



Lexington-Fayette Urban County Government

Request For Proposal

The Lexington-Fayette Urban County Government hereby requests proposals for **RFP #5-2016 Loan Servicing for Division of Grants and Special Programs** to be provided in accordance with terms, conditions and specifications established herein.

Five copies of sealed proposals will be received in the **Division of Grants and Special Programs**, 6th Floor, Government Center, 200 East Main Street, Lexington, KY, 40507, until **2:00 PM**, prevailing local time, on **March 9, 2016**.

Proposals received after the date and time set for opening proposals will not be considered for award of a contract and will be returned unopened to the Proposer. It is the sole responsibility of the Proposer to assure that his/her proposal is received by the Division of Central Purchasing before the date and time set for opening proposals.

Proposals must be sealed in an envelope and the envelope prominently marked:

RFP #5-2016 Loan Servicing for Division of Grants and Special Programs

If mailed, the envelope must be addressed to:

Cyndra Brown
Lexington-Fayette Urban County Government
Division of Grants & Special Programs
200 East Main Street, 6th Floor
Lexington, KY 40507

The Division of Central Purchasing is serving this notification on behalf of The Division of Grants & Special Programs. The Division of Central Purchasing will not be evaluating the proposals received or awarding the contract. Questions pertaining to this RFP should be directed to The Division of Grants & Special Programs as indicated below.

EXHIBIT B

Page 2 of 6

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

NOTICE OF REQUEST FOR PROPOSALS

LOAN SERVICING

The Lexington-Fayette Urban County Government is requesting proposals from qualified persons or firms to contract for the servicing of approximately 350 amortizing loans funded with Community Development Block Grant and HOME funds made under the Lexington-Fayette Urban County Government's Housing Rehabilitation Program and Homeownership Programs. In order for a proposal to be considered, the persons or firms responding to this proposal (Respondents) must demonstrate the capacity to perform all of the services described in the request for proposals.

CONTRACT DESCRIPTION – The Respondents selected by the government will perform the required services as an independent contractor (Contractor). The Contractor must provide the diligent and customary functions to service an expanding portfolio for the Government on a month to month basis. The Contractor must carry the loans on its books and receive monthly payments on each loan. The Contractor must remit the total receipts of principal and interest less fees earned to the Government monthly along with a remittance manifest and delinquency report. The Contractor must also provide the government with a monthly report that details each accounts loan history. Some of the loans have escrow accounts for adjustable taxes and insurance and some do not. The loans have a fixed interest rate. The loans are to be accounted for according to separate categories designated by the Government.

The Contractor must furnish payment coupons to the borrowers and respond to borrower requests for information on an as needed basis. The Contractor will be responsible for providing all notices, statements, forms and reports required by the Internal Revenue Service in connection with the individual loan account and providing the borrower with an annual history of activity on individual loans.

MINIMUM QUALIFICATIONS OF CONTRACTOR – The Contractor must have the following minimum qualifications as determined by the Government in its sole discretion.

1. Specific experience in loan management and servicing for public sector programs.
2. Sufficient insurance.
3. Adequate financial capacity.
4. Good public sector references.
5. Demonstrated knowledge of program funding source regulations and procedures.

SELECTION PROCEDURE – The final selection will be made by the Government's selection team.

REQUESTS FOR PROPOSALS – The requests for Proposals includes:

1. This notice of Request for Proposals.
2. Instructions to Respondents.

SUBMISSION OF PROPOSALS – proposals are to be submitted by no later than 2:00 PM, March 9, 2016.

Cyndra Brown, Grants Manager
Division of Grants & Special Programs
Lexington-Fayette Urban County Government
200 E. Main Street, 6th Floor
Lexington, KY 40507

INSTRUCTIONS TO RESPONDENTS

RE: REQUEST FOR PROPOSALS

LOAN SERVICING

A. GENERAL

The Lexington-Fayette Urban County Government is requesting proposals from qualified persons or firms to contract for the servicing of housing rehabilitation and mortgage loans made under the government's Housing Rehabilitation and Homeownership Programs. In order for a proposal to be considered, the persons or firms responding to this proposal (Respondents) must demonstrate the capacity to perform (at minimum) all of the services described in the Request for Proposals.

B. CONTRACT DESCRIPTION

The Respondent selected by the Government will perform the required services as an independent contractor (Contractor). The Contractor must provide the diligent and customary functions to service the loans for the government on a month-to-month basis. The Contractor must carry the loans on its books and receive monthly payments on each loan. The Contractor must remit the total receipts of principal and interest less fees earned to the Government monthly along with a remittance manifest and delinquency report. Some of the loans have escrow accounts for taxes and insurance and some do not. The loans have a fixed interest rate. The loans are to be accounted for according to separate categories designated by the Government.

The Contractor must furnish payment coupons to the borrowers and respond to borrower request for information on an as needed basis. The Contractor will be responsible for providing all notices, statements, forms and reports required by the Internal Revenue Service in connection with the individual loans and providing the borrower with an annual history of activity on the individual loan account.

C. PROPOSAL SUBMISSION

Five (5) copies of the Respondent's proposal shall be submitted in a sealed envelope marked: "Proposal for Loan Servicing" and received in the Division of Grants & Special Programs, 200 E. Main Street, 6th Floor, Lexington, KY 40507, no later than 2:00 PM, March 9, 2016.

Respondents mailing their responses should allow sufficient time to ensure delivery by the date and time specified. Proposals which are not submitted on time will not be accepted and will be returned unopened.

Any offer submitted as a result of this RFP shall be binding on the respondent for 90 calendar days following the specified opening date. Any proposal for which the respondent specifies a shorter acceptance period may be rejected.

D. CLARIFICATION

Questions concerning this RFP shall be directed to Cyndra Brown, Grants Manager, (859) 258-3070.

E. ACCEPTANCE OF PROPOSAL CONTENT

Before submitting a proposal, each Respondent shall make all investigations and examinations necessary to ascertain all conditions and requirements affecting the performance of the contract and to verify any representations made by the Government upon which the proposal will rely. If the Respondent receives an award as a result of its proposal, failure to

EXHIBIT B

Page 4 of 6

have made such investigation and examinations will in no way relieve the Respondent from its obligation to comply in every detail with all provisions and requirements.

F. RESPONSIVENESS

The detailed requirements set forth in Section N, PROPOSAL FORMAT, are mandatory. Failure by a Respondent to respond to a specific requirement may result in disqualification. The Government reserves the right to accept or reject any or all proposals.

G. EQUAL EMPLOYMENT OPPORTUNITY

Attention of Respondents is particularly called to the requirement for ensuring that employees and applicants for employment are not discriminated against because of their race, color religion, sex, national origin, age or disability.

H. COMPETITIVE NEGOTIATION SOLICITATION

The Government will receive proposals from persons or firms having specific experience and qualifications in loan servicing for public sector loan programs. For consideration, proposals for the contract must contain evidence of the firm or person's experience in loan servicing for public sector loan programs. Unless otherwise stated, all Respondents shall provide profiles of the management staff to be assigned to the contract services, references and any other information that clearly demonstrates the respondent's expertise in the area of the solicitation. See Section J, PROPOSAL FORMAT.

A selection committee will review and evaluate all replies and mark the firms using the following criteria:

- Completeness and conformity of the reply to the specific requirements of the solicitation. 10 points
- Demonstrated ability to provide loan services to public sector loan programs. 30 points
- Availability of facilities and personnel for the service. 10 points
- References and Qualifications. 30 points
- Reasonableness of Cost. 20 points

Respondents are advised that the Government reserves that right to evaluate and rank the proposals without further input from the respondents. Therefore, proposals should be complete as initially submitted.

The Government reserves the right to accept the proposal which, in its judgment, will best serve the interest of the Government.

I. RIGHTS RESERVED BY GOVERNMENT

The Government may make such investigation as it deems necessary to determine the ability of a Respondent to furnish the required services, and the Respondent will furnish to the Government all such information and data for this purpose as the Government may request. The Government reserves the right to reject any Respondent if the evidence submitted by or investigation of such Respondent fails to satisfy the Government that such Respondent is properly qualified to carry out the obligations of a Contract, and deliver the services contemplated herein.

Respondents will fully inform themselves as to conditions, requirements and specifications before submitting their proposal. Failure to do so will be at the Respondent's own risk.

J. PROPOSAL FORMAT

Proposals shall be submitted in the following format with each element requested and/or form furnished as specified to facilitate evaluation of the proposals.

FAILURE TO ADHERE TO THE REQUIRED FORMAT MAYBE CAUSE FOR REJECTION OF PROPOSAL

1. Letter of Transmittal

A letter of transmittal must be submitted with a Respondent's proposal. The letter must include:

- A statement of the respondent's understanding of the services required by the Request for Proposals and attached specifications.
- A statement that the Respondent can and will furnish the required services in full compliance to the terms, conditions and specifications set forth in the RFP within the designated time frames.
- A statement of the Respondent's status (i.e. corporation, partnership, other) and its affiliation with any other corporation or firm along with the names of the person(s) authorized to make representations on behalf of the respondent, binding the firm to a contract.

2. Table of Contents

The Table of Contents must indicate the material included in the proposal. The Table of Contents of the respondent should mirror the section of the government's Request for Proposals and must include all items set forth in this section of the RFP.

3. Experience

- a. Describe type of experience related to loan servicing for public sector programs, (i.e. when, how long, service area, type of service, etc.)
- b. Describe the level of activity, (i.e. number of contracts, number of loans being serviced, amount of loans being serviced).
- c. Describe a typical implementation schedule.
- d. Describe the approach used for customer service.

4. Insurance

- a. Describe the types of insurance maintained by the firm, including General Liability and Errors and Omissions.

5. References

- a. Provide the names and phone numbers of five public sector agencies for which the Contractor currently provides loan servicing.

6. Corporate Information

- a. Provide a list of corporate officers and the location of office(s).

7. Management and Participating Personnel

- a. Provide a profile or resume of pertinent personnel assigned to the specific services.
- b. Equal Employment Opportunity: Provide current employment data that describes ethnicity and gender of management and staff.

K. SCOPE OF WORK

The Contractor will be required to furnish the services listed below under this contract. The Contractor must describe any additional services provided that will demonstrate knowledge of, and/or be of benefit in managing the Government's loan portfolio. The Government reserves the right to choose among such additional alternatives/services after selection of Contractor.

The following general services will be required for all loans:

- a. The Government will initiate the preparation of all mortgage instruments, make all required regulatory and compliance disclosures, properly close the loans and transmit the loans to the Contractor. The Contractor must carry the loan accounts on its books and provide the diligent and customary functions to service the loans on a month to month basis.
- b. The Contractor must provide a separate accounting remittance manifest to the Government on a monthly basis for each loan type.
- c. The Contractor must provide loan customers payment coupons to be used in connection with making monthly payments.
- d. The Contractor will be responsible for providing all notices, statements, forms and reports required by the Internal Revenue Service in connection with the individual loans and providing the borrower an annual history of activity on the individual loan account.

L. FEE SCHEDULE

All Respondent's must include in their proposals a fee schedule which includes all fees proposed in connection with the loan servicing contract.