



Questions & Answers

Request for Proposals for Revolving Credit Facilities

Date: April 26, 2021
To: Interested Firms and Individuals
From: Cynthia Fong, Deputy Director for Finance and Administration
Subject: Request for Proposals for Revolving Credit Facilities (RFP 20/21-11)

The Transportation Authority received the following questions in italics.

1. *Which Prop K Expenditure Plan will the proceeds of the Revolving Credit Facility be used for?*

Prop K sales tax revenues are invested in projects and programs in four major categories: Transit; Streets, Traffic, and Safety; Paratransit; and Strategic initiatives. Programmatic categories include street resurfacing, traffic signals, pedestrian safety, transit vehicle replacements, etc. Many of the larger Prop K's capital projects are reaching major milestones, triggering increased reimbursement requests from Transportation Authority partner agencies. The primary Prop K projects that are driving the anticipated borrowing/cash flow needs include:

- Light rail vehicle procurement
- Motor coach procurement
- Muni maintenance facilities
- Guideways
- Van Ness Bus Rapid Transit

2. *Can the Transportation Authority provide an overview of projects or a capital plan that may be financed with advanced under the revolving facility?*

Please see answer to Question #1

3. *What is the anticipated usage of the revolving credit facility over the next 36 months (usage itemized annually)?*

The Transportation Authority maintains a cash flow model and consistently evaluates borrowing (interim and long-term) needs based on actual and projected capital expenditure requirements. The timing and amount of capital expenditures has a certain degree of variability based on specifics to the Prop K program and invoicing from partner agencies. At this time, capital spending by fiscal year over the next three years cannot be forecasted with certainty; however, it is the Transportation Authority's expectation to further refine its capital spending and borrowing needs prior to the close of the Revolving Credit Agreement. Based on a final commitment amount, it is the Transportation Authority's expectation that the facility

would be drawn fully over the three-year period. The assumption of equal annual draws can be made for purpose of responding to the RFP.

4. *What is the Transportation Authority's expected utilization (in percent) of the Facility assuming a \$140 million amount over a three-year period?*

Please see answer to Question #3.

5. *Can the Transportation Authority provide an outline for the size and timing of future debt issuance?*

The Transportation Authority does not currently have plans to issue long-term sales tax revenue bonds. It is possible that the Transportation Authority would issue long-term sales tax revenue bonds to "take-out" drawn amounts under the Revolving Credit Facility on or before its expiration date.

6. *What is the status of the mid-year budget amendment? Can a copy be obtained?*

The mid-year budget amendment is pending final Board approval on April 27, 2021. An attachment can be found on our website: <https://www.sfcta.org/events/transportation-authority-board-26>, Item #8.

7. *Please explain the Transportation Authority's unassigned negative fund balance and/or any related timing for receipt of grant-funds supporting the negative balance.*

Negative total fund balances are largely the result of how multi-year programming commitments are accounted for. Future sales tax revenues and grant reimbursements collected will fully fund this difference. The unassigned negative fund balance reflects grant-funded capital projects that are scheduled to be implemented over the course of several fiscal years. The commitments are multi-year commitments and funded with non-current (i.e., future) revenues. In addition, we do not hold nor retain title for the projects constructed or for the vehicles and system improvements purchased with sales tax funds, which can result in a negative position.

8. *Please provide monthly sales tax data for fiscal year 2020-2021 (June through March).*

Monthly sales tax revenues from June 2020 to February 2021 are provided in the table below. We receive sales tax revenues approximately two months in arrears and anticipate receiving March revenues in May 2021.

Month	Sales Tax Revenues
June 2020	\$2,878,408
July 2020	\$6,258,757
August 2020	\$7,304,644
September 2020	\$7,742,218
October 2020	\$6,059,576
November 2020	\$6,820,245
December 2020	\$7,755,531
January 2021	\$5,403,901
February 2021	\$5,935,453

9. *Will there be opportunities in the next 2 years to bid on banking or card services? If yes, please provide the following details:*

- *A copy of the Transportation Authority's bank Account Analysis statement.*

- *What are the Transportation Authority's deposit volumes of cash and checks? What are the ACH and check disbursements volumes? Coin deposit volume?*
- *How many employees does the Transportation Authority have on Direct Deposit?*
- *Do you utilize a Purchase Card program and payables?*
- *Do you have a SWEEP Account?*
- *What are the Transportation Authority's average balances?*
- *Please provide account structure, i.e., number of accounts and purpose.*
- *What are the Transportation Authority's Merchant Services volumes? Is a merchant services statement available?*
- *Does the Transportation Authority currently use lockbox services, either paper or electronic?*

No, we do not anticipate opportunities to bid on banking or card services in the next 2 years.

For more information regarding the RFP, visit the Transportation Authority's website:
www.sfcta.org/contracting