

PASSAIC COUNTY IMPROVEMENT AUTHORITY
PUBLIC NOTICE

Notice is hereby given that the Passaic County Improvement Authority (the "Authority") will be seeking qualifications for the provision of certain professional and extraordinary unspecifiable services. The qualifications are being sought as part of a fair and open process being undertaken by the Authority pursuant to N.J.S.A. 19:44-20.4 et seq.

Responses to provide the services will be received by the Authority at its offices located at 401 Grand Street, Room 417, Paterson, New Jersey 07505, until 11:00 a.m. prevailing time, on February 17, 2022, at which time the responses will be publicly opened and the name of the responder shall be read aloud.

Qualifications will be accepted for the following:

ARBITRAGE REBATE AND YIELD RESTRICTION COMPLIANCE SERVICES

Background:

The Authority has issued several long term, tax exempt bond issues to finance a variety of activities including the construction and/or acquisition of structures and improvements. The Fiscal Year for the Authority is January 1 through December 31. These issues, which we understand to be subject to the arbitrage rebate requirements contained in Section 148(f) of the Internal Revenue Code of 1986 (the "Rebate Requirements"), are listed on Exhibit A, attached hereto. The proceeds of each issue are held and invested by the Authority's trustee, as directed by the Authority.

Services:

The services to be provided are to analyze the outstanding tax exempt issues of the Authority and ensure that proceeds of those issues have been maintained and invested in accordance with Internal Revenue Code. Specifically, the following services are to be provided:

For each bond issue, the successful bidder is to:

- A. Verify that the issue is subject to the Rebate Requirement. (If not subject, provide a report documenting release of requirements.)
- B. Calculate the bond yield.
- C. Identify, and separately account for, all "Gross Proceeds" (as that term is defined in the Rebate Requirements) of the bond issue, including those requiring allocation analyses due to "transferred proceeds" and/or "commingled funds" circumstances.
- D. Calculate the issue's excess investment earnings (cumulative rebate liability), taking into account any proceeds that are or have become subject to the

yield restriction requirements.

E. Provide an executive summary identifying the methodology employed, major assumptions, conclusions, and any recommendations for changes in the Authority recordkeeping and investment policy.

F. Train Authority staff on arbitrage-related matters to improve funds and records management.

G. Provide assistance and consultation as necessary to retain records and documentation at least six years after each issue's final maturity.

H. Provide a legal opinion that arbitrage calculation results are consistent with the Rebate Requirements or an explanation as to why such opinion is unnecessary.

I. Perform all applicable annual arbitrage rebate calculations through the term of the contract.

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K. Provide the Authority with two copies as well as an electronic version and the Bond Trustees one copy of the calculation reports. Include appropriate documentation required to support calculations.

L. Prepare all filings required by the Internal Revenue Service necessary for the payments of arbitrage rebates or refunds.

M. Represent the Authority as necessary in the event of an IRS inquiry.

N. Coordinate between the Bond Trustees and the Authority so all necessary information is provided to perform calculations accurately.

Statement of Qualifications

Respondents must provide a Statement of Qualifications, which should describe the qualifications of the firm, key staff and subcontractors performing projects that are similar in size and scope within the past five years, to demonstrate competence to perform these services.

The Statement of Qualifications Section shall include:

1) Description of the firm's experience in providing arbitrage rebate compliance services in general, and specifically with regard to transactions issued by public entities. Highlight experience with complex tax-exempt structures such as variable rate issues, advance refundings, etc.

2) Description of the legal expertise available within or to your firm, particularly with regard to the provisions of Section 148(f) of the Internal Revenue Code and Regulations. Describe any legal opinions that may be required to satisfy each arbitrage calculation.

NOTE: If the requisite legal expertise is available within your firm, describe your firm's expertise with the relevant provisions of the Internal Revenue Code and applicable rules and regulations. If the legal advice is to be provided outside your firm, identify the source of this expertise and explain the source's knowledge of the relevant Code and Regulation sections. Explain any mark-ups you will add to the cost of outside legal advice. Provide an estimate of the scope and cost of legal advice, including estimated hours and fee rates.

3) Description of the firm's availability with respect to future and/or additional rebate compliance services, i.e., new bond issues subject to the rebate requirement.

The Authority Board shall select the professional or business entity for the position so advertised. Selection shall be by resolution of the Authority Board. The Authority reserves the right to cancel or amend this process at any time and to deem any requirement and not material.

Individuals and/or firms are to submit their responses evidencing that it meets the minimum requirements, along with any other information it would like the Authority to review.

Individuals and/or firms are to submit one (1) copy and one (1) digital copy (USB drive) of their responses to Passaic County Improvement Authority, 401 Grand Street, Room 417, Paterson, New Jersey 07505 no later than 11:00 a.m. on February 17, 2022. Questions concerning this notice may be directed to pcia@passaiccountynj.org or to Peter A. Tucci, Jr., Esq., General Counsel, at ptucci@tuccilaw.net or (201) 880-1800.

The foregoing represents the full RFQ for these services. Should there be any changes, additions, modifications, or questions and answers regarding this RFQ, they will be posted on the Authority's official website at www.passaiccountynj.org/PCIA. Additionally, you may sign up for e-mail alerts for RFQs and subsequent postings.

APPENDIX

**Passaic County Improvement Authority
Bond Issuances**

Please note that the Authority is not necessarily responsible for arbitrage reporting on all the issuances listed below. The list includes all of the Authority bond issuances, some have been refunded.

Issuance	Issue Date	Amount of Issue	Issue Type
Preakness Healthcare Center Expansion Project Lease Revenue Bonds, Series 2005	May 1, 2005	\$ 65,000,000.00	Tax Exempt
Parking Facility Revenue Bonds, Series 2005A (Paterson Parking Deck Project)	June 1, 2005	\$ 14,535,000.00	Tax Exempt
Parking Facility Revenue Bonds, Series 2005B (Paterson Parking Deck Project)	June 1, 2005	\$ 3,835,000.00	Taxable
Prosecutor's Office Building Improvements Project Lease Revenue Bonds, Series 2005	December 20, 2005	\$ 6,000,000.00	Tax Exempt
Preakness Healthcare Center Expansion Project Lease Revenue Bonds, Series 2006	July 28, 2006	\$ 22,960,000.00	Tax Exempt
Haledon and Ringwood Pooled Loan, Series 2009	January 15, 2009	\$ 8,587,000.00	Tax Exempt
Passaic County Pooled Recovery Zone Bonds (County, Little Falls & Wanaque) \$10,292,000 County of Passaic Guaranteed Loan Program Bonds (Recovery Zone Projects), Series 2010	July 27, 2010	\$ 10,292,000.00	Taxable
Yeshiva Ktana of Passaic, (2018 Loan Modification)	August 26, 2010	\$ 21,931,500.00	Tax-exempt
200 Hospital Plaza Corporation Project, Series 2010	October 22, 2010	\$ 29,620,000.00	Tax-exempt
Preakness Healthcare Center Expansion Project Lease Revenue Refunding Bonds, Series 2012	August 28, 2012	\$ 57,425,000.00	Tax-exempt
Preakness Healthier Center Expansion Project Lease Revenue Refunding Bonds, Series 2015	June 16, 2015	\$ 19,550,000.00	Tax-exempt
Prosecutor's Office Building Improvements Project Lease Revenue Refunding Bonds, Series 2015	June 16, 2015	\$ 3,510,000.00	Tax-exempt
Governmental Loan Revenue Bonds, Series 2015 (County Guaranteed) (City of Paterson Project)	December 14, 2015	\$ 24,795,000.00	Tax-exempt
200 Hospital Plaza Corporation Project Refunding Bonds, Series 2017	December 31, 2015	\$ 24,650,000.00	Tax-exempt
Governmental Loan Revenue Notes, Series 2016 (County Guaranteed) (City of Paterson Project)	June 29, 2016	\$ 14,340,000.00	Tax-exempt
Governmental Loan Revenue Notes, Series 2017 (County Guaranteed) (City of Paterson Project)	March 2, 2017	\$ 9,058,340.00	Tax-exempt
Governmental Loan Revenue Bonds, Series 2017 (County Guaranteed) (City of Paterson Project)	June 20, 2017	\$ 33,835,000.00	Tax-exempt
County General Obligation Lease Revenue Bonds, Series 2018	July 18, 2018	\$ 14,530,000.00	Tax-exempt
Governmental Loan Revenue Notes, Series 2018 (County Guaranteed) (City of Paterson Project)	September 27, 2018	\$ 15,605,000.00	Tax-exempt
Governmental Loan Revenue Bond Anticipation Notes, Series 2019 (County Guaranteed) (City of Paterson Project)	August 26, 2019	\$ 23,463,000.00	Tax-exempt
Passaic County Guaranteed Lease Revenue Refunding Bonds (Passaic County Community College Project),	July 1, 2020	\$ 12,500,000.00	Tax-Exempt

Series 2018/20			
Governmental Loan Revenue Bonds, Series 2020 (Passaic County Guaranteed) (City of Paterson Board of Education Project) (Green Bonds)	July 15, 2020	\$ 17,010,000.00	Tax-Exempt
Governmental Loan Revenue Bonds, Series 2020 (City of Paterson Project)	August 24, 2020	\$ 30,125,000.00	Tax-Exempt