



REQUEST FOR PROPOSALS:

ISSUE DATE: March 27, 2018

TITLE: Lake County Housing Authority Energy Performance Contracting Program - Financing

PERIOD OF CONTRACT/AGREEMENT:

Email (preferred) and or Sealed Proposals will be received until 12:00 p.m. CST, Friday, April 13, 2018. Proposals must be received by this time and date to be accepted.

Email or Mail Proposals to:
Lake County Housing Authority
33928 N. Rte. 45
Grayslake, IL 60030
Attn: Keon Jackson

kjackson@lakecountyha.org

Ref: Lake County Housing Authority Energy Performance Contracting Program - Financing

All inquiries shall be directed to: Keon Jackson by E-mail at kjackson@lakecountyha.org or telephone: 847-223-1170. All inquiries shall be made on/before Friday, April 6, 2018 at 12:00pm CST, in order to allow time for any potential addendum needed to be distributed to all potential Proposers.

“In Compliance With This Request For Proposals And To All The Conditions Imposed Therein And Hereby Incorporated By Reference, the undersigned Offeror agrees to finance Equipment and Energy Services at the rates indicated in the Leasing Schedule. The Undersigned offers and agrees to furnish Leasing Services in accordance with the attached signed bid.”

Offeror’s Name:	By (Signature in Ink):
Complete Address:	Name (please print) and Title:
	Date
Authority/State/Zip:	Federal Identification Number:
Telephone Number:	Facsimile Number:

SECTION I: PURPOSE

The Lake County Housing Authority (“LCHA, Housing Authority”) has contracted with Johnson Controls, Inc. (the ESCO) to implement an Energy Performance Contract for an amount up to **\$2,200,000**. The Housing Authority is seeking proposals from interested Financing Entities to provide financing for the implementation of the Authority’s Energy Performance Contracting Program.

Installation of the equipment is anticipated to commence on or about August 1, 2018, and continue for approximately 6 months. The Housing Authority is seeking up to **\$2,200,000** for a 20 year plus construction (*or best term available*), financing period. An escrow account will be established to handle construction draws during the 6 month construction period. The Housing Authority desires to make no payments during this period. After construction, the Authority will make semi-annual payments over the remaining 20 years (*or best term available*).

SECTION II: PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. GENERAL REQUIREMENTS:

1. RFP Response:

Number of Copies. In order to be considered for selection, Offerors must submit a complete response to this RFP. One (1) electronic proposal via email to Keon Jackson by e-mail at kjackson@lakecountyha.org, and/or one (1) hard copy submitted to LCHA. Additional copies shall be provided upon request at no charge.

No other distribution of the proposal shall be made by the Offeror.

2. Proposal Preparation:

- a. **Submission of Materials.** An authorized representative of the Offeror shall sign proposals. All information requested should be submitted. Failure to submit all information requested may result in the Housing Authority requiring prompt submission of missing information and/or a lowered evaluation of the proposal. The Housing Authority may reject proposals which are substantially incomplete or lack key information. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
- b. **Clarity of Proposals.** Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
- c. **Proposal Organization.** Proposals should be organized in the order in which the requirements are presented in the RFP. Information which the Offeror desires to present that does not fall within any of the requirements of the RFP should be included as an attachment and designated as such. Proposals that are not organized in this manner risk elimination from consideration.

- d. **Single Volume.** Each copy of the proposal should be bound or contained in a single volume where practical. All documentation submitted with the proposal should be contained in that single volume.
- e. **Ownership of Materials.** Ownership of all data, materials and documentation originated and prepared for the Housing Authority pursuant to the RFP shall belong exclusively to the Housing Authority and are subject to public inspection in accordance with the Freedom of Information Act.

TO MARK ANY PART OF THE DOCUMENT, LINE ITEM PRICES AND/OR TOTAL PROPOSAL PRICES AS PROPRIETARY OR TRADE SECRETS IS NOT ACCEPTABLE AND MAY RESULT IN THE REJECTION OF THE PROPOSAL.

3. **Oral Presentation:**

Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to a designated committee of the Housing Authority. This provides an opportunity for the Offeror to clarify or elaborate on the proposal. This would be a fact finding and explanation session only and does not include negotiation. The Housing Authority will schedule the time and location of these presentations. Oral presentations are an option of the Housing Authority and may or may not be required.

B. **SPECIFIC REQUIREMENTS:**

Proposals should be as thorough and detailed as possible so that the evaluation panel may properly evaluate the Offeror's capabilities to provide the required services. Offerors are required to submit the following items:

TAB 1. The complete RFP and addenda, if any, filled out as required and signed.

TAB 2. General Qualifications: 4 pages max.

- 1. Briefly describe your firm's understanding of the Housing Authority's financing requirements and financing requirements for an Energy Performance Contract.
- 2. Describe your firm's qualifications and capabilities to meet the requirements of this RFP, note any similar engagement in which your firm has been involved and length of time between selection and funding for those engagements.
- 3. Provide the contact personnel including senior level management who will be responsible for the relationship between your firm and the Housing Authority. Identify the primary contact for this engagement.
- 4. Please disclose any conflicts of interest or potential conflicts of interest that may arise as a result of your being hired for this engagement. Identify fully the extent to which your firm or individual partners or employees are the subject of any ongoing securities investigation, are a party to any securities litigation or arbitration, or are the subject of a subpoena in connection with a municipal securities investigation. In addition, include any such investigations which concluded in an enforcement or disciplinary action ordered or imposed in the last three years.

5. Describe/discuss any recommendations or alternatives the Housing Authority may consider in structuring a financing program, especially those alternatives that result in a reduction in the cost of the program or provide additional value to the project for the Housing Authority.

TAB 3. Specific plans for providing the proposed services and price: (3 pages max, excluding item 6)

1. Summary of Proposed Financing

- a. Lease Term (best available) **including 6 months construction:** _____
(LCHA will **NOT** entertain a “Swap Agreement” financial transaction)
 - b. Construction Period: **6 months**
 - c. Payment Frequency: _____ (monthly/quarterly/semi-annually/annually)
 - d. Interest Rate _____
 - e. Interest Rate lock period (**Prefer lock thru April 30, 2018**): _____
 - f. S& P Rating required for proposed rate? _____(Y/N)
 - i. If so, estimated time to complete S& P Rating _____(weeks)
Estimated Cost \$ _____
 - g. Offer requires waiver of Section 30 of the 1937 Housing Act? _____(Y/N), if “No” please include in your response on a separate sheet after this page, a section titled **”Approach to Section 30 Compliance”** clearly explaining your approach to equipment ownership and collateralization, citing appropriate regulations that allow for no Section 30 waiver and examples of successful EPC funding your firm has funded without such a waiver.
 - h. Other Fees and Expenses (not included in rate): _____
 - i. Estimated period for Underwriting and approval : _____(days /weeks)
2. The LCHA, per contractual agreement with the Department of Housing And Urban Development (HUD), is required to seek HUD approval to enter into an EPC agreement. Preference would be given to proposals offering to lock the proposed rate through the requested period of April 30, 2018. If rate is not based on a spread and an index that can be tracked, and cannot be locked, please indicate what mechanism will be available to the Housing Authority to access the interest rate risk in your response between the period of response submission and final closing.
 3. Included with this proposal are typical historical financial data required for underwriting. Additional information will be furnished upon request. Please provide a brief explanation your underwriting and approval process, including the anticipated time period. Please note any factors that may adversely impact your forecast.

4. Please list any additional documents that will be required during the underwriting period in addition to those provided with this solicitation.
5. Specify any requirements or documentation, if any, which will be required in funding the lease (e.g., opinions, assignment provisions, bonding, etc).
6. On a separate attachment, please provide an amortization schedule for the repayment of the loan based on rate provided in 1d above. **Schedule may include step-leasing annual payments such that in any given year, the annual debt payment and other stated costs in the cash flow proforma provided with this solicitation result in positive (or zero) annual Cash Flow.**

TAB 4. Award Letter and Agreements

1. Please include under this tab a signed original of your formal offer letter for this response, including applicable rate lock information, or
2. Separate rate lock letter, if applicable.

SECTION III: EVALUATION AND AWARD CRITERIA

- A. All proposals received will be reviewed and evaluated by a Selection Committee. The Selection Committee will recommend proposals, which most closely meet the requirements of the RFP. The following will be used in making the selection:
1. Offeror's Qualifications & Experience) -- This criterion includes the ability of the Offeror to meet the terms of the RFP **(25%)**
 2. Financial Terms and Conditions -- Proposals that responsibly maximize the net economic benefit to the Housing Authority over the term of the Agreement and that responsibly minimize the risk to the Housing Authority in connection with the proposed transaction. **(70%)**
 3. Ability to lock Rates through April 30, 2018 – **(5%)**

Award of Contract:

- B. Selection shall be made of the Offeror deemed to be fully qualified and best suited among those submitting respondents on the basis of the evaluation factors included in this Request for Proposals, including total cost of acquisition (price). Negotiations may be conducted with the Offeror so selected. Price shall be considered, but need not be the sole determining factor. Ability to propose a rate that is locked through the required period of April 30, 2018, is a key requirement and important factor in selecting the successful Offeror.

- C. The Housing Authority may cancel this Request for Proposals or reject proposals at any time prior to an award. The Housing Authority is not obligated under this request to furnish statement or statements providing reason(s) why a particular proposal was not deemed to be the most advantageous.

The following are included attachments to this Request for Proposal:

Cash Flow Proforma
Audited Financial Statements for the previous 3 years
Approved Fiscal Year Budget
PHAS Scores for the previous 3 years

Due Date: **Friday, April 13, 2018**