



REQUEST FOR PROPOSALS

DATE OF ISSUE: May 08, 2017

TO: Potential Providers of Services

RE: **Request for Proposals (“RFP”) for Swap Valuations**

I. Services Sought by Authority

The Michigan State Housing Development Authority (“Authority”) is seeking an organization authorized to do business in Michigan to determine if the Authority’s derivative instruments (“Swaps”) result in an effective hedge in accordance with Governmental Accounting Standards Board (GASB) No. 53.

It is anticipated that a two-year contract will be awarded.

Michigan law allows for veterans preference only; however, women-owned, minority-owned, and small businesses authorized to conduct business in the State of Michigan are encouraged to submit proposals.

II. Contents of this RFP

- Overview of services sought, tasks and activities (“Scope of Work” or “SOW”)
- Exhibit A – Notices to Bidders
- Exhibit B – Proposal Submission
- Exhibit C – Proposal Format
- Exhibit D – Project Personnel Form

III. Overview

The Authority seeks a financial service provider (“Bidder” or “selected contractor”) to conduct Swap Valuation services for two (2) year-end periods - June 30, 2017 and June 30, 2018. The selected contractor will provide a year-end market value change of the effective hedges for each year-end period to determine how much will be recognized in the year to which they relate. This determination requires a number of tests, including a regression analysis to compare the actual market performance against the index related to the individual Swaps.

The selected contractor will also advise and educate Authority representatives related to contractor services sought as outlined below.

IV. Objectives, Tasks, and Deadlines

A. Objective

To successfully perform the services described in Section III above, the selected contractor must meet the following general objective:

1. Provide information, reports, data, and schedules to assist the Authority to determine compliance with GASB No. 53. This standard is used to determine whether a derivative instrument will result in an effective hedge.

B. Tasks

To achieve the above objective, the selected contractor shall perform tasks including, but not limited to, the following:

1. Regression Analyses; and
2. Market quotations for the Authority's Swap portfolio.

C. Deadlines

For 2017:

The selected contractor shall perform the tasks, and complete the objective, no later than October 20, 2017.

For 2018:

The selected contractor shall perform the tasks, and complete the objective, no later than October 19, 2018.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
REQUEST FOR PROPOSALS**

EXHIBIT A

NOTICE TO BIDDERS

I. Bidder Qualifications/Requirements

Proposals not including requested information may be viewed by the Authority as non-responsive and not considered further. Bidders are strongly encouraged to review their proposals prior to submission to ensure that all requested information is included.

- A. Bidder's Experience.** The Authority has identified the following qualifications that it believes are necessary for the successful performance and completion of the services described in the Scope of Work. The Bidder must:
1. Have experience providing financial analyses as outlined in the Scope of Work, and
 2. Assign experienced personnel to perform the services, or have personnel supervised by experienced staff.
- B. Bidder's Authorized Signatory.** An official authorized to commit the Bidder to the terms and conditions of the proposal must sign the proposal being submitted. The Bidder must clearly identify the full title and authorization of the designated official and provide a statement of bid commitment with the accompanying signature of the official. Attach any resolutions authorizing the approved signatory with the proposal. Include the name and telephone number of person(s) in your organization authorized to expedite any proposed contract with the Authority.
- C. Bidder Organization Authorized to Transact Business in Michigan.** The Bidder must be either a Michigan entity (limited partnership, Limited Liability Company, for-profit corporation or non-profit corporation, etc.) or, if foreign, authorized to do business in the State of Michigan.

Proposals from Sole Proprietors Will Not be Accepted

Questions regarding specific requirements to transact business in the State of Michigan should be referred to or otherwise contact the Michigan Department of Licensing and Regulatory Affairs, Corporations, Securities & Commercial Licensing Bureau at:

http://www.michigan.gov/lara/0,4601,7-154-61343_35413---,00.html.

- D. Bidder's Minimum Internet/Technological Capabilities.** The Bidder must have phone, internet, and e-mail access. Internet and e-mail access must be adequate enough to allow the Bidder to receive, download and upload data, files and attachments from Authority staff. (Current state standards are limited to a functional size of 20 MB).
- E. Limits on Liability & Indemnification.** The Bidder must review and acknowledge that the Authority will require the Bidder to satisfy the following requirements prior

to the execution of a contract with the Authority. If the Bidder has objections, please provide an explanation with your proposal outlining the objection.

If awarded a contract, the Bidder agrees to:

1. Indemnify, defend and hold harmless the Authority, its Board, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:
 - a. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from (1) the services provided ("Services") or (2) performance of the Services, duties, responsibilities, actions or omissions of the Bidder or any of its subcontractors under an awarded contract.
 - b. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from a breach by the Bidder of any representation or warranty made by the Bidder in an awarded contract.
 - c. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or related to occurrences that the Bidder is required to insure against as provided for in an awarded contract.
 - d. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Bidder, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the Authority.
 - e. any claim, demand, action, citation or legal proceeding against the Authority, its employees and agents which results from an act or omission of the Bidder or any of its subcontractors in its or their capacity as an employer of a person.
 - f. any action or proceeding threatened or brought against the Authority to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Bidder or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States.

- F. Bidder's Insurance Coverage.** The Bidder must maintain and provide evidence, satisfactory to the Authority, of the following minimum insurance coverage:
1. General Liability Insurance for \$1,000,000 with the Authority shown as additional insured;
 2. Errors and Omissions Insurance for \$1,000,000 for each occurrence and \$1,000,000 annual aggregate;
 3. Worker's Compensation Insurance (if required under state law). Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable.
 4. If required by the Authority, Cyber Security Insurance for \$1,000,000.
- G. Project Personnel.** Bids must acknowledge and identify project personnel who will be performing services pursuant to an awarded contract and (a) sign the contract on behalf of the selected contractor and/or (b) are listed in the form attached and incorporated into this RFP as Exhibit D – Project Personnel Form.

II. Notifications to Bidders

- A. Questions Regarding RFP.** Questions raised by Bidders concerning the RFP must be submitted in writing via either email below.
- Address all questions regarding the RFP to the Authority's Procurement Office.
 - Questions must be received in writing via email by **May 18, 2017 at 4 p.m.** Eastern Time.
 - To ensure a fair and impartial process, the Authority's Procurement Office will *only* address on time and properly submitted questions.
 - Phone calls involving the RFP or related questions will not be accepted.
 - Firms submitting bids shall not contact any Board members or Authority staff.
 - Submit questions using the subject line **Swap Valuations RFP** to the attention of:

**Michigan State Housing Development Authority
c/o Procurement Office**

E-mail: MSHDA-Procurement@michigan.gov
 - The Authority will hold no other question sessions or bidder's conferences.
 - Responses to properly submitted questions will be posted on or around **May 22, 2017.**

- All questions and answers related to this RFP will be supplied to Bidders that submitted questions, and/or to organizations providing the Procurement Office with notification of intent to submit a proposal.

- B. Revisions to RFP.** If, prior to the proposal deadline, the Authority deems it necessary to provide additional clarifying information, or to revise any part of the RFP, supplements or revisions will be provided to all Bidders who have indicated they will submit a proposal. Proposals will then be evaluated based on the terms and conditions of the RFP, any supplements or revisions to the RFP, and the answers to any written questions.
- C. Michigan Freedom of Information Act.** All documents submitted to the Authority are subject to the Michigan Freedom of Information Act ("FOIA"). In the event a request for submitted documents is made to the Authority, the Authority's FOIA Coordinator will redact or withhold information and/or documents that are exempt from disclosure under FOIA. *See MCL 15.243 et seq.* Please note that any requests by non-MSHDA personnel to review proposals will be denied until the deadline for submission of the bids has expired. *See MCL 15.243(1)(i).*

Please submit FOIA requests to the Authority as follows:

**MSHDA FOIA Coordinator
c/o Legal Affairs**

Email: MSHDA-FOIA@michigan.gov

- D. Payments to Pensioned Retirees.** 2007 PA 95, MCL 38.68c requires retirees of the State Employees Retirement System ("Pensioned Retirees") who become employed by the State either directly or indirectly through a contractual arrangement with another party on or after October 1, 2007 to forfeit their respective state pensions for the duration of their reemployment. **Accordingly, any pensioned retiree who provides or renders services pursuant to the contract for which bids will be made under this RFP shall be required to forfeit his or her pension during the term of the contract.**

Proposals must acknowledge and confirm whether pensioned retirees will render services under the contract being sought through this RFP. If the Bidder intends to use a pensioned retiree, the Bidder must submit written confirmation from the pensioned retiree that he or she agrees to forfeit his or her pension during the term of the contract, if awarded. If awarded a contract, the Bidder must submit a copy of the pensioned retiree's directions to the State of Michigan's Office of Retirement Services ("ORS") to withhold the retiree's pension payments until the end of the contract term by having the pensioned retiree complete a Retiree Rehire Certificate. A copy of the Retiree Rehire Certificate will be required to be submitted prior to executing an awarded contract.

- E. Contract Award Approvals.** Prior to executing an awarded contract, the Authority must seek and obtain Michigan Civil Service approval. The required forms will be submitted to Civil Service prior to the Authority's Board approval.

Contracts that equal or exceed \$45,000 must be approved by the Authority's Board. Thereafter, an awarded contract will be forwarded to the selected Bidder with instructions to review and sign it. Upon receiving the signed contract, the Authority's Procurement Office will submit the contract to a duly authorized

signatory for final execution on behalf of the Authority. One fully executed contract will then be returned to the selected contractor.

F. Applicable Laws. The selected contractor will be required to comply with all Michigan and federal laws, as well as acquire any permits or permission-related documents to provide services being sought.

G. Submissions Subsequent to Award. As part of an awarded contract, the selected contractor will be required to review and provide and/or acknowledge additional documents including but not limited to:

- W-9 Request for Taxpayer Identification Number and Certification.
- Retiree Rehire Certificate, if necessary.
- Proof of proper insurance.

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**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
REQUEST FOR PROPOSAL**

EXHIBIT B

PROPOSAL SUBMISSION

I. Submitting Proposal

- Bidders wishing to submit proposals must submit one (1) **.pdf** copy of a proposal to provide the services described above in the Scope of Work.
- Submitted proposals must respond to and address the tasks, activities, listed requirements and questions outlined in the Scope of Work of this RFP and its attached and incorporated exhibits.
- The Authority shall not be liable for any costs that a Bidder may incur while preparing a proposal.
- The Authority shall not be liable for any costs that a Bidder may incur prior to the complete execution of a contract.
- If the Authority enters into a contract, the Authority's consideration (payment) shall be limited to the term of the contract.

II. Proposal Delivery

- A. Due Date.** Proposals responding to this RFP are due **June 1, 2017 at 4 p.m.** Eastern Time
- B. Originals and Copies.** Submit one .pdf version of a proposal via email outlining how the Bidder will provide the services described in the Scope of Work.
- C. Delivery of Proposal.** Direct all deliveries to:

MSHDA-Procurement@michigan.gov

Confirmation of Delivery. The Procurement Office will verify receipt of email and proposal to the Bidder within 24 hours. If Bidder has not received verification, the Bidder should verify the email address provided above (i.e., no spaces; hyphen between "MSHDA" and "Procurement") and resubmit an email asking for verification.

- D. Commencement of Work.** Project work shall not commence until execution of a project contract. The selected contractor shall not proceed with performance of the project work or incurring of project costs until both parties have signed the project contract to show acceptance of its terms and conditions.
- E. Project Control.** The selected contractor will carry out this project under the direction and control of the Authority and its designated Contract Administrator.
- F. Quarterly Progress Reports.** The selected contractor may be required to submit brief written quarterly summaries of progress outlining the work accomplished during the reporting period. Problems, real and anticipated, or any significant deviation from the agreed-upon work plan should be brought to the attention of the Contract

Administrator. A financial report of expenditures to date including any changes to approved budget or approved work schedule must be submitted as part of the report. If required, these reports will be due to the Authority each January 15, April 15, July 15 and September 15 during the project period.

G. Final Project Summary Report. The selected contractor may be required to submit a narrative summary of the project and its outcome. This should include an outline of the methodology used, evaluation of the project results, and a summary of what worked and what the selected contractor would do differently the next time the contractor undertakes a project of this nature. If required, one printed copy of the final summary report and an electronic version of the report in shall be submitted to the Authority.

III. Selection of Proposal

The selection of a proposal shall be subject to a review by the Authority's Legal Affairs Division concerning conflicts of interest and/or participation in Authority programs by the Bidder, its officers, employees, subcontractors or independent contractors.

A. Selection Criteria. The Authority will select the proposal based on Selection Criteria listed below:

- | | | |
|----|---|--------------------|
| 1. | Experience, education or certification | (40 Points) |
| 2. | Communication skills, including clarity of proposal and writing sample | (30 Points) |
| 3. | Adequacy of proposed methodology, staffing, and time frames for performing services | (15 Points) |
| 4. | <u>Reasonableness and feasibility of fee</u> | <u>(15 Points)</u> |

Total Possible Points: 100 Points

B. Proposal Selection. The Authority's review may take up to four weeks after the closing date for submitting proposals. The Authority anticipates notifying the selected contractor on or about June 28, 2017 via e-mail and posting on the Authority's website; however, the selection and final notice of award will be contingent on approval by the Michigan Civil Service Commission and the Authority's Board.

C. Cancellation of Selected Proposal. The selection of a proposal by the Authority may be cancelled at any time prior to the complete execution of a contract. If the Authority cancels its selection of a proposal, the Authority may repost this or a similar RFP and re-seek proposals. Reasons for canceling the selected proposal may include, but are not limited to, the following:

1. Refusal of Department of Civil Service to process required forms.
2. Refusal of duly authorized Authority signatory to execute the contract.

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EXHIBIT C

PROPOSAL FORMAT

I. Overview

- Proposals must be submitted in the format described in Section II below.
- There should be no attachments, enclosures or exhibits other than those considered by the Bidder to be essential to a complete understanding of the proposal.
- Each section must be clearly identified with appropriate headings and/or table of contents.
- The proposal should be clear, accurate, and complete, with sufficient detail to enable the Authority to evaluate the services and methods proposed.

II. Headers/Table of Contents

A. Business Organization. Include the following information and supporting documentation:

1. The full name and address of Bidder, including any “Doing Business As” titles.
2. The branch office or name and address of registered agent, if applicable.
3. The type of entity (e.g., Michigan corporation, Michigan nonprofit corporation, Michigan limited liability company, foreign). *Note:* Prior to contract execution, the selected contractor will be required to provide proof of authorization to conduct business in the State of Michigan.

B. Management and Personnel. Answer/Address the following:

1. **Officer and Management Summary.** Identify managers and/or officers who will manage the contract if it is awarded and provide their resumes or CVs. Identify officers and managers by name and position. List their responsibilities and the specific tasks each officer and manager assigned to the project will carry out and the anticipated time frames for each task. Provide current contact information including the manager(s) and/or officer(s) name, title, mailing address, email address, and phone and fax numbers.
2. **Personnel Summary.** Identify proposed key project personnel, including job titles, responsible for performing the activities and services described in the Scope of Work.
3. **Submit a Certificate Verifying Project Personnel.** The form is found in Exhibit D, attached and incorporated into this RFP.

- a. **Confirm Whether Any Assigned Personnel Receive Pension Payments from the State of Michigan.** Review Exhibit A, Section II.D above for important information regarding Pensioned Retirees.

C. Experience.

1. **Prior Experience of Bidder.** Indicate prior experience of your organization that you consider relevant to the successful accomplishment of the project described in this RFP. Include sufficient detail to demonstrate the relevance of such experience. Include descriptions of qualifying experience, including project descriptions, costs, and starting and ending dates of projects successfully completed. Also include the name, address, and telephone number of the responsible official of the client organization who may be contacted.
2. **Experience of Proposed Personnel Assigned to Provide Services.** The proposal should describe the education and experience of the personnel who will be assigned to provide the proposed services, including managers who may oversee work of personnel.
3. **Additional Information and Comments.** Include any other information that is believed to be pertinent but not specifically asked for elsewhere.

D. Proposed Services.

1. **How Services Will be Rendered.** Address and describe the process used to render the services and how the services will be rendered. This should be an overview of the methodology to be used, based on staff and time frames, to meet the project scope of work and complete the required services within the time frame of the project.
2. **Use of Subcontractors.** If any work will be subcontracted, describe the following:
 - a. Work that will be subcontracted.
 - b. The process used to select the subcontractors.
 - c. The subcontractor's experience and expertise.
 - d. The names of the firms/individual(s) who will perform the subcontracted work.
 - e. How quality of service will be monitored and ensured.
3. **Standards.** Describe or address the following:
 - a. The standards that the services will satisfy. (If standards of a professional association will be followed, identify the standards and the association.)
 - b. How quality of service will be monitored and ensured.
 - c. Whether "best practices" will be followed. (If applicable, identify the organization and/or document establishing such standards.)

4. **Security of Data.** If the services to be rendered require the collection and/or use of confidential and/or personal data, confirm the following:
 - a. Has your organization established and used a policy to address the security of paper and electronic data? (***Please do not submit a copy of your security policy.***)
 - b. Does your policy address the removal of confidential and/or personal data from storage media? (For example, does your firm's policy include the removal or "wiping" of data from hard drives when a computer is no longer used?)
5. **Copyrighted Materials.** Acknowledge and/or confirm the following:
 - a. You agree that any and all products produced as a result of this contract shall be the property of the Authority.
 - b. You agree that the Authority shall (a) hold a copyright on all materials or products produced under the contract and (b) be allowed to file for a copyright with the United States Copyright Office.
 - c. You acknowledge that submitted documents will not contain in part or whole copyrighted materials.

E. Price Proposal & Budget

1. **Price Proposal.** All rates quoted in proposals submitted in response to this RFP will be a firm fixed price for the duration of the contract. No price changes will be permitted. (*Note that proposals should reflect per diem rates in effect at the time of proposal submission. State per diem rates are subject to change during the term of an awarded contract.*)
2. **Budget.** Include in the proposal a line item budget identifying all expenses related to the work to be performed. By submitting the bid, the Bidder acknowledges that it bears the risk that its expenses may exceed the proposed amount. The budget should include applicable items, which may include the following:
 - a. Staff costs (# of hours/per hour rate, etc.).
 - b. Costs of supplies and materials.
 - c. Other direct costs.
 - d. Transportation costs.
 - e. Total budget.

- F. **Schedule/Timeline.** Bids must include a schedule for delivery of services set forth in the Scope of Work and cite the proposed deadlines for completing the tasks within the Scope of Work. All work must be completed by October 19, 2018.

Include a timetable indicating how the project will be scheduled. The timetable should include: (1) any proposed meetings; (2) dates for draft submittals; (3) review times (allow 4 weeks for Authority review) and completion dates for deliverables; (4)

quarterly reports (these will be due July 15, Sept. 15, Jan. 15, and April 15 each year during the project reporting period); and (5) final Project Completion Report. A proposed schedule/timeline is listed below:

Completed Service/Project Components	Estimated Completion Dates
Proposals Due	June 1, 2017
Contractor Selection Announcement	On or about June 28, 2017
Execute Contract	July 15, 2017
Begin Project	July 20, 2017
Deadline: 2017	October 20, 2017
Deadline: 2018	October 19, 2018
Project Completion	October 19, 2018

G. Disclosure of Participation and Interests in Authority Programs.

1. **Disclosure of Interests in Authority Programs.** Authority programs include, but are not limited to, the Housing Voucher Program, any loans where the Authority is the lender, and any grants made by or administered by the Authority.
2. **Submission of Conflicts of Interests.** Submit a list of all interests that the Bidder, its officers, board members, and employees respectively have in Authority programs. If the Bidder intends to use independent contractors or subcontractors to render services, include the interests that independent contractors or subcontractors and their officers, board members, and employees respectively have in Authority programs.
3. **Potential Conflicts of Interests.** Indicate in the proposal whether the Bidder is currently under contract and/or has been awarded a grant from the Authority. Please confirm whether any potential conflict of interest will exist if the Authority enters into a contract with the Bidder.

Potential conflicts of interest may arise from the Bidder’s officers, employees, members, board members, independent contractors or subcontractors the Bidder will use to render services if the firm enters into a contract with the Authority.

If the Bidder is currently under contract or is receiving a grant from the Authority, indicate if the Bidder or project personnel holds a position with another entity that may be under contract or receiving a grant from the Authority.

Include an organizational chart from each entity under contract or awarded a grant from the Authority in which the Bidder or project personnel holds a position. Include each employee’s position and title within the entity. In addition, indicate whether the Bidder or the project personnel is responsible for making financial decisions in his/her capacity and what measures have been implemented to ensure that funds are not comingled.

4. **Family Members Who Work for Authority.** Please list the names of the Bidder’s officers, board members, and employees who have family members who work for the Authority and the names of the family members who work for the Authority.

H. Signature Clause to be Signed by Bidder's Authorized Signatory. Insert into the proposal and have the authorized signatory sign the following signature clause at the end of the proposal:

I confirm that I have submitted this proposal on behalf of

_____ in response to the
**Michigan State Housing Development Authority's Request for Proposals for
Swap Valuations.**

I also confirm that I have read and understand the Authority's indemnification, copyright, data security and insurance requirements.

By: _____

Its: _____

Date: _____

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY
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EXHIBIT D

PROJECT PERSONNEL FORM

**CERTIFICATE VERIFYING PROJECT PERSONNEL OF THE
CONTRACTOR/SUBCONTRACTOR**

The Contractor/Subcontractor acknowledges that the following personnel are Project Personnel of the Contractor/Subcontractor:

(1) Name _____
(Print or type name above line)

Title with Contractor/Subcontractor _____

Is this person a retiree who receives a pension from the Michigan State Employees Retirement System? Yes _____/No _____

(2) Name _____
(Print or type name above line)

Title with Contractor/Subcontractor _____

Is the person a retiree who receives a pension from the Michigan State Employees Retirement System? Yes _____/No _____

(3) Name _____
(Print or type name above line)

Title with Contractor/Subcontractor _____

Is the person a retiree who receives a pension from the Michigan State Employees Retirement System? Yes _____/No _____

Name of Signatory for Contractor/Subcontractor:

Printed Name: _____
(Print or type name above line)

Its: _____

Signature: _____

Federal Identification Number: _____

Pensioned Retirees (2007, MCL 38.68) (12/7/07 Rev)