

Financial Affairs
Richard H. Hinds, Chief Financial Officer

SUBJECT: REQUEST FOR QUALIFICATIONS OF FIRMS AND REQUEST FOR SWAP PROPOSALS

The District wishes to evaluate the possibility of entering into interest rate swaps, which would result in debt service savings.

Inasmuch as different swap variations exist, it is proposed that a review and evaluation be performed of swap proposals to determine the viability of the District entering into such an arrangement.

The Investment Advisory Committee (IAC) will make a recommendation to the Superintendent for further consideration by the School Board. The IAC will have the support of staff to evaluate and review the proposals received.

RECOMMENDED: That The School Board of Miami-Dade County, Florida:

- a) Authorize the issuance and distribution of the Request for Qualifications and Request for Proposals for swaps presented as Exhibit A and,
- b) Appoint the Investment Advisory Committee to submit a recommendation on the proposals received.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA
REQUEST FOR QUALIFICATIONS OF FIRMS
REQUEST FOR SWAP PROPOSALS

The School Board of Miami-Dade County (the "District") is requesting qualifications and proposals from selected firms interested in entering into interest rate swaps with the District in which the District will pay a floating rate and receive a fixed rate or pay a floating rate and receive a fixed rate based on a pre-determined interest rate index. The District will also consider swaptions and any other transactions of this type. The time schedule for entering into the swap is currently expected to be as follows:

<u>February 14, 2002</u>	Send RFP to potential Swap Providers
<u>March 20, 2002</u>	Receive responses and comments on draft Schedule from interested Providers.
<u>April 18, 2002</u>	Finalize form of Schedule with Providers. Determine Providers eligible to bid.
<u>On or about April 25, 2002</u>	Send out Bid Notice with detail of bid time and notional amount.
<u>To be determined</u>	Receive Bids and Select Provider.
<u>To be determined</u>	Effective Date for Swap.
<u>To be determined</u>	Sign documents.

Dates are subject to change.

The swaps will have a notional amount to be determined and will amortize as set forth in the bid. Bids are subject to negotiation. The District may or may not receive an advance payment as part of this transaction. The District reserves the right to reject any or all bids and to waive any irregularity. Proposals, which include more than one firm, will not be accepted.

Firm qualifications are to include counterparty financial strength, the firm's personnel which would participate in finalizing the transaction, the firm's experience in completing similar transactions, the firm's financial capacity and any other indication of the firm's qualification.

The bidding will be conducted through the District's Financial Advisor. Final instructions regarding the submission of and terms for the bid will be communicated to those firms selected as eligible to participate (the "Bid Notice"). All selected firms interested in submitting a bid must contact the District prior to 12:00 noon on the day before bids are due.

The general terms of this request for swap proposals are described below. The District G.O. debt has an underlying rating of A+ from Standard & Poor's Rating Services and an A2 rating from Moody's Investors Services. Copies of financial statements for the District are available upon request to the District's Treasurer:

Eduardo A. Alfaro, CPA
 Office of Treasury Management
 1450 N.E. 2nd Avenue, Suite #615
 Miami, FL 33132
 (305-995-1684)

Any questions regarding legal issues may be addressed to Robert C. Gang, of Greenberg Traurig, Bond Counsel, at (305) 579-0886. Questions regarding the bidding procedures may be addressed to Annette DeLara, DeLara/Associates, at (212) 580-8768. Firms are requested to contact the above as soon as possible to discuss issues relating to the draft Schedule.

Party A: To be determined

Party B: The School Board of Miami-Dade County

Notional Amount: To determined

Amortization: Proposals will be considered. The District wishes to receive a detailed report listing its maximum potential risk. The District will also evaluate purchasing an interest rate cap and desires to receive full details of cost versus advantages.

Trade Date: _____

Effective Date: _____

Termination Date: Open, subject to the District's right of optional termination, if any.

FIXED AMOUNTS

Fixed Rate Payer: _____

Fixed Rate: To be determined based on bid

Fixed Rate Payment Dates: Semi-annually on each _____ and _____ commencing _____.

Day Count: 30/360

FLOATING AMOUNTS

Floating Rate Payer: _____

Floating Rate: Pursuant to evaluation of a selected index.

Floating Rate Reset Dates:	Pursuant to the parameters of the selected index
Floating Rate Payment Dates:	Monthly on the first business day of each month, commencing _____, and terminating on the Termination Date.
Day Count:	Actual/365
Cross Default:	Will apply to Party A and B.
Threshold Amount:	_____
Automatic Early Termination:	Will apply to Party A or Party B
Credit Event Upon Merger:	Will apply to Party A and Party B
Payments on Early Termination:	Market Quotation
Optional Termination:	Party B shall have the right to terminate the swap at market at any time.
Rating Downgrade:	In the event that the long-term debt or the swap rating of Party A falls below A3 from Moody's or A- from Standard & Poor's, Party A will be required to i) reestablish its ratings to the required ratings (A2 from Moody's or A from Standard & Poor's), ii) assign or transfer its rights and obligations to a Qualified Replacement Counterparty, or iii) establish such other arrangement as will result in achieving the required ratings, which may include providing a guaranty or collateralizing any net present value of its obligation under the Swap Agreement. Failure to meet this requirement will result in an Event of Default and Automatic Termination.
Governing Law:	The Swap Agreement will be governed and construed in accordance with the laws of the State of Florida, without reference to choice of laws doctrine, including the capacity, power, or authority of Party B to enter into the Swap Agreement and any issue relating to Party B's resolution authorizing the Swap Agreement.
Closing Certificate:	Party A will be required to provide necessary certificates on the Effective Date of the swap as required by the District's Bond Counsel.
Indemnity:	Party B will not provide indemnity to Party A.

A sample of the proposed bid form is enclosed.

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA

Proposals from Swap Counterparties

BID FORM

Bid Date [To be announced]

Bid Time [To be announced]

Floating Rate Payer	_____
Fixed Rate Payer	_____
Fixed Rate	_____
Notional Amounts	_____
Notional Amortization	_____
Trade Date	_____
Effective Date	_____
Termination Date	_____

Notional Amount:
\$ _____
Bid Rate (annual rate):
_____ %

We agree to enter into a Confirmation to serve as swap counterparty with The School Board of Miami-Dade County according to the terms and conditions specified in the Request for Swap Proposals dated _____ and the Bid Form.

Final Rate Payer: _____

Long Term Ratings: _____
(Moody's / S&P / Fitch)

Short Term Ratings: _____
(Moody's / S&P / Fitch)

Authorized Officer

Signature: _____

Name: _____

Title: _____

Telephone Number: _____

Fax Number: _____

Email Address: _____