State of Mississippi
State Bond Commission

Solicitation for Offers for Underwriting Proposals for State General Obligation Bonds November 11, 2014

The State Bond Commission of Mississippi (the "State") is now soliciting offers for underwriting proposals ("Responses") for the sale of a combination of State of Mississippi General Obligation Taxable and Tax-Exempt Bonds (the "Bonds"). This Solicitation for Offers (the "SFO") seeks responses from qualified firms to serve as senior managing underwriter, co-senior manager (if deemed necessary) and co-managers (if deemed necessary) for one or both of these transactions. The purpose of this solicitation is to provide the State with a fair and competitive process for the selection of underwriters in order to produce the highest quality investment banking services at a reasonable cost. The State reserves the right to select a team of underwriters from those firms submitting proposals in accordance with this SFO. The State also reserves the right to select separate underwriters for each of the transactions. Only firms submitting proposals in accordance with this SFO will be considered. **From the respondents to the SFO, the State will select senior managing underwriter(s) for each transaction and will determine the necessity for co-senior managers and/or co-managers.**

Background Information

All bonds which are proposed to be issued will constitute general obligations of the State, and the State's full faith and credit will be pledged to secure the Bonds.

Respondents to this SFO should base their presentation on the issuance of Taxable General Obligation Bonds in an amount not to exceed $189 million and Tax-Exempt General Obligation Bonds in an amount not to exceed $164 million with pricing occurring mid-December 2014, a dated date as of delivery, and a delivery date around early January 2015.. The State desires to maintain full flexibility regarding the issuance date in an effort to enter the market at the optimal time. The maturity date for the Taxable Bonds shall not exceed 25 years and the maturity date for the Tax-Exempt Bonds shall not exceed 25 years. Additionally, the State is considering an opportunity to refund certain callable maturities of its existing bond issues, depending on market conditions at the time of sale. Any refunding bond transaction would be concurrent with the issuance of the new bonds. The current estimated amount of refunding (Par) is $250 million. That amount may increase or decrease depending on market conditions.

Objectives and Basis of Award

The selection will be made on the basis of the "best proposal". The State prefers to hire a senior managing underwriter that demonstrates excellence in structuring, managing and marketing municipal bonds, however, in the event the State is unable to identify a single firm as senior managing underwriter, the State reserves the right to establish a team of senior managers. The State also reserves the right to reject any or all proposals and to negotiate fees.

The Evaluation Committee comprised of the State Bond Commission of Mississippi staff and First Southwest Company (the "Financial Advisor") will evaluate the response. The following criteria will be used by the Evaluation Committee to evaluate the response as to the syndicate team members and senior manager candidates:

Weight	Guidelines
35%	Financing Ideas, Strategy and Innovation
30%	Experience Underwriting General Obligation Bonds
25%	Marketing and Distribution
10%	Other Considerations

Bond Team

The underwriters chosen on the basis of their respective offers in response to this SFO will act on behalf of the State in all matters undertaken in connection with the Bonds and will work directly with the Bond Advisory Director for the State of Mississippi Department of Finance and Administration (DFA) and the Bond Director for the State Treasury. The Bond Commission has hired First Southwest Company as its Financial Advisor and is the third member of the bond team. Bond Counsel for this transaction has not been determined.

Inquiries

The Bond Advisory Director or the Assistant Bond Advisory Director of the DFA will receive ALL inquiries from firms interested in making offers in response hereto. All inquiries must be submitted via e-mail and received no later than noon on November 14, 2014 to Mark Valentine, Bond Advisory Director, State Department of Finance and Administration, Mark.Valentine@dfa.ms.gov or Belinda Russell, Assistant Bond Advisory Director, State Department of Finance and Administration, Belinda.Russell@dfa.ms.gov. Answers to each inquiry will be sent to the inquiring firm via e-mail by November 17, 2014. No firm submitting a proposal may make inquiries with respect to this SFO to any other employee or agent of other state agencies, or any state authority until final selections have been determined. Failure to adhere to this provision may result in disqualification.

Required Content of Offers

Please provide a cover letter which clearly states the position your firm is applying for with respect to the Bonds: senior managing underwriter and/or co-manager. Please state if you are applying for participation through the Taxable Bonds, the Tax-Exempt Bonds or both.

Firm Background and Experience

1. Please describe the full legal name of the firm, date of establishment, current structure and any additional characteristics you would like the State to consider. State which of the following categories best describes your firm: National, Regional, certified Minority Owned Business Enterprise/Women Owned Business Enterprise. Also, please state which role the firm would like to be considered for in the underwriting syndicate – i.e. Senior-, Co-Senior or Co-Manager.

2. Identify the lead banker(s) for the firm who would be involved in the engagement with the State and provide contact information and a description of their background and experience in providing services as described in this SFO. Also, provide experience and qualifications for other key staff who would be involved in the engagement with the State. Please include contact numbers and e-mail addresses.

3. Describe your firm's experience, expertise and capabilities with respect to the planning, structuring and execution of financing general obligation bonds. Please list your firm's experience as senior book-running manager for general bond issues since January 2011. (In the Appendix, please list the par value, issuer name, ratings and approximate date of offering.) In addition, state the aggregate amount of such issues.

Total No. of Issues	Total Par Amount

4. Please list your firm's experience as co-senior and co-manager for general obligation bond issues since January 2011. (In the Appendix, please list the par value, issuer name, ratings and approximate date of offering.) In addition, state the aggregate amount of such issues.

Total No. of Issues	Total Par Amount

5. Please list your firm's experience as senior book-running manager for general bond issues for all issuers within the State since January 2011. (In the Appendix, please list the par value, issuer name, ratings and approximate date of offering.) In addition, state the aggregate amount of such issues.

Total No. of Issues	Total Par Amount

6. Please list your firm's experience as co-senior and co-manager for general obligation bond issues for all issuers within the State since January 2011. (In the Appendix, please list the par value, issuer name, ratings and approximate date of offering.) In addition, state the aggregate amount of such issues.

Total No. of Issues	Total Par Amount

7. Provide your firm's average weekly inventory position, average weekly sales volume and average weekly trading volume in Mississippi general obligation debt since January 2011.

Proposal for Structure, Pricing and Marketing of Bonds – This section should only be addressed by firms wishing to be considered for senior manager.

1. Assuming a Taxable General Obligation Bond sale in the amount of $189 million and a Tax-Exempt General Obligation Bond sale in the amount of $164 million, provide specific structuring scenarios including but not limited to, maximizing cost effectiveness and broadening marketing using the following criteria:

Par Amount of Taxable Bonds	$189 million
Dated Date:	As of Delivery
Delivery Date:	Early January 2015 (TBD)
Maturity:	Not to exceed 25 years

Par Amount of Tax-Exempt Bonds	$164 million
Dated Date:	As of Delivery
Delivery Date:	Early January 2015 (TBD)
Maturity:	Not to exceed 25 years

2. Describe your preferred marketing plan, outlining your pre-sale marketing approach for the Bonds.

3. Describe the method by which you would price the Bonds.

Fees – This section should only be addressed by firms wishing to be considered for senior manager. **Note:** The State intends to negotiate fees with the highest scoring firm applying for senior manager position.

1. On the attached Investment Banking Fee Proposal Worksheet, provide estimated gross spread breakdowns and budgets for the proposed issues. All costs/fees provided must have a cap. The completed worksheet will serve as a comparative indicator.

2. Provide the names of three firms you would recommend as underwriters' counsel, the name of the lead attorney for this financing and the fees the law firm would charge.

Instruction for Presentation of Offer

Responses should contain the items indicated in the above section. All requirements should be addressed in the order presented. Responses must be e-mailed and received by 4:00 p.m. Central Time, November 18, 2014 to Belinda.Russell@dfa.ms.gov, cc: Mark.Valentine@dfa.ms.gov and six bound copies of the identical response should arrive by 12:00 noon on November 20, 2014. The version the State will review and evaluate is the email version. The six bound copies of responses should be delivered to:

Belinda Russell, Assistant Bond Advisory Director
State of Mississippi
Department of Finance and Administration
501 North West Street, Suite 1301
Woolfolk Office Building
Jackson, MS 39201
Telephone: 601-359-5745
Email: Belinda.Russell@dfa.ms.gov

Costs Incurred in Preparation of Offer

All costs indirectly or directly related to preparation of a response, any oral presentations required to supplement or clarify a response, and any reasonable appearance which may be required by the State in connection with this SFO shall be the sole responsibility of the respondent. The State will not pay any fees or expenses to the firm(s) selected in the event that the anticipated financing is not completed.

Competitive Selection

Selection for participating underwriters will be reviewed and approved by the State Bond Commission. Consideration is expected to be given, but is not guaranteed to be given to the following criteria:

- Capability of respondent to provide underwriting expertise needed;
- Experience of professionals to be assigned to the engagement;
- Proposed bond structure and marketing plan (for senior managers only);
- Fees for services (for senior managers only).

The State reserves the right to act without oral presentation or other discussions with respondents. Therefore, all responses should be submitted on the most favorable terms. The State may reject any and all responses, may require additional technical and background information, and/or negotiate all elements, including fees, which are contained in the response. By submitting a response, the respondent agrees to these terms. All responses submitted pursuant to this SFO will become the property of the State.

Regulatory Compliance

Over the past three years, has your firm or any of its affiliates or parent, or any officer or principal been involved in any material litigation, administrative proceedings, violation of or investigation for any regulatory agency rules (SEC, MSRB, FINRA, NYSE)? If so, provide an explanation and indicate the current status. If selected for the engagement, you will be required to disclose such information within 30 days after you know or should know of it. A failure to do so will be sufficient grounds for the State to remove a firm from this engagement or the consideration for future engagements.

Lastly, describe any conflicts of interest your firm may have.

References

List at least three references, two or more should be related to recent general obligation bond sales. Give name, title, affiliation, address and telephone number. In addition to the list provided, the State reserves the right to independently solicit other references.

Investment Banking Fee Proposal Worksheet
Assuming an Issuance of $164,000,000 State of Mississippi
Tax-Exempt Bonds

The State reserves the right to negotiate all fees associated with this financing.

	$ per $1000	Actual $ Amount
Management Fee (to include structuring fee, if any)	$_____	$_____
Average Takedown (based on proposed structure)	$_____	$_____
Total Expenses (as set forth below)	$_____	$_____
TOTAL	$_____	$_____
Expense Breakdown (maximum not to be exceeded)		
Clearance	$_____	$_____
Travel	$_____	$_____
Syndication	$_____	$_____
Advertising	$_____	$_____
Document Printing	$_____	$_____
Freight	$_____	$_____
Closing Expenses	$_____	$_____
Underwriter's Counsel	$_____	$_____
Consultants (if any)	$_____	$_____
Other (please specify)	$_____	$_____
Subtotal Expenses	$_____	$_____

Investment Banking Fee Proposal Worksheet
Assuming an Issuance of $189,000,000 State of Mississippi
Taxable Bonds

The State reserves the right to negotiate all fees associated with this financing.

	$ per $1000	Actual $ Amount
Management Fee (to include structuring fee, if any)	$_____	$_____
Average Takedown (based on proposed structure)	$_____	$_____
Total Expenses (as set forth below)	$_____	$_____
TOTAL	$_____	$_____
Expense Breakdown (maximum not to be exceeded)		
Clearance	$_____	$_____
Travel	$_____	$_____
Syndication	$_____	$_____
Advertising	$_____	$_____
Document Printing	$_____	$_____
Freight	$_____	$_____
Closing Expenses	$_____	$_____
Underwriter's Counsel	$_____	$_____
Consultants (if any)	$_____	$_____
Other (please specify)	$_____	$_____
Subtotal Expenses	$_____	$_____