

**REQUEST FOR PROPOSALS TO PROVIDE
ESCROW VERIFICATION
SERVICES**



**SPECIAL NOTE: YOUR IMMEDIATE ATTENTION IS CALLED TO SECTION I.C.
YOU NEED TO SEND TO US AN E-MAIL ADDRESS FOR
TRANSMISSION OF NOTICES OF INQUIRIES.**

August 15, 2012

**Arkansas Development Finance Authority
900 West Capitol, Suite 310
Little Rock, AR 72201
(501) 682-5900**

SECTION I: INSTRUCTIONS TO PROPOSER/GENERAL INFORMATION

A. PURPOSE. The Arkansas Development Finance Authority (“ADFA” or the “Authority”) is requesting proposals from certified public accounting firms and other qualified firms to provide escrow verification services for ADFA advance refunding escrows and defeasance escrows. ADFA expects to select a firm for a period of approximately two (2) years (term can be extended for additional one (1) year terms, with a maximum of 5 extensions, at the discretion of the ADFA Board), subject to successful fee negotiations.

Any firm selected pursuant to this RFP shall serve at the pleasure of ADFA, and the professional services of any firm selected may be terminated at the sole discretion of ADFA upon delivery of written notice of such termination to the firm. ADFA reserves the right to select one or more firms to serve as Escrow Verification Agent for the various types of bond issues.

B. SUBMISSION OF PROPOSALS. Written proposals responding to the questions and requests for information in the manner specified in this Request For Proposal (“RFP”) should be submitted to the following:

rfp@adfa.arkansas.gov

To be considered, one (1) copy of the proposal should be delivered to ADFA not later than August 29, 2012 12:00 p.m., via email. Late proposals will not be accepted. ADFA reserves the right to reject any or all proposals.

C. ADDITIONAL INFORMATION. It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP. Questions should be directed to Patrick Patton (patrick.patton@adfa.arkansas.gov), Vice President for Internal Audit and Information Technology, at (501) 682-5902 or Brandye Williams (brandye.williams@adfa.arkansas.gov), Arbitrage Rebate Manager and Finance Officer, at (501) 682-5646. Substantive questions and answers will be documented in letterform and will be sent by electronic mail to all the proposers who provide us with an e-mail address. **IN ORDER TO BE ON THE DISTRIBUTION LIST FOR INTERNET TRANSMISSION OF ALL RESPONSES TO INQUIRIES, YOU MUST IMMEDIATELY ADVISE PATRICK PATTON OF ADFA, THE INTERNET E-MAIL ADDRESS TO WHICH YOU WANT ALL SUCH TRANSMISSIONS SENT.**

D. PROPERTY OF ADFA. Any information or materials submitted as a response to this RFP shall become the property of ADFA and will not be returned. All submitted materials will be available for public review.

E. RESPONSE TO REQUEST FOR PROPOSAL. Firms wishing to respond to this RFP may contact any of the ADFA staff persons identified herein. **NO CONTACT WITH ADFA BOARD MEMBERS IS ALLOWED AND ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF A FIRM’S PROPOSAL.**

F. SELECTION TIMETABLE.

August 15, 2012	Request for proposal issued
August 29, 2012	Proposals due @ 12:00 p.m., via email
September 20, 2012	Board action (Appoint/ratify appointment of firm, authorize the President of ADFA to negotiate fees)
TBD	Submission to Legislative Committee for contract review (if required)

G. SELECTION PROCESS. ADFA’s Staff Professional Selection Committee will review the submitted proposals. Proposals will be evaluated based on the responses to specifics outlined in the Proposal Format section of this RFP and based upon the selection criteria. Proposals that omit any of these items may be rejected as non-responsive. The ADFA Board Professional Selection Committee will make its decision on a recommendation for selection, which will be reported to the Board of Directors of the Authority at its regular meeting. The final selection will be made by a vote of Board members.

ADFA may at any time prior to the selection of a firm reject any and all proposals and cancel this RFP, without liability therefore, upon finding that there is good cause for rejecting all proposals and that it would be in its interest to cancel the solicitation. Further, regardless of the number and quality of proposals submitted, ADFA shall under no circumstances be responsible for any proposer costs and expenses incurred in submitting a response to this RFP. Each proposer who submits a response does so solely at the proposer’s cost, risk and expenses. ADFA accepts no responsibility for the return of successful or unsuccessful proposals. This RFP in no way obligates ADFA to select a firm.

H. SELECTION CRITERIA. The proposals will be reviewed by the Staff Professional Selection Committee composed of selected members of ADFA staff. The committee generally will use the following criteria to evaluate all acceptable proposals and to develop recommendations to be presented to the ADFA Board Professional Selection Committee; however, ADFA reserves the right to evaluate the proposals based on factors beyond the listed criteria.

Criteria

1. Firm’s recent experience in escrow verification services related to municipal bond issues.
2. Organization, size, and structure of firm:
 - a. Adequate firm resources dedicated to escrow verification services.
 - b. Response to Arkansas presence issue including relevance of presence to this transaction.
3. Qualifications of staff to be assigned, i.e., team members’ demonstrated ability, years, and type of experience.

4. Responsiveness of written proposals to the scope of services issues.
5. Responsiveness of proposal on fee issue.

SECTION II: SCOPE OF SERVICES AND REQUIREMENTS

The firm selected will be expected to perform all of the normal duties associated with providing escrow verification services for refunding bonds, included but not limited to confirming the adequacy of the escrow to meet debt service requirements on the refunded bonds, as well as confirming that the yield on the escrow does not exceed the yield on the refunding bonds.

SECTION III: STATEMENT OF QUALIFICATIONS

A. EXPERIENCE IN PROVIDING PROFESSIONAL ESCROW VERIFICATION SERVICES. Provide a representative list of recent state or local transactions on which your firm provided escrow verification services, which includes the following:

1. Name of issuer;
2. Size and title of issue;
3. Date of issue; and
4. Your firm's engagement team.

B. GENERAL INFORMATION REGARDING THE FIRM. Please provide the following information about your firm:

1. Discuss who would perform the verification services.
2. Outline your firm's standard services provided as Verification Agent as well as rationale for your firm's appointment.

C. CLIENT REFERENCES. Provide three client references for which you provide escrow verification services. Furnish name, agency, and telephone number for these references.

SECTION IV: PROPOSAL FORMAT

A. TRANSMITTAL LETTER. A one page transmittal letter prepared on the proposer's business stationery should accompany the proposal and required copies of the proposal.

B. PROPOSAL. The proposal should be labeled “Proposal to Provide Escrow Verification Services for ADFA.” The proposal must contain sufficient information to enable the ADFA Staff Professional Selection Committee to evaluate the proposal. It should be prepared in a clear and precise manner and should address all appropriate subsections.

1. **Escrow Verification Services Team and Personnel.** Describe the manner in which you would organize your firm’s resources to provide escrow verification services for ADFA. In doing so, please address the following questions or issues:
 - a. Identify the individual who will manage these services on a day-to-day basis. Define this individual’s position within the firm and indicate the degree to which he or she will be able to commit the firm’s resources. What is this person’s availability for these services and what other commitments does he or she have?
 - b. Identify other professionals from your firm who will be assigned to work on this project, their roles and responsibilities, and relevant aspects of their background. How will these individuals work with the other members of your team?
2. **Comments on Scope of Services.** Elaborate on the escrow verification services you propose to perform. In what way do you expect the scope of services to differ from those listed in Section II?
3. **Record Retention.** Please explain the record retention policy surrounding the workpapers utilized for the escrow verification services.
4. **Sample Report.** Please provide, as an Appendix to your proposal, a sample report.
5. **Arkansas Presence.** Please explain your firm’s presence within Arkansas and describe how that presence is relevant to the proposed transaction.
6. **Rationale for Appointment and Proposal Summary.** This section of the proposal should be used by each proposer to present the case for its appointment to the position sought. Do not recite comprehensively your firm’s qualifications and experience, but describe how your qualifications and experience are relevant to the program.
7. **Escrow Verification Services Fee Determination.** Selection of a firm or firms for verification services will not be based on a competitive bid. ADFA will attempt to negotiate with the selected firm to establish a fair and reasonable fee. If an agreement cannot be reached with the selected firm, negotiations will be attempted with other firms in order of their selection or the services will be re-bid.

Provide the basic assumptions on which your fee would be predicated and any factors that would change the actual fee. State what you consider to be the most appropriate method for determining a reasonable fee for these services, and state your rationale.

8. **Equal Opportunity Statement.** Please submit your Equal Opportunity Policy to ADFA in accordance with Arkansas Act 2157 of 2005. This act requires any firm wishing to respond to an RFP or submit a proposal or statement of qualifications to provide ADFA with your Equal Opportunity Policy.
9. **Acceptance.** Submission of proposals, in response to this Request for Proposal, constitutes acceptance of all conditions, requirements and limitations described in this document.

PROFESSIONAL FIRMS

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