

REQUEST FOR PROPOSALS (RFP)

KYMEA Revolving Line of Credit

**RFP # 2021-1
August 2021**

KYMEA will, until October 15, 2021, at 4:00 PM EDT, accept offers by mail or email (see below for submittal information) for up to \$45 million of its proposed LOC, the proceeds of which will be used to meet ongoing liquidity needs and monthly cashflow needs of KYMEA due to timing differences between receipt of revenues from power sales and transmission services.

Proposer(s) are required to submit their questions pertaining to this RFP no later than 5 pm EDT on October 13, 2021.

All communications regarding this RFP should be directed to Heather Overby at hoverby@kymea.org. Communications with KYMEA Board Members and other representatives of KYMEA and its Members may result in disqualification as more completely provided in the RFP.

Request for Proposals
KYMEA Revolving Line of Credit
INSTRUCTIONS FOR PROPOSALS

Introduction to KYMEA and this RFP

On behalf of Kentucky Municipal Energy Agency (KYMEA), formed pursuant to Sections 65.210 to 65.300 of the Kentucky Revised Statutes, as amended, known as the "Interlocal Cooperation Act" (the "Act"), its Vice President of Finance and Accounting / Chief Financial Officer will, until October 15, 2021, at 4:00 PM EST, accept offers by mail or email (see below for submittal information) for up to \$45 million of its proposed LOC, the proceeds of which will be used to meet ongoing liquidity needs and monthly cashflow needs of KYMEA due to timing differences between receipt of revenues from power sales and transmission services.

KYMEA supplies all requirements service to the following KYMEA Members (AR Members): at the present time the Cities of Bardwell, Falmouth, Madisonville, Paris, and Providence, the Frankfort Plant Board, the Barbourville Utility Commission, and the Corbin City Utilities Commission.

Desired Components of the RFP Response

Listed below are several desired components that KYMEA requests all respondents to include in their responses, and also the features that KYMEA will look favorably upon in the award of the LOC.

(1) Amount: For purposes of the RFP, assume KYMEA will need a LOC of up to \$45 million.

(2) Term: The line of credit shall be a revolving line of credit, automatically renewed from year to year, unless it receives formal notice from the LOC provider that the LOC will be terminated or withdrawn. In such case, KYMEA requires at least 90 days' notice of such termination or withdrawal.

(3) Payment of Interest: It is the intention of KYMEA to make ongoing interest payments on the LOC. KYMEA would prefer semi-annual interest payments due on June 1 and December 1, or such other dates as may be agreed upon by KYMEA and the respondent.

(4) Security: The LOC will be secured by the revenues of KYMEA.

(5) Fixed or Variable Rate Proposals: KYMEA will entertain proposals on either a fixed or variable rate, or both. If the proposal is variable, KYMEA would require that the respondent indicate the index and formula for the calculation of the variable rate and how

Request for Proposals
KYMEA Revolving Line of Credit
INSTRUCTIONS FOR PROPOSALS

often the said rate would change. For a fixed-rate proposal, KYMEA would require that the respondent indicate the maximum term of the fixed rate.

(6) Tax Status: Per Federal tax law and regulations, interest on the LOC is not tax-exempt due to the proceeds thereof being used for KYMEA's working capital needs.

(7) Conditions: Any conditions or requirements associated with a proposal should be clearly disclosed as part of said proposal.

(8) Legal Opinion: Rubin & Hays, Louisville, Kentucky, will deliver an opinion at the closing regarding the enforceability and validity of the LOC.

(9) Costs: Proposals must disclose any and all costs associated with the said proposal.

(10) Deposit relationship: KYMEA expects that its deposit relationship will also be awarded to the LOC winning bidder. KYMEA does not require collateralization of its deposited funds.

(11) Credit Rating: KYMEA is rated "A" by Fitch Ratings Service.

Additional Documents Available Upon Request

1. KYMEA FY 22 – FY 24 Pro Forma Income Statement
2. KYMEA Audited Financial Statements as of June 30, 2021 – Draft (Anticipated to be accepted by KYMEA Board on September 30, 2021)
3. Credit Report, Fitch Ratings Service
4. KYMEA All Requirements Project Agreement
5. KYMEA 2020 Annual Report

Communications regarding this RFP and Submission of Proposal(s), Data, and Forms

From the date this RFP is advertised until a notice of recommended award, notice of rejection of all Proposal(s) or other notice is made, Proposer(s) are required to confine all communication related to this RFP exclusively to the contact person at KYMEA specified below and any other representatives designated by that person. Unless authorized in advance, no contact related to the RFP, will be permitted between Proposer(s), its employees, representatives, or affiliates and any board member, officer, official, director, employee, representative or other staff of KYMEA or any of the municipals that are, or are considering becoming, KYMEA Members. Any unauthorized contact will be the basis for disqualification of the Proposer(s) from further consideration.

Request for Proposals
KYMEA Revolving Line of Credit
INSTRUCTIONS FOR PROPOSALS

KYMEA will allow for questions regarding this RFP until 5:00 PM EDT, October 13, 2021. KYMEA reserves the right to direct any answers to questions that it receives to all other respondents of the RFP.

All questions and proposal submissions should be directed to:

Ms. Heather Overby
Vice President Finance and Accounting/Chief Financial Officer
Kentucky Municipal Energy Agency
1700 Eastpoint Parkway, Suite 220
Louisville, Kentucky 40223
Phone: 502-242-5637
hoverby@kymea.org

Responses to questions, may at KYMEA’s sole discretion be provided on the KYMEA website at www.kymea.org/request-for-proposals/.

RFP Schedule

The timetable for this RFP process is shown below. The dates and times set forth below may be changed at any time at the discretion of KYMEA. All deadlines for submittals due from Proposer(s) are specified in Eastern Daylight Time (“EDT”).

Milestone	Due Date
Release of RFP by KYMEA	8/27/2021
Proposer(s) submit questions regarding the RFP To: Ms. Heather Overby, Vice President Finance and Accounting/Chief Financial Officer	By 5 pm EDT on 10/13/2021
Proposal(s) Submission By Email to hoverby@KYMEA.org	By 4 pm EDT on 10/15/2021

Request for Proposals
KYMEA Revolving Line of Credit
INSTRUCTIONS FOR PROPOSALS

After receipt of Proposal(s), KYMEA intends to request any clarification deemed necessary and then perform screening and other analyses. Further discussions and, if appropriate, negotiations will then be initiated with a Proposer(s) deemed reasonably susceptible of being selected for award with the goal that contract terms can be finalized and contracts executed as early as January 31, 2022.

Acceptance and Disqualification of Proposal(s)

KYMEA will award the LOC to the respondent that KYMEA determines, in its sole discretion, has submitted a proposal that meets the criteria of most importance to KYMEA:

- a) Term
- b) Amount
- c) Interest Rate
- d) Payment Frequency
- e) Unused Fee
- f) Commitment Fee
- g) Upfront Fee
- h) Deposit Structure (to include Online Banking Platform, Deposited Funds Availability and Fees, Deposited Funds Interest)
- i) Overall Banking Relationship

It is expected that the recommendation to award the LOC at a level up to \$45 million will occur at KYMEA's October meeting to be held on October 27, 2021, and authorization by the KYMEA Board to occur at the November meeting to be held on November 17, 2021. At that time, it is expected that the KYMEA Board will accept the most favorable proposal received and authorize KYMEA's officers to execute all loan agreements and other documents necessary to close the LOC transaction. Closing of the LOC would occur on or about January 31, 2022. KYMEA would request that due diligence and formal credit approval by respondent be substantially completed at the time respondent submits its proposal, subject to the review and approval by respondent of all applicable legal documents associated with the closing of the transaction.

Reserved Rights of KYMEA

At any stage in the RFP process, KYMEA reserves the right, at its sole discretion, to:

- a) Accept or reject any and/or all conforming or non-conforming Proposal(s) received in response to this RFP;
- b) Waive any individual Proposal(s) requirement if deemed in KYMEA's best interest;

INSTRUCTIONS FOR PROPOSALS

- c) Accept multiple or no Proposal(s);
- d) Accept quantities and terms different from those sought in the RFP upon mutual agreement of KYMEA and the Proposer(s);
- e) Accept or reject any Proposal(s) received after the submittal deadlines;
- f) Accept or reject any Proposal(s) if the Proposer(s) fails to fully complete and timely submit all required RFP Forms;
- g) Not disclose information which KYMEA has determine may be confidential or may be subject to a non-disclosure or confidentiality agreement between KYMEA and a Proposer(s);
- h) Request clarifications from Proposer(s) at any time;

- i) Amend this RFP at any time;
- j) Cease negotiations with any or all Proposer(s) at any time;
- k) Set deadlines for completing negotiations of agreements; and
- l) Disqualify a Proposer(s) during the negotiations for failing to honor the terms of the RFP or those contained in its Proposal(s).

Confidentiality of Information

KYMEA anticipates taking reasonable steps consistent with applicable Kentucky law relating to governmental agencies and open records requests to maintain the confidentiality of proposed pricing and other commercially sensitive information provided by Proposer(s), including, upon request of a Proposer(s), entering into a non-disclosure agreement (NDA) acceptable to KYMEA.