

**PROFESSIONAL SERVICES DESCRIPTION
FOR THE POSITION OF:**

**Arbitrage Rebate and Yield Restrictions Compliance
Services**

SUBMISSION DEADLINE:

**December 7, 2021
at 2:00pm**

Contract Term: 1 year

**FAIR AND OPEN PUBLIC SOLICITATION PROCESS
FOR PROFESSIONAL SERVICES**

FOR

**GLOUCESTER COUNTY IMPROVEMENT AUTHORITY
109 BUDD BOULEVARD
WOODBURY, NEW JERSEY 08096**

Through this Request for Qualifications/Proposals, the Authority seeks to engage a vendor as **Arbitrage Rebate and Yield Restrictions Compliance Services**. This contract will be awarded through a fair and open process pursuant to *N.J.S.A.* 19:44A-20.4 et seq.

The proposal must be received and will be publicly opened and read aloud on **December 7, 2021** at 2:00pm at the GCIA administrative office located at 109 Budd Boulevard, Woodbury, New Jersey. (see “Fair and Open Standardized Submission Requirements and Selection Criteria” for further information)

Must contact Danae Ciociola for the rest of the proposal Packet at dcociola@gciani.com.

The following is a description of the professional services needed including, where appropriate, a brief description of the tasks involved:

Background:

The Authority has issued several long term, tax exempt bond issues to finance a variety of activities including the construction and/or acquisition of structures and improvements. The fiscal year for the Authority is January 1 through December 31. These issues, which we understand to be subject to the arbitrage rebate requirements contained in Section 148(f) of the Internal Revenue Code of 1986 (the “Rebate Requirements”), are listed on Exhibit A, attached hereto. The proceeds of each issue are held and invested by the Authority’s bond trustee, as directed by the Authority.

Services:

The services to be provided include, among other things, analyzing the outstanding tax exempt issues of the Authority to ensure the proceeds of those issues have been maintained and invested in accordance with the provisions of the Internal Revenue Code.

For each bond issue, the successful bidder will perform the following services among others as may be necessary to comply with the provisions of the Internal revenue Code:

- a. Verify that the issue is subject to the Rebate Requirements. (If not subject, provide a report documenting release of requirements.)
- b. Calculate the bond yield.
- c. Identify, and separately account for, all “Gross Proceeds” (as the term is defined in the Rebate Requirements) of the bond issue, including those requiring allocation analyses due to “transferred proceeds” and/or “commingled funds” circumstances.
- d. Calculate the issue’s excess investment earnings (cumulative rebate liability), taking into account any proceeds that are or have become subject to the yield restriction requirements.
- e. Provide an executive summary identifying the methodology employed, major assumptions, conclusions, and any recommendations for changes in the Authority recordkeeping and investment policy.

- f. Train Authority staff on arbitration-related matters to improve funds and record management.
- g. Provide assistance and consultation as necessary to retain records and documentation at least six years after each issue's final maturity.
- h. Provide a legal opinion that arbitration calculation results are consistent with the Rebate Requirements or an explanation as to why such opinion is unnecessary.
- i. Perform all applicable annual arbitration rebate calculations through the term of the contract.
- j. Perform all applicable anniversary arbitration rebate calculations through the term of the contract.
- k. Provide the Authority with five copies each and the Bond Trustees one copy of the calculations reports. Include appropriate documentation required to support calculations.
- l. Prepare all filings required by the Internal Revenue Service necessary for the payments of arbitration rebates or refunds.
- m. Represent the Authority as necessary in the event of an IRS inquiry.
- n. Coordinate between the Bond Trustees and the Authority so all necessary information is provided to perform calculations accurately.

Statement of Qualifications:

Respondents must provide a statement of qualifications, which should describe the qualifications of the firm, key staff and subcontractors performing projects that are similar in size and scope within the past five years, to demonstrate competence to perform these services.

The Statement of Qualifications Section Shall include:

- 1) Description of the firm's experience in providing arbitration rebate compliance services in general, and specifically with regard to transactions issued by public entities. Highlight experience with complex tax-exempt structures such as variable rate issues, advance refunding, etc.
- 2) Description of the legal expertise available within or to your firm, particularly with regards to the provision of Section 148(f) of the Internal Revenue Code and Regulations. Describe any legal opinions that may be required to satisfy each arbitration calculation.

NOTE: If the requisite legal expertise is available within your firm, describe your firm's expertise with the relevant provisions of the Internal Revenue Code and applicable rules and regulations. If the legal advice is to be provided outside your firm, identify the source of this expertise and explain the source's knowledge of the relevant Code and Regulation sections. Explain any mark-ups you will add to the cost of outside legal advice. Provide an estimate of the scope and cost of legal advice, including estimated hours and fee rates.

- 3) Description of the firm's availability with respect to future and/or additional rebate compliance services, i.e., new bond issues subject to the rebate requirements.

Fee Proposal:

All Respondents are to include a fee proposal for the services to be provided as detailed below:

- I. Price per bond issue:
 - a. Annual report fee
 - b. Additional year of reporting fee
- II. How much per calculation:
 - a. Interim
 - b. 5th Year
 - c. Final
- III. If needed a project yield restriction calculation.
- IV. Identify follow-up consultation and services available after the completion of the arbitrage calculation, including such costs.
- V. Describe how you would propose to handle and bill for amending your calculations if new regulations require amending previous calculations.

Individuals and/or firms are to submit five copies of their responses evidencing, at a minimum, the information required under the Statement of Qualifications and Fee Proposal sections above along with any other information that the firm desires that the Authority consider, and a proposed contract for professional services to be provided to the Authority.