

Request for Proposal

Financing U.S. Infrastructure Projects Series of Research Studies

Business Situation/Problem

At some point as the economy improves, it is projected that the backlog of U.S. infrastructure investment can no longer be delayed and infrastructure spending will increase significantly. The Equipment Leasing & Finance Foundation (the Foundation) wishes to commission a phased group of studies to identify and then analyze those three infrastructure market segments that will provide the greatest opportunities to the equipment finance industry in 2010, and beyond, as these investments are finally made.

These studies will follow a standard template to be provided by the Foundation, but each study may be prepared by a different research resource, providing expertise specific to an identified target segment. The initial proposal should only address phase I, which is segmenting the market and identifying the most attractive segments for equipment financing.

Background

A significant amount of U.S. infrastructure is in need of major repair and/or out of date. Prior to the recent economic downturn, it was already acknowledged that the country was behind in terms of the investment required simply to keep roads, bridges, dams, etc. in decent repair. The current economic situation has added further delays to reinvestment in infrastructure.

While infrastructure financing was included in the 2009 economic stimulus act, the total amount provided was acknowledged to be only a small fraction of the needed investment. Already there are major players, such as Caterpillar, calling for significantly more stimulus money to be provided for this purpose.

While no one knows exactly what the timing is, there is a finite limit to how long infrastructure reinvestment can be delayed, since the physical structures will eventually wear out, possibly even beyond repair. Added to this impetus is a general acknowledgement that this type of investment is necessary to maintain the U.S. economy, living standards and public expectations of a broad variety of facilities and services.

When investment in infrastructure does ultimately accelerate, it is anticipated to create significant opportunity for the equipment finance industry.

Research Focus

The research to be provided will focus on identifying opportunities emphasizing equipment, although various services may also be included, which is traditional in the equipment financing industry. Project finance, a related, but separate, equipment finance market will specifically be excluded.

A. Phases of Study

The study will consist of three distinct phases. Phase I will be a stand-alone project to segment the market. Phase II will be three simultaneous projects, with up to three separate providers, providing market segment analysis. Phase III will be updating the projections provided in Phase 2, in order to account for changes in the country's economic situation, which are very difficult to predict at this time.

Phase 1: Identify the top three high potential market segments in terms of equipment finance opportunity for 2010 and beyond. "Infrastructure" is too general a market definition to use to identify strategic opportunities. Therefore, the first phase of the requested research is identifying the three infrastructure market segments that are likely to provide the largest opportunity to finance equipment in 2010 and beyond. The researcher will provide the rationale for recommending each segment. Prior to further research, the Foundation will review and approve each segment as a viable target market.

NOTE: A market segment is defined as an addressable subset of the overall market, which is infrastructure. "Addressable" means that segment participants can be identified, the segment can be analyzed as a cohesive unit, and, ultimately, the segment can effectively be addressed as a marketing target, including utilizing a sales cycle that allows us to interject equipment financing at a relatively early point in the acquisition discussion.

Phase II: For each approved market segment, research and provide an analytical report following a template to be provided by the Research Committee of the FOUNDATION.

B. About the Study Format for this Series:

For each segment chosen, a study will be prepared that will include:

- Overall definition and size of the segment
- Estimate of equipment finance opportunity
- Growth projections for remainder of 2009, 2010 and 2011

- Impact, if any, of the 2009 stimulus and potential impacts of future stimulus legislation (i.e. does this segment have a high probability of being included in future stimulus efforts?)
- Identification of major providers, including some overall conclusions regarding creditworthiness
- Identification of major existing lessors
- Assessment of likely end user universe, emphasizing creditworthiness

Phase III: Update each report at least once during the following year. Determining when to update the report is undecided at this time, but the criteria will be finalized prior to delivery of the initial segment analyses. We propose that each initial report suggest indicators to help assess when various economic trends may impact the projections for the segment.

NOTE: If none of the indicator changes actually occur, the studies will be refreshed again for re-distribution at the ELFA national convention.

NOTE 2: Additional background on why we want to update the reports:
Due to the uncertainties of the economic situation, the FOUNDATION would like to propose a study with initial findings to be delivered for the 2009 annual ELFA convention (Oct 2009), with scheduled updates every six months for at least one year after the initial study is completed. The updates would review and modify the conclusions and projections of the original study, taking into account the latest industry information and trends, including the impact of any economic stimulus provided.

C. Important Consideration

Prior to the current economic situation, construction equipment has been one of the top markets in terms of equipment financing penetration, for most of the history of the industry. A significant portion of construction equipment (“yellow iron”) financed has been deployed in various infrastructure projects. The FOUNDATION believes this trend will resume as the economy recovers, and we anticipate that construction will be one of the three industries selected for further analysis. If research and analysis shows that it is not a top opportunity at this time, we may elect to include it as a segment anyway, due to its historical importance.

About the Equipment Leasing & Finance Foundation

The Foundation strives to be the “Eye On The Future” through development of future focused research, studies and articles regarding the equipment financing industry. Since its formation, the Foundation has commissioned and endowed over \$1.3 million of

research projects. This has literally DOUBLED the body of knowledge available to equipment finance organizations and those that work with these financing organizations. There is no other medium which independently seeks to study key issues facing the industry with a view on where it could be in 3 - 5 - 10 years from now.

The Foundation is a sister organization to ELFA (Equipment Leasing and Finance Association), a trade association established in 1961 to represent the equipment finance industry. ELFA members are the primary users of research developed by the Foundation. Its members represent financial services companies and manufacturers engaged in financing the utilization and investment of/in capital goods. With a broad array of more than 750 members, ELFA member companies include Fortune 100 financial services companies, captive manufacturer finance subsidiaries as well as small and mid-sized independents and service providers engaged in financing commercial equipment and software. ELFA members are the driving force behind the growth in the commercial equipment finance market and contribute to capital formation in the U.S. and abroad.

Foundation Budget: \$1.6 million for fiscal year ending December 31.

IRS Classification – 501 (c)(3)

Staff – 2

Website: www.Leasefoundation.org

Required Deliverables

It is the expectation of the Foundation that the final study will be delivered in no more than four months from contract date.

Specific include:

1. All deliverables should be written for the lay reader (see Elements of a Well Written Research Paper)
2. Monthly progress reports submitted via email to Executive Director.
3. Each Foundation project is assigned a Steering Committee comprised of industry experts, to serve as a resource and reviewers of the findings and draft reports.
4. Research Study Paper- Final study provided in Microsoft Word and PDF version. Charts and graphs will be provided in PDF and Excel, to include the source data. All graphics must be provided in high-resolution and low-resolution quality. Study Page Count variable: 30-150 pages.
5. Article - *Journal of Equipment Lease Financing* article – approximately 2,000 words. Author guidelines may be found at <http://www.leasefoundation.org/JELF/>
6. An abstract (approximately 250 words) of project results must be submitted at the conclusion of the original or amended project funding period. The abstract will be used to report the study to a general audience. The abstract must be written for the lay reader.
7. Upon request by the Foundation, be available to present findings live and/or via web seminars.

Timeline and Contract Terms

Contact the Foundation for specific deadlines.

Selection Criteria

1. Experience in similar assignments
2. Resources/capacity to perform the required work
3. Experience with associations
4. Qualifications of the individuals who will perform the work
5. Knowledge of the equipment finance industry
6. Quality of the proposed study design
7. Price
8. References
9. Intangibles

Response Details

Submit your electronic response to Lisa Levine at llevine@elfaonline.org.

Information Required

1. Researcher (or Firm's) history and background
2. Experience/knowledge with lease finance research
3. Experience with non profit associations
4. Overview of the study design
5. Credentials and qualifications of staff to be assigned the project
6. References/client list, with written permission to contact
7. Description of similar studies performed by the researcher
8. If appropriate, description of how staff time and other costs are billed

Staff Contact:

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