JACKSONVILLE HOUSING FINANCE AUTHORITY

Jacksonville
Where Florida Begins.

TO: Gregory Pease, Chairman
Professional Services Evaluation Committee

FROM: Laura Stagner-Crites, Director - Finance
Jacksonville Housing Finance Authority

DATE: January 24, 2020

SUBJECT: Contract & Fee Negotiation - P-40-18 JHFA Financial Advisor

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The Jacksonville Housing Finance Authority RFP Review Subcommittee has completed its fee and contract negotiations with The Hendrickson Company and The Community Concepts Group, Inc., which is the number one (1) ranked respondent to the above referenced RFP.

Accordingly, it is recommended that the Jacksonville Housing Finance Authority enter into a contract with The Hendrickson Company and The Community Concepts Group, Inc., incorporating the attached RFP identified as "Exhibit "A" and incorporating the attached fee schedule identified as "Exhibit "B" for a maximum not to exceed amount of $125,000 annually.

Services shall be provided for a period commencing on the date of contract execution and ending September 30, 2023, with an option for two (2) additional one-year periods. All terms and conditions of the contract shall be in accordance with the RFP and in the standard contractual language as is customary to the Jacksonville Housing Finance Authority.

Your favorable consideration to this request is appreciated. Thank you.

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Form 1 – Price Sheet

NAME OF CONSULTANT THE HENDRICKSON COMPANY + THE COMMODITY CONCEPTS GROUP, INC.

Proposal Number P-40-18 FINANCIAL ADVISOR

SCHEDULE OF PROPOSED PRICES/RATES

The JHFA desires the fee and cost proposal of respondents to include proposed annual Flat Fee, payable on a regular periodic basis for all general services, and all services for single family and multifamily bond issues generally described in Section 4 above. All out of pocket costs and travel costs shall be on a reimbursable basis.

A. Annual Flat Fee for General Services $ 125,000 * 2

Clearly state your proposed Annual Flat Fee and the basis for periodic payment (i.e. semiannually, quarterly, etc.). This fee is intended to be all-inclusive of general services to the JHFA on an ongoing basis as the same may arise from time to time for those services generally described in Section II A and B above. This fee is exclusive of travel and other reimbursable costs. If you believe there are any specific exclusions or exceptions to the all-inclusive nature of these services and this annual flat fee arrangement, please specifically set forth any such exceptions and please state your hourly rate for such excluded general services.

B. Out of Pocket Expenses $ Ø

Such expenses include, but are not limited to the actual and reasonable cost of postage, delivery services, express mail, long distance telephone, document reproduction, and special studies or subcontracted services, but only if such special studies or subcontracted services are expressly approved in advance by the JHFA.

C. Travel Expenses $ Ø

Your proposed expenses should cover estimates for travel (breakdown for number of trips, destination, coach air fare, meals, single room rate for lodging, vicinity transportation such as cab fare or car rental, etc.). All such travel expenses shall be reimbursed from proceeds from the bond issues.

D. Expenses Relating to Bond Issues $ Ø

If it is deemed to be financially inadvisable to sell a proposed bond issue or proceed with any other financing program at any time during the term of the contract, or such bonds are not sold or other financing program consummated because of market conditions or otherwise, the Financial Advisor will be paid by the JHFA for "Out of Pocket" expenses and travel expenses upon proper invoice rendered as set forth in B and C above. Such costs will be paid from legally available funds of the JHFA.

If the bonds are sold or other financing program consummated the following expenses will be paid to the Financial Advisor or reimbursed from the proceeds of the bond issue or other legally available funds of the JHFA:

(a) The Financial Advisor will be paid by the JHFA for "Out of Pocket" expenses and travel expenses upon proper invoice rendered as set forth in Paragraph B and C above.

(b) The Financial Advisor may pay the cost of printing the bonds and the official statement. In such case, the JHFA will reimburse the Financial Advisor for the actual costs incurred in connection with the printing upon proper invoice rendered. In the alternative, actual costs of printing the bonds may be invoiced directly by the Financial Advisor to the JHFA.

(c) Actual charges of security rating agencies shall be borne by the JHFA directly.

(d) Out of Pocket costs of any informational meetings authorized by the JHFA shall be paid by the Financial Advisor and reimbursed by the JHFA upon proper invoice rendered. Travel expenses will be reimbursed only if the meeting is held elsewhere than the City of Jacksonville.

(e) Advertisements of the "Notice of Sale" will be reimbursed by the JHFA on an actual cost basis. Any costs of the Financial Advisor incurred which are not specifically provided for herein to be at the expense of the JHFA, shall be paid by the Financial Advisor.

(f) Incidental costs incurred in executing and delivering the bonds shall be borne directly by the JHFA.

E. Estimated percentage of total fees to be performed by sub-contractors 0 *1 %

*Proposed per bond rates, hourly rates and reimbursable expense estimates shall not be binding upon the JHFA. Any and all of the foregoing shall be subject to negotiation and mutual agreement except for travel reimbursement as specified in the Ordinance Code of the City of Jacksonville. The JHFA specifically reserves the right to negotiate, accept or reject any proposed per bond rates, hourly rates or reimbursable expenses which are not reasonable, necessary and acceptable to the JHFA.

*1 Subcontractor - Credit Underwriter not paid from this fee or any JHFA funds. Fee paid directly by loan applicant to the credit underwriter.

*2 In addition to fixed fee paid by JHFA, there will be a multi-family application review fee paid directly by each applicant when submitting their application. JHFA will not pay this fee. The amount is proposed at $3,000 per review, which is consistent with current JHFA policies.