



Office of the Attorney General
State of Texas

DAN MORALES
ATTORNEY GENERAL

September 5, 1995

To All Bond Counsel:

Re: Design/Build; Bond Review Board Requirements; Surety Bonds

- 1. Design/Build.** Section 44.031 Tex. Educ. Code now provides that a "design/build contract" is one of the types of contracts that may be used for the acquisition of goods and services by a school district. Inasmuch as the method used must provide the "best value" for the acquisition, it is our view that any use of a design/build contract must be by way of requests for proposals or similar competitive methodology for selection of the vendor to provide the facility and/or the financing. We will, therefore, require satisfactory evidence of compliance with this standard when reviewing lease/purchase or similar financings for school districts.
- 2. Surety Bonds.** Please be reminded that the use of a surety bond with a separate obligation to repay amounts drawn under the surety bond for a reserve fund is authorized only for those issuers qualified to use Tex. Rev. Civ. Stat. Ann. art. 717q.
- 3. Bond Review Board Information Requirements.** Attached is a form document showing information requested by the Bond Review Board pursuant to H.B. 1564, 74th Legislature, Regular Session (Tex. Laws 1995, ch. 383, at 2930). This information is to be included with all transcripts submitted for bonds and other obligations sold on or after September 1, 1995.

Very truly yours,

A handwritten signature in black ink, appearing to read "J. Thomassen", written over a horizontal line.

Jim Thomassen
Assistant Attorney General
Chief, Public Finance Division

JAT:sbn

Attachment: Additional Transcript Requirements
Pursuant to HB 1564

**OFFICE OF THE ATTORNEY GENERAL
PUBLIC FINANCE DIVISION**

**Additional Transcript Requirements
Pursuant to HB 1564**

The following information is to be included in the transcript submitted to the Office of the Attorney General for the purpose of obtaining Attorney General approval of the issuance of bonds or other obligations. This information has been designated by the Bond Review Board as that to be collected pursuant to HB 1564, 74th Legislature, Regular Session (Tex. Laws 1995, ch. 383, at 2930).

- A. An additional copy of the Final Official Statement and the following information, if not included in the Final Official Statement or such statement has not been prepared.
1. Name of bond issue.
 2. a) par amount of issue;
b) dollar amount of bond premium, if any;
c) dollar amount of bond original issue discount, if any.
 3. Dated date.
 4. Closing date (expected delivery date, on or about).
 5. By year, maturity amounts, coupon rates, prices or yields.
(If no reoffering yield (NRO) indicated, please provide yield separately.)
 6. Call provisions, including premiums, if any.
 7. Mandatory redemption provisions.
 8. Debt-service schedule, principal and interest, and annual totals, with the fiscal year identified.
 9. Use of derivative products associated with financing.
 10. If applicable, schedule of bonds refunded, including, by year, principal amount, coupon, and interest cost.
 11. Pledge: tax (ad valorem, sales, other), revenue, combination.
 12. Type of credit enhancement (including PSF guarantee).
 13. Rating service(s) and rating(s) assigned to issue.
- B. Additional Information.
14. Type of sale: a) competitive c) private placement
 b) negotiated d) other (explain)
 15. Pricing: _____
 Negotiated sale: date and time of verbal award of bid.
 Competitive sale: date and time of bid opening.
 16. If purchaser of bonds is a governmental entity, such as the Texas Water Development Board, please name purchaser:

 17. If a refunding bond issue, please provide final schedule of cash and present value savings (loss).
 18. If a school district refunding bond issue, and the refunding involves "old debt" per the Texas Education Code, please provide schedule of principal and interest payments of refunding bonds associated with "old debt."

**OFFICE OF THE ATTORNEY GENERAL
PUBLIC FINANCE DIVISION**

B. Additional Information (continued)

19. Costs of Issuance – please provide best estimate of costs.

If final costs are significantly different, please submit changes directly to the Texas Bond Review Board. Call (512) 463-1741 or (512) 475-4802 (FAX).

SERVICE	FIRM	ONE-TIME FEE (in dollars)	ANNUAL FEE (a)
Bond Rating	Moody's		
	Standard & Poor's		
	Fitch		
Other General Costs of Issuance (b)			
Any Specialized Costs of Issuance (c)			
Credit Facility			
Bond Insurance			
Total Underwriting Spread (d)			

PARTICIPANTS	FIRM
Financial Advisor	
Bond Counsel	
Paying Agent/Registrar	
Underwriter(s)	

- (a) relates to the ongoing fees or recurring costs of a financing for services such as paying agent, remarketing agent, credit provider and other similar services (may be expressed as a formula as appropriate).
- (b) e.g., bond counsel, financial advisor, paying agent, printing, AG approval.
- (c) e.g., remarketing fees, escrow verification fees, etc.
- (d) defined as the differential between the price paid to the issuer for the issue and the prices at which the securities are initially offered to the investing public.