

**COLORADO STATE TREASURER on behalf of the
COLORADO DEPARTMENT OF TRANSPORTATION (CDOT)
REQUEST FOR PROPOSALS
UNDERWRITING SERVICES OR DIRECT LOAN PROVIDER
SUBMISSION DEADLINE: JANUARY 15, 2013 @ 2:00 PM MST**

Thursday, January 3, 2013

The Colorado State Treasurer, acting on behalf of the Colorado Department of Transportation (“CDOT”), is soliciting underwriting or private placement proposals from qualified financial institutions to refinance a portion of CDOT’s Series 2004A Transportation Revenue Anticipation Notes (“TRANS”) in a taxable fixed-rate transaction.

The Financial Advisor for the transaction, Stifel, Nicolaus & Company, estimates the par amount of the refunding TRANS as approximately \$31,500,000 based on a uniform savings structure. The Department anticipates that Kutak Rock LLP will serve as bond counsel and Hogan Lovells as the disclosure counsel if one is required for the transaction.

Request for Proposals Anticipated Timing

- Proposal Issue Date: January 3, 2013
- Deadline for Questions: January 9, 2013, 10AM (MST)
- Response to Questions: January 10, 2013
- RFP Due Date: January 15, 2013, 2PM (MST)
- Selection of Underwriter: January 18, 2013
- Anticipated Pricing: Early February 2013
- Closing: Late February 2013

Proposal Criteria

Please address the following topics in your proposal. Proposals are to be limited to 12 pages, excluding a cover letter and appendices. A firm may propose both an underwriting option and a private placement option if it so chooses. Provide separate bids for each approach.

1. Name and address of primary firm contact person, along with phone number and E-mail address.
2. Other individuals from the firm who will serve a major role in this engagement, including the individual who will serve as the firm’s underwriter, if applicable.

Note: Any changes to staff, either before or during the term of this engagement, must be provided in writing, to the State *prior* to their beginning work as part of the proposer’s staff assigned to this project.

3. Briefly describe the firm’s public finance presence and experience in the State of Colorado.
 - a. If applicable, please include a brief tabular summary of the ideas or concepts your firm has shared with CDOT.
4. Describe the firm’s transportation finance experience, the firm’s experience with CDOT and/or the TRANS program in particular.
5. Provide an overview of current market conditions and your firm’s price views, assuming estimated ratings of Aa2/AA, expressed as a spread to the applicable US Treasury rate (or any

other specified index) as of January 14, 2013. In addition, please provide a sources and uses table along with amortization schedules for the proposed refunding, which can be included in an appendix.

- a. Note: if your firm is proposing a direct bank placement, please provide your proposed rate, the assumed spread and index, the supporting amortization schedule, and state the duration for which this spread and index is firm.
6. Provide a recent example of a transaction underwritten by your firm in the past 12 months, preferably one with similar characteristics to this proposed one or a placement you have undertaken with similar characteristics.
7. Demonstrate your firm's ability (based on the SEC's Uniform Net Capital Rule) to underwrite the entire proposed transaction, if required.
8. If your firm is proposing to underwrite a public offering, provide a detailed discussion of your firm's marketing plan for the TRANS, including (but not limited to) the following topics. Note: firms proposing direct placements do not need to provide a response on this topic.
 - a. Most likely buyers of the TRANS and why your firm is most capable of reaching those buyers.
 - b. Your firm's retail (in Colorado) and institutional distribution capabilities.
 - c. Discuss any potential marketing issues for the proposed TRANS refunding.
 - d. Provide a recommendation as to which credit ratings the Department should pursue, and strategies to achieving the most favorable ratings on this transaction.
9. Provide the following on a per-\$1,000 basis:
 - a. Takedown (also, provide a schedule on a maturity-by-maturity basis)
 - b. Management fee, if any
 - c. Expenses
 - i. If your firm requires an underwriter's counsel, please name the firm proposed to be used and a "not to exceed" amount. Please note: it is the Department's preference to pay for underwriters' or banks' counsel directly out of the transaction's costs of issuance.
10. Please provide three client references and a brief summary of relevant experience with each reference. If possible, references should include:
 - a. At least one of the references must be a Colorado issuer of municipal debt in the past 12 months
 - b. Another state department of transportation
 - c. A municipality or state for which the firm has executed a taxable transaction.
11. Please include any additional information unique to your firm or your proposed approach to this financing that you believe is relevant to evaluating your firm's qualifications.

Compliance Appendix Information (This section will not be counted against the 12-page limit)

- Clearly indicate / state / disclose each of the following:
 - Compliance with MSRB Rule G-37. Any regulatory inquiry relating to the proposing firm's compliance with MSRB Rule G-37.
 - Any delinquent State or local tax or outstanding fee that has occurred in the previous three years.
 - The proposing firm's SEC central registration depository (CRD) number.
 - The firm should summarize in an appendix to its proposal any pending or completed regulatory or judicial action from its SEC Form ADV that would directly affect the services requested in this RFP.

Evaluation Criteria

The following criteria will be used as part of the selection process if the decision is made to undertake a public offering.

1. Experience with underwriting similar issues (10%)
2. Financial expertise in respect to the issuance of public debt (15%)
3. Marketing capabilities (15%)
4. Fees (inclusive of estimated pricing spreads) (50%)
5. References (10%)

The following criteria will be used as part of the selection process if the decision is made to undertake a private placement.

1. Terms acceptable to the State
2. Fees and spread (50%)
3. Experience with underwriting similar issues (15%)
4. Financial expertise in respect to the issuance of public debt (20%)
5. References (15%)

Proposal Due Date

Proposals are due no later than Tuesday, January 15, 2013 at 2:00 PM Mountain Time. Late proposals will not be accepted. All proposals must be signed by an officer authorized to commit and negotiate on behalf of the financial institution. All questions should be directed to Stifel by the stated deadline, and responses will be circulated to all Proposers. Proposers are discouraged from contacting the State, CDOT, Kutak Rock and/or Hogan Lovells during this evaluation period.

Proposals should be delivered electronically (only) to the following:

Brett Johnson, Deputy Treasurer
Colorado Department of Treasury
brett.j.johnson@state.co.us
(303) 866-2441

Ben Stein, Chief Financial Officer
Colorado Department of Transportation
ben.stein@state.co.us
(303) 757-9168

David Bell
Stifel Nicolaus & Company, Incorporated
belld@stifel.com
(303) 291-5207

Terms and Conditions

- CDOT will not reimburse any firm with costs associated with responding to this RFP.
- CDOT reserves the right to reject any or all proposals, to conduct interviews, and to negotiate final terms with proposers.
- Nothing in this RFP, the responses, or in the acceptance of any responses, in whole or in part, shall oblige CDOT to complete negotiations with the selected financial institution.
- CDOT reserves the right to end, in its sole discretion, negotiations with a financial institution at any time up to the consummation of the transaction arising from this RFP.
- The amortization of the refunding TRANS is subject to modification by CDOT to the extent that bond counsel advises is necessary to maintain the tax exemption of interest on the refunded TRANS.
- CDOT will not indemnify the underwriter/bank for any reason.

Thank you for your interest in this important financing.

Sincerely,



David Bell
Stifel Nicolaus & Company, Incorporated