50,000,000.00	Bank of America, N.A.	A2	A	A	(\$146,281.25)	(\$8,955,191.13)
Swap	BATA200511300003	Series 2007	3.6360%	53.80% of USD-LIBOR + 0.74%	11/30/2005	11/1/2007	4/1/2047	\$260,000,000.00	Citibank, N.A., New York	A2	A	A	(\$607,795.50)	(\$37,596,461.18)
Swap	BATA200808280005	Series 2007	3.6357%	68% of USD-LIBOR	8/28/2008	8/28/2008	4/1/2047	\$85,000,000.00	Goldman Sachs Mitsui Marine Derivative Products, L.P.	Aa2	AAA	N/A	(\$241,087.27)	(\$15,365,973.64)
Swap	BATA200808280006	Series 2006	3.6418%	68% of USD-LIBOR	8/28/2008	8/28/2008	4/1/2045	\$60,000,000.00	Goldman Sachs Mitsui Marine Derivative Products, L.P.	Aa2	AAA	N/A	(\$170,474.08)	(\$10,720,135.76)
Swap	BATA200809020001	Series 2007	3.6357%	68% of USD-LIBOR	9/2/2008	9/2/2008	4/1/2047	\$170,000,000.00	The Bank of New York Mellon	Aa2	AA-	AA-	(\$482,174.54)	(\$30,731,806.19)
Swap	BATA200809020002	Series 2007	3.6357%	68% of USD-LIBOR	9/2/2008	9/2/2008	4/1/2047	\$40,000,000.00	The Bank of New York Mellon	Aa2	AA-	AA-	(\$113,452.83)	(\$7,231,576.43)
Swap	BATA200809020003	Series 2006	3.6418%	68% of USD-LIBOR	9/2/2008	9/2/2008	4/1/2045	\$125,000,000.00	Bank of America, N.A.	A2	A	A	(\$355,154.34)	(\$22,333,616.16)
Cancellable Swap	BATA201103290001	Series F-1	SIFMA Swap Index	3.7000%	3/29/2011	4/1/2011	4/1/2045	\$160,000,000.00	Bank of America, N.A.	A2	A	A	\$1,472,592.22	\$1,085,833.72
Swap	BATA201103300001	Series 2006	4.0000%	75.105% of USD-LIBOR	3/30/2011	4/1/2011	4/1/2045	\$245,000,000.00	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	(\$764,430.89)	(\$47,432,247.70)
Cancellable Swap	BATA201103300002	Series F-1	SIFMA Swap Index	3.7640%	3/30/2011	4/1/2011	4/1/2047	\$40,000,000.00	Bank of America, N.A.	A2	A	A	\$374,548.05	\$139,686.48
Cancellable Swap	BATA201103300003	Series F-1	SIFMA Swap Index	3.7900%	3/30/2011	4/1/2011	4/1/2047	\$146,445,000.00	The Bank of New York Mellon	Aa2	AA-	AA-	\$1,380,786.18	\$1,727,730.69
Cancellable Swap	BATA201103310001	Series F-1	SIFMA Swap Index	3.7050%	3/31/2011	4/1/2011	4/1/2047	\$146,900,000.00	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	\$1,281,973.61	\$1,874,904.12
Swap	BATA201105200001	2001 VRDB's Series A	4.1000%	65% of USD-LIBOR	5/20/2011	5/2/2011	4/1/2036	\$75,000,000.00	Wells Fargo Bank N.A.	Aa3	AA-	AA-	(\$241,081.23)	(\$18,495,142.80)
Swap	BATA201203200001	Series 2006	3.6375%	53.80% of USD-LIBOR + 0.74%	3/20/2012	3/1/2012	4/1/2045	\$115,000,000.00	Citibank, N.A., New York	A2	A	A	(\$260,010.50)	(\$16,361,139.95)
Swap	BATA201203200002	Series 2006	3.6375%	53.80% of USD-LIBOR + 0.74%	3/20/2012	3/1/2012	4/1/2045	\$110,000,000.00	Wells Fargo Bank N.A.	Aa3	AA-	AA-	(\$248,705.69)	(\$15,649,819.76)
													\$550,818.62	(\$249,750,268.73)

The valuations of derivatives transactions provided by PFM are indicative values based on mid-market levels as of the close of business on the date they are provided. These valuations are provided for information purposes only and are intended solely for internal use. These valuations do not represent the actual terms at which new transactions could be entered into or the actual terms at which existing transactions could be liquidated. The valuations provided are derived from proprietary models based upon well-recognized financial principles and reasonable estimates about relevant future market conditions. Valuations based on other models or different assumptions may yield different results. PFM believes its valuation methodology to be consistent with accepted practice in the market for interest rate swaps. Additional information is available on request. Information herein is believed to be reliable, but PFM does not warrant its completeness or accuracy. PFM does not hold a position or act as a market maker in the financial instruments of any issuer discussed herein.