

Arbitrage Rebate Services

RFP 857 - Verification of Availability

Estimated Cost - \$400,000.00

Date: Monday January 27, 2014

Find attached the “**Scopes of Work**” and “**Special Requirements**” for an upcoming **Request For Proposals (RFP)**. Please review to determine if you would be able to **satisfy the requirements** (as applicable), and **interested in responding**; if so, please check the appropriate areas below and respond to this email confirming the same. Please pay “**CLOSE**” attention to the various sections and the “**SPECIAL & MINIMUM Requirements**”, being specified, and confirm your **ability** and **availability** to satisfy “**ALL**” sections/scopes.

Please pay very close attention to all Sections listed, and the requirements of each. (While you are **not** proposing at this time, be mindful your response strongly influences SBD’s determination as it relates to a potential **SBE Measure**). So please be diligent in your review of the information and respond accordingly, based on your ability to meet **ALL** the applicable requirements.

2.1 Background

The County, as represented by the Finance Department, is seeking proposals from qualified consultants to provide arbitrage rebate calculations and related services for existing and future bond issues that are subject to the Internal Revenue Code of 1986, as amended and applicable Treasury regulations. Since August 1986, the County, including its Enterprise Operations, has issued over 100 municipal bond transactions currently subject to the arbitrage rebate regulations. On average, the County issues six bond transactions annually subject to said regulations.

Since October 1991, rebate calculations have been performed on all the County’s outstanding bonds. The selected Proposer will not be required to re-do prior calculations, unless an amendment to the Internal Revenue Code occurs, and the arbitrage recalculations are either required or beneficial to the County.

All bond proceeds realized from advance refunded issues are held by an escrow agent. Proceeds for bond issues not of a refunding nature are held either by a trustee or by the County acting as its own trustee, in the County’s pooled cash accounts. In the County’s Direct Debt Segment, there are over 50 issues contained in the pooled cash account. Separate project accounts are maintained in the accounting system to track all bond proceeds by bond issue. The County can determine the cash position availability of a particular project, but cannot determine a particular investment attributed to particular bond proceeds. The County will provide to the selected Proposer the appropriate monthly schedules illustrating its bond proceeds and related activities.

The County currently contracts with SunGard Treasury Systems to provide on-line market pricing of securities purchased by the County for investment purposes. The entire portfolio is priced to market on a monthly basis. The system being used is SunGard’s Avantguard - APS 2, an accounting software program that tracks the County’s investment portfolio. The County uses this information to create a schedule reflecting the interest and interest rate earned on its investments (the “**Earned Interest Yield Schedule**”). The distribution of this interest is posted in the County’s General Ledger system through a distribution program contained in the General Ledger system.

Do you have prior experience consistent with the above stated requirements for this RFP? YES _ NO _

Are you able to satisfy the above listed requirements for this RFP? YES _ NO _

B. Tasks and Deliverables

The selected Proposer shall provide arbitrage calculation services as follows:

- 1) Review all documents pertaining to applicable County tax exempt debt issues and the applicability of Federal tax laws and tax compliance requirements. The selected Proposer shall advise the County, as applicable, when arbitrage rebate calculations are not necessary.
- 2) Perform annual arbitrage rebate calculations for each tax-exempt bond issue based on the County's fiscal year (October 1 through September 30) for accounting purposes.
- 3) Issue five-year rebate calculations and final rebate analysis ready for submission to the Internal Revenue Service (IRS), based on the anniversary of the bonds. A roll forward for the IRS computation date for each applicable bond issue will be necessary for bond issue anniversary dates not conforming to the County's fiscal year.
- 4) On an annual basis, calculate the rebate liability amount, if any, for each bond issue, identifying the methodology and assumptions used and issue a report of certification on each applicable bond issue establishing its compliance with applicable arbitrage regulations.
- 5) Issue to the County's Finance Director a corresponding fiscal year executive summary of the annual certifications performed, identifying methodology employed, major assumption and conclusions, and compliance with applicable regulations. This summary shall be submitted no later than three (3) months after the end of each fiscal year.
- 6) Update and maintain all records related to arbitrage services. Make recommendations to the keeping; and make recommendations for improvements to current County procedures and controls, as appropriate.
- 7) Use the "Earned Interest Yield Schedule" to conduct an analysis and allocate interest earnings accordingly.
- 8) Assist the County in the preparation for any inquiry or audits by the IRS that may occur due to arbitrage calculations.
- 9) Provide training for County departments relating to arbitrage compliance.
- 10) Be available for formal presentations to the County's Manager's Finance Committee ("MFC"), the Board of County Commissioners and/or any sub-committee, as necessary.
- 11) Be available to discuss and make recommendations to the County on all arbitrage related services.
- 12) Provide financial analyses and arbitrage related services as directed by the Board of County Commissioners, and the County's Finance Director.

Do you have prior experience consistent with the above stated "Tasks & Deliverables" for this RFP? YES _ NO _

Are you able to satisfy the above listed requirements for this RFP? YES _ NO _

I am "NOT" interested in this solicitation.

Name of Firm: _____ SBE Exp. Date: _____

Owner's Name: _____ Signature: _____

Date: _____ Contact Ph. #: _____

Please respond by **12:00pm, Wednesday January 29, 2014.**

Any questions, feel free to contact me at the number below.

(Respond to the "Verification" whether you are interested or not (choosing "Yes" or "No" as applicable); this helps SBD in the determination of measures).

**Please provide references consistent with the scopes of services for this contract

Vivian O. Walters, Jr.
Contract Development Specialist II
Internal Services Department
Small Business Development Division
111 NW 1st Street #19 Floor, Miami, Fl 33128
walterv@miamidade.gov
☎ Office (305) 375-3138 | 📠 Fax (305) 375-3160
"Delivering Excellence Every Day"

Arbitrage Rebate Services

RFP 857 - Verification of Availability

Estimated Cost - \$400,000.00

Date: Monday January 27, 2014

Please complete the following "Reference Requirements":

Project Title:
Client Name
Contact No.:
Scope Description:

Project Title:
Client Name
Contact No.:
Scope Description:

Project Title:
Client Name
Contact No.:
Scope Description:

responsible, and may be suspended or debarred, and any contract resulting from collusive bidding may be terminated for default.

2.0 SCOPE OF SERVICES

2.1 Background

The County, as represented by the Finance Department, is seeking proposals from qualified consultants to provide arbitrage rebate calculations and related services for existing and future bond issues that are subject to the Internal Revenue Code of 1986, as amended and applicable Treasury regulations. Since August 1986, the County, including its Enterprise Operations, has issued over 100 municipal bond transactions currently subject to the arbitrage rebate regulations. On average, the County issues six bond transactions annually subject to said regulations.

Since October 1991, rebate calculations have been performed on all the County's outstanding bonds. The selected Proposer will not be required to re-do prior calculations, unless an amendment to the Internal Revenue Code occurs, and the arbitrage recalculations are either required or beneficial to the County.

All bond proceeds realized from advance refunded issues are held by an escrow agent. Proceeds for bond issues not of a refunding nature are held either by a trustee or by the County acting as its own trustee, in the County's pooled cash accounts. In the County's Direct Debt Segment, there are over 50 issues contained in the pooled cash account. Separate project accounts are maintained in the accounting system to track all bond proceeds by bond issue. The County can determine the cash position availability of a particular project, but cannot determine a particular investment attributed to particular bond proceeds. The County will provide to the selected Proposer the appropriate monthly schedules illustrating its bond proceeds and related activities.

The County currently contracts with SunGard Treasury Systems to provide on-line market pricing of securities purchased by the County for investment purposes. The entire portfolio is priced to market on a monthly basis. The system being used is SunGard's Avantguard - APS 2, an accounting software program that tracks the County's investment portfolio. The County uses this information to create a schedule reflecting the interest and interest rate earned on its investments (the "Earned Interest Yield Schedule"). The distribution of this interest is posted in the County's General Ledger system through a distribution program contained in the General Ledger system.

2.2 Minimum Qualification Requirement

The minimum qualification requirement for this Solicitation is the Proposer must be listed in the **Bond Buyer Municipal Marketplace Director Spring 2013, "Red Book"**, as an Arbitrage Services Provider as of the proposal due date. Respondents who do not meet the minimum qualification requirement or who fail to provide supporting documentation will be found nonresponsive and will not be considered for award.

Note: It is clearly understood and confirmed with The Bond Buyer's Municipal Marketplace's Red Book Editorial Department, that only firms are eligible for inclusion in the Red Book under this caption and not the individuals. Therefore, the fact that an individual has been listed in the Red Book does not in and of itself qualify a firm which employs that individual as having Red Book status.

2.3 Preferred Qualifications

The selected Proposer should possess the following qualifications:

- a) Have been in business as an arbitrage services provider for at least two (2) years prior to the proposal due date;
- b) Have performed arbitrage compliance services within the previous three (3) years;
- c) Have the ability to provide arbitrage services for major clients and perform service similar in size to this Solicitation as an arbitrage service provider;
- d) Have available resources and ability to adapt and adjust to tax regulatory changes; and
- e) Be knowledgeable in complex arbitrage calculations.

2.4 Requirements and Services to be Performed

A. Start-Up File

The County will provide to the selected Proposer a "Start-Up File" containing the original and/or copies of documents and related information, if applicable, of each respective bond issue. These documents include:

- a) Official Statement
- b) Arbitrage Certificate/Tax Compliance Certificate
- c) IRS Form 8038-T
- d) Escrow Deposit Agreement
- e) Verification report/Auditor's opinion
- f) Trustee bank statements
- g) Accounting reports
- h) IRS Form 8038-G
- i) The most recent Arbitrage Report
- j) Per bond per series debt service schedule
- k) Earned Interest Yield Schedule

The selected Proposer shall be responsible for the reproduction of any documents contained in the "Start-Up File" and any other County document utilized in the performance of its services, as necessary. The "Start-Up File" shall be retained in good form for the period of the Contract, and shall be returned to the County, within thirty days of contract termination.

B. Tasks and Deliverables

The selected Proposer shall provide arbitrage calculation services as follows:

- 1) Review all documents pertaining to applicable County tax exempt debt issues and the applicability of Federal tax laws and tax compliance requirements. The selected Proposer shall advise the County, as applicable, when arbitrage rebate calculations are not necessary.
- 2) Perform annual arbitrage rebate calculations for each tax-exempt bond issue based on the County's fiscal year (October 1 through September 30) for accounting purposes.
- 3) Issue five-year rebate calculations and final rebate analysis ready for submission to the Internal Revenue Service (IRS), based on the anniversary of the bonds. A roll forward for the IRS computation date for each applicable bond issue will be necessary for bond issue anniversary dates not conforming to the County's fiscal year.
- 4) On an annual basis, calculate the rebate liability amount, if any, for each bond issue, identifying the methodology and assumptions used and issue a report of certification on each applicable bond issue establishing its compliance with applicable arbitrage regulations.
- 5) Issue to the County's Finance Director a corresponding fiscal year executive summary of the annual certifications performed, identifying methodology employed, major assumption and conclusions, and compliance with applicable regulations. This summary shall be submitted no later than three (3) months after the end of each fiscal year.
- 6) Update and maintain all records related to arbitrage services. Make recommendations to the keeping; and make recommendations for improvements to current County procedures and controls, as appropriate.
- 7) Use the "Earned Interest Yield Schedule" to conduct an analysis and allocate interest earnings accordingly.

- 8) Assist the County in the preparation for any inquiry or audits by the IRS that may occur due to arbitrage calculations.
- 9) Provide training for County departments relating to arbitrage compliance.
- 10) Be available for formal presentations to the County's Manager's Finance Committee ("MFC"), the Board of County Commissioners and/or any sub-committee, as necessary.
- 11) Be available to discuss and make recommendations to the County on all arbitrage related services.
- 12) Provide financial analyses and arbitrage related services as directed by the Board of County Commissioners, and the County's Finance Director.

3.0 RESPONSE REQUIREMENTS

3.1 Submittal Requirements

In response to this Solicitation, Proposer should **return the entire completed Proposal Submission Package** (see attached). Proposers should carefully follow the format and instructions outlined therein. All documents and information must be fully completed and signed as required.

The proposal shall be written in sufficient detail to permit the County to conduct a meaningful evaluation of the proposed services. However, overly elaborate responses are not requested or desired.

4.0 EVALUATION PROCESS

4.1 Review of Proposals for Responsiveness

Each proposal will be reviewed to determine if the proposal is responsive to the submission requirements outlined in this Solicitation. A responsive proposal is one which follows the requirements of this Solicitation, includes all documentation, is submitted in the format outlined in this Solicitation, is of timely submission, and has the appropriate signatures as required on each document. Failure to comply with these requirements may result in the proposal being deemed non-responsive.

4.2 Evaluation Criteria

Proposals will be evaluated and ranked by an Evaluation/Selection Committee, on criteria listed below. The Evaluation/Selection Committee will be comprised of appropriate County personnel and members of the community, as deemed necessary, with the appropriate experience and/or knowledge, striving to ensure that the Evaluation/Selection Committee is balanced with regard to both ethnicity and gender. The criteria are itemized with their respective weights for a maximum total of one hundred (100) points per Evaluation/Selection Committee member.

<u>Technical Criteria</u>	<u>Points</u>
1. Proposer's relevant experience, qualifications, and past Performance	35
2. Relevant experience and qualifications of key personnel that will be assigned to this project.	20
3. Proposer's approach to providing the services requested in this Solicitation	25
 <u>Price Criteria</u>	 <u>Points</u>
4. Proposer's proposed price	20