

reimagine redevelopment

Urban Redevelopment Authority
of Pittsburgh

ura.org

REQUEST FOR PROPOSALS (RFP)

Tax Collection and Trustee Services for Tax Diversion Programs

RFP Issue Date: June 30, 2023

**Proposal Due Date: 5 PM EDT on August 4, 2023, via
Ion Wave Technologies, the URA's Bidding Software**

Section 1. General Information

- 1.1 The Urban Redevelopment Authority of Pittsburgh (URA) invites interested firms to submit a proposal to serve as the tax collector, trustee, or both for its current and future portfolio of tax diversions. The primary responsibilities of the firm selected to be the tax collector includes collecting tax revenues, performing the required calculations to determine the pledged share of tax revenues that can be used to support eligible project costs, coordinating with the appropriate tax authorities, coordinating with the URA's tax diversion trustee, creating and maintaining electronic tax collection accounts, providing authorized URA staff with read only access, preparing and submitting reports as requested by the URA, and other services as required.

The primary responsibilities of the firm selected to be the trustee include coordinating with the appropriate tax authorities, coordinating with the URA's tax diversion tax collector, creating and maintaining the required accounts for each tax diversion, making the required debt service payments for each tax diversion, processing payments from the appropriate accounts, providing invoicing for additional payments as required pursuant to a Minimum Payment Agreement, posting all account activity to an electronic file and providing monthly, quarterly, and annual reports for all activities for each debt instrument, and other services as required.
- 1.2 The URA plans to hire one or more respondents to provide the above-mentioned services for a multi-year contract. Interested firms should propose the length of the term, preferably in three- or five-year increments, in their proposal. Interested firms should also identify any cost savings generated from longer-term contracts.
- 1.3 This RFP opens for proposals on June 30, 2023, and closes on August 4, 2023. Interested parties are requested to submit a detailed proposal package that clearly defines the relevant experience of the proposed staff and team members, proposed methods and strategy, as well as a fee proposal.
- 1.4 Respondents shall direct all contact and questions regarding this Request for Proposals (RFP) and selection process through Ion Wave Technologies. **Questions must be submitted in writing and posted on IWTIWT by 5 PM EDT on July 17, 2023. Responses to said questions will be posted to IWTIWT by 5 PM EDT on July 21, 2023. You can register for IWT by following the prompts on our website: http://www.ura.org/working_with_us/proposals.php**
- 1.5 Consideration is expected to be given, but is not guaranteed to be given, to the criteria listed in this RFP. The URA reserves the right to reject any and all proposals, to waive any and all informalities outlined in the RFP and the selection process, and generally to make the award that, in its judgment, will best meet the objectives stated in this RFP.
- 1.6 Expenses incurred by the respondents in replying to the RFP or in making any appearance before the review committee are at the respondents' own expense and risk. All responses, including attachments, supplementary materials, addenda, etc., shall become the property of the URA and will not be returned.
- 1.7 Respondents are expected to submit a proposal for the full scope of services. The URA reserves the right to make suggestions related to team structure throughout the proposal process and

contract negotiations.

- 1.8 Submission of a proposal indicates acceptance by the firm of the conditions contained in this RFP unless clearly and specifically noted in the proposal submitted and confirmed in the contract between the URA and the firm selected.

Section 2. Background and Scope of Services

The URA was established in 1946 under the Pennsylvania Urban Redevelopment Law and serves as the City of Pittsburgh's community and economic development partner. Since its inception, the URA has constructed and rehabilitated tens of thousands of homes, reclaimed thousands of acres of contaminated brownfield and riverfront sites, and assisted hundreds of businesses in neighborhoods throughout the City of Pittsburgh. Presently, the URA is committed to creating more housing that is affordable to the average Pittsburgher; encouraging more entrepreneurship and small business development; promoting inclusive growth and quality job creation; expanding neighborhood and main streets revitalization efforts; and developing a talented workforce that is equipped with the skills of the future.

Part of implementing this mission includes advancing tax diversions which allow a portion of future taxes to be pledged to provide financing for certain economic development projects. The URA's current tax diversion portfolio consists of ten (10) Tax Increment Financing Districts (TIFs), eight (8) Parking Tax Diversions (PTDs), and two (2) Transit Revitalization Investment Districts (TRIDs). These tax diversions annually generate approximately six million dollars (\$6,000,000) to service approximately forty-two million dollars (\$42,000,000) in debt. The URA contemplates adding several tax diversions to this portfolio over the next few years as well as retiring its current residential tax diversions within the next two years.

Tax Diversions are typically governed by four documents:

- (1) a Cooperation Agreement between the URA and the relevant Taxing Authority(ies)¹,
- (2) a Tax Diversion (*i.e.*, TIF, TRID, or PTD) Plan,
- (3) a Funding Agreement, and
- (4) a Minimum Payment Agreement.

A Cooperation Agreement details the rights and responsibilities of the URA and relevant Taxing Authority(ies) with respect to establishing and implementing the respective tax diversion. A Tax Diversion Plan details the purpose of the tax diversion, the projects eligible to receive funding via tax diversion, the estimated terms and conditions for financing the projects with certain tax revenues (Pledged Increment), and guidance for implementing the tax diversion. A Funding Agreement sets forth the rights and responsibilities of recipients of tax diversion funding as well as the amount of funding and any related restrictions, conditions, and legal and policy compliance requirements. A Minimum Payment Agreement details the rights and obligations of the URA and the project developer or owner of a pledged parcel to ensure there is a minimum revenue stream available to service tax diversion-related debt instruments and all related administrative fees.

The selected tax collector will carry out the following duties for all current and future tax diversions:

¹ The Taxing Authorities usually involved in tax diversions are the County of Allegheny, the City of Pittsburgh, and the School District of Pittsburgh, and, in the case of TRIDs, Pittsburgh Regional Transit (formerly known as the Port Authority of Allegheny County). PTDs typically only involve the City of Pittsburgh.

- 1 Act as the designated tax collector for all related tax receipts (*e.g.*, real estate taxes from the County of Allegheny, City of Pittsburgh, and Pittsburgh Public Schools; parking taxes from the City of Pittsburgh) for all current and future tax diversions (*see Exhibit 1 - Tax Diversion Spreadsheet with Administrative Details*);
- 2 Complete calculations for Pledged Increment according to the relevant Tax Diversion Plan (*see Exhibit 2 – Example Calculations for Tax Diversions*) (consideration will be given to alternative calculation methods);
- 3 Send Pledged Increment and other tax diversion-related monies to the URA’s tax diversion trustee;
- 4 Send remaining taxes to the appropriate taxing authority(ies);
- 5 Produce and provide periodic reports on tax collection activities for each tax diversion;
- 6 Post account activity and reports to an electronic file, and provide authorized URA staff with read only access; and
- 7 Perform other services as required.

The selected trustee will carry out the following duties for all current and future tax diversions and their related financings:

- 1 Act as the designated trustee for all current and future tax diversions (*see Exhibit 1 - Tax Diversion Spreadsheet with Administrative Details*);
- 2 Receive Pledged Increment and other tax diversion-related monies from the URA’s tax collector;
- 3 Deposit all tax diversion-related monies into to the appropriate accounts based on instructions in the governing tax diversion agreements and plans;
- 4 Invest Pledged Increment for debt service payments according to URA instructions;
- 5 Make debt service payments on various financings as required by closing documents based on the amortization tables where applicable (*See Exhibit 1*);
- 6 Produce and provide periodic reports for all activities for each debt instrument and trust account;
- 7 Provide payments as approved by the URA from the appropriate accounts;
- 8 Post account activity and reports to an electronic file, and provide authorized URA staff with read only access; and
- 9 Perform other services as required.

Section 3. Process

3.1 Tentative Proposal Calendar:

A tentative schedule has been prepared for this proposal process. The schedule is subject to change; however, the RFP due date will not be changed without notice on the URA’s website:

http://www.ura.org/working_with_us/proposals.php

| Tentative Proposal Timeline | |
|--|--|
| June 30, 2023 | RFP Application Opens |
| July 17, 2023 | RFP Question Submissions on IWT are Due on IWT by 5 PM EDT |
| July 21, 2023 | Response to RFP Questions Uploaded to IWT by 5 PM EDT |
| August 4, 2023 | Proposal Submissions Due by 5 PM EDT |
| August 16 - 23, 2023 | Interviews (if deemed necessary) |
| September 14, 2023 | URA Board Authorization of Contract |

3.2 Tentative Proposal Review Committee:

Proposals submitted will be reviewed by Review Committee comprised of staff from the following URA units:

1. Executive
2. Development Services
3. Finance
4. Legal

This committee's shortlist and a final recommendation will be presented to URA Executive Leadership Team ahead of a presentation to the URA Board of Directors for final selection.

3.3 Final Selection:

The URA Board of Directors will select firm(s) based upon the recommendation of the Review Committee, while reserving the right to reject any and all recommendations, to waive any and all formalities outlined in the RFP and in the selection process, and generally to make the award that, in its judgment, will best meet the objectives stated in this RFP.

3.4 Contract:

Upon notification of selection by URA staff, the successful respondent is required to enter into a contract within two (2) weeks of receipt of a draft contract from the URA. If the successful respondent is unwilling or unable to execute the agreement as required by the RFP, the URA has the right to rescind its offer and request another respondent to enter into the contract with the URA.

3.5 Non-Discrimination:

If selected, each respondent agrees not to discriminate, whether in employment, contracting, or otherwise, in violation of any federal, state, or local law and/or based on sexual orientation, gender identity, and/or gender expression.

Section 4. Proposal Requirements

4.1 Submission Requirements and Deadline

One (1) electronic copy in PDF format must be **submitted through Ion Wave Technologies and received by the URA by no later than 5 PM ET on August 4, 2023**. Neither paper copies nor electronic copies submitted via email or any method other than IWT will be accepted. Proposals received after the deadline will not be accepted. Submissions must be received through IWT as

directed on the [URA website](#).

4.2 Proposal Format and Content

Respondent(s) shall submit a proposal that includes all of the materials listed below. The Review Committee anticipates that full proposal packages will be less than thirty (30) pages.

During the review process, the URA reserves the right, where it may serve the URA's best interest, to request additional information or clarifications from respondents, or to allow corrections of errors or omissions. At the discretion of the URA, respondents submitting proposals may be requested to interview as part of the evaluation and selection process.

1. Title Page

2. Table of Contents

3. Transmittal Letter— include the following:

- A signed statement regarding the respondent's understanding of the work to be done.
- A statement attesting that the firm will perform the work according to professional standards.
- A statement that, if hired as a tax collector, trustee, or both the firm will comply with all relevant laws and regulations.
- A statement that the firm understands that, after a selection is made, all qualifications may be public records under the Pennsylvania Right to Know Law.
- A statement that neither the firm nor any partner, principal, member, or officer of the firm is currently in violation of or being investigated for violation of any regulatory agency rules that may have a material impact on the ability to provide the services requested.

4. Cover Letter

Limit to no more than 3 pages; the letter should include:

- Company name(s), contact name, address, and email address
- Brief description of experience providing tax collector or trustee services with specific, relevant projects and clients for whom you have provided similar work.

5. Firm Profile & Biography of Assigned Personnel:

- Provide a brief profile of the firm that describes the type of organization and includes names and qualifications of your staff. Specifically indicate which staff provide tax collection or trustee services.
- Identify the staff within the firm who would be providing tax collection or trustee services to the URA and provide a brief biography that includes relevant experience. Please include the estimated percentage of time or estimated number of hours that each staff member will work with the URA on a monthly basis.

6. Conflict of Interest

- Respondents and team members must disclose any conflict of interest, or potential conflict of interest, with regard to any work performed by the respondents with/for a member or employee of the URA or any related entity.
- Provide a complete list of other clients that members of the team are currently serving as registered lobbyist for and identify potential conflicts of interest.

7. References

- Provide three (3) references with agencies or parties that have worked with the proposed, assigned personnel from section 5 above. Include the reference's names, titles, email addresses, and direct telephone numbers.

8. Proposed Method

- A detailed narrative of methods and plan to carry out the scope of work that explains why your firm is best qualified to serve as the URA's tax diversion tax collector or trustee.

9. M/WBE Participation

- The URA strives to provide equal opportunities for business growth and development to minority and female business owners. All contracts above \$250,000 are required to submit a [Minority and Women-Owned Business Enterprise \(MWBE\) Plan](#) to achieve or exceed the goal of awarding 18% of the total project costs to Minority-owned Business Enterprises (MBEs) and 7% of total project costs to Women-owned Business Enterprises (WBEs).
- While the total cost of this contract may fall short of \$250,000, the URA requests a description of how the award of this contract will promote opportunities for women and minority professionals in your organization and/or through the services that the URA would pay for through this contract. MBE/WBE participation can be satisfied by:
 - Ownership/Partnership of firm;
 - Employment levels of minorities and/or women in the firm;
 - Firm's use of minority or women-owned businesses as vendors for legal, printing, office supplies, travel, etc.; and/or
 - Subcontracting with firms owned and controlled by minorities and/or women. If this is to be done, that fact and the name of the proposed subcontracting firms must be clearly identified in the proposal.
- Please include any relevant third-party certification and/or documentation of MWBE status.

10. Fee Proposal and Pricing Methodology

- Briefly describe your fee proposal and pricing methodology for serving as the URA's tax diversion tax collector or trustee. All applicants must provide pricing in the retainer model structure. Alternative pricing strategies will also be considered but must be included as a supplement. Please note any distinctions based on the type of activity or any other factor that you deem significant.
- Please provide a breakout of pricing per existing tax diversion as well as an estimate for future tax diversions.

11. Other Information

- Please provide any other information which you believe is pertinent to the URA's consideration of your firm. Please limit your response to this item to no more than five (5) pages.

Section 5. Evaluation Criteria

5.1 Experience

The respondent's experience in providing services similar to those described in Section 1.1; the quality of the applicant's management, reputation, and references; the number of years of experience providing the services specified (3 – 5 years minimum).

5.2 Quality of Submission

The degree to which the respondent clearly and concisely demonstrates it understands and can perform the required scope of services.

5.3 MWBE Participation

The applicant's MWBE narrative should indicate whether the applicant is an MBE and/or WBE and also include an overview of the applicant's strategy toward MWBE participation, in general.

5.4 Fee Proposal

The URA reserves the right to accept an offer or proposal other than the lowest offer and will determine awards at its sole discretion. Although the URA is not required to select the lowest bid, a respondent's fee proposal should be competitive for industry standards.

5.5 Accuracy

The URA shall have the right to verify the accuracy of all information submitted and to make such investigation as it deems necessary to determine the ability of each respondent to perform the obligations in the response. The URA at its discretion reserves the right to reject any response when the available evidence or information does not satisfy the URA that the respondent is qualified to carry out properly the obligations of the response.

5.6 Review of Proposals

The URA shall be the sole judge as to which, if any, respondent best meets the selection criteria. The URA reserves the right to reject any or all responses, to waive any submission requirements contained within this response, and to waive any irregularities in any submitted response.

5.7 Nature of the RFP

This form and any related exhibits or attachments are submitted subject to errors, omissions, and/or withdrawal without notice by the URA at any time.

Section 6. Exhibits

Exhibit 1 – Tax Diversion Spreadsheet with Administrative Details

Exhibit 2 -Example Calculations for Tax Diversions

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