

**RFQ No: 2015-118-05-06**

**BUYER: Yolanda Z. Velasquez**

**Tel. No: (956) 318-2626**

## **REQUEST FOR QUALIFICATIONS**

**Hidalgo County and Hidalgo County Drainage District No. 1**  
Edinburg, Texas

**“ARBITRAGE CALCULATION SERVICES”**

**Due Date: May 06, 2015**

Contact Person:

Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
2802 S. Hwy. Business 281 - Administration Building  
Edinburg, Texas 78539

(956) 318-2626

Form HCPD-04

**LEGAL NOTICE**

**RFQ NO: 2015-118-05-06-YZV**

1. **Sealed Statements of Qualifications** will be received for "**ARBITRAGE CALCULATION SERVICES-HIDALGO COUNTY and HIDALGO COUNTY DRAINAGE DISTRICT NO.1**", in accordance with the requirements attached hereto as Exhibit "A." RFQs should address all requirements set forth. Submitters may suggest substitutions of features which they feel would be in the best interest of Hidalgo County ("County"). Strong rationale must be presented for any deviation from the requirements. Hidalgo County reserves the right to reject the deviation and its effect on the overall RFQ.
2. One (1) original and seven (7) copies of all RFQs are required, with the submitters name and address clearly typed/printed on upper left hand corner and the proper notation clearly typed/printed on the lower left hand corner of the envelope and/or package, "**REQUEST FOR QUALIFICATIONS NO: 2015-118-05-06-YZV-ARBITRAGE CALCULATION SERVICES-HIDALGO COUNTY and HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**" and in County's Purchasing Department, 2802 S. Hwy. Business 281, Administration Building, Edinburg, Texas, on or before 9:30 a.m., **Wednesday, May 06, 2015. NO FACSIMILES OR LATE ARRIVALS WILL BE ACCEPTED. ANY RFQ RECEIVED AFTER THAT TIME WILL NOT BE OPENED AND WILL BE RETURNED. OVERNIGHT MAIL MUST ALSO BE PROPERLY LABELED ON THE OUTSIDE OF EXPRESS ENVELOPE OR PACKAGE IN REFERENCE TO RFQ: 2015-118-05-06-YZV-ARBITRAGE CALCULATION SERVICES-HIDALGO COUNTY and HIDALGO COUNTY DRAINAGE DISTRICT NO. 1 .**

Hidalgo County and Hidalgo County Drainage District No.1 reserves the right to refuse and reject any/all RFQs and to waive any/all formalities or technicalities, or to accept the RFQ considered the best and most advantageous to Hidalgo County and Drainage District.

**WRITTEN QUESTIONS WILL BE ACCEPTED NO LATER THAN Wednesday, April 22, 2015 at 5:00 p.m.** Responses will be sent to all applicants via facsimile by **Friday, April 24, 2015 at 5:00 p.m. TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

3. Failure of the delivered item(s) to perform as specified, or failure to meet the stated delivery schedule shall release Hidalgo County from all obligations to the contracting party with regard to the item(s) in question. In such event, County may elect to award the contract to the next-lowest responsible submitter, or to reject all RFQs and re-advertise.
4. For work to be performed at a County-owned or operated location, each submitter shall, in its sole discretion, visit the job site before preparing the RFQ and thoroughly familiarize himself/herself with existing conditions. Submitter should take field dimensions and note all circumstances which affect the RFQ.
5. No RFQ may be withdrawn within ninety (90) days from the scheduled time to accept RFQs.

6. Any interpretations, amendments, corrections or changes to this RFQ document must be in a written addendum and signed by the County Judge or his designee. Addenda will be mailed to all who are known to have received a copy of the Request for Qualifications. Submitters shall acknowledge receipt of all addenda as a part of their RFQ.
7. County reserves the right to accept or reject any or all RFQs.
8. Costs are to be net F.O.B. destination, County Prepaid.
9. County is exempt from Federal Excise Tax, State Tax and Local Tax. Tax exemption certificates will be furnished upon request.
10. Funds for this procurement have been provided through the County budget for this fiscal year only. County, on an annual basis, has the right to reconsider a contract during the budget process for ensuing years if financial resources of County are insufficient to meet the liabilities of said contract. The award of an RFQ or contract hereunder will not be construed to create a debt of the County which is payable out of funds beyond the current fiscal year.
11. Upon award and prior to execution of a contract, Sole Proprietorships are required to submit a copy of their social security card to the Hidalgo County Auditor's Office in order to establish an account with the County. All awarded vendors must submit a completed W-9 and a copy of their Federal ID Number Certificate.
12. DELIVERY INSTRUCTIONS: (IF APPLICABLE)
  - . No deliveries accepted after 3:00 P.M., Monday-Friday.
  - . At least seventy two (72) hours prior notice of delivery must be given to Martha L. Salazar, CPPB, Purchasing Agent, before delivery will be accepted.
  - . If you need additional information call the office listed below:  
Hidalgo County Purchasing Department  
Martha L. Salazar, CPPB, Purchasing Agent  
(956) 318-2626
13. BILLING AND PAYMENT INSTRUCTIONS:
  - . Invoices must include:
    - a) Name and address of successful submitter
    - b) Name and address of receiving department or official
    - c) Purchase Order Number (if any)

d) Notation - **"ARBITRAGE CALCULATION SERVICES-HIDALGO COUNTY and HIDALGO COUNTY DRAINAGE DISTRICT NO. 1"**

e) Descriptive information as to the items or services delivered, including product code, item number, quantity, etc.

Discount payments will be considered when offered.

Contact person for Billing and Payment questions:

**Hidalgo County Auditor's Office (For Hidalgo County)  
Ray Eufrazio, County Auditor  
2808 S. Business Hwy. 281  
Edinburg, TX 78539  
956-318-2511**

**Hidalgo County Drainage District No.1  
Raul Sesin  
902 North Doolittle Road  
Edinburg, Texas 78542**

14. Schedule of Events

<b>RFQ Acceptance, 9:30 A.M.</b>	<u>    <b>May 06</b>    </u> , 2015
Award of Contract	<u>                    </u> , 2015
Commence Work or Deliver Products	<u>                    </u> , 2015

15. ~~Bid or Performance Bond and Debarment Certification; Payment Under Contract:~~

~~If the contract proposed is for the construction of public works or is for a contract for goods and services exceeding \$100,000, all bidders shall furnish a good and sufficient bid bond in the amount of five percent of the total contract price. A bid bond must be executed with a surety company authorized to do business in Texas. All participants are required to furnish a certification or acknowledgment stating that the contractor or vendor is free from suspension or debarment pursuant to federal regulation 45CFR76.~~

- ~~Together with the signing of a contract or issuance of a purchase order following the acceptance of a proposal, and prior to commencement of the actual work, the proposer shall furnish a performance bond to the County for the full amount of the contract, if that contract exceeds \$50,000.~~
- . ~~If the contract is for \$50,000 or less, no money will be paid to the contractor until completion and acceptance of the work or the fulfillment of the purchase obligation to the County, and, if applicable, the receipt by County of satisfactory evidence that all subcontractors and material men have been paid.~~
- . ~~If a contract is for the construction, alteration or repair of public buildings or public works, the contractor shall provide a payment bond for a contract in excess of Twenty Five Thousand Dollars (\$25,000.00), as required by Tex. Govt. Code Ch. 2253.~~
- . ~~For requirements contracts, bond requirements are determined by applying the proposed unit price to the estimated quantities included in the specifications.~~

16. Ethical Standards:

- . It shall be a breach of ethics to offer, give or agree to give any elected official, department head or employee, or former elected official, department head or employee, of the County, or for any elected official, department head or employee or former elected official, department head or employee of the County, to solicit, demand, accept or agree to accept from another person, entity or organization, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefor pending before any department or agency of the County.
- . It shall be a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract for the County, or any person associated therewith, as an inducement for the award of a subcontract or order.

- . No public official shall have an interest in a contract awarded hereunder except in accordance with Tex. Loc. Govt. Code Chapter 171.

17. **Disclosure of Conflict of Interest:**

- Effective January 1, 2006, Chapter 176 of the Texas Local Government Code requires that any vendor, person, consultant or contractor considering doing business with Hidalgo County (“the County”) to disclose in the Conflict of Interest Questionnaire (the “CIQ”) attached as Exhibit D, the vendor, person consultant or contractor’s affiliation or business relationship that might cause a conflict of interest with the County. By law, the CIQ must be filed with the Hidalgo County Clerk’s Office no later than the seventh business day after the date the person becomes aware of facts that require that statement to be filed. The disclosure requirement applies to a person or business who contract or seeks to contract with Hidalgo County for the sale or purchase of property, goods or service. Any purchase order or contract resulting from this process shall be considered null and void if the successful Proposer fails to comply with Texas Local Government Code Chapter 176. Vendors, consultants, contractors and others who desire to conduct business with Hidalgo County are encouraged to refer to Texas Local Government Code Chapter 176 for the details of this law. An offense under Texas Local Government Code Chapter 176 is a Class C Misdemeanor.

Please submit complete CIQ forms to the Hidalgo County Clerk’s Office located at 100 No. Closner, Edinburg, Texas 78539-Hidalgo County Courthouse  
**COMPLETION AND SUBMISSION OF FORM CIQ IS THE SOLE RESPONSIBILITY OF THE PROSPECTIVE Proposer.**

18. If, during the life of any contract or proposal awarded, the successful proposer's net prices generally available to other customers for items awarded herein are reduced below the contracted price, it is understood and agreed that the benefits of such reduction shall be extended to County.
19. Proposals, and all goods and services provided thereunder, shall comply with all federal, state and local laws concerning this type(s) of goods and/or services.
20. Minimum Standards For Responsible Prospective Proposers: A prospective proposer must affirmatively demonstrate proposer's responsibility. A prospective proposer, by submitting a proposal, represents to County that it meets the following requirements:
- . Possess or is able to obtain adequate financial resources as required to perform under the proposal;
  - . Be able to comply with the required or proposed delivery schedule;

- . Have a satisfactory record of performance;
  - . Have a satisfactory record of integrity and ethics;
  - . Be otherwise qualified and eligible to receive an award.
21. Successful proposer will pay or cause to be paid, without cost or expenses to County, all FICA, FUTA/SUTA and Federal Income Withholding Taxes of all employees, and all wages and benefits as required by Federal or State law. Successful proposer's officers, agents and/or employees will not be entitled to any benefits of an employee or elected official of County, including, but not limited to, benefits associated with County's civil service system.
22. Any contract award to a successful proposer will be in effect until (a) the contract expires, (b) delivery and acceptance of products, and/or performance of services ordered, or (c) terminated by County with thirty (30) day's written notice prior to cancellation.
23. County reserves the right to enforce performance of any contract awarded hereunder in any manner prescribed by law or deemed to be in the best interest of the County in the event of breach or default by successful proposer; County reserves the right to terminate any contract immediately in the event a successful proposer fails to:
- A. Meet schedules;
  - B. Pay any required fees or taxes; or
  - C. Otherwise perform in accordance with the requirements.
24. Successful proposer shall defend, indemnify and save harmless County and all its elected officials, officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons, or property on account of any negligent act or fault of the successful proposer, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from proposal award. Successful proposer indemnifies and will indemnify and save harmless County from liability, claim or demand on their part, agents, servants, customers, and/or employees whether such liability, claim or demand arise from event or casualty happening or within the occupied premises themselves or happening upon or in any of the halls, elevators, entrances, stairways or approaches of or to the facilities within which the occupied premises are located. Successful proposer shall pay any judgment with costs which may be obtained against County growing out of such injury or damages, and shall, upon request, provide a defense to County by counsel reasonably acceptable to County. Successful proposer's indemnity hereunder shall include, but is not limited to, claims relating to patent, copyright or trademark

infringement, and the like, arising out of the goods or services provided by successful proposer.

25. Successful proposer shall warrant that all items/services shall conform with the specifications and/or all warranties provided under the Uniform Commercial Code and be free from all defects in material, workmanship and the like. Items supplied under a contract pursuant to this Request for QUALIFICATIONS shall be subject to County's approval. Items found to be defective or not meeting specifications shall be replaced by successful proposer within two business days at no expense to County. Items not picked up within one (1) week after notification shall be deemed a donation to County and may be used or disposed of at County's discretion and without waiver of any other rights of County as to the item's nonconformity.
26. This document and any disputes arising hereunder shall be governed and construed according to the laws of the State of Texas, and will be performable exclusively in Hidalgo County, Texas.
27. The successful proposer shall not assign, sell, transfer or convey its rights under any awarded contract, in whole or in part, without the prior written consent of County.
28. Proposers shall provide with the proposal response, a list of at least three (3) references where like services have been supplied by their firm. Include the name of the business or government, address, telephone number and name of representative or contact person.
29. Proposers must provide **all** documentation requested with this Proposal in their response. Failure to provide this information may result in rejection of the proposal as non-conforming.

Request For Qualifications for  
Hidalgo County and Hidalgo County Drainage District No. 1  
**“ARBITRAGE CALCULATION SERVICES”**  
**RFQ NO: 2015-118-05-06-YZV**

To: Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
2802 S. Hwy. Business 281 - Administration Building  
Edinburg, Texas 78539

In accordance with the Requirements, and subject to all laws and regulations of the United States and state and local laws, the undersigned submitter proposes and commits to furnish all labor, equipment, material, software and services as set forth in the documents hereinbefore mentioned. The undersigned submitter further agrees, upon acceptance of its proposal, to execute a contract and/or Purchase Order issued by Hidalgo County for performing and completing the work described in the Requirements within the time stated and for the prices proposed in the documents attached hereto and made a part hereof.

Submitter acknowledges receipt of all of the pages of the documents referenced in the Request For Qualifications Checklist presented in connection with this procurement. Submitter understands that Hidalgo County reserves the right to reject any or all RFQs and further reserves the right to design the evaluation criteria to be used in selecting the lowest and best proposal.

Submitter agrees that this proposal shall be good and may not be withdrawn for a period of ninety (90) calendar days after the scheduled closing time for accepting RFQs, as contained in the Requirements.

Respectfully submitted,

Submitter: \_\_\_\_\_

Address: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EXHIBIT A**  
**REQUIREMENTS**

**HIDALGO COUNTY and**  
**HIDALGO COUNTY DRAINAGE DISTRICT NO. 1**

**REQUEST FOR QUALIFICATIONS**

**"ARBITRAGE CALCULATION SERVICES"**  
**RFQ NO:2015-118-05-06-YZV**

Hidalgo County is inviting statements of qualifications from qualified arbitrage firms to provide arbitrage calculation services. The County of Hidalgo is seeking to enter into an arbitrage calculation services contract(s) with **a qualified state-(Texas) arbitrage consulting firm(s)**. The Hidalgo County Purchasing Department will receive sealed envelopes containing Statements of Qualifications for the provision of **“HIDALGO COUNTY-ARBITRAGE CALCULATION SERVICES REQUEST FOR QUALIFICATIONS”** as specified herein. Statements of Qualifications will be accepted until **9:30 A.M. MAY 06, 2015**. **ANY RFQ RECEIVED AFTER THAT DATE AND TIME WILL NOT BE ACCEPTED AND WILL BE RETURNED UNOPENED.**

The Hidalgo County Drainage District No. 1 Board of Director’s may, at their option, utilize the **“ARBITRAGE CALCULATION SERVICES”** selected by Hidalgo County For Hidalgo County Drainage District No. 1. Should the Board of Director’s of Hidalgo County Drainage District No. 1 decide the firm selected as the Provider is the same as the one selected by Hidalgo County, the Provider shall offer Hidalgo County Drainage District No. 1 the same terms and provisions as it offers Hidalgo County.

Deliver Submittal to:

**RFQ NO: 2015-118-05-06-YZV**

US Postal Mail Address:

Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
New Administration Building  
2812 So. Business Hwy 281  
Edinburg, Texas 78539

Physical Address:

Martha L. Salazar, CPPB, Purchasing Agent  
Hidalgo County Purchasing Department  
New Administration Building  
2802 So. Business Hwy 281  
Edinburg, Texas 78539

**The Submittal Envelope Must Show the RFQ Number, Name and Acceptance Date.**

The following outlines the Request For Qualifications:

**SECTION I GENERAL TERMS AND CONDITIONS**

**ADDITIONAL INFORMATION:** Hidalgo County is requesting that statements of qualifications be routed to Martha L. Salazar, CPPB, Purchasing Agent, with a **Physical location of:** 2802 So. Business Hwy 281, **(Southeast Corner of Canton & Business Highway 281)** Hidalgo County New Administration Building, Edinburg, Texas, 78539.

**WRITTEN QUESTIONS WILL BE ACCEPTED VIA FACSIMILE (956) 318-2629 OR VIA EMAIL: [yolanda.velasquez@co.hidalgo.tx.us](mailto:yolanda.velasquez@co.hidalgo.tx.us) BY NO LATER THAN Wednesday, April 22, 2015, at 5:00 P.M.** at (956) 318-2629. Responses will be sent to all applicants via facsimile or email by **Friday, April 24, 2015, at 5:00 P.M.** **TELEPHONE INQUIRIES WILL NOT BE ACCEPTED.**

**PROPOSER'S AFFIDAVIT:**

Prior to Contract award, respondents to this RFQ must submit a signed Proposer's Affidavit (attached herein as **Exhibit E**) stating that the submission is (1) not the result of Collusion as described in the Proposer's Affidavit, (2) that the Respondent does not have a Conflict of Interest as described in the Proposer's, affidavit or that the Respondent has not and will not attempt to lobby directly or indirectly as described in the Proposer's Affidavit.

**NON-COLLUSION:**

Submitters, by submitting a signed submission, certify that the accompanying submission is not the result of, or affected by, any unlawful act of collusion with any other person or company engaged in the same line of business or commerce, or any other fraudulent act punishable under Texas or United States law.

**NON-DISCRIMINATION:**

Submitters, during the performance of this contract, will not discriminate against any employee or applicant for employment because of race, religion, sex, national origin or disability except where religion, sex, national origin or disability is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor.

**PROCESSING TIME FOR PAYMENT:**

Submitters are advised that a minimum of thirty (30) days is required to process invoices for payment.

**ELECTRONIC TRANSMISSION OF BIDS:**

Hidalgo County's Purchasing Department will not accept telegraphic or electronically transmitted submissions.

**PROOF OF FINANCIAL AND BUSINESS CAPABILITY:**

Submitters must, upon request, furnish satisfactory evidence of their ability to furnish products or services in accordance with the terms and conditions of these requirements. Hidalgo County will make the final determination as to the submitter's ability.

**SUBMITTER DEFAULT:**

Hidalgo County reserves the right, in case of submitter default, to procure the articles or services from other sources and hold the defaulting submitter responsible for any excess costs occasioned thereby.

**RESTRICTIVE OR AMBIGUOUS REQUIREMENTS:**

It is the responsibility of the submitter to review the Request for Qualifications (RFQ) packet and to notify the Purchasing Department if the requirements are formulated in a manner that would unnecessarily restrict competition. Any such protest or question regarding the requirements or bidding procedures must be received in the Purchasing Department not less than seventy-two hours prior to the time set for the opening. These criteria also apply to requirements that are ambiguous.

**RFQ DELIVERY:** Hidalgo County requires submitters, when hand delivering qualifications, to make sure that is it stamped with date and time by the County Purchasing Department staff.

**SIGNING OF QUALIFICATIONS:**

In order to be considered, all submittals **must** be signed. **Please sign the original in [blue ink](#).**

**WAIVING OF INFORMALITIES:**

Hidalgo County reserves the right to waive minor informalities or technicalities when it is in the best interest of Hidalgo County.

**SUBCONTRACTING:**

The successful submitter may not subcontract the award without the written consent of the Commissioners' Court of Hidalgo County.

**TERM OF CONTRACT:**

It is intended that the term of the contract will be for an initial period of one (1) year with the County's option to renew for three (3)-one (1) year terms, under the same rates, terms and conditions.

Hidalgo County reserves the right to continue this agreement for an additional sixty (60) day grace period at the end of the agreement for unforeseen delay in award of the new request for qualifications.

All costs and expenses associated with the preparation and submission of (bids, proposals, qualifications and/or quotes) shall be the responsibility of the submitter and no reimbursement for such charges or expenses shall be passed onto Hidalgo County.

**DAVIS BACON ACT: (IF APPLICABLE)**

All selected and awarded firms are required to include the Davis-Bacon Act when advertising and developing specifications.

## SECTION II RFQ REQUIREMENTS

### **Request For Qualifications and Proposal:**

The required contents and limitations for the preparation of the RFQ are described in this section. Failure to provide the requested information or adhere to any County limitations will result in disqualification of the submitted RFQ. A total of **one (1) original and seven (7) copies** of the RFQ shall be submitted to the address on the cover letter.

### **Contents:**

The required contents for the RFQ are presented below in the order they should be incorporated into the submitted document.

### **Understanding of the Project:**

This section should demonstrate the submitter's understanding of the project needs, the work required, and any local issues or concerns. This description should be concise, candid, and limited to 3 pages in length.

### **Firm(s) Qualifications:**

The County of Hidalgo is seeking to contract with a competent firm(s), registered and licensed to practice in the State of Texas, that has/have had experience in, but not limited to, the following areas:

- Qualified firm must have a minimum of (5) years experience with arbitrage rebate compliance services;
- Qualified firm must have an office located in Texas;
- A description of the firm's personnel and their most recent similar projects.
- A minimum of at least five (5) such projects with federal, state or local governments in the past three (3) years.
- A minimum of three (3) client references for whom the same type work was performed. References must include name, address, telephone number, date and project description.

Additionally, this section should include a description of the firm's project personnel and their most recent similar projects. For each project, a client contract name and phone number should be included for reference purposes. Additionally, the names of the personnel proposed for this project who participated in the listed projects should be provided. This project list is limited to 5 pages.

### **Personnel and Staffing:**

The participant should provide an organizational chart for the project and a summary paragraph of the project work to be performed by each proposed staff member. Biographic summaries that highlight the experience relevant to the specific project responsibilities should be provided for all proposed personnel. There is a one (1) page limitation for each biographic summary provided.

**Required Certifications and Submittal:**

This section will contain any licenses and certifications as required by Hidalgo County, the State of Texas, etc. The firm(s) should add copies of their Professional Liability Insurance. Hidalgo County requires limits as described and detailed in Exhibit “C”-Insurance Requirements contained herein

**SCOPE OF SERVICES:**

The firm selected will be required to perform all services and duties customarily and usually performed with respect to the type of work listed above for the County of Hidalgo. **(Please refer to Additional Specifications and Requirements).**

**PARTICIPANTS ARE NOT TO PROVIDE A FEE SCHEDULE AT THIS TIME WITH THIS SUBMITTAL:**

The fee will be negotiated based on the scope of work and services.

## **PART III-SELECTION AND SCHEDULES**

### **SELECTION PROCEDURES/EVALUATION SYSTEM:**

The evaluation consists of a 100-point scoring system. However, after the 100-point evaluation, Hidalgo County Commissioner's Court may elect to narrow the participating firms by requesting a presentation from a representative of each firm.

- A. Hidalgo County Commissioner's Court and/or an Evaluation Committee (selected and/or designated by Commissioner's Court) will review, score and evaluate the written Statements of Qualifications (SOQ's) received in response to this Hidalgo County request for qualifications.
- B. After the SOQ's have been reviewed, scored and evaluated, a grid will be presented to Commissioner's Court for the purposes of ranking.

Categories are further detailed in the Selection Criteria (Exhibit B) section of the RFQ.

**NEGOTIATION PROCESS:** The number one ranked firm will be contacted to submit a letter of engagement/contract for negotiations. If negotiations prove unsuccessful, Commissioner's Court will terminate negotiations with the firm and will contact the next highest ranked firm to open negotiations. The County of Hidalgo reserves the right to reject any and all RFQ's.

**TERMINATION OF SERVICES:** Any contract awarded to a qualified firm will be in effect until (a) the contract expires or (b) performance of all services are completed, or (c) terminated by County with or without cause, with thirty (30) day's written notice prior to cancellation.

**Exhibit “A-1”**  
**Hidalgo County and Hidalgo County Drainage District No. 1**  
**Arbitrage Calculation Services**  
**RFQ NO: 2015-118-05-06-YZV**

**Additional Specifications and Requirements**

**SCOPE OF SERVICES:**

The firm selected will be required to perform arbitrage calculations for the Hidalgo County and Hidalgo County Drainage District No. 1 current certificates of obligation issues and any new issues that may be added during the term of the contract.

Hidalgo County’s outstanding issues currently include:

1.	Refunding Bonds, Series 2005	\$51,640,000.00
2.	Certificates of Obligation, Series 2006	\$38,770,000.00
3.	Refunding Bonds, Series 2007	\$26,415,000.00
4.	Certificates of Obligation, Series 2009	\$24,280,000.00
5.	Refunding Bonds, Series 2009A	\$ 6,995,000.00
6.	Certificates of Obligation, Series 2009B&C	\$12,225,000.00
7.	Certificates of Obligation, Series 2010A&B	\$27,850,000.00
8.	Refunding Bond, Series 2014A	\$ 4,515,000.00
9.	Refunding Bond, Series 2014B	\$32,845,000.00
10.	Certificates of Obligation, Series 2014	\$20,085,000.00
11.	Refunding Bond, Series 2014C	\$22,795,000.00
12.	Tax Notes, Series 2014	\$ 5,530,000.00

Hidalgo County Drainage District No. 1 outstanding issues currently include:

1.	Unlimited Tax Improvement Bonds, Series 2007	\$28,000,000.00
2.	Unlimited Tax Improvement Bonds, Series 2008	\$72,000,000.00
3.	Unlimited Tax Improvement Bonds, Series 2013	\$84,000,000.00
4.	Unlimited Tax Refunding Bonds, Series 2014	\$ 7,810,000.00

**1. Arbitrage Compliance Program**

Firm will establish a program to ensure Hidalgo County and Hidalgo County Drainage District No. 1 are in compliance with all arbitrage rebate requirements contained in Section 148 of the Internal Revenue Code of 1986 (as revised) and related Treasury Regulations. As part of this compliance program the Firm will serve as a resource to all parties involved, explaining the requirements of the Code and Regulations and providing practical solutions to problems as they occur. The Firm will provide constant interaction with the County and the Drainage District and provide the following additional services:

- Assist the County and the Drainage District in understanding the computational and reporting requirements of the Code and Regulations as they currently exist and facilitate their understanding of changes as they occur.
- Be knowledgeable of the rules regarding expiration of temporary periods and be prepared to assist County and the Drainage District in monitoring yield-restricted funds, which may be invested.

- Assist the County [and the Drainage District](#), on a rebate installment date, in evaluating whether a full or partial payment of the rebate liability should be paid.

## **2. Computational Requirements**

Firm will compute the arbitrage rebate that is most advantageous to Hidalgo County [and Hidalgo County Drainage District No. 1](#) using computational methods that comply with arbitrage regulations.

- Review all applicable bond documents including tax or arbitrage certificate, official statement and other related documents.
- Compute the arbitrage yield on the bonds in accordance with the regulations and revise such computations in the event that events occur subsequent to delivery of the bonds, which would require re-computation.
- Identify, and separately account for, all “Gross Proceeds” (as last term is defined in the Treasury Regulations) of the bond issue, including those requiring allocation analyses due to “transferred proceeds” and/or “commingled funds” circumstances.
- Obtain the necessary information related to investments, including expenditure detail; or investment detail; and/or interest earnings.
- Compute the yield on the earnings of the gross proceeds of the issue.
- Firm must be familiar with all of the various regulations to determine which regulations to apply in order to compute the lowest lawful arbitrage liability amount.
- Perform computations of rebatable arbitrage at least once every five years and as of the date all bonds of the issue are retired.
- Provide an executive summary and opinion identifying the methodology employed, major assumptions, conclusions, and any recommendations for changes in record keeping and investment policy. The opinion provided must state that all work performed is consistent with Federal Tax Law and other applicable law.

## **3. Internal Revenue Service Reporting Requirements**

Firm will serve as the interface between the County [and/or the Drainage District](#) and the Internal Revenue Service. Firm must be knowledgeable of the reporting and documentation requirements associated with compliance of the arbitrage rules and perform the following duties:

- Complete Internal Revenue Service Form 8038-T and any other necessary reports so that only a signature is required prior to filing on either an installment computation date or final installment date.
- Provide a written report supporting the computations to the County [and the Drainage District](#).

- Determine the correction amount and the penalties associated with any installment failure as required.
- Assist in applying for permitted refunds for certain overpayments in the event the County [and the Drainage District](#) overpays the amount of rebatable arbitrage for an issue.
- Maintain complete records supporting the computations of rebatable arbitrage for a period of not less than six years after the final maturity of all bonds of an issue.
- Assist the County [and the Drainage District](#), as necessary, in responding to any inquiries or audits by the Internal Revenue Service related to the computations performed by the rebate calculation agent.
- Maintain a tickler system, which monitors critical deadlines, calculation due dates, rebate exception dates, and expiration of temporary periods.