

ALLEGHENY COUNTY AIRPORT AUTHORITY

REQUEST FOR QUALIFICATIONS

for the Performance of

FINANCIAL ADVISORY SERVICES

RFQ NO. 01-10

**Allegheny County Airport Authority
Pittsburgh International Airport
Landside Terminal, 4th Floor Mezzanine
Pittsburgh, Pennsylvania 15231**

February 2, 2010

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1.0 GENERAL INFORMATION

1.1 **Introduction**

The Allegheny County Airport Authority (Authority) intends to enter into an Agreement which will provide for Financial Advisory Services (FA Services). The required services include, but are not limited to: financial planning and debt and investment management, as needed.

Additional Services may be added to the engagement at the discretion of Authority. Authority intends to select one firm for the FA Services, which can be called upon on an as-needed basis.

The required services will be assigned by the Authority's Chief Financial Officer as they are approved to proceed by Authority. The Agreement will be for a three year period with the option to extend the Agreement up to an additional two years at the discretion of Authority.

This RFQ, including supporting documents, contains all of the information necessary to prepare and file a submission of qualifications (Submission). Proposers are advised to completely review this RFQ and explicitly follow the instructions herein regarding the Submission. Each Submission shall comply with the requirements of this RFQ as stated herein and all applicable federal, state and local laws.

1.2 **Definitions**

Throughout this RFQ, the following definitions shall apply:

"Agreement" means the negotiated contract between Authority and Advisor to perform the Scope of Services as set forth in the RFQ.

"Authority" means the Allegheny County Airport Authority, Landside Terminal 4th, Mezzanine Level, Pittsburgh International Airport, Pittsburgh, Pennsylvania 15231, acting by and through its authorized representatives.

"Advisor" means the Financial Advisory firm selected by Authority to perform the FA Services as set forth in the Agreement "DBE" means Disadvantaged Business Enterprise as defined in 49 C.F.R., Part 26, "Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs".

"Financial Advisory Services" means the Scope of Services as defined in the RFQ and as finalized, through negotiations, and incorporated into the Agreement.

"FAA" means Federal Aviation Administration, United States Department of

Transportation.

“Joint Venture” means an association of two or more businesses to carry out a single business enterprise for profit for which they combine their property, capital, efforts, skills and knowledge for the purpose of proposing on the RFQ and executing an agreement as a single business entity.

“Proposer” means the individual, firm, partnership, corporation, joint venture or other entity which submits a proposal to Authority, in response to the RFQ, seeking to be selected as the Financial Advisor.

“RFQ” means this Request for Qualifications Number .

“Submission” means the written submission, in response to the RFQ, by a Proposer for the FA Services.

1.3 **Submission Schedule**

An Information Meeting for interested parties will be held on the date and time as set forth in the Advertisement. Questions generated at the Information Meeting will be answered, if necessary, in writing by Authority.

Submissions must be received by noon on February 26, 2010. Submissions not received by that time and date shall not be considered by Authority and will be returned to the Proposer.

1.4 **RFQ as Exclusive Basis for Submission**

The RFQ represents, in writing to all Proposers, the most comprehensive and definitive statement that Authority is able to make at this time as to the requirements, terms and conditions for this proposal process and performance of FA Services. Any information or understandings, verbal or written, which are not contained either in the RFQ, or in subsequent written addenda to the RFQ, will not be considered in evaluating proposals.

Authority reserves the right to amend the RFQ at any time. Any amendments to, or interpretations of, the RFQ, shall be described in written addendum. Authority will provide a copy of the addendum to all parties receiving a copy of the RFQ. The addendum will be e-mailed to all such parties at the email address provided by each such party.

Failure of any such party to receive the addendum shall not relieve a Proposer from any obligation under its Submission as submitted or under any requirement of the RFQ, as amended. All addendum issued shall become part of the RFQ.

If assistance is required to involve Disadvantaged Business Enterprises (DBEs) in

the FA Services, Proposers should contact Authority's DBE Administrator, Ms. Monica Jones, at (412) 472--3516.

All questions relating to clarifications of, or modifications to, the RFQ must be in writing. No telephone solicitations will be honored. If any question submitted makes necessary the issuance of a written addendum, the addendum will be furnished to all parties receiving a copy of the RFQ. All questions relating to the RFQ must be addressed to:

Allegheny County Airport Authority
Landside Terminal, 4th Floor Mezz.
Pittsburgh International Airport
PO Box 12370
Pittsburgh, PA 15231
Attention: James R. Gill, CPA, A.A.E. – CFO/Treasurer
Fax No.: (412) 472-3505
E-mail: jgill@pitairport.com

Only written questions or communications will be considered for possible response. If any questions or communications submitted necessitate a response, an addendum will be provided by Authority to all parties receiving a copy of the RFQ. Only written responses provided as addendum shall be official and all other forms of communications with any director, officer, employee, or agent of Authority shall not be binding upon Authority.

All such questions or communications and requests must be submitted by Proposers and received by Authority by no later than 10 days before the due date for Submissions. Questions received after that time may not receive any response from Authority.

1.5 **Conflicts of Interest**

The Authority requires independence of its Financial Advisor. Therefore, the successful firm will be precluded from participating as an underwriter of any financing by the Authority or from acting as counterparty in connection with any derivative transactions undertaken by the Authority. The Proposers Submission must include a statement acknowledging such restriction and agreeing to be bound thereby.

1.6 **Modifications, Deviations and Irregularities**

Any individual, firm, partnership, corporation, joint venture or other entity able to meet the requirements of the RFQ is invited to respond to the RFQ. Proposers will be bound by the provisions contained in the RFQ, unless a waiver or deviation is formally issued via written addendum by Authority.

As part of the process leading to the selection of the Advisor, Authority may request additions, modifications or clarifications to the Submission. It is the intent of Authority not to rely on the information submitted in the Submission in awarding an Agreement.

Authority reserves the right to waive any minor irregularities in any Submission and to reject all Submissions at its option.

1.7 **Modification or Withdrawal of Submissions**

A modification of a Submission already received by Authority will be accepted by Authority only if the modification is submitted by an individual legally authorized to provide such Submission on behalf of the Proposer and received by Authority prior to the due date set forth in the Advertisement. All modifications shall be made in writing and submitted in the same form and manner as the original proposal.

Prior to the due date for Submissions as set forth in the Advertisement, a Proposer may withdraw a Submission already received by Authority by submitting, in the same manner as the original Submission, a written request for withdrawal from an individual legally authorized to do so.

1.8 **Adverse Interest Law**

This RFQ is subject to the Commonwealth of Pennsylvania Adverse Interest Law, 71 P.S. §776.1 *et. seq.* This may have implications on future procurements. It is incumbent upon potential Proposers to perform their own determinations on this matter prior to submitting.

1.9 **Pennsylvania Inspection and Copying of Records Act**

Upon formalization of an Agreement with a Proposer, all Submissions will become public records, as defined by the “Pennsylvania Right to Know Law” (the “Act”), and Authority is subject to this Act. Subject to the specific exceptions under the Act, Authority is required to, and indeed will, make available all public records as defined by the Act.

2.0 **SUBMISSION REQUIREMENTS**

2.1 **General Requirements**

2.1.1 **Letter of Transmittal/Submission Requirements**

Submissions should include three major components:

- (1) Letter of Transmittal: One original separate from the bound

Submission and a copy bound in each copy of the Submission. This Letter of Transmittal shall be no greater than two pages in length and shall contain the following:

- (a) Statement as to the name, title, address, telephone, fax number(s) and e-mail address of the individual(s) with authority to bind the Proposer in contractual matters. The Letter of Transmittal shall be signed by such individual.
- (b) Statement as to the address and legal form of the Proposer. If the Proposer is a corporation, the Proposer shall identify its state of incorporation. If a joint venture is being proposed, provide the above information for all participating firms.
- (c) Statement that any proposal contained in the Submission will remain in effect for and not be withdrawn for 120 days after the date due at Authority.
- (d) Statement acknowledging receipt of each and every Addendum, by Addendum number and date, that Authority may issue to the RFQ.
- (e) Statement that rescinds any confidential, proprietary or other restrictive language that may impose any limitations on any material contained in the Submission or on any other material which may be provided to Authority pursuant to this RFQ process. The Proposer shall include the following statement in its Letter of Transmittal:

“(Name of Proposer) acknowledges the requirements set forth in Section 1.10, PENNSYLVANIA RIGHT TO KNOW LAW of the RFQ. Accordingly, if the attached Submission or any other material provided to Authority pursuant to this RFQ process contains any reference to material being CONFIDENTIAL, PROPRIETARY or RESTRICTED, in any manner, this letter of transmittal officially advises Authority that the stated limitations on such identified material are hereby rescinded and are null and void.”
- (f) Statement that the Proposer understands that it may not participate as an underwriter of any financing by the Authority or acting as counterparty in connection with any derivative transactions undertaken by the Authority.

(2) Submission Requirements: The Submission is due by noon on February 26, 2010 and should be a comprehensive, accurate and effective presentation. Attachments such as brochures, promotional literature, etc., shall not be included.

(a) Fourteen print copies and one electronic copy of the Submission shall be submitted.

(b) The Submission shall also include an Appendix, which shall be at the end of the document. The Appendix shall only contain material which is explicitly requested to be included in the Appendix.

(c) The Submission shall be organized in the following fashion using tabbed, numbered separators for each section:

Cover: containing RFQ title and Proposer's name.

Letter of Transmittal: copy of letter previously described.

Table of Contents:

Section 1	Overview of Proposer
Section 2	Experience Record
Section 3	Summary of Costs
Appendix	The Appendix which shall only contain the materials that are required by the RFQ to be included in the Appendix.

2.1.2 **DBE Participation**

In connection with the performance of the Agreement, the Advisor will cooperate with Authority in meeting its commitments and goals with regard to the maximum utilization of DBEs and the Advisor shall use maximum efforts to ensure that DBEs shall have the maximum opportunity to participate in the performance of contracts and subcontracts for this Agreement. It is important to not only identify DBEs but to explain how they will be integrated into the proposed work plan.

DBEs are particularly invited to submit Submissions to perform work outlined in the RFQ, either as the Proposer or part of a joint venture.

DBEs identified by Proposer in its Submission must have a current certification under the Pennsylvania Unified Certification Program (PAUCP) to be eligible towards the established DBE goal. DBEs that are currently certified under the PAUCP can be found at the PAUCP's website at www.paucp.com. Proposers are encouraged to consider the utilization of DBE firms that are currently certified with the PAUCP.

If the DBE being proposed for participation is not currently identified as being certified in the PAUCP database, or its certification has expired, Proposer shall immediately contact the DBE representative identified in Section 1.4 of the RFQ for assistance in verifying the status of any pending certification or advancing the DBE certification process for this DBE firm. DBEs can also seek to become certified by way of the certification process identified on Authority's website at www.pitairport.com.

Note that the requirements imposed by the FAA with respect to DBE participation may differ from other federal or state laws or regulations.

2.2 **Overview of Proposer**

This section shall contain the following information, unless otherwise specifically noted. Proposer shall include the required information in this section in the "Overview of Proposer" section of its Proposal.

2.2.1 **Description of Proposer**

A concise description of the Proposer including organizational structure, subsidiary companies, identification of principals or parent companies, length of time in business, office locations and size and overall number of personnel by discipline. If the Proposer is a joint venture, the Proposer shall furnish this information for each entity forming the joint venture and clearly indicate the reason for the joint venture as it directly applies to the FA Services. Proposer shall also provide a general overview description of its proposed participating entities or persons and the tasks they will perform, the percentage of the work to be performed by each, their qualifications to perform the work, and the reason the tasks are to be subcontracted.

2.2.2 **Personnel and Operations Policies**

A statement of the Proposer's personnel and operations policies relative to:

- (a) Classifications of personnel normally billed directly to client including wage ranges (or rates) by discipline. If rates by discipline are used for billing purposes, provide an explanation as to the basis

by which the rates are established.

- (b) Expenses normally billed directly to the client such as per diem rates, mileage rates, computer, reproduction and communication charges.
- (c) Current overhead rate (if billings are made on a cost basis) including its components and identification of the most recently performed audit report by any federally recognized audit agencies.
- (d) If the Proposer utilizes an option in addition to, or other than, an hourly fee structure, Proposer shall note what personnel or operations policies will not be affected by the alternative fee structure (such as mileage rates, reproductions costs, etc.)

2.3 **Experience Record**

This section shall contain the following information, unless otherwise specifically noted. Proposer shall include the required information in this section in the “Experience Record” section of its Proposal.

Proposer shall provide complete, concise and accurate descriptions of the Proposer's and its and any participant's experience in providing services similar to those as outlined in the Scope of Services, Section 4. Proposers must have a minimum of five years experience in providing these services to airports providing scheduled commercial service in the United States.

Particular emphasis should be placed on those projects performed by Proposer's offices and staff to be assigned to provide FA Services. The Proposer's actual role in similar engagements shall be clearly described. The Proposer's qualifications and ability to serve as a financial advisor for the Authority should be clearly defined. The Experience Record should only include relevant work directly applicable to the FA Services, and should be contact specific and include the following:

- (a) Name, address, telephone number and e-mail address of the client's Chief Financial Officer (or other person performing such functions irrespective of their title);
- (b) The status of the engagement;
- (c) The Proposer's specific involvement in the engagement;
- (d) The Proposer's staff on the identified projects that will be used, by Proposer, to provide the FA Services; and

- e) The contract value of the identified engagements and the Proposer's percentage of the work.

If the Proposer is a joint venture, furnish the above information for each entity forming the joint venture and specifically note any contract previously worked on by each entity forming the joint venture as a team, providing client references and telephone numbers.

2.4 **Organization and Management Plan**

This section shall contain the following information, unless otherwise specifically noted. Proposer shall include the required information in this section in the "Organization and Management Plan" section of its Submission.

2.4.1 **Description of Organization and Management Plan**

A detailed description of the Proposer's Organization and Management Plan which shall be established to perform the FA Services as outlined in the RFQ. The Organization and Management Plan shall clearly identify the project manager and key personnel associated with each work task and for the entire period covered by the Agreement. The plan shall also describe the involvement of DBE participants in the engagement.

If the Proposer is a joint venture, the company or firm affiliation of each staff member must be identified.

2.4.2 **Project Organizational Chart/Resumes**

A Project Organizational Chart shall be furnished which graphically depicts the above Organization and Management Plan. All key personnel identified for this engagement shall be identified on the Organizational Chart and further on an individual résumé. Résumés shall be complete, concise and accurate, featuring all relevant job experience over the past 10 years. Proposer may provide more than one Résumé per page in its proposal. Proposer shall include the required Résumés in this section in the Appendix.

2.4.3 **Key Personnel Guarantee**

A key personnel guarantee letter signed by the Proposer's President, Chief Executive Officer or Chief Operations Officer guaranteeing that the key personnel identified for this Project shall be assigned to this engagement, unless their employment is terminated.

Proposer shall identify the key personnel by name and proposed position for this Project in its key personnel guarantee letter. Proposer shall

include the required key personnel guarantee letter(s) requested in this section in the Appendix.

2.5 **Summary of Costs**

This section shall contain the following information, unless otherwise specifically noted.

Proposer shall include the required information in this section in the “Summary of Costs” section of its Submission. This Summary of Costs shall be keyed to the labor classifications that may be required to support the engagement.

In addition to an hourly rate structure, Proposers are encouraged to propose alternate fee structures that will be cost effective to Authority. Alternate billing arrangements may be offered as options as well.

If the Proposer is a joint venture, a separate partial Summary of Costs shall be furnished for each entity of the joint venture, as well as the composite Summary of Costs for the joint venture. This partial summary will identify only those labor and expense costs for each entity of the joint venture.

2.6 **Appendix Information**

This section shall contain the following information, unless otherwise specifically noted. Proposer shall include the required information in this section in the “Appendix” section of its Submission.

2.6.1 **Financial Information**

The Proposer will be required to present financial records to the Authority, for Authority review, in order to be considered eligible for award of an Agreement with Authority for the required services. Any financial information presented shall be prepared in accordance with United States Generally Accepted Accounting Principles (GAAP).

- (1) If the Proposer is a publicly held firm, financial information of the Proposer shall be included in its Submission (separate statements for each entity forming a joint venture) which shall include:
 - (a) audited financial statement that includes a balance sheet, statement of income and retained earnings, and statement of expenses and cash flows for the two most recently completed financial years, including notes to the statements; and
 - (b) if not independently audited (either a certified audit or a

review), then either:

- (i) a compilation of financial statements performed by an independent accountant that includes a balance sheet, statement of income and retained earnings, and statement of expenses and cash flows for the two most recently completed financial years; or
 - (ii) an internally prepared financial statement, certified as true and correct by the president and chief financial officer of the Proposer, in either case, to include credit references or other financial documentation as may be required in order to portray the financial soundness of the Proposer to Authority's satisfaction.
 - (iii) In such cases where independently audited financial statements are not presented, then signed copies of the Proposer's Federal Income Tax filings, including all applicable schedules pertinent to the Proposer's filing return, are required to be submitted along with the compilation or internally prepared statements.
- (2) If the Proposer is a privately held firm, the Proposer may either provide its financial records with its proposal, in accordance with Section 2.6.1 (1) above for publicly held firms, or defer making such financial records available for inspection by Authority until after Authority has informed the Proposer that it has been shortlisted for consideration for award of an Agreement.
- (a) In the event that such Proposer elects to not include its financial records with its proposal, such Proposer will be required to provide financial records, in sufficient detail to the satisfaction of Authority, to enable Authority to perform a review of the Proposer's financial condition within three business days of being requested to do so by Authority.
 - (b) In the event that the Proposer does not have any cash flow documentation for preceding years of operation, Authority will accept current bank references (including a bank contact name and contact details) in lieu of a cash flow statement.

2.6.2 **Key Personnel Guarantee**

See Section 2.4.3 of the RFQ.

2.6.3 **Affirmative Action and Equal Opportunity Policy**

The Proposer's corporate Affirmative Action and Equal Opportunity policy statement posting. The posting shall be signed and dated and shall also state the original date of adoption of this policy statement.

2.6.4 **Insurance Requirements**

A statement describing the types and limits of business related insurance coverages that the Proposer maintains as well as a statement that the Proposer shall make good faith efforts to obtain such coverages and limits required by the Authority and such coverages and limits will be carried throughout the term of any awarded agreement without reservation or exclusion should Proposer be awarded an agreement according to the RFQ.

2.6.5 **Litigation**

A list of all litigation pending or threatened against the Proposer, its key personnel and all participants who will be providing FA Services.

2.6.6 **Joint Venture Requirements**

If the Proposer is a joint venture, the Proposer shall include, in the Appendix, a written statement explaining how the joint venture will fulfill the requirements of the Agreement which explanation shall fully discuss and identify the responsibility of each entity forming the joint venture for performing the FA Services and providing the insurance required by the Agreement.

3.0 **PROPOSAL SELECTION PROCESS**

The selection process, in accordance with FAA requirements and Authority policies, is to be conducted in a manner providing maximum open and free competition as well as facilitating expeditious negotiations once the top rated Proposers are identified.

3.1 **Selection Sequence**

The selection of the top rated Proposer to perform the required FA Services will be accomplished in three steps, as follows:

Step 1 - Proposal Evaluations

- (a) Each proposal will be examined by Authority's Evaluation Committee for compliance with the stated requirements in Section 2.
- (b) Those proposals found in compliance with the stated requirements will be held for evaluation by the Committee. The Proposers will be evaluated (Preliminary Rating) on the basis of ability to perform all services as set forth in Section 4 of the RFQ.

Step 2 – Interview

Separate interviews, at Authority's option, will be arranged with those Proposers identified as the highest rated as the result of the Step 1 evaluation. Interviews will provide Authority the opportunity to evaluate the verbal/graphic presentations and to question the Proposers regarding both the written and verbal presentations. The proposed Manager will be asked to lead the interview presentation. Upon completion of the interview process, the Proposers will again be rated (Final Rating).

Step 3 - Proceed with Negotiations

Authority will then proceed with negotiations with the Proposer or Proposers with the highest ratings as a result of Steps 1 and 2.

3.2 Negotiations

The Summary of Costs information from all Proposers, as well as Authority's estimate, will assist Authority in determining reasonable rates and costs to perform the FA Services. Negotiations will commence with the highest rated Proposer(s) for each category as determined in Section 3.1.

In the event Authority cannot negotiate a satisfactory contract with any of the highest rated Proposers, negotiations will be terminated with that Proposer and Authority will then proceed, if it deems necessary, with negotiations with the next highest rated Proposer.

Authority shall retain the right to reject any and all Proposals.

3.3 Contract Award

The proposed Agreement resulting from the negotiations described in Section 3.2 shall be presented to the Executive Director of Authority for review and his recommendation to the Authority's Board for approval. Authority's staff is not empowered to enter into an Agreement without the formal authorization of the Authority Board.

3.4 **Cancellation of Procurement**

Authority reserves the right to cancel the procurement and not award the Agreement for any reason whatsoever, at any time, before the Agreement is fully executed and approved on behalf of Authority.

3.5 **Protest Procedures**

Any actual or prospective Proposer who is aggrieved in connection with the solicitation or award of any agreement may file a protest with Authority.

4.0 **SCOPE OF SERVICES**

Authority wishes to retain the services of a firm to provide Financial Advisory Services on an as-needed basis.

The required services include, but are not limited to:

- (a) Advise and assist the Authority in developing financing goals and objectives and a general strategy for accomplishing the same;
- (b) Familiarize itself to the extent it deems appropriate and feasible with the businesses, operations, properties, financial condition and prospects of the Authority;
- (c) Provide ongoing assistance to the Authority on debt and finance related matters;
- (d) Be available for any and all meetings as deemed necessary by the Authority and its legal counsel;
- (e) Assist the Authority with meeting preparations and produce presentation materials;
- (f) Continually monitor the Authority's debt, identify and present financing opportunities;
- (g) Keep the Authority abreast of new and innovative products available to the Authority. Perform cost/benefit analyses and identify risks associated with these products;
- (h) Assist the Authority with ongoing rating agency and bond insurer meetings, presentations and correspondence;
- (i) Provide assistance to the Authority with its interactions with Allegheny County and the Commonwealth of Pennsylvania with respect to financial issues;

- (j) Identify opportunities related to Commonwealth and Federal programs;
- (k) Review and analyze any proposals submitted to the Authority by any finance or investment firms;
- (l) Render such other advisory and investment banking services as may from time to time be agreed upon by Proposer and the Authority;
- (m) Participation in Bond Issue and Financing Transactions.