



ILLINOIS INSTITUTE OF TECHNOLOGY

**Letter of Interest and Qualification (LIQ)
For
Bond Underwriting Services**

Date of Issuance: December 11, 2024

Response Due Date: January 8, 2025, 5:00 pm Central time

LIQ Contact Information:

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Starshak Winzenburg & Company
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Appendix: Debarment and Suspension Form

I. ILLINOIS TECH BACKGROUND INFORMATION

Founded in 1890, Illinois Institute of Technology (Illinois Tech, the University) is a private, Ph.D.-granting research University with programs in engineering, sciences, architecture, psychology, design, humanities, business, and law. Illinois Tech's inter-professional, technology-focused curriculum is designed to advance knowledge through research and scholarship, to cultivate invention improving the human condition, and to prepare students throughout the world for a life of professional achievement, service to society, and individual fulfillment.

Mission: To provide distinctive and relevant education in an environment of scientific, technological, and professional knowledge creation and innovation.

Vision: Illinois Tech will be internationally recognized in distinctive areas of education and research, using as its platform the global city of Chicago, driven by a professional and technology-oriented focus, and based on a culture of innovation and excellence.

More information about Illinois Tech and its operation, mission and structure can be found on our Website – www.iit.edu and http://www.iit.edu/about/quick_facts.shtml. Respondents are encouraged to review this information before submitting their proposals.

II. INTRODUCTION

As the University recovers from the impact of COVID-19, Illinois Tech's financial position is improving due to higher student enrollment, particularly at the graduate level. In FY 2023, the University's net operating income was negative \$50.4 million. In FY 2024, the net operating income was positive \$3.9 million due to an increase in net tuition and fees of approximately \$32.9 million as new enrollment strategies were implemented. The University also saw significant growth in operating private gifts of approximately \$10.2 million over FY23.

To increase liquidity, the Board approved an increase in the FY24 annual endowment draw and an advance of the FY25 annual endowment draw for cash flow purposes, if needed. The University drew a total of \$23.8 million for FY24. The University drew its standard 5% from the endowment for FY25.

Due to the financial position in FY 2023, the University was downgraded to Ba2. Based on Illinois Tech's improved financial condition, the University is seeking to issue bonds and restructure its debt portfolio. The University will evaluate the benefit of seeking an additional bond rating and alternative options to improve the rating. Illinois Tech requests proposals from qualified entities for bond underwriting services for its 2025 bond transaction.

Illinois Tech currently anticipates issuing bonds in 2025 for various purposes, including to refinance its \$44.725 million of outstanding lines of credit, and issue approximately \$30M revenue bonds to fund various capital improvement projects. In addition, Illinois Tech will consider refunding opportunities for its outstanding Series 2018 and 2019 bonds, based on proposed structures and market conditions.

Illinois Tech will consider responses from firms that have proven experience providing bond underwriting services for higher education institutions.

Firms are invited to submit proposals to perform the work as described in Section III, Scope of Services. Issuance of this LIQ does not commit Illinois Tech to pay any costs incurred in the preparation of this proposal. All proposals are to be valid for a period of at least 6 months from the due date of the proposal. Illinois Tech reserves the right to reject any or all proposals.

III. SCOPE OF SERVICES

Bond Underwriters

- Make recommendations on all aspects of financing including, but not limited to, structuring of the bond issue, including alternative financing scenarios, e.g. swaps, caps, etc., financial projections and analysis, the timing of the bond sale, the maturity schedule, call provisions, marketing plan and credit enhancement. Assist in the credit analysis, including an insurance break-even analysis and the development and delivery of presentations for ratings agencies and credit enhancement providers.
- Assist in the preparation and review of all financing documentation, including trust indentures, purchase agreements, official statements, investment agreement, etc.
- Develop and orchestrate the bond marketing plan, including online or in-person investor road shows. Provide preliminary investor feedback on structuring and recommend structuring modifications as needed to achieve the lowest possible all-in cost of financing.
- Participate in meetings with Illinois Tech's designated financial advisors in structuring the bond sale to maximize savings for bond refunding and achieve an optimal overall cost of funds for new money issuance.
- Assist in developing board materials, investor road show presentations and delivery of key materials to investors, both institutional and retail.
- In advance of pricing, provide a pricing book, including a term sheet, calendars for negotiated and competitive sales, key market news, a list of current holders, individual price views for each member of the syndicate, a consensus scale, pricing sheets and other relevant data.
- Provide a summary of orders by type and by syndicate member and an allotment proposal for Illinois Tech to review in advance of making final allotments.
- Purchase the bonds upon terms and conditions mutually acceptable to Illinois Tech and the underwriter(s). Provide a final pricing book, including a detailed summary of pricing and spread progression, orders and allotments by type and syndicate member, and other relevant information.

Illinois Tech seeks proposals from qualified institutions that desire to be considered for Senior Manager, Co-Senior Manager or Co-Manager positions. The University will select firms for various roles based on the proposals received, including, but not limited to, experience in higher education, understanding of Illinois Tech's credit, and ideas proposed.

IV. PROPOSAL SUBMITTAL REQUIREMENTS

A. Complete proposal must consist of the following:

1. Responses shall be submitted electronically via email to Illinois Tech's IRMA, Starshak Winzenburg & Company, Tom Starshak at t.starshak@swandco.com and Michele Finn at mfinn2@iit.edu. The subject of the email should be Underwriter LIQ Response – Firm Name. Responses shall be limited to no more than 15 pages.
2. Please direct questions to Tom Starshak at t.starshak@swandco.com ("Project Contact"). Questions will be answered at the discretion of Illinois Tech, and written answers to questions of a general nature or which would affect the solicitation will be provided. Responses will be sent to all recipients of this solicitation. If you suspect an error, omission or discrepancy in this solicitation, please notify Mr. Starshak, who will issue written instructions, if appropriate.

3. To be considered, all responses must be received by **Wednesday, January 8, 2025, 5:00 pm Central Standard Time.**
4. Each response shall include a transmittal letter containing the name and signature of an official of the firm authorized to enter into business arrangements with Illinois Tech. The letter shall contain a description of the Bond Underwriter Services the firm is able to provide Illinois Tech.
5. Firms must demonstrate full capability to provide the complete range of services and solutions within the Bond Underwriter role. The submittal must also include the Appendix, Debarment and Suspension Form.
6. When applicable, the transmittal letter shall also identify whether a firm is majority owned and controlled (51% or more) by socially and economically disadvantaged persons (including, but not limited to, individuals qualified under the WBE, MBE, DBE, and DVBE programs). Attach a copy of any relevant certification.
7. All LIQ submittals shall be valid, in their entirety, for six months from the submission due date.
8. Issuance of this LIQ does not commit Illinois Tech to pay any cost incurred in the preparation of this response. Further, Illinois Tech reserves the right to reject any or all responses, or portions thereof, to extend the time for submission of responses, without further discussion or negotiation.

B. Bond Underwriters

A. EXPERIENCE AND TECHNICAL EXPERTISE OF THE TEAM

Ideally Proposer will have performed similar work for at least 3 higher education institutions and have a dedicated project contact with at least 3 years' experience or a history with at least 3 years' experience, or some combination thereof.

1. Describe your firm experience and technical expertise:
 - a. Ownership and capital structure, including a description of the relative size of the firm's municipal division compared to other sectors of the firm, and the firm's commitment to the municipal market.
 - b. Capital position as of the date of your most recently published statement of financial position (include information on your total capital, equity capital, excess net capital, and daily average uncommitted capital), and specify capital committed to municipal bond underwriting.
 - c. Sales and distribution capabilities.
 - d. Number and location of the firm's Illinois offices, including the number of registered representatives (specifying municipal, general and retail, or institutional specialties) in Illinois and nationwide.
 - e. Detail any criminal investigations or pertinent litigation pending against your firm, members of your municipal bond or public finance departments, or that have concluded within the past three years. Also describe the nature of any conflicts of interest that the firm believes exist or may arise.

B. FIRM'S PRIOR UNDERWRITING PERFORMANCE

Describe your firm's prior underwriting performance, including your firm's knowledge and its capabilities nationally and in Illinois, and in particular, the higher education debt market:

Proposer shall provide documentation that it has served as senior manager or co-manager on an underwriting partnership for at least 3 higher education institutions issuances or has served as a membership partner on 10 issuances, or some combination thereof. It is a plus if the firm

has experience in selling publicly issued Illinois bonds, bonds for higher education technology focused institutions, and bonds for similarly rated credits.

- a. Provide a listing of recent bond underwritings including name of issuer, size, date issued, involvement on the underwriting (Senior Manager, Co-Manager, etc.), and state where the issuer is located that relate to higher education institutions.
- b. Provide the names and qualifications of the principal staff, including senior banker, analyst and underwriter, you would assign to this engagement. Include a brief description of each professional's experience in similar programs.

C. FIRM UNDERSTANDING OF ILLINOIS TECH'S CREDIT AND FINANCING ISSUES AND HIGHER EDUCATION CREDIT ISSUES

- a. Describe any structuring ideas, including public vs private sales and alternative financing options that you have for Illinois Tech's 2025 bond transaction in the most economically efficient manner possible, including the benefits, quality of security, and related credit issues regarding a particular approach. Describe your firm's experience with similar financing programs, if any.
- b. Discuss proposed rating strategy, investor outreach, sales methodology (public vs private, competitive vs. negotiated, etc).
- c. Provide indicative interest rates and credit spreads as well as estimated fees, including takedown, structuring fees or management fees.
- d. Discuss any other relevant information you believe should be considered by Illinois Tech, including, your understanding of Illinois Tech's credit and financing issues and higher education credit issues.

LIQ Response

Submit a response which addresses all the requirements listed in Section IV, Proposal Submittal Requirements. The LIQ response shall also include a completed copy of the Appendix, Debarment and Suspension Form.

The successful respondents are required to advise on a recommended structure of the transaction, including anticipated covenants. Please also note which covenants may be negotiated and which will be required by lenders/bondholders. In addition, it would be helpful to know if respondents would recommend credit enhancement and how that would affect pricing and covenants.

V. EVALUATION AND SELECTION PROCESS

We generally evaluate three categories of information: Administrative Compliance, Vendor Responsibility and Responsiveness, as more fully explained below:

1. Administrative Compliance. We will determine whether the proposal complied with the Instructions. We may reject a proposal if it is submitted late. Failure to meet other requirements could result in rejection.
2. Vendor Responsibility. We will determine whether the vendor submitting the proposal is one with whom we can and should do business. Factors that we employ to evaluate "responsibility" include, but are not limited to: certifications, conflict of interest disclosures, past performance, references (including those found outside the proposal), financial stability and the perceived ability to perform completely as specified.
3. Responsiveness. For this LIQ we will determine responsiveness as follows: We will rank proposals, without consideration of price, from best to least qualified based on our review.

References may be considered again in this portion of the evaluation. We will determine whether any failure to supply information, or the quality of the information supplied, should result in the rejection or downgrading of a proposal. The most "responsible" respondent whose proposal meets "administrative" requirements and whose proposal is most advantageous to IIT will be eligible for award.

IIT will evaluate responsiveness based on the following (5) criteria:

1. The experience, technical expertise, resources of the firm; and capabilities of its assigned staff.
2. The firm's prior underwriting performance and capability to market fixed, variable, taxable, tax-exempt debt and alternative financing structures (eg. swaps, caps, etc.).
3. The firm's knowledge of Illinois, national and higher education debt markets;
4. The firm's understanding of Illinois Tech's credit and financing issues and higher education credit issues.
5. References.

VI. GENERAL CONDITIONS

1. Conflict of Interest: The Proposer understands and agrees that the Proposer is prohibited from performing any work or services for Illinois Tech which conflicts with the role of the Proposer in any other agreements between the Proposer and Illinois Tech. The Proposer understands and agrees that the restrictions provided in this paragraph are applicable to all sub-consultants, which are to be used by the Proposer for the proposed services. The Proposer has sole responsibility for compliance with this provision.
2. Form and Content of Proposals: The "Solicitation Response Requirements," once completed, signed and returned by you, will constitute your proposal. Proposals, including modifications, must be submitted in ink, typed or printed form and signed by an authorized representative. Your proposal must provide all required information and address all listed points.
3. Modification of Proposal: Written requests to modify or withdraw a proposal prior to the scheduled opening time will be accepted and will be acted upon at opening. No oral requests will be allowed. Requests must be addressed and labeled in the same manner as the proposal and marked as either MODIFICATION or WITHDRAWAL.
4. Responsibility to Read and Understand: Your failure to read, examine and understand the solicitation will not excuse any failure to comply with the requirements of the solicitation or any resulting agreement, nor shall such failure be a basis for claiming additional compensation. If you suspect an error, omission or discrepancy in this solicitation, you must immediately notify the Tom Starshak. We will issue written instructions, if appropriate.
5. Opening: We will open all proposals properly and timely submitted. All proposals become the property of IIT and will not be returned except in the case of a late submission. We will not consider proposals received after the stated due date and time.
6. Proposal Firm Time (see IV.A.6 above): Proposals shall remain firm and unaltered after opening for the number of days shown. We may accept your proposal, subject to successful agreement negotiations, at any time during the proposal firm time.
7. Presentations and Inspections: You must provide a formal presentation of the proposal upon request.
8. Best & Final: We may request best & final proposals if deemed necessary, and will determine the scope and subject of any best & final request. However, you should not assume that we will ask for best & final, giving you an opportunity to strengthen your proposal. Therefore, you should submit your best proposal based on the terms and condition set forth in this solicitation.
9. Evaluation and Award: We evaluate proposals using criteria shown in this solicitation. If we select your proposal for award, we will so notify you. Such notice will extend the proposal firm time until we sign an agreement or determine negotiations with you have failed. All decisions of Illinois Tech are final. You must be prepared for Illinois Tech to accept your proposal as submitted, but we may require agreement negotiations if necessary or desirable. If negotiations

do not result in an acceptable agreement, we may reject your proposal and revoke the award and begin negotiations with another vendor. Final agreement terms must be approved and signed by an authorized Illinois Tech official. If you begin any billable work prior to IIT's final approval and execution of the agreement, you do so at your risk.

10. Reservations and Disclaimer: Illinois Tech is not liable for any cost incurred by respondents in replying to this LIQ or negotiation relating to this LIQ. Illinois Tech, at its sole discretion, reserves the right to re-advertise; reject all proposals; to reject individual proposals for failure to meet any requirement; to award in part or total; and to waive minor defects and non-compliance. We may seek clarification of the proposal from you at any time, and failure to respond may be cause for rejection. Clarification is not an opportunity to change the proposal. Submission of a proposal confers on you no right to an award or to a subsequent agreement. This process is for IIT's benefit only and is to provide IIT with competitive information to assist in its selection process. All decisions on compliance, evaluation, terms and conditions shall be made solely at our discretion and made to favor IIT.
11. Vendor Contact: We will consider the person who signed your proposal to be your contact person for all matters pertaining to the proposal unless you designate some other person in writing.

CERTIFICATION OF PRIMARY PARTICIPANT
REGARDING DEBARMENT, SUSPENSION, AND OTHER
RESPONSIBILITY MATTERS

(print company's name)

certifies to the best of our knowledge and belief that it and its principles are not listed on The Excluded Party List System maintained by the General Services Administration (GSA) at the World Wide Web site:

<https://www.sam.gov/SAM/>

This World Wide Web site is provided as a public service by General Services Administration (GSA) for the purpose of efficiently and conveniently disseminating information on parties that are excluded from receiving Federal contracts, certain subcontracts, and certain Federal financial and nonfinancial assistance and benefits, pursuant to the provisions of 31 U.S.C. 6101, note, E.O. 12549, E.O. 12689, 48 CFR 9.404, and each agency's codification of the Common Rule for Nonprocurement suspension and debarment.

THE PRIMARY PARTICIPANT (APPLICANT OR POTENTIAL CONTRACTOR FOR A MAJOR THIRD PARTY CONTRACT) _____ CERTIFIES

(Company name)

OR AFFIRMS THAT TRUTHFULNESS AND ACCURACY OF THE CONTENTS OF THE STATEMENTS SUBMITTED ON OR WITH THIS CERTIFICATION AND UNDERSTANDS THAT THE PROVISIONS OF 31 U.S.C. 6101, NOTE, E.O. 12549, E.O. 12689, 48 CFR 9.404, AND EACH AGENCY'S CODIFICATION OF THE COMMON RULE FOR NONPROCUREMENT SUSPENSION AND DEBARMENT, APPLY.

(Signature and Title of Authorized Official)

If you are unable to certify to any of the statements in this certification, the participant shall attach an explanation to this certification.