



Rick Snyder
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

KIRK T. STEUDLE
DIRECTOR

REQUEST FOR PROPOSAL
Bureau of Finance and Administration
Murray D. Van Wagoner Building
425 West Ottawa Street
Lansing, Michigan 48933

April 28, 2011

The Michigan Department of Transportation (MDOT) is seeking proposals from legal firms interested in serving as bond counsel for new money and/or refunding bond sales, issuance of revenue bonds, and cash flow financing for various transportation related programs for a period beginning three years from the date of contract award. Please note that MDOT is in the process of determining financing needs such as dollar amounts, number of issues, and timing of issues outlined in this Request for Proposal (RFP), all of which are subject to change.

MDOT reserves the right to extend or terminate an engagement at any time during its term. The initial term of the engagement will be three years, with two one-year options of extension. MDOT will select up to four firms based on this RFP. Appointment of a selected firm, or firms, as bond counsel for MDOT issues will be made as issues are scheduled. Omission from appointment as bond counsel on financing does not exclude consideration for future MDOT issues. Conversely, selection as bond counsel for a bond issue does not assure any role in future financing.

Selection will be based primarily upon the legal firm's relevant experience in taxable and tax exempt financing and related tax matters, professional resources, and proposed fee structure.

Responses from legal firms to the enclosed questions will enable the selection committee to evaluate prior experience, along with the experience and qualifications of the individual(s) primarily responsible for providing the services in their specific roles. The selection committee will also evaluate the firm's degree of understanding of MDOT's financing requirements; MDOT's operating environment and goals; and its ability to serve MDOT's needs in general.

All members of the firm, or firms, designated to provide counsel services to MDOT must be members of the State Bar of Michigan and must have offices located in the State of Michigan.

If your firm is interested in providing bond counsel services to MDOT, please submit four copies of your response to the following questions no later than noon on **May 18, 2011**, to:

Myron G. Frierson, Bureau Director
Finance and Administration
Michigan Department of Transportation
P.O. Box 30050
Lansing, Michigan 48909
Telephone: 517-373-2117
E-Mail: friersonm@michigan.gov

Please structure your responses to follow the outline contained in this RFP. Your overall response must be limited to a maximum of ten (10) pages in length (excluding exhibits and one-page executive summary), including any quantitative analysis. Responses should be on 8½" x 11" paper, with a minimum 10-point font, and should contain 1" margins. Responses submitted by facsimile or other electronic means will not be accepted.

MDOT will not respond to telephone inquiries or visitation by bidders or their representatives. Technical questions with respect to this request are to be put in writing and must be submitted by the United States Postal Service or other commercial delivery service or electronically, and sent as an attachment in Microsoft Word or Rich Text Format (RTF) to Mr. Myron Frierson, at the address/E-mail above, no later than noon EST on **May 11, 2011**. Answers to questions will be prepared and posted to the Contract Services Division web site at http://www.michigan.gov/mdot/0,1607,7-151-9625_32842---.00.html where the RFP was originally posted. The answers to the questions will supersede the original issue pertaining to the question(s).

Interested firms should not contact any other employee, elected official, member, or agent of the state of Michigan concerning this request. We also request that you refrain from contacting any representatives of the credit rating agencies concerning MDOT as a part of your preparation for your response to this RFP and its engagement.

Firms are advised that MDOT is a public agency and its records, including statements submitted in response to this request, are considered public records. MDOT reserves the right to retain all submitted materials; to withdraw this request, or any part of this request; to reject any and all responses to this request; to waive any requirements of this request; to waive any minor informalities in a statement; to modify or amend, with the consent of the respective firm, any statement, if otherwise permitted by law; and to affect any agreement deemed to be in its best interest. MDOT also reserves the right to seek additional information from any and all firms, to select finalists and, if necessary, to schedule interviews. MDOT shall not be responsible for any costs incurred by firms in the preparation, submission, or presentation of their proposals.

CHECKLIST TO DESIGNATE AREAS OF EVALUATION FOR REQUESTS FOR PROPOSAL (RFP)

MDOT PROJECT MANAGER			JOB NUMBER (JN)	CONTROL SECTION (CS)
DESCRIPTION				
MDOT PROJECT MANAGER: Check all items to be included in RFP WHITE = REQUIRED GRAY SHADING = OPTIONAL			CONSULTANT: Provide only checked items below in proposal	
Check the appropriate Tier in the box below				
TIER I (\$25,000-\$99,999)	TIER II (\$100,000-\$250,000)	TIER III (>\$250,000)		
			Understanding of Service	
			<i>Innovations</i>	
			<i>Safety Program</i>	
N/A			Organizational Chart	
			Qualifications of Team	
			Past Performance	
Not required As part of Official RFP	Not required As part of Official RFP		Quality Assurance/Quality Control	
			Location: The percentage of work performed in Michigan will be used for all selections unless the project is for on-site inspection or survey activities, then location should be scored using the distance from the consultant office to the on-site inspection or survey activity.	
N/A	N/A		Presentation	
N/A	N/A		Technical Proposal (if Presentation is required)	
3 pages (MDOT Forms not counted) (No Resumes)	7 pages (MDOT Forms not counted)	19 pages (MDOT Forms not counted)	Total maximum pages for RFP not including key personnel resumes	

The Michigan Department of Transportation (MDOT) is seeking professional services for the project contained in the attached scope of services.

If your firm is interested in providing services, please indicate your interest by submitting a Proposal, Proposal/Bid Sheet or Bid Sheet as indicated below. The documents must be submitted in accordance with the latest "Consultant/Vendor Selection Guidelines for Service Contracts" and "Guideline for Completing a Low Bid Sheet(s)", if a low bid is involved as part of the selection process. **Referenced Guidelines are available on MDOT's website under Doing Business > Vendor/Consultant Services > Vendor/Consultant Selections.**

RFP SPECIFIC INFORMATION

BUREAU OF HIGHWAYS

BUREAU OF TRANSPORTATION PLANNING **

OTHER

THE SERVICE WAS POSTED ON THE ANTICIPATED QUARTERLY REQUESTS FOR PROPOSALS

NO

YES

DATED _____

THROUGH _____

Prequalified Services – See page ___ of the attached Scope of Services for required Prequalification Classifications.

Non-Prequalified Services - If selected, the vendor must make sure that current financial information, including labor rates, overhead computations, and financial statements, if overhead is not audited, is on file with MDOT's Office of Commission Audits. This information must be on file for the prime vendor and all sub vendors so that the contract will not be delayed. **(Form 5100J Required with Proposal)**

Qualifications Based Selection – Use Consultant/Vendor Selection Guidelines

For all Qualifications Based Selections, the section team will review the information submitted and will select the firm considered most qualified to perform the services based on the proposals. The selected vendor will be contacted to confirm capacity. Upon confirmation, that firm will be asked to prepare a priced proposal. Negotiations will be conducted with the firm selected.

****For RFP's that originate in Bureau of Transportation Planning only**, a priced proposal must be submitted at the same time as, but separate from, the proposal. Submit directly to the Contract Administrator/Selection Specialist, Bureau of Transportation Planning **(see address list, page 2)**. The priced proposal must be submitted in a sealed envelope, clearly marked **"PRICE PROPOSAL."** The vendor's name and return address **MUST** be on the front of the envelope. The priced proposal will only be opened for the highest scoring proposal. Unopened priced proposals will be returned to the unselected vendor(s). Failure to comply with this procedure may result in your priced proposal being opened erroneously by the mail room.

For a cost plus fixed fee contract, the selected vendor must have a cost accounting system to support a cost plus fixed fee contract. This type of system has a job-order cost accounting system for the recording and accumulation of costs incurred under its contracts. Each project is assigned a job number so that costs may be segregated and accumulated in the vendor's job-order accounting system.

Qualifications Review / Low Bid - Use Consultant/Vendor Selection Guidelines. See Bid Sheet Instructions for additional information.

For Qualification Review/Low Bid selections, the selection team will review the proposals submitted and post the date of the bid opening on the MDOT website. The notification will be posted at least two business days prior to the bid opening. Only bids from vendors that meet proposal requirements will be opened. The vendor with the lowest bid will be selected. The selected vendor may be contacted to confirm capacity.

Best Value - Use Consultant/Vendor Selection Guidelines. See Bid Sheet Instructions below for additional information. The bid amount is a component of the total proposal score, not the determining factor of the selection.

Low Bid (no qualifications review required - no proposal required.) See Bid Sheet Instructions below for additional instructions.

BID SHEET INSTRUCTIONS

A bid sheet(s) must be submitted in accordance with the "Guideline for Completing a Low Bid Sheet(s)" (available on MDOT's website). The Bid Sheet(s) is located at the end of the Scope of Services. Submit bid sheet(s) separate from the proposal, to the address indicated below. The bid sheet(s) must be submitted in a sealed manila envelope, clearly marked **"SEALED BID."** The vendor's name and return address **MUST** be on the front of the envelope. Failure to comply with this procedure may result in your bid being opened erroneously by the mail room and the bid being rejected from consideration.

PROPOSAL SUBMITTAL INFORMATION

REQUIRED NUMBER OF COPIES FOR PROJECT MANAGER	PROPOSAL/BID DUE DATE	TIME DUE
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PROPOSAL AND BID SHEET MAILING ADDRESSES

Mail the multiple proposal bundle to the MDOT Project Manager or Other indicated below.

MDOT Project Manager

MDOT Other

Mail one additional stapled copy of the proposal to the Lansing Office indicated below.

Lansing Regular Mail	OR	Lansing Overnight Mail
Secretary, Contract Services Div - B470 Michigan Department of Transportation PO Box 30050 Lansing, MI 48909		Secretary, Contract Services Div - B470 Michigan Department of Transportation 425 W. Ottawa Lansing, MI 48933
Contract Administrator/Selection Specialist Bureau of Transportation Planning B470 Michigan Department of Transportation PO Box 30050 Lansing, MI 48909		Contract Administrator/Selection Specialist Bureau of Transportation Planning B470 Michigan Department of Transportation 425 W. Ottawa Lansing, MI 48933

GENERAL INFORMATION

Any questions relative to the scope of services must be submitted by e-mail to the MDOT Project Manager. Questions must be received by the Project Manager at least four (4) working days prior to the due date and time specified above. All questions and answers will be placed on the MDOT website as soon as possible after receipt of the questions, and at least three (3) days prior to the RFP due date deadline. The names of vendors submitting questions will not be disclosed.

MDOT is an equal opportunity employer and MDOT DBE firms are encouraged to apply. The participating DBE firm, as currently certified by MDOT’s Office of Equal Opportunity, shall be listed in the Proposal

The following two American Recovery and Reinvestment Act of 2009 (ARRA) notifications, **ARRA MONTHLY EMPLOYMENT REPORTS** and **REQUIRED CONTRACT PROVISIONS TO IMPLEMENT AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) SECTIONS 902 AND 1515**, are attached to this Request For Proposal for your understanding. These two notifications are only applicable for those projects/contracts funded with ARRA funds and will be included in contract Exhibits.

MDOT FORMS REQUIRED AS PART OF PROPOSAL SUBMISSION

- 5100D** – Request for Proposal Cover Sheet
- 5100G** – Certification of Availability of Key Personnel
- 5100I** – Conflict of Interest Statement
- 5100J** - Consultant Data and Signature Sheet (Required only for Non-Prequalified Work)

(These forms are not included in the proposal maximum page count.)

**Michigan Department of Transportation
Request For Proposal (RFP)
SCOPE OF SERVICES
FOR
SPECIALTY SERVICES
Bond Counsel Services**

PROJECT LOCATION: Statewide

PROJECT DESCRIPTION:

The Michigan Department of Transportation (MDOT) is seeking proposals from legal firms interested in providing professional services as Bond Counsel for new money and/or refunding bond sales, issuance of revenue bonds, and cash flow financing for various transportation related programs for a period beginning three years from the date of contract award. Please note that MDOT is in the process of determining financing needs such as dollar amounts, number of issues, and timing of issues outlined in this Request for Proposal (RFP), all of which are subject to change.

ANTICIPATED START DATE: June 21, 2011

ANTICIPATED COMPLETION DATE: June 20, 2014

DBE REQUIREMENTS: N/A

MDOT PROJECT MANAGER:

Myron G. Frierson, Bureau Director
Finance and Administration
Michigan Department of Transportation
P.O. Box 30050
Lansing, Michigan 48909
Telephone: 517-373-2117
Fax: 517-241-4028
E-Mail: friersonm@michigan.gov

Work will be performed under the direction and supervision of the MDOT Project Manager (PM). The Firm will perform the Services as provided for in the Outline of Services, included herein. MDOT will select a firm or firms as bond counsel for MDOT issues and will be made as issues are scheduled.

CONFIDENTIAL INFORMATION:

Your reports and conclusions are for the confidential information of the State of Michigan and you will not disclose these conclusions, in whole or in part, to any unauthorized person without the prior written consent of the PM. Confidential information shall not include information (a) already lawfully known to or independently developed by you, (b) disclosed

in published materials, (c) generally known to the public, (d) lawfully obtained from any third party, or (e) required to be disclosed by law.

CONFLICT OF INTEREST AND OTHER CONDITIONS OF THE CONSULTANT CONTRACT:

The Consultant agrees that it and its affiliates will not have and will not acquire, either directly or indirectly, any public or private interest in connection with this project that would conflict or appear to conflict in any manner with the performance of the services under this contract. "Affiliate" means a corporate entity linked to the consultant through common ownership. The Consultant agrees that it and its affiliates will not provide any services to a firm or any entity that may have an adversarial interest in a project for which it has provided services to MDOT. In all situations, MDOT will determine if a conflict of interest exists. If MDOT determines that a conflict of interest exists; it will inform the consultant (and its affiliates). If the consultant and its affiliates choose to retain the interest constituting the conflict, MDOT may terminate the contract for cause.

In addition to work products described in the RFP, all reports prepared by the Consultant, including all graphics and texts, as instruments of service, and all data collected as part of this project or furnished by MDOT, together with all computer generated disks, tapes, summaries, and charts derived there from, are all property of MDOT. All materials will be delivered in an electronic format that is useful to all parties.

COMPENSATION:

Payment for these services shall be based on **agreed prices plus actual costs for expenses** which will not exceed a maximum amount, however if the maximum amount is reached, a contract amendment will be required to increase the amount limit. Payments are subject to audit by representatives of MDOT.

All billings for services must be directed to MDOT and follow the current guidelines. The latest copy of the "Professional Engineering Service Reimbursement Guidelines for Bureau of Highways" is available on MDOT's website. This document contains instructions and forms that must be followed and used for billing. Payment may be delayed or decreased if the instructions are not followed.

Payment to the Consultant for services rendered shall not exceed the maximum amount unless an increase is approved in accordance with the contract with the Consultant. Typically, billings must be submitted within 60 days after the completion of services for the current billing. The final billing must be received within 60 days of the completion of services. Refer to your contract for your specific contract terms.

Direct expenses, if applicable, will not be paid in excess of that allowed by the Department for its own employees in accordance with the State of Michigan's Standardized Travel Regulations. Supporting documentation must be submitted with the billing for all eligible expenses on the project in accordance with the Reimbursement Guidelines.

OUTLINE OF SERVICES:

To provide professional services as Bond Counsel in cooperation with the Attorney General with respect to the preparation of proceedings, authorizations, sales, and delivery of an issue of bonds under the authorization of Act 51, Public Acts of 1951, as amended, for the purpose of issuing certain Michigan Department of Transportation Bonds, Refunding Bonds, and Notes.

Services will include, but not be limited to, the following activities:

1. Participation in such conferences as are necessary with representatives of the Michigan Departments of Transportation, Attorney General, and Treasury; the financial consultant; and any other parties of interest to develop the information required to prepare the proceedings for the authorization of the Bonds or Notes.
2. Preparation of a time schedule setting forth the steps to be taken to authorize, sell, and deliver the Bonds or Notes.
3. Preparation of a list of all documents required for the official transcript for the Bond issue.
4. Preparation of the documentation for the State Transportation Commission and such other persons and groups as may be necessary to properly authorize the Bonds; preparation of such certificates and other legal documents as may be required; and preparation of the official notice of sale, if applicable.
5. Assistance with the preparation of any applications for approvals and/or ratings as may be necessary.
6. Assistance with the preparation of the official statement to be distributed to potential purchasers of the Bonds or Notes.
7. Preparation of the proceedings relative to the publication of the official notice of sale, if applicable, and the proceedings for the award of the Bonds upon public sale thereof. In the event that the sale is negotiated, assistance in all legal matters connected with the negotiated offering.
8. Preparation of bond copy for the printing of the Bonds and prompt review of gallery proofs thereof and the production schedules therefore with respect to the final printing of the Bonds to make certain that they are printed in accordance with the authorization.
9. Preparation of non-litigation and signature identification certificates, receipt(s) to the purchaser(s) for payment of the Bonds, the receipt(s) for the Bonds, the arbitrage document, and other closing documents.
10. Undertaking of the required tax analysis necessary to render the opinion that the interest on the Bonds is excluded from gross income for federal tax purposes.

11. Preparation and delivery of approving opinion with respect to the Bonds and of a supplemental opinion with respect to the official statement.
12. Provision of such other professional services as may be requested by the Michigan Department of Transportation that are integral or necessarily incidental to the specific services described in paragraphs 1 through 11. The parties recognize that the services of Bond Counsel are limited in scope and that this Contract is not intended to provide for payment for general legal services, such services to be provided exclusively by the Attorney General.

MEETINGS:

The Consultant shall arrange and conduct conferences and meetings requested by the PM. The Consultant shall record and submit type-written minutes for all project related meetings to the PM within two weeks of the meeting. The Consultant shall also distribute the minutes to all meeting attendees and any other individuals identified by the PM.

There will be periodic, regular meetings between MDOT and the selected consultant to assure the on-time creation and submittal of the deliverables. These meetings will provide for the review of the work product and to communicate progress, real or anticipated issues, ideas, and expectations.

QUESTIONS:

A. PRIOR EXPERIENCE	30 pts.
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The Michigan Department of Transportation (MDOT) has outstanding bonds totaling approximately \$2.4 billion. MDOT plans to issue, within the next 12 months, at least one bond issue valued at approximately \$100 million and a \$40 million one to two year note. MDOT will also refund bonds based on market conditions.

1. Please list the issuer names, par amounts, and sale dates of negotiated and competitive transportation or Michigan (non-MDOT) municipal bond issues in which your firm served as bond counsel since January 2009. Briefly comment on the specific strengths and capabilities your firm offers in assuring that MDOT bonds will be in compliance with applicable legal requirements. List any Michigan government, state or local, issuers that have engaged your firm as bond counsel for financing(s) expected to be completed by April 30, 2011.
2. State your firm's experience in tax matters relating to compliance with Internal Revenue Code Regulations and Rulings regarding arbitrage and reimbursement considerations in tax exempt financing. Please summarize your firm's experience in representing issuers before any federal agencies (e.g. the Department of Treasury, the Internal Revenue Service.)

3. Please indicate any unique experience or perspective you believe your firm can bring to providing bond counsel services for MDOT.

B. STAFFING QUALIFICATIONS AND OWNERSHIP:**35 pts.**

1. State the full name, mailing address, telephone number, facsimile number, and any other electronic mail addresses of the primary contact person from your firm, also include the professional members of your firm who will be assigned on a priority basis to address MDOT needs. Provide brief resumes for each professional member and explain the responsibilities that they would assume for MDOT. Specify the primary partner who will be responsible for managing MDOT's affairs on a day-to-day basis (if different), and the name of the tax specialist who will be assigned to this engagement. Highlight the relevant experience of these professionals in tax-exempt transportation financing and in tax matters relating to compliance with Internal Revenue Code Regulations and Rulings. (These resumes may be included as an appendix.) All members of the firm, or firms, designated to provide counsel services to MDOT must be members of the State Bar of Michigan and must have offices located in the State of Michigan.

Please note that the naming of personnel is considered by MDOT to be a commitment by the firm to assign these particular individuals unless other personnel are requested and prior approval is granted by MDOT.

If personnel were to change within the selected bond counsel firm(s), MDOT reserves the right to reselect the bond counsel firm.

2. Does your firm intend to use the services of any other law firm or attorney in the course of performing these services as counsel to MDOT? If so, please list the names and affiliations of any such individuals or firms, state the services to be provided by such firm or individual, and provide details regarding any such arrangements.

C. REPRESENTATIONS AND REFERENCES:**15 pts.**

1. Please provide three references from issuers that can attest to your capabilities in recent municipal bond transactions. At least one reference must be a Michigan issuer.
2. Indicate whether your firm is in compliance with the State of Michigan Executive Order 2003-1. This Executive Order can be viewed on the State's Web site at www.michigan.gov.
3. Describe any existing, or potential, conflict of interest your firm might have in the course of your service as bond counsel for MDOT. Please describe the nature of any such conflict. What potential conflict of interest might arise if your firm is selected as MDOT's bond counsel? Please disclose any activities, relationships, or contracts your firm, or individuals in your firm, have that may create a conflict or the appearance of a conflict of interest.

4. Are there any pending investigations by the Internal Revenue Service, Securities and Exchange Commission, or any other regulatory body or court (local, state, or federal), or pertinent litigation, regarding the conduct of your firm or the firms management that might affect your firms operation or services to MDOT? Have there been any such investigations or litigations in the past 10 years? If so, please explain the nature and results of any such investigations or litigations and comment on how this might affect your firms operation or service to MDOT.
5. Please provide, as an appendix, a copy of your firm’s professional liability or malpractice insurance policy and/or certificates detailing the coverage and deductibles to the provision of bond counsel services.

D. MICHIGAN PRESENCE:	5 pts.
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1. Describe your firms Michigan presence and any changes that may have occurred affecting your staffing or structure over the last two years or are anticipated to occur over the next 12 months. State the number of full-time employees from your company that are currently based in Michigan and the location of your offices in Michigan.
2. What is the firm’s local availability and degree of accessibility to MDOT? If your firm is not located in Lansing, please explain how the requisite accessibility will be provided.
3. What percentage of time worked on a typical financial transaction, would be conducted in Michigan?

E. BONDS AND NOTES ISSUANCE BOND COUNSEL FEES:	30 pts.
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1. List Fees for Issuing Securities:

As Single Counsel		Competitive Sale	Negotiated Sale
Variable rate notes	\$0 to \$100 Million	\$ _____	\$ _____
Variable rate notes	\$100 to \$200 Million	\$ _____	\$ _____
Variable rate bonds	\$0 to \$100 Million	\$ _____	\$ _____
Variable rate bonds	\$100 to \$200 Million	\$ _____	\$ _____
Fixed rate bonds	\$0 to \$100 Million	\$ _____	\$ _____
Fixed rate bonds	\$100 to \$200 Million	\$ _____	\$ _____
Bonds and notes	In excess of \$200 Million	\$ _____	\$ _____

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As Co-Counsel

		Competitive Sale	Negotiated Sale
Variable rate notes	\$0 to \$100 Million	\$ _____	\$ _____
Variable rate notes	\$100 to \$200 Million	\$ _____	\$ _____
Variable rate bonds	\$0 to \$100 Million	\$ _____	\$ _____
Variable rate bonds	\$100 to \$200 Million	\$ _____	\$ _____
Fixed rate bonds	\$0 to \$100 Million	\$ _____	\$ _____
Fixed rate bonds	\$100 to \$200 Million	\$ _____	\$ _____
Bonds and notes	In excess of \$200 Million	\$ _____	\$ _____

2. Swaps or Derivative Products:

As Single Counsel

Swap and Derivatives	Fee Schedule (per transaction)
Structuring and Competitive Bid	\$ _____
Structuring and Negotiation	\$ _____

As Co-Counsel

Swap and Derivatives	Fee Schedule (per transaction)
Structuring and Competitive Bid	\$ _____
Structuring and Negotiation	\$ _____

3. Other Direct Costs:

Please list separately all other direct costs (reimbursement expenses) for which your firm expects to be compensated for each of the above transactions. Please note that MDOT will not consider markup on subcontractor/sub-consultant compensation as a reimbursable expense. Is your firm willing to cap expenses?

4. Are you willing to serve as co-counsel?

Bond Counsel Request for Proposal Scoring Criteria:

Scoring Criteria	Points
Understanding of Work Assignment	30
Qualification of Staff	35
References	15
Work Location	5
Fees	30
Total Points	115

The selection committee will select the firm or firms from among the qualified candidates. The contract(s) will be awarded to the firm or firms whose proposals demonstrate the best value to MDOT, based on the scoring criteria identified herein. Award shall be made to the firm or firms whose proposal receives the highest total score after considering all responses to the questions.