

**REQUEST FOR PROPOSAL (RFP) –
CONSTRUCTION-TO-PERMANENT LOAN FINANCING**

REQUEST FOR PROPOSAL

TO SERVE AS
Financing Lender

Request Number 2020-1

Single Point of Contact
Darrell J. Green, County Administrator
Morrow County
110 North Court Street
Heppner, OR 97836

DEADLINE FOR SUBMISSION: December 18, 2020 3 PM Pacific Time

I. INTRODUCTION

Morrow County is requesting proposals from Banking firms interested in providing financing services to the County, in order to select a lender to provide a commercial construction and permanent loan for the purpose of construction and long-term financing of our North Morrow County Government Center in Irrigon, Oregon. Morrow County expects to select one banking firm to act as construction-perm lender and servicer.

The Request and attachments are published on the Morrow County website:

<https://www.co.morrow.or.us/rfps>. Request documents will not be mailed to you. Morrow County may modify this Request by publishing a written Addenda to the Morrow County website. You are solely responsible for checking the website to determine whether or not any Addenda have been issued. All published Addenda are hereby incorporated into this Request by reference.

II. BACKGROUND

Morrow County is constructing the North Morrow County Government Center in Irrigon, Oregon to consolidate services which are currently located in Boardman and Irrigon. The office spaces will include: the County Commissioners, Administration, Sheriff, District Attorney, Justice Court, Parole and Probation, Juvenile, Veterans Services, Clerk, and Planning.

On September 11, 2020, Morrow County issued a Notice to Proceed with Phase 2 of construction and design. The estimated square footage will be 13,262, with the Guaranteed Maximum Price (GMP) of \$6.85 million.

The banking firm selected through this RFP process should be prepared to cooperate fully with Morrow County throughout the loan process.

Morrow County is proud to offer equal opportunity in contract, agreement solicitation and award. Morrow County does not discriminate because of age, race, color, sex, religious creed, national origin, marital status, sexual orientation, or disability. Furthermore, Morrow County encourages and desires that firms doing or seeking to do business with the County have an equal opportunity program with demonstrated results.

Morrow County encourages all written contracts or agreements with the County to incorporate a reference that affirms compliance with applicable non-discrimination, affirmative action and contract compliance laws.

This RFP is a solicitation of firms to provide professional services with respect to borrowing programs to fund the construction and long-term financing (Construction-Perm) of the North Morrow County Government Center.

III. SCHEDULE OF EVENTS

The selection schedule is as follows:

| | |
|---|---|
| Morrow County Issues Request for Proposal | November 25, 2020 |
| Proposal Due Date | December 18, 2020 3:00 p.m. Pacific Time |
| Notification of Requested Presentations/Interviews (if necessary) | December 22, 2020 |

Oral Presentations and Interviews in [Heppner, Oregon]

December 29, 2020

Notice of Intent to Award

January 4, 2021
(Approximately)

End of Protest

January 11, 2021

IV. PROTESTS

All protests must be made in writing in accordance with OAR 170-002-0300.

All protests must:

- Be delivered by email to the Single Point of Contact, or hand-delivered to the Single Point of Contact's address during business hours: 8 a.m. to 5 p.m., Monday through Friday (closed from 12:00-1:00 p.m.).
- Include a reference to Request number 2020-1.
- Include your name and contact information.
- Be submitted by your authorized representative.
- State the reason for the protest, including:
 - The grounds that demonstrate how this Request process is contrary to law; and
 - Evidence or documentation that supports the grounds of your protest.
- State your proposed changes to the Request provisions or other relief sought.

Request Protest: A protest to this Request must be received by 12:00 p.m. Pacific Time, not less than seven (7) calendar days prior to the Request Closing Date.

Award Protest: A protest of the Contract award must be received by 12:00 p.m. Pacific Time, not less than seven (7) calendar days after the Notice of Intent to Award is issued.

Morrow County Response to Protest: Morrow County will respond to all protests within a reasonable time and will issue a written decision to the Proposer who submitted the protest. Morrow County will not consider any protest that is submitted after the deadline, or does not include the required information.

V. SCOPE OF FINANCINGS

The acceptance of the Loan is subject to authorization by the Morrow County Board of Commissioners following review by a selection committee. Morrow County makes no representation or warranty of any nature that any firm selected pursuant to this RFP will participate in any minimum or maximum number of financings, or in financings that involve any minimum or maximum dollar amounts.

VI. WORK STATEMENT

The Banking firms for the Loans are expected to:

- A. Assist in making recommendations on all aspects of the proposed financings, including but not limited to the following:
- Advise and assist Morrow County in formulating and executing a debt financing plan that best accomplishes the purpose of the financing needs at the most favorable terms, interest and ongoing costs terms for the County.
 - Assist Morrow County in preparing documentation required for financing.
 - Advise Morrow County as to Lien structure, security type and loan terms (i.e., fixed rate, variable rate, etc.).
 - Advise of all restrictions, terms and covenants to be included in the financing documents.
 - Cash flow modeling of revenues and debt service requirements.
 - The need for reserve funds and similar provisions.
 - Advise as to any Credit enhancements available.
 - Advise as to potential issues to meet goals.
 - Advise as to details of refinancing or conversion of construction financing into long-term options as provided, including but not limited to any costs.
 - Provide management details of construction loan and assist with management of construction draw process for timely payments to Construction building team and contractors.
 - Structure a loan product to meet the interim construction line of credit needs to build the proposed building with a long-term loan fully amortizing financing option at construction completion.
- B. Cooperate with the Morrow County staff and other cooperative organizations, financial advisors, Secretary of State Audits Division and other officials as necessary.
- C. Participate in communicating programs and offering features to Morrow County Board of Commissioners, Administrative staff and Finance.
- D. Participate in the drafting of documents as applicable to all financing provided.
- E. Provide technical assistance to agency in responding to inquiries.

VII. PROPOSAL

If your firm is interested in being considered as a financing lender for Morrow County, please respond to the specific requests for information as set forth in this RFP.

The County does not expect that proposals will require reserve account requirements or minimum balances in proposers bank accounts, as a condition of the Term Loan. If there are such conditions, they must be detailed in the response.

The County does not anticipate the proposal will include any; acceleration or interest rate adjustments other than detailed for construction line of credit loan modified or refinanced to

long-term permanent financing, prepayment penalties or any additional cross collateral or cross default considerations.

The County anticipates all funds on deposit accounts (i.e. construction draws) to be under FDIC insured deposit accounts.

Submission Deadline

Proposals must be to Morrow County's office at 110 N. Court Street by 3:00 pm, **Prevailing Pacific Time, December 18, 2020**. ***An electronically delivered proposal in Adobe Acrobat PDF is the strongly preferred format and is acceptable in lieu of any paper copy requirement identified below; however, Morrow County is not responsible for any response errors resulting from electronic transmission. [3] paper copies of the Proposal are to be provided to the Single Point of Contact:***

Darrell J. Green, County Administrator
Morrow County Oregon
110 North Court Street
Heppner, OR 97836
(541) 676-2529

In addition, provide one (1) electronic PDF copy to: dgreen@co.morrow.or.us

VIII. EVALUATION PROCESS

A selection committee will evaluate the proposals received by the submission deadline and make recommendations to the Board of County Commissioners. The first phase of the evaluation will consist of the RFP written response review to identify those Banking firms considered to be finalists for the Loan. These firms may be invited to make presentations to and be interviewed by the selection committee on December 29, 2020. All respondents will be notified the week of December 22, 2020 of their interview selection status. If your firm is selected to make a presentation and be interviewed, **please limit the participants to only those who will have direct responsibility for the structuring, underwriting, and servicing the loan.**

Based on the RFP evaluation ratings and oral presentation and interview, the selection committee expects to identify the banking firm(s) considered to be the most qualified for the lending opportunity. If discussions with the proposed lending/banking institution are unsuccessful, the next highest rated firm(s) will be contacted for possible financing responsibilities. Respondents selected as potential managers will be notified by January 3, 2020, or as soon thereafter as possible.

Proposals will be evaluated based on the cost and the compliance with the responses to specifics outlined in the ***Information to Be Included in Proposals*** section of this RFP, including structure and terms of the construction as outlined, and Morrow County reserves the right to:

- (i) Reject any and all proposals that do not comply with all prescribed procedures and proposal requirements, or upon determining that it is in the public interest to do so.
- (ii) Engage the services of more than one firm.

- (iii) Waive any requirements set forth herein.
- (iv) Modify the terms of the proposal process.
- (v) Cancel this RFP process entirely.

IX. INFORMATION TO BE INCLUDED IN PROPOSAL

All questions must be answered. The proposal must have text no smaller than 12-point type, single space lining, and margins no less than .75 inch. Please answer each question independently from other questions and answers. Each answer page must bear the name of the responding firm at the top of the page and identify the question being responded to. Appendices are allowed, however, the review and scoring of any Appendix is not required, but may or may not be used, by any Selection Committee member. Proposals not meeting requirements may be disqualified.

Proposal information is subject to Oregon Public Record Law (ORS 192.501 to 192.502). A proposal is subject to public inspection unless part or the entire proposal meets an exemption from disclosure as defined in ORS 192.501 or 192.502. Morrow County's procurement policies state that proposals are not open for public inspection until the procurement process has been completed. The most common exemption in proposals is for trade secrets. According to ORS 192.501(2), Trade Secrets may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within an organization and which is used in a business it conducts, having actual or potential commercial value, and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it.

Please mark any sections of your proposal that you feel meet an exception in ORS 192.501 or 192.502, and include the specific exemption that you believe it meets. If Morrow County receives a public record request for proposal information, after the procurement process is complete, we will work with the proposer whose information is being requested and Morrow County's attorney to determine what information may be exempt from required disclosure under Oregon Public Record Law.

(One page maximum)

1. A "Letter of Transmittal" indicating the RFP contact person, their telephone, and e-mail address at your firm to whom Morrow County's office will communicate all selection information with regards to this RFP.

(Two pages maximum)

2. A Summary of Qualifications as described below and includes the following information:
 - a. Identify those individuals to be assigned and each individual's role
 - b. Describe the direct experience of the individuals identified above. Please focus and limit your responses to the individuals identified above.
 - c. Describe the experience of your firm with processing, underwriting, construction draw systems and servicing construction and long-term financing.

(Two pages maximum)

3. Provide your firm's views regarding the following aspects of the proposed financings:
 - a. Describe your firm's approach to commercial construction to perm financing. Include specific comments and recommendations.
 - b. Discuss pricing differences between the proposed programs.
 - c. Discuss your firm's construction draw process and requirements.
 - b. Discuss your products transition from Construction Line of Credit to Long-term financing (i.e., modification, refinance or other).

(Two page maximum)

4. Provide a Financing Structure of Fees and Costs for each component for a proposed \$6.2-\$6.9 million financing construction - long term perm package. Assume a typical one-year construction phase, with long-term 7-, 10- and 15-year long term permanent terms mortgage with full amortization schedules.

The County requirements in establishing the Term Loan Program:

- a. Possible range \$6.2 to \$6.9 million.
- b. Rate, Fixed rate bank qualified loan for a 7-, 10- and 15-year long-term option.
- c. Repayment, Fully amortized loan with a semi-annual principal and interest loan payment without early payoff prepayment or make whole penalties.
- d. Prepayment, the County requests that the interest rate be proposed on the basis of full early payoff without penalty.

The County requirements in establishing the Construction loan:

- a. Possible range \$6.2-\$6.9 million line of credit with construction completion phased draws.
- b. Minimum 12-month construction loan term with extension opportunities.
- c. Initial term on a construction fixed rate loan, interest only payments on outstanding balance only.
- d. Terms of interest only payments on outstanding balances to be detailed.

Fees and Expenses – Describe all fees and expenses which the County will be responsible to pay the proposing lender, if selected. The amounts stated in the proposal shall represent the maximum amounts payable to the Proposing lender by the County. All fees and expenses in excess of those stated in the proposal shall be the sole responsibility of the proposing lender and will not be paid or reimbursed by the County. Fees and expenses should include all costs associated with financing including outside service providers including but not limited to escrow and title, foundation surveys, inspections and lien recording.

Provide a list of all conditions, terms restrictions, requirements other than those specified in this RFP, which should be include in your commitment to provide the Construction AND the term loan, such as any changes in interest rate, extension and modification fees, acceleration, failure to close or default.

Provide a list of all upfront documentation required for lender to make an underwriting decision/commitment to lend.

Provide detail of construction loan draw process, documentation required, timelines to meet payment/draw requests upon County requests and conditions or requirements to making draws (i.e., inspections, surveys, title guarantees, etc.)

(One page maximum)

5. Provide a statement of assurance that your firm is not currently in violation of any regulator agency rules, or, if in violation, an explanation as to why the violation does not have a material adverse effect on your ability to perform under the proposed contract.

(One page maximum)

6. Identify the name or names of any person or firm, including attorneys, lobbyists and public relations professionals compensated to promote the selection of your firm, and any plan or arrangements to share tasks, responsibilities and/or fees earned, and the method used to calculate the fees to be earned.

(One page maximum)

7. Include any other information that you consider appropriate and which will be helpful in Morrow County's choice of selecting a lending institution for a Construction-Perm loan.

X. ADDITIONAL INFORMATION

For additional information regarding this RFP, please limit your contact to the Single Point of Contact. If you send questions to any other employee, your proposal may be rejected.