

**STATE OF NEW HAMPSHIRE
LOTTERY COMMISSION**

Request for Building Purchase Financing Proposals

RFP 2018-0901

SECTION 1 – Overview and Schedule

A. Executive Summary

The New Hampshire Lottery Commission (“NHLC”) is seeking proposals from commercial financial institutions to provide financing for NHLC’s purchase of a building and land located at 14 Integra Drive in Concord, New Hampshire (the Property). The Property is currently occupied by NHLC as a lessor. NHLC has entered into a Purchase and Sale Agreement with the current owner to purchase the Property for \$2.975 million with an anticipated closing date in December of 2018. Pursuant to HB 517 (2017) NHLC is authorized to enter into a commercial loan to finance the purchase of the Property subject to approval of the Joint Legislative Fiscal Committee and the Governor & Executive Council.

B. Schedule

The following table provides a Schedule of Events for this RFP through contract finalization and approval. NHLC reserves the right to amend this Schedule at its sole discretion and at any time through a published Addendum.

EVENT	DATE	LOCAL TIME
RFP Released to Proposers (Advertisement)	September 18, 2018	
Proposer Inquiry Period Ends	September 25, 2018	4:00 p.m.
Final Agency Responses to Proposer Inquiries	October 1, 2018	
Proposers Submit Proposals	October 4, 2018	4:00 p.m.
Estimated Notification of Selection	October 9, 2018	
Estimated Date of Approval of Final Agreement/ Closing	December 2018	

SECTION 2 -Description of Purchase to Be Financed

NHLC is an executive branch commission of the State of New Hampshire that is responsible for operating lottery sales and for regulating charitable gaming within the State. For the Fiscal Year 2018, NHLC reported \$331.8 million in revenue and generated a net profit of \$86.5 million. Pursuant to RSA 284:21-e, NHLC is required to have an office in Concord or in a municipality that borders Concord. For approximately the past twenty (20) years the NHLC headquarters have been located in a leased facility at 14 Integra Drive in Concord. NHLC is now seeking to purchase the Property.

The Property consists of a 2.97 acre site which is improved with an approximately 24,000 square foot industrial commercial building built in 1998. The square footage is divided into 50% finished office space and 50% unfinished space which houses NHLC's warehouse facilities. In addition to office and warehouse space, the building contains a small retail area for the purchase and redemption of lottery tickets. The site has a paved parking area with approximately 75 parking spaces.

NHLC has entered into a preliminary agreement to purchase the property from the current owner for a sale price of \$2.975 million. NHLC is seeking proposals from private commercial institutions to finance this purchase with an anticipated closing date in December 2018.

SECTION 3 – NHLC Financing Requirements

NHLC intends to enter into a binding term sheet with the successful proposer subject to the contingencies in the NHLC Purchase and Sale Agreement. That term sheet will be the basis to obtain approvals from the Joint Legislative Fiscal Committee, Governor & Executive Council, and will form the substance of the Financing Agreement that will be executed at the time of the purchase closing for the Property. NHLC expects that the term sheet that will result from this RFP process will have, at a minimum, the following terms:

1. Amount: \$2.975 million dollars.
2. Term: Twenty (20) years.
3. Rate: Fixed, tax exempt rate.
4. Repayment provisions: Interest and Principle payments to be made on a monthly basis. The principle amortization schedule of the term loan will be structured to achieve approximately equal annual payments.
5. Down payment requirement - Due to the nature of the NHLC as a revenue generating governmental agency and our legal obligation to transfer all monthly profits, less reasonable expenses, to the Education Trust Fund in the State of NH, NHLC prefers to limit the down payment required for the loan.

SECTION 4 – Process for Submitting a Proposal

A. Proposal Submission, Deadline, and Location Instructions

Proposals submitted in response to this RFP must be received by NHLC no later than the time and date specified in the Schedule section herein. Proposals may be submitted by U.S. Mail, delivery service, or in person at 14 Integra Drive, Concord, NH 03301. Proposals must be addressed to:

New Hampshire Lottery Commission

c/o

James Duris, CFO

Proposals must be clearly marked as follows:

STATE OF NEW HAMPSHIRE

RESPONSE TO RFP 2018-0901

Request for Building Purchase Financing Proposals

Unless waived as a non-material deviation in accordance with Section 6B, late submissions will not be accepted and will be returned to the proposer unopened. Delivery of the Proposals shall be at the Proposer's expense. The time of receipt shall be considered when a Proposal has been officially documented by NHLC, in accordance with its established policies, as having been received at the location designated above. NHLC accepts no responsibility for mislabeled mail or mail that is not delivered or is undeliverable for whatever reason. Any damage that may occur due to shipping shall be the Proposer's responsibility.

All Proposals submitted in response to this RFP must consist of one (1) original and three (3) clearly identified copies of the Proposal, including all required attachments.

B. Proposal Inquiries

All inquiries concerning this RFP, including but not limited to, requests for clarifications, questions, and any changes to the RFP, shall be submitted via email to the following RFP designated Points of Contact:

TO: James Duris, Chief Financial Officer, James.Duris@lottery.nh.gov

CC: John Conforti, Chief Compliance Officer, John.Conforti@lottery.nh.gov

Inquiries must be received by the RFP Points of Contact no later than the conclusion of the Proposer Inquiry Period (see Schedule of Events section, herein). Inquiries received later than

the conclusion of the Proposer Inquiry Period shall not be considered properly submitted and may not be considered.

NHLC intends to issue official responses to properly submitted inquiries on or before the date specified in the Schedule section, herein; however, this date is subject to change at NHLC's discretion. NHLC may consolidate and/or paraphrase questions for sufficiency and clarity. NHLC may, at its discretion, amend this RFP on its own initiative or in response to issues raised by inquiries, as it deems appropriate. Oral statements, representations, clarifications, or modifications concerning the RFP shall not be binding upon NHLC. Official responses by NHLC will be made only in writing by the process described above.

C. Restriction of Contact with Agency Employees

From the date of release of this RFP until an award is made and announced regarding the selection of a Proposer, all communication with personnel employed by or under contract with NHLC regarding this RFP is forbidden unless first approved by the RFP Points of Contact listed in the Proposal Inquiries section, herein. NHLC employees have been directed not to hold conferences and/or discussions concerning this RFP with any potential contractor during the selection process, unless otherwise authorized by the RFP Points of Contact. Proposers may be disqualified for violating this restriction on communications.

D. Validity of Proposal

Proposals must be valid for one hundred and eighty (180) days following the deadline for submission of Proposals in Schedule of Events, or until the Effective Date of any resulting Contract, whichever is later.

SECTION 5 - Content and Requirements for a Proposal

All Proposals shall contain the following:

A. Company Background and Experience

The Proposer will describe the background and experience of the financial institution. This response must include a description of the size and location(s) of the institution, the financial resources available to the Proposer and the personnel who will be responsible for managing this loan, including their experience in handling commercial, governmental and/or real estate loans of a similar size and scope. (Not to exceed 3 pages)

B. Term and Interest Rate

The Proposer will confirm whether they are willing to meet the 20 year term requirement set forth in Section 3 of the RFP and propose the Interest Rate for this loan term. The rate will be considered fixed at the time of closing, the rate proposed will be adjusted based on changes in

LIBOR from the date of proposal until the date of closing. The particulars of this adjustment will be addressed in the term sheet.

C. Down Payment Requirements

The Proposer shall identify the proposed down payment to be paid by NHLC at the time of closing as expressed in a percentage of the total purchase price. Please note that NHLC is seeking to limit the amount of the down payment to be made and will look favorably on proposals with lower down payment requirements as outlined in Section 6.

D. Collateral Requirements

The Proposer shall identify any and all collateral required from the State of New Hampshire to secure this loan.

E. Description of All Fees and Expenses

The Proposer shall identify any fees or expenses of any kind to be incurred by NHLC as a result of this loan, outside of principal and interest payments.

F. Description of Any Terms, Conditions, Covenants, Restrictions

Please identify any standard terms, conditions, covenants or restrictions that the Proposer expects to include in a final Loan Agreement. This includes any requirements for insurances, escrow agreements, due diligence, inspections, etc. relating to the Property or this loan.

G. Pre-Payment Options

Please identify whether and under what conditions NHLC would be able to pre-pay this loan, identifying with clarity any penalties or fees assessed for early payment.

SECTION 6 – Evaluation of Proposals

A. Criteria for Evaluation and Scoring

Each responsive Proposal will be evaluated and scored based on the following criteria:

1. Background and Experience (Pass/Fail)

NHLC will evaluate proposals to evaluate whether the Proposer has sufficient experience, financial strength and personnel to complete this transaction in a timely manner. This will not be a scored evaluation but will be assessed on a pass/fail basis. Proposers who fail to demonstrate sufficient experience, financial strength or personnel will be notified of their failure to meet this standard and their proposal will receive no further consideration.

2. Favorability of Interest Rate (75 Points)

NHLC will calculate the total interest payments to be made on a \$2.975 million dollar loan (regardless of the down payment proposed) based on the interest rate submitted in the proposal under Section 5B. Based on the total interest payments, NHLC will award points based on the following calculation:

Lowest Proposed Interest Cost/Proposers Interest Cost * 75 Points = Proposer's Score

3. Costs and Fees (5 Points)

NHLC will calculate the costs and fees to be paid by NHLC relating to this loan as set forth by the Proposer in response to Section 5E. NHLC will award points on the following calculation:

Lowest Overall Costs and Fees/Proposers Costs and Fees * 5 Points = Proposer's Score

If the Proposer offers no costs and fees associated with the loan, a nominal fee of \$100 will be used to conduct this calculation.

4. Down Payment (10 Points)

NHLC will evaluate and award points based on the down payment set forth in the Proposers response to Section 6C as follows:

A Proposer will be awarded a point for each percentage point below 10% in their proposed down payment. Conversely a point will be deducted for each percentage point above 10% in their proposed down payment. (Example: 5% Proposed Down Payment + 5 points. A 15% Down Payment = - 5 points)

5. Favorability of Terms and Conditions (10 points)

NHLC will evaluate the Proposer's responses to Section 5D, F & G. NHLC is seeking terms and conditions that are flexible and achievable within the timeframe set forth for the purchase and which are consistent with NHLC's statutory obligations.

If NHLC determines to make an award, it will issue an "intent to negotiate" notice to a Proposer based on these evaluations. Should NHLC be unable to reach agreement with the selected Proposer during Contract discussions, NHLC may then undertake Contract discussions with the second preferred Proposer and so on, or NHLC may reject all proposals, cancel this RFP, or solicit new Proposals under a new acquisition process.

NHLC will use a scoring scale of 100 points, which will be distributed as set forth in the table below.

CATEGORIES	POINTS
Background and Experience (Pass/Fail)	N/A
Favorability of Interest Rate	75
Costs and Fees	5
Down Payment	10
Favorability of Terms and Conditions	10
TOTAL POTENTIAL MAXIMUM POINTS AWARDED	100

NHLC will select a Proposer based upon the criteria and standards contained in this RFP and from applying the weighting in this section.

B. Initial Screening

NHLC will conduct an initial screening step to verify Proposer compliance with the technical submission requirements set forth in the RFP and the minimum content set forth in Section 5 of this RFP. NHLC may waive or offer a limited opportunity to cure immaterial deviations from the RFP requirements if it is determined to be in the best interest of the State.

C. Final Selection

NHLC will conduct a final selection based on the final evaluation of the initial proposals, or if requested, as a result of the Best and Final Offer and begin contract negotiations with the selected Proposer.

D. Rights of NHLC in Accepting and Evaluating Proposals

NHLC reserves the right to:

- Make independent investigations in evaluating Proposals;
- Request additional information to clarify elements of a Proposal;
- Waive minor or immaterial deviations from the RFP requirements, if determined to be in the best interest of the State;
- Omit any planned evaluation step if, in NHLC's view, the step is not needed;
- At its sole discretion, reject any and all Proposals at any time; and
- Open contract discussions with the second highest scoring Proposer and so on, if NHLC is unable to reach an agreement on Contract terms with the higher scoring Proposer(s).

SECTION 7 – Terms and Conditions Related to the RFP Process

A. RFP Addendum

NHLC reserves the right to amend this RFP at its discretion, prior to the Proposal submission deadline. In the event of an addendum/addenda to this RFP, NHLC, at its sole discretion, may extend the Proposal submission deadline, as it deems appropriate.

B. Non-Collusion

The Proposer's signature on a Proposal submitted in response to this RFP guarantees that the prices, terms and conditions, and Work quoted have been established without collusion with other Proposers and without effort to preclude NHLC from obtaining the best possible competitive Proposal.

C. Property of NHLC

All material received in response to this RFP shall become the property of the State and will not be returned to the Proposer. Upon Contract award, the State reserves the right to use any information presented in any Proposal.

D. Confidentiality of a Proposal

Unless necessary for the approval of a Contract, the substance of a Proposal must remain confidential until the Effective Date of any Contract resulting from this RFP. A Proposer's disclosure or distribution of Proposals other than to NHLC will be grounds for disqualification.

E. Public Disclosure

Pursuant to RSA 21-G:37, all responses to this RFP shall be considered confidential until the award of a Contract. At the time of receipt of Proposals, NHLC will post the number of responses received with no further information. No later than five (5) business days prior to submission of a Contract to the Governor & Executive Council pursuant to this RFP, NHLC will post the name and rank or score of each Proposer. In the event that the Contract does not require Governor & Executive Council approval, NHLC shall disclose the rank or score of the Proposals at least 5 business days before final approval of the Contract.

The content of each Proposer's Proposal shall become public information upon the award of any resulting Contract. Any information submitted as part of a response to this Request for Proposal (RFP) may be subject to public disclosure under RSA 91-A. In addition, in accordance with RSA 9-F:1, any Contract entered into as a result of this RFP will be made accessible to the public online via the website Transparent NH (<http://www.nh.gov/transparentnh/>). Accordingly, business financial information and proprietary information such as trade secrets, business and financials models and forecasts, and proprietary formulas may be exempt from public disclosure under RSA 91-A:5, IV.

If you believe any information being submitted in response to this Request for Proposal, Bid or Information should be kept confidential as financial or proprietary information, you must specifically identify that information in a letter to NHLC, and must mark/stamp each page of the materials that you claim must be exempt from disclosure as "CONFIDENTIAL". A designation by the Proposer of information it believes exempt does not have the effect of making such

information exempt. NHLC will determine the information it believes is properly exempted from disclosure.

Marking of the entire Proposal or entire sections of the Proposal (e.g. pricing) as confidential will neither be accepted nor honored. Notwithstanding any provision of this RFP to the contrary, Proposer pricing will be subject to disclosure upon approval of the Contract. NHLC will endeavor to maintain the confidentiality of portions of the Proposal that are clearly and properly marked confidential.

If a request is made to NHLC to view portions of a Proposal that the Proposer has properly and clearly marked confidential, NHLC will notify the Proposer of the request and of the date NHLC plans to release the records. By submitting a Proposal, Proposers agree that unless the Proposer obtains a court order, at its sole expense, enjoining the release of the requested information, NHLC may release the requested information on the date specified in NHLC's notice without any liability to the Proposers.

F. Non-Commitment

Notwithstanding any other provision of this RFP, this RFP does not commit NHLC to award a Contract. NHLC reserves the right, at its sole discretion, to reject any and all Proposals, or any portions thereof, at any time; to cancel this RFP; and to solicit new Proposals under a new acquisition process.

G. Proposal Preparation Cost

By submitting a Proposal, a Proposer agrees that in no event shall NHLC be either responsible for or held liable for any costs incurred by a Proposer in the preparation of or in connection with the Proposal, or for Work performed prior to the Effective Date of a resulting Contract.

H. Ethical Requirements

From the time this RFP is published until a contract is awarded, no bidder shall offer or give, directly or indirectly, any gift, expense reimbursement, or honorarium, as defined by RSA 15-B, to any elected official, public official, public employee, constitutional official, or family member of any such official or employee who will or has selected, evaluated, or awarded an RFP, or similar submission. Any bidder that violates RSA 21-G:38 shall be subject to prosecution for an offense under RSA 640:2. Any bidder who has been convicted of an offense based on conduct in violation of this section, which has not been annulled, or who is subject to a pending criminal charge for such an offense, shall be disqualified from bidding on the RFP, or similar request for submission and every such bidder shall be disqualified from bidding on any RFP or similar request for submission issued by any state agency. A bidder that was disqualified under this section because of a pending criminal charge which is subsequently dismissed, results in an acquittal, or is annulled, may notify the department of administrative services, which shall note that information on the list maintained on the State's internal intranet system, except in the case of annulment, the information shall be deleted from the list.

I. Challenges on Form or Process of the RFP

Any challenges regarding the validity or legality of the form and procedures of this RFP, including but not limited to the evaluation and scoring of Proposals, shall be brought to the

attention of NHLC at least ten (10) business days prior to the Proposal Submission Deadline. By submitting a Proposal, the Proposer is deemed to have waived any challenges to the form or procedures set forth in this RFP.

SECTION 8 – Contract Terms and Award

Upon selection of the highest scoring proposal, NHLC intends to negotiate a term sheet based on the proposal which will be used for governmental approvals. NHLC will then execute a full financing agreement with the Proposer based on the terms and conditions of this RFP and the Proposer's response to this RFP.