

**REQUEST FOR QUALIFICATIONS (RFQ) 2019-18**

**ARBITRAGE REBATE ANALYST SERVICES**

**for**

**FLORIDA HOUSING FINANCE CORPORATION**

**November 5, 2019**

## **SECTION ONE INTRODUCTION**

Florida Housing Finance Corporation (“Florida Housing”) is soliciting competitive, sealed responses from qualified firms to provide arbitrage rebate analyst services in accordance with the terms and conditions set forth in this Request for Qualifications (RFQ), and any other term and condition in any contract subsequently awarded. Respondents will be selected and determined through Florida Housing’s review of each response, considering the factors identified in this RFQ. Florida Housing expects to select one or more Respondents that propose to provide all of the services specified in this RFQ.

## **SECTION TWO DEFINITIONS**

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

“Arbitrage”	Arbitrage occurs when Florida Housing invests its bond proceeds at a yield higher than the overall borrowing yield on its bond issue. As it relates to tax-exempt bonds, Arbitrage is the ability to invest proceeds received from the sale of tax-exempt debt in higher-yielding taxable securities.
“Arbitrageur”	The entity providing the arbitrage rebate services described in Section Four of this RFQ.
“Arbitrage Rebate”	Arbitrage Rebate is the payment of Arbitrage earned on the investment bond proceeds to the Internal Revenue Service in accordance with the requirements of Section 148 of the Internal Revenue Code and as defined by U.S. Treasury Department regulations.
“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 Rule 67-49.007, Fla. Admin. Code.
“Contractor”	A person or entity providing the professional services described in Section Four of this RFQ.
“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.

“Florida Housing”	Florida Housing Finance Corporation, a public corporation and public body corporate and politic created by Section 420.504, Fla. Stat.
“Non-arbitrage Certificate”	The key tax document for a bond issue which describes the rebate requirements associated with the debt service fund. The Non-arbitrage Certificate is part of the bond transcript.
“Respondent”	Any person or entity who has the capability in all respects to perform fully the requirements contained in this RFQ, and submits a response to this RFQ.
“Response”	The written submission by a Respondent to this RFQ.
“RFQ”	This RFQ, including all exhibits referenced in this document and all other documents incorporated by reference.
“Staff”	Any employee of Florida Housing, including the Executive Director.
“Trustee”	An organization which provides trustee services for Florida Housing.
“Trust Indenture”	The document by the terms of which an entity issues or guarantees or provides for the issue or guarantee of debt obligations secured by a security interest and in which an entity is appointed as trustee for the holders of the debt obligation issued, guaranteed or provided for under it.
“Website”	The Florida Housing Finance Corporation website, the URL of which is <a href="http://www.floridahousing.org">www.floridahousing.org</a> .

### **SECTION THREE PROCEDURES AND PROVISIONS**

A. The Respondent must submit an original and three copies of the Response to the Contract Administrator in a sealed envelope marked “RFQ 2019-18.” Each envelope or package containing Responses must clearly state the name of the Respondent. The Response that is the original must be clearly indicated on that Response. An electronic copy of the Response must also be submitted on a CD or flash drive. Florida Housing will not accept a faxed or e-mailed Response. Florida Housing must receive any Responses on or before 2:00 p.m., Eastern Time, on December 5, 2019. Responses will be opened at that time.

Contract Administrator  
Florida Housing Finance Corporation  
227 North Bronough Street, Suite 5000  
Tallahassee, FL 32301-1329  
(850) 488-4197  
Email: Contract.Admin@floridahousing.org

B. This RFQ does not commit Florida Housing to award a contract to any Respondent 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, unless subcontracted or assigned with the prior written approval and consent of Florida Housing.

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 Respondents from any source;
4. Request an oral interview before the Board from any or all Respondents;
5. Select for contract negotiation or for award a Response other than (or in addition to) that with the highest score in order to serve the best interests of Florida Housing and the public; and
6. Negotiate with the successful Respondent with respect to any additional terms or conditions of the contract.

E. Any interested party may submit any question regarding this RFQ in writing via mail or e-mail to the Contract Administrator at the address given in Section Three, Item A. All questions must be submitted no later than 2:00 p.m., Eastern Time, on November 14, 2019. Phone calls will not be accepted. Florida Housing expects to respond to all questions in writing by 5:00 p.m., Eastern Time, on November 21, 2019. Florida Housing will post a copy of all questions received and the corresponding answers on Florida Housing's website at:

<http://www.floridahousing.org/legal/procurements/request-for-qualifications>.

Only written responses or statements from the Contract Administrator that are posted on our website will bind Florida Housing. No other means of communication, whether oral or written, may be construed as an official response or statement from Florida Housing.

F. Between the release of the solicitation and the end of the 72-hour period following the posting of the notice of intended award, respondents to this solicitation or persons acting on their behalf may not contact any member of Florida Housing's Board of Directors or any Florida

Housing employee concerning any aspect of this solicitation, except in writing to the Contract Administrator. Violation of this provision may be grounds for rejecting a response.

G. Any person who wishes to protest the specifications of this RFQ must file a protest in compliance with Section 120.57(3), Fla. Stat., and Rule Chapter 28-110, Fla. Admin. Code. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat., will constitute a waiver of proceedings under Chapter 120, Fla. Stat.

H. The term of the contract will be for three years, subject to satisfactory performance at the sole discretion of Florida Housing. If the parties mutually agree in writing, the contract may be renewed once for an additional three years.

I. Florida Housing is not required to use the services of any selected Contractor or to assign any work to such provider, and may terminate the contract with any selected Contractor without cause and without penalty.

J. Pursuant to Rule 67-49.004, Fla. Admin. Code, Florida Housing may modify the terms of the RFQ at any point prior to the due date for Responses. A notice of such modification will be posted on Florida Housing's Website and will be provided to potential Respondents who requested copies of the RFQ. Any Respondent will have at least seven days from the date of the posting of the notice of the modification to submit or modify its Response.

K. The terms of this RFQ, and any modifications thereto, will be incorporated into any contract offered as a result of this RFQ. Failure of a successful Respondent to accept these obligations in the final contract may result in cancellation of the award.

#### **SECTION FOUR SCOPE OF SERVICES**

Florida Housing issues tax-exempt revenue bonds to finance the acquisition and construction of single family and multifamily housing in the state of Florida. In order to ensure the continuation of the tax-exempt status of the bonds, it is necessary that Arbitrage Rebate calculations be performed in accordance with the Internal Revenue Code of 1986, as amended, and as defined by U.S. Treasury Department regulations.

The Arbitrageur shall perform and render services as an independent contractor and not as an agent, representative, or employee of Florida Housing. These services shall be known as "consultant and professional services" and shall include the provision of advice and assistance. The consultant and professional services include but are not limited to:

A. On an annual basis, but no later than 60 days after the end of the computation period, provide to Staff in writing a calculation of Arbitrage earnings and a determination of the amount of the rebate requirement in accordance with Section 148(f) of the Internal Revenue Code of 1986, as amended, for each series of bonds requiring such calculations.

B. On an annual basis, but no later than 60 days after the end of the computation period, provide an opinion in writing to Staff that such calculations have been performed in accordance with Section 148(f) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated there under. Information needed for such calculations shall be supplied by the Trustee. The Arbitrageur shall compare the calculations supplied by the Trustee with the Guaranteed Investment Contract (GIC) provider statement or any other investment statement authorized by the Trust Indenture.

C. Apprise Staff in writing of any changes in Arbitrage compliance regulations that may occur during the term of the Contract.

D. Perform all duties required of the Arbitrageur as specified by the Trust Indenture, the Non-arbitrage Certificate, and any other documents governing the applicable bond series (Bond Documents).

E. Prepare the appropriate tax form, currently 8038-T (or equivalent) for the designated Florida Housing signatory, in the event that a rebate payment to the Internal Revenue Service is required. The completed tax form along with the rebate analysis report must be received by Florida Housing's Senior Financial Administrator no later than 45 days after the end of the five-year computation period.

F. Consult with Staff to address post-issuance tax compliance concerns.

G. Verify to Staff that the bond issue is subject to the rebate regulations and determine what general and/or elective exceptions are available.

H. Perform the following on the debt yields and excess earnings as defined by U.S. Treasury Department regulations including, but not limited to:

1. Data review and analysis;
2. Compute/verify the allowable yield limit for the issues;
3. Compute/verify the amount of excess earnings, if any, rebatable to the U.S. Treasury;
4. Compute/verify the amount of spend-down penalties payable to the U.S. Treasury under issues applying such provisions;
5. Prepare all necessary Internal Revenue Service forms relating to services provided;
6. Submit final reports to Staff showing the calculation method used, assumptions, conclusions, and any recommendations for changes in record keeping for the services provided; and

7. Provide a legal opinion of the liability due to the U.S. Treasury under any of the Arbitrage regulations. The opinion shall include a statement that the calculation methodology used is consistent with current tax laws and regulations and may be relied upon by Florida Housing in determining liability payments to the U.S. Treasury.

I. Assist Staff, as necessary, in the event of an Internal Revenue Service inquiry and/or audit, both during and subsequent to the contract period.

J. Identify and separate accounts for all gross proceeds including those requiring allocation analyses due to circumstances involving transferred proceeds and/or commingled funds.

K. Retain all support documentation for the rebate calculations (hard copy records and computer database) for six years after the retirement or final maturity of the bonds or until any on-going litigation, audit, etc., is resolved, if longer.

L. Perform such other arbitrage rebate services and provide advice as requested by Staff.

## **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 I, of this RFQ, each Respondent certifies that:

A. The Respondent 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 will 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, but only after Florida Housing provides a notice of decision pursuant to Section 120.57(3), Fla. Stat., or within 30 days after the Response is opened, whichever is earlier.

C. The Respondent, if awarded a contract under this RFQ, will comply with Section 420.512(5), Fla. Stat. For the purpose of Section 420.512(5), Fla. Stat., “Prohibited Business Solicitation Communications” is defined by Section 420.503(33), Fla. Stat.

D. The Respondent is in compliance with Section 287.133(2)(a), Fla. Stat.

E. The Respondent understands and agrees to cooperate with any audits conducted in accordance with the provisions set forth in Section 20.055(5), Fla. Stat.

F. Pursuant to Section 119.0701(2)(b), Fla. Stat., the Respondent, if awarded a contract under this RFQ, will be required to comply with public records laws, specifically to:

1. Keep and maintain public records required by Florida Housing to perform the service.
2. Upon request from Florida Housing's custodian of public records, provide Florida Housing with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in this chapter or as otherwise provided by law.
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the contractor does not transfer the records to Florida Housing.
4. Upon completion of the contract, transfer, at no cost, to Florida Housing all public records in possession of the contractor or keep and maintain public records required by Florida Housing to perform the service. If the contractor transfers all public records to Florida Housing upon completion of the contract, the contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the contractor keeps and maintains public records upon completion of the contract, the contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to Florida Housing, upon request from Florida Housing's custodian of public records, in a format that is compatible with Florida Housing's information technology systems.

**If the Contractor has questions regarding the application of Chapter 119, Florida Statutes, to the Contractor's duty to provide public records relating to this contract, contact the Corporation Clerk at:**

**Corporation Clerk  
227 N. Bronough Street, Suite 5000  
Tallahassee, Florida 32301-1329  
Phone: 850.488.4197  
E-mail: [Corporation.Clerk@floridahousing.org](mailto:Corporation.Clerk@floridahousing.org)**

Notwithstanding anything contained herein to the contrary, the provisions and requirements of this paragraph will only apply if and when the Contractor is acting on behalf of Florida Housing.

G. The Respondent acknowledges that if awarded a contract it will be prohibited from engaging in activities in connection with services related to Florida Housing transactions that produce direct or indirect financial gain for the Respondent other than for the compensation agreed upon in the contract that results from this RFQ, unless that Respondent has Florida Housing's written consent after Florida Housing has been fully informed of such activities in writing.

H. The Respondent acknowledges that if awarded a contract it will be prohibited from engaging in any actual, apparent, or potential conflict of interest. Should any such actual, apparent, or potential conflict of interest come into being subsequent to the effective date of the contract and prior to the conclusion of the contract, the Respondent will provide written notification (Notice of Conflict of Interest) to Florida Housing’s Contract Administrator within 10 working days for review by Florida Housing’s Executive Director in consultation with the Ethics Officer. If the Respondent is found to be in non-compliance with this provision, any compensation received in connection with this contract will be subject to forfeiture to Florida Housing.

I. The Respondent, in submitting this Response, acknowledges and agrees that the terms and conditions of this RFQ, as well as any modifications thereto, will be incorporated into any contract offered as a result of this RFQ.

J. CERTIFICATION STATEMENT:

**THE FOLLOWING WILL BE REPEATED IN THE RESPONDENT’S RESPONSE AND SIGNED BY AN INDIVIDUAL AUTHORIZED TO BIND THE RESPONDENT. THIS IS A THRESHOLD ITEM AND FAILURE TO INCLUDE THE CERTIFICATION STATEMENT BEARING AN ORIGINAL SIGNATURE WILL RESULT IN REJECTION OF THE RESPONSE.**

“I agree to abide by all conditions of RFQ 2019-18 and certify that all information provided in this Response is true and correct, that I am authorized to sign this Response as the Respondent and that I am 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 (Original)

---

Print Name and Title

**SECTION SIX  
INFORMATION TO BE PROVIDED IN RESPONSE**

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.

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, 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.) and address and telephone number of the Respondent.

## B. GENERAL INFORMATION

1. Provide evidence that the Respondent is qualified to do business in the State of Florida.

2. Provide a copy of the declaration page as evidence of current professional liability/errors and omissions insurance to include the following:

- Name and carrier and policy number;
- Effective date of insurance;
- Policy exclusions, if any;
- Current coverage amounts;
- Staff covered; and
- Type of coverage.

3. Provide a brief history of the Respondent's firm relative to Arbitrage Rebate calculations and experience. Include the year organized, ownership, affiliated companies and relationships, and the total number of employees.

4. Describe the Respondent's presence in Florida, and ability to be accessible to Florida Housing staff, availability for meetings, conferences, consultation, etc.

5. Describe the Respondent's ability to provide the services requested in Section Four of this RFQ immediately upon award of the contract.

6. Provide a statement of any other qualifications or services, which the Respondent considers to be significant, innovative or otherwise relevant to Florida Housing.

## C. EXPERIENCE AND RESOURCES

1. Describe the Respondent's experience providing the services or engaging in activities as they relate to the work being requested in Section Four of this RFQ.

2. Describe the legal expertise available within and/or to the Respondent with regard to the Arbitrage provisions of Section 148 of the Internal Revenue Code. Describe the quality control review process and quality assurance your firm provides to ensure that work performed is consistent with current federal tax and other applicable laws. Provide examples of tax opinions.

3. Provide Florida Housing with documentation regarding any failure to provide the required rebate calculation to the IRS within the specified timeframe.

4. Provide a list of state and local housing finance agencies (HFAs) for which the Respondent has provided services similar to those requested in Section Four of this RFQ within the last five years. Include the length of time the Respondent has worked with each HFA, and whether the Respondent is currently providing or has ceased to provide services during this time.

#### D. QUALIFICATIONS OF PERSONNEL

Provide an organizational chart and an overview of the key individuals (team members) proposed to be assigned to Florida Housing's account. The overview shall include the following information for each individual:

1. Name, title, and role on this engagement;
2. Office street address, e-mail address, and office and cellular telephone numbers;
3. Identify those members that have experience in or with (a) cash flow preparation, (b) single family and/or multifamily finance, and (c) other state and local housing authorities;
4. Specific qualifications and expertise; and
5. A description of the individuals' relevant educational and professional accomplishments.

#### E. LEGAL ISSUES

1. Describe any completed or pending litigation involving or alleged to involve securities laws violation(s) by members of the Respondent's firm and specifically those that would be involved with providing services to Florida Housing.

2. Disclose any representation or relationship that may present a conflict of interest.

3. Provide a description of to what extent, if any, the Respondent, including all holding companies and subsidiaries, or any officers or directors or other key personnel, is now, or has been, under indictment, or subject to an order from a court of competent jurisdiction. Describe impending litigation involving any entity connected with providing services in response to this RFQ. Additionally, provide a description of to what extent, if any, the Respondent, including all holding companies and subsidiaries, or any officers or directors or other key personnel, is now, or has been, during the last ten years, under investigation, been the subject of any allegation, or under an order issued by a regulatory or governmental agency. If any such condition exists, or existed, discuss the outcome, if one has occurred, or probably outcome, and to what extent this could impair the level of service of the Respondent.

**F. TECHNICAL APPROACH**

1. Provide a brief description of the Respondent’s approach in providing the services in Section Four of this RFQ.
  
2. Describe the format that the Respondent will require for data submission from Florida Housing to perform calculations. Describe in detail the information and assistance you will require from Florida Housing in completing the Arbitrage calculations. Indicate whether additional information or reports will be required.
  
3. Provide an actual report or sample of calculations that the Respondent has performed for services similar to those requested in Section Four of the RFQ.

**G. FEES**

Provide the proposed fee to be charged in connection with the services described in Section Four of this RFQ as outlined in Table 1 below. Fees proposed must include all charges relating to the services required under the contract and all out-of-pocket expenses, such as telephone, postage and shipping, printing and/or copy costs, and travel, if any. No costs will be reimbursed under the contract.

<b>TABLE 1 FEES</b>		
<b>Annual Rebate Calculation</b>	<b>Per Multifamily Bond Issue</b>	<b>Per Single Family Bond Issue</b>
Year 1 – Initial Report Fee, including engagement fee	\$	\$
Subsequent Annual Report Fee	\$	\$
Extra Period Fee (Additional fee for preparing Arbitrage Rebate report covering period in excess of 12 months.)	\$	\$

*FINAL FEE SCHEDULE WILL BE SUBJECT TO NEGOTIATION.*

**H. DRUG-FREE WORKPLACE**

If the Respondent has implemented a drug-free workplace program, the Respondent must submit the following certification indicating that it meets all of the requirements of Section 287.087, Fla. Stat.:

I hereby certify on behalf of the Respondent, under the terms of RFQ 2019-18, that the Respondent has implemented a drug-free workplace program pursuant to Section 287.087, Fla. Stat.

Authorized Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Print Title: \_\_\_\_\_

**I. MINORITY BUSINESS ENTERPRISE**

If the Respondent is a minority business enterprise as defined in Section 288.703, Fla. Stat., the Respondent must submit the following certification:

I hereby certify on behalf of the Respondent, under the terms of RFQ 2019-18, that the Respondent is a “minority business enterprise” as defined in Section 288.703(3), Fla. Stat.

Authorized Signature: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Print Title: \_\_\_\_\_

**J. CERTIFICATION (Mandatory Item)**

**FAILURE TO INCLUDE THE CERTIFICATION STATEMENT LOCATED IN SECTION FIVE OF THIS RFQ BEARING AN ORIGINAL SIGNATURE WILL RESULT IN REJECTION OF THE RESPONSE.**

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

**SECTION SEVEN  
EVALUATION PROCESS**

The individual Committee members will independently evaluate the Responses by reviewing the answers to each of the items identified in Section Six of this RFQ and assigning points up to the maximum points allowed for each item. The points available for items in Section Six are to be evaluated are as follows:

<u>Item Reference</u>	<u>Maximum Points</u>
B. General Information .....	10
C. Experience and Resources .....	30
D. Qualifications of Personnel .....	30
F. Technical Approach .....	20
G. Fees/Costs .....	10
<b>Total Points Available.....</b>	<b>100</b>

In the event of a tie, Florida Housing will give preference in the award process 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 will give preference to minority business enterprises as defined in Section 288.703, Fla. Stat.

The Committee will conduct one or more public meetings during which members will discuss their evaluations and develop a recommendation or series of recommendations to the Board. The Committee’s recommendation will be based on the cumulative scoring and information gathered from the non-scored items. The Board may use the Responses, the Committee’s scoring, the non-scored items in the Responses, any other information or recommendation provided by the Committee or staff, and any other information the Board deems relevant in its selection of Respondents to whom to award a contract.

**SECTION EIGHT  
AWARD PROCESS**

Florida Housing will 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. Failure to file a protest within the time prescribed in Section 120.57(3), Fla. Stat. or failure to post the bond or other security required by law within the time allowed for filing a bond will constitute a waiver of proceedings under Chapter 120, Fla. Stat.