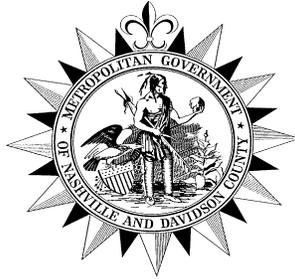


**REQUEST FOR PROPOSAL
Step Two (Request for Pricing)**

**NUMBER
RFP # 279312**



**THE METROPOLITAN GOVERNMENT OF NASHVILLE
AND DAVIDSON COUNTY**

***FOR PURCHASE AND ASSIGNMENT OF
DELINQUENT REAL PROPERTY TAX RECEIVABLES***

***Sandra Gray
Contract Specialist***

TERMS OF THE BIDDING

A. Details of the Delinquent Tax Receivables Portfolio

The delinquent tax receivables offered for sale by Metro are available in Excel format in [Exhibit 1](#) - the "Report". As of April 4, 2013, the aggregate taxes, including interest and penalties, outstanding are summarized on the Report.

The Report includes the following information on each delinquent tax receivable:

- The 1st set of columns includes the name of the property owner, parcel number, address, land use description, assessed value of land and improvements, and the number of days the receivable has been delinquent, among other basic information about each receivable. This information comes from Metro's property tax receivable system.
- The 2nd set of columns summarizes the taxes and interest and penalties outstanding through April 4, 2013, calculates the interest and penalties that will accrue on each parcel on May 1, 2013 and June 1, 2013, and shows the aggregate taxes (base tax, plus interest and penalties) that will be due on each parcel that remains uncollected through June 1, 2013.
- The last column is for the bidder to enter the bid price for each aggregate tax receivable. This column of the Report also calculates the amount of the good faith deposit.

All data fields relative to the pricing of the receivables are included in the Report. Field descriptions and explanations are provided in [Exhibit 2](#).

Metro has attempted to remove all receivables with known conditions impacting enforceability from the Report and the eventual sale. Specific items excluded include:

- Bankruptcies
- Environmental Contamination
- Vegetation Liens
- Appeals
- Properties in Flood Buy Back Program
- Leaseholds with no Related Land
- Properties/Owners with Past Collection Issues or Potential Adjustments

The delinquent tax receivables are being sold on an "as is" basis pursuant to Section 5.A. of the Request for Proposal Step One (Request for Qualification) 279312.

B. Collection History

An updated Collection History of Sold 2005 through 2011 Real Property Tax Receivables by Day is provided as [Exhibit 3](#).

An updated Collection History of Sold 2005 through 2011 Real Property Tax Receivables by Account is provided as [Exhibit 4](#).

C. Bidding Parameters

In order to create conformity such that the bids can be compared to determine the one most favorable to Metro, the Report should be returned with a bid price entered for each delinquent parcel. All of the delinquent tax receivables offered for purchase must be included in the Bidder's proposal. Any premium must be the same for all parcels. The bidder may not submit an offer for only individual parcels. Any premium should be rounded to a maximum of five decimal places.

Note that the successful bidder will be purchasing the aggregate tax receivable, which will include interest and penalties accrued through June 1, 2013. Interest and penalties accrue at 1.5% (not compounded) on the base tax due on the first of each month. All interest and penalties on sold receivables accrued and collected after the sale (including the interest and penalties accrued through June 1, 2013) will be remitted to the Contractor, along with amounts collected on the base taxes.

As part of its response, the Bidder may identify those delinquent parcels which adversely affect the bid and ultimately the purchase price. Metro may consider excluding the identified delinquent parcels at its sole discretion. Such delinquent parcels, however, may not be excluded from the bid, and Metro reserves the right to make final determination of delinquent tax receivables included in the sale.

D. Good Faith Deposit

As described in Step 1 of the RFP, in order to qualify for the purchase of Metro's delinquent tax receivables, the Bidder must submit a certified or cashier's check with its bid, made payable to the order of the Metropolitan Government of Nashville and Davidson County in an amount equal to five percent (5%) of the bid rounded upward to the nearest \$1,000.00. Alternatively, the deposit may be remitted through ACH or wire transfer; Metro's bank account information will be provided upon request. Should a selected Bidder fail to acquire and pay for the delinquent tax receivables on the delinquent parcels specified in its proposal, the amount of the good faith deposit shall be forfeited and retained by Metro as liquidated damages for such failure.

E. Projected Timetable

Issue Request for Pricing to Qualified Contractors	April 5, 2013
Provide Initial List of Property Tax Receivables to be Sold	April 5, 2013
Deadline for Receipt of Questions	April 23, 2013
Bids and Good Faith Deposit Due	April 30, 2013
Award of Receivables/Initial Closing	May 6, 2013
Final List of Sold Receivables to Contractor	June 7, 2013
Closing and Payment to Metro	June 14, 2013

F. Inquiries

Proposers must clearly understand that the only official answer or position of the Metropolitan Government will be the one stated in writing. Direct all questions related to this RFP via e-mail to Sandra Gray at Sandra.Gray@nashville.gov. Include the RFP number, page number(s), and paragraph number(s) or other descriptors for quick reference to the question. Proposers may not contact any other Metro official, or any agent or outside consultant employed by Metro in regard to this RFP. Failure to comply with this requirement may result in disqualification of the proposal response. The deadline for receipt of questions is, 12:00 Noon CDT, April 23, 2013.

G. Closing Process

The closing process consists of several steps:

- Generating a file of the outstanding receivable balances (approximately June 7 – the Closing date)
- Review and finalization of the balances by Metro and Contractor
- Updating the sale Contract for the final settlement amount
- Obtaining Contract signatures
- Remittance of funds from the Contractor to Metro (the Settlement date)

While Metro will attempt to expedite the process, there will be some delay between the Closing date and the Settlement date. It is Metro's intent to transfer ownership of the receivables to the Contractor as of the Closing date which is consistent with all of Metro's previous tax receivable sales. Once a Contract is in place and payment is received, Metro will immediately remit to the Contractor all collections on the sold accounts between the Closing date and the Settlement date. See the example below which assumes a June 7 Closing date, a premium of 5%, a June 10 Collection date, and a June 14 Settlement date.

Event	Date	Amount
Tax Levy	10/1/2012	100.00
Interest/Penalties through June (4 Months)	6/1/2013	6.00
Closing Date - Total Tax and Interest/Penalties Due	6/7/2013	106.00
Collection Date - Taxpayer Remits to Metro	6/10/2013	106.00
Settlement Date - 5% Premium - Contractor Remits to Metro	6/14/2013	111.30
Collections Between Closing and Settlement Dates - Metro Remits to Contractor	6/15/2013	106.00

H. Final Purchase Price

The total purchase price is based on the aggregate amount (base taxes, interest and penalties) due on each account as of the June 7, 2013 closing date. A Final Report of delinquent receivables will be generated on or about June 7, 2013. The bid amount will be adjusted to exclude accounts fully collected between the April 4, 2013 Report and the June 7, 2013 Report to determine the final purchase price and the amount due at settlement. Receivables partially collected between April 4, 2013 and June 7, 2013 will be included in the sale. For accounts partially collected, the bid price will be applied to the new account balance as of June 7, 2013. Any taxes, interest and penalties collected on the sold accounts after June 7, 2013 will be segregated by Metro and will be remitted to the successful bidder immediately after the settlement date. Subsequent collections on the sold accounts will be remitted to the Contractor on a weekly basis.

I. Delivery of Requests For Pricing

Responses to the Request for Pricing are to be delivered before **3:00 p.m. CDT, on April 30, 2013** to:

**Metropolitan Government of Nashville and Davidson County
Procurement Division
ATTN: Sandra Gray, Contract Specialist**

Metro WILL NOT accept any proposals received after 3:00 p.m. CDT or delivered to a location other than what is listed below. Late or incorrectly delivered proposals will be returned to the Bidder at Bidder's expense or destroyed after 30 days.

For FedEx, UPS, or Personal Delivery: Procurement Division Lindsley Hall, Suite 112 730 2nd Avenue, South Nashville, TN 37210-2006	For United States Postal Service <u>ONLY</u>: Procurement Division PO Box 196300 Nashville, TN 37219-6300 NOTE: <u>Undeliverable USPS Mailings will be rejected.</u>
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USPS will not deliver to the physical address, only the PO Box address – The USPS will return as undeliverable. Returned USPS mailings will be considered late and not accepted.

Proposers must submit one (1) original and one (1) complete exact duplicate electronic copies of the response (total of 2). Electronic copies should be submitted on CD or flash drive and clearly labeled with the RFP # and Proposer Name.

J. Evaluation of Bids

Award of the Request for Pricing shall be made to the proposer determined to be most advantageous to Metro based on Metro's analysis of pricing. The award is expected to be made on or about May 6, 2013.