



Utah State Treasurer's Office

Memo

To: **Utah Charter School Finance Authority**

Richard K. Ellis, Chair
Juliette Tennert, Vice Chair
Bruce Williams, Secretary

From: David Damschen, Chief Deputy
Utah State Treasurer's Office

Date: February 4, 2014

RE: Evaluation Committee Report and Recommendation: Solicitation #MP14015 – Request for Qualifications, Financial Advisory Services

On October 7, 2013, the Department of Administrative Services, Division of Purchasing and General Services, released solicitation number MP14015, Request for Qualifications (RFQ), Utah Charter School Financial Advisory (FA) Services, on behalf of the Utah Charter School Financial Authority (Authority).

The FA RFQ was carefully designed to identify and select Prequalified Firms that will be authorized to provide financial advisory services to charter schools (Schools) that utilize the Authority as conduit issuer. Its objective is to ensure that financing charter schools receive consistent levels of professional competence and service for a reasonable and competitive cost. The FA RFQ:

- Defined the scope of services that a Prequalified Firm is obligated to provide to a School that utilizes the Authority as conduit issuer
- Established as minimum qualifications –
 - The firm must be licensed to do business in Utah
 - Primary contacts must have series 52 license or equivalent and be registered with the SEC and MSRB
 - Firm must agree to a not-to-exceed fee cap of \$5.00 per \$1,000 of bonds
- Solicited responses to questions designed to evaluate the firms' and individuals' qualifications, experience, and resources related to the provision of financial advisory services.

Responses

Five firms responded to the RFQ before the 5:00 p.m., October 28, 2013 deadline:

- Buck Financial Advisors LLC (“Buck”)
- Crossroads Investment Advisors (“Crossroads”)
- Lewis Young Robertson & Burningham, Inc. (“Lewis Young”)

- Providence Financial Company (“Providence”)
- Robert W. Baird & Co. (“Baird”)

Evaluation Committee

Review of responses to the RFQ, conduct of interviews, and reference inquiries were performed by the evaluation committee:

- David Damschen, Chief Deputy Treasurer
- Bruce Williams, Associate Superintendent for Business Services, State Office of Education and Secretary of the Authority
- Cleon Butterfield, Senior Vice President and Chief Financial Officer, Utah Housing Corporation

Firm Disqualified for Nonconformity with Minimum Qualification

Buck’s response to the RFQ was deemed unacceptable. In response to the RFQ’s stated minimum qualification (3.0.b), which requires agreement to and compliance with the not-to-exceed fee cap of \$5.00 per \$1,000 of bonds issued, Buck stated: "Specifically, we do not agree to any such limit."

Aside from the fact that this requirement is clearly laid out as a minimum requirement, RFQ section 5.1 (Evaluation Criteria Summary) makes it clear that full satisfaction of minimum qualifications is required in order to be eligible for prequalification and, in the converse, that failure to meet minimum qualifications will render a responding firm ineligible for prequalification. Each of the other firms that submitted response agreed with the not-to-exceed fee cap.

Evaluation and Scoring

The evaluation criteria that determined whether or not a respondent could be deemed eligible for prequalification were:

- Conformity with all minimum qualifications
- Ability to comply in full with all Scope of Services requirements
- Score of 60% or greater on the FA RFQ evaluation scoresheet

The four firms that remained (following Buck’s disqualification) scored as follows:

Crossroads	635	(passed)
Lewis Young	780	(passed)
Baird	845	(passed)
Providence	475	(failed)

Recommendation

Based upon the evaluation committee’s review and scoring of responses to the FA RFQ, we recommend prequalification of Crossroads, Lewis Young, and Baird.