

REQUEST FOR QUALIFICATIONS 2010-09

GUARANTEED INVESTMENT CONTRACT BROKER SERVICES

for

FLORIDA HOUSING FINANCE CORPORATION

July 30, 2010

SECTION ONE
INTRODUCTION

Pursuant to Part V, Chapter 420, Fla. Stat., Florida Housing Finance Corporation (Florida Housing) issues revenue bonds to finance the development of affordable housing, to make funds available to people in Florida to help them buy a home, to capitalize the Florida Affordable Housing Guarantee Program, to refinance prior bond issues of Florida Housing, and for such other purposes as may be permitted by law. Florida Housing issues bonds that are exempt from federal income tax and bonds that are not exempt from federal income tax. Florida Housing issues bonds through competitive and negotiated sales, including private placements.

Florida Housing is soliciting competitive, sealed responses from qualified firms to act as Guaranteed Investment Contract (GIC) Brokers to perform services for and on behalf of Florida Housing in accordance with the terms and conditions set forth in this Request for Qualifications (RFQ), and any other term and condition in the final contract.

Selection shall be determined through Florida Housing’s review of each response, considering the factors identified in this RFQ, and any other factors that are considered relevant to serving the best interests of Florida Housing and its mission. Florida Housing expects to engage the services of one or more GIC Brokers that propose to provide all of the services specified in this RFQ.

SECTION TWO
DEFINITIONS

For purposes of this document, the following terms shall be defined as follows:

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| “Board” | The Board of Directors of Florida Housing Finance Corporation. |
| “Committee” | The review committee composed only of employees of Florida Housing that is established pursuant to Fla. Admin. Code, R. 67-49.007. |
| “Contract” | The document containing the terms and conditions of this Request for Qualifications and any other term and condition that the parties agree to. |
| “Days” | Calendar days, unless otherwise specified. |
| “Effective Date” | The date the last party signs the Contract that is awarded as a result of this RFQ. |

“Financing Team”	The team of professionals associated with a bond issue by Florida Housing Finance Corporation. This team may include, but is not limited to, bond counsel, co-bond counsel, special counsel, disclosure counsel, structuring agent, bond underwriter, financial advisor, credit enhancer, housing credit syndicator and representatives of the developer.
“Florida Housing”	Florida Housing Finance Corporation, a public corporation and public body corporate and politic created by Section 420.504, Fla. Stat.
“GIC Broker”	A person or entity providing the Guaranteed Investment Contract Broker services described in Section Four of this RFQ.
“Guarantee Fund”	The Affordable Housing Guarantee Fund created and established with proceeds of revenue bonds issued by Florida Housing pursuant to Section 420.5092, Fla. Stat.
“Guarantee Program”	The Affordable Housing Guarantee Program created pursuant to Section 420.5092, Fla. Stat.
“Interested Party”	A person or entity that obtains a copy of the Request for Qualifications from Florida Housing.
“Multifamily Program”	The Multifamily Mortgage Revenue Bond program that Florida Housing administers pursuant to Sections 420.507 and 420.509, Fla. Stat., and Fla. Admin. Code Chapter 67-21.
“Offeror”	Any person or entity who has the capability in all respects to perform fully the requirements contained in this Request for Qualifications and submits a response to this Request for Qualifications.
“Response”	The written submission by an Offeror to this Request for Qualifications.
“RFQ”	This Request for Qualifications, including all exhibits referenced in this document and all other documents incorporated by reference.

“Single Family Program”	The Single Family Mortgage Revenue Bond program that Florida Housing administers pursuant to Sections 420.507 and 420.509, Fla. Stat., and Fla. Admin. Code Chapter 67-25.
“Staff”	Any employee of Florida Housing, including the Executive Director.
“Website”	The Florida Housing Finance Corporation website, the home address of which is www.floridahousing.org .

SECTION THREE
PROCEDURES AND PROVISIONS

A. An Offeror must submit an original and eight (8) copies of the Response in a sealed envelope marked “RFQ 2010-09.” In addition, a copy of the Response must be submitted on a compact disc at the same time as the hard copies. Each envelope or package containing Responses must clearly state the name of the Offeror. The Response that is the original must clearly indicate “Original” on that Response. Florida Housing shall not accept a faxed or e-mailed Response. Florida Housing must receive any Responses on or before 2:00 p.m., Eastern Time, on Thursday, September 2, 2010. Responses shall be opened at that time. Responses must be addressed to:

Sherry Green
Contracts Administrator
Florida Housing Finance Corporation
227 North Bronough Street, Suite 5000
Tallahassee, FL 32301-1329
(850) 488-4197; Fax (850) 414-6548
Email: sherry.green@floridahousing.org

B. This RFQ does not commit Florida Housing to award a Contract to any Offeror or to pay any costs incurred in the preparation or mailing of a Response.

C. All services under the Contract awarded are to be performed solely by the contractor, and may not be subcontracted or assigned without the prior written approval and consent of Florida Housing, which consent shall not be unreasonably withheld.

D. Florida Housing reserves the right to:

1. Waive minor deficiencies and informalities;
2. Accept or reject any or all Responses received as a result of this RFQ;

3. Obtain information concerning any or all Offerors from any source;
4. Schedule an oral interview before the Committee and/or the Board from any or all Offerors;
5. Select for Contract negotiation or for award, a Response other than that with the highest score if, in the judgment of Florida Housing, its and the public's interest shall be best served; and
6. Negotiate with the successful Offeror with respect to any additional terms or conditions of the Contract.
7. Modify the terms of the RFQ at any point prior to the opening of Responses. Modified portions, if any, shall be provided to those potential Offerors who requested copies of the RFQ. Furthermore, a notice of such modification shall be posted on Florida Housing's Website and the deadline for receipt of Responses may be extended as deemed necessary by Florida Housing.

E. Any Interested Party may submit any question regarding this RFQ in writing via mail, fax, or e-mail to Sherry Green at the address given in Section Three, paragraph A. All questions are due by 5:00 p.m., Eastern Time, on Tuesday, August 17, 2010. Phone calls shall not be accepted. Florida Housing expects to respond to all questions by 5:00 p.m., Eastern Time, on Friday, August 20, 2010. Florida Housing shall post a copy of all questions received and their answers on Florida Housing's Website at:

<http://www.floridahousing.org/Home/BusinessLegal/CurrentSolicitations/RequestForQualifications.htm>.

Florida Housing shall also send a copy of those questions and answers in writing to any Interested Party that requests a copy. Florida Housing shall determine the method of sending its answers, which may include regular U.S. mail, overnight delivery, fax, e-mail or any combination of the above. Only written responses or statements from Sherry Green or her designee that are posted on the Website shall bind Florida Housing. No other means of communication, whether oral or written, shall be construed as an official response or statement from Florida Housing.

F. Any person who wishes to protest the contents of this RFQ or other specifications, including addenda, must file a protest in compliance with Section 120.57(3), Fla. Stat., and Fla. Admin. Code R. 28-110. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.

G. The term of the Contract shall be for three (3) years, subject to satisfactory performance at the sole discretion of Florida Housing. If the parties mutually agree in writing, the Contract may be renewed twice. Each renewal shall be for an additional one-year period.

SECTION FOUR
SCOPE OF SERVICES AND REQUIREMENTS

A. On average, Florida Housing transacts ten (10) bond deals annually covering Multifamily, Single Family and Guarantee Fund issues. Anywhere from none to all of the deals may use the services of a GIC Broker. Florida Housing is either the direct user of the service or is the facilitator of the service for the developer. In all cases, the Financing Team will determine the required specifications for the guaranteed investment contract bids. Florida Housing will be the primary contact for all bond issues utilizing the services of the GIC Broker(s).

B. The Broker shall perform and render the services reflected below as an independent contractor and not as an agent, representative, or employee of Florida Housing. Those services and requirements shall include, but are not limited to, the following:

1. Perform an analysis of the bond issue's financial structure and the language in the financing and bond documents stipulating the permitted investments. This analysis will include a review of all funds that will be subject to bid, including, but not limited to, the construction fund, project fund, escrow fund, administration fund, debt service reserve fund, float fund and derivative product funds. Currently, Florida Housing issues fixed rate Single Family bonds. Funds subject to bid are the program account, float fund and capitalized interest account. Should Florida Housing opt to sell variable rate bonds, the GIC Broker is expected to request bids for all the necessary funds.
2. After analysis of the financing structure, the Guaranteed Investment Contract Broker and the Financing Team will jointly determine the strategy to obtain the optimal investment product. Based on this strategy, the GIC Broker must prepare a request for bids that describes the parameters for investment. The GIC Broker must then distribute the request for bids to the Financing Team for that issue for their review and comments.
3. The GIC Broker must prepare a preliminary bid list of potential investment contract providers for approval from the Financing Team. The GIC Broker will ensure that the potential providers meet the credit criteria of Florida Statutes, the bond insurer and the rating agencies.
4. The GIC Broker must distribute the approved request for bids with any other requested information to potential bidders. The GIC Broker will coordinate questions and answers between bidders and the Financing Team.

5. The GIC Broker must receive bids on behalf of Florida Housing from all bidders, evaluate any conditions to the bids and ensure all bids conform to the bid specifications. The GIC Broker must then prepare a summary of the bids and present to the Financing Team. The GIC Broker must coordinate the awarding of each bid with the Financing Team.
6. The GIC Broker must receive and review the investment contract and work with the winning bidder's attorney and the Financing Team to ensure the investment contract conforms to the specifications of the requested financing structure.

SECTION FIVE **CERTIFICATION**

Do not reproduce the language of Section Five in the Response. By inclusion and execution of the statement provided in Section Six, subsection H of this RFQ, each Offeror certifies that:

A. The Offeror submits this Response without prior understanding, agreement, or connection with any person or entity submitting a separate Response for the same services. However, any agreement with a person or entity with whom the Response is jointly filed and such joint filing is made clear on the face of the Response shall be an exception so long as the Response is in all respects fair and without collusion or fraud.

B. Any material submitted in response to this RFQ is a public record pursuant to Chapter 119, Fla. Stat., and subject to examination upon request, after Florida Housing provides a notice of decision pursuant to Section 120.57(3), Fla. Stat., or within 10 Days after the Response is opened, whichever is earlier.

C. The Offeror is in compliance with Section 420.512(5), Fla. Stat., which provides:

“Service providers shall comply with the following standards of conduct as a condition of eligibility to be considered or retained to provide services. For purposes of paragraphs (a), (b), and (c) only, the term ‘service provider’ means and is limited to a law firm, an investment bank, or a credit underwriter, and the agents, officers, principals, and professional employees of the service provider.

(a) A service provider may not make contributions in any amounts, directly or indirectly, for or on behalf of candidates for Governor, nor shall any service provider make a contribution in excess of \$100 to any candidate for a member of the State Board of Administration other than the Governor of Florida while the service provider is included in an applicant pool from which service providers are selected to provide services to the corporation, while the service provider

provides services to Florida Housing, and for the longer of a period of 2 years thereafter or for a period through the next general election for Governor.

(b) The service provider shall not participate in fundraising activities for or on behalf of candidates for Governor of Florida while the service provider is included in an applicant pool from which service providers are selected to provide services to the corporation, while the service provider provides services to the corporation, and for the longer of a period of 2 years thereafter or for a period through the next general election for Governor.

(c) Service providers shall provide to the corporation a statement that the service provider has not contributed to candidates for Governor or contributed in excess of the amounts allowed by this section for a member of the State Board of Administration or engaged in fundraising activities for or on behalf of candidates for Governor of Florida since the effective date of this section or during the 24 months preceding the service provider's application to provide services to the corporation, whichever period is shorter.

(d) The service provider may not engage in prohibited business solicitation communications with officers, members, or covered employees of the corporation.

(e) If a service provider is in doubt as to whether its activities, or the activities of its principals, agents, or employees, violate the provisions of this section, it may request a declaratory statement in accordance with the applicable rule and Section 120.565, Fla. Stat.

(f) If the corporation determines that a service provider has failed to meet the provisions of this section, it shall consider the magnitude of the violation and whether there has been a pattern of violations in determining whether to terminate or decline to enter into Contracts with the service provider.”

D. For the purpose of Section 420.512(5), Fla. Stat., “Prohibited Business Solicitation Communications” is defined by Section 420.503(31), Fla. Stat., which provides:

“ ‘Prohibited business solicitation communication’ means a private written or verbal communication between a member, officer, or covered employee of the corporation and a service provider regarding the merits of the service provider and whether the corporation should retain the services of the service provider. The term does not include:

- (a) A verbal communication made on the record during a public meeting;
- (b) A written communication provided to each member and officer of the corporation and made part of the record at a public meeting;
- (c) A written proposal or statement of qualifications submitted to the corporation in response to a corporation advertisement seeking proposals or statements of qualifications as part of a competitive selection process.
- (d) A verbal or written communication related to the contractual responsibilities of a service provider who was selected to provide services or who was included in a pool of service providers eligible to provide services as a result of a competitive selection process, so long as the communication does not relate to

solicitation of business.

(e) A verbal or written communication related to a proposed method of financing or proposed projects, so long as the communication does not relate to solicitation of business.”

E. The Offeror is in compliance with Section 287.133(2)(a), Fla. Stat., which provides in part:

A person or affiliate, who has been placed on the convicted vendor list, following a conviction for a public entity crime, may not:

1. submit a bid on a contract to provide any goods or services to a public entity;
2. submit a bid on a contract with a public entity for the construction or repair of a public building or public work;
3. submit bids on leases of real property to a public entity;
4. be awarded or perform work as a contractor, supplier, subcontractor, or consultant under a contract with any public entity, and;
5. transact business with any public entity in excess of the threshold amount provided in Section 287.017, Fla. Stat., for CATEGORY TWO: \$25,000, for a period of 36 months from the date of being placed on the convicted vendor list.

F. The Offeror acknowledges that any Offeror selected shall be prohibited from engaging in activities in connection with services related to Florida Housing transactions that produce direct or indirect financial gain for the Offeror other than for the compensation agreed upon in the Contract that results from this RFQ, unless that Offeror has Florida Housing’s written consent after Florida Housing has been fully informed of such activities in writing.

G. The selection of the Offeror shall not result in any current or potential conflict of interest. Alternately, should any potential or existing conflict be known by the Offeror, the Response shall specify the party with whom the conflict exists or may arise, the nature of the conflict, and whether the Offeror would withdraw from the engagement or representation creating the conflict.

H. The Offeror acknowledges that when it is acting as a GIC Broker in a Florida Housing bond transaction it is prohibited from acting in any other role for that particular bond transaction.
SECTION SIX
INFORMATION TO BE PROVIDED IN RESPONSE

A. COVER LETTER

Each proposal must be accompanied by a cover letter that contains a general statement of the purpose of submission and includes the following information.

1. The name, job title, address, office and cellular telephone numbers, fax number, and e-mail address of a primary contact person, who will be responsible for day-to-day contact with Florida Housing, and any backup personnel who would be accessible if the primary contact cannot be reached.
2. Legal business status (individual, partnership, corporation, etc.), the parent company if the Offeror is a subsidiary or an affiliate, and address and telephone number of the Offeror.

B. GENERAL INFORMATION

In providing the following information, restate each item and sub-item (with its letter and number), limit your Response to one bound volume. Responses to the items must be included immediately after the restated items without any reference to any appendix.

1. Provide an overall description of the services provided by the Offeror. Include any and all types of services provided by the Offeror, not just Guaranteed Investment Contract Brokering, and what percentage of the Offeror's overall business each of those services composes. Include the length of time the Offeror has been in business and the length of time each of the services has been provided by the Offeror.
2. Provide evidence of certification that the Offeror is qualified to do business in the State of Florida.
3. Submit evidence of the Offeror's business qualifications and experience in acting as a GIC Broker. Include licensing information from the National Association of Securities Dealers or the Financial Industry Regulatory Authority "FINRA", or explain if there is no licensing. Provide detail for all licenses held by the Offeror. If no licenses are held, provide an explanation.
4. Describe the Offeror's ability to provide the services requested in Section Four of this RFQ immediately upon award of the Contract.
5. Provide proof of current professional liability errors and omissions insurance to include the following:

Name of carrier and policy number;
Effective date and termination date of insurance;
Policy exclusions, if any;

Current coverage amounts;
Staff covered; and
Type of coverage.

C. EXPERIENCE/QUALIFICATIONS OF PERSONNEL

1. Provide a list of transactions for which the Offeror has acted as GIC Broker in the past four (4) years. Include date, issuer, bond size, winning investment provider and types of funds. List the transactions in chronological order starting with the most recent transaction. Clearly indicate if any of the transactions have been done on behalf of state or local housing agencies.
2. Provide details on the Offeror's three (3) most recent single family or multi-family transactions. Include the names and telephone numbers of providers contacted and the details on the resulting bids and awards (including the number of bids received, names of providers and their bids). Include the name of the issuers, the type of agreement structures, the transaction dates, dollar amounts, maturities, anticipated average life and the name of the Offeror's staff member that was involved.
3. Provide information on any contract in the last five years entered into by the Offeror to provide services similar to those described in Section Four of this RFQ that was terminated prior to completion. Provide details of such circumstances.
4. Provide the names and brief resumes of all personnel who will be assigned to Florida Housing's account. Describe their responsibility in the transaction. Indicate experience and licensing that each individual has regarding the investment market. Indicate the individual who will be designated as the primary person responsible for Florida Housing's account.

5. Describe the steps the Offeror would go through in procuring Guaranteed Investment Contracts for Florida Housing's Single Family and Multifamily Program bond issues, and Florida Housing's Guarantee Fund bond issues.

D. FEES

Indicate all fees to be charged to the transaction according to the following bases, as applicable:

1. Provide a GIC Broker fee to bid an all or nothing full flex bid for SF and MF bonds or notes issued with the following issue size:
 Up to \$10,000,000
 \$10,000,001 up to \$50,000,000
 \$50,000,001 up to \$100,000,000

2. Provide a GIC Broker fee for a full flex separate bid for a SF program fund with an initial deposit of \$100,000,000 and a float fund assuming the following draw schedule from the program fund:

Activity Dates	Running Balance	Anticipated Draws
08/20/10	\$100,000,000	\$0
10/1/10	\$ 80,000,000	\$20,000,000
11/1/10	\$ 60,000,000	\$20,000,000
12/1/10	\$ 50,000,000	\$10,000,000
01/1/11	\$ 40,000,000	\$10,000,000
02/11/11	\$ 30,000,000	\$10,000,000
03/11/11	\$ 20,000,000	\$10,000,000
04/11/11	\$ 10,000,000	\$10,000,000
05/11/11	\$ 0	\$10,000,000

3. If a minimum fee per transaction is to be charged, it must be stated as well.
4. In no cases will any fee be accepted that exceeds the safe harbor limitations.

FINAL FEE SCHEDULE FOR EACH TRANSACTION SHALL BE SUBJECT TO NEGOTIATION WITHIN THE MINIMUM AND MAXIMUM RANGE.

E. LEGAL PROCEEDINGS

1. Provide a description of to what extent, if any, the Offeror in the last ten (10) years, including any officers or directors or other personnel are now, or have been a party to or the subject of any litigation,

arbitration, disciplinary, censure or other action or proceeding arising from or related to the firm's municipal finance-related or investment contract activities.

2. Provide a description of to what extent, if any, the Offeror, including any officers or directors or other personnel are now, or have been in the last ten (10) years the subject of an investigation by the Securities and Exchange Commission, the National Association of Securities Dealers, Municipal Securities Rulemaking Board, U.S. Department of the Treasury, Internal Revenue Service or any other governmental or securities based regulatory agencies.
3. Provide a description of to what extent, if any, the Offeror, including any officers or directors or other personnel have been interviewed by the Federal Bureau of Investigation, testified before a grand jury, or been interviewed by any state or federal securities enforcement entity with regard to the Offeror's municipal finance or investment contract brokering practice.

F. REGULATORY COMPLIANCE

The Offeror must be in compliance with all current regulatory requirements and must maintain compliance with all regulatory requirements as they are implemented or amended. An annual certification to this effect is required as of December 31st of each year and remitted to Florida Housing by January 15th of each year.

G. DRUG-FREE WORKPLACE

If the Offeror has implemented a drug-free workplace program, pursuant to Section 287.087, Fla. Stat., the Offeror must submit a valid affidavit to demonstrate its status.

H. MINORITY BUSINESS ENTERPRISE

If the Offeror is a minority business enterprise as defined in Section 288.703, Fla. Stat., the Offeror must submit a valid affidavit to demonstrate its status.

I. CERTIFICATION STATEMENT

The following shall be repeated in the Offeror's Response and signed by an individual authorized to bind the Offeror. Failure to include and provide a manual signature of the certification statement shall result in rejection of the Response.

“I agree to abide by all conditions of RFQ 2010-09 and certify that all information provided in this Response is true and correct, that I am authorized to sign this Response for the Offeror and that the Offeror is in compliance with all requirements of the RFQ, including but not limited to, the certification requirements stated in Section Five of this RFQ.”

Authorized Signature

Print Name and Title: _____

SECTION SEVEN
EVALUATION PROCESS

Individual Committee members shall evaluate and rank the Responses independently. As indicated in this section, points shall be assigned to certain items presented in Section Six of this RFP. The individual Committee members shall evaluate the Responses by reviewing the answers to each of the items and assigning points up to the maximum points allowed for each item. The Committee shall not use those items without points assigned in computing the numerical score, but shall use them as part of their evaluation and recommendation process, for informational purposes, or as a basis for possible disqualification. The Committee shall also use the various scored items as a part of its evaluation and recommendation process. Based on the criteria for selection, committee members shall rank each Response with the highest rank being “1”. The Committee may conduct one or more public meetings during which members may discuss their evaluations, make any adjustments deemed necessary to their evaluations to best serve the interests of Florida Housing’s mission, interview Offerors, observe presentations by Offerors, and develop a recommendation or series of recommendations to the Board. The Committee and/or Staff may make a recommendation, in addition to providing the ranking information and the information from the non-scored items to the Board for the Board to use in making the final selection. The Committee and/or Staff may also give the Board a written and/or verbal narrative describing the reasons for any recommendation. In the event of a tie, Florida Housing shall give preference to the Response certifying a drug-free workplace has been implemented in accordance with Section 287.087, Fla. Stat. If a tie continues to exist, Florida Housing shall give preference to minority business enterprises as defined in Section 288.703, Fla. Stat. Staff may recommend that the Board conduct oral interviews as part of the evaluation process to select the Offeror. The Board may use the Responses, the Committee’s ranking, the non-scored items in the Responses, any other applicable or relevant information or recommendation provided by the Committee or Staff, any oral presentations of Offerors and any other information the Board deems relevant in its selection of Offerors to whom to award a Contract.

The Board may use the Responses, the Committee’s scoring, the non-scored items in the Responses, any other applicable or relevant information or recommendation provided by

the Committee or Staff, any oral presentations of Offerors and any other information the Board deems relevant in its selection of Offerors to whom to award a Contract.

The points available for each of the items to be evaluated are as follows:

<u>Item Reference</u>	<u>Maximum Points</u>
B.1 General Information.....	10
B.4 General Information.....	15
C.1 Experience/Qualifications of Personnel.....	10
C.2 Experience/Qualifications of Personnel.....	10
C.4 Experience/Qualifications of Personnel.....	20
C.5 Experience/Qualifications of Personnel.....	15
D. Fees	20
Total Points Available	100

SECTION EIGHT
AWARD PROCESS

Florida Housing shall provide notice of its decision, or intended decision, for this RFQ on Florida Housing’s Website the next business day after the applicable Board vote. After posting, an unsuccessful applicant may file a notice of protest and a formal written protest in accordance with Section 120.57(3), Fla. Stat., et. al. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., et. al. or failure to post the bond or other security required by law within the time allowed for filing a bond shall constitute a waiver of proceedings under Chapter 120, Fla. Stat.