

**ELECTRONIC
COMMONWEALTH OF VIRGINIA TREASURY BOARD
REQUEST FOR PROPOSALS RFP # CMI 15-004
TO SERVE AS
REBATE CALCULATION AGENT
FOR THE
VIRGINIA STATE NON-ARBITRAGE PROGRAM**

**BEST AND FINAL PRICING
PROPOSAL SUBMITTED:
MONDAY MARCH 30, 2015**

March 30, 2015

Treasury Board
Commonwealth of Virginia
Department of the Treasury
Attention: Harold Moore
P.O. Box 1879
Richmond, Virginia 23218-1879



Dear Mr. Moore and Members of the Selection Committee:

In our extensive analysis of the various SNAPSM program bond structures, expenditures trends and investments, we found that the bond issues are not complex, however, the size of the program is extensive and will require an arbitrage firm with exceptional personnel and efficient calculation processes in order to satisfy the requirements as requested by SNAPSM and SNAPSM Participants. Predicated on 28 years of arbitrage rebate experience, ACS developed the Rebate Output Calculation System (“ROCS”) - a state of the art software platform. ROCS allows our personnel to produce error free calculations, compute the lowest liability, and deliver the reports within the strict time constraints as required by SNAPSM and the SNAPSM Participants.

ACS’ fees are all inclusive. We do not charge fees for providing a contract transition team, consultation, traveling or on-site training services. When evaluating our best and final pricing schedule, please take into consideration the additional benefits and cost savings listed below.

- ✓ **Contract transition team:** ACS provides a no cost on-site transition team lead by a CPA to ensure an accurate and timely transition process.
- ✓ **Small, Women-owned, and Minority-owned (“SWaM”) Certified Vendor:** ACS is a Commonwealth of Virginia SWaM Certified Vendor – Certificate Number 713766.
- ✓ **Liability determination:** ACS utilizes accounting, finance and legal professionals to compute the lowest permissible liability.
- ✓ **Calculation costs:** ACS has created a fee structure that is consistent regardless of the type of program. There are no duplicated or unnecessary fees as presented on page 2 and we have added footnotes in order to add clarity to our response.
- ✓ **Accuracy of the arbitrage calculation:** ACS, as a firm with both accounting and law expertise, hold accuracy as paramount importance in performance of our duties as a bond compliance firm. ACS provides both a legal and a CPA opinion to attest to the accuracy of our reports.
- ✓ **Secure client portal to support paperless organizations:** ACS provides a secure client portal that organizes records for electronic access by both SNAPSM and the SNAPSM Participants at no cost.

We appreciate the opportunity to provide assistance to both SNAPSM and the SNAPSM Participants. If I can be of further assistance please do not hesitate to call me at (303) 867-7530 or email me at stephen@rebatebyacs.com.

Stephen H. Broden, Vice President
Arbitrage Compliance Specialists, Inc.

Commonwealth of Virginia Request for Proposals for Arbitrage Rebate Services
Request for Proposals for Arbitrage Rebate Services

Standard Rates for Participants:	Pay Out (1)
Years of Investment Activity	
Bond Year 1	\$450
Bond Year 2	\$835
Bond Year 3	\$1,200
Bond Year 4	\$1,555
Bond Year 5	\$1,875
Total for 5 Years	<u>\$1,875 (2)</u>

Other Fees:

Rebate Exceptions Compliance Report or Penalty Calculation for each 6-month testing period	\$300
Per Hour Consultation	\$0 (3)
Transferred Proceeds/Commingled Funds	\$0 (3)
Individual Portfolio or outside of SNAP SM	\$0 (3)
Excess Investment Yield Calculation	\$0 (3)
SNAP SM Copy of Reporting	\$0 (4)

Pooled Financing - Single Report:

	(5)
Bond Year 1	\$450
Bond Year 2	\$835
Bond Year 3	\$1,200
Bond Year 4	\$1,555
Bond Year 5	\$1,875
Total for 5 Years	<u>\$1,875 (2)</u>

Pooled Financing - Separate Report:

	(6)
Bond Year 1	\$450
Bond Year 2	\$835
Bond Year 3	\$1,200
Bond Year 4	\$1,555
Bond Year 5	\$1,875
Total for 5 Years	<u>\$1,875 (2)</u>

Footnotes:

- (1) This is the **standard rate** for participants.
- (2) Listed below are two examples of our \$1,875 not-to-exceed fee for a five year period.

Example 1: Borrower completes annual reports all 5 years	Example 2: Borrower completes 3rd year and 5th year reports
Year 1 \$450 Year 2 \$450 Year 3 \$450 Year 4 \$450 Year 5 \$75 (Reduced to \$75) <u>Total \$1,875</u> (Five Year Not-to-Exceed)	Year 3 \$1,200 Year 5 \$675 (Reduced to \$675) <u>Total \$1,875</u> (Five Year Not-to-Exceed)

- (3) Fees have been waived and the applicable service(s) are included in our reporting at a fee of \$0.
- (4) SNAPSM will receive a copy of all reporting plus a bond level summary of the liabilities tied to each borrower, consistent with the current practice.
- (5) This type of reporting may not exist based on the type of programs managed by SNAPSM.
(These fees are not an additional fee above the standard rate and have been provided in order to comply with the pricing sheet)
- (6) This type of reporting is the standard for programs managed by SNAPSM.
(These fees are not an additional fee above the standard rate and have been provided in order to comply with the pricing sheet)