

**REQUEST FOR PROPOSALS
ARBITRAGE REBATE SERVICES**



CITY OF DEER PARK, TEXAS

**710 E. San Augustine
Deer Park, TX 77536
281.478.2394
www.deerparktx.gov**

**DUE DATE: MONDAY, SEPTEMBER 18, 2023
2:00 PM (CST)**

Disclosure Requirements

Chapter 176 of the Texas Local Government Code mandates the public disclosure of certain information concerning persons doing business or seeking to do business with the City of Deer Park, including affiliations and business relationships such persons may have with City officers, including the governing body, administrators, directors, etc. A complete text of the law may be found at the following link: <http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.176.htm>. If you are unable to obtain this information online, please contact Tracy Peterson, Purchasing Coordinator, at 281-478-7228.

BY DOING BUSINESS OR SEEKING TO DO BUSINESS WITH THE CITY OF DEER PARK, YOU ACKNOWLEDGE THAT YOU HAVE BEEN NOTIFIED OF THE REQUIREMENTS OF CHAPTER 176 OF THE TEXAS LOCAL GOVERNMENT CODE AND THAT YOU ARE SOLELY RESPONSIBLE FOR COMPLYING WITH THEM.

Vendor Name: _____

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INTRODUCTION

A. About the City

The City of Deer Park (the "City"), incorporated in 1948, is located in the center of the highly industrialized ship channel area just east of Houston and serves a population of approximately 34,503. The City operates under a home rule, council-manager form of government. The City operates and is funded on a fiscal year, which begins on October 1 and ends on September 30. Each year, the City Council adopts an annual budget prior to the start of the new fiscal year, with appropriations approved at the departmental level. Additional information about the City, including copies of the City Charter, annual budgets, and annual comprehensive financial reports is available online at www.deerparktx.gov.

B. Request for Proposals

The City is requesting proposals for arbitrage rebate services to comply with Federal tax laws regarding the rebate of arbitrage earnings on the City's tax-exempt bonds, which are listed in Appendix A. The initial contract shall be for three years, with the option to extend the contract for each of the successive two years (for a total of five years) based on satisfactory performance and mutual agreement by both parties. Any contract renewal is subject to the annual availability of appropriated funds.

The purpose of the Request for Proposal ("RFP") process is to identify the most qualified firm. It is intended that the selected firm shall accomplish and/or supply all services described herein. The City makes no promises or representations and does not offer, promise or guarantee that the selected firm will be awarded any future contracts to provide these or additional services to the City.

B. Responses to the RFP

Responses to the RFP ("proposals") must be submitted in the manner prescribed herein and must be received by the City Secretary prior to the time and date specified herein. It is the firm's responsibility to ensure that the proposal is actually delivered to the City Secretary by the submission deadline. The mere fact that the proposal was dispatched will not be a consideration. At a minimum, the proposal must be valid for a period of 90-days from the submission deadline.

Alterations or corrections may be provided before the submission deadline but must be initialed by the respondent as a guarantee of authenticity. Submittals may not be altered or amended after the submission deadline.

The City reserves the right to make any additional inquiries deemed necessary for the evaluation of the proposal and/or to investigate the firm's qualifications. Respondents shall be obligated to furnish any additional information requested by the City.

C. Questions

In order to ensure the fair and objective evaluation of the proposals, all questions related to this RFP must be submitted in writing and will be answered in writing.

1. To request a copy of the RFP or for questions related to the City's purchasing process, contact Tracy Peterson, Purchasing Coordinator, at 281-478-7228 or via email at purchasing@deerparktx.org.
2. Submit technical questions to Nicole Ganey, Director of Finance, via email at nganey@deerparktx.org by 5:00 p.m. on Monday, September 11, 2023.

Contact with any other City of Deer Park employee or official relative to this request is prohibited. Failure to observe this requirement may be grounds for rejection of the firm's response.

The City believes the data contained in this RFP is sufficient for the preparation of a proposal. Requests for additional information will be considered based on the availability of the requested information and the timing of the request. Such information will be distributed to all known and interested firms simultaneously.

D. Submissions

This proposal should include the name of the firm and the certification by and signature of a person authorized to contractually bind the firm. Responses should include two separate sealed envelopes as follows:

1. **Sealed Proposal:** Respondents are required to submit three (3) hard copies of the proposal (only one need be an original) and one (1) electronic version on a USB drive. The electronic version must be an exact duplicate of the original hard copy proposal. Responses must be completed and submitted as described in this RFP and must be returned in a sealed envelope bearing the name and address of the respondent.
2. **Sealed Cost Proposal:** Respondents are required to submit a cost proposal in a separate, sealed envelope marked "Sealed Cost Proposal" and bearing the name and address of the respondent. The cost proposal should include three (3) hard copies (only one need be an original) and one (1) electronic version on a USB drive. The electronic version must be an exact duplicate of the hard copy cost proposal and can be included on the same electronic media as the sealed proposal. The sealed cost proposal should contain all pricing information relative to performing the professional services described in this RFP, including the expected manner and terms of payment.

The City is not responsible for sealed proposals labeled incorrectly or misdirected and is not responsible for the lateness of the proposal by the mail or any delivery service provider. Incomplete responses or responses received after the submission deadline will not be considered under any circumstances.

The time/date stamp of the City Secretary shall be the official time of receipt. Proposals received after the submission deadline will be considered void and unacceptable and will be returned unopened to the respondent.

Sealed proposals, including the separate envelope for the cost proposal, will be accepted until **2:00 p.m. on Monday, September 18, 2023 and should be addressed as follows:**

**City of Deer Park
Attention: Angela Smith, City Secretary
710 E. San Augustine
Deer Park, Texas 77536**

**Envelope #1
RFP – Arbitrage Rebate Services
Deliver to Addressee Unopened**

**Envelope #2
Sealed Cost Proposal
Deliver to Addressee Unopened**

Please make sure the name and address of the firm is included on each envelope.

The City reserves the right to accept any proposal, or to reject any or all proposals and/or to waive all formalities

TIMELINE

The City will make every effort to adhere to the following schedule but meeting dates are tentative:

Tuesday	August 22, 2023	Release RFP to known and interested firms
Wednesday	August 30, 2023	First of two bid advertisements in newspaper (<i>Pasadena Citizen</i>)
Wednesday	September 6, 2023	Second of two bid advertisements in newspaper (<i>Pasadena Citizen</i>)
Monday	September 11, 2023	Deadline for technical questions
Monday	September 18, 2023	Proposal submission deadline 2:00 PM (CST)
<i>Through Tuesday, September 26, 2023</i>		Staff review, evaluation and recommendation
Tuesday	October 3, 2023	City Council consideration for award of contract *
Initial Contract Term	October 3, 2023 – September 30, 2026 <i>(Note: two one-year renewal options would extend the contract to September 30, 2028)</i>	

* The City retains the option of inviting any one or more firms to make an oral presentation to City staff and/or to the Finance Committee prior to City Council consideration for award of the contract.

The City may request the firm being awarded the contract to be present at the City Council meeting at which the contract will be awarded.

GENERAL TERMS AND CONDITIONS

A. Reimbursements

There is no express or implied obligation for the City to reimburse respondents for any expenses incurred in preparing a proposal in response to this RFP. The City will not reimburse respondents for these expenses, nor will the City pay any subsequent costs associated with the provision of any additional information or presentation, or to procure a contract for these services.

B. Addenda

If it becomes necessary to change the published RFP documents, all the foregoing terms and conditions and all performance requirements will also apply to the published addenda. All published addenda must be signed and included with the proposal as acknowledgement of the addenda. Any changes will be provided to all known and interested firms simultaneously; however, the firm is responsible for obtaining all published addenda from the City. The City assumes no responsibility for the firm's failure to obtain and/or properly submit addenda. Failure to acknowledge and submit addenda may be cause for the proposal to be rejected. The City's decision to accept or reject any particular proposal due to a failure to acknowledge and submit addenda will be final.

C. Certification

By submitting a proposal, the firm certifies knowledge and understanding of the scope, quantity, and quality of services to be provided in response to this RFP. A Certification Form is included with this RFP and must be completed and returned as part of the proposal. Failure to submit a signed Certification Form by the submission deadline may result in the proposal being rejected as incomplete.

D. Reservations

The City reserves the right to accept or reject any or all proposals as a result of this request, to negotiate with any qualified firms, or to cancel, in whole or in part, this RFP if it is found to be in the best interest of the City. The City also reserves the right to request additional information and/or clarification of any information submitted as part of the proposal.

This RFP does not commit the City to award a contract, to pay any costs associated with the preparation of the proposal, or to contract for services. All proposals shall become the property of the City of Deer Park, and the City reserves the right to use any ideas in a proposal whether or not that proposal is selected.

The City shall conduct reference checks as necessary to evaluate any proposal. The City may contact references listed in the proposal, but may also contact any other organization or individual that can provide information to assist in the evaluation of the qualifications and capabilities of the firm.

E. Disclosure

At the public opening, there will be no disclosure of contents to the respondents, and all proposals will be kept confidential during the evaluation and negotiation process. Except for confidential information the firm identifies as proprietary, all proposals will be available for public inspection after the contract award, in accordance with the Texas Public Information Act.

F. Award of the Contract

Award of the contract shall be based on demonstrated competence and qualifications using established criteria to evaluate the proposals. The evaluation criteria and proportional value of each are described in this RFP. Professional fees are not the primary consideration in the evaluation process, however, pricing is included as part of the evaluation criteria. Professional fees may not exceed any maximum amounts provided by state law.

The City Council will make the final determination of award of the contract, which is expected to be at the regular City Council meeting scheduled for October 3, 2023.

G. Insurance

The firm shall agree to maintain insurance coverage for the following: general liability, automobile liability, workers' compensation, and professional liability. The firm's current Certificate of Insurance must be returned as part of the proposal. Upon request, and at any time during the contract term, the firm must provide a then current Certificate of Insurance.

SPECIFIC TERMS AND CONDITIONS

- A.** This RFP and the contents of the successful proposal shall become part of any subsequent contractual document related to these arbitrage rebate services. Please make sure to include the firm name on the cover sheet of the RFP (“Vendor Name”). In the event of a discrepancy between the RFP and the proposal, the RFP shall rule. Any contract modifications necessitated during the term of the contract shall be in writing and subject to approval of the City Council.
- B.** This contract shall become effective only after acceptance and approval by the City Council and shall remain in full force and effect with the pricing as submitted with the proposal subject to an annual performance review and recommendation of the City staff. The City expects the initial three-year contract term to begin on or about October 1, 2023 and continue through September 30, 2026.
- C.** The City will have the option of extending the contract for two additional one-year terms to be awarded one year at a time. The City will not consider a contract extension that includes any change in the contract terms, conditions, or pricing submitted with the proposal. Contracts shall be extended upon mutual agreement of the firm and the City
- D.** The City may terminate this contract at any time upon 60-days written notice. This includes cancellation of the contract in the event funds are not appropriated for payment of these professional services in any particular fiscal year. The firm shall be compensated for the services satisfactorily performed prior to the termination date.
- If, through any cause, the firm fails to fulfill its obligations under this contract, or if the firm violates any of the terms and conditions of this contract, the City has the right to terminate this contract upon five (5) days written notice.
- No term or provision of this contract shall be construed to relieve the firm of liability to the City for damages sustained by the City because of any breach of contract. The City may withhold payments to the firm until the exact amount of damages due the City is determined and paid.
- E.** Should there be a change in the firm’s ownership or management, the contract may be canceled at the option of the City unless a mutual agreement is reached with the new owner(s) or manager(s) to continue the contract pursuant to the existing contract terms, conditions and pricing.
- F.** Payments shall be made in accordance with the contracted fee schedule.

- G.** This contract shall be governed in all respects by the laws of the State of Texas. The parties agree that proceedings and all matters related thereto shall be in a state court of competent jurisdiction in Harris County, Texas and further that neither party will seek to remove such litigation to the federal court system by application of conflict of laws or any other removal process to any Federal Court or court not in Texas.

- H.** No public official or City employee shall enter into a contract on behalf of the City which violates Local Government Code, Chapter 171 – Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments. Contracts are subject to all legal requirements provided in the City Charter and/or applicable City Ordinances, and all applicable State and Federal Statutes.

SCOPE OF WORK

It is the City's intent to award a contract to the one firm that offers the most advantages to the City for arbitrage rebate services at a reasonable cost.

The City is requesting proposals from qualified firms to perform arbitrage rebate services to comply with Federal tax laws regarding the rebate of arbitrage earnings on the City's tax-exempt bonds. The contract shall become effective on or about October 1, 2023 only after acceptance and approval by the City Council and shall remain in effect for a period of three years and up to five years subject to the mutual agreement of the firm and the City in each of the last two years.

The successful firm shall be expected to provide the following services to the City:

- General review of all outstanding bond issues to create a schedule to identify all arbitrage computation dates and associated IRS filing deadlines;
- Data collection, review and analysis to support the necessary calculations and reports;
- Computation and verification of the allowable yield limit for each issue;
- Computation of the amount of excess earnings, if any, rebatable to the IRS as of installment and final computation dates, and for any interim period as requested;
- Preparation of the report summarizing the results of the calculations, the calculation method used, assumptions, and conclusions;
- Preparation of all necessary IRS forms relative to arbitrage rebate; and
- Any other work necessary to ensure the City satisfies all requirements relative to arbitrage rebate.

Further, the firm may be asked to provide the following:

- Legal opinion regarding any arbitrage rebate liability due under the Federal regulations;
- Recommendations for changes in record keeping to best prepare the rebate calculations; and
- Annual on-site meeting to review arbitrage rebate requirements and any associated changes in the Federal regulations to update staff and/or City Council.

Please describe any services available to assist and/or defend the City in the event of an IRS audit relative to arbitrage rebate requirements, including all associated fees.

EVALUATION

A. Evaluation Criteria

The evaluation of the proposals will be made based on the criteria listed below. While pricing is a consideration, it is clearly not the primary factor in the selection of the firm. The contract award will not necessarily be made to the firm that provides the lowest cost proposal. The contract award will be based primarily on demonstrated competence and qualifications using the listed criteria. It is important that the proposal be clear and complete. Incomplete responses will not be considered under any circumstances.

- 30 points** Technical ability of the firm to perform the needed services, including an evaluation of the typical approach/plan
- 30 points** Qualifications and experience of the firm in providing arbitrage rebate services to municipalities
- 15 points** Thoroughness of the response as it relates to the Scope of Work requirements and organization of the requested information
- 15 points** References substantiating the firm's experience and success in providing arbitrage rebate services to similar governmental entities
- 10 points** Pricing (note: professional fees may not exceed the maximum amount allowed by state law)

B. Application Review

The proposals will be reviewed and evaluated by City staff which may include the Director of Finance, Accounting Supervisor, and/or Assistant City Manager. Further, the City reserves the right to invite the review and input from an outside consulting firm.

As part of the evaluation process, the City may invite any one or all firms to make an oral presentation to City staff to answer questions about the firm and the proposal. This presentation would be handled prior to the final staff recommendation.

C. Recommendation

Based on the analysis and evaluation of the responses, City staff will forward a recommendation to the City Manager for review and discussion prior to the presentation to the City Council, which will make the final selection of the firm to provide these professional services.

INSTRUCTIONS AND REQUIREMENTS

The proposal should conform to the format described below and should provide a straightforward and understandable description of the firm's capabilities and experience. Respondents may include additional information deemed appropriate to expand on the firm's ability to perform the work, but all required information must be included for the response to be eligible for consideration.

TAB A **Cover Letter** – Please include a cover letter stating the firm's understanding of the engagement and why the firm is qualified to perform the services. The letter should also include the name and contact information of the individual(s) authorized to answer questions about the response. The cover letter must be signed by a person authorized to contractually bind the firm.

TAB B **Qualifications and Experience** – Briefly introduce the firm, including a history of the firm as it relates to these services and a summary of the firm's administration, organization and staffing in this area. Please include the following specific information:

- * Identify the primary contact and each individual that may be assigned to the City's project, including resumes and contact information for each person.
- * Describe the firm's experience in providing arbitrage rebate services with emphasis on municipalities of the same size and scope as the City of Deer Park.
- * Describe the firm's legal resources and expertise to interpret the applicable provisions of the IRS Code and ensure the work performed for the City conforms to and is consistent with the current Federal tax regulations and any other associated laws. Please specify if the firm expects to provide all legal resources.
- * Identify any existing professional relationships with the City and explain why such relationships would not constitute a conflict of interest in providing these services.
- * Identify the firm's expectation and/or requirements of City staff.

TAB C **Technical Approach and Understanding of the Scope of Work** – Provide a clear understanding of the scope of work. Please include the following information to expand on the firm's technical approach to providing these services.

- * Outline and brief description of the firm's approach/plan for performing the work, including an estimated timeline. The plan should clearly distinguish the firm's understanding of its duties and responsibilities versus expectations from the City. The absence of any distinction shall signify that the firm is assuming full responsibility for all tasks.

* Explanation of how the firm will transition work completed by a prior service provider, if applicable, and any stipulations or disclaimers relative to previous calculations.

TAB D Insurance – Please provide a Certificate of Insurance demonstrating current coverage for the following: general liability, automobile liability, workers’ compensation, and professional liability.

TAB E Additional Information – Please provide evidence of the firm's financial stability in the form of audited financial statements or other reports that reflect at least two years of data. Also, please provide any additional, relevant information regarding court actions, pending litigation, conflicts of interest, or other matters not previously specified about which the City should be made aware.

TAB F References – Please provide at least four references from governmental entities, particularly municipalities, to whom the firm has provided these services within the last five years. Reference information should be current and should include the entity's name and mailing address, contact name, telephone number and email address.

TAB G Certification and Acknowledgement – A complete and fully executed (signed) Certification Form is required.

TAB H Additional Forms – Respondents must complete the Certification of No Boycott of Israel Form (Appendix B) and must include executed copies of the following forms available on the Texas Ethics Commission website:

* Conflict of Interest Questionnaire (Form CIQ)
<https://www.ethics.state.tx.us/forms/CIQ.pdf>

* Certificate of Interested Parties (Form 1295)
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

TAB I Addenda – If applicable, please include any addenda items requested, including a signed acknowledgement of each addendum.

TAB J Optional – Any additional information deemed pertinent by the firm may be included after the required information.

CERTIFICATION

Respondents are **required** to include the following signed certification with the proposal as referenced above (Tab G).

Certification Form

The undersigned affirms that they are duly authorized to execute this contract, that this proposal has not been prepared in collusion with any other firm, and that the contents of this proposal have not been communicated to any other firm prior to the official opening of this proposal. Further, the undersigned affirms that the firm agrees to all terms and conditions contained in this Request for Proposal for arbitrage rebate services issued by the City of Deer Park, Texas.

Firm: _____ TIN: _____

Signed By: _____ Date: _____

Printed Name: _____ Title: _____

Phone #: _____ Fax #: _____

Email: _____ Website: _____

Mailing Address: _____

Delivery Address: _____

END OF REQUEST

**REQUEST FOR PROPOSALS
ARBITRAGE REBATE SERVICES**

Appendix A

City of Deer Park Tax-Exempt Bonds

(Note: the City typically issues debt on an annual basis)

	<u>Series</u>	<u>Description</u>	<u>Dated</u>	<u>Issue Size</u>	<u>All Funds Spent?</u>
<u>GO Bonds:</u>	1997	GO Bonds	03/15/97	\$4,120,000	Yes
	2001	GO Bonds	04/15/01	\$8,435,000	Yes
	2004	GO Refunding	10/15/04	\$4,670,000	
	2005	GO Bonds	03/15/05	\$9,000,000	No
	2007	GO Bonds	12/01/07	\$7,465,000	No
	2008	GO Refunding	07/01/08	\$4,540,000	
	2010	GO Refunding	05/01/10	\$6,295,000	
	2011	GO Refunding	12/01/11	\$3,490,000	
	2012	GO Refunding	11/01/12	\$4,510,000	
	2014	GO Bonds	11/01/14	\$1,005,000	Yes
	2014	GO Refunding	11/01/14	\$1,915,000	
	2021	GO Bonds	09/01/21	\$20,750,000	No
	2022	GO Bonds	11/01/22	\$14,860,000	No
	<u>COs:</u>	1997	COs	03/04/97	\$4,500,000
2007		COs	12/01/07	\$2,300,000	No
2010		COs	05/01/10	\$7,805,000	Yes
2011		COs	12/01/11	\$3,390,000	Yes
2012		COs	11/01/12	\$4,725,000	No
2013		COs	11/01/13	\$6,925,000	Yes
2014		COs	11/01/14	\$6,275,000	Yes
2015		COs	09/01/15	\$7,310,000	No
2015-A		COs	12/01/15	\$7,110,000	No
2016*		COs	02/16/16	\$9,450,000	No
2016-A		COs	11/01/16	\$6,885,000	No
2017*		COs	02/14/17	\$2,700,000	Yes
2017-A		COs	12/01/17	\$5,150,000	Yes
2018		COs	12/01/18	\$6,300,000	No
2019		COs	12/01/19	\$4,185,000	No
2020		COs	12/01/19	\$5,000,000	No
2021		COs	09/01/21	\$21,925,000	No
2022	COs	11/01/22	\$14,710,000	No	
<u>Ltd Tax:</u>	2016	Ltd Tax Ref'g	04/01/16	\$6,260,000	
	2019	Ltd Tax Ref'g	12/01/19	\$4,240,000	
	2020	Ltd Tax Ref'g	12/01/20	\$6,570,000	

	2021	Ltd Tax Ref'g	12/01/21	\$5,055,000	
<u>Rev Bonds:</u>	2002*	Revenue	09/01/02	\$5,000,000	Yes
	2002A	Revenue	10/10/02	\$6,250,000	No
	2003	Revenue Ref'g	04/15/03	\$3,835,000	

* Private Placement

Note 1: Older issues may have minor amounts of interest left unspent.

Note 2: Spending on some issues may be completed by the end of the 2023 fiscal year.

**REQUEST FOR PROPOSALS
ARBITRAGE REBATE SERVICES**

Appendix B

**City of Deer Park
Certification of No Boycott of Israel Form**

This certification form is required by the Texas Government Code Section 2270.002. **This form must be attached to all contracts or agreements for goods or services provided to the City of Deer Park.**

Texas Government Code Section 808.001 specifies the following:

“Boycott Israel” is defined as “refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.”

"Company" is defined as “a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.”

By entering into this contract or agreement, the company certifies and verifies that it (i) does not boycott Israel, and (ii) will not boycott Israel during the term of this contract or agreement with the City of Deer Park.

Vendor (Contractor/Company) _____

Street Address _____

City / State / Zip _____

Telephone Number _____

Authorized Representative _____

Signature

Printed Name / Title

Date