



**OFFICE OF THE CLERK/TREASURER  
City of Burlington**

49 Church Street, Burlington, VT 05401

Tel: (802) 865-7553

**Request for Quote ("RFQ")  
Burlington International Airport  
June 7, 2010**

The City of Burlington, Vermont is requesting quotes from qualified firms to provide a total of \$12 million in financing for Federal Aviation Administration ("FAA") approved Airport Improvement Projects ("AIP") at the Burlington International Airport ("BTV").

The \$12 million in financing should be structured to include a \$6 million Grant Anticipation Note ("GAN") and a \$6 million line of credit ("LOC").

Proposals are due by Noon EST, Tuesday June 15, 2010; and funds should be made available to BTV no later than June 25, 2010.

The collateral will be the grant award receivables that accrue when BTV pays invoices related to the AIP and is waiting for reimbursement from the FAA. As BTV receives FAA grant monies, the underlying collateral of the requested \$12 million will roll from older receivables to more recent receivables. This allows BTV to manage its total receivables while continuing its work on the AIP and awaiting reimbursement from the FAA awarded grant monies.

The term of the financing is for 6 months following a transfer of funds to the City on June 25, 2010. Responses to this RFQ must include an interest rate quote that will be held firm for 30 days from the proposal due date and time, Noon EST on Tuesday, June 15, and if selected by the City, through the term of the relevant agreement.

**Debt Service**

The GAN and LOC will be payable from the BTV's net revenues, subordinate to operations and maintenance expenses. BTV's 2009 Financial Statements are provided as Attachment I. Revenues from BTV are pledged to payment of the outstanding Airport Bonds and will not be pledged to payment of the GAN or the LOC. Hence, the GAN and LOC may be payable from BTV's net revenues subordinate to debt service on outstanding Bonds and operations and maintenance.

## **Bond Schedule and Ratings**

BTV's current Revenue Bond debt service schedule is provided as Attachment II and shows that BTV has debt service on four Bonds: Series 1997A, 1997B, 2000, 2003A, and 2003B.

BTV's bonds currently carry the underlying credit ratings:

Moody's Underlying Bond Rating: Baa1 recently down graded to Baa3

Fitch Underlying Bond Rating        BBB+

## **Passenger Facility Charge Program Account**

The PFC Program allows the collection of PFC fees up to \$4.50 for every enplaned passenger at commercial airports controlled by public agencies. Airports use these fees to fund FAA-approved projects that enhance safety, security, or capacity; reduce noise; or increase air carrier competition. BTV's PFC Program Account book balance is currently at \$6.5 million.

BTV's Passenger Facility Charge ("PFC") Account may be drawn on to pay debt service on outstanding Bonds as approved by the FAA. In addition, the FAA will allow the PFC Program Account to service the interest expense on the \$12 million of financing requested in this RFQ.

## **Airport Improvement Projects**

BTV currently has 16 FAA approved Airport Improvement Projects. A schedule of these projects and the total grant awards is provided as Attachment III.

## **City of Burlington**

The City's annual financial report for the most recent three fiscal years ending June 30<sup>th</sup> are found on the City's website: [http://www.ci.burlington.vt.us/annual\\_report/fy2009/](http://www.ci.burlington.vt.us/annual_report/fy2009/)

Other general and background information regarding the City of Burlington may be obtained at the following web address: [www.ci.burlington.vt.us](http://www.ci.burlington.vt.us)

## **TIMELINE**

RFQ issued	June 7, 2010
Proposals Due, Noon EST	June 15, 2010
City selects firm to recommend	June 16, 2010
Selected Firm to overnight mail contracts and agreements package to City for signatures	June 17, 2010
City to receive actual Financing agreement package	June 18, 2010
Request approvals from Board of Finance and City Council	June 21, 2010
City signs Financing contract	June 22, 2010
Lender receives signed documents	June 23, 2010
Funds to be Transferred to City	June 25, 2010

It is a requirement of this RFQ that the \$6 million Letter of Credit be established and the \$6 million in funds generated by the Grant Anticipation Note be transferred to the City prior to Fiscal Year closing of June 30,2010.

## **PROPOSAL SUBMISSION REQUIREMENTS**

Respondents to this RFQ are advised to review Attachments I through V before beginning work on their proposal.

Attachment I	BTV 2009 Financial Statements
Attachment II	BTV Current Revenue Bond Schedule
Attachment III	Schedule of Current FAA approved Airport Improvement Projects
Attachment IV	Term Sheet
Attachment V	Bid Proposal Template

## **Time and Place for Submission of Proposals**

Proposals and all related materials must be received by Noon EST on Tuesday, June 15, 2010. Proposals may be hand delivered to the Clerk & Treasurer Office at City Hall or mailed to:

City of Burlington  
Attention: Ms. Claire J. Shepard, Chief Accountant  
Office of Clerk/Treasurer  
Room 20, 149 Church Street,  
Burlington, VT 05401

(Faxed proposals will not be considered.)

## **Contents of Proposal**

The following items must be included in your proposal and packaged in a box clearly marked with the Firm's Name and Address and "**RFQ for Financing for Burlington International Airport**".

Complete but concise proposals are recommended for ease of review by the Evaluation team. All parts, pages, figures, and tables should be numbered and clearly labeled.

### **A. Respondent's Contact Information**

This section should contain the name of the contact person, the address, and the telephone number of the firm submitting the proposal.

### **B. Professional Experience**

This section should contain all pertinent information relating to the Respondent's organization and experience that would substantiate its qualifications and capabilities to satisfy the requirements of the RFQ. Proposals should provide a straightforward, concise description of the Respondent's company, certifications, licenses, and experience with municipal financing agreements. Marketing and sales type information should be excluded.

The Respondent's use of any and all third parties and subcontractors, as it relates to providing services under this proposal, must be fully disclosed and explained.

### **C. Term Sheet and Bid Form**

Included as Attachment IV to this RFQ is a TERM SHEET detailing the desired terms and features of the GAN and LOC. Respondents are invited to submit a proposal using the BID

PROPOSAL TEMPLATE provided as Attachment V. Please address each item in the bid form in your response.

**D. Original copies of all documents required to execute the financing**

Respondents are required to submit their proposals with copies of all documentation required to execute financing. The City will review these documents during its Evaluation Process of Respondents' proposals. At all times, the City reserves the right to use its own financing documents and to negotiate changes in the proposed agreements. The City reserves the right to accept or reject any changes in language and reserves the right to make final conforming changes to the documents.

Also, each Respondent must indicate any specific covenants or security features that will be required to obtain a financing commitment.

Failure to provide all documentation required to execute the financing with the proposal package will result in the proposal being considered unresponsive.

**E. Six (6) printed copies** of each Respondent's complete proposal package

**F. One (1) CD-ROM** containing the entire contents of the Respondent's proposal

If it becomes necessary to revise any part of this RFQ or otherwise provide additional information to potential bidders, an addendum will be posted on the City's website.

Discussions may be conducted with respondents who have a high probability of being selected. Proposals may be accepted without such discussions.

**Advance Questions**

Prospective Respondents may email advance questions to Ms. Claire J. Shepard, Chief Accountant, at [cshepard@ci.burlington.vt.us](mailto:cshepard@ci.burlington.vt.us). A summary of the advance questions and answers will be posted on the City's website at: <http://www.ci.burlington.vt.us/notices/rfp/> under "Requests for Proposals".

**Terms and Conditions**

The City has the right to reject any and all proposals; and to negotiate with one or more bidders to further modify the proposals. Submittal of a proposal does not create any right in or expectation to a contract with the City. The City has the right to reduce the amount to be financed; to utilize alternative financing mechanisms; to disqualify any proposals not meeting the

Request for Quote due dates; to disqualify any proposals not following Request for Quote communication procedures; and to disqualify any proposals not responsive to the criteria specified for evaluation. The City has the right to take into consideration the abstract and the formal content of the proposal. The City will not incur a financial obligation for any costs incurred by any company in preparing their proposals. The City reserves the right to request clarification of submitted information and to request additional information from Respondents. All proposals and materials submitted in conjunction with the proposals will become the property of the City.

### **Additional Considerations**

Respondents wishing to negotiate modification of terms and conditions stated within this RFQ must attach a copy of the City's RFQ and show proposed changes (deleted sections with a strikeover and added sections in boldface type). A Respondent's failure to identify any such changes in their Proposal will preclude the Respondent from raising any such changes thereafter. The City's selection of any Respondent who proposes changes to the City's RFQ terms shall not be deemed as acceptance of the Respondent's proposed changes. If bids are subject to additional terms, that the City decides are not in its best interest, the City reserves the right to deem that proposal as unresponsive. At all times, the City reserves the right to evaluate other criteria it deems appropriate, whether or not such factors have been stated in this RFQ, and to award the bid to a Respondent that is not the lowest bidder.

### **ATTACHMENTS:**

Attachment I	BTV 2009 Financial Statements
Attachment II	BTV Current Revenue Bond Schedule
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Attachment V	Bid Proposal Template