

# MAINEHOUSING

## REQUEST FOR PROPOSALS – QUANTITATIVE SERVICES

### BACKGROUND INFORMATION ON MAINEHOUSING

The Maine State Housing Authority (MaineHousing) is a public body corporate and politic and an instrumentality of the State of Maine. MaineHousing is empowered to, among other things, issue notes and bonds for the purpose of providing monies for the origination or purchase of mortgages. MaineHousing has active single family and multi-family loan programs, which it operates primarily out of its Mortgage Purchase Program Bond Resolution (MPP). Under these programs MaineHousing has recently been purchasing about \$175 million in mortgages per year. Including refundings, bond issuance has averaged over \$300 million per year for the past five years.

The MPP was created in 1972 and is an open indenture which includes a statutorily created state moral obligation reserve fund replenishment provision as part of its structure. Since 1972, about \$9 billion in bonds have been issued in the MPP. At present the MPP has approximately \$1.4 billion in bonds outstanding and a mortgage portfolio of over \$1.3 billion of single family and multi-family mortgages. The MPP is rated AA+ by Standard & Poor's and Aa1 by Moody's.

### SCOPE OF SERVICES

The services to be performed by the selected firm will include, but are not limited to, the following:

#### A. Ongoing Bond Resolution Management

- Services relating to the management on a continuing basis of MaineHousing's MPP Bond Resolution including maintaining a current cash flow model of the MPP. When directed by MaineHousing, provide analytic models which will assist MaineHousing in making strategic business decisions. The focus is generally on optimal profitability levels and utilization of surplus or reserves while maintaining needed liquidity.
- Recommend cross-calling strategies.

#### B. Bond Transactions

- Assist and advise MaineHousing on the sizing and structuring of bond financings.
- Prepare rating agency cash flows as requested. Assist MaineHousing in analyzing the outcomes of the different stress test cash flow runs.
- Assist MaineHousing in evaluating the impact of different bond structures.

- Project bond yields for different structures based on rate scales provided by the underwriters.
- Provide assistance on analyzing the uses of variable rate bonds and swaps in new transactions.
- Update cash flow models after bond transactions and bond redemptions.

#### C. Post Issuance Tax Compliance

- Maintain a refunding genealogy.
- Monitor mortgage yield and bond yield on variable rate issues.
- Calculate and monitor arbitrage rebate computations for all tax exempt bond issues.
- Provide IRS with rebate calculations as needed. Assist MaineHousing in applying for IRS refunds.
- Calculate Universal Cap positions and asset transfers in compliance with IRS requirements.
- Monitor usage of zero percentage loan participations and monitor 42 month rule compliance.
- Assist MaineHousing's compliance with 10 and 32 year rules.

#### D. General Management

- Assist MaineHousing in identifying refunding opportunities.
- Work with management to model certain management strategies and their impact on the overall health of the MPP.
- Provide MaineHousing with creative strategies being utilized by other HFA's.

### PROPOSAL REQUIREMENTS

#### A. General Firm Information

Provide a brief description of your firm which includes:

1. Names of the principals of the firm
2. Name and contact information of the representative authorized to discuss this proposal

3. Address of the firm's office

B. Experience and Resources

1. Describe your firm's capabilities and resources to perform the required scope of work.
  - a. Describe the cash flow models used by your firm to satisfy rating agency requirements.
  - b. Describe your firm's model for providing analytics regarding the cross-calling of bonds. List the clients you currently advise in this area.
  - c. Describe your firm's experience in rebate calculations. List the clients you have assisted in attaining refunds from the IRS.
  - d. Describe how your firm has been of particular benefit to HFA clients.
  - e. List current HFA clients.
  - f. Identify any material litigation or administrative proceedings in which your firm is currently involved or which have been settled in the past ten years.
  - g. Indicate the individuals from your firm who would be involved in providing services to MaineHousing. Provide appropriate background information for each such person and identify what his or her responsibilities would be.
  - h. Is your firm a SEC Registered Muni Financial Advisor?

C. Fee Structure

The current cost of services is one of the factors which will be considered in awarding this contract.

1. Please provide a cost proposal for providing the requested scope of work.
2. List the criteria which fees will be based upon. Provide an itemized breakdown of billing rates and hourly costs.

D. References

Provide a list of at least three HFA clients which your firm currently serves that MaineHousing may contact. Please name a contact individual at each of these HFA's.

E. Conflict of Interest

Does the firm, any principal or affiliate of the firm, or anyone who will be paid for work pursuant to the RFP have business ties, familial relationships, or other close personal relationships with a current MaineHousing employee or commissioner or anyone who was a MaineHousing employee or commissioner within the past year? If yes, describe.

Five copies of your proposal should be delivered by August 30, 2019 - 5:00 p.m. EST to:

Thomas C. Cary, Treasurer  
 Maine State Housing Authority  
 353 Water Street  
 Augusta, ME 04330-4633

Please also send a copy by e-mail to [tcary@mainehousing.org](mailto:tcary@mainehousing.org).

**PROPOSAL EVALUATION AND SELECTION CRITERIA**

The evaluation process described in this RFP is intended to enable MaineHousing to select the firm that provides the best value in meeting MaineHousing’s needs by considering both non-price and price factors. A trade-off method of selection will be used to allow MaineHousing to award a contract to the firm providing the best value, recognizing that best value may result in an award not representing the lowest price or the highest-scoring technically qualified proposal. Accordingly, to accomplish this balancing, or trade-off, between price and technical factors and to aid in determining best value, cost proposals will be evaluated and scored separately from relevant experience factors.

The proposals received will be evaluated by MaineHousing. After such evaluation, firms may be selected for a formal presentation and interview.

Proposals will be evaluated and scored based on experience as follows:

EXPERIENCE FACTORS	MAXIMUM POINTS
Relevant experience of the firm	50
Relevant experience of the individuals who would work on MaineHousing’s account	50
TOTAL POINTS	100

After proposals are ranked based on the evaluation of experience, firms’ fee proposals will be evaluated and scored as follows:

COST PROPOSAL	MAXIMUM POINTS
Evaluation of fees	50
TOTAL POINTS	50

If MaineHousing is unable to negotiate a mutually satisfactory contract with its first choice it may, in its sole discretion, negotiate with its secondary choices or cancel and reissue a new RFP or retain quantitative services through another selection method.

#### OTHER INFORMATION

The issue of bonds is subject to many factors. Therefore, MaineHousing makes no representation or warranty of any nature that any firm selected pursuant to this RFP will participate in any minimum or maximum number of financings, or in financings that involve any minimum or maximum dollar amounts.

MaineHousing reserves the right to seek clarification of each proposal and the right to negotiate a final contract in its best interest, considering cost effectiveness and the level of time and effort required for the services.

MaineHousing reserves the right to reject any or all proposals, without liability, at its sole discretion.

MaineHousing reserves the right to cancel this solicitation, without liability, at its sole discretion.

MaineHousing is not responsible for any costs that respondents incur while submitting proposals. Firms responding to this solicitation do so solely at their own expense.

From the date of issue of this RFP to the date the winning bidder is announced, all contact with MaineHousing relating to quantitative services, except those made pursuant to any pre-existing relationship with MaineHousing, must be approved by Thomas C. Cary, MaineHousing Treasurer. Violation of this provision may result in disqualification of the bidder's proposal. Bidders are advised that only Thomas C. Cary, MaineHousing Treasurer, can clarify issues or render any opinion regarding this RFP.

The term for provision of quantitative services resulting from this RFP shall be for an initial period of up to three (3) years. The term may be extended up to two (2) additional years at MaineHousing's discretion and by mutual agreement.

Information submitted in your application becomes public information, and is subject to disclosure in accordance with the requirements of law, including without limitation the Maine Freedom of Access Act.

#### **MAINEHOUSING NONDISCRIMINATION NOTICE:**

*MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Louise Patenaude, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.*