



COLTON JOINT UNIFIED SCHOOL DISTRICT

(San Bernardino and Riverside Counties, California)

Election of 2008, 2023 General Obligation Tax Exempt, Series F New Money
\$38,000,000*

**RFP 24-10JB Underwriting Services
September 22, 2023**

**Tentative RFP Schedule
(Subject to change at District's discretion)**

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| 1. Issue RFP | September 22, 2023 |
| 2. Written questions (if any) due | September 27, 2023 at 9:00 a.m. |
| 3. Responses from District Due | October 2, 2023 |
| 4. Proposals Due | October 6, 2023 at 10:00 a.m. PST |
| 5. Underwriter(s) selection | October 13, 2023 |

Request for Proposals - Underwriting Services

Colton Joint Unified School District (the “District”) is requesting proposals to serve as sole manager for the District’s proposed issuance of General Obligation Tax-Exempt, Series F New Money Bonds (the “Bonds”). Subject to Board approval in November, the Bonds are expected to be priced the week of December 4th and closed December 20, 2023.

Responses are to be delivered via e-mail by 10:00am October 6, 2023 to the district’s Municipal Advisor Columbia Capital Management, LLC:

Jim Prichard jprichard@columbiacapital.com,
Mike Williams mwilliams@columbiacapital.com,
Shannon Harris sharris@columbiacapital.com.

And to the following district staff:

Gregory Fromm gregory_fromm@cjUSD.net .
Owen Chang Owen_Chang@cjUSD.net,
Joann Baeza Joann_Baeza@cjUSD.net

For questions regarding this RFP, please email the Municipal Advisory team above.

The Finance Team

Stradling Yocca Carlson & Rauth is serving as Bond Counsel, Orrick, Herrington & Sutcliff LLP is serving as Disclosure Counsel, and Columbia Capital Management, LLC. is serving as Municipal Advisor.

Proposed Series 2023 New Money Bonds

The Election of 2008 has \$82.5 million in remaining general obligation bonding authority. The District expects to issue its tax-exempt Series F Bonds as current interest bearing bonds that will generate about \$38 million in new money. The expected final maturity is 2048. All details of the plan of finance are subject to change.

The District’s GO current rating is A+ S&P rating of and Aa3 Moody’s.

SCOPE OF SERVICES

The underwriter selected by this RFP will be responsible for providing a full range of investment banking, marketing and underwriting services. These services may include but are not limited to:

- Working with the finance team to develop a plan of finance.
- Review cash flow and debt payment models prepared by the Municipal Advisor.
- If requested, developing and presenting information to the Board, rating agencies and bond insurers, and any other appropriate parties.
- Working closely with and assisting other transaction professionals in the preparation of documentation for the transaction.
- Undertaking detailed review of the preliminary official statement and official statement for the transaction and any other documentation necessary to market the transaction.
- Assisting in the solicitation of ratings and/or credit enhancement as requested.
- Proposing a marketing plan for the sale that will result in the most favorable true interest cost on the obligations while meeting the financing goals of the District and undertaking primary responsibility for implementing the marketing plan.
- Coordinating and conducting any necessary informational meetings with potential investors prior to the sale.
- Assisting with preparing a rating presentation.
- Providing pre-pricing scales and transaction comparables to support proposed pricing scale when requested. The underwriter will be expected to amend and update this information until the time of the pricing.
- Providing certain information prior to the pricing of the transaction. Such information should include (1) a description of general market conditions leading up to the day of pricing, (2) detailed sales results for recent comparable issues, (3) a schedule of other offerings expected to be in the market during the week of the scheduled pricing, (4) a calendar of financial and economic reports that may impact the market conditions at the time the bonds are to be priced, and (5) other information that may impact the marketing of the transaction.
- Marketing and selling the Bonds with quality execution according to the expectations developed during pre-pricing discussions.

- Assisting the finance team in any other matters related to the issuance and sale of the bonds as may be necessary to accomplish any of the foregoing or completing the marketing, sale, issuance and delivery of the offering.
- Preparing a closing memorandum and closing the transaction on time in accordance with the bond purchase agreement.

PROPOSAL FORMAT

Each proposal is to contain specific responses to each of the following requests and must follow substantially the outline presented below. Firms are encouraged to respond fully to each inquiry, but to be as concise as possible. Note certain questions are not required to be answered by those firms wishing to only be considered in a co-manager role.

- A) **Cover Letter (Limit, one page).** The cover letter should specify that the signatory is legally authorized to commit the firm to all terms and conditions contained in the RFP.
- B) **Firm Description.** Include contact information and a brief description of the firm.
- C) **Professional Experience.** Provide a list of the individuals who will be assigned to work with the District on the proposed financing, including the firm's lead underwriter assigned to the financing and identifying personnel with day-to-day responsibility. Describe the role of each individual in the underwriting and include the telephone and email for each. Include a brief resume of each individual's education and training and include experience on similar credits.
- D) **Structure.** Given the District's existing Series 2008 Election debt service obligations and the California statutory debt limits, please provide any thoughts or ideas related to optimally structuring the Bonds. There will be a final issuance of remaining bond authorization after Series F within the next several years. The District's current assessed valuation is \$15,765,441,042.
- E) **Rating Strategy.** Describe your proposed rating agency strategy. The District received ratings from both S&P and Moody's on the last general obligation offering. Please provide your recommendation on the benefit of having one or both ratings on the proposed offering.
- F) **Marketing Plan.** Describe in detail your proposed marketing plan for the transaction. At a minimum, your marketing plan should address the following issues:
1. Describe the likely investor base and the steps that need to be taken to interest those buyers in the transaction.

2. Describe any marketing challenges related to the sale execution of the transaction.
 3. Describe proposed couponing strategies (par vs. discount vs. premium) and their impact on the marketability of the transaction and how that impacts structuring around debt service limits.
 4. Provide your thoughts on bond insurance.
- G) **Pro Forma Pricing Scale.** Provide your firm's best estimate of the actual spreads to the MMD 'AAA' index by maturity that would apply to the transaction in today's market environment. Explain influencing factors that could alter the proposed spreads.
- H) **Fee Quotation.** Provide a breakdown of your proposed underwriting spread on a per \$1,000 financed basis and a breakdown of underwriter expenses.
- I) **Underwriters' Counsel.** Please identify at least one firm you propose to use as underwriters' counsel for this transaction and their fee. Proposers must verify that the firms listed are willing to provide the requested services for the quoted fee. Payment of underwriters' counsel will be made from the expense component of the underwriting spread.

Conflicts of Interest. Disclose any relationships, contractual or otherwise, that your firm has with any individual, organization or firm that would present a potential conflict, or appearance thereof, with your role as underwriter.