

# BOARD OF REGENTS, STATE OF IOWA



## ARBITRAGE REBATE SERVICES REQUEST FOR PROPOSALS

### **PURPOSE AND BACKGROUND:**

The Board of Regents, State of Iowa is soliciting proposals from qualified and experienced firms to provide arbitrage rebate services.

The Board, an agency of the State of Iowa, is the governing body of the State University of Iowa at Iowa City, Iowa State University of Science and Technology at Ames, and the University of Northern Iowa at Cedar Falls. Fall 2015 headcount enrollment at the three universities totals 80,132 students. The Board also governs the Iowa Braille and Sight Saving School in Vinton and the Iowa School for the Deaf in Council Bluffs.

The Governor appoints members to the Board every two years subject to approval by two-thirds of the Senate of the General Assembly of the State of Iowa. The nine Board members serve for six-year over-lapping terms. Members can be reappointed and are selected on the basis of their qualifications to perform the duties required by the Board. Not more than five of the nine members may be of the same political party at any one time.

The Board is authorized in Chapters 262, 262A, and 263A of the *Code of Iowa* to undertake the construction of academic, dormitory, hospital, administrative, and support facilities, and to finance such projects through the issuance of bonds. Most Regent bonds are issued as tax-exempt instruments with interest on these bonds being exempt from federal and Iowa income tax for residents of the state. The Board has authority to utilize a variety of financing mechanisms, including academic building revenue bonds, self-liquidating revenue bonds (including dormitory bonds), hospital revenue bonds for the University of Iowa Hospitals and Clinics, lease/purchase agreements, advanced refunding bonds, and bond anticipation notes. As of June 30, 2015, the Board has approximately \$1.6 billion in outstanding revenue bond principal for these types of facilities. In addition, established Facility Corporations may issue bonds on behalf of the Board to acquire, construct, and finance certain facility projects as approved by the Board.

The Board Office, under leadership of the Executive Director of the Board of Regents, is responsible for advising and providing staff assistance to the Board on business issues, including bonds and other debt instruments.

The firm will provide the Regent institutions with authoritative calculations and certifications to meet arbitrage rebate requirements of federal tax laws and regulations. In carrying out these responsibilities, the firm will work closely with Board staff, the Regent institutions and the Board's bond and financial advisors. The Regent institutions currently have approximately 100 bond issuances for which calculations are required.

According to Iowa Code §262.9 (18), 681 IAC §8.8, and Regent Policy Manual §7.03(G), the Board is required to issue Requests for Proposals (RFP) to select a firm to provide arbitrage rebate services. The Iowa Administrative Code requires that this be done every five years.

## University of Iowa

The State University of Iowa, in Iowa City, Iowa, was established in 1847 as the State's first public institution of higher education. The University was the first public university in the nation to admit men and women on an equal basis and the first to accept creative work in theater, writing, music and art as theses for advanced degrees. The University is internationally known, among other things, for its Writers' Workshop, and its pioneering outer space research, with University-designed research instruments used in major missions since the 1950s. The University operates one of the nation's largest university-owned teaching hospitals. Approximately 915,000 visits are made to the State University of Iowa Hospitals and Clinics every year.

Fall 2015 headcount enrollment at the University totals 32,150 students.

The University has been accredited by the North Central Association of Colleges and Secondary Schools since the association's organization in 1913. The University is a member of the Association of American Universities. Various colleges and schools of the University are members of accrediting associations in their respective fields.

The University is organized into the following colleges: the College of Liberal Arts and Sciences, the Henry B. Tippie College of Business, the College of Education, the College of Engineering, the College of Public Health, the Roy J. and Lucille A. Carver College of Medicine, the College of Nursing, the College of Dentistry, the College of Law, and the College of Pharmacy. The Graduate College supervises graduate study offered by the University's various departments, schools and colleges, and confers master's degrees and doctorates.

## Iowa State University

Iowa State University of Science and Technology, Ames, Iowa, was chartered by the State General Assembly in 1858. Iowa was the first state to accept the terms of the Morrill Land Grant Act of 1862 and in March, 1864, the General Assembly awarded Iowa's grant to the University, known then as the Iowa Agricultural College. The first class of 26 was graduated in 1872. Since 1959, the University has been known as Iowa State University of Science and Technology.

The University pioneered in the establishment of agricultural curricula and was the first state institution to found a veterinary school. Experimentation and research have been integral parts of the University from its beginning, first in agriculture, and later in home economics, engineering, science and veterinary medicine.

Fall 2015 headcount enrollment at the University totals 36,001 students.

The University is accredited by the North Central Association of Colleges and Secondary Schools as well as by appropriate professional organizations. It is also a member of the Association of American Universities.

The University is organized into the following undergraduate colleges: the College of Agriculture and Life Sciences, the College of Business, the College of Design, the College of Engineering, the College of Human Sciences, and the College of Liberal Arts and Sciences. These colleges each grant bachelor's degrees. The Graduate College administers the graduate programs of the colleges and confers the master's degree and doctor of philosophy. The College of Veterinary Medicine awards the doctor of veterinary medicine degree.

## University of Northern Iowa

The University was established in 1876 and opened on September 5, 1876, as the Iowa State Normal School. In 1909, it was renamed the Iowa State Teachers College and attained a national reputation as a leading institution in the field of teacher education. In 1961, the institution's name was changed to the State College of Iowa and degree programs were added for those not planning to teach. The change to the University of Northern Iowa was effected in 1967. The University now offers courses covering a broad spectrum of curriculum on both the undergraduate and graduate level.

Fall 2015 headcount enrollment at the University totals 11,981 students.

The University of Northern Iowa is a member of the American Association of State Colleges and Universities (AASCU), the American Association of Colleges for Teacher Education (AACTE), and the Council of Graduate Schools in the United States. The University is accredited through the master's degrees, the specialist's degrees and the doctorate (Doctor of Education and Doctor of Industrial Technology) by the North Central Association of Colleges and Secondary Schools (NCA). Individual programs are accredited by several national accrediting agencies.

### **SCOPE OF SERVICES AND CONTENT OF PROPOSAL:**

#### SCOPE OF SERVICES

The Board is seeking a firm to provide arbitrage rebate services as follows:

- Review the cash flow and investment information provided by the Board, its institutions, or relevant financial institution serving as a trustee (when applicable) for an issue of bonds, notes or other debt instruments.
- Educate campus personnel on bond compliance issues and responsibilities as needed.
- Determine excess earnings on investments during each bond year (when applicable) based upon the information mentioned above.
- Determine the Board's net liability.
- If applicable, inform the Board or institutions of the obligation to deposit into a rebate fund any excess earnings based on the calculations performed.
- Prepare a rebate report for the Board and institutions setting forth computations, assumptions and instructions for filing.
- Provide the Regent institutions with authoritative calculations and certifications required to meet arbitrage rebate requirements of federal tax laws, regulations, and yield restrictions.
- Complete and provide for filing with the Internal Revenue Service a Form 8038-T for each issue for which there are excess earnings.
- Assist institutions in obtaining arbitrage rebate overpayments.
- Maintain past reports for future reference.

## CONTENT OF PROPOSAL

The proposals should be presented in a clear and concise manner, yet include sufficient detail to enable evaluation of the firm's suitability for the assignment and probability of success. Firms with multiple offices may utilize expertise from more than one office in their proposal. Each proposal should be limited to 15 pages, exclusive of attachments. While the overall format is at the discretion of the respondents, each proposal should contain at a minimum, the following information:

- Provide an overview of the firm's history in performing arbitrage rebate calculations.
- Describe the organization of the firm and any organizational aspects that uniquely qualify the firm for this assignment.
- Describe the firm's relevant arbitrage rebate calculation experience with higher education, the Board and its Regent institutions, the public sector, and entities in Iowa.
- Identify the partner and specific individuals who will be completing the calculations and provide the telephone/fax number and email address of the firm's principal contact.
- List staff hires and departures for individuals responsible for completing the specific calculations over the last three years. For departures, indicate the reason for departure.
- Indicate whether, within the last five years, your organization, or any one of its officers or principals, has been involved in any business litigation or other legal proceedings relating to its consulting activities. If so, provide an explanation and indicate the current status or disposition.
- Detail the proposed annual fee structure per bond issue for each construction or reserve fund calculation and the fee per issue if both calculations are required for the issue.
- Describe any fees for additional services that may be applicable and identify all costs not included within the base fee structure expected to be borne by the Board
- Provide a list of current clients that may be contacted as references.
- Provide the names of all clients who have terminated your firm's services for arbitrage rebate calculations in the last three years. In each case, detail the reason for termination.
- Include any other relevant information the Board should consider in evaluating qualifications for performing arbitrage rebate calculations.

Information provided in response to this Request for Proposal will be considered confidential by the Board throughout the selection process, to the extent permitted by law. The Board expressly reserves the right to reject any or all proposals received and to waive any irregularities or informalities in proposals if such waiver does not substantially change the offer or provide a competitive advantage to any firm.

**TIMELINE:** The following dates are set forth for informational and planning purposes however the Board of Regents reserves the right to change the schedule as needed.

RFP Release Date:	January 11, 2016
Written Questions Due:	February 16, 2016
Response to Questions Issued:	February 23, 2016
Bid Proposals Due:	March 9, 2016
Board Approval of Successful Firm:	June 8-9, 2016
Starting Date of Contract:	September 1, 2016

## SELECTION PROCESS:

1. CLOSING DATE. The closing date for receipt of responses to this Request for Proposal (RFP) is March 9, 2016 at 4:00 p.m. (Central Standard Time) with bid submissions being delivered in full to the addresses provided in #3 below. It is anticipated that a final decision on the selection of a contractor will be made by the Board of Regents at its June 8-9, 2016 meeting.
2. CLARIFICATION QUESTIONS. Any and all questions regarding this Request for Proposals should be submitted via e-mail to Brad Berg at [baberg@iastate.edu](mailto:baberg@iastate.edu) by 4:00 p.m. CST on Tuesday February 16, 2016. Responses to questions will be made available in the form of an official addendum by Tuesday February 23, 2016.
3. SUBMISSION OF PROPOSAL. Copies of the proposal must be received at the following addresses **no later than 4:00 p.m. Central Standard Time on Wednesday March 9, 2016**. Any proposals delivered after that time will not be considered. The proposal must be comprehensive by including all services and costs to meet the business and technical requirements as outlined in this RFP. To be considered complete, a signed Assurances, Representations, and Authorization to Release Information form must accompany the response to this RFP (see last page).

Four paper copies and an electronic version on a flash drive of the proposal should be submitted to:

Board of Regents, State of Iowa  
Attention: Brad Berg, Policy & Operations Officer  
11260 Aurora Ave  
Urbandale, IA 50322-7905  
(515) 281-3934  
[baberg@iastate.edu](mailto:baberg@iastate.edu)

One paper copy and an electronic version on a flash drive should be submitted to each of the following:

Terry Johnson  
University Chief Financial Officer and Treasurer  
University of Iowa  
105 Jessup Hall  
Iowa City, IA 52242  
(319) 335-2791  
[terry-johnson@iowa.edu](mailto:terry-johnson@iowa.edu)

Pam Elliott Cain  
Associate Vice President for Business and Finance  
Iowa State University  
1350 Beardshear  
Ames, IA 50011  
(515) 294-6218  
[pelliott@iastate.edu](mailto:pelliott@iastate.edu)

Michael Hager  
Senior Vice President, Administration and Financial Services  
University of Northern Iowa  
Lang Hall 122  
Cedar Falls, IA 50614  
(319) 273-2382  
[Michael.Hager@uni.edu](mailto:Michael.Hager@uni.edu)

4. EVALUATION. Representatives of the Board Office and Regent institutions will screen the written proposals. Finalists may be invited to participate in a telephonic interview with representatives of the Board and Regent institutions. Each candidate selected for an interview should be prepared to discuss fully and substantiate any aspects of its proposal. The Board of Regents will select the entity that it believes will best meet the needs of the Board and the Regent institutions. The Firm's submission of a proposal constitutes the Firm's acceptance of the evaluation technique and the Firm's recognition and acceptance that subjective judgments will be used by the committee during the evaluation process.

Preference shall be given to purchasing services from Iowa based businesses if the price, qualifications, and experience reflected in the proposals submitted are comparable to the proposals submitted by out-of-state businesses and otherwise meet the required specifications.

The successful proposal will demonstrate a clear understanding of arbitrage rebate calculations and a proven capability to perform the required services. Evaluation of each candidate will include, but not be limited to the following:

- Overall quality of the firm's proposal.
- Relevant experience with higher education and the public sector in doing arbitrage calculations.
- Familiarity with the State of Iowa, the Board of Regents, and the Regent institutions.
- Experience and demonstrated success as indicated by its listing of clients for which arbitrage calculations are currently being completed.
- The firm's professional reputation for integrity and compliance with state and federal law.
- Professional qualifications and experience of principal employees who will work for the Board.
- Commitment to fair and equitable employment practices.
- Consideration will be given to the proposed fee structure but price will not be the sole determining factor.

5. PERIOD OF PERFORMANCE. The period of performance shall begin on September 1, 2016. The contract duration is expected to be five (5) years subject to annual renewals.

6. REJECTION OF PROPOSALS. Proposals shall be rejected and not reviewed by the Board for any of the following reasons:

- a. The proposal is not received timely.
- b. The Bidder fails to respond to any part of this RFP or does not provide information in the format required.
- c. The proposal is not signed by an authorized representative of the Bidder.
- d. There is evidence that the Bidder engaged in unfair bidding procedures.
- e. Financial insolvency of the Bidder.

7. LIMITATIONS and OTHER CONDITIONS. This RFP does not commit the Board to award a contract or to pay costs incurred by Bidder in the preparation, submission, presentation or any other action connected with proposing or otherwise responding to this RFP. The Board may accept other than the lowest bid, waive minor informalities, and award a contract based only on the written proposal without any discussions with Bidder.

Such exemption from liability applies whether such costs are incurred directly by the vendor or indirectly through the vendor's agents, employees, assigns or others, whether related or not to the vendor.

Proposals will be opened and reviewed at the convenience of the Board; there is no public opening.

The Board reserves the right to waive any irregularity in any proposal received.

The Board reserves the right to award in part, in whole, or not at all and to multiple vendors.

8. AMENDMENTS TO RFP; POSTING TO INTERNET. The Board reserves the right to amend the RFP at any time. The Bidder shall acknowledge receipt of an amendment in its proposal. If the amendment occurs after the closing date for receipt of bid proposals, the Board may, in its sole discretion, allow Bidders to amend their bid proposals if necessary. Any bid amendment must be in writing, signed by the Bidder and received by the time set for the receipt of proposal amendments. Vendors who submit proposals in advance of the deadline may withdraw, modify, and resubmit proposals at any time prior to the deadline for submitting proposals. Vendors must notify the Board contact person in writing if they wish to withdraw their proposals.

All amendments will be posted on the Board's web page at:

<http://www.regents.iowa.gov/rfp/rfpcover.html>. Each Bidder is advised to check this home page periodically for amendments to this RFP.

9. COPYRIGHTS. By submitting a bid proposal, the Bidder agrees that the Board may copy the bid proposal for purposes of facilitating the evaluation of the bid proposal or to respond to requests for public records. The Bidder consents to such copying by submitting a bid proposal and warrants that such copying will not violate the rights of any third party. The Board shall have the right to use ideas or adaptations of ideas that are presented in the bid proposals.
10. NONDISCRIMINATION. Firm is subject to and must comply with provisions of the Board of Regents and the State of Iowa Equal Opportunity Policy and applicable state and federal antidiscrimination laws, including the requirements set forth in 41 C.F.R. Section 60-1.4(b), which is incorporated herein by reference.
11. PUBLIC RECORDS AND REQUESTS FOR CONFIDENTIAL TREATMENT.
  - a. As an agency of the State of Iowa, the Board is subject to the requirements of Iowa Code Chapter 22, the Iowa Open Records Act. Bidders are encouraged to familiarize themselves with Chapter 22 before submitting a proposal. The Board will treat all information submitted by a Bidder as public information following the conclusion of the selection process. A Bidder shall identify information provided in response to this RFP which the Bidder believes represents confidential information that may fall within one of the exceptions identified in Iowa Code section 22.7. The Bidder's designation of information as confidential is for informational purposes and is not binding on the Board.
  - b. Any request for confidential treatment of information must be included in the transmittal letter with the Bidder's bid proposal. In addition, the Bidder must enumerate the specific grounds in Iowa Code Chapter 22 or other applicable law which support treatment of the material as confidential and explain why disclosure is not in the best interest of the public. The request for confidential treatment of information must also include the name, address, and telephone number of the person authorized by the Bidder to respond to any inquiries by the Board concerning the confidential status of the materials. Any bid proposal submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information. Identification of the entire bid proposal or substantially all of a bid proposal as confidential may be deemed non-responsive and disqualify the Bidder from the selection process.

- c. If the Bidder designates any portion of the bid proposal as confidential, the Bidder must submit one copy of the bid proposal from which the confidential information has been excised. This excised copy is in addition to the number of copies requested in this RFP. The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the bid proposal as possible.
  - d. The Board will make a reasonable effort to provide the bidder with written notice seven calendar days in advance of the release of information identified by the Bidder as confidential. However, the Board may release all or a portion of the proposal immediately, without providing notice to the Bidder, if the Board determines there is no reasonable basis for a claim of confidentiality.
12. DISPOSITION OF BID PROPOSALS. All proposals become the property of the Board and shall not be returned to the Bidder unless all bid proposals are rejected or the RFP is cancelled. In either event, Bidders will be asked to send prepaid shipping instruments to the Board for return of the bid proposals submitted. In the event the Board does not receive shipping instruments, the Board will destroy the bid proposals. Otherwise, at the conclusion of the selection process, the contents of all bid proposals will be in the public domain and be open to inspection by interested parties subject to exceptions provided in Iowa Code Chapter 22 or other applicable law.
13. LAWS. Terms and provisions of this proposal and any agreement resulting from this proposal shall be construed in accordance with the laws of the State of Iowa, and any and all litigation or actions commenced in connection with this proposal or agreement resulting from this proposal shall be instituted in the appropriate courts of the State of Iowa.
14. USE OF NAME OR INTELLECTUAL PROPERTY. Firm agrees it will not use the name or any intellectual property, including but not limited to, any Regent's or Universities' trademarks or logos in any manner, including commercial advertising or as a business reference, without the expressed prior written consent of the specific institution and the Board.
15. IOWA PREFERENCE LAW. Preference shall be given to purchasing products produced within the State of Iowa, when they are of a quality reasonably suited to the purpose intended, and can be secured without additional cost over foreign products or products of other states, according to Iowa Code §73.1. Preference shall be given to purchasing from Iowa-based businesses if the offers submitted are comparable in price to those submitted by other Firms and meet the required specifications, according to Iowa Code §73.1.
16. GRATUITIES. The laws of the State of Iowa provide that it is a criminal offense to offer, promise or give anything of value or benefit to a state employee with the intent to influence that employee's acts, opinion, judgment, or exercise of discretion with respect to that employee's duties. Evidence of violation of this statute will be turned over to the proper prosecuting attorney.
17. ANTI-COLLUSION. The submittal of a proposal constitutes agreement that Firm has not divulged the proposal to any other potential firm, nor has colluded with any other firm in developing a response to this RFP.
18. CONFIDENTIALITY AND RESTRICTIONS ON COMMUNICATIONS. Until the Effective Date of an agreement pursuant to this Request for Proposals, this Request for Proposals, any responses and other related documents, including but not limited to, attachments, appendices, and exhibits, shall be marked and treated as CONFIDENTIAL, as provided for preliminary correspondence under State of Iowa law. Firms should not communicate about the subject of the Request for Proposals with any administrator, faculty, or staff of the Buyer with the exception of the official Board of Regents representative for this RFP.

19. TAXES. The Board and the Universities are exempt from Federal Excise Taxes, and no payment will be made for any taxes levied on Firm's employee's wages. The Buyer Institutions are exempt from State and Local Sales and Use Taxes on the services. Tax Exemption Certificates will be furnished upon request.
20. CONFLICT OF INTEREST. Should the proposer be a paid employee of the Board, the Universities or any other Iowa Regent Institution or State of Iowa Agency, the proposer may be considered a "conflict of interest vendor." In addition, should any individual who is a paid employee of the Board, the Universities or any other Regent institution or State of Iowa Agency, also be a partner in the proposer's firm or own five percent (5%) or more of the proposer's corporate stock or receive consulting payments, a conflict of interest may exist.

Please sign and date Attachment A and submit along with the bid proposal.

## **ATTACHMENT A**

### **ASSURANCES, REPRESENTATIONS AND AUTHORIZATION TO RELEASE INFORMATION**

The Bidder hereby assures and represents with respect to this proposal that:

1. It possesses legal authority to submit this proposal; that a resolution, motion or similar action has been duly adopted or passed as an official act of the Bidder's governing entity authorizing the submittal of this proposal, including all assurances, representations contained herein, and directing and authorizing the person signing below to act in connection with the application and to provide additional information as may be required.
2. It will comply with all applicable federal and state equal opportunity and affirmative action requirements.
3. All statements and information made or furnished to the Board are true and correct in all material respects. Bidder has not knowingly made any false statements in its proposal. Bidder acknowledges that supplying any information determined to be false, misleading or deceptive will be grounds for disqualification from consideration.
4. Bidder hereby authorizes The Universities to obtain information regarding its performance on other contracts, agreements or other business arrangements, its business reputation, and any other matter pertinent to evaluation and the selection of a successful Bidder in response to this Request for Proposal. It authorizes The Universities to research the company's history, contact former and current clients of the company, and perform other related activities necessary for reasonable evaluation of this proposal.
5. The Bidder acknowledges that it may not agree with the information and opinions given by such person or entity in response to a reference request. The Bidder acknowledges that the information and opinions given by such person or entity may hurt its chances to receive contract awards from The Universities or may otherwise hurt its reputation or operations. The Bidder is willing to take that risk.
6. The Bidder hereby releases, acquits, and forever discharges The Universities, State of Iowa, Board of Regents, their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references obtained by the Board in the evaluation and selection of a successful Bidder in response to this Request for Proposal.
7. The Bidder authorizes representatives of The Universities to contact any and all of the persons, entities, and references which are, directly or indirectly, listed, submitted, or referenced in the undersigned's proposal submitted in response to this Request for Proposal.

8. The Bidder further authorizes any and all persons or entities to provide information, data, and opinions with regard to the undersigned's performance under any contract, agreement, or other business arrangement, the undersigned's ability to perform, the undersigned's business reputation, and any other matter pertinent to the evaluation of the undersigned. The undersigned hereby releases, acquits and forever discharges any such person or entity and their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned that it may have or ever claim to have relating to information, data, opinions, and references supplied to The Universities in the evaluation and selection of a successful Bidder in response to this Request for Proposal.
  
9. Firm certifies compliance will all requirements, terms and conditions contained within this request for proposal. Any exceptions to the terms and conditions outlined herein have been clearly stated per the requirements outlined in the 'Format of Proposal' section.
  
10. A photocopy or facsimile of this signed Authorization is as valid as an original.

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Signature

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Type or Print Name, Title

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Date

This form must be signed by an authorized representative of the Bidder and submitted to the Board along with Bidder's proposal.

RFP: Arbitrage Rebate Services for the Board of Regents,  
State of Iowa

ENTITY: Board of Regents, State of Iowa  
The University of Iowa  
Iowa State University  
The University of Northern Iowa

RFP RELEASE DATE: January 11, 2016