

AGENDA ITEM 5.

SELECTION OF FINANCING TEAMS

Submitted for: Action

Summary: Pursuant to Requests for Proposals (RFP's) issued by the Commission, four investment banking firms, six law firms, one financial advisor and two trustees have been pre-qualified by an RFP evaluation committee consisting of four ISAC staff and one Commissioner. Teams of professionals can be selected from this pool of pre-qualified firms to handle financings of the Commission for the next four years and renewed for two additional one-year periods at the discretion of the Commission. Staff recommends that authority be granted to the Chairman of the Commission to select members of the financing teams pursuant to the following motions.

Action requested: "BE IT RESOLVED that the Commission approves the pre-qualified firms of financing professionals as recommended by the RFP evaluation committee; and

"BE IT FURTHER RESOLVED that the Chairman is authorized to select from among those pre-qualified firms approved above, law firms to serve as bond counsel, underwriters/disclosure counsel or credit enhancement counsel; investment bankers to serve as senior, co-senior or co-managing underwriters; a financial advisor, and a bond trustee for each of the Commission's future financings for FY2005 - FY2008 or until such time as new financing professionals are selected and appointed; and

"BE IT FURTHER RESOLVED that the Commission, its staff and its agents are authorized and directed to take such actions and steps as may be necessary or desirable to implement and comply with this Resolution."

ILLINOIS STUDENT ASSISTANCE COMMISSION

SELECTION OF FINANCING TEAMS

Introduction

On June 14, 2004, ISAC staff posted a request for proposals (RFP) for investment bankers, a second request for proposals for counsel and financial advisors and a third request for proposals for trustees. After an RFP evaluation process by a Committee of four staff and Commissioner Neumiller, completed on August 10, 2004, and consultation with the Chairman and Executive Director, the following pool of firms are recommended to handle the Commission's financings for a four year period. The two one-year renewals are at the option of the Commission and can occur after the initial four year contract period. Firms listed below are pre-qualified by the Commission but are not assured of being selected to work on any future transaction during the contract period. In addition, certain circumstances in the future such as loss of key employees or mergers of firms may cause the Commission to reassess the pre-qualified financing professionals listed below.

The following firms represented are fully qualified to handle the Commission's financings:

Investment Bankers:

1. Banc of America Securities
2. Citigroup Global Markets, Inc.
3. RBC Dain Rauscher, Inc.
4. UBS Financial Services

Counsel:

1. Bell, Boyd & Lloyd
2. Burke Burns & Pinelli, Ltd.
3. Chapman and Cutler
4. Foley & Lardner
5. Kutak Rock Illinois LLC
6. Perkins Coie

Financial Advisor:

1. Starshak Welnhofner & Co.

Trustee Services:

1. JPMorgan
2. US Bank

In the past, it has been the practice of the Commission to delegate to the Chairman the selection of the members of the team from the pool of qualified candidates. This past practice has been an effective way of carrying out the Commission's statutory authority in this area. It is the staff's recommendation that authority be delegated to the Chairman to appoint the underwriters, counsel, financial advisors and trustees for each financing from the pre-qualified firms that best meet the Commission's needs pursuant to proposals which were submitted in accordance with applicable procurement laws.