

**681—8.8(262) Selection of financial advisors.****8.8(1) Selection of employees and agents utilized in the issuance of bonds or notes (general).**

- a. Competitive selection procedures shall be used and supervised by the executive director.
- b. The board may waive the requirements for a competitive selection procedure upon adoption of a resolution stating why the waiver is in the public interest.
- c. Results of a competitive selection process shall be referred to the board for action if the aggregate annual compensation is expected to exceed \$25,000.
- d. The executive director may act for the board on competitive selections where the aggregate annual compensation is not expected to exceed \$25,000. A request for board ratification of the executive director's action shall be docketed at the next regularly scheduled board meeting.
- e. Agreements with firms selected as financial advisor, bond counsel or for other functions necessary for the issuance of bonds or notes shall provide for annual renewals during a period not to exceed five years.

**8.8(2) Criteria for selection of financial advisor.**

- a. Familiarity with:
  - (1) Iowa laws, the governing statutes, and court decisions relating to regent bonding authority.
  - (2) Federal law and tax laws applicable or potentially applicable to financings by the state board of regents.
  - (3) The state of Iowa, the board, the universities, and outstanding regent bond issues.
  - (4) The "Iowa market" and retail bond brokers within the state of Iowa.
- b. Experience with:
  - (1) State and municipal financings in Iowa.
  - (2) University financings and public competitive bidding.
- c. Cost of service as identified in fees and any separate out-of-pocket expenses.
- d. Demonstrated relationship of cooperation and trust with bond rating agencies.
- e. Knowledge of regional and national bond underwriters and any syndicates that traditionally bid on regent bonds and other critical financing participants.
- f. Professional qualifications and experience of principal employees who will work with regents.
- g. Demonstrated capability to quantitatively evaluate financial variables and their impact on proposed financings.
- h. Familiarity and experience with innovative borrowing mechanisms which could offer increased financial advantage or flexibility.
- i. Ability to undertake the assignment immediately and perform in a satisfactory manner to provide services identified under "Scope of Services" in the Request for Proposals.
- j. Experience and demonstrated success as indicated in a listing of current major clients.
- k. Independence from municipal bond underwriting, trading, or other activities or events which could result in a conflict of interest (this is an absolute requirement for any firm selected as the regents' financial advisor).
- l. Reputation for integrity and compliance with law.
- m. Commitment to fair and equitable employment practices.

**8.8(3) Criteria for selection of bond counsel.**

- a. Familiarity with:
  - (1) Iowa laws, the governing statutes and court decisions relating to existing regent bond financing authority, and familiarity with outstanding regent bond issues.
  - (2) Federal law and tax laws applicable or potentially applicable to financings by the state board of regents.
  - (3) Financial advisors, underwriters, and bond rating agencies.
- b. Experience with state and municipal financings in Iowa and expertise with tax aspects of state and municipal financings.
- c. Experience of attorneys that would be assigned to board of regents with university tax exempt financings.
- d. Cost of service as identified in fees and any separate out-of-pocket expenses.

- e.* Professional qualifications and experience of principal employees who will work with regents.
  - f.* Demonstrated relationship of cooperation and trust with bond rating agencies, underwriters, and other critical financing participants.
  - g.* Familiarity and experience with master leases, variable rate demand bonds and other innovative borrowing mechanisms which could offer the board advantage or flexibility.
  - h.* Demonstrated ability to provide written opinions on bonding matters recognized and accepted by underwriters, brokers and investors in the national market.
  - i.* Ability to undertake the assignment immediately and perform in a satisfactory manner to provide services identified under “Scope of Services” in the Request for Proposals.
  - j.* Experience and demonstrated success as indicated in a listing of current major clients.
  - k.* Independence from financial functions such as municipal bond underwriting or trading or other activities and the absence of other clients which could result in a conflict of interest.
  - l.* Reputation for integrity and compliance with law.
  - m.* Commitment to fair and equitable employment practices.
- This rule is intended to implement Iowa Code section 262.9(17).