TOWN OF HILTON HEAD ISLAND

REQUEST FOR PROPOSALS
ARBITRAGE CALCULATION SERVICES
RFP 2014 -0011

The Town of Hilton Head Island, South Carolina, hereinafter referred to as "the Town", is soliciting sealed proposals from public accounting firms, law firms, and other qualified consultants to provide arbitrage calculation services. Sealed proposals are due by **1:00pm, May 30th, 2014**. Sealed proposals should be hand carried or delivered by traceable means to the Town Receptionist at One Town Center Court, Hilton Head Island, South Carolina 29928. All proposals should be clearly marked "RFP 2014-0011 Arbitrage Calculation Services". Proposals must address all the issues reflected in the attached requirements document and proposal price summary to be considered responsive.

The term of the contract shall be three (3) years with the Town to have the option to extend the contract for up to two (2) additional terms of one (1) year each.

The contract shall specify the fee structure agreed to by the Town and the Offeror and the manner and timing for the submission of invoices. In the contract, the Offeror must agree to maintain professional liability insurance during the term of the contract. The contract shall require prior approval of the Town for any change in the individuals who are designated in the proposal to serve the Town or any changes in their respective responsibilities. The contract shall provide that the contract shall not be assigned, and the performance of any services thereunder shall not be subcontracted, without the prior written approval of the Town. The Offeror's proposal and any modifications thereto required or approved by the Town will be incorporated into the contract. All other terms and conditions of the contract must be satisfactory to the Town.

The proposal evaluation process will be completed within sixty days of receipt of proposals, and the prospective provider of these services will be identified. The pricing data reflected in your proposal must be valid through **July 31, 2014**.

All offerors may submit questions or requests for clarification in writing no later than **May 16th, 2014**. After that date, no more questions or requests will be accepted.

The Town reserves the right to accept or reject any or all proposals received as a result of this request for proposals or to negotiate with all qualified offerors, or to cancel, in part or in its entirety, this request for proposals if it is in the Town's best interest to do so.

This solicitation does not commit the Town to award a contract or to pay for any costs incurred in the preparation of your proposal or to procure or contract for any goods or services.

Your proposal must be signed by an official of your organization authorized to commit to and enter into a formal contract for goods and services.

The Town does not discriminate on the basis of race, color, national origin, gender, religion, age or disability in employment or in the provision of goods and services.

Section 1.0 - Special Instructions to Offerors:

1.1 Purpose of Request for Proposals

This request solicits proposals to provide the Town with arbitrage calculation services. RFP requirements and arbitrage service data can be found in Section 4.0 of this document.

It is the Town's intent to select the most qualified vendor based on an evaluation of the proposals utilizing the following selection criteria:

Qualification, Experience and References	35%
Fees	35%
Approach to Fulfill the Scope of the Services	30%

1.2 Information About the Town of Hilton Head Island

The Town of Hilton Head Island is a barrier island on the Atlantic coast of South Carolina. The island is located about thirty miles from Savannah, Georgia and about ninety miles from Charleston, South Carolina. More information about the Town can be found on the website www.hiltonheadislandsc.gov.

1.3 General Background Information

The Finance Department is divided into the following core services:

Financial Administration

The Financial Administration division provides strong financial leadership in all areas of activity undertaken by the Town. It promotes the use of technology to ensure the proficient use of the Town's resources. It develops and manages the Town's financial policies and exercises budgetary control over all expenditures. It provides effective cash and debt management for the Town and ensures that strong bond ratings are maintained. The Financial Administration oversees the compilation of accurate comprehensive annual financial reports and budgets in compliance with government standards, practices and recommendations. It ensures the department's commitment to providing the highest quality customer service.

Accounting Services

The Accounting Services division provides administration to the Town's general ledger, payroll, accounts payable, financial audits, State reporting and grants. It provides accounting functions for the Hilton Head Island Recreation Association and the Coastal Discovery Museum. Accounting Services is responsible for maintaining the following funds: General, Tax Increment Financing, Local Accommodations Tax, State Accommodations Tax, Hospitality Tax, Beach Preservation Fees, Real Estate Transfer Fees, Electric Franchise Fees, Debt Service, Capital Projects and Stormwater Utility. It also provides effective accounting support to staff and committees. The Division compiles accurate monthly and comprehensive annual financial reports In compliance with governmental standards, practices and

recommendations to be published on the Town's external website and submitted to the Government Finance Officers Association.

Revenue and Collections
The Revenue and Collections division oversees the collection of Town-wide funds including business license fees, hospitality taxes, local accommodations taxes, beach preservation fees, franchise fees and beach passes. It performs Emergency Medical Services billing and collections. It maintains the Town's business license database, and ensures compliance with the business license ordinance through on-site inspections and audits. It compiles accurate annual financial budgets in compliance with government standards, practices and recommendations to be l published on the Town's external website and submitted to the Government Finance Officers Association.

Section 2.0 Administrative and Contractual Information

2.1 Inquiries
All inquiries for information regarding procurement procedures, selection criteria, proposal submission requirements, technical operating environment, or other fiscal/administrative concerns shall be directed to:

Tom Fultz, Director of Administrative Services
E-mail: tomf@hiltonheadislandsc.gov
Phone: (843) 341-4600

For business process questions relating to this Request for Proposals should be directed to:

Victoria Shanahan, Accounting Manager
E-mail: victorias@hiltonheadislandsc.gov
Phone: (843) 341-4650

2.2 RFP Specifications
This RFP is intended to describe the Town's requirements and provide a response format in sufficient detail to secure comparable proposals.

2.3 Implied Requirements
All products and services not specifically mentioned in this RFP, but which are necessary to provide the functional capabilities described by the vendor, must be included in the proposal.

2.4 Vendor-Supplied Materials
Any material submitted by the vendor shall become the property of the Town unless otherwise requested at the time of submission. Any material considered confidential in nature must be so marked.

2.5 Vendor's Proposal
Vendors must submit a sealed response to this RFP in writing. The vendor's proposal must follow the format provided in Section Four of this document. Any proposals that do not follow the format outlined in the RFP will be deemed non-responsive. Each proposal must be submitted with one (1) original and two (2) copies.

2.6 Economy of Preparation

Proposals should be prepared simply and economically. Emphasis should be placed on clarity and content. All of the questions in the requirements section of this RFP must be completed in their entirety. Any proposal that fails to respond to all of the questions will be deemed non-responsive.

2.7 Response Date

Sealed proposals to be considered must arrive at Town Hall on or before the due date and time specified in this RFP.

Proposals not received by the Town by proposal closing time will be returned, after receipt, unopened to the vendor.

Section 3.0 RFP Evaluation Process

3.1 Review of Proposals

The review of submitted proposals will occur as soon as practical following the date they are due. The review process will involve evaluating all proposals for completeness, conformity, clarity, and compliance to the RFP requirements. Proposals not meeting minimum requirements will be considered non-responsive and excluded from further consideration.

3.2 Oral Presentation

Vendor whose proposals are responsive may be selected to make an oral presentation. The Town will select the most qualified proposals from those received and schedule on-site presentations. The Town anticipates the presentations will take place on or about the week of **June 9, 2014**.

3.3 Vendor Selection

After the oral presentations have been completed, the vendor with the highest score utilizing the published criteria will be identified for final negotiations.

The evaluation team will forward a recommendation to the Town Manager outlining the final ranking of those vendors who participated in the on-site interviews and recommend the vendor most qualified to provide the Town with Arbitrage Calculation Services. The successful offeror will be required to accept the terms and conditions of the Town's standard contract for this service. The content of this RFP and the successful vendor's proposal will become a part of the final contract documents. Any additional documentation required by the vendor should be included as part of the proposal for review by the Town.

Section 4.0 Scope of Project/Proposal Requirements

4.1 Scope of Project

The Town seeks assistance in the annual and five-year calculation of arbitrage rebate for its outstanding and new bond issues. All five-year calculations will be accompanied by a description of the amount of the rebate accrued during the five-year period, the accumulated amount accrued over the life of the issue, the amount of the rebate paid to date and the amount required to be paid by the end of the five-year period. All interim calculations within the five-year period will be accompanied by a description of the amount of positive arbitrage accrued during the period and the amount to be reserved in the Rebate Fund. The vendor will also be expected to prepare any necessary Internal Revenue Service Forms 8038-T. All calculations should be submitted to the Town within forty-five days from date of receipt of information required to complete the calculation.

The chart below list the Town's current outstanding bond issues that will be evaluated:

General Obligation Bonds	Issue Amount	Outstanding
Series 2005A - Dated March 15, 2005	$ 24,265,000	$ 16,705,000
Series 2008A - Dated March 4, 2008	12,215,000	8,770,000
Series 2009A - Dated September 9, 2009	5,005,000	4,520,000
Series 2010A - Dated February 3, 2010	12,000,000	10,425,000
Series 2011A - Dated August 3, 2011	12,385,000	11,320,000
Series 2013A - Dated June 18, 2013	9,000,000	8,340,000
Total General Obligation Bonds	$ 74,870,000	$ 60,080,000
Special Revenue Bonds/Certificates of Participation		
Series 2006 COPS Beach Preservation Fees Bonds	$ 19,000,000	$ 2,700,000
Series 2011A Hospitality Fees Special Revenue Bonds	8,250,000	7,320,000
Series 2011B Hospitality Fees Special Revenue Bonds	15,250,000	14,600,000
Series 2011 Beach Preservation Fees Special Revenue Bonds	11,000,000	11,000,000
Series 2004 Tax Increment Financing Bonds	8,000,000	975,000
Series 2008 Tax Increment Financing Bonds	22,000,000	5,955,000
Series 2010 Stormwater Utility Bonds	13,810,000	12,390,000
Total Revenue Bonds	$ 97,310,000	$ 54,940,000
Grand Total	$172,180,000	$115,020,000

The information above is current as of March 28, 2014.

4.2 General Proposal Requirements

Proposals must follow the format provided below:

1. Introduction
2. Organization Capabilities – Describe your organization's experience and capabilities in providing similar services to those required. Be specific and identify projects, dates, and results.
3. Staff Qualifications – Provide resumes describing the educational and work experiences for each of the key staff who would be assigned to the project.
4. The Offeror must propose a fee structure which is fair and reasonable for the services to be performed. Such estimates and fee structures shall be based upon a fixed fee schedule of fees for the initial term of the contract. Offeror must also propose a fixed schedule of fees for each of the additional annual terms.
5. Approach to Fulfill Scope of Services – The selected organization will be expected to perform all of the normal duties associated with providing arbitrage consulting and compliance services, including but not limited to:
    a. Calculating the arbitrage yield on the bonds and calculating the amount of arbitrage rebate, if any.
    b. Review relevant portions of the bond transcripts and appropriate sections of the Internal Revenue Service Code.
    c. Consult with bond counsel as necessary concerning interpretations of the above information as affected by applicable sections of the Internal Revenue Code.

d. Provide reports, based upon the annual and five-year rebate calculations. Reports should accompany the detailed calculation schedules and summarize the results of the computations performed.
e. Prepare any required forms and related schedules for submittal to the Internal Revenue Service (e.g. Form 8038-T).
f. Consult with the Town and provide guidance and assistance with regard to arbitrage compliance issues.
g. Provide work-papers upon request by the Town. Work-papers used in calculations are the property of the Town, even if retained by the contractor.

6. Proposer References – Proposers must include in their proposal a list of five municipalities, including points of contact (name, address, telephone number and email address), which can be used as references for work performed in the area of service required. The selected municipality may be contacted to determine the quality of work performed and personnel assigned to the project. The results of the references will be provided to the evaluation team and used in scoring the written proposals.

TOWN OF HILTON HEAD ISLAND
ARBITRAGE CALCULATION SERVICES

Proposal Summary Sheet
(must be included with your proposal)

Name of the entity: _____
Address: _____
_____
_____
Telephone number: _____
Contact person: _____

	Fee
Annual rebate calculation per issue:	$_____
Five-year rebate calculation per issue:	$_____

Other Fees
Please identify any other costs which may be associated with the provision of services requested in this Request for Proposal.

_____	$_____
_____	$_____
_____	$_____
_____	$_____

Reimbursable Expenses
Travel and related expenses are reimbursed at cost and must be *pre-approved* by the Town.

Total Project Cost (excluding reimbursable expenses) $_____

_____	_____	_____
Signature	Title	Date

REFERENCE DATA SHEET

(must be included with your proposal)

1. Municipality Name: _____
   Address: _____
   _____
   _____
   Telephone Number: _____
   Contact Person: _____
   Email Address: _____

2. Municipality Name: _____
   Address: _____
   _____
   _____
   Telephone Number: _____
   Contact Person: _____
   Email Address: _____

3. Municipality Name: _____
   Address: _____
   _____
   _____
   Telephone Number: _____
   Contact Person: _____
   Email Address: _____

4. Municipality Name: _____
   Address: _____
   _____
   _____
   Telephone Number: _____
   Contact Person: _____
   Email Address: _____

5. Municipality Name: _____
   Address: _____
   _____
   _____
   Telephone Number: _____
   Contact Person: _____
   Email Address: _____