

May 12, 2009

Request for Proposal

09-19-71-00

SELECTION OF UNDERWRITING TEAM FOR RCTC FINANCINGS

The Riverside County Transportation Commission (RCTC) received the following questions in response to Request for Proposal 09-19-71-00, Selection of Underwriting Team for RCTC Financings.

The questions and RCTC's responses are provided for your information. All potential consultants are reminded that in accordance with Paragraph 5 of the RFP entitled Request for Clarification the period to submit questions, requests for equals or clarifications closed on May 8, 2009.

1. Can we receive copies of the swap documents executed by RCTC between Bank of America and Deutsche Bank?

The confirmations and the Credit Annex for the two swaps are included in a separate attachment to these responses.

2. Is there an estimate of the amount of commercial paper that will be outstanding at the time the 2009 Bonds are to be issued?

The estimated commercial paper outstanding at the time of the 2009 bonds issuance is \$110 million, of which a minimum of \$50 million is to be retired/refinanced with the 2009 bonds issuance.

3. What is the letter of credit fee that RCTC pays to Bank of America?

The letter of credit fee paid to Bank of America related to the commercial paper program is 21 bps for the utilized and 16 bps for the unutilized portion. The letter of credit expires in March 2010 and will need to be either extended or replaced to maintain the commercial paper program. RCTC anticipates significant increases in liquidity cost relating to the program.

4. Is there any information available about the size, cost and timing of the toll projects?

The two toll projects consist of the SR-91 and I-15 Corridor Improvement Projects. Project details are available on the following project websites:

<http://sr91project.info/>

<http://i15project.info/>

5. Does the Commission anticipate any new money needs associated with the 2009 Bonds?

At this time, the Commission does not anticipate any new money needs in connection with the issuance of the 2009 bonds; however, that is subject to change.

6. Is there a schedule of projects to be financed by the future issuance of sales tax revenue bonds? Question B3(i) references an "attached plan of finance." There does not seem to be any plan of finance attached to the document other than what was included in the Background/Scope of Services section.

A detailed plan of finance is under development; however, the general plan is identified in Section 1, Background/Scope of Services. The significant projects to be financed by future sales tax revenue or toll revenue bonds were approved by the Commission at its December 2006 meeting. Additional information regarding these projects can be obtained by accessing the Commission's agenda archives using the following link for Agenda Items No. 9 and No. 10:

http://www.rctc.org/downloads/agenda_2006_1213.pdf

Specific Coachella Valley projects that may be financed have not been identified at this time.

7. If our firm is interested in serving as a co-managing underwriter, should we still answer all the questions?

Any firm may specify its interest in serving as a co-manager and can emphasize the experience most relevant to serving as a co-manager. However, in order to be evaluated based on the criteria in Section 14 of the RFP, any proposer should be responsive to all required elements of the RFP.

8. How has RCTC's cash and liquidity position changed since the publication of the 2008 CAFR?

The average cash and investments balance since June 30, 2008 has approximated \$516 million. The cash and investments balance, which include commercial paper proceeds to advance fund 2009 Measure A projects, at March 31, 2009 was \$506 million compared to the June 30, 2008 balance of \$493 million. A substantial portion of the cash and investments relates to accumulated and

unexpended funds from the 1989 Measure A, which ends on June 30, 2009, and from transit funds for public transit operators. The 1989 Measure A related balances will be used to complete remaining projects that are currently in progress.

As to liquidity, RCTC continues to maintain its letter of credit supporting the commercial paper program; however, it expires in March 2010. Liquidity support will be required under the \$185 million of forward starting interest rate swaps. RCTC does not expect to maintain sufficient cash and investment balances to provide self-liquidity to support either commercial paper or variable rate debt.

9. Should the "Cost and Price Proposal" be included in the 25 page limit?

The cost and price proposal is excluded from the 25 page limit.

10. If no campaign contributions have been made to Commissioners, is it still necessary to include the form in the RFP response?

The signed campaign contribution form is required, even if an indication is made that the contributions were \$0.

11. If the campaign contribution form is submitted, do those pages count against the 25 page limit?

The campaign contribution form is excluded from the 25 page limit.

12. Does the reference on page 14 in Question 3 (1) to the "attached plan of finance" refer to the finance summary included in the background and scope of services section found on page 3-4?

The information in Section 1, Background/Scope of Services, serves as the general plan of finance currently being contemplated.

13. Capital Appreciation Bonds are not mentioned in the plan of finance summary on page 4 nor are they included in the evaluation and scoring criteria. Does the Commission intend to include Capital Appreciation Bonds as part of its financing as stated in question B.1(iv)(c)?

The toll revenue bonds referred to in Section 1, Background/Scope of Services, may include capital appreciation bonds. Experience with toll revenue bonds, in general terms, is an evaluation criteria element.

14. Request for Clarification Section 5) The Request for Clarification section on page 7 states that "requests for approved equals" must be submitted as part of the RFP clarification process. Could the Commission please clarify the term "approved equals"?

The term “approved equals” would apply if the proposer requests a substitution for a required element of the RFP.

15. The Request for Clarification section on page 7 states that any "deviations to insurance requirements" are requested to be submitted as part of the RFP clarification process. Could the Commission please provide a summary of what its insurance requirements are?

Since no contract will be issued under this RFP other than required by the financing documents, the insurance requirement does not apply in this situation.