



ILLINOIS INSTITUTE OF TECHNOLOGY

**Letter of Interest and Qualification (LIQ)
For
Financial Advisory Services**

Date of Issuance: December 11, 2024

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

LIQ Contact Information:

Tom Starshak
Starshak Winzenburg & Company
Email: t.starshak@swandco.com

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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 financial advisory 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, 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 financial advisory 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

The financial advisory role will provide services related to the structuring, pricing, marketing, selling, and underwriting of bond deals.

- Review and advise on bonds and other financings backed by general revenues of Illinois Tech;
- Provide a cost-benefit analysis for each structuring alternative under consideration and a credit analysis for the recommended structure. Include a risk assessment for any derivative structures proposed;
- Provide an analysis and memorandum to Illinois Tech justifying the sale of bonds on a competitive or negotiated basis and/or public versus private sale;
- Assist in structuring transactions and negotiations with other parties to the transactions (including senior manager, trustee, rating agencies, credit enhancement providers, liquidity providers, interest rate exchange counterparties, etc.);
- Assist in preparation and review of all financing documentation including trust indentures, bond purchase agreements, reimbursement agreements, board ordinance, investment agreement, official statements, liquidity provider agreements, etc.;
- Provide suggested pricing terms, syndicate rules, priority of orders, comparable interest rates for fair market value, and other structuring and pricing information. Independently evaluate consensus scales and pricing levels for reasonableness in light of market conditions and interest rate levels for comparable transactions;
- Assist in the development of criteria, review and selection process of counterparties on an as needed basis;
- Provide comments, assistance and/or suggestions on continuing disclosures undertakings and post issuance compliance.

Illinois Tech seeks proposals from qualified institutions that desire to be considered for financial advisory services for its 2025 bond transaction.

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 Financial Advisory 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 Financial Advisory 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.

A. Qualifications:

1. Provide a description of higher education experience as well as related references for which similar services were performed within the past three years. Include client contact information.
2. Summarize firm history, include name(s) of firm lead(s) and/or dedicated project consultants with more than three years of relevant experience.
3. Describe your firm and its capabilities; identify individuals, including contact information, in your firm who would be the primary contact for Illinois Tech and briefly describe each person's background, including their knowledge and experience in debt structuring and other financial advisory capacities. Identify the key tools and resources that would be employed in providing the scope of services to Illinois Tech.
4. Provide documentation showing compliance with the municipal advisor registration requirements of MSRB and SEC.
5. Provide any preliminary financing and structuring ideas, rating strategy recommendations, or other relevant recommendations.
6. Provide estimated fees.

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.7 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.